Improving the SME’s Value Proposition’s Delivery: The Case of PT Abdi Property Indonesia

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Abstract

This paper aims to analyze how the development of a company's value proposition can be improved. The method used is qualitative research to see how companies improve the way they deliver value propositions. The delivery of the company's value propositions has been improved through several stages, from the value proposition canvas and benefits map to message frameworks. Delivering the value of solutions and offers offered and provided by the company to its customers, namely through internal communication media, websites, Mamikos, WhatsApp, and Instagram. The research results are expected to help develop the company's ability to deliver its value proposition, which can increase the company's occupancy and income.

Keywords: Business Coaching, Digital Marketing, SMEs, Value Proposition

INTRODUCTION

According to Law Number 20 of 2008, small businesses are productive economic businesses that operate independently and are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part of either directly or indirectly a medium or large business with a total net worth or annual sales results. MSMEs are the most important pillar in the Indonesian economy and make the biggest contribution to the formation of the Gross Domestic Product (GDP) (Sofyan, 2017). Based on data from the Ministry of Cooperatives and SMEs in 2021, it was recorded that MSMEs contributed to a GDP of 61.07%, or a value of IDR 8,573.89 trillion, with a total of 64.2 million MSMEs. Apart from contributing to GDP, data from the Ministry of Cooperatives and SMEs shows that MSMEs absorb 97% of the total workforce and can collect up to 60.4% of total investment.

In supporting the increase in the contribution of SMEs to the economy and encouraging the development of competitiveness, there are several efforts aimed at developing SMEs, such as innovation and technology (Razak et al., 2018), and to reach the market, MSME actors must be able to communicate and use numerous technologies (Qadri et al. 2022). Efforts to develop this innovation were carried out by PT Abdi Property Indonesia, a property management company located in Jakarta, since 2013. Managing apartments is not very profitable for the company, so in 2020, the company decides to innovate product diversification by adding business activities to managing boarding houses, developers, and property consultants. In 2021, the company created a new brand for this new division with the brands AbdiHome (property asset management) and Abdi Real Estate (property developer and consultant). This is done by the company to develop its business, increase competitiveness, and increase company revenue.

After the innovation of additional diversification of business activities, the company's overall revenue has increased, with the largest revenue contribution currently coming from the AbdiHome business for boarding house management. With a new source of income, PT Abdi Property Indonesia wants to expand its business with a target of increasing the revenue of AbdiHome-boarding houses by up to 100% (from IDR 1 billion to IDR 2 billion) and a strategy to add 40 boarding houses by the end of 2022 with an occupancy of 80–100% to
reach the target. In support of the achievement of these targets and meeting good boarding house occupancy, companies need to market their products digitally, as shown in Figure 1. It is hoped that the company will choose digital marketing as a means to develop its business more quickly and reach a wider target market, so companies must know how to develop a digital marketing system to support the company's business development.

<table>
<thead>
<tr>
<th>Current condition</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall company revenue increased, with the largest revenue contribution from AbdiHome of 37.67%. - revenue of IDR 1 billion; - 14 boarding houses.</td>
<td>Targeted business development, AbdiHome's boarding house, - revenue increased up to 100% (Rp 2 billion); - 40 boarding houses; - 80–100% occupancy.</td>
</tr>
</tbody>
</table>

In an effort to achieve their target, company needs to market their products digitally in the hope of developing their businesses more quickly and reaching a wider target market. To support this, the company will do optimizing the method of delivering value propositions.

**Figure 1.** AbdiHome Conditions and Purpose Source: Processed by Researchers (2023)

When a company wants to market its products digitally, it will direct them to its communication media, namely Mamikos, WhatsApp, its website, and Instagram. When the company directs users to these communication media, there should be a description of the value offered to users. However, when researchers checked AbdiHome's communication media and interviews, this communication media did not write down the value it offered to users. Even though the company already has a value proposition for its services, it has not been conveyed properly internally and externally.

This can happen due to a lack of knowledge from the company that this value is important to convey so that the internal company knows (1) the superiority of its product when offering its product; (2) AbdiHome's added value that is different from its competitors; as well as from the customer side knowing what value they will get. Therefore, the value proposition needs to be conveyed in the marketing that will be carried out, and there needs to be an improvement in how to optimize the delivery of the AbdiHome-board ing house value proposition through the AbdiHome marketing channel. If the company's value proposition can be conveyed well in its communication media, it is hoped that the company can increase its occupancy and income.

**LITERATURE REVIEW**

**Digital Marketing**

According to Desai (2019), digital marketing is the promotion of goods or services using digital technologies, primarily the Internet, but also mobile phones, display advertising, and any other digital medium. Technology development is increasing the prevalence of digital marketing techniques such as Search Engine Optimization (SEO), Search Engine Marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, data-driven marketing, e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, optical disks, and games. Social Media Marketing is the promotion of your brand and content on social media channels in order to increase brand awareness, generate traffic, and generate leads for your business. Facebook, Twitter, LinkedIn, and Instagram are channels that can be used for social media marketing.

Digital marketers are responsible for increasing brand awareness, generating leads via all available digital channels, both free and paid (Desai, 2019), and also overcoming competition.
and boosting income (Anggapratama et al., 2023). These channels include social media, the company's blog, its website, search engine rankings, email, and display advertising. In small businesses, one generalist may be responsible for many of the digital marketing approaches outlined above at the same time. Digital marketing enables advertisers to observe precise results in real time and aids in understanding the reach of their goods or services, engaging potential customers, having a global presence, and personalizing promotions.

**Value Proposition**

**Value Proposition Canvas**

The value proposition delivered to the customer is the benefit expected by the customer from the product or service offered (Osterwalder et al., 2014), and according to Barnes et al. (2009), the value proposition is a clear, interesting statement and an expression of experience that can be trusted when the customer receives it from a company's offering that can be measured with a value equal to the benefits minus the costs. The value proposition consists of three (3) components: (1) capability, which is what the company can do for customers; (2) the impact that it will have on customers; and (3) the cost that customers have to pay to obtain that value (Barnes et al., 2009).

According to Osterwalder et al. (2014), the value proposition canvas consists of two (2) parts, namely,

(a) The value map describes how you intend to create value for customers and describes the features of a particular value proposition in the business model in a more structured and detailed manner. This map is divided into (1) products and services; (2) pain relievers that explain how the products and services provided can relieve the customer's pain; and (3) gain creators, which explain how the products and services provided create customer benefits.

(b) A customer profile describes certain customer segments in a more structured and detailed business model. This segment is divided into three parts: (1) customer jobs, explaining what customers do to complete work in their lives; (2) gains, describing the results the customer wants to achieve or the benefits sought; and (3) pains, describing the bad results, risks, and obstacles associated with the customer's work. Fit will be achieved when the value map meets the customer profile (when the products and services provided produce pain relievers and gain creators that match one or more of the customer's jobs, pains, and gains that are important to the customer).

**Message Development**

According to Barnes et al. (2009), an organization wants to be able to communicate the value it offers to outsiders. But before the organization begins delivering the message, it must decide on the intent, direction, and purpose of the message to be conveyed. After the organization has set goals, it is ready to incorporate value-based benefits that will be directed to target customers. Furthermore, the delivery of this message begins with several stages, namely,

**Benefits map**

The benefit map is the foundation for developing values-based messages: elements that are important, attractive, and valued from a customer experience perspective. In this map, the organization writes down core services, benefits that are in addition to expectations (augmented), and potential benefits that can be realized (potential),

- Expected benefits are benefits provided by the organization that differentiate it from competitors.
- Augmented or additional benefits are areas where customers would be happy to receive value and benefits, but they did not expect or experience maximum value.
- Potential benefits are areas where the customer provides suggestions of benefits that can originate during and/or after the customer has had experience with the organization. This area is a space for the growth of an organization.
Creating message frameworks and hierarchies

Prioritize your message of value.

In creating impact, prioritizing, and focusing on benefit, you can use a simple two-by-two matrix where the axes are "client value" and "competitive differentiation". Then do (1) take each statement of augmented or additional benefits (and if there are potential benefits); (2) determine how to differentiate it from your competitors; and (3) analyze how valuable those values or benefits are for your customers. The benefit or value that really counts is the one that has the most weight and resonates with the intended customer. It is on the upper right side of the quadrant, where it represents high value to customers and has a high degree of differentiation from competitors. These benefits must be an important concern for the organization to be prioritized.

Categorize messages by type of message

The benefits or values to be communicated are categorized into three (3) types, namely (1) rational messages for the recipient's logical needs that contain facts, content, and details; (2) political messages that respond to recipient organizational constraints and political issues; and (3) emotional messages related to hunches and instincts coupled with interpersonal relationships and answers to the question "What's in it for me?".

Draw it all together

The pre-classified messages are compiled into one (1) message matrix, which includes the most suitable communication channels for each type of audience.

METHOD
Profile of SME

The company, PT Abdi Properti Indonesia (PT API) was established in 2013 and is engaged in property asset management. The company has a vision to become a reliable and trusted company in managing assets and optimizing investors' money through property, with the mission of (1) providing maximum investment returns to investors; (2) providing professional property management standards; and (3) providing satisfactory standards of property rental services. Since 2013, the company has been well known as a trusted property asset manager, with its main activities being the management of 80 apartment units in the Jakarta CBD area.

In running its business, the company manages property owned by investors to provide maximum benefits for investors. Initially, the company only managed the company's apartments and investors by getting an apartment rental income (management fee). Nonetheless, the management of the apartments is not very profitable for the company, so the company tries to develop its business by adding the management of boarding houses and development as well as property consultants in 2020. In support of the addition of businesses carried out by the company, in 2021 the company created a new brand for this new division with the brands AbdiHome (property asset management) and Abdi Real Estate (property developer and consultant). Making a new brand also aims to make it easier to be remembered by the community and reach a wider target market.

After the innovation of additional diversification of business activities, the company's overall revenue has increased, with the largest revenue contribution currently coming from the AbdiHome business for boarding house management at 57.67% of total revenue in 2022, as shown in Figure 2 below, with a total of 14 boarding houses managed in Jakarta and Tangerang. Therefore, business coaching activities will be focused on AbdiHome-boarding houses because they are the biggest contributor to the company's revenue and are the focus of the company at this time.
In this qualitative research, the authors analyze data with several methods, as shown in Fig. 3, to find issues that occur in the company and solutions to these problems. This research is conducted with a coach from outside, and the business coaching is aimed at business development.

**Figure 2. Revenue Growth of PT Abdi Properti Indonesia in 2019-2022**
Source: Processed by Researchers (2023)

**Stages of Business Coaching**

Figure 3. Business Coaching Activities Stages at Abdi Home-Boarding House
Source: Processed by Researchers (2023)
Business coaching is a business coaching activity that includes executive, management, team, and leadership coaching in the business. This coaching activity can be carried out by external trainers, internal line managers, or human resource management (Brandl et al., 2009; Teague & Roche, 2011), and this coaching is more short-term in nature and focuses on specific developmental issues within organizations (Hawkins & Smith, 2013). Based on Bond & Seneque (2013), coaching is a form of management practice that can focus on individuals and teams that are engaged in goal-oriented and time-bound activities. Coaching activities are described as an intervention with the aim of assessing and improving individual and team performance so as to increase organizational efficiency and effectiveness.

The stages of business coaching activities are carried out by collecting data through interview techniques with management and company employees to analyze (1) business processes; (2) Business Model Canvas (BMC); (3) PESTEL to analyze external conditions; (4) Porter’s Five Forces to analyze competitors; (5) marketing mix; (6) STP; and (7) VRIO. The results of the analysis with this method were entered into the SWOT analysis, followed by the TOWS matrix, to get a strategy that could be carried out by the company. Furthermore, a gap analysis is carried out to see the gap that occurs between the current condition of the company and ideal conditions. Then it continued with problem solving and confirmation of recommendations. If the recommendation is confirmed, it continues with the implementation stage, evaluation of the results, and handover. A business model is a picture of the reasons and infrastructure of how an organization goes about creating, giving, and capturing values (Osterwalder & Pigneur, 2010). Business Model Canvas (BMC) is a tool in management strategies to translate concepts, consumers, infrastructure, and company finances into a form of mapping so that everyone can understand the company’s business well.

RESULTS AND DISCUSSION

Analysis of the Business Model Canvas (BMC)

The results of the analysis of the business models canvas of AbdiHome-boarding houses, as shown in Fig. 4, are as follows:

Key Partners
- Investment fund collection companies
- Architect, house contractor, interior contractor
- AC service providers; plumber; electrician
- Internet service provider
- Road of Recruit
- Regional government and the authorities

Key Activities
- Creating and running content regularly on social media
- Running operations in every aspect of boarding houses with standardized quality
- Running marketing for every aspect of boarding houses to produce revenue for their owners
- Making regular financial statements for each property asset will always give you the latest most accurate
- Financial measurement

Key Resources
- Resources
- House keepers
- Offices
- Boarding houses
- Capital
- Legality

Value Propositions
- Providing boarding houses at affordable prices, complete and comfortable facilities, and prioritizing personal touch
- Provides a rental property that gets standardized management so as to keep the property comfortable and fresh even though it has been occupied for years
- Provides solutions (maintenance guy and boarding house staff) that are reliable and able to overcome problems that occur in property and customers without directly depending on third parties

Customer Relationships
- Educational short board houses offering a suitable boarding house
- Providing improvement services

Customer Segments
- Behavioral: prospective tenants who need a place to stay at affordable prices with complete and comfortable facilities
- Psychographic: boarding houses with middle- and upper-class social status
- Demographic: prospective tenants who come from the middle economic group, ranging from students who are currently studying to those who have worked, established themselves, and have a family
- Geographic: Jakarta

Cost Structure
- Office rent expense
- Salary expense
- Utility expenses (electricity, water, internet)
- Marketing expense

Revenue Streams
- Asset management fee (boarding house)

Figure 4. Business Model Canvas of AbdiHome-Boarding House
SWOT Analysis

SWOT analysis is an assessment to determine whether a condition is included in the categories of strengths, weaknesses, opportunities, or threats as shown in Table 1. The results of identifying the assessment of this situation help the company in assessing the current conditions and future images by looking at the strengths and weaknesses of the company and the opportunities and threats from the environment to formulate company strategies for achieving company goals (Istiqomah & Andriyanto, 2017). The results of the strengths and weaknesses are the results obtained from the data in the field, while the opportunities and threats are obtained from the company's analysis.

**Table 1. AbdilHome-Boarding House SWOT Analysis Result**

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weaknesses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>S1. Competent and responsible human resources with their duties</td>
<td>W1. There is still a lack of resources for development in big cities outside Jakarta</td>
</tr>
<tr>
<td>S2. Standardized operational system for each boarding house</td>
<td>W2. There is still a lack of brand awareness for AbdilHome</td>
</tr>
<tr>
<td>S3. Trusted property asset management</td>
<td>W3. We still need a large investor base to build new boarding houses</td>
</tr>
<tr>
<td>S4. Property community ecosystem</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>O1. Activity is starting to return to normal.</td>
<td>T1. President change</td>
</tr>
<tr>
<td>O2. An increasingly digital culture change</td>
<td>T2. Change of regional governor</td>
</tr>
<tr>
<td>O3. The development of technology, especially in business tools</td>
<td></td>
</tr>
<tr>
<td>O4. Smart home technology</td>
<td></td>
</tr>
<tr>
<td>O5. Safe and comfortable environment</td>
<td></td>
</tr>
<tr>
<td>O6. An environment with easy access to transportation</td>
<td></td>
</tr>
</tbody>
</table>

**TOWS Matrix**

The TOWS matrix is the result of the merging of SWOT to get a strategy carried out by the company. The results of the TOWS matrix show that there are several strategies that can be carried out by AbdilHome-boarding house, as follows: (1) addition of boarding house management; (2) development of ways to deliver value propositions in marketing channels; (3) strengthening and increasing resources and partnerships in big cities outside Jakarta; (4) digitized marketing development to improve brand awareness; and (5) ensuring that all the legalities of the boarding house have followed the standards and are appropriate.

**Gap Analysis**

The gap analysis aims to see the magnitude of the gap that occurs between the actual conditions and the ideal conditions (the conditions to be addressed by the company and their potential). Gap analysis is a very important stage and the main purpose of business coaching activities, where problems can be solved by minimizing problems that occur between actual and ideal conditions so that companies can feel helped. The gaps that occur can be overcome and/or minimized by one codification, which is the development of ways to deliver value propositions in marketing channels.
Proposed Business Model Canvas (BMC)

Proposed problem solving will be presented in Figure 5 in the form of a proposed new business model canvas with black writing indicating the previous business model; the color red writing shows recommendations for solutions to problems to be solved in business coaching activities; and the blue color shows solutions to problems that will not be resolved and will be suggestions for the future. Based on the results of the analysis using various methods that have been carried out on AbdiHome-boarding houses, the coach and coachee agree to implement the development of ways to deliver value propositions in the marketing channel.

![Proposed Business Model Canvas of AbdiHome-Boarding House](image)

**Figure 5. Proposed Business Model Canvas of AbdiHome-Boarding House**

Source: Processed by Researchers (2023)

Implementation of an Improved Value Proposition and Ways of Delivery in Communication Media

When the author collects the data, the results show that the company already has a value proposition that is only known by a few people and has not been written down in its communication media. Even though this value should be conveyed properly in the internal and external communication media, there is a need for improvement and development of the method of delivery. Improvements to AbdiHome's value proposition started with the creation of a value proposition canvas, followed by the development of ways of presenting it in each communication medium.

**Value Proposition Canvas**

After analyzing the customer profile by writing down customer jobs, pains, and gains, a value map is created that writes down the value for the customer and the features of the value proposition, as shown in Figure 6. The results of this value map are: (1) providing boarding houses at affordable prices with complete and comfortable facilities and prioritizing...
personal touch; (2) providing rental properties that receive standardized maintenance so that the property feels comfortable and fresh even though it has been occupied for years; and (3) providing a frontline (maintenance guy and boarding house staff) who is reliable and able to solve problems that occur with the property and customers without directly depending on third parties. Complete and comfortable facilities at the boarding house, for example, beds, cupboards, tables, chairs, air conditioners, private bathrooms, pantries, dispensers, internet networks, or others.

![Figure 6. Value Proposition Canvas](Source: Processed by Researchers (2023))

**Benefits Map**

Before carrying out a benefits map analysis, the company conducts an analysis of the purpose, direction, and goals of the value proposition desired by the company.

- **Purpose:** Increase customer and company revenue and advance the company.
- **Direction:** Creating synergies for customer convenience that will benefit the company.
- **Objective:** Provide convenience and added value for customers.

Furthermore, the delivery of this message is followed by the benefit map analysis stage. The benefits map acts as a foundation for developing value-based messages, so the company makes a benefits map as follows:

- The company's core service, namely boarding house management services.
- Expected benefits are benefits provided by the organization that differentiate it from competitors, namely comfortable boarding houses and complete and comfortable facilities.
- Augmented or additional benefits are areas where customers will be happy to receive value and benefits they did not expect or experience maximum value, namely: (1) standardized maintenance so that the property feels comfortable and fresh even though it has been occupied for years; (2) providing a frontline (maintenance guy and boarding house staff) who is reliable and able to solve problems that occur with the property and customers without directly depending on third parties; (3) prioritizing personal touch.
- Potential benefits are areas where the customer provides suggestions of benefits that can originate during and/or after the customer has had experience with the organization. This area is a space for the growth of an organization, namely sophisticated smart door technology and the concept of coliving.
Creation of Message Frameworks and Hierarchies

In the prioritize value messages process, each augmented or additional benefit (if there is a potential benefit) previously written is plotted on two (2) axes, namely "client value" and "competitive differentiation", as shown in Fig. 7.

![Figure 7. Priority Value Messages of AbdiHome-Boarding House Draw It All Together](image)

Previously classified messages were compiled into one (1) message matrix to be placed on the AbdiHome-boarding house communication channel, as shown in Table 2.

<table>
<thead>
<tr>
<th>Communication Media</th>
<th>Audience and Value Pyramid Layer</th>
<th>Emotional Messages</th>
<th>Rational Messages</th>
</tr>
</thead>
</table>
| Office Internal office whiteboard | Solutions Prospective tenants | "Bring Home to You" | - Complete and comfortable facilities  
- Standardized maintenance  
- Availability of a reliable frontline  
- There is a personal touch for prospective tenants |
|                      | Offer Prospective tenants        |                   | - There is a smart door feature  
- Available concept of coliving |
| Website              | Solutions Prospective tenants    | "Bring Home to You" | - Complete and comfortable facilities  
- Standardized maintenance  
- Availability of a reliable frontline |
<table>
<thead>
<tr>
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<th>Emotional Messages</th>
<th>Rational Messages</th>
</tr>
</thead>
</table>
| Offer               | Propostive tenants               |                   | - There is a smart door feature  
|                     |                                 |                   | - Available concept of coliving |
| Mamikos             | Solutions                       |                   | - Complete and comfortable facilities at the appropriate price  
|                     | Propostive tenants               |                   | - Standardized maintenance  
|                     |                                 |                   | - Availability of a reliable frontline |
| Offer               | Propostive tenants               |                   | - There is a smart door feature  
|                     |                                 |                   | - Available concept of coliving |
| Whatsapp            | Solutions                       |                   | - Complete and comfortable facilities at the appropriate price  
|                     | Propostive tenants               |                   | - Standardized maintenance  
|                     |                                 |                   | - Availability of a reliable frontline |
| Instagram (Maximal 150 characters) | Solutions | Propostive tenants | Complete and comfortable facilities at the appropriate price |

**CONCLUSIONS**

The delivery of the company's value propositions has been improved through several stages, from the value proposition canvas and benefits map to message frameworks. The results of this value proposition are combined to obtain a way of delivering the value proposition in each of AbdiHome's communication media. Delivering the value of solutions and offers offered and provided by the company to its customers, namely through internal communication media, websites, Mamikos, WhatsApp, and Instagram. But not all of AbdiHome's communication media can be analyzed due to time constraints. Therefore, it is hoped that this improvement in AbdiHome's main communication media can increase the company's occupancy and income.

**REFERENCES**


