

Analysis of Competitive Strategy PT Pustaka Pembangunan Swadaya Nusantara in the Publishing Industry in Indonesia

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Abstract- The objectives of this study was to identify internal factors and external factors that affect the business PPSN publisher, alternative business strategies and recommend strategies that can be applied to business development PPSN publisher. This research uses descriptive method with the case study and descriptive analysis, keys succes analysis, five forces of Porter analysis, value chain analysis, SWOT analysis, and the type of data used are primary data and secondary data. The technique of collecting data through interviews, focus group discussions, and questionnaires using purposive sampling tehnik. Based on the results, the strategies that can be done is increasing competitive through run competent business, product development, innovation product and technology, concept product of one source multi platform, increasing market penetration, enhanced the capabilities of human resources, and improve channel distribution.

Index Terms- publisher, keys succes factor, five force of Porter, value chain, SWOT

I. INTRODUCTION

Nowadays technology has become one of the main sources of change in the world. Technology has made the company find and introduce new products on the market (Muhammad, 2008). At the same time, technology has also become a cause of the exit of goods from the market because it has expired. The reason is the distance between technology and commercialization incubation period is getting shorter. Therefore, the technology can easily affect the market structure and performance of the company.

Similarly, technological developments helped influence on the book publishing industry. Gradually but surely the publishing industry were adapted to the new ecosystem in the realm of the book industry. This occurs in Encyclopaedia Britannica, having survived for 244 years, they ended the 32-volume print edition and switch to digital editions such as wikipedia (Tempo, 2012)

Not only in publishing, technological change also penetrated the bookshop into distribution channels mereka. The large bookstore in the world began to not only provide the printed version, but also offers a digital version (Ardiansyah, 2012).

Borders book store which has 399 stores throughout the world and mostly in the United States also feeling the change. They have closed all his stores because they can not compete with the closest competitor, the Amazon which had already

entered into the digital industry. Barnes & Noble, as one of the largest book distributor in the United States also closed his bookshop (Sanburn, 2011). In fact, the bookstore chain, which has stood since the late 19th century it has nearly 750 stores across the United States.

Based on data released by the Association of American Publishers (AAP) in 2011 stated that Barnes & Noble has suffered a loss of US \$ 69 million on revenue of \$ 7.1 billion. In the same year, the electronic book sales have increased in the amount of US \$ 90.2 million compared to printed books which only amounted to US \$ 81.3 million (Rachman, 2011).

Based on the research results, this time there has been a shift in the habit of reading books. The presence of an e-book that bundling with devices such as mobile phones and tablet PCs have become alternative when reading a book. However, that does not mean future print books are finished, because most e-reader is still to the library and the bookstore to buy a printed book (Tempo, 2013).

In Indonesia, according to data from the Association of Indonesian Publishers (IKAPI), growth in the book market grew by 6% (per year) during the year 2007-2012. However, starting in 2012-2014, the growth of the book market began to decline only about 2%. On the one hand, sales of digital books despite growing but still less than 2% of the book market as a whole.

Currently, there are 1,317 registered publishers as members of the Association of Indonesian Publishers (IKAPI). Among publishers, only 94% were registered as active publishers. Overall issuer is a private issuer, and only one publisher is listed as state-owned enterprises (BUMN) that Balai Pustaka. In addition, most universities in Indonesia also runs a publishing activities (university press) as well technical implementation unit or business unit.

Throughout the year 2015, based on data from Gramedia bookstore, bookstore sales in the relatively growing. Even the bookstore also gradually started to reduce the display space books, and expanding the space for other products such as stationary, office equipment, and merchandise. Some publishers are not able to survive, began to reduce and even laying off employees. Many publishers streamline its organizational structure, including Gramedia Group, also began to transform the digital content such as Balai Pustaka, or switch produces stationary and merchandise (Mizan Group).

Changes in the publishing industry is also felt by the publisher Pustaka Pembangunan Swadaya Nusantara (PT. PPSN) commonly known publishers Puspa Swara. PT PPSN is publishing groups which are under the group Bina Swadaya or

Trubus Group whose products are sold in bookstores throughout Indonesia with brand 9 issuer is Puspa Swara, Kaysa Media, Media Pusindo, Pustaka Bunda, Kriya Pustaka, Kata Media, Puspa Populer, Puspa Indria, dan Kanaya. Currently, the product issuer Puspa Swara largely distributed by PT Niaga Swadaya which is a distribution company in the group Bina Swadaya or Trubus Group.

In the last three years, sales at PT. Pustaka Pembangunan Swadaya Nusantara relatively grow even decreased. In fact, growth in previous years up to the year 2012 is in the range of 20% -30% annually. The decline in sales during the last three years can be seen from Table 1.

Tabel 1 Growth in turnover and PT.PPSN copies sold books from 2011-2015

Growth	2012 : 2011	2013 : 2012	2014 : 2013	2015:2014
Omzet (%)	23	5	-7	-9
Exemplar (%)	- 4	-9	-4	-29

Ashurst and Hodges (2010) states that the success of an organization depends on its ability to adapt and transform. Only organizations that have such capabilities, which still survive.

Therefore, in the face of competition and changes continue to happen, PT. Pustaka Pembangunan Swadaya Nusantara need to take strategic steps in order to survive and thrive. Heavy challenges in the form of technological change, the capitalization of the bookstore, and the bargaining position of the product requires a breakthrough in efforts to sales and production. The strategic steps are necessary for the survival of the company in the future.

Puspa Swara publisher as one national publisher who has core competence in the field of content, currently has nearly 4000 books content. The content in a variety of themes and packaging, ranging themes of health, craft, fashion, home, interior, language, education, children, to religion.

In accordance with the vision of the Puspa Swara publisher, became a recognized publishing company excels in providing practical knowledge and inspiring nationally and internationally, Puspa Swara publisher required to conduct a search for a breakthrough product innovation and business in order to keep up with developments in the publishing world.

In order to strengthen the foundation of the business forward in accordance with the vision and mission of the company, Puspa Swara publisher continue to do business development. Development undertaken include digitizing book content, strengthening tripose division (unit photography and product development), and e-commerce.

This business development is a breakthrough step taken by the Puspa Swara publisher to anticipate the changes in the external and internal factors. On the external side, along with the development of technology, the public interest to access information with computers and multimedia devices is increasing. This opens up new opportunities for the development of new content in the form of multimedia. In addition, capitalization bookstore books that began to shift to other products as well as the bargaining position of diminishing product books makes publishers must innovate. On the internal

side, book industry is currently experiencing stagnation and even decline impact on book sales revenue at the Puspa Swara publisher. These conditions make the Puspa Swara publisher strived to reduce dependence on revenue from book sales only printed version.

With the changes taking place in the publishing industry, the Puspa Swara publisher need to formulate appropriate strategies in order to compete and continue to grow the face of competition and industry conditions are constantly changing.

Pohan (2010) analyze the changes in the environment outside the company with market analysis, customers, and competitors in research at Pertamina. The analysis used to produce the power of the resources owned by Pertamina to maintain its market share. Suciani (2010) using the approach of the evaluation of internal and external factors to explain the conditions of the business environment of e-commerce PT. Telkom Indonesia. Competitor analysis resulted in selection of business strategy of what to do to improve competitiveness in the face of e-commerce competition competitive.

Research conducted by Bahri (2014) concerning the Business Transformation Analysis PT Balai Pustaka can also provide valuable input. The study became a reference and preliminary data for the research to be conducted for informing the data and the latest developments in the world of publishing.

Based on these matters, the issues that need to be answered in this study is what factors internal and external factors that could affect the company and what the business strategy for PT Pustaka Pembangunan Swadaya Nusantara (PPSN) to achieve excellence besaing in the future. For the purpose of this research is done by analyzing the internal factors and external that may affect the company and formulate business strategy for PT Pustaka Pembangunan Swadaya Nusantara (PPSN) to achieve excellence besaing in the future.

II. RESEARCH METHODS

Data used include primary data and secondary data. Primary data is data obtained from the original source or sources that have a correlation and capabilities in issues being studied.

There are two ways in tapping the primary data through observation and survey. Observation is the interview either directly or indirectly with sources that will provide the data or information that is needed in research. Survey is a technique to collect data or information by using questionnaires distributed to respondents who would serve as a source of data or information that is needed in research. Primary data this research came from the observation, interviews, and focus group discussion with the management team of PT. Pustaka Pembangunan Swadaya Nusantara and practitioners publication.

Meanwhile, secondary data is the data that already exists so the researchers are now looking for and collecting, including official reports either from management, corporate website, scientific literature, and writing other support such as newspapers, research reports, magazines, and the writings of previous related and can help the course of this study. Secondary data used include sales reports, financial reports, product data, and the company's annual report year period 2011-2015.

The techniques of data collection and information conducted by researchers as follows. 1) We conducted an

observation by direct observation in the study site to determine the activities and business activities. Observations see how business processes that occur in the PT. Pustaka Pembangunan Swadaya Nusantara, from product planning to distribution. 2) Researchers also conducted interviews as the primary method to get information from respondents related research focus. In addition, the researchers also conducted structured interviews using a questionnaire in accordance with predetermined criteria of the research object. 3) Next the researchers conducted focus group discussions. In FGD there is no questioning the specifics, but rather on efforts to hear testimony from various sources which are then formulated into a specific data. 4) The researchers also conducted a study of the literature. The literature used in this study comes from internal and external companies. Internal literature in the form of the company's official documents and external literature comes from books, journals, magazines, articles, theses, and dissertations berkaitan with research.

Processing data and analysis in this study through several stages 1) Qualitative descriptive analysis. Researchers examine and interpret the data obtained from the results of observations, interviews, focus group discussions, and documentation study. Results obtained in the form of the current condition of the publishing industry and the performance of PT. Pustaka Pembangunan Swadaya Nusantara which is expected to get the results of the identification of strategic issues. 2) Analysis of keys succes factor. Researchers formulate keys succes factors in

the publishing industry with benchmarking and conduct FGDs with practitioners in the publishing industry. 3) Analysis of the internal environment. Analysis of the internal environment using the value chain. Researchers will analyze the activities of the company to generate value added and how each of these activities are related to generate competitive advantage. 4) Analysis of the external environment. Analysis of the external environment using Porter's five forces (five forces of Porter). Researchers will analyze factors makes that affect the level of competition in the publishing industry as the threat of entry of new competitors (new players in the market), the threat of the emergence of substitute products, bargaining power of buyers, bargaining power suppliers, and the level of competition between existing players. 5) SWOT Matrix. Researcher using SWOT matrix to analyze the opportunities and threats from the external environment to produce several alternative strategies taking into account the strengths and weaknesses of the company.

I. RESULTS

Keys Success Factor Business Publishing

Keys Success Factor are all factors that are key competitive success in an industry. Based on the FGD and benchmarks derived factors that are key to success in the publishing business that can be seen in Table 2.

Tabel 2 Key succes factors publishing industry

Keys succes factor	
1. The ability to present quality script	7. The speed in distribution
2. Having a best-selling author and renowned	8. Ability market penetration
3. Network supplies comprehensive manuscript	9. Strength in promotion
4. Having a team of human resources publishing reliable	10. Ability to manage community of readers
5. Network of pre-press and printing modern	11. The ability to manage financial and stock that are reliable
6. The extensive distribution network	12. Ability to develop and maintain high quality human resources

External and Internal Factors Analysis

Based on the analysis of external and internal factors as well as interviews and focus group discussions with the respondents, the analysis of the opportunities, threats, strengths, and weaknesses are obtained are as follows.

Opportunities and threats of external factors

From the analysis of external factors, there are several opportunities for the company as follows.

1. The amount of minimum circulation in the economies of scale that are still affordable
2. The availability of human resources in the publishing business that is big enough
3. Availability of suppliers who are many and varied
4. Opportunities and content digital book market growing
5. The growth of e-store and online system

While external factors of the threat is as follows

1. The threat of new entrants is currently quite high because the publishing business is relatively open and the absence of

significant entry barrier to entry into this industry.

2. The level of competition is quite high considering the growth in the number of new publishers sizeable
3. Potential substituted product books with other products such as the internet and television media that is high enough
4. Threats suppliers (author) is quite high due to the low switching cost
5. The display space in bookstores increasingly limited

The strengths and weaknesses internal factors

Internal environmental analysis was conducted to determine what are the strengths and weaknesses of PT PPSN. Based on observations, interviews, and focus group then obtained some key factors that affect the internal strategic planning competitive strategy PT PPSN. These factors include the strengths and weaknesses that must be used or anticipated by PT. PPSN. The results of the analysis of the value chain of the resources owned by the publisher Puspa Swara that includes strengths and weaknesses internal resources as follows.

Strengths

The strengths is an internal strategic factors that should be utilized by PT PPSN in formulating future strategies. Based on observations, interviews, and focus group discussions with the

management of PT PPSN, obtained the category of force companies for the preparation of competitive strategy. The company's strengths can be seen in Table 3.

Tabel 3 The company's strength is based on the analysis of the value chain

Strengths	
1. Selection of manuscripts tested	22. Financial management
2. Review the script fast	23. Monitoring products
3. The ability to explore the potential writer	24. Planning of product realization
4. The ability to search and view the potential of the manuscript	25. Human resources Experienced employees
5. The ability to produce a quality script	26. Loyalty employees
6. The ability to process text	27. The creative idea of employees
7. The ability to publish a book best-seller	28. The work culture that supports
8. The production capacity is quite good	29. Ability to recruit potential employees
9. The ability to improve the efficiency of production processes	30. The ability to retain employees
10. The warehouse capacity	31. Cooperation management team
11. The ability to manage and program a good stock	32. The ability to improve the quality of human resources
12. Having a wide network of bookstores	33. The development of production technology
13. Having long recognized imprint	34. Innovation working device
14. Has the customer's reputation	35. Development of a working device
15. Having a product warranty	36. R & D Capabilities
16. Handling customer complaints	37. Access to the source text
17. Service customer consultation	38. Loyalty writer
18. The ability to conduct training	39. Has a good reputation writer
19. Capacity and loan companies	40. Ability procurement manuscript
20. Assets and capital	41. The ability to anticipate the rising prices of raw materials, paper, and printing
21. The company's offices and facilities	42. The speed in the purchase of manuscripts

Weaknesses

Weakness is the internal factors that can interfere with or inhibit the ability of competing PT. PPSN. Based on data obtained through observation, interviews, and focus group

discussions with the management of PT PPSN, the obtained categories weaknesses of the company as in Table 4.

Tabel 4 The weakness of the company based on the value chain analysis

Weaknesses	
1. Shipments of quality manuscripts still slightly	9. The promotion budget is limited
2. prolific writer still little	10. Database customers who are less well documented
3. The process of getting quality script long enough	11. Error printing is still possible
4. The process of treating a script that is quite time consuming	12. Not to use the funds out of business results for the capital increase and the scale of production
5. Ability to promote products that are not yet effective	13. The employee motivation levels vary
6. Added the number of chain stores slightly	14. Standard payroll is lower than other industries
7. Growth in the number of stocks rather high	15. Adjustment device still work gradually
8. Program the stock that are not yet integrated online	16. The ability to purchase the manuscript coyright best seller limited

SWOT Matrix

With the SWOT matrix, companies can develop a strategy based on a combination of factors internal and external, and thus obtained the appropriate strategy based on the condition of the

company. This strategy consists of SO strategy, strategy ST, WO strategies, and WT strategies.

1. Strategy SO

SO strategy is the company's strategy with the power that is used to exploit the opportunities that exist. The company's strength is a good team work, experience in creating products and key business processes, the amount of receivables that will mature, and the competence of human resources.

- a. Product development of print and e-content and digitizing all the content
- b. Market penetration
- c. Building infrastructure and e-commerce online
- d. Strengthen financial management and supporting documents
- e. Strengthen human resources and develop a network of content developers and application

2. Strategy ST

ST strategy is the company's strategy utilizing existing strengths to cope with external threats. The company's strength is used to deal with threats such as the limited display area in stores and declining STO, products and services that are easily substituted, a heavy reliance on the bookstore, partner commitment, and lack of human resources who are interested in the world of publishing.

- a. Selective determine the theme
- b. Develop a superior and unique products
- c. Creating a joint event store
- d. Selective in choosing partners and developing suitable raw materials
- e. Make a compensation package and maintenance employees

3. Strategy SO

WO strategy is the company's strategy to exploit opportunities in the external to overcome internal weaknesses of the company. Companies such as the buildup of internal weakness in the downstream process and the speed problem to catch the trend, the decreasing availability of products in stores terdisplay, production and marketing costs were great, and the commitment of human resources is not equitable.

- a. Improving digital content that is practical and fast
- b. Develop a system for recording
- c. Creating packages resellers and agents as well as developing sales incentive
- d. Ensuring the payment of accounts receivable project
- e. Strengthen the commitment of human resources

4. Strategy ST

WT strategy is a strategy to minimize the weaknesses of existing publishers to avoid any external threats.

- a. Adjusting oplag
- b. up the document
- c. Make a specific product
- d. The cost efficiency of production and strengthen the treaty
- e. Maintenance employees who excel

III. CONCLUSION

Puspa Swara publisher face market changes resulting from technological developments resulting in changes in reading habits that result in decreased sales revenue. However, the company has the power of the main business so that they have

the ability to increase its business by utilizing the existing potential. External factors that could affect the company include the level of competition is very high because the publishing business is a business that is open, whereas on the one hand products ranging book substituted by information from the Internet and television. Internal factors that make Puspa Swara publisher to survive among other strong ability on the main business, good team work, and the competence of its human resources. Business strategy for Puspa swara publisher to achieve competitive advantage in the future is to do product development in print, e-content and digitizing all the content that has been held, to penetrate the market by building the infrastructure of online and off line, strengthen financial management systems and supporting documents, and strengthening human resources by developing a network of content developers and online application.

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