



Proposed Business Strategy to Increase User Download and User Registered for “ABC” Application: A New PT XYZ Digital Touchpoint for MSME’s Customer

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ABSTRACT: Micro Small Medium Enterprises (MSMEs) have become one of Indonesia’s most significant contributions to economic growth. Based on data from the Ministry of Cooperatives and SMEs in March 2021, Micro Small Medium Enterprises (MSMEs) had contributed 61,07% of Indonesia’s Gross Domestic Bruto (GDP) or Rp 8.573,89 Billion. Per March 2021, the total of Micro Small Medium Enterprises (MSMEs) in Indonesia has reached 64,2 Million business entities and contributed more than 117 million Human Resources all over Indonesia. With these significant contributions to the Indonesian economy and to make MSME survive in the challenge of the digital era Indonesia Government made a program in 2021 called “MSME’s Go Digital, Go Global”, targeting 30 million MSMEs to go digital in 2024. PT XYZ as one of the digital companies in Indonesia launched a new Digital TouchPoint (DTP) named “ABC” as one of the ways to speed up internet penetration and make it accessible for every MSMEs, grabbing MSME’s market in Indonesia, and participating on succession Indonesian government program. As a new application, PT XYZ is facing a problem: the user download and user registration of “ABC” are still low; hence, PT XYZ needs new business strategies to increase user download and user registered. Several steps have been taken to propose new business strategies for PT XYZ. For gathering data and conducting a comprehensive external and internal analysis, questionnaires and in-depth interviews were done. VRIO Framework analysis and Internal Factor Evaluation (IFE) were used for internal factors analysis, and Porter’s Five-Forces and External Factor Evaluation (EFE) were used for external factors analysis. Diamond Strategy Formulation was used to formulate the proposed strategies to increase user download and user registered for “ABC”. The proposed strategies are divided into two kinds there is the short-term strategy which will be implemented and executed for one to three years, and the long-term strategy which will be implemented for three to more than five years to increase user download and user registered for “ABC”.

KEYWORDS: Business Strategy, Digital Touch Point Application, MSME.

1. INTRODUCTION

1.1 Background

Micro Small Medium Enterprises (MSMEs) has become one of Indonesia’s most significant contributions to economic growth. Based on data from the Ministry of Cooperatives and SMEs in March 2021, Micro Small Medium Enterprises (MSMEs) had contributed 61,07% of Indonesia’s Gross Domestic Bruto (GDP) or Rp 8.573,89 Billion. Per March 2021, the total of Micro Small Medium Enterprises (MSMEs) in Indonesia has reached 64,2 Million business entities and contributed more than 117 million Human Resources all over Indonesia. With these significant contributions to the Indonesian economy, Micro Small Medium Enterprises (MSMEs) growth has become the Indonesian government’s priority program. As businesses continue to shift towards digital, consumers in Indonesia are also in line with this condition. Catalyzed by the Covid-19 Pandemic in 2020, the shifting of customer behavior from offline to online is becoming even faster than before. A new report from the World Economic Forum (WEF) stated that by 2022 the digital economy would be responsible for 60% of the global economy GDP. With this condition, every company also must shift and adapt to the digital method to sell their product, and MSMEs are no exception to this situation. Aware of this situation and challenge, Indonesia Government made a program in 2021 called “MSME’s Go Digital, Go Global”, targeting 30 million MSMEs to go digital in 2024. PT XYZ is one of the largest telco and digital companies in Indonesia, feeling obligated to contribute to the succession of government programs on making MSMEs Go Digital with launched “ABC” Digital Touch Point application as one of the way to speed up internet penetration and make it accessible for every MSMEs.



Digital TouchPoint (DTP) is online interaction throughout the buying process activities between customers and a company, starting from learning about the product, making a purchase, and giving feedback about the product through online platforms. “ABC” is a Digital Touchpoint using web application (web-app) technology, where an application is accessed over a web or via HTTP; this is one of a way to make the application light and reduce device memory using (source: Technopedia.com), Through “ABC”, MSME’s customers can quickly check PT XYZ’s network availability in their area, can purchase the digital products available, monitor the delivery process in real time, and contact customer care. “ABC” was launched in November 2021 and has several flagship products: ABCNet (High-speed Internet), ABC POS (Point of Sales), and ABCPay (Digital payment). As a new application, “ABC” the current user download and registered is still relatively low), hence PT XYZ needs to find a proper Business Strategy to increase user download and user registered for “ABC”: PT XYZ New Digital Touch Point Application.

1.2 Research Aims and Objectives

Find a proper Business Strategy to increase user download and user registered for “ABC”: PT XYZ New Digital Touch Point Application

1.3 Literature Review

1.3.1 VRIO (Valuable, Rare, Imitable, Organized) Framework Analysis

VRIO Analysis is an internal analysis based on resource-based theory; the implementation of the VRIO framework itself was developed by Barney (Barney, 2001). VRIO analysis aims to identify resources and capabilities that may serve as a critical source of competitive advantage. VRIO analysis is one of the best ways to locate an organization’s benefits over the competition. VRIO Analysis Framework must provide answers regarding:

- o Value – Does PT XYZ offer a resource that adds value for customers? Can PT XYZ exploit opportunities with internal capability?

- o Rareness – Is PT XYZ controlling scarce resources or capabilities that are challenging to find for competitors?
- o Imitability – Is it difficult and expensive to imitate “ABC” and PT XYZ resources? o Organization – Does PT XYZ have organized management systems, processes, structures, and cultures to capitalize?

1.3.2 Internal Factor Evaluation (IFE) Matrix

Internal Factor Evaluation (IFE) Matrix summarizes and evaluates the major strength and weakness in the functional areas of business, and also provides a basis for identifying and evaluating relationships among those areas (Fred & Forest, 2016). After key internal factors have been listed, each needs to be weight from 0.0 (not important) to 1.0 (all-important) to each factor. All the factor need to be assigned rating to indicate whether the factor represents a major or minor weakness (major weakness assigned 1; minor weakness assigned 2) and major or minor strength (major strength assigned 4; minor strength assigned 3). Multiply each factor weight by the rating to determine weighted score for each factors. If the total weighted scores bellowed 2.5 it means organization are weak internally, and if the total weighted scores are significantly above 2.5 it indicates organizations are having a strong internal position.

1.3.3 Porter’s Five-Forces

The Five Forces model was founded by Harvard Business school professor Michael E. Porter. Porter’s Five Forces is a model for identifying and analysing five competitive forces that shape industries and help industries determine the industry’s strengths and weaknesses from those five competitive forces (Porter, 2008). The five competitive forces are: the threat of new entrants, the threat of substitute products and services, bargaining power of buyer, bargaining power of suppliers, and rivalry among existing players.

The threat of New Entrants

The threat of new entrants determines how hard a company can enter the competition in one industry. Hard or easy depends on the barrier of entry and how the new entrant reacted to this barrier. According to Porter (2008), There are seven significant entry barriers: customer switching cost, capital requirements, restrictive government policy, unequal access to distribution channels, incumbency advantages independent of size, supply-side economies of scale, and demand-side benefits of scale.

The Threat of Substitute Products and Services

The threat of substitute products and services explains the condition of how easy for the market to exchange to another player in the same industry.

Bargaining Power of Buyer

The bargaining power is the buyer’s ability to affect some factors in the products or services for the buyer to get the product or



service on the terms that they see fit. According to Porter (2008), the ability to decrease the price, the number of customers, the size of a customer order, switching cost, buyer's ability to substitute, and price sensitivity lie in customers' ability to determine how robust a robust the buyer is.

Bargaining Power of Suppliers

Bargaining power of suppliers means the supplier's ability to affect the product or service that one company provides. Suppliers can be considered powerful if the supplier group can threaten the industry; there is no substitute for them. The sector is heavily dependent on suppliers. If the industry changes, it will significantly affect the product and services (Porter, 2008).

Rivalry among Existing players

Rivalry among existing players has some familiar forms, such as price war, advertising campaigns, and service improvement. According to Porter (2008), the intensity of this rivalry can be seen if competitors are numerous, exit barriers are high, and the condition where rivals are highly committed to the business and have an aspiration for leadership.

1.3.4 External Factor Evaluation (IFE) Matrix

The External Factor Evaluation (EFE) Matrix is summarized and evaluated economic, social, cultural, demographic, environmental, political, legal, technological, and competitive information (Fred & Forest, 2016). After key internal factors have been listed, it needs to be weight from 0.0 (not important) to 1.0 (all-important) for each factor. All the factor need to be rated between 1 and 4 to indicate how effectively the firm's current strategies respond to the factor (4= the response is superior, 3 = the response is above average, 2 = the response is average, and 1 = the response is poor). Multiply each factor's weight by the rating to determine the weighted score for each factors. The highest possible total weighted score for an organization is 4.0 indicates an organization is giving outstanding responses to existing opportunities and threats; the lowest possible total weighted score is 1.0 indicates an organization's strategies are not capitalizing on opportunities or avoiding existing threats, and the average total score is 2.5 indicates an organization already giving response towards existing opportunities and threats but still need some improvement.

1.3.5 Diamond Strategy Formulation

Diamond Strategy Formulation is one of the business strategy formulations used to analyze, integrate, and communicate business strategy found by Don Hambrick and Jim Fredrickson (2001). Diamond Strategy has five components that need to be answered. Based on Hambrick and Fredrickson, if a company can answer all five questions means the company has a solid strategy. The five components are **Arenas, Vehicles, Differentiation, Staging and Pacing, and Economic Logic**.

Arenas: The arena is the most fundamental choice in formulating the Diamond Strategy Framework. Arena formulation has to answer "Where will we be active?" and the answer has to be as detailed as possible to give the organization a solid recommendation (Don Hambrick and Jim Fredrickson, 2001).

Vehicle: After formulating the arena, the organization has to decide on the "Vehicle" component by answering the question, "How will the organization get there?" (Don Hambrick and Jim Fredrickson, 2001). There are few choices on how the organization gets to the arena by internal development, joint ventures with another organization, licensing / franchising, alliances, and acquisitions.

Differentiation: After the organization decides where it will want to be active and how the organization gets there, the organization has to determine how the organization will win in the market (Don Hambrick and Jim Fredrickson, 2001). The organization must have a specific action to make it superior to its competitors.

Staging and Pacing: Staging and pacing are about the speed and sequence of big moves driven by urgency, resources, the pursuit of early wins, and the achievement of credibility (Don Hambrick and Jim Fredrickson, 2001). It is better to complete a simple strategy component before undertaking more difficult or new initiatives.

Economy Logic: Economic logic is how the organization can generate profit beyond the organization's cost of capital—and not limited by gains but profits beyond the organization's cost of capital (Don Hambrick and Jim Fredrickson, 2001).

2. METHODOLOGY

2.1 VRIO (Valuable, Rare, Imitable, Organized) Framework Analysis

A VRIO analysis on PT XYZ will be classified into two resources: Intangible and Tangible. Based on interviews with the experts in PT XYZ and people related directly to "ABC" development, the analysis of Intangible and Tangible resources and the classification of every resource are presented on Table 1 Below.



Table 1. “ABC” VRIO Framework Analysis

	Resources	V	R	I	O	Classification
Intangible	Network with government	v	v	v	v	Sustained competitive advantages
	Brand Reputation	v	v	v	v	Sustained competitive advantages
	Customer Relationship	v	v	v	-	Unused Competitive Advantage
	User Experiences (UX)	v	v	v	-	Unused Competitive Advantage
	User Interface (UI)	v	v	v	-	Unused Competitive Advantage
Tangible	Capital and financing	v	v	v	-	Unused Competitive Advantage
	Labor	v	v	-	-	Temporary Competitive Advantage
	Infrastructure	v	v	v	v	Sustained competitive advantages
	Technological Resources	v	v	v	-	Unused Competitive Advantage

2.2 The Internal Factor Evaluation (IFE) Matrix

The Internal Factor Evaluation (IFE) Matrix showed below it reveals that the two most important factors are “PT XYZ has infrastructure in all over Indonesia” and “ABC” is Web-apps based making the apps light and not consuming too much of devices memory. PT XYZ and “ABC” have major problems on “promotion still not widespread and optimized yet” affecting MSMEs still never heard of the application and “Not Single Sign On when MSMEs want to access the digital products inside the application” and making MSMEs have to always keep input their login. Overall, the total weighted score is 2,78 indicating that PT XYZ and “ABC” are having strong internal position, but there still some improvement required to do.

Table 2. Internal Factor Evaluation (IFE) Matrix

Key Internal Factors	Weight	Rating	Weighted Score
Strength			
1 PT XYZ have closer network to the government (both central and local)	0,05	3	0,15
2 PT XYZ has infrastructure in all over Indonesia	0,11	4	0,44
3 PT XYZ is part of PT XYZ Indonesia and carrying PT XYZ brand	0,07	4	0,28
4 Strong capital and finance	0,06	4	0,24
5 Closer with customers in all over Indonesia since PT XYZ have representative in 61 offices in all over areas in Indonesia	0,03	3	0,09
6 The first Digital Touch Point (DTP) for MSMEs	0,04	3	0,12
7 "ABC" is Web-apps based making the apps light and not consuming too much of devices memory	0,10	4	0,4



8	shorten the business process so MSME's can enjoy the services faster than usual	0,08	4	0,32
Weakness				
1	political situation affect strongly towards PT XYZ	0,09	1	0,09
2	PT XYZ have closer network to the government (both central and local)	0,07	2	0,14
3	Promotion of "ABC" is not widespread and optimized yet	0,05	1	0,05
4	PT XYZ sales representative is not dedicated for "ABC" only but all of PT XYZ solution	0,06	2	0,12
5	Not Single Sign On when MSMEs want to access one digital product, even after login to "ABC"	0,04	1	0,04
6	limited creativity on User Interface (UI) since PT XYZ part of SOE	0,07	2	0,14
7	Not available on IOS	0,08	2	0,16
Total		1,00		2,78

2.3 Porter's Five-Forces

The threat of New Entrants (low)

PT XYZ is one of the players in the telecommunication industry for MSMEs in Indonesia through one of PT XYZ's flagship products – ABCNet. There are a few other significant players in this market, such as Indosat, XL, Biznet, etc. The Indonesian government still plays a substantial part in restricting new entries. Indonesian government re-open licensing for Interconnection Service Provider (ISP) on 4 September 2022 (source: Ministry of Communication and Information) with many requirements which require enormous capital to submit the licensing for new ISP in Indonesia and join the market. With the high money and restrictive government policy, the threat of new entrants in the telecommunication industry for MSMEs is low.

The Threat of Substitute Products and Services (Medium)

ABCNet is a high-speed internet product from PT XYZ specializing in fulfilling MSMEs needed for High-Speed Internet. There are few other players in this market, so customers have other choices. In Jabodetabek's (Jakarta, Bogor, Depok, Tangerang, Bekasi) area, the competition is very fierce, where every provider has a price war to win a project. But, PT XYZ Fiber Optic network infrastructure covers all over Indonesia areas. In other areas (especially outside Java Island), the competition is not as fierce as in Java Island, and even in some areas, PT XYZ has become the only provider. With this situation, the threat of substitute products and services for PT XYZ is considered **medium**.

Bargaining Power of Buyer (Medium)

When dealing with a business customer, the company will get more oversized orders, but the company will have to adjust to their business customer requirements. This is also happening for PT XYZ; PT XYZ also has some discount policies or adding value for MSME; hence PT XYZ can win the projects. But, PT XYZ also has some consideration to decrease price (discount) or give extra weight to MSMEs based on how big the project is and the needed level of the MSMEs towards PT XYZ product or service, making not all of the MSMEs requests will be accepted. With this situation, the buyer's bargaining power on PT XYZ is considered **medium**.



Bargaining Power of Suppliers (Low)

PT XYZ has several flagship products: ABCNet, ABCPay, and ABC POS. To provide all these products and services, PT XYZ is having strong resources both from skilled human resources and financial resources. Hence, the options for suppliers that PT XYZ can ask to join and collaborate with, the bargaining power of suppliers for PT XYZ can be considered **low**.

Rivalry among Existing players (High)

The rivalry among existing players in the MSMEs market for PT XYZ is considered **high**. Even though the competitor is limited, the exit barriers are high. And all the current competitor is aiming to give a better option in terms of price or added value for MSMEs, which makes the competition between existing players high.

2.4 The External Factor Evaluation (IFE) Matrix

The External Factor Evaluation (EFE) Matrix shown above reveals that the most important factor PT XYZ being successful in the business is “Covid-19 pandemic making every companies try to cut cost with adapting newest technologies (application to support their business)” with weight 0,15. Another factor that PT XYZ need to give more attention is “MSMEs profiling data is still hard to get”. The total weighted score is 2,81; it means PT XYZ is above average (midpoint) and doing good on taking advantage of the external opportunities and avoiding threats, but there still some improvement required to do to achieved the highest weighted score (4.0).

Table 3. External Factor Evaluation (IFE) Matrix

Key External Factors	Weight	Rating	Weighted Score
Opportunities			
1 Government program "MSMEs Go Digital, Go Global" targeting 30 million MSMEs on 2024	0,09	4	0,36
2 "ABCNet" (PT XYZ' High-speed internet product) is the market leader in MSMEs	0,04	3	0,12
3 Indonesia have more than 64,2 million MSMEs and most of them already aware of the benefit on being digital	0,11	3	0,33
4 Covid-19 pandemic making every companies try to cut cost with adapting newest technologies (application to support their business)	0,15	4	0,6
5 The increase of fixed broadband internet users in Indonesia from 8,8 Million users in 2018 to 11,7 million users in 2020 (33% increase) (source: data.worldbank)	0,12	2	0,24
6 On ABC MSMEs can find all the information about digital products that they might need	0,13	3	0,39



Threats				
1	Other existing providers will join and grab MSMEs market	0,08	2	0,16
2	MSMEs profiling data is still hard to get	0,09	4	0,36
3	Price war between existing providers	0,06	2	0,12
4	government policies that might change and affecting both PT XYZ and MSME's	0,13	1	0,13
Total		1,00		2,81

2.5 Diamond Strategy Formulation

Diamond Strategy has five components that need to be answered: Arenas, Vehicles, Differentiation, Staging and Pacing, and Economic Logic. And if a company can answer all five questions means the company has a solid strategy. The five components Following is the Diamond Strategy concern question regarding “ABC” and PT XYZ based on Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) that had been done.

1. Arena

Arena formulation has to answer “Where will we be active?” and the answer has to be as detailed as possible to give the organization a solid recommendation. For “ABC” application, the author recommends PT XYZ to the following three focus arena :

- High-Speed Internet (ABCNet)

To be digital, the first thing that every MSME has to have is a connection, and to do a business, it is crucial to have a stable and reliable network. To have a more stable and reliable network, fixed broadband is the answer that MSME needs. PT XYZ has ABCNet as a fixed broadband internet. ABCNet is specialized and made to provide a stable and reliable network for MSMEs to do business with variable bandwidth that MSMEs can choose based on their need, starting from 30 Mbps to 300 Mbps. And based on Internal Factor Evaluation (IFE) that had been above, PT XYZ's strongest strength is having the infrastructure in all over Indonesia.

- Digital Product

After MSMEs have a stable and reliable network using fixed broadband internet, MSMEs can focus on making their operations more effective and efficient through a digital product. A digital product is a software-enabled product or service that offers some form of utility to a human being. The customer can easily use it even with minimum or without face-to-face training. “ABC” is already on the right track on having Digital products as their flagship product, such as “ABCPOS” and “ABC Pay” where all the MSMEs can easily subscribe, and the product will be ready to use just in hours.

- Add-on services to support MSMEs needed.

Since one of the objectives of “ABC” is to help MSMEs digitalize their business, PT XYZ also has to understand what other factors MSMEs need to be digital. Based on Indonesia's Minister of Trade, three core issues of MSMEs are lack of knowledge, lack of networking, and lack of funding. With add-on services, PT XYZ can provide training for MSMEs towards one of feature inside “ABC” application which is “ABC-Event”. PT XYZ also can hold an offline event for the “ABC - Event,” where MSMEs can do networking through the event. And PT XYZ also can do a strategic collaboration with fintech or banking to provide funding for MSMEs towards “ABC” apps. With providing MSMEs needed, MSMEs will be more than want to use “ABC, and it will give directed impact toward users download and user registered on “ABC” application.

2. Vehicles

After formulating the arena, the organization has to decide on the “Vehicle” component by answering the question, “How will the organization get there?”. There are few choices on how the organization gets to the arena by internal development, joint



ventures with another organization, licensing / franchising, alliances, and acquisitions. For “ABC,” the author recommends Vehicles for PT XYZ as follows:

- Application Enhancement and Development

According to Internal Factor Evaluation (IFE) that have been done before, the biggest challenge for “ABC” is “ABC” still not single sign-on. Hence, users must keep re-login every time they want to access one product or solution inside the app even though they have already logged in. For the short term and to solve this challenge, PT XYZ has to develop the application and integrate from one product to another inside the application so that the user doesn’t have to keep re-login in the application. This improvement in User Interface (UI) will affect UX (User Experience) in using “ABC.” With a good UI and UX, “ABC” users will promote the application to other MSMEs.

For a long-term vehicle strategy, PT XYZ must prepare the application infrastructure both for the back-end and the front-end. Back-end infrastructure is crucial to ensure “ABC” is ready to be accessed by many crowds simultaneously (Concurrent hit) as necessary as the front-end. The server used for the application has to be big enough to handle a lot of concurrent hits. A good support backend in the application also will make the application easy to connect to and improve the User Experience.

- Strategic Partnership

According to Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE), another challenge for “ABC” is how the application still not spread yet, and MSMEs are still not familiar and never heard of “ABC.” To overcome this, PT XYZ must collaborate strategically with other institutions targeting MSMEs. The strategic partnership can be with the government, StatedOwned Enterprise (SOE), Start-up, Fintech, etc. With the strategic partnership, “ABC” can be recognized more by more people.

3. Differentiation

After the organization decides where it will want to be active and how the organization gets there, the organization has to determine how the organization will win in the market. The organization must have a specific action to make it superior to its competitors. PT XYZ has already become a pioneer in Digital Touch Point (DTP) for MSMEs, while another telecommunication company still focuses on the retail and enterprise market. PT XYZ is also the leader in the High-Speed Internet market for MSMEs with ABC Net with a total user reaching 610.238 MSME’s and this only can happen because PT XYZ has the infrastructure all over Indonesia. With a solid infrastructure to back up the fixed broadband needed, supported by PT XYZ Indonesia experts on digital products and services, PT XYZ can provide what MSMEs need to digitalize their business.

4. Staging and Pacing

Staging and pacing are about the speed and sequence of big moves driven by urgency, resources, the pursuit of early wins, and the achievement of credibility. It is better to complete a simple strategy component before undertaking more difficult or new initiatives. The staging and pacing phases recommended for “ABC” and PT XYZ are as follows.

- Internal Enhancement

Internal has to be developed both for the human resources and the internal system of the application. PT XYZ has to prepare one specific team who will focus on the complaint handling and following up on the application’s input. The application must also develop continually to increase the user’s UI (User Interface) and UX (User Experience). Prepare the application infrastructure both for the back-end and the front-end. The back-end preparations including prepare the proper size of the server, the queuing arrangement, and other supporting infrastructures that will ensure the application runs smoothly. PT XYZ must prepare a user-friendly, easy-to-use application interface for the front end. The internal Enhancement will provide the user with a good experience after using the “ABC” application, promote the apps to other MSMEs, and increase “ABC” users.

- Strategic Partnership with government and other companies

According to Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE), another challenge for “ABC” is how the application still not spread yet, and MSMEs are still not familiar and never heard of “ABC.” To overcome this, PT XYZ must collaborate strategically with other institutions targeting MSMEs. The strategic partnership can be with the government, Stated-

Owned Enterprise (SOE), Start-up, Fintech, etc. With the strategic partnership, “ABC” can be recognized more by more people.

- Special promotion only by the “ABC” Application



To make MSMEs interested more in using and accessing all the products from inside the application, PT XYZ needs to make a specific promotion that can only be accessed if MSMEs purchase the “ABC” application. The promotion can be various; for example: Pay nine months for 12 months subscription for every product inside “ABC” (ABCNet, ABC POS, ABCPay, etc.). This promotion will increase MSME’s interest in downloading “ABC” and purchasing through “ABC.” For MSMEs can do purchasing, MSMEs need to do registration on “ABC.” This strategy can increase user download and user registered for “ABC.”

- Approach the communities to penetrate the market faster

In today’s market, customer’s trusted more on their closest communities’ opinions on one product, and MSMEs are also no exception. MSMEs usually have their communities where they will rely more on their communities. One of the experts in this research already tried to approach the Hotel General Manager’s communities in one area and give POC to one of the leaders of the communities. With the POC, the customer can have real experience of PT XYZ’s digital product and try the “ABC” Apps directly. The experience turned out to be positive, and the other hotels also ended up using “ABC” and subscribing to digital Products inside “ABC.” This strategy to approach the communities can be copied to other industries such as Small Banking (Public Credit Bank – BPR) or headmaster communities in education industries.

- Loyalty Program

According to Fred Reichheld (the investor of the net promotor score), Increasing customer retention rates by 5% can increase profits by 25% to 95%. And based on American Express Survey, an individual will tell up to nine people about their excellent experience or promote the product brand to up to nine other customers. Based on this survey, PT XYZ can maximize and encourage the satisfied “ABC” users to upgrade to other MSMEs by offering a Loyalty Program. The Loyalty program can be a “Member get Member” promotion where the existing users also will get the benefit when they can promote “ABC” to other MSMEs and make them a “ABC” users too. The program could be in the form of a point count on every new user the existing user brings, and this point can be exchanged into a subscription to the “ABC” Digital Product.

- Routine evaluation and monitoring

One of the essential things to survive in the competition and keep up with the era of development is that organizations must continually evaluate and follow up. PT XYZ is not the exception; to make sure “ABC” can survive the competition, PT XYZ have to do routine evaluation discussing every issue that appears both from customers and the developers; and following up on the action plan that needs to be taken to tackle the problems. PT XYZ also needs to have up-to-date monitoring for the application situation to make sure PT XYZ can make a proper strategy based on the current situation.

5. Economic Logic

Economic logic is how the organization can generate profit beyond the organization’s cost of capital—and not limited by gains but profits beyond the organization’s cost of capital. The economic Logic for “ABC” is to provide a digital application that provides PT XYZ’ digital product and what MSMEs need to become Digital. With this, “ABC” will be used by MSME’ because they can get what they need in one application. With “ABC Event,” MSMEs can increase their general skills and knowledge of digital business or business. And through the training, MSME can find out that they need to use digital products to increase their effectiveness and efficiency in their operations, and in “ABC,” they can subscribe to every digital product - “ABC POS”, “ABCPay”, etc. - that they need to do their business more effective and more efficient With increasing the satisfaction of their current users, it will make them recommend “ABC” to other MSME’s. It will grow “ABC” users’ download and users registers since MSME need to register to access all the “ABC” features inside it.

3. RESULTS

Based on the Diamond strategy formulation that had been done above, the author proposed a few strategies for PT XYZ to increase “ABC” download and user registered. The proposed business strategies will be divided into short-term strategies and long-term strategies.

Short-term Strategies

- In apps special promotion (for example : “ABC” apps special promotion, for example: Pay nine months for 12 months subscription)
- Routine evaluation and monitoring followed by application enhancement: Enhancement inside "ABC" where the users can do a Single Log-in and can access all the products and events inside "ABC"



- Approach the communities to penetrate market faster

Long-term Strategies

- Strategic collaboration
 - With government (local /& central)
 - Strategic collaboration with government (top-down approach) to conduct training for MSMEs where they have to use “ABC” apps
 - Strategic collaboration between PT XYZ and the government where government make the “ABC” application as a one-stop application for MSMEs in Indonesia
 - With other companies from other focus industries
 - Strategic collaboration with Start-ups for add-on features
 - Strategic collaboration between PT XYZ and Financial Institution focusing on MSMEs market in Indonesia
- Loyalty program
 - For ABCNet users, where ABCNet users can exchange it with free training and a free few months’ subscriptions to “ABC” digital products (ABC Pay, ABC POS, ABCNet, etc)
 - Referral program where “ABC” Users can recommend to other users and can get points that they can exchange for a free monthly subscription
- Routine evaluation and monitoring followed by application continuity enhancement
- Hired professional marketing agency to promote “ABC” all over areas in Indonesia

4. CONCLUSION

“ABC” is a new PT XYZ Digital Touch Point (DTP) using a web application (web-app) based to make the application light and reduce device memory using where MSMEs can find all the information their need about PT XYZ’s digital products and do activities starting from pre-sales to post-sales in one single application. “ABC” was launched in November 2021 and has several flagship products: High-Speed Internet or ABCNet, an application Point of Sales or ABC POS, and a digital payment solution or ABC Pay. As a new application, PT XYZ’ user download and user registered of “ABC” are still low; hence, PT XYZ needs new business strategies to increase user download and user registered. Several steps have been taken to propose new business strategies for PT XYZ. The author used Internal Factor Evaluation (IFE) for internal factors analysis and External Factor Evaluation (EFE) for external factors analysis and used Diamond strategy formulation to formulize the proposed business solution. The proposed business solution divided into two: short-term and long-term strategies. A short-term strategy is a strategy that will be implemented and executed for one to three years, and a long-term strategy will be implemented for three to more than five years. With implementing the proposed new business strategies, PT XYZ can increase “ABC” user download and user registered.

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