

## Conference Paper

# Blue Ocean Strategy of the Srikandi Organizer

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**ORCID:**Christina Whidya Utami: <http://orcid.org/0000-0003-2513-1333>**Abstract**

The Srikandi Organizer arranges, prepares, and creates wedding parties in Surabaya, Indonesia. The purpose of this research was to formulate a blue ocean strategy as a competitive advantage that could be applied at The Srikandi Organizer. This research used descriptive qualitative research methods. Data were collected through interviews, documentation, observation and from the literature. Purposive sampling was used. Semi-structured interviews were conducted with four selected informants: two founding members of the company, one client of the company, and one competitor of the company. This study evaluated the Business Model Canvas, Canvas Strategy and Four Action Framework to determine the blue ocean strategy of The Srikandi Organizer. The blue ocean strategy gave a competitive advantage to The Srikandi Organizer by innovating in arranging bundling packages with other wedding event vendors and making attractive promo packages.

**Keywords:** strategic innovation, wedding organizer, Business Model Canvas, Blue Ocean Strategy

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## 1. Introduction

The young generation of Indonesia now has creative and innovative ideas channeled through the utilization of information and communication technologies, thus creating a competent creative industry management. Creative industry is an industry which is managed based on creative ideas and is developed into the main capital in creating new jobs. According to the Minister of Industry of the Republic of Indonesia, Saleh Husin, he stated that the growth of the creative industry increased by 7% per year ([www.kemenperin.go.id](http://www.kemenperin.go.id), August 2015) [4]. The creative industry also contributed around 7.05% to the total GDP in Indonesia in 2015 ([ekbis.sindonews.com](http://ekbis.sindonews.com), March 2017) [9].

Optimism towards the creative industry sector makes The Srikandi Organizer decide to put the existing potential to use. The current lifestyle of the society being increasingly busy and individualized generates great opportunities in this field. Established in May 2017, The Srikandi Organizer is a company which specifically provides wedding

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preparation and planning services. The Srikandi Organizer prepares all affairs related to wedding party preparations as well as supervising a series of events during wedding according to a predetermined schedule and concept.

The sales of The Srikandi Organizer lead to a positive trend. The pricing of which the company offers for arranging and organizing a series of wedding ceremony is varied and rather competitive. However, the company data indicate that the number of projects handled by The Srikandi Organizer tends to fluctuate. Currently, the number activities and portfolio services offered by The Srikandi Organizer is less than its competitors. The Srikandi Organizer also does not have any uniqueness or superiority which can differentiate the company from its competitors.

Therefore, the company is required to be able to create innovation and creativity which become its competitive superiority and can provide a positive social influence. In other words, the output can create a significant change in the relationship between use value and the price offered to consumers or users (Fontana in Wijaya and Harjanti, 2015) [11]. According to Lestari and Kusumadmo (2016), a reliable strategy is needed to maintain and to increase the level of the company. Blue Ocean Strategy (BOS) must be implemented to various types of industries to escape from their comfort zone and determine how to compete using an innovative strategic planning [6].

## 2. Theoretical Framework

### 2.1. Business Model Canvas (BMC)

An increasingly high business competition requires companies to be able to read and comprehend existing business models and the overview of future developments. According to Osterwalder and Pigneur (2015: 12) [7], Business Model Canvas (BMC) is a medium to describe, visualize, assess, and change business models. Osterwalder and Pigneur (2015) also add that there are 9 main components in the Business Model Canvas (BMC) which are then classified into two sides, namely the right side (creative) and the left side (logic) based on the function of the human brain [7]. These components include:

1. Customer segment is a group of people or organizations of which the company potentially would like to reach or serve;
2. Value proposition is a combination of products and services which aims to create a value for specific market segments and serve as the strength of a company, so that customers do not switch to other companies;

3. Channel is a description of how a company can communicate with the target market segment and how the company reaches them to convey the value propositions it would like to provide;
4. Customer relationship is a description of a relationship created between a company and its target customers;
5. Revenue stream is a description of the income a company receives from each buying and selling activity with customers;
6. Key resource is an important asset needed by a company to ensure its business model run well;
7. Key activity is the main activities that a company must undertake to ensure its business model run well;
8. Key partnership is a network of suppliers and partners owned by a company in carrying out its business model;
9. Cost structure is all costs incurred by a company for operational activities of a business model.

## 2.2. Blue Ocean Strategy (BOS)

According to Kim and Mauborgne in Lestari and Kusumadmo (2016) [6], Blue Ocean Strategy is an unexplored market space, demand creation, and highly profitable growth opportunities. In the blue ocean, the competition becomes irrelevant because new game rules will be established. On the other hand, Red Ocean Strategy has established that the boundaries in the industry have been defined and accepted and the competition rules are known. Value innovation is one of the mind cores in Blue Ocean Strategy. Fontana in Wijaya and Harjanti (2015) [11] state that Blue Ocean Strategy has analytical tools, namely Strategy Canvas, Four-Step Framework, and Eliminate-Reduce-Raise-Create (ERRC) Scheme (Kim and Mauborgne in Susanto, 2015) [10].

Strategy Canvas is a tool to summarize the current situation in a market that is familiar to consumers, so that it allows the company to understand the current competitive conditions in the market as well as which factors are used to compete. Strategy canvas encourages companies to carry out activities by rearranging the focus from competitors to alternative industries and from consumers to non-consumers (Kim and Mauborgne, 2014: 25) [5]. According to Septarini and Kusumadmo (2014), the Four Step Framework is a tool that helps companies construct consumer value in creating new value curves

[8]. The Four-Step Framework is used in order to dismantle the trade-off between differentiation, low costs in order to create a new value curve (Kim and Mauborgne in Susanto, 2015) [10].

Kim and Mauborgne (2014: 35) [5] explain that the Eliminate-Reduce-Raise-Create (ERRC) scheme is a tool to encourage companies to not only ask the four main questions in the Four-Step Framework, but also act on these four questions to create a new value curve. The Eliminate-Reduce-Raise-Create (ERRC) scheme has four main benefits, including:

1. Encouraging companies to pursue differentiation and lower costs simultaneously in order to dismantle the value/cost trade-off;
2. Attacking companies which are merely focused on improving and creating, thus raising the cost structure of the company;
3. Understandable by managers at all levels that it can smoothly create a high level of involvement in its implementation;
4. Encouraging companies to remain enthusiastic in analyzing every industrial factor that becomes the competitive arena.

### 3. Research Method

This research is qualitative aiming to obtain results as predetermined. According to Guba & Lincoln (2010) in Herdiansyah (2013: 16) [3], qualitative research is a research method that aims to gain an in-depth understanding of a phenomenon by using data collection techniques without treatment, variable manipulation, and value extraction of a behavior with a level of data accuracy that is influenced by the relationship between the researcher and the research subject. The research design is descriptive qualitative in written or oral form through an interview process. The technique of selecting informants in this study uses purposive sampling. According to Bungin (2014: 107) [1], purposive sampling is a technique of determining which groups of participants become informants according to selected criteria relevant to the research questions. The selected informants in this study are stakeholders in The Srikandi Organizer, experts in the creative industry, and clients of The Srikandi Organizer.

## 4. Discussion

Strategy is the initial formation and part of company planning. To carry out a series of strategies in the correct manner, it is necessary to formulate a series of strategies clearly and in detail in accordance with the targets and objectives of the company. The success of a company is of course not only measured by the number of benefits it receives, but how the company's ability to develop and advance its business. Based on the results of interviews conducted by researchers with informants, there are factors that determine the success of a company in the wedding organizer industry. These determinants are summarized into six topics to describe the canvas strategy in the wedding organizer industry, including:

Pricing is an important factor for customers and companies. Pricing is the basis for the formation of profits meaning that all companies attempt to maximize it through market development. In this case, the changing price value aims to be one of the strategies established by the company to offer more to customers through affordable and flexible prices than its competitors by generating output which meets the customer expectation.

A good and appropriate service quality tends to result in high satisfaction on customers. Customers who are satisfied with what the company provides is most likely to recommend the service offered by the company to others. Moreover, other factors which experience increasing changes in the value curve are portfolio and customization as a form of service quality provided by the company. The objective of the company by increasing customization is to make it easier for customers to organize and arrange a series of concepts for their wedding ceremony by adjusting the vendors, themes, and budgets. Customers certainly perceive satisfaction due to such a convenience; they can be directly involved in the arrangement of a series of activities from the beginning of preparation to the day of the wedding.

Portfolio is another factor that the company need to improve in order to prove to stakeholders that the company owns the skills and experience in arranging, designing and organizing weddings. It, indeed, has a lot of positive impacts on the company in increasing branding and sales. The more the portfolio the company has, the more customer trust to use the services offered by the company.

In addition, an important factor that the company needs to improve is creating an attractive and memorable concept of an event. When the company is able to offer interesting concepts and themes, it will automatically be transmitted to other elements in the series of wedding event. To determine the theme and concept of the event, the company can brainstorm creative ideas and elements with the team to realize the

wedding event. Such an activity is important that customers can obtain references and other alternatives to the concept of the event they have desired.

Channels are a medium for companies in conveying advantages or value propositions to customers. The benefit of using channels is that it can help companies increase customer awareness of the brand, existence, services offered, service sales, and expand company connections. In this case, channel enhancement can be done by increasing the number of relationships with vendors or other stakeholders, as well as increasing company promotion facilities both online and offline such as; website, in collaboration with wedding consultants and actively participating in wedding exhibitions. Companies can also establish good synergies with stakeholders to be able to benefit each other and become a win win solution.

The ever-changing market condition along with advancements and developments has an impact on increasingly tight competition. In order to prevail the competitiveness, companies need to create new market spaces. The factors that need to be created by the company including providing bundling packages and various promos or bonuses to customers who decide to hire the wedding organizer. A bundling package is a means as well as a marketing strategy provided by a company or its partners who offers its service products, advantages, and is presented in one wedding package at an affordable price. The objective of the company by creating such a bundling strategy is to increase sales of wedding organizer services, save time, minimize costs, and provide good value that has a great meaning from the point of view of customers. The bundling strategy that the company can offer is to create a promotional package that offers decorations, catering, and other vendors.

The next factor for the company to create is providing attractive promos and bonuses to customers. There are various promos or bonuses that can be offered to customers, such as providing free assistance for pre-wedding session in the city, free documentation or photo booth facility based on certain terms and conditions, vouchers or discounts using online transportation media, promos up to a certain time for the wedding packages, and collaboration with several vendors involved in a series of wedding ceremony. Therefore, the company is expected to be able to take advantage of the media, references, creative and different ideas to be able to create attractive promos or other discounts that can be offered to customers. By optimizing the creation of such activities, the company is most likely to obtain a lot of positive feedbacks which can affect the future growth and development of the company, such as gaining customers, increasing brand awareness, and increasing sales and portfolio.

Based on the analysis result of the Business Model Canvas of The Srikandi Organizer based on the combination of the previous BMC with the latest Blue Ocean Strategy (BOS), it shows that the company is required to implement changes and innovations in several important components contained in BMC to escape the Red Ocean zone. There are several components that have been changed, either being reduced, increased or created including key partnerships, key resources, value propositions, and customer relationships.

To build a sound blue ocean strategy requires a summary of the company’s current situation in the market space. In this case, the canvas strategy will help the company in providing a guide to understanding what factors are the competition for. Through the results of the analysis of the canvas strategy that has been carried out by researchers, it can be said that The Srikandi Organizer still needs to make a series of improvements to the strategy development process that will be implemented, as well as optimizing the key success factor so that it continues to grow for the progress of the company. Therefore, the company had to reconstruct the canvas strategy using a four-step framework.

<b>Eliminate</b>	<b>Raise</b>
-	<ul style="list-style-type: none"> <li>● Good communication with internal companies and customers</li> <li>● Quality of service</li> <li>● Vendor references</li> <li>● Promo packages</li> <li>● Event concept</li> </ul>
<b>Reduce</b>	<b>Create</b>
<ul style="list-style-type: none"> <li>● Efficiency of crew numbers</li> <li>● Poor communication</li> </ul>	<ul style="list-style-type: none"> <li>● A unique, interesting, and memorable wedding concept</li> <li>● Bundling package</li> <li>● romos and bonuses for customers</li> </ul>

**Figure 1:** ERRC Design for The Srikandi Organizer

Based on the analysis conducted by researchers regarding the company’s and competitor’s canvas strategy, the researcher found a new canvas strategy design for The Srikandi Organizer where there is a difference in the value curve from the previous one.

The success of the company always leads to the use and optimization of factors to reflect the principle of effectiveness. The factors that need to be improved by the company in the *key partnership* component include increasing the variance and number of vendors in the wedding ceremony. It means that the company has a long list of vendors which can meet customer needs, such as vendors from the lowest to the highest price as well as vendors from the standard to the best quality. The existence of these various types of references, indeed, help customers make decisions about their needs and make it easier for customers to arrange and process the wedding

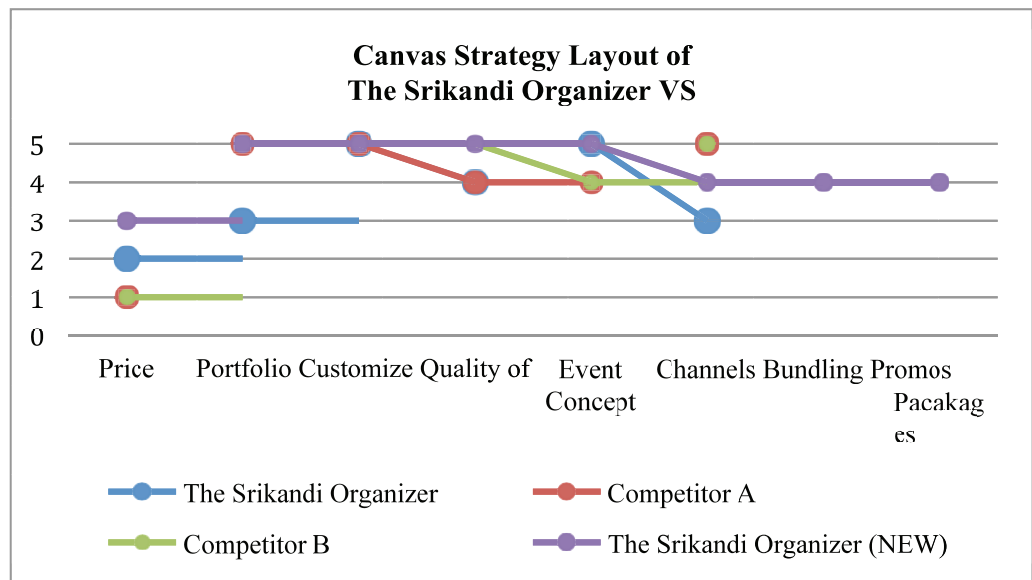


Figure 2: Canvas Strategy Layout of The Srikandi Organizer and Competitors

budget. Besides, the advantage gained by the company is that the more relationships with vendors, the more opportunities the company has to increase its profitability and expand its market share.

As the company grows, the quality of service is a key element to be continuously improved in order to meet the needs and expectations of dynamic customers. In the *value proposition* component, there are factors that need to be improved by the company, namely the quality of service. What can be done by the company to improve its service quality is to make customers perceive comfort through a fast response, provide an intimate assistance to customers, be able to receive complaints and protect customers, and constantly at the whenever customers need help.

An important factor that also needs to be created in the *value proposition* component is to always keep updated and provide unique and interesting ideas for the concept of a wedding ceremony to be offered to customers. The concept of a memorable event will certainly gain the attention of customers or invited guests coming to the wedding. It can provide good potential and opportunities for the brand awareness of the company in order to win attract more potential customers. In addition, another factor that needs to be created is bundling packages, attractive promos, and bonuses to customers. It certainly makes it easier for customers to manage their wedding budget to be more efficient because of the affordable pricing. This activity surely provide output in accordance with the expectation of the customer as the determinant the purchasing decision.

Communication is the essence of a business as a tool to solve various types of issues. In the *customer relationship* component, the factor that needs to be improved is good



communication to customers. It means that the communication between the company and the customer is not limited to business and client, but can be maintained even though the customer no longer uses the service of the company. Communication in conveying various types of information related to wedding ceremony must be understandable and in detail to avoid miss communication. The company must be able to maintain good communication with customers in order to realize good quality service which meets the expectation of customers. Furthermore, good communication between the company and stakeholders will provide many positive values which can help the company grow and develop optimally.

*Blue Ocean Strategy* helps companies escape from the *Red Ocean* zone by creating new elements that have not been offered (Gwal and Gwal, 2016) [2]. Based on the analysis of the *Blue Ocean Strategy* (BOS) of The Srikandi Organizer, it can be concluded that the company needs to proceed a number of changes and innovations to be able to optimize the performance of the company for the better and prevail the competition.

## 5. Conclusion

1. The results of the *Key Success Factor* evaluation obtained at The Srikandi Organizer show that the performance of the company performance in optimizing *key success factors* is well-conducted in terms of facing competition from similar competitors. The dominant *key success factor* is the pricing that is more affordable than competitors and the service quality that customers can evaluate the positive value received from the price and services offered by the company;
2. The results of the *Business Model Canvas* analysis show that changes to the business model that can be made by The Srikandi Organizer are:
  - Performing crew efficiency in terms of number in the *key resources* component to help companies map job descriptions clearly and in detail;
  - Changes in the *key partnership* component are made by increasing the number of supporting vendors for the wedding ceremony to provide vendor references that can meet the needs of customers to realize their wedding expectation;
  - Changes in the *value proposition* component are made by providing value to customers, namely the convenience in terms of concept and event preparation, fast response, and intimate assistance at affordable price;

- Changes in the *key activities* component are made by restructuring the workflow of the company to be more detailed; and
  - Changes in the *segmentation* component are made by establishing two types of segmentation in The Srikandi Organizer, namely (1) segmentation based on lifestyle: traditional and international wedding concept, (2) segmentation based on demographics: middle and upper middle class.
3. The results of the innovation strategy analysis at The Srikandi Organizer show that the company needs to offer bundling packages and attractive promos as well as bonuses that have never been offered before in order to make it easier to manage the budget for wedding expenses more efficiently. In addition, the company is expected to always be updated in providing unique and interesting ideas for the concept of a wedding ceremony.

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