

CHAPTER I INTRODUCTION

I.1 Background

The era of modernization has brought light to technological advancement. Development is a process of improving business quality that can give a good impact to achieve the most crucial goal of the company which is to maximize shareholders' value. Digital is particularly important nowadays. As the current situation, pandemic is really holding back companies running their business. Sales are really falling down, and they do not hit their target.

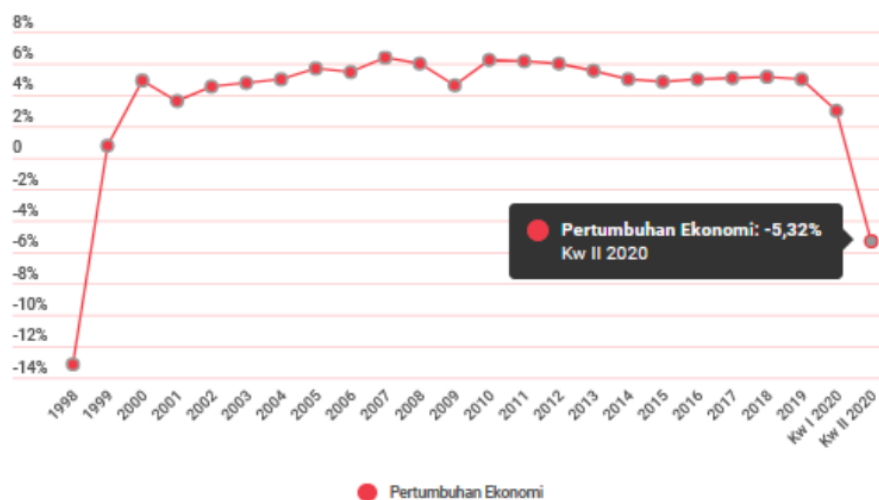


Figure I. 1 Economic Growth of Indonesia

According to Badan Pusat Statistik in 2020, consumption contributes to 55-60 percent of GDP, this data also highlighted the correlating trend of consumption and economic growth, in the first quarter as the consumption rate grew by 2.83 percent the economy shows a similar trend by increasing 2.97 percent, the trend proved to be recurring in the second quarter as consumption rate contracted by minus 5.51 percent followed by the economy decreasing 5.32 percent (as cited in Kompas, 2020.) The pandemic has shown that the decrease of consumption levels have reached dangerous levels. Consumption levels of restaurants and hotels as well as transportation and consumption dropped to minus two digits 16.5 % and 15.5%, the drop in consumption levels threaten the overall GDP due to its correlation as a source of economic growth.

Every company is forced to keep up with the times to use technology. The numbers of internet users are increasing, and this can be attracting the attention of companies for upgrading their companies to use technology as standard. Especially in this pandemic situation. People are dependent on technology. Even if they want to order food, they use technology to order. In this pandemic people are scared to touch everything outside their home. Even if they want to order food in the restaurant. Some restaurants are already facilitating their customers by giving the menu to the customer using barcode. Many companies have already invented the system to help restaurants serve their customers.

PT. Kreigan Sentral Teknologi is one of the companies in Jakarta that specializes in creating and developing applications. By implementing technology like this company is really needed in the current situation so we all know when the world is in disaster and how to solve the problem so that we can know by using technology it is important to face the problem and nowadays in the current situation, technology will help to face the problem. The world needs to use digital to do everything in this time.

One of the products from PT. Kreigan Sentral Teknologi is Silvi. Silvi is an application that assists restaurant owners to manage order and payment procedures. Silvi has several features such as smart cashiers, activity order monitor, monitoring the employee, sales analysis, and self-order services. One of the most familiar features is the self-order services. When a customer comes to a restaurant that uses the Silvi app, the customer will use the app for ordering the food and beverages and for the payment, so the customer does not have to go to the cashier for ordering and paying for the food and beverages they order. The customer just must sit on their table and use the app. Silvi is producing barcodes for their customers that are merchant owners so the owner can serve their customer more easily.

PT. Kreigan Sentral Teknologi markets Silvi apps through social media, and one of the platforms that they use is Instagram. Compared to the company's website,

prospective clients are exposed to get to the Silvi App by using Instagram named silvi.indonesia which is specifically about the app and other information that would interact with the customer. Currently, the IG has 2325 followers and 292 posts. Most people like Silvi's feeds on Instagram about the educational thing that Silvi shares to the audience. Because it has 537 reaches on Instagram and it is about the education about impulsive buying.

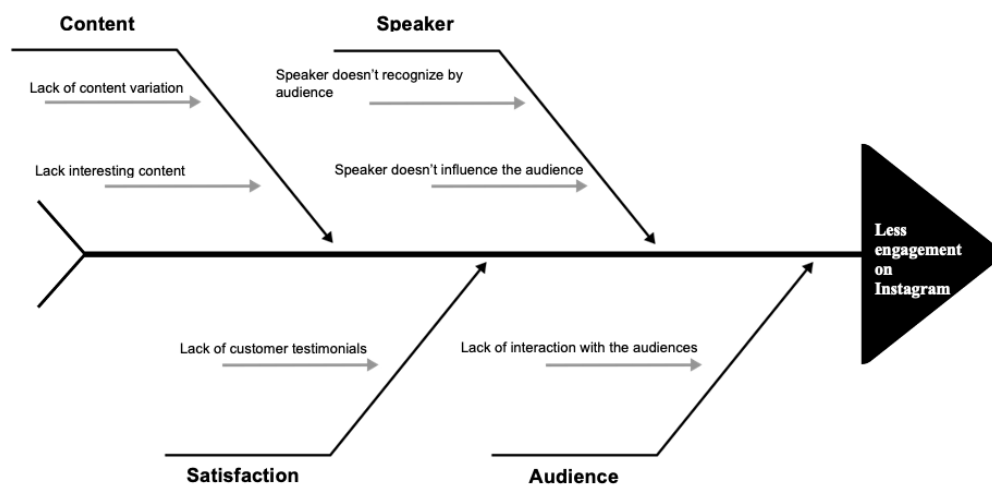


Figure I. 2 Fishbone Diagram

Engagement is a rate that how active the account interacts with the audience. There are some factors that can affect the engagement. The fishbone above shows some of the factors that can affect the engagement. The first one is content. Content is important to get engagement from the audience, because if the audience did not like the content, then it will not have a good engagement. According to (Huang, 2019), variation in content resulting in enhance brand attitude and purchase intent. The second one is the speaker. The company creates an event like a seminar that invites speakers to be at the event. Based on the study conducted by (Ahmadinejad, 2017), the study show how important the speakers related to the customer by finding how marketing through Instagram work to get recognized by the audience. It is a good step to get the engagement but more important is the speaker choice. The third one is satisfaction. According to (Carlson, 2019), the values that customers derive from a social media page translates to customers engagement behaviour. Therefore, the nuanced understanding is critical as it helps

firms to create consumption experience that are engaging and meaningful as well as fostering stronger customer brand relationship, resulting to a satisfaction. Silvi must get more testimonials from the audience to be better. Finally, it is the audience itself. Interaction with the audience is important to get engagement by the audience. Based on (Xaba, 2021), lack of interaction with the audience leads to failure in successfully on using Instagram.

Engagement rates indicate that it is important to control the feeds on Instagram to get more engagement. Based on the owner of the company, target users of Silvi are entrepreneurs and food and beverages (F&B). The target is based on Jabodetabek and Bandung. There are 450 medium merchants that have already applied or are using Silvi. They are getting customer attention from Instagram. That is why engagement of customers on Instagram is important for Silvi.

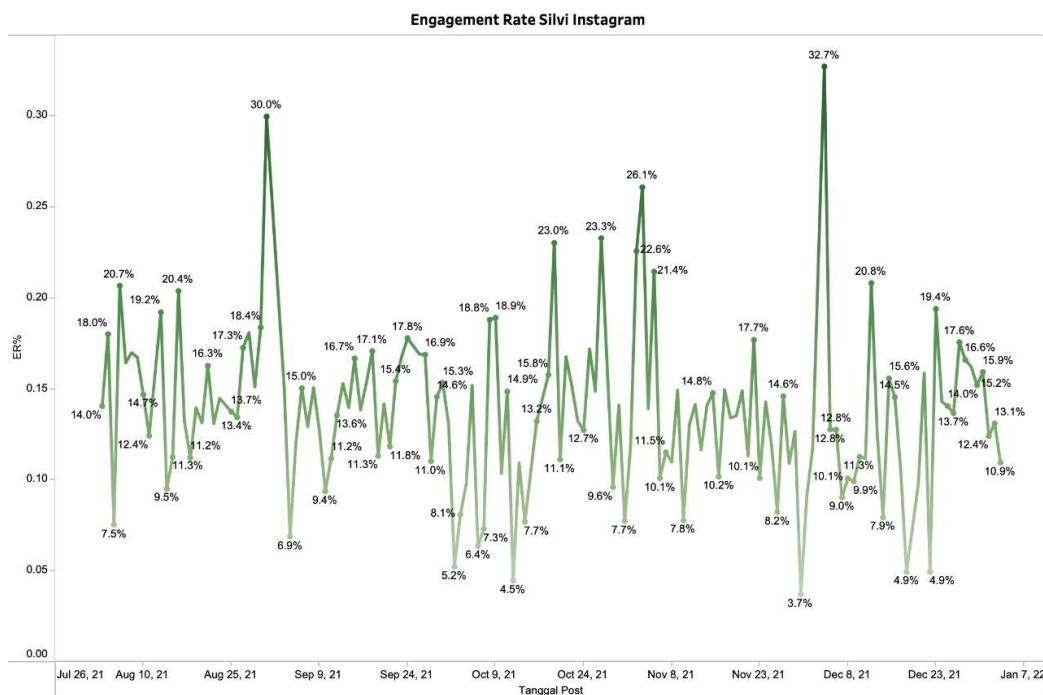


Figure I. 3 Engagement Rate Graph of Silvi's Instagram

Based on Figure I.3, data that came from the owner of the company shows that the engagement of Instagram that Silvi had is not stable. Based on the owner's information, the target engagement rate of Silvi Instagram is 15%. As we can see from the graph most of the time Silvi is not reaching the target of engagement that they already set.

Social media is important for a company to make their self-branding. With the engagement number that Silvi got, it needs more improvement. An observation was made on the number of followers of Silvi's Instagram social media on the competitors of cashier applications such as Moka, ESB, Pawoon, Majoo, Kasir Pintar, Buku Warung, Olsera, and Aio. Those competitors was chosen based on the same region of company that is a startup company based in cashier application that the company has Instagram. The results of the observations shown in the Table I.1.

Table I. 1 List of Silvi's and Competitors Instagram Followers

No	Cashier Application Brand	Total Instagram Followers
1.	Buku Warung	77.800
2.	Moka	60.300
3.	Majoo	58.500
4.	Pawoon	21.800
5.	Kasir Pintar	19.900
6.	Olsera	15.100
7.	ESB	4.849
8.	Silvi	2.180
9.	Aio	339

Based on the result in the Table I.1 above, a comparison has been made in the number of followers obtained by Silvi and other cashier application brands. Silvi occupies the eighth position in terms of the number of followers of 2.180 followers, while Buku Warung occupies the top position with the number of followers of 77.800 followers on Instagram. The data proves that Silvi has a low share of mind when compared with its competitor.

The observation was proceeded by knowing the engagement rate of Silvi against it's competitors. The results of the observations shown in the Table I.2.

Table I. 2 List of Silvi's and Competitors Instagram Engagement Rate

No	Cashier Application Brand	Engagement Rate
1.	ESB	1.78%
2.	Majoo	1.35%
3.	Aio	0.79%
4.	Olsera	0.74%
5.	Silvi	0.42%
6.	Kasir Pintar	0.25%
7.	Moka	0.14%
8.	Buku Warung	0.11%
9.	Pawoon	0.06%

Based on the result in the Table I.2 above, a comparison has been made in the number of engagement rate obtained by Silvi and other cashier application brands. Silvi occupies the fifth position in terms of the number of engagements of 0.42%, while ESB occupies the top position with the number of engagement of 1.78%. The data proves that Silvi has an average rate when compared with its competitor.

To strengthen the analysis related to the object of this research, it is necessary to make a preliminary survey using a questionnaire to 31 respondents. This aims to determine brand awareness from Instagram users. The respondent's criteria are must be from the followers of Silvi's Instagram, but on the 5 days of work the writer already send the permission to distribute the questionnaire to four people of the followers but there is no responses. So the writer decide to make the criteria of respondent is the Instagram users. The results can be seen in Figure I.4.

Do you know about Silvi?

31 responses

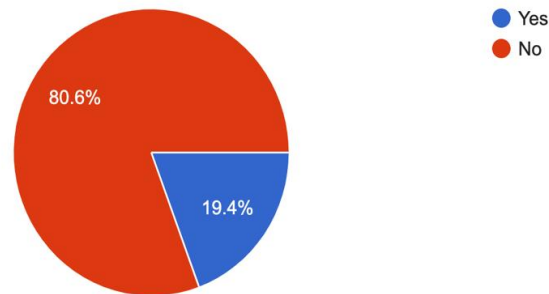


Figure I. 4 Silvi's Brand Awareness

Engagement is important in the marketing of a company because the company can see how the customers or people see their company. How customers know their company is also important. How to control the interest of the customers is particularly important for the company.

Based on Figure I.4, brand awareness preliminary survey has been done to 31 respondents who are the user of Instagram. It is shown the small number of respondents that is known about Silvi is equal to 19.4%. One of the important things in having a brand is the brand awareness itself. One of the platforms that can increase brand awareness from the audience is Instagram. In this research hope it will make the brand of Silvi will be known by more audience, because as it shown in the graph above who do not know about Silvi is 80.6%

I.2 Alternative Solutions

Alternative solutions are presented in the table below:

Table I. 3 Alternative Solutions

No.	Alternative Solutions	Time	Resource	Budget
1	Improving Silvi's Instagram Positioning	1 Month	Should have basic knowledge of social media marketing, understanding methods use to improve Instagram positioning, understanding Instagram features	Mostly affordable
2	Advertisement Management	More than 1 Month	Should have deeper understanding about the company management, should have access for advertising targets, should conduct discussion with advertising team, should conduct advertisement in the long run	Mostly high
3	Buying Followers	1 Month	Should find outsources who can improve the followers	Mostly high

After identifying the problem obtained from the fishbone diagram, several alternative solutions can be identified. The assessment of these alternative solutions is carried out using an importance scale of 1 to 5, the five points are Strongly Disagree (1), Disagree (2), Hesitate (3), Agree (4), and Strongly Agree

(5). It is to find out the largest total value obtained from the problem which will be prioritized for problem solving. In providing this assessment, the writer conducted a discussion with Silvi. The assessment of the implementation of the solution to the Silvi problem, which can be seen in Table I.3.

Table I. 4 Assessment of Alternative Solution Implementation

No	Alternative Solutions	Solution Implementation				Total
		Relative Easy (Process)	Relative Cheap (Cost)	Make a significant impact (Impact)	Faster to implement (Time)	
1	Improving Silvi's Instagram Positioning	3	4	2	4	13
2	Advertisement Management	2	2	3	3	10
3	Buying Followers	4	2	2	4	12

Based on Table I.3, the alternative solution was chosen, namely improving Silvi's Instagram positioning because it has a total solution implementation value of 13 points with a potential solution, namely designing improvements to the attributes of the Silvi's Instagram in accordance with the established value proposition. The Alternative solution was chosen not only because it has the highest total rating, but also because it has a significant influence in strengthening the Silvi's Instagram among its competitors and will have a greater impact on the company and has the potential to design improvements that match the problems of the company.

Designing Silvi's Instagram will need multiple resources in one team that has one purpose is to design the Instagram, for this solution budget is not needed. Advertisement management needs a long time, research and discussion needed from Silvi's advertising management team, further discussion is needed on

advertising creation, data access is needed to analyze the results of the advertising method. Buying followers is the instant solution, but more budget is needed, and this solution needs more resources.

I.3 Problem Formulation

Based on the problem stated in the background, the formulation of the problem are:

1. Which attribute is considered the most important of Silvi's Instagram based on the users of Instagram?
2. Where is Silvi's position against its competitors based on perceptual mapping according to users of Instagram perceptions of its product's Instagram?
3. What is the improvement system in strengthening positioning that can be applied by Silvi?

I.4 Research Objectives

1. To identify which attribute is the most important for Silvi according to Instagram users
2. To identify Silvi's position against competitors according to perceptual mapping method
3. To identify the improvement system in strengthening Silvi's position

I.5 Research Benefits

1. The results of the study can be used as a reference for PT. Kreigan Sentral Teknologi to know the conditions of competition to improve the brand image of Silvi.
2. The results of the study can be used as a reference for the next researcher to know how the engagement on Instagram works and how to manage it based on the Silvi case.

I.6 Writing Organization

This research is described in systematic writing as follows:

Chapter I Introduction

This chapter contains a description of the research background, problem formulation, research objectives, research limitations, research benefits, and writing systematics.

Chapter II Literature Review

This chapter contains theory literature which forms the basis for getting the solution of the problems in this study. The relevant literature studies in this research include digital marketing, brand, brand awareness, social media, Instagram, multidimensional scaling,

Chapter III Method of Research

This chapter describes a conceptual model in the form of variables involved in research and describes the relationship between variables in a study. This chapter describes in detail the systematic problem solving that will be carried out from the beginning to the end of the research to achieve the objectives of the research.

Chapter IV Integrated System Planning

The integrated system design describes the design results of this final task, namely Scope Baseline and Baseline Schedule. This chapter contains a description of the research background, problem formulation, research objectives, research limitations, research benefits, and writing systematics.

Chapter V Analysis and Evaluation of Integrated Design

This chapter describes the analysis of the data that has been processed in the previous chapter. From the analysis obtained an evaluation of the results of the design in this study. This chapter describes the analysis of the results of data processing obtained in the previous chapter and the recommendations are made for the company.

Chapter VI Conclusions and Suggestions

This chapter contains conclusions from the results of research that has been carried out as well as suggestions for further research with the aim of getting better research results.