

# SCBTII PROCEEDINGS

## FOSTERING INCLUSIVE DEVELOPMENT AND SUSTAINABILITY IN INDUSTRIAL REVOLUTION 4.0 THROUGH DIGITAL BUSINESS ECOSYSTEM

él Royale Hotel Bandung | Indonesia  
November 15<sup>th</sup>, 2018

University Partner



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# **Proceedings of International Conference on Sustainable Collaboration in Business, Technology, Information and Innovation (SCBTII)**

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## **PREFACE**

As a World-Class University, Telkom University has a responsibility to publish research papers. One of the efforts to fulfill this responsibility is by holding an academic conference as an event for discussion, dissemination and publication of academic research results. This proceeding is a publication that contains papers those were presented at The 9th International Conference on Sustainable Collaboration in Business, Technology, Information and Innovation 2018 (SCBTII 2018) which was held on November 15th, 2018 in El Royale Hotel Bandung.

This conference had two main sessions, i.e. plenary session and parallel session which were attended by around 110 participants. The plenary session consisted of a keynote speech that was delivered by Mr. Erik Meijer, The President Director of TelkomTelstra, and a panel discussion which featured some experts as the invited speakers, i.e. Professor Dr. Barbara Igel from Asian institute of Technology, Thailand; Associate Professor Dr. Sulfikar Amir from Nanyang Technological University, Singapore; Dr. Dodie Tricahyono, The Dean of Faculty of Economics and Business Telkom University; Dr. Andry Alamsyah, Big Data Scientist & Director of Digital Business Ecosystem Research Center Telkom University; and Dr. Adhi Prasetyo from Telkom University as the moderator of the panel discussion.

There were 67 papers presented in the parallel session of this conference coming from various universities and higher educational institutions from Indonesia, Netherlands, Malaysia, and Japan. Those papers had been reviewed by our respected reviewer team from various universities in Indonesia, Malaysia, Thailand, India, and Singapore.

SCBTII 2018 was successfully held under collaboration with some university partners, i.e. Faculty of Business & Economics Universitas Surabaya, Magister Manajemen Sekolah Tinggi Ilmu Ekonomi Ekuitas, Faculty of Economics Universitas Galuh, and Faculty of Economics Universitas Garut. This conference was also supported by Ikatan Sarjana Ekonomi Indonesia (ISEI) Cabang Bandung, Ikatan Akuntan Indonesia (IAI) Wilayah Jawa Barat, and Jurnal Manajemen Indonesia.

On behalf of the committee, I would deliver our gratitude to all distinguished speakers, authors, presenters, participants and sponsors for the successful event of SCBTII 2018.

Bandung, November 15<sup>th</sup>, 2018

**Dr. Astrie Krisnawati**

## **SEMINAR AND CONFERENCE INTRODUCTION**

The world is currently entering the era of the fourth industrial revolution which is often referred to the Industrial Revolution 4.0. To adapt with the new era, it is necessary to encourage various updates and betterments in all aspects of life. In this era, disruption becomes an inevitable thing. Thus, innovation absolutely needs to be done so as not being eroded by the rapid advances in this century. Along with the new era, a phenomenon called as disruptive innovation is currently coming up and creating various upheavals in the community. Disruptive innovation is a consequence of the presence of a transformation phase in the application of digital technology. Disruptive innovation can be shortly defined as an innovation creating the emergence of new markets that can also disrupt the existence and sustainability of existing markets due to new business cultures and models as the results of many changes in utilization of digital technology. Disruptive innovation causes significant changes in the social and economic life of society. There will be a lot of shifts due to the loss of various occupations that are replaced by technology.

On the other hand, the United Nations has determined Sustainable Development Goals (SDGs) containing seventeen development goals, including the goals of no poverty and reduced inequalities. The objectives are then set out in more detail as the inclusive and sustainable development that encourages economic growth to be able to alleviate poverty, reduce inequality, create jobs and provide a safe livelihood for the community. Thus, inclusive development can be defined as a development that provides equitable benefits for the entire community without any parties who are harmed by other parties.

Disruptive innovation and inclusive development at a glance look like two sides of conflicting things. However, both of them actually can go in accordance if all parties work hard, synergize, and support the collective commitment to find solutions to the existing problems. An innovation that can lead to the goodness is the one supported by a synergistic digital ecosystem. The ecosystem is a set of several components that work together in a system. Thus, the essence of a harmony between disruptive innovation and inclusive development is a solid synergy among all stakeholders to build a digital ecosystem.

The 9<sup>th</sup> Sustainable Collaboration in Business, Technology, Information and Innovation (SCBTII) 2018 is a forum that provides an opportunity for all stakeholders to discuss and convey ideas those are relevant to the current Industrial Revolution 4.0 era. This is an effort to achieve a synergy in the form of a solid digital ecosystem towards inclusive and sustainable development in accordance with the Penta Helix concept which includes five important components, namely government, private sector, social organizations, education, and citizens.

## PROCEEDINGS

### Proceedings of International Conference on Sustainable Collaboration in Business, Technology, Information and Innovation (SCBTII)

#### Speakers



#### Erik Meijer

CEO, Telkom Telstra, Indonesia | Invited Speaker for Keynote Speech  
topic: "Building Digital Business Ecosystem to Face Industrial  
Revolution 4.0"

Erik Meijer attended the International Business School in Groningen, Netherlands, and Middlesex Polytechnic/University in London, United Kingdom. Erik has also successfully completed an Executive Program on Marketing Telecommunications at INSEAD in France.

Mid 1993 Erik moved to Indonesia to support KPN's South East Asia office in the fields of Business Development, Public Relations and Marketing.

In 1995, Erik joined Indonesia's leading mobile telecom operator Telkomsel, working in various functions in the field of sales & marketing, with his last position Vice President Marketing & CRM. In June 2013 he was tasked by the Indonesian government to support the Indonesian flag-carrier airline Garuda Indonesia, which he joined as their Executive Vice President Marketing & Sales and member of the Board of Directors, until December 2014. Erik was also a Member of the Supervisory Board of Citilink, the low-cost carrier airline subsidiary of Garuda Indonesia.

Erik has been residing in Indonesia for the past 22 years. He has received several awards in the fields of Marketing and Public Relations. He was voted as Indonesia's Marketeer of the Year (Insan Pemasar Indonesia) 2006 by the Cakram Advertising Magazine, Creative Marketer 2007 by MIX Marketing Magazine, one of the Top-10 Figures in Indonesia's Technology Industry 2009 by TechLife magazine. Erik has also been awarded a Lifetime Achievement Award at the Indonesia Cellular Awards 2007.

## PROCEEDINGS

### Proceedings of International Conference on Sustainable Collaboration in Business, Technology, Information and Innovation (SCBTII)

#### Speakers



#### **Barbara Igel**

Professor, Asian Institute of Technology, Thailand | Invited Speaker for Panel Discussion topic: "Empowering Disruptive Innovation and Data Technology to Foster Inclusive Development and Sustainability"

Barbara Igel is a full professor at School of Management, Asian Institute of Technology, Thailand. Her expertise is Entrepreneurship, New-Tech Venture and Innovation Strategy. She received her doctoral degree from Freie Universitaet, Berlin (West) in 1989.

Current research topics is Business Model Innovation in Asian Venture, Disruptive Innovation in China and India, Social Entrepreneurship, and Entrepreneurship Education Models.



#### **Sulfikar Amir**

Associate Professor, Nanyang Technological University, Singapore | Invited Speaker for Panel Discussion topic: "Empowering Disruptive Innovation and Data Technology to Foster Inclusive Development and Sustainability"

Sulfikar Amir, Ph.D. is an Associate Professor of Science, Technology, and Society (STS) and a faculty member in Sociology Programme at the School of Social Sciences NTU. His research interests primarily focus on examining institutional, political, and epistemological dimensions of scientific knowledge and technological systems. He has conducted research on technological nationalism, development and globalisation, nuclear politics, risk and disaster, design studies, city and infrastructure, and resilience.

Sulfikar Amir is the author of "The Technological State in Indonesia: the Co-constitution of High Technology and Authoritarian Politics" (Routledge, 2012). His ongoing project examines hidden vulnerability leading to nuclear meltdown in the Fukushima nuclear disaster. He has developed a framework of sociotechnical resilience to assess the capacity of sociotechnical systems for responding to disruption and crisis.

## PROCEEDINGS

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#### Speakers



#### **Dodie Tricahyono**

Dean of Faculty of Economics and Business, Telkom University | Invited Speaker for Panel Discussion topic: "Empowering Disruptive Innovation and Data Technology to Foster Inclusive Development and Sustainability"

Dodie Tricahyono, Ph.D. is a Dean of Faculty of Economics and Business, Telkom University. He received his Ph.D. degree at Universiti Sains Malaysia in 2014. At Telkom University, he was a Head of Management Program Study during 2013-2014.



#### **Andry Alamsyah**

Big Data Scientist & Director of Digital Business Ecosystem Research Center Telkom University, Indonesia | Invited Speaker for Panel Discussion topic: "Empowering Disruptive Innovation and Data Technology to Foster Inclusive Development and Sustainability"

Dr. Andry Alamsyah, S.Si., M.Sc. is a Big Data Scientist and also Director of Digital Business Ecosystem Research Center Telkom University. His research interests primarily focus on Social Computing, Social Network, Complex Network/Network Science, Big Data, Data Science, Data Analytics, Graph Theory, Disruptive Innovation/Disruption Economy, Data Business, ICT Entrepreneurial Business, Media and Communication Studies.

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## SUPPLY CHAIN MANAGEMENT PRACTICES (SCMP) IN CIBADUYUT'S SHOE INDUSTRY

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### Abstract

Supply chain is all parties involved directly or indirectly to meet consumer orders. Supply chain management tells about how to make use of the core competencies of business partners and advanced resources to achieve organizational goals and integrate independent companies into one group in order to maximize benefits, improve effectiveness, reduce costs, and adapt to the fluctuation of business environments so that the performance can be improved. SCM's success depends on the success of supply chain practices because understanding and practicing supply chain management (SCM) has become an essential prerequisite for bearing up in a competitive market. More organizations are adopting SCMP in order to reduce costs, increase effectiveness and performance in SCs especially in developing countries. The purpose of this research is to illustrate how the application of supply chain management (SCMP) in the center of shoes industry in Cibaduyut. Validity and Reliability is done using SPSS and descriptive statistical analysis is applied for the method of analysis based on 30 respondents who are businessmen in Cibaduyut shoes industry center.

The results of measurement in this present study show Customer Relationship Management (SCMPCRP), Strategic Supplier Partnership (SCMPSSP), Information Sharing (SCMPIS), Information Quality (SCMPIQ), and Lean Reetailing Practices (SCMPLRP). The application of those variables are in the excellent category. The highest score is on the application of Customer Relationship Management (SCMPCRP) and the lowest score is on the application of Lean Reetailing Practices (SCMPLRP). The instrument in this study is useful for researchers who are interested in conducting research on SCMP or SCPM in various sectors since all measurements already have a valid and reliable instrument to evaluate the performance of SCM. However, this present research only discussed the application of supply chain management itself without looking into the effect on the measurement of the organization's performance.

**Keywords :** *SCM; Cibaduyut; SCMP*

## IMPLEMENTATION OF E-PROCUREMENT IN TELCO COMPANY

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### Abstract

An optimization to supply chain and procurement system management is fundamental for companies to develop a competitive business environment. The internet helps companies to implement e-procurement, a new way of how the activity of supply chain and procurement process being done, but a company culture is playing a big role on how the e-procurement succeed and the culture itself is defined by the company employees. The purpose of this research is to illustrate the effectiveness and the satisfaction value of e-procurement system on XYZ company. This research using statistic descriptive technique and measuring user satisfaction. The data used in this research in gathered by distributing questionnaire to 30 procurement division employees in XYZ company. And there are interviews to improve the validity of the survey.

The result shows, for overall e-procurement process in XYZ company is in very good category with the highest score in the user acceptance of e-procurement system. The lowest score is seen in the monitoring the performance of e-procurement system. Most user think that all dimension is the most important value to be implemented in the e-procurement system as top support management achieved the highest score and the lowest score was on user acceptance of e-procurement system value and monitoring the performance of e-procurement system value. According to the satisfaction post analysis, the overall response of the user is not all of them satisfied. The highest positive feedback is achieved by user acceptance of e-procurement system value, and the most negative feedback was achieved by the monitoring the performance of e-procurement system value.

**Keywords :** *E-Procurement, User Satisfaction, Peformance, Importance*



## HOW SUCI'S INDUSTRY TEXTILE INDUSTRY MANAGING THEIR SUPPLY CHAIN (SCMP)

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### Abstract

In improving industrial competitiveness is expected to apply supply management in its business activities. Supply chain management is a management technique that integrates suppliers, manufacturers, logistics, and customers to improve overall organizational and supply chain performance. In order to compete and achieve profitability, SCM seeks integration of internal and external corporate functions with enabling services. This study aims to describe the implementation of SCM at the Industrial T-shirt Center Bandung with involving 30 workers as respondents filling questionnaires. Research uses statistical analysis methods and interviews to respond to respondents' feedback.

The results show that the Supplier's Strategic Partnership (SSP), Customer Relationship (CR), Information Sharing (IS), Information Quality (IQ), Postponement (POS), and Agreed Vision and Goals (VIG) practices fall into very good categories with the average averages generated by Customer Relationship (CR) dimensions. For further research it is expected to use other dimensions, can be done on other objects with new situations and more sample quantities, and explore the impact of SCM practices on company performance.

**Keywords:** *Sentra Industri Kaos Suci Bandung, Supply Chain Management Practices (SCMP), descriptive statistical analysis*

## **PREDICTION FINANCIAL DISTRESS USING FINANCIAL RATIOS WITH DISCRIMINANT ANALYSIS AND REGRESSION LOGISTIC METHOD**

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### **Abstract**

The purpose of this study was to identify predictors of company's financial distress using financial ratios with analysis discriminant method and logistic regression analysis to reveal comparison predictions and accuracy. Financial ratios were used in this study are liquidity ratios, activity, leverage and profitability.

This study relies on 15 samples financial distress and 15 non financial distress of manufacturing companies listed on the Indonesia stock exchange during period 2007 - 2015. This ratios were analyzed using a statistical method known as discriminant analysis and regression logistics analysis to achieve the best of financial ratios that can distinguish between financial distress company and non financial distress company in one year, two years and three years before distress.

The result is logistic regression analysis was found have level's prediction accuracy more higher than discriminant analysis. Discriminant analysis and logistic regression analysis identified that current ratio, working capital to total assets ratio total asset turnover ratio and return on asset ratio are the most important as predictors.

***Keywords: financial distress; financial ratios; discriminan; logistic regression***

## DEVELOPMENT STRATEGY OF PLANTATION SUB SECTOR LISTED IN INDONESIA STOCK EXCHANGE TO ENHANCE COMPANIES' PERFORMANCE

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### Abstract

Plantation as integral part from Agriculture Sector is one of sector that has important and strategic role in the national development. The Plantation Sub Sector in its production has excellent potential. In fact, the Ministry of Agriculture said that the plantation sub-sector is one of the agricultural sub-sector that can increase the country's foreign exchange and absorb labor. However, the performance of Agriculture Sector showed poor and less attractive to the Investor. Therefore, the aim of this study is to know the influence of internal factors that are Return On Investment (ROI), Earnings Per Share (EPS), Dividend Per Share (DPS), Debt To Equity Ratio (DER) and external factors that are Inflation, Exchange Rate, and Interest Rate whether simultaneously and/or partially toward Stock Returns in Plantation Sub Sector. It also to formulize the strategy of Plantation Sub Sector Company in enhancing performance of Stock Returns. Company data, samples, annual reports and financial reports that used in this study as many as 11 companies from the Plantation Sub Sector listed in Indonesia Stock Exchange during the year 2012 – 2016. These data uses secondary data, with time series and cross section also using Panel Data Regression.

The result showed that internal factors (ROI, EPS, DPS, DER) and external factors (Inflation, Exchange Rate, and Interest Rate) simultaneously have a significant influence on Stock Returns. Meanwhile, only ROI and external factors (Inflation, Exchange Rate, and Interest Rate) partially have a significant influence on Stock Returns. ROI variable become a reference in creating strategy for Plantation Sub Sector Companies. From performance of ROI during research period, it will be obtained the category for each companies. Company category using quadrant matrix, which there are 4 quadrants. Each Quadrant will be resulted the strategy for company based on their performance in Annual Report regarding to enhance ROI values.

**Keywords:** ROI, EPS, DPS, DER, inflation, exchange rate, interest rate, strategy.

## **PROPOSED DIGITAL MARKETING STRATEGY FOR INDONESIAN POLITICAL CONSULTING: STUDY CASE OF LINGKARAN SURVEI INDONESIA**

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### **Abstract**

This study is concerning in political consulting business in Indonesia. The growing of marketing politics in this country has proliferated tumultuously, but not many literatures have examined this area from the business perspective. We have a good case from the pioneer and the biggest political consultant in Indonesia, which is Lingkaran Survei Indonesia (LSI Denny JA) who experienced a declining purchase action ratio (PAR) in the last semester. This study aims to discover the variable causes related to marketing sphere. With the era of digital marketing as well, this study tries to probe the case with Marketing 4.0 concept to review how digital marketing implemented in current political consulting industry. In addition to the main point of reference, the big question will also be answered using two approaches, which are internal analysis and external analysis. These approaches need to be done to find out in more detail whether there are other factors that affect the current situation, especially because the political system changes into concurrent elections. This research study found that the changes from externalities like political and law behavior, economic situation, and internet cause a significant role to decline the purchase action ratio. The new changes and challenges should be responded immediately by LSI Denny JA if it wants to sustain and survive the shifting market behavior.

***Keywords: digital marketing, LSI Denny JA, political consulting, political marketing***

# **POST MORTEM ANALYSIS TO ECONOMICALLY JUSTIFY AN EXPANSION OF FERRO NICKEL SMELTER IN NORTHERN MALUKU**

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## **Abstract**

Government of Indonesia strongly encourages nickel mining industries to build smelter since 2014. They issued regulations in order to realize it such as: Law No 9/2009, government regulation no 1 2014, Ministry of Energy and Mineral Resources (EMR) regulation no 1/2014. Government's intention is to increase value of natural resources for community and the nation as well. Private sectors are reluctant to build smelters. There are some reasons for them to do so such as intensive investment required, regulatory changing, and instability of investment conditions in Indonesia. They are seriously aware for economic return risk of smelter investment. World nickel demand is continue increasing. Compound Annual Growth Rate (CAGR) during the past ten years is  $\pm 5\%$ . Harita nickel is one of local company which initiate to build smelter. Harita invest a total of 428.7 Million USD to build smelter in North Mollusca. Harita has nickel reserve amounting 54.1 Million ton with 1.74% average grade. Harita's concession permit (IUP) is valid until 2030. This research will evaluate whether the project has value added to shareholders or not using Discounted Cash Flow Analysis. It will evaluate financial parameters and calculate cash flow of the project during 16 years assuming 13,500 USD per ton nickel prices and 12.01% cost of capital. Most of the data is sourcing from corporate Feasibility Study with some adjustment to actual data. Economic evaluation claimed the project will generate Net Present Value - NPV12.01% : 175.2 Million USD; Internal Rate of Return - IRR: 19.11%. And Profitability Index - PI: 0.34. All those parameters strongly indicate that this project will generate economic value added to shareholders.

**Key words:** Ferro Nickel Smelter, Economic Evaluation

# INDUSTRIAL FUTURE-SHAPING ON INFORMATION AND COMMUNICATION TECHNOLOGY FOR INDONESIA WITH TRANSFORMATIVE SCENARIO PLANNING APPROACHES

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## Abstract

The future of ICT industry in Indonesia is still full of uncertainties along with various issues emerging, such as coordination among stakeholders with their respective goals and interests, frequent regulatory changes, central government and local government policies, licensing, tariffs, human resources expertise, and many more. Furthermore, the problems on what approach will be used about the future, whether to accept what will happen and try to be able to adapt to it or prefer to challenge it and try to change it are the options that need to be concerned about.

If we decide to change it, any decision made by stakeholders who have the same desire to change will certainly result in different scenarios. This will sometimes lead to deadlocks and inconsistencies, which in turn making them realizes that change cannot be unilateral.

This research applies a combination of Transformative Scenario Planning method (Kahane, 2012) approach with Delphi Technique (Linstone, 1975), which is highly relies on a panel of experts (Dalkey, 1963). This panel of experts consists of several actors representing the stakeholders of the Indonesian ICT industry. Both stakeholders representing individuals and representing a particular institution have relevant knowledge and experience in one of their fields or sectors. Through literature studies, field observations and in-depth interviews with each stakeholder representation, the stakeholder understanding of each system, roles and perspectives are developed into several structured narrative plans of what they can do and will do to overcome the obstacles, to get unstuck, move forward and create change.

From the convening of a scenario team and constructing the four scenarios about what could happen in the future of the Indonesian ICT Industry, it results the conclusions to deal with the opportunities and challenges simulated by these four scenarios, namely "the Sovereignty", "the Umbrella", "the Prioritize", and "the King."

The purpose of this research after constructing the scenario is certainly to use this scenario to transform what could happen in and around the ICT industry in Indonesia. These scenarios are not ending of this research, but it must then be used to make a positive transformation as a very emergent recommendation.

Transformation is kind of a process, not a destination. Hopefully, this research becomes a guideline that can be discussed further by all stakeholders in the Indonesian ICT Industry for a better future. The consistency and attention of all stakeholders are very important in the implementation of this recommendation.

**Keywords:** Scenario Planning; Information and Communication Technology; Transformative Scenario Planning; Delphi Technique

# **INFLUENCE OF MOTIVATION AND COMPETENCY ON PERFORMANCE OF TELKOM EMPLOYEES DIRECTORATE HUMAN CAPITAL MANAGEMENT**

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## **Abstract**

Performance is the key to the sustainability of the existence of a company, this is because the performance shows the comparison between the results of activities (output) and the entire sacrifice (cost). Employees are expected to work well if have a high work motivation and adequate competence, expected employees can produce performance according to targets set by the company. With the achievement of high performance generated by each employee, it is expected that corporate or organizational goals can be achieved. This study aims to determine the Influence of Motivation and Competence on Employee Performance Telkom Directorate of Human Capital Management in accordance with the demands and business changes to realize Telkom's Vision To Be The King of Digital and Mission Telkom namely Lead Indonesian Digital Innovation and Globalization, to the Top 10 Market Capitalization Telco in Asia-Pacific by 2020. Data analysis technique in this research is path analysis using SPSS for windows version 23 software. The unit of analysis of this research is the overall sample of 53 Telkom employees Directorate of Human Capital Management. Data was collected using questionnaire containing 30 statements related to Motivation and Competence on Employee Performance Telkom Directorate of Human Capital Management. The result of descriptive analysis showed that the value of percentage of motivation variables included in high category, where the value of vigor variable equal to 75,86%, dedication variable equal to 77%, Competence variable entered very high category with percentage equal to 84%, and value of employee performance percentage also enter In a very high category of 83%. The result of lane analysis showed that partially motivation had no significant effect on employee performance and Competence had significant effect with direct influence of 64%.

***Keywords: motivation, competence, employee performance.***

## PURPOSE CONTENT CREATION FRAMEWORK TO INCREASE CONSUMER ENGAGEMENT ON SOCIAL MEDIA

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### Abstract

**Purpose** - A large amount of user-generated content is now freely available on social media sites. To increase their competitive advantage, companies need to monitor and analyze not only the customer generated content on their own social media sites, but also the content on their competitor's social media sites. By monitor and analyze the contents availables on social media, companies will able to generate their own contents to create better mass communication and eventually increase brand awareness of the companies to their customers. The purpose of this paper is to present a social media competitive analytics framework with natural language preprocessing, text mining and sentiment analysis techniques to analyze online customer and competitor's customer related to marketing communication on social media sites that can be use as guideline for marketing intelligence to create content on their companies.

**Design/Methodology/Approach** – The Authors conducted a literature review study of academics journal to extract and generate new knowledge of mass communication on social media from existing researchs that used big data technology to gain competitive intelligence on social media.

**Findings** – This study confirms that this proposed framework is sensible and useful in terms of big data technology and social media in a cohesive way to design a mass marketing communication system and its process.

**Keywords:** *Social media, text mining, sentiment analysis, business intelligence, competitive intelligence, competitive analytics.*



## **DIVERSIFICATION AND FINANCIAL DISTRESS IN BANKING INDUSTRY (EMPIRICAL STUDIES IN INDONESIA)**

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### **Abstract**

Financial distress especially at the Bank is something that should not be ignored, because if it continues, the impact can affect the economy of a country. The higher the concentration of an industry, the greater the power it has, so they can be more efficient and ultimately more profitable. This study assesses how the bank structure affects the bank's financial distress. Using the purposive sampling method and data of listed banks in the 2014-2017 period, the results of statistical tests with logistic regression showed that Return on Assets (ROA) is a determinant factor for bank financial distress in Indonesia. Banks in Indonesia also tend to be concentrated, which makes banks tend to be more efficient so as to avoid financial distress. This study also proves the validity of the SCP hypothesis and efficiency hypothesis.

***Keywords: Bank; Diversification; and Financial distress***

## MEASURING SMART BUILDING READINESS INDEX: A BANDUNG PERSPECTIVE

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### Abstract

The increased of Urbanization number in Indonesia makes government and the private parties continue developing the cities. One of the development is in building area, the government and the private parties have been collaborate in developing several buildings. The problem arises is the buildings that have been constructed contribute annual energy consumption by 40% of all total energy consumption, that cause huge operational cost. Therefore, it is expected that the buildings can be managed in a smart way in order to reduce the energy consumption and increase the convinience of the building. Smart building is one of the smart city dimensions that has been initiated by Indonesian government, including the government of Bandung City. This research aims to calculate Bandung City's smart building readiness index. There are two methods implemented in collecting data, namely descriptive and explorative method and data analytics. In descriptive method, the data were collected by conducting interviews and focus group discussion with 30 informants consisting of government, business people, experts, researchers and users or the society. The result reveals that the value of Bandung's smart building index is 64,39. This value shows that Bandung's smart building implementation is bad, need a lot of improvements, but still within the limits of fairness. The explorative method is done in the form of data retrieval using data analytic to understand people opinion regarding smart building in Bandung city. The result shows a very random data and no one specific discussion related with smart building, This indicate that the data analytics can not be used to analyze the opinion of people regarding smart building or people do not care yet regarding smart building in Bandung.

**Keywords:** *Smart city, Smart Building, Index of Readiness, Bandung, Indonesia*

## MEASURING SMART GOVERNANCE READINESS INDEX: A BANDUNG PERSPECTIVE

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### Abstract

Population growth in the city of Bandung has resulted an increase in problems that arise in people's lives, problems in government such as complicated bureaucracy make people reluctant to do the licensing process directly and prefer to use links or brokers. The concept of smart city is a solution to problems related to governance such as the accumulation of licensing and complicated bureaucracy. The Bandung City Government is continuing to implement the smart city concept, especially the smart governance. This effort is shown by listed the smart government program in the regional strategic plan. Bandung's government has put priority of public services in accordance with the laws and regulations, in order to realize the city vision and increase the general welfare. This study aims to determine the smart government index of Bandung city. Resource persons of this study are selected from quadruple helix area, namely government, business people, researchers and experts. The results of this study are the value of Bandung's smart governance index which is 69.41. This value shows that the implementation of Bandung's smart governance is bad, needs a lot of improvement, but still within reasonable limits

**Keywords:** Smart city, smart governance, Bandung, Indonesia.

## **BUSINESS INVESTMENT ANALYSIS FOR NEW COSMETICS BRAND OF PT ELCASTLE INDONESIA**

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### **Abstract**

Cosmetic and personal care market industry will expand at 7.2% CAGR for 2017-2020. The key success factors which driving the market are favourable growth in GDP and growing awareness of the value of cosmetic and personal care products. Given that fact, PT Elcastle Indonesia as one of distributor cosmetic packaging company would like to expand their business through new development in cosmetic product focusing on lip products and eye products. In order to understand that new business investment is feasible in the cosmetics market, the company assess business strategy analysis using market research analysis through survey, Porter's five forces analysis, Business Canvas, SWOT analysis and risk analysis. From the business strategy setting and risk management assessment, new business investment in cosmetic industry is feasible for PT Elcastle Indonesia. However, the Company has to focus in marketing strategy in order to compete with cosmetics industry.

***Keyword: Business Investment Analysis, Porter's Five Force Analysis, SWOT Analysis, Risk Assessments***

## **EVALUATION NEW E – BUSINESS PROCESS PERFORMANCE OF PT. POS INDONESIA USING E-SERVICE FLEXIBILITY AND CAC FRAMEWORK**

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### **Abstract**

PT Pos Indonesia is the one of the largest state own company in Indonesia. Until now Mail & Parcel are the largest portfolio of POS services Indonesia and followed by financial services. But in the last two years 2015 and 2016, Mail and parcel production decline 80% its contrast to data from research company that the parcel industry will have a 30% growth annually. As their main revenue 55% comes from mail and parcel, PT Pos Should make a new strategy to help this situation. The one of strategy PT Pos Indonesia is creating a new sub unit called O-Ranger. O-ranger is the one of their strategy to increase parcel production from collecting area. O-Ranger as the innovation from PT Pos Indonesia, is a pick up service which collect the parcel by come over to consumer. Consumer no need to go to counter for send their goods. The Question are, Is this new strategy already meets costumer demands or not? what should be improve for this new business process to meets costumer demands? To answer that question, there is an approaching methodology called E-Service Flexibility & CAC Framework. This method could evaluate the business process more accurate because this method based on digital platform so we can know what is the performance of this new strategy.

***Keywords : Strategic Management; Management of Innovation; E-service flexibility; CAC; Business Evaluation; Business Process; Business Performance***

## **THE INFLUENCE OF INDUSTRY ENVIRONMENT AND COMPANY ASSET ON STRATEGIC INNOVATION AND THE IMPLICATION ON BUSINESS VALUATION OF DIGITAL INDUSTRY IN INDONESIA**

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### **Abstract**

Today's value of Digital company overcome challenges from the products of the new digital and Over the Top (OTT) players that has become more integrated into customer's lifestyle. The new digital and OTT players potentially degrading the value of existing Digital companies. This will contribute to the unoptimized value of today's Digital companies that allegedly caused largely by Strategic Innovation aspect where has been the major capital of most digital players. This condition is also associated with the problems in the leveraging Company's Assets and strategy to adapt and align with Industry Environments as well. This study aims to assess the influence of the Industry Environment and Company Assets on Strategic Innovation and its implications on the Business Valuation of Digital industry in Indonesia. This research is conducted by using Quantitative Research approach. The unit of analysis is the Digital product companies in Indonesia, with the unit of observation is the management of the companies. Data collected through 200 samples. Structural Equation Modelling (SEM) is used as analytical and technical tool in this study. This research found Business Valuation of Digital Company in Indonesia is largely affected by the development of Strategic Innovation. Company Asset gives a greater influence in developing Strategic Innovation compares to Industry Environment. Company is now need a comprehensive strategy to leverage Company Asset to shape Strategic Innovation to maintain and grew the business value.

***Keywords : Industry Environment; Company Asset; Strategic Innovation; Business Valuation.***

## **THE ROLE OF MANAGEMENT STYLE OF OWNER OR MANAGER OF CULINARY SMES IN EMPLOYEE ENGAGEMENT THROUGH INTERNAL COMMUNICATION**

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### **Abstract**

Culinary business owners, especially those with small and medium-scale businesses, have entirely control over the company. Control of the owner of the company is very influential on all decisions regarding human resources in the company. Therefore, the owner or manager of SMEs management style influences the decision making in employee recruitment, human resource development, intrapersonal relationship and communication within the company. The purpose of this paper is to show the owner or manager of culinary SMEs influences to internal communication and its implication to employee engagement within the company. Qualitative research conducted, a total seven owner and one general manager of culinary SMEs in Bandung were interviewed. To collect data, the author conducted a semi-structured interview method. All interviews consist of 8 structured and recorded questions for transcription purposes. The findings of the study show that the management style of the owner or manager influences the internal communication within the company. The management style of the owner or manager influenced by the size of the company itself. Employee engagement could be achieved through internal communication, however, in the culinary business cannot be achieved fully only by the company's internal communication. Small business grasps employee engagement through informal communication with family-working culture and formal communication in medium business with team building and training.

**Keywords:** Employee engagement, Internal communication, Management style, SMEs

# **THE IMPLEMENTATION OF ANALYTIC HIERARCHY PROCESS TO IMPROVE DECISION MAKING PROCESS IN SELECTING BUSINESS PARTNER IN PT GARUDA INDONESIA (PERSERO) TBK CASE STUDY: SELECTION OF INFLIGHT WIFI PROVIDER FOR DOMESTIC FLIGHTS**

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## **Abstract**

To cope with intense competition in the region, Garuda Indonesia is providing internet wifi to some of its passenger and planning to add more to make the service available across the fleet. Apart from adding competitive advantage, the purpose of providing the service is to establish solid foundation for broadband based ancillary revenue. Asia Pacific region, airlines revenue from broadband access service is forecasted to be over \$5 billion by 2028. This huge amount of revenue pie also goes parallel with the massive penetration on uprising internet's users in Indonesia. Equipping dozens amount (+/- 70) of aircrafts with such service is considered as a big strategic planning for the company as it involves a lot of complexity. The business partner selection needs to go to a very thoroughly procurement process in order to select the best partner. Analytical Hierarchy Process is one of the best tool that Saaty introduced to accommodate such situations. With the help of pairwise comparison, users can translate various needs and judgements from different profession's perspective in the company into an agreed consensus that can accommodate all the requirements needed to determine the rank of importance for criteria and sub-criteria as the specifications to select the business partner for inflight wifi. Benefit, Opportunity, Cost and Risk was decided as the main drivers for selection, from which then translated into 11 sub-criterias (Satellite Capacity, Bandwidth Flexibility Model, Ancillary Revenue Platform, Revenue Share Scheme, Extended Partnership, Product Upgrade, Capital Expenditure, Operational Expense, Administration Expense, Product Maturity and Vendor's Portfolio. With the help of SuperDecisions software, all the contributing factors for selection then being calculated against each candidate's offer based to find out the winner for the procurement process of business partner for inflight wifi.

**Keywords :** inflight wifi, business partner selection, analytical hierarchy process



# EFFECT OF LIQUIDITY RATIO, LEVERAGE RATIO, PROFITABILITY RATIO, GROWTH OPPORTUNITIES, AND FIRM SIZE TO EARNING RESPONSE COEFFICIENT (STUDY IN GO PUBLIC TELEKOMMUNICATION COMPANIES IN INDONESIA STOCK EXCHANGE PERIOD 2011-2017)

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## Abstract

Globalization in economic field has resulted in controlled free competition, which means competition under WTO (World Trade Organization) regulations, including in telecommunications sector. One of the ways that a company can do to fill the capital needs is by offering shares to public (go public). Earnings response coefficient as a way to identifying and describing the different market reactions to earnings information.

The purpose of this study is to determine the development of liquidity ratio, leverage ratio, activity ratio, profitability ratio, growth opportunities, and firm size. In addition, this study also examines the effect of each variable of liquidity ratio, leverage ratio, activity ratio, profitability ratio, growth opportunities, and firm size of the earnings response coefficient either simultaneously or partially. This study use quantitative methods and descriptive verification research. population in this study are telecommunications companies listed on the Indonesia Stock Exchange (IDX) in 2011-2017. The sampling technique use purposive sampling method. Data analysis techniques performed by the data panel regression analysis using a common effect model, and hypotheses were tested using the F test and t test with a significance of 5%.

The results show simultaneously variable liquidity ratio, leverage ratio, profitability ratio, growth opportunities and firm size didn't have significant effect on earning response coefficient. The result of coefficient determination shows that dependent variable can be explained by independent variables of 12,14%. Partially, liquidity ratio, growth opportunities, and firm size have significant effect on earning response coefficient. While variable leverage ratio dan profitability ratio didn't have significant effect on earning response coefficient.

**Keywords:** liquidity ratio; leverage ratio; activity ratio; profitability ratio; growth opportunities; firm size; earning response coefficient

## **THE ANALYSIS OF FINANCIAL PERFORMANCE (A CASE STUDY ON THE GOVERNMENT OF INDONESIA)**

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### **Abstract**

This research aims to know the financial performance of Central Government of Indonesia. By looking at the financial reports of the Central Government during 6 (six) years from 2011 till 2016. The research methodology used is descriptive quantitative and qualitative analysis. The ratio that used to analysis the financial performance are the ratio efficiency of expenditure and effectiveness of revenue in the Central Government of Indonesia. As well as the analysis of Current ratio and the total debt to equity ratio. The results of this research are the central government has spent the expenditure less efficient and has effective in manage its revenues, as well as the current ratio the central government doest have ability to pay the short term debt. While the solvency ratio criteria less solvabel. From the results of this study are expected to provide feedback to stakeholders on the Central Government to be able to always improve the performance of the financial report of the Government with the hopefully of Indonesia Society prosperity.

**Keywords:** financial performance analysis, the Central Government, the Government of Indonesia;

## THE BUSINESS ECOSYSTEM FOR INDUSTRIAL REVOLUTION 4.0: A GAME THEORY APPROACH

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### **Abstract**

This study aims to examine the scenarios for better forecasting, condition monitoring, and respond to the unintended or unanticipated consequences of using the Industry 4.0. The game theory is adopted to understand the potential results from the intention to gain benefit from the Industry 4.0. The article argues that coordination failures among the players may spring from lack of confidence. The contribution of SMEs, consumers, and government in the industry 4.0, performance of each economic player plays a pivotal role, but none alone is sufficient for the sustainability performance of Industry 4.0 but no single player intends to take a risk. The narrow-minded “win-lose” attitudes among SMEs, consumers and government may occur in the Industry 4.0. The Industry may get support from the customers, if the SMEs creates value for consumers and provides tax to the government.

***Keywords: Industry 4.0; small and medium enterprises; game theory***

# INTERNAL AND EXTERNAL DETERMINANTS OF INDONESIAN FIRMS' PRODUCTIVITY: THE IMPORTANCE OF TRADE AND FOREIGN INVESTMENT

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## Abstract

This study examines the key internal and external factors of Indonesian firms' productivity. The internal factors cover material, labour, capital, and energy, whereas the external factors are foreign investment, export, and import. Applying the augmented Cobb-Douglas production function on 8,589 manufacturing firms within seven years period, the results show the significant influence of material, labour, capital, and energy, respectively, on the output productivity. Foreign investment, export, and import also have significant impacts on the output partially. The results are robust under four methods of analyses, namely Ordinary Least Squared (OLS), Generalized Least Squared (GLS), Maximum Likelihood (ML), and General Method of Moments (GMM).

**Keywords:** *Internal dan external factors, Firms' productivity, Indonesian firms, trade, foreign investment.*

## **EXAMINING PERFORMANCE MANAGEMENT SYSTEM IN INDUSTRIAL REVOLUTION 4.0: A STUDY AT RESEARCH AND DEVELOPMENT DIVISION OF AN INDONESIAN STATE-OWNED ENTERPRISE**

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### **Abstract**

The changing customer demands together with rapid technological changes in industrial revolution 4.0 have lead organizations, especially those dealing with research and development activities, to inculcate flexible culture. However, the performance management system (PMS), a formal and routine-based system, has been argued to be a hindrance to flexibility and innovation. Thus, PMS needs to be designed and used to enable proper control system while still facilitating flexibility and innovation in organization. As such, the aim of this paper is to explain how PMS is designed and adapted to be aligned with the flexible culture of the organization. A qualitative case study at a R&D division of an Indonesian state-owned enterprise was undertaken with the data gathered from interview with key organizational members and also from internal and external documents. The finding shows that the flexible culture at R&D division was created as a response to the environmental forces which leads to the adaptation in the design and use of the PMS. Consequently, there are two PMS at the R&D division: the formal PMS of the parent's company used for reporting purposes, and the informal adapted PMS aligned to the virtual organization structure of the R&D division. This informal PMS consists of project-based indicator with revolving targets used for senior manager's decision making and reward evaluation purposes.

***Keywords: Flexible culture, performance management system, research and development***

## INVESTMENT PROJECT ANALYSIS OF NEW PRODUCTION FACILITY AT A VACCINE MANUFACTURER

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### Abstract

PT BFM is one of the companies engaged in vaccine manufacturers. It has experienced a decline of sales revenue in 2016 by Rp 30.16 billion or by 1.29% from the previous year because of polio type 2 eradication initiated by the World Health Organization (WHO). Since polio vaccine export sales contribute the most to the company's net sales revenue, PT BFM must anticipate the increasingly eroded market of polio vaccine due to the global eradication program. Measles vaccine is a vaccine whose demand is forecasted to be still high because many countries in the world obligate their societies to be immunized with measles-based vaccines. The high demand for measles vaccine is utilized as a new revenue generator for the company, replacing the old revenue generator whose demand has dropped i.e. polio vaccine. However, the opportunity to maximize the sales is hindered by the limited capacity of existing measles bulk production facility. PT BFM would like to increase its capacity by investing in a new measles bulk production facility which is planned to be built either in modular-, concrete-, or steel-based construction. Thus, the main purposes of this research are to conduct an investment project analysis in order to find out the financial feasibility for each construction option, to select which construction is financially most feasible, and to determine the variables that greatly affect the investment returns.

In this study, Discounted Cash Flow (DCF) is used as a valuation method to estimate the attractiveness of investment opportunity. DCF method uses Free Cash Flow to The Firm (FCFF) projections and discounts them using a required discount rate, to arrive at present value estimates. Some decision parameters used are Payback Period (PBP), Net Present Value (NPV), and Internal Rate of Return (IRR). According to research explorations, all of the construction options are feasible to be executed, yet the most financially feasible option is concrete-based construction. It generates the NPV and IRR for Rp 258,107 million and 17.56%, respectively. While its payback period is 11.8 years. Sensitivity analysis reveals that the investment returns are highly sensitive to the changes of both sales price and Weighted Average Cost of Capital (WACC).

**Keywords:** Discounted Cash Flow; Financial Feasibility; Free Cash Flow to The Firm; Investment Project Analysis; New Production Facility

## THE ROLE OF INDEPENDENT DIRECTORS AND INDEPENDENT COMMISSIONERS IN PREVENTING EARNINGS MANAGEMENT

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### Abstract

Investors, banks and the government have an interest in the information reported by the company to make business decisions, but the company has the ability to make financial statements in accordance with the purposes of the manager by practicing earnings management. To prevent the occurrence of earnings management practices in the company, the role of independent directors and independent commissioners is needed to oversee the performance of managers in managing the company which has an impact on company performance.

This study uses a sample of 17 trade sub-sector companies listed on the Indonesia Stock Exchange in 2014 - 2015 so that this study uses the panel data method. The purpose of this study was to determine the effect of independent directors and independent commissioners on earnings management practices in the company.

The results of this study independent directors have a significant positive effect on earnings management and independent commissioners have no significant negative direction on earnings management. It is recommended for companies and regulators to add to the composition of independent directors and independent commissioners in the company

**Keywords :** *Earnings management, independent director, independent commissioner*

# **THE DEVELOPMENT MODEL OF DETECTION FRAUDULENT REVIEW: THE IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE (RESEARCH ON BPR AT PEKALONGAN REGENCY)**

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## **Abstract**

The losses caused by the fraud tend to experience increased every year. Association of Certified Fraud Examiner/ACFE (2014:27) revealed the banking and financial services industry ranks highest of the most frequent fraud. Many facts showed the company with bad governance gave tragic impact with the findings of the fraud that consists of: corruption, asset misappropriation, and financial statement fraud. This study attempted to develop a model to detect fraudulent indication of level of good corporate governance. Measured detection using the symptom and the red flags of fraud through the development triangle linked with good corporate government. Early detection and supervision attached (Fraud Control System) pressing potential fraud in financial reporting, asset management and corruption. This research will be divided into two years, where in the first year is done; (1) Identify the characteristics of the user community banking services in all regions of se ex Pekalongan Regency. (2) do the mapping community banking service users across the region se ex Pekalongan Regency. (3) Analyze the level of cheating that occurs in BPR in all regions of se ex karisidenan pekalongan. The research is already in line with the master plan and supporting University research Pancasakti Tegal 2014 – 2019 i.e. community development through increased media, models and learning methods based on a mastery of IPTEKS and manners sublime.

***Keywords: Fraud Triangle, Good Corporate Governance, Fraudulent Detectiion, Red Flags;***



## DEVELOPING VALUE PROPOSITION FOR ONLINE CATERING COMPANY

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### Abstract

Responding to the increasing trend of food delivery and the busy lifestyle of urban Indonesia consumer, players in this food delivery are arising and one of the new players is Eatever, an Indonesian food start-up offering an online platform that provide catering lunch and delivery service for Indonesia urban consumer. In contrast with the positive growth of food delivery market share, Eatever experience a declining sale from retail customer due to declining users.

This study evaluates external and internal condition as well as value proposition canvas to explore the issue. The finding shows that, on external factor, competitors among strategic groups provides four values which Eatever lack of. On internal factor and value proposition canvas, Eatever values that are built in product & services, pain reliever, and gain creators have not addressed customer emotional and social jobs, pains, and gains, which shown in the value proposition canvas.

This study design and propose new value proposition that address customer emotional and social jobs, pains, and gains as well as outperform the competition. Designing value proposition is conducted based on high value jobs, strategic group, and benchmarking. Based on value proposition design, this study proposed new value proposition for Eatever that are built on five new gain creators, which are 1) team lunch and sharing menu, 2) nutritious food ingredient, 3) fix & customized catering menu, 4) on demand menu, and 5) give tips/motivating message. These new gain creators can create customer social and emotional gains, thus address jobs related. It is expected to make Eatever outperform the competition as it fulfills 10 great value proposition criteria.

***Keywords: Food Delivery; Online Catering; Industry Analysis; Customer Profile; Competitor Analysis; Strategic Group; Business Model; Customer Value Proposition; Value Map; Value Proposition Canvas; Value Proposition Design.***

**CUSTOMER SATISFACTION  
NATIONAL HEALTH INSURANCE (JKN)  
(REVIEWED FROM MARKETING OF HEALTH SERVICES AND SERVICE  
QUALITY)**

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**Abstract**

This study uses a particular approach to the science of Economics Management Marketing Management. This type of research is descriptive and verifikatif, while the method of study is a survey study method. Analysis of the data analysis used descriptive analysis and multiple regression. The results showed: 1) service marketing mix at the Tasikmalaya City Clinic pretty good, 2) Quality of service at the Tasikmalaya City Clinic is good, 3) customer satisfaction at the Main University Medical Center Siliwang is good, 4) Based on statistical tests, marketing mix of services and quality of service either simultaneously or partially significant effect on customer satisfaction

***Keywords: Marketing Mix, Service Quality and Customer Satisfaction***

**THE INFLUENCE OF COMPETENCY AND MOTIVATION ON JOB  
SATISFACTION AND THE IMPACT ON EMPLOYEES PERFORMANCE IN  
FOREIGN COOPERATION MANAGEMENT  
(PENGELOLA KERJA SAMA LUAR NEGERI) IN WEST JAVA  
PROVINCIAL GOVERNMENT**

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**Abstract**

This study aims to obtain empirical evidence regarding "The Influence of Competency and Motivation on Job Satisfaction and The Impact on Employees Performance In Foreign Cooperation Management (Pengelola Kerja Sama Luar Negeri) in West Java Provincial Government". The results are expected to provide benefits for the West Java Provincial Government to improve employee performance based on the achievement of job satisfaction through motivating and developing the competency of its employees. The research method used is verification analysis. Data collection used was interviews using questionnaires accompanied by observation and literature techniques, sampling techniques using saturated sampling (sample jenuh). Data were analyzed using Path Analysis (*Path Analysis*). The results showed that each Competency and Motivation variable has an effect on Job Satisfaction both partially and simultaneously, and Job Satisfaction has an effect on Employee Performance. Partially, Motivation variable has more influence on Job Satisfaction than Competency variable.

**Keywords :** Competency ; Motivation ; Job Satisfaction ; Employee Performance ; Human Resource Management

## THE INFLUENCE OF ECO-LABEL, ECO-BRAND, ENVIRONMENTAL ADVERTISEMENT TOWARDS CONSUMER'S TRUST OF GREEN COSMETICS IN INDONESIA

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### Abstract

Global warming is a common issue raising various movements to save the environment, including in the world of beauty. Beauty products with high chemical content from large manufacturers are considered not environmentally friendly because the process of making pollute nature. The government continues to encourage the development of industry based on the sustainability of economic value, social inclusion and protection of the environment or known as green industry. Since 2014, has reached the consensus on SIH for 17 types of industries, but the cosmetics industry does not have the Green Industry Standard. This study aims to determine the influence of eco-label, eco-brand, environmental advertisement towards consumer's trust of green cosmetics products in Indonesia. The data collection method is distributing questionnaires to 400 respondents who have bought and used green cosmetics in Indonesia. Data processing research using IBM SPSS Statistics 23 with multiple linear regression analysis. The results showed that the variables of eco-label, eco-brand, environmental advertisement in explaining the variation of consumer's trust variable is 36.1% and the remaining 63.9% influenced by other factors outside the study. Eco-label and eco-brand have a partially significant influence towards consumer's trust of green cosmetics in Indonesia. Environmental advertisement does not have a partially significant influence towards consumer's trust of green cosmetics in Indonesia.

**Keywords :** *Eco-label, Eco-brand, Environmental Advertisement, Consumer's Trust, Green Cosmetics*

# **THE INFLUENCE OF GREEN BRAND AWARENESS, GREEN BRAND IMAGE, GREEN BRAND SATISFACTION, GREEN BRAND TRUST TOWARDS GREEN BRAND PREFERENCE (THE BODY SHOP, ORIFLAME, AND L'OCCITANE USERS IN INDONESIA)**

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## **Abstract**

From the mini survey conducted on 117 respondents conducted in West Java and Jakarta get the result that respondents are aware of the importance of choosing Green Cosmetic brand because it has eco label, the user is aware of the importance to choose the brand of Green Cosmetic and satisfied respondents choose brand Green Cosmetic and brand friendly the environment into consideration in choosing a cosmetic brand because it has eco label or environmentally friendly. This research aims to see the influence of green brand awareness, green brand image of green brand satisfaction, green brand trust to green brand preference. The population in this study is Green Cosmetic users in Indonesia. The sample in this research is 400 respondents. Data processing is done by using data analysis of Structural Equation Model-Partial Least Square. The result of this research is that Green Brand Image and Green Brand Satisfaction have significant effect to Green Brand Preference, while Green Brand Awareness and Green Brand Trust have no significant effect on Green Brand Preference. Green Brand Image, Green Brand Satisfaction, Green Brand Trust have significant effect on Green Brand Preference with moderate age, gender, income level effect.

***Keywords : Green Brand Awareness, Green Brand Image, Green Brand Satisfaction, Green Brand Trust, Green Brand Preference***

## INFLUENCE OF GREEN MARKETING TOOLS ON CONSUMER PURCHASING BEHAVIOR OF LED LIGHTS IN INDONESIA

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### Abstract

Electric lights have developed along with the threat of global warming caused by one of them, which is wasteful of energy. LED lights were introduced in Indonesia in 2012 and continue to experience an increase in the amount of consumption, LED lights began to be chosen by the public because they have various advantages including energy saving, environmental friendliness and brighter light. The purpose of this study is to find out how the influence of green marketing tools on consumer buying behavior in LED lighting products in Indonesia. Analysis of the data used is using descriptive analysis and multiple linear regression, in this study the respondents studied were 400 respondents. Based on the results of the study it can be concluded that the magnitude of the influence of green marketing tools affects the purchasing behavior of consumers is 41.5%, while the remaining 68.5% is influenced by other factors. Based on the results of the study, it is recommended that companies that sell LED lighting products make it easier for respondents to realize and recognize eco-label LED lights by enlarging the logo and providing more detailed information about eco-labels and strengthening brand information as environmentally friendly products that are more strong appeal for consumers.

**Keywords :** *Green Marketing Tools, Consumer Purchase Behavior, LED lamps, Multiple Linear Regression*

# **IMPACT OF BRAND AWARENESS, BRAND ASSOCIATION, PERCEIVED QUALITY, BRAND LOYALTY, AND AFTER SALES SERVICE IN BUILDING BRAND EQUITY (CASE ON YAMAHA HONDA AND KAWASAKI IN JAKARTA)**

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## **Abstract**

The use of motorized vehicles is increasing nowadays. Every year the number of motorized vehicles in Indonesia, especially motorbikes, has increased and DKI Jakarta is the region with the highest number of motorcycle in Indonesia. Honda, Yamaha and Kawasaki are the highest selling brands in Jakarta. This research aims to find out the impact of brand equity dimension (brand awareness, brand association, perceived quality, and brand loyalty) and after sales service to build brand equity of Honda, Yamaha, and Kawasaki company in Jakarta. This research was conducted using quantitative methods with a sample of 254 respondents. The data collected using a questionnaire and *Structural Equation Modelling* used as analytical method. As a result, Brand awareness has no significant effect while Perceived quality has a positive but not significant effect. Brand Association and Brand Loyalty, and After sales service have a positive and significant influence on overall brand equity on Honda, Yamaha and Kawasaki companies.

***Keywords : Brand equity, brand awareness, brand association, perceived quality, after sales service***

## **ENHANCING MARGINAL COMMUNITY WELFARE AROUND STAR HOTELS: A STUDY OF CORPORATE SOCIAL RESPONSIBILITY**

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### **Abstract**

Corporate Social Responsibility is a social care from a company to around neighborhood. This article describes how to enhance marginal community welfare around star hotels. This article was qualitative research. Object of this article is two famous hotels located in Surakarta. To collect data, the researcher employed observation, interview, and document analysis. Those data were validated by triangulation. Besides that, Miles and Huberman Model was also employed to analyze data. Based on the data findings, it shows that corporate social responsibility held by those star hotels are (1) the recent form to empower community based on the potential analysis, (2) very useful in order to enhance marginal community welfare and skill, (3) those communities have potential skills in art and making traditional snacks, and (4) there is a cooperate between management hotel and those communities. Therefore, it can be concluded that potential skill having by people living around KSPH is pambiwara art, while people living around PI hotel is making traditional snacks. Meanwhile, the empowerment model through CSR that is appropriate in this modern era is a training program which to empower the potential soft skills owned by local residents in the modern era enhance a local creativity.

***Keywords: Corporate Social Responsibility; Marginal Community; Star Hotel; and Welfare***



## QUALITY METRIC DESIGN AS A TOOL TO CONTROL THE QUALITY OF PROJECT

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### Abstract

One of the Internet Service deployment project stages is the Revitalization of Fiber Termination Management. The owner of the project had already given the contract to one of the vendor to carry out the whole project. However, during the monitoring & controlling phase there is a delay that cause 3 months extension. To overcome the situation, the owner is willing to create the guidance to minimize the rework activities that cause more exaggerating delay. So this study aims to perform the design of quality metrics using internal control methods in identifying possible errors in each work activity. In quality metric there is critical success criteria which is the standard of success of job activity. The analysis is done using Critical Path Method (CPM) to determine the priority of each work activity from the implementation result. So the analysis result can be used as lesson learned in the form of quality checklist templates that can be used in similar projects in the future. The result of this research is 84 out of 110 statements or equal to 76,36% statement of critical success criteria have been implemented. The remaining 26 out of 110 statements or 23,64% statement of critical success criteria is not yet implemented which is one of the reason the overrun schedule.

**Keywords:** *internal control, project, quality checklist, quality metric, control quality*

## **AN INNOVATION STRATEGY FOR PRODUCT INNOVATION: A CASE STUDY OF CILOK SAE**

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### **Abstract**

The culinary industry, is one part of the creative economy in Indonesia that has a great potential to be able to advance the Indonesian economy. There are huge potential of the culinary industry and high tourism in Bandung, In order to compete in Bandung that has very tight food business, Cilok Sae must have a difference with other products. Innovation is a fundamental part of organizational development. Innovation in business is not just about sophisticated technology. Innovation process in a business starts with product innovation. Product innovation does not always have to create a new product, but it can also improve the quality of the product that already sold by a company.

To do product innovation, this research is using innovation strategy steps adapted from Cooper and Edget (2010). This strategy starts from analyzing business issues, setting goals of innovation, analyzing business situations both in terms of industry analysis using Porter 5 Forces and company analysis using SWOT and TOWS, determining the arena of strategic focus with Ansoff matrix (2013), attack strategy, allocating resources by determining strategic bucket and strategic product, and strategy implementation. To support this research there are two data collection techniques: documentation and questionnaire.

The strategy taken by Cilok Sae based on research results is new variant by adding two new variants, new packaging by making packaging designs for new flavors and changing the use of plastic materials and stickers, advertising by using social media advertising, and sales promotion by using free samples and discounts.

**Keyword: innovation strategy; new variant; new packaging; advertising; sales promotion**

## STRATEGY FOR EMPOWERMENT OF BATIK SMES IN TASIKMALAYA CITY TO FACE INDUSTRIAL AGE 4.0

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### **Abstract**

The purpose of this study is to analyze the factors that become weaknesses in SMEs in the City of Tasikmalaya, and strategies for empowering SMEs in the City of Tasikmalaya so that they can be competitive in the industrial age 4.0. The research method uses a survey method with a qualitative approach. Data collection techniques by means of observation, interviews, documentation and literature study. Data analysis techniques used descriptive analysis techniques, which were carried out by describing the facts, findings and presenting them by providing sufficient understanding and explanation. The results showed that the Batik SMEs sector in the City of Tasikmlaya had not been able to improve competitiveness in the face of the 4.0 industry era because these SMEs faced several obstacles, namely minimal capital, limited human resources and lack of quality, lack of knowledge and technology utilization. For this reason, a strategy is needed to improve the competitiveness of Batik SMEs in Tasikmalaya City so that SMEs are ready to face the 4.0 industrial era, including utilizing SMEs credit facilities provided by state-owned banks, participating in CSR programs that assist in the development of corporate management strategies, training - training held by the government as well as the private sector or universities to train technical management skills of SMEs Batik management companies, Utilizing the latest technology such as computers, sophisticated mobile phones as well as the internet. As a basis for technology so that Batik SMEs in the City of Tasikmalaya can be competitive in the Industrial age 4.0.

***Keyword: Strategy for empowerment; SMEs; Industry 4.0***

## **ANALYSIS OF SHARIA FINANCE LITERACY RATE (STUDY ON UNDERGRADUATE AND POSTGRADUATE STUDENTS OF ECONOMICS AND BUSINESS FACULTY, TELKOM UNIVERSITY)**

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### **Abstrak**

Indonesia as the country with the biggest number of Muslims in the world, with 85% of its population embracing Islam, makes Indonesia a promising market for sharia finance. However, it is not balanced with the people's ability and knowledge on sharia finance. Based on the research on national sharia finance literacy conducted by Financial Service Authority, the level of sharia finance literacy of Indonesian people was only 11%. Students, both undergraduate and postgraduate, later will directly enter to be a part of the society that are expected to overcome economic problems and improve welfare by their financial management ability. However, different level of education taken may result in different level of financial literacy so it requires further research to investigate the difference of level of sharia financial literacy of undergraduate and postgraduate students. The study is included in quantitative research using descriptive analysis method. The data collection method used closed-ended questionnaire with ordinal scale. The object of the study done to the students of Management of Faculty of Economy and Business of Telkom University from 2 study program: MBTI (undergraduate program) and Magister Management (postgraduate program). This research is using Probability Sampling technique was 171 persons with criteria of level of financial literacy based on the study done by Chen and Volpe (1998). The measurement factors used in the study were Sharia Economy, Personal Finance, Sharia Banking, Sharia Insurance, Sharia Capital Market, Sharia Funding, and Pension Fund. The result of the study shows that the sharia financial literacy of postgraduate students was higher than that of undergraduate students (MBTI) with level of literacy 71.65% and 68.44% respectively and categorized as moderate.

***Keywords: Sharia Financial Literacy***

## **ANALYSIS OF FACTORS THAT AFFECT NET INITIAL RETURN (EMPIRICAL STUDY ON ALL COMPANIES LISTED THAT IPO IN INDONESIA STOCK EXCHANGE FOR THE PERIOD 2013 – 2017)**

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### **Abstract**

This study aims to explain how Price Earning Ratio, Offers, Underwriter's Reputation, and Net Initial Return and to know whether there is simultaneously and partially influence between Price Earning Ratio, Offers, and Underwriter's Reputation against Net Initial Return for all companies doing IPO in Indonesia Stock Exchange period 2013-2017.

Based on the results of the study, variable Price Earning Ratio (PER), Offers, Reputation of Underwriters simultaneously have a significant effect on Net Initial Return, where variable Price Earning Ratio (PER), Offers, Underwriter's Reputation can explain the effect on Net Initial Return of 9.58% and the remaining 90.42% is influenced by other factors outside the research variable. Partially, Underwriter's Reputation variable influences the Net Initial Return in a negative direction. Whereas, the Price Earning Ratio (PER) and Offers variables do not affect the Net Initial Return.

***Keywords : PER; Offer; Underwriter's Reputation; Net Initial Return.***

## **ANALYSIS AND PROPOSED SERVICE QUALITY IMPROVEMENT OF DIETPLUS BANDUNG**

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### **Abstract**

The trend of healthy lifestyle in Indonesia is increasing significantly. The fact certainly opens opportunities for Dietplus to offer facilities, services, and foods to support the healthy lifestyle for the community, especially in Bandung. The objectives of this research are to investigate the quality of services and find out the priority aspects for the improvement process of Dietplus. Another objectives of this research is to identify service quality preference based on customers demography (i.e gender, age, occupation). To achieve these objectives, this research uses the SERVQUAL method compiled by Parasuraman et al. From the findings on this research, almost all gap of dimension and attribute have a positive score. This condition shows if Dietplus still failed to meet its customer expectation, except T1, one of the attributes on the tangible dimension. This research also provide several priority recommendations for Dietplus to improve their service quality in according to the customer's gap and customer's expectation. The priority dimension for improvement are reliability, responsiveness, and empathy which consists of R4, R5, R6, RS7, RS8, RS9, E12 dan E13

***Keywords : Healthy catering , service quality, improvement, SERVQUAL***

## DIGITAL MARKETING MODEL OF FB ADS AND INSTAGRAM IN INCREASING SMES SALES VOLUME

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### Abstract

The purpose of this research is to find out how the digital marketing model using FB\_Ads and Instagram can increase the sales volume for micro businesses in Pamalayan village, sub-district. Cijeungjing Ciamis. This study uses Naturalistic Research Methods with a Qualitative data approach. The results of this study are the formation of a digital marketing model that is most suitable for SMEs which uses very low costs but can reach a market as wide as possible. The conclusion of this study is that the Digital Marketing Model of FB\_Ads and Instagram in Increasing Sales Volume For MSMEs must be done in an all-digital era, the FB\_Ads Marketing Model is easy to do by users even though they don't know much about information technology, FB\_Ads for SMEs is most suitable using page post engagement type (likes, share, comment) and Store visits. FB\_Ads can target markets (by region, gender, age, interest). While Instagram is the second most widely used social media because it is simple and easy to use, its success lies in the ability of users to use followers and targets that are targeted.

**Keywords:** *Digital Marketing Model, FB\_Ads, Instagram, Sales Volume, SMEs.*

## **IDENTIFYING FINANCIAL DISTRESS FIRMS : A CASE STUDY ON PROPERTY AND REAL ESTATE COMPANIES LISTED IN INDONESIAN STOCK EXCHANGE**

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### **Abstract**

The objective of this study is to investigate the simultaneous and partial effects between ratio of liquidity, leverage, profitability and sales growth to financial distress in property companies listed in Indonesian Stock Exchange in 2013-2017. Sampling technique used in this study is purposive sampling technique. Sample in this study is as many as 38 samples within 5 years; therefore, a total of 190 company samples were obtained. Technique of analysis used in this study is logistic regression analysis using application of SPSS 24.0.

Based on the research result, the ratio of liquidity, leverage, profitability and sales growth variables affect financial distress by 61.3%, and the rest of 38.7% is affected by other factors outside the research variables. Partially, liquidity variable has a positive effect to financial distress and profitability variable has a positive effect to financial distress. On the other hand, leverage variable proxied with sales growth has no effect to financial distress.

***Keywords: Liquidity; Leverage; Profitability; Sales Growth, and Financial Distress***



## MODEL OF ENTREPRENEURSHIP DEVELOPMENT IN SUSTAINABLE TOURISM

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### Abstract

**Purpose** - The sustainability of entrepreneurship in the tourism sector is very dependent on the process of synergy between tourism actors who have an orientation towards tourism sustainability. For this continuity, surely, a rail is needed in the form of a strategy that allows for the right direction. Thus, the aim of this paper is to develop a conceptual model for studying sustainable entrepreneurship in the tourism sector through the development of value creation strategies. **Methodology**. In the process of developing the model, the authors take an existing model which is then developed through analysis of literature that is considered to support the research objectives **Findings** - The proposed model provides a systematic and systematic view of entrepreneurial sustainability in the tourism sector and contains various levels of analysis through value creation strategies to maintain sustainability in tourism.

**Originality/value** - The suggested model is a step towards sustainable entrepreneurial measurement in tourism through a value creation strategy, so as to make a valuable contribution to future research design. This paper provides an important foundation for innovative, responsible and sustainable policymaking in the tourism sector

**Katakunci** : *Sustainable Entrepreneurship; Value Creation Strategy, Tourism.*

## CONQUERING ACCULTURATIVE STRESS IN FIRST-YEAR UNDERGRADUATE STUDENTS: CONCEPTUAL REVIEW

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### Abstract

During the first-year stage, students often encounter stressful process stemming from the difficulty of adaptation. The transition into a university environment has reflected numerous cultural incompatibilities has reflected high stressful conditions and unsuccessful adaptation. This life-events could express acculturative stress which interferes adaptation of the first-year student in an academic environment. This study reviews the attempt of conquering acculturative stress condition toward strengthening adaptability of first-year students. By integrating the extant literature in three major topics (ex: acculturative stress, coping strategy, and student adaptation), this study evaluates a conceptual model that shows how acculturative stress can response and manage changes within first-year stage capacity to adapt in academic and surrounded cultures. Based on the literature review process, coping strategy play as mediating factors between acculturative stress and adaptation. There are at least six moderating variables (emotional intelligent, spiritual intelligent, motivation, demographic, social support and personality) may differentiate the first-year student in managing acculturative stress toward adaptation The resulting variable is the most comprehensive of its kind to date. The research propositions pave the way for empirical testing.

***Keywords: acculturative stress, coping strategy, adaptation, first-year students, change management***

# **WEBSITE DESIGN QUALITY COMPONENTS AS TRUST AND SATISFACTION FORMERS AND ITS IMPLICATIONS FOR CONSUMER INTENTION AND BEHAVIOR: STUDY ON ONLINE TRAVEL AGENTS IN INDONESIA**

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## **Abstract**

The quality of the website is important as a way to understand whether the company has provided information and interaction for website users' satisfaction. Therefore, creating an effective website is very necessary to be loyal and maintain loyal customers. This study tries to continue some of the previous research efforts through empirical testing of modification models in the Indonesian context. This research was conducted quantitatively through descriptive research design, data is collected through online surveys with samples from Generation Y in Jabodetabek area. Hypothesis is tested using structural equation modeling (SEM) approach. From the results of this study, it can be concluded that the variables that have a positive and significant influence are; information design toward satisfaction, navigation and visual design toward trust, navigation and visual design toward satisfaction, satisfaction towards revisit attention, e-loyalty, and purchase behavior. While variables that have a negative and insignificant effect are information design toward trusts, and variables that have a negative but significant influence are trust variables toward revisit intention, e-loyalty, and purchase behavior.

***Keywords: Website Design Quality, Online Travel Agent, Consumer Behavior, Consumer Intention***

# **THE IMPACT OF DISCONFIRMATION AND INVOLVEMENT TOWARD HOPE AND REGRET, AND THEIR IMPLICATIONS ON CONTINUED USE OF APPLICATIONS: A STUDY ON GO-JEK PLATFORM**

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## **Abstract**

In this globalization era, the proliferation of features of application in our smartphones can be a double-edged sword, because on one hand, the application can have a positive impact on helping consumers everyday, but on the other hand, the application can also cause negative impact like regret. Research on regret has a view on the side of consumers and companies, and the implication for companies still have to be looked at more deeply. In addition, this study also seeks to expand the results of previous studies related to disconfirmation, involvement, hope, anticipated inaction regret, satisfaction, and continued IS use as driving factors of consumer behavior on the performance and benefits of smartphone applications that are being received. This research was conducted quantitatively through descriptive research design, data is collected through online surveys with samples from Generation Y in Jabodetabek area. Hypothesis is tested using structural equation modeling (SEM) approach. In Go-Jek Application, involvement is the driving factor of the positive attitude of consumers toward hope and anticipated inaction regret, and disconfirmation is the driving factor of the positive attitude of consumers toward only hope.

***Keywords: consumer behavior; disconfirmation; anticipated regret; continued IS use; mobile application***

## **VALUATION ANALYSIS FOR FAIR VALUE OF SHARES OF PT. GARUDA INDONESIA TBK. USING THE FREE CASH FLOW TO FIRM (FCFF) METHOD AND RELATIVE VALUATION METHOD**

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### **Abstract**

Economic Impact Research proves the travel and tourism industry is a booming business. The report also found that 2017 was a big year for the global travel and tourism sector as a whole, which grew 4.6 percent or 50 percent faster than the global economy as a whole, which experienced a growth rate of 3 percent in 2017. The growth of the industry affects the growth of users of air transportation services. It was seen by the increase in the number of air passengers in Indonesia average of the last 5 years at 8.47 percent. PT. Garuda Indonesia Tbk (GIAA) as one of the major airlines in Indonesia should enjoy the growth of flight service users. But the fact has not been matched by GIAA's stock performance in recent years. This research aims to value the fair value per share of GIAA as a comparison with prices in the market. This research is also intended to determine whether prices on the market are undervalued or overvalued. Information used in this research was in the form of secondary data of financial statement of GIAA, financial report of comparable companies, and stock prices of comparable companies. The analytical method used in determining the fair value of shares is Discounted Cash Flow (DCF) and Relative Valuation in three scenarios: optimist, moderate, and pessimist. DCF uses the Free Cash Flow to Firm (FCFF) approach. Relative Valuation Analysis begins by comparing similar companies in the same business field, choosing and determining multiple in accordance with the comparison company. Multiple used were: Price Earnings Ratio (PER), Price to Book Value (PBV), and Price to Sales Ratio (P/S).

***Keywords: Free Cash Flow to Firm, Relative Valuation, Price to Earning Ration, Price to Book Value, Garuda Indonesia***

## **STOCK VALUATION IN INDONESIA BANKING INDUSTRY USING DIVIDEND DISCOUNTED MODEL AND FREE CASH FLOW TO FIRM METHODS**

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### **Abstract**

The objective of this research is to value intrinsic value from four banks in Indonesia, those are BCA, BNI, BRI and BTN. These four banks have the highest stock price increment compared to stock market price increment from LQ45, Kompas100, Finance Sector, and Infobank15 index, in five years period from 2013 until 2018. We use two methods to do valuation of those four banks, namely Discounted Dividend Model (DDM) with single scheme and Free Cash Flow to Firm (FCFF) with three schemes. Those three schemes that will be used in FCFF methods are optimistic, moderate and pessimistic schemes, which are differentiated by each revenue growth. These three growths will provide options for the investors to match valuation results with the company financial condition. We use these two valuation methods so that we can compare which method will generate intrinsic value that approaching the market value. This research will calculate twenty intrinsic value from each bank, and those intrinsic value will be compared with market value. The proximity of intrinsic value and market value will be calculated with the delta or spread value between intrinsic and market value. We recommend to do valuation with the same banks with different valuation methods for the next research.

**Keyword : Valuation, Divident Discount Model , Free Cashflow to Firm, Stock Value, Stock Market**

# THE STRATEGY OF EMPOWERING SMES BY USING BUSINESS ECOSYSTEM APPROACH CASE STUDY AT COFFEE INDUSTRY IN TIMOR LESTE

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## Abstract

In order to reduce Timor-Leste's economic dependence on oil, coffee is expected as a substitute product or superior product that can be exported to increase foreign exchange. Timor-Leste is better known for the superiority of organic coffee. Timor-Leste's coffee has been exported to several countries in recent years through international coffee traders/exporters such as NCBA/CCT, Timor Global, Outspan Unipessoal Lda, and Parcic, or through national coffee trader which is ATT (Timor Alter trade). Alter Trade Timor (ATT) is one of the social enterprises established in 2008 that consists of 667 coffee farmers (which are SMEs) in Ermera District, Timor-Leste. The result of this study indicates that the coffee industry parties who interact in the coffee industry ecosystem include: coffee farmers, coffee traders (national and international), governments, research institutions, Chambers of Commerce and Industry Timor-Leste (CCI-TL), buyer (international and local market), media, investors, and also banks. By using Value Network Analysis (VNA), this study found the roles and transactions that describe the relationships between one actor and another and the transition of roles from one actor to another. In addition, the VNA analysis revealed direct and indirect transactions between all actors who play roles in the coffee industry.

**Keywords:** SMEs, Value Network Analysis, business ecosystem approach, coffee industry, Timor-Leste

# Cultural Dimension Analysis as an Antecedent to Internet Banking Adoption in Indonesia

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## Abstract

There are several reasons that underlie the interest of banks to implement information systems Internet Banking. One of them is the bank realized that the growth of Internet users in Indonesia took place very rapidly [1]. The aim of this study was to determine the effect inter construct that directly and indirectly affect the behavior of users in the use of internet banking by adopting a model UTAUT [2]. Sampling technique used is nonprobability sampling with the type of convenience sampling, in which a sample is taken by collecting information from members of the population who would gladly give it. Who are the customers of the bank Mandiri, BCA, BRI and BNI in Bandung Raya and Medan are using Internet banking may be respondents in this study by distributing questionnaires to be filled in the customers using internet banking. A total of 305 questionnaires processed from the two cities, Bandung and Medan. This study uses the method of analysis PLS (Partial Least Square) [3] with 2.0 SmartPLS program to test the causality in the model that has been proposed. The study found that Masculinity is a strong determinant affecting Utility Expectancy. Uncertainty avoidance is a strong determinant for influence trust and privacy. User satisfaction was found a strong influence on effort expectancy and utility expectancy. Utility expectancy as well as the most influential on Behavioural Intention.

**Keywords:** *culture, internet banking, UTAUT, Bandung and Medan, PLS*



## DEVELOPMENT HISTORY OF PUBLIC SECTOR FINANCIAL MANAGEMENT

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### **Abstract**

It cannot be denied that the public sector carries a large influence in a country. The development of the public sector has an impact on changes in the life of society and state in various aspects, such as social, cultural, political and economic. For this reason, the management of public sector organizations continues to improve, especially in the financial sector. Public sector organizations are entities that manage public funds. As time goes by, the public became increasingly concerned about public sector financial management. The requirement of the public to realize public sector financial management to be more transparent and accountable continue to be voiced. Therefore, on this occasion, the author aims to raise the historical theme of the development of public sector financial management through the study of literature.

***Keywords: Public Sector Organizations; Public Finance; Public Services; Public Sector Financial Management***

## MEASUREMENT OF PERSONAL PROJECT MANAGER COMPETENCE AS A MEDIA TO IMPROVE PROJECT SUCCESS

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### Abstract

The project manager is one of the factors that has a very important role in running the project. Until now, one of the success of the project is not independent of the role of a project manager. In this study, the project manager's personal competence was measured by using a framework from the Project Manager Competency Development Framework. Measurements are made by means of assessments carried out in 360 degrees. The project manager is assessed by the project team, superiors, and teamwork partners. Measurements were made in one of the major telecommunications companies in Bandung with a project value of up to billions. The company experienced a project failure that experienced delays many times in the past year. After the assessment is carried out, a competency analysis is conducted on the project manager and a self-assessment gap analysis of the respondents, the results of the research show that the competence of the project manager in the company is already good. This proves that project success is not always determined by the competence of a project manager.

***Keyword: assessment; project; competence; PMCDF; 360 degrees***

## **CAN SWALLOW'S NEST CONTRIBUTE GREATLY TO LOCAL OWN REVENUE? EVIDENCE ON ONE OF THE LOCAL GOVERNMENTS IN INDONESIA**

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### **Abstract**

Swallow nests are one of the efforts carried out by some people in Indonesia. For this effort, entrepreneurs are taxed by the local government. The swallow's nest tax is one of the sources of local tax and local own revenue. The purpose of this study was to analyze the amount of the contribution of swallow's nest tax to local revenue. The results show that the tax of swallow's nest contributes very low to the local own revenue.

***Keywords: regional tax; swallow nest tax; local own revenue.***

# **TOURISM POTENTIAL, PRODUCTIVITY OF SMALL AND MEDIUM ENTREPRISES (SMES) : IMPACT ON THE IMPLEMENTATION OF LABOR IN SOUTH GARUT, WEST JAVA, INDONESIA**

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## **Abstract**

Based on physiography, Garut regency could be clarified into 4 (four) strata, consist of the North Garut, Central Garut, Southwest Garut, and South Garut regions. The South Garut area is now a good road, and can be used. even the road can go back and forth by car for 4 hours from the city of Garut. Especially beach attractions that are charming and interesting to visit. This potential is the capital of the developing aspects of tourism and SME (small and medium enterprises) and also act as in employment. This study was conducted to examine the role of tourism and SME on employment in South Garut, West Java, Indonesia. The sample used 67 of the population of 210 SME. The dependent variable of this study is labor absorption while the independent variable is tourism and SME productivity. This study uses multiple linear regression analysis. The results showed that SME productivity and had a very significant influence on changes in labor in the SME variable. This study uses SPSS 23 and Microsoft Excel 2010 software.

***Keyword : Tourism, SMEs Productivity, labor absorption, South Garut***

## THE INFLUENCE OF BRAND EQUITY TOWARD INDONESIAN PREPAID SIM CARD CUSTOMERS' PURCHASE DECISION

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### Abstract

As the most popular prepaid SIM card in Indonesia, Simpati still has the majority of sales in Indonesia although its price of prepaid cards are more expensive than competitors' products. However customers still prefer prepaid cards Simpati and use prepaid cards Simpati. This study investigated the effect of brand equity in the purchasing decision of prepaid cards Simpati in Bandung. The purpose of this study was to determine and analyze how much influence brand equity consisting of brand awareness, brand association, perceived quality, and brand loyalty on consumer purchasing decisions in subscribing to prepaid cards Simpati. The method used is quantitative type of research is a descriptive study and causal. Sampling was done by sampling method with sub nonprobability sampling technique that is incidental sampling. Respondents were examined in this study of 100 people who are users of prepaid cards Simpati in Bandung. The results showed that the brand equity has significantly influence the purchase decision of prepaid cards Simpati in Bandung, with simultaneous influence of 60% while the rest of 40% influenced by other factors not described in this study and based on the partial test results known that brand equity has significantly influence the purchase decision of prepaid cards Simpati in Bandung, Indonesia.

**Keywords :** *Brand Equity, Brand Awareness, Brand Association, Perceived Quality, Brand Loyalty, Purchasing Decision*

## MODERN TAX ADMINISTRATION SYSTEM IN TAXPAYER COMPLIANCE

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### Abstract

This study aims to determine the effect of the implementation of a modern tax administration system on taxpayer compliance in the KPP Pratama Garut. The research method used is descriptive analysis method. With data collection techniques namely library research, field research through interviews and questionnaires distributed to WP OP are effective at the KPP Pratama Garut. The data analysis technique used is simple linear regression and the sample method used is simple random sampling. This study uses SPSS 23 and Microsoft Excel 2010 software. The results of this study indicate that the implementation of the modern tax administration system has a positive and significant effect on taxpayer compliance in the KPP Pratama Garut. The amount of influence given by the implementation of the modern tax administration system variable to taxpayer compliance is 6.4% while the remaining 93.6% is influenced by other factors not examined in the study.

**Keywords:** *Modern tax administration system, Taxpayer compliance.*

## HOW FAR WILL MARKET RISK AFFECT THE CREDIT RISK-MOVEMENT OF INDONESIAN BONDS?

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### Abstract

Credit risk can be calculated using the credit spreads in the measurement of additional yield rates to be taken into account. According to Rizal, et al. (2008), credit spreads rate it is a premium that compensates the risks faced by bond holders. During global crisis in 2008, risk of financial failure rapidly spread throughout the world, including Indonesia, as seen from the turmoils in capital market and money market. This case demands investors to be more thorough in assessing the credit risk of debt instruments. Besides credit risk, bonds are also strongly correlated to market risk through the macro economy of a nation (Bielecki & Kurtowski, 2002).

This study explored the influence of macroeconomic variables including interest rates, Rupiah exchange rate, and the return of the Composite Stock Price Index (IHSG) towards the bond credit spreads rate in Indonesia. The result of this study shows that the return of the IHSG did not have any significant influence on the credit spreads rate. However, the interest rates and Rupiah exchange rates had significant and positive influence on the credit spreads rate of both long-term and short-term bonds in Indonesia. The positive direction showed that when increases occurred in those two variables, the credit spreads rate of bonds would increase as well. Increases in the credit spreads rate of bonds indicated higher risk that investors would experience as stock issuers had more burden in fulfilling their obligations to the investors.

***Keywords: credit risk; credit spreads rate; market risk; interest rate; Rupiah exchange rate; return of the Composite Stock Price Index; Indonesian bond***

# THE LOCATION DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN INDONESIA: DOES REGIONAL CHARACTERISTICS AND INDUSTRY AGGLOMERATION MATTER?

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## Abstract

The important role of FDI in the economy has been widely discussed and it is not surprising that most countries including the ASEAN region such as Indonesia compete in attracting FDI. This has resulted in unequal distribution of FDI location across the country and in the provinces within countries. This study investigates the location determinants of FDI flow within Indonesia provinces using the regional data set from 2003 to 2014, in order to address two objectives (1) To investigate the FDI location pattern among the different provinces and across sectors in Indonesia, and (2) To examine the determinants of FDI location choice across the economic sector. The results show that FDI from Japan to Indonesia by sector has flowed to manufacturing (63.5%), services (34%), and primary sector (2.5%) and mainly invested in the Java island such as West Java, Jakarta, East Java, and Banten. The estimation results generally support the existing literature that agglomeration was among the most important determinants of the regional distribution of FDI in Indonesia. The province market size, wages, and infrastructure were also important considerations for Japanese FDI. However, evidence regarding of quality of labor was less consistent as a determinant of FDI flows.

**Keywords:** *FDI; Location choice; Industry Agglomeration; Regional Characteristics, Indonesian provinces*



## SERVICE EXCELLENCE AND SERVICE RECOVERY: THE IMPACTS ON CUSTOMER SATISFACTION AND LOYALTY

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### Abstract

Based on data from the Ministry of Trade of the Republic of Indonesia, service has the highest contribution, which reached 52% from 2010 – 2016. Transportation service is one of service industry having strategic roles in human life. The growth of transportation sector shows the direct economy growth thus this sector has a strategic role for national economy. The method implemented in this study is quantitative method with Structural Equation Modelling (SEM). The technique of data collection for primer data was interview and questionnaire. For sampling technique, this study implemented purposive sampling with 400 respondents. The result showed that *Service Excellence* (X1) and *Service Recovery* (X2) influenced simultaneously to *Satisfaction* (y), which gained  $0.506 = 50.6\%$ . Meanwhile, *Service Excellence* (X1), *Service Recovery* (X2) and *Customer Satisfaction* (Y) influenced simultaneously to *Customer Loyalty* (z), which gained  $0.831 = 83.1\%$ . The rest of 16.90% was influenced by other undefined factors.

**Keywords:** Service Excellence; Service Recovery; Customer Satisfaction; Customer Loyalty

## **STATE-OWNED ENTERPRISES AS THE DRIVING FORCE OF INDONESIAN ECONOMIC GROWTH: COMPARASION INDONESIAN AND JAPAN**

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### **Abstract**

Infrastructure development that is being promoted to encourage increased investment can be a measure of a country's economy. Measuring the good and bad economy of a country can be seen from handling the country's financial performance. State-owned enterprises (SOEs) are companies managed by the government that can be used as a benchmark for a country's financial performance. The performance of state-owned companies can attract investors if they are gradually positive. The aim of the study was to find out the financial performance of state-owned enterprises and to compare between state-owned infrastructure companies in Indonesia and Japan. Secondary data used in this study is the company's financial statements for 2014-2017. The object of research is the state-owned enterprise infrastructure sector in Indonesia and Japan. In analyzing financial performance, this study uses financial ratios and Wilcoxon Sign Rank Test. The results of this study can show the company's financial performance that has increased or decreased. To improve the performance of each company can compare with a better company.

***Keywords: State-owned Enterprise; Financial Performance; Comparison Country; Indonesia; Japan***

# **DOES CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE AFFECT STOCK RETURN? (AN EMPIRICAL STUDY IN INDONESIA CRUDE PETROLEUM AND NATURAL GAS INDUSTRY)**

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## **Abstract**

The Government of Republik Indonesia has enforced an obligation for oil and gas mining companies to carry out Corporate Social Responsibility (CSR) activities and disclose them in annual reports. In addition to complying with the obligation, disclosing CSR can also show a good image to the public that the company does not only pursue profit but also conducting sustainable development. CSR disclosure is expected to be one of the considerations of investors and potential investors in making a decision to choose the place of investment. Commonly, the more interested investors, the higher the stock price, thus the higher the stock return. It usually occurs when the disclosure information is released to the public. This study aims to determine whether CSR disclosure can affect stock return. The research was conducted in the oil and gas mining sub-sector of the Indonesia Stock Exchange (IDX) within 2013-2015. Applying panel data regression, the results of this study indicate that CSR disclosure has a significant positive effect on stock return with leverage and firm size as the control variables.

***Keywords: CSR disclosure, stock return, leverage, company size***

## **ENTREPRENEURSHIP EDUCATION, ENTREPRENEURIAL EXPERIENCES, AND CREATIVITY AFFECT ENTREPRENEURIAL INTENTION IN BUSINESS PROGRAM STUDENTS IN TELKOM UNIVERSITY**

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### **Abstract**

Entrepreneurs have been contributing a lot not only to the economics of a country but also creating many changes in people's life. Recently, entrepreneurship has become a topic that likely being discussed by academics, scholars, businessmen, and government in Indonesia. There have been so many studies about entrepreneurship in terms of personal characteristics, personal motivations, planned behaviours, etc. However, the factors which decide one's decision to start a venture still not completely found out. Therefore, the purpose of this study is to examine whether entrepreneurship education, entrepreneurial experiences, and creativity affect to entrepreneurial intention by using the descriptive qualitative method, multiple regression, ANOVA, and partial test. The results from 266 Business Administration students batch 2015 and 2016 in Telkom University found that entrepreneurship education is relevant in the desire of students to be entrepreneurs, while experience does not appear to be an important determinant. On the other hand, creativity highly influences students in pursuing entrepreneurial activities. Creativity is highly involved in entrepreneurial intention and students who have engaged in Entrepreneurship course had higher Intentions to start a new venture. Therefore, Business Administration Program needs to improve its entrepreneurship and Creativity & Innovation courses.

***Keywords: Entrepreneurship Education, Entrepreneurial Experiences, Creativity, Entrepreneurial Intention***

## RECOMMENDATION TO INCREASE POINT REWARD REDEMPTION IN ABC POIN CASE STUDY

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### Abstract

ABC Poin as a CRM program of ABC company must be improved to keep the customers satisfy and loyal so they do not move to other operators' product. According to ABC Poin in 2017, the ABC Poin spending of the customer was low with the percentage of 17,8%. On the other hand, the average ABC customers had churn for 9,77% from the active customers in 2017. The low spending on ABC *Poin* indicated that this program was not effective as CRM program of the company to maintain the relation with its customers and as the main strategy of ABC company to decrease customer's churn.

Through this research, the effect was measured by LoS (Length of Stay), tier, redeem frequency, merchant, and redeem target towards the participation of ABC Poin customers loyalty program based on the ABC Poin spending transaction history. Moreover, this research clustered the participant of ABC Poin customer's loyalty program to know the characteristics of each participant's cluster in this program as a recommendation for a strategy to improve ABC Poin spending.

The analysis technique used in this research was linear regression technique. Based on the analysis, it was known that the effect of Length of Stay, tie, redeem frequency, merchant and redeem target toward redeem percentage or the participation in the ABC Poin customer loyalty program showed a significant relationship. The evaluation model could be seen by the R square value of 0.794 which meant that the independent variable in the model was able to explain the percentage redeem variable of 79,4%, while the rest of 21,6% was explained by the variable outside the model.

By using Silhouette Index as evaluation tool in the clustering by using K-means, there were five optimal clusters with the index which reached 0.639. From the analysis with K-means clustering was resulted in the customer's characteristic of each from the 5 clusters. The strategy to increase ABC Poin spending was made concerning People, Process, and Technology. People meant that the professional service which gave personal touch to the customer and the awareness of ABC Point program. Process was about the improvement of merchant's business acquisition process and benefit differentiation business process from ABC Poin according to the customer's tier, while technology was regarding the usage of customer's data analytic so the company could make a targeted offering or campaign to the customer.

**Keywords:** Poin; Reward; Redemption; Linear Regression; Clustering; K-Means; Personalized Marketing.

## STRATEGIES TO INCREASE PURCHASE OF DATA PACKAGES FOR TELKOMSEL KARTUHALO CUSTOMERS

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### **Abstract**

The number of Telkomsel customers as of March 2018 is 196.3 million, which 105.8 million are customers with active user data categories. Based on data from Telkomsel, it can be seen that the majority of Telkomsel customer data usage is dominated for the use of Communication, Social, and Video. That Telkomsel can do Clustering based on customer behavior and make a combination of data packages that match with the characteristics of each group, it will make it a new breakthrough for Telkomsel to increase data package purchases.

The purpose of this study was to determine the characteristics of kartuHALO customers and determine the number of clusters that match with the characteristics obtained. Then determine the right strategy for Telkomsel to increase the purchase of data packages for KartuHalo customers

The theory approach used in this research is Marketing Mix, Pricing Strategy, Market Segmentation, Customer Behavior, and Personalized Marketing.

Data collection method is done by using kartuHalo customer population data along with pre-defined variables that have been determined based on expert opinions which are then tested for significant variables using the Random Forest algorithm. Then from the variables chosen based on ranking used for cluster formation with the K-Means method. Analysis and processing of data is done using SPSS modeler software

***Keywords: Clustering, K-Means, Personalized Marketing***

## **EFFECT OF CUSTOMER SATISFACTION, SWITCHING COST, VARIETY SEEKING, CUSTOMER VALUE ON TELKOMSEL CUSTOMER LOYALTY IN CIREBON DISTRICT**

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### **Abstract**

Telkomsel, which is one of the major telecommunications companies, has succeeded in controlling the cellular telecommunications industry in Indonesia. To increase customer loyalty, Telkomsel must provide good value to customers. Low loyalty is caused by several factors that are felt by customers from companies where they buy products/services. Telkomsel experienced a significant increase in customer transfers. The Length of Stay (LOS) category under 3 months describes a customer whose majority will churn. The purpose of this study was to determine the effect of customer satisfaction, switching cost, customer value, and variety seeking on the loyalty of Telkomsel customers.

The object used in this study is the customer of Telkomsel area Cirebon, the number of samples is 384 users. Data analysis in this study using Structural Equation Modeling (SEM) using the help of LISREL software. The results of the study state that customer satisfaction, switching costs, customer value have a direct influence on the loyalty of Telkomsel customers.

***Keywords: Customer Satisfaction, Switching Cost, Customer Value, Variety Seeking, Customer Loyalty, Telkomsel***

## THE IMPACT OF ACQUISITION ON FINANCIAL PERFORMANCES OF NON-FINANCIAL ACQUIRER COMPANIES

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### Abstract

This research is scrutinized the impact of acquisitions on the financial performance of the selected non-financial acquirer companies in Indonesia. The population of this study is 23 non-financial companies that were involved in acquisition during 2013-2015 based on Commission for the Supervision of Business Competition (KPPU) data. The paired Sample t-test shows that there was significant difference in DER, between pre and post acquisition. But there were no significant differences in CR, TATO, NPM and EPS between pre and post the acquisition.

***Key words: Acquisitions; acquirer companies; financial performance; financial ratios.***



## **ANALYSIS OF CONSUMER ENGAGEMENT IN TELKOMSEL FACEBOOK ACCOUNT: A CONTENT ANALYSIS**

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### **Abstract**

The high level of social media usage in society were used by most companies to communicate with their consumers. Telkomsel is one of the largest telecommunication company in Indonesia that used this beneficial social media to communicate and interact to their customer in this digital era. The existence of consumer engagement enables the occurrence of two-way communication between consumers with brands or companies so that mutual understanding for both parties occurred from this interaction. Consumer engagement in social media can be seen from the number of likes and share of the company's brand page in social media based on four dimensions of brand experience which are perceptual experience, social experience, epistemic experience, and embodied experience. This research studied how perceptual experience, social experience, epistemic experience, and embodied experience influenced consumer engagement in Telkomsel's Facebook account. Data collection method in this research is collect by taking data from brand post from account Facebook Telkomsel in November and October 2017 with the total number of brand post of 413 posts. Poisson regression are used to determine the influence of brand experience to customer engagement. Based on the results of data processing, it is found that that Perceptual, Epictemic, and Embodied Experience have a positive relationship on customer engagement in Telkomsel Facebook account. Meanwhile, Social experience did not contribute to customer engagement. Based on the results of this research, Telkomsel should pay more attention to manage in their facebook account content to improve brand experience for their costumers as it been founded that customer that have more experience also have higher engagement to company.

***Keyword: Content Analysis, Costumer Engagement, Facebook, Poisson Regression***

## COMPARISON OF CAPITAL ASSET PRICING MODEL (CAPM) AND MULTIFACTORS MODEL IN PREDICTING STOCK RETURNS

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### Abstract

Risk and returns are the two most important items to be considered by an investor in making the investment decision. Because of this importance, there are models that can be used in predicting stock returns. This study use Capital Asset Pricing Model (CAPM) and Multifactor model in predicting the returns of companies in the manufacturing sectors of the Indonesia Stock Exchange which are Astra International (ASII), Indofood Sukses Makmur (INDF), Kalbe Farma (KLBF), Holcim Indonesia (SMCB), and Semen Gresik (SMGR). Results shows that apart from the KLBF that cannot be predicted using the multifactor models because of the problem in using the multifactor model, the multifactor model outperform the CAPM in predicting the return of the other stocks

***Keywords: risk; return; Manufacturing sector; Capital Asset Pricing Model; Multifactor model***



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