BUSINESS STRATEGY FORMULATION FOR SALES AND MARKETING CASE STUDY: SUPERBLOCK APARTMENT "X" IN JAKARTA

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ABSTRAK

Kata kunci: SWOT; Marketing Mix; RICE	*Penelitian ini memberikan wawasan tentang bagaimana sebuah proyek apartemen "X" di Jakarta dapat memanfaatkan solusi bisnis strategis untuk merevitalisasi upaya penjualan dan pemasaran serta mengatasi tantangan di pasar. Pasar apartemen di Indonesia mengalami penurunan permintaan selama lima tahun terakhir, yang mengakibatkan take-up rate yang stagnan, harga apartemen yang tidak berubah, dan jumlah proyek apartemen baru yang terbatas. Untuk mengatasi permasalahan ini, penulis mengadaptasi pendekatan dari Wheelen dan Hunger (2010) pada kerangka kerja proses manajemen strategis, dan melakukan berbagai analisis seperti PESTEL, STP, Marketing Mix – 4P, dan 3C. Analisis ini kemudian menjadi masukan untuk matriks SWOT dan rekomendasi inisiatif strategis. Setelah dilakukan prioritisasi rekomendasi dengan menggunakan pendekatan skoring RICE, terdapat tiga inisiatif quick-wins yang dapat dilaksanakan dalam waktu dua bulan. Inisiatif-inisiatif tersebut meliputi (1) penyesuaian pesan komunikasi terkait unique selling propositions produk untuk setiap segmen pasar dan menambahkan manfaat emosional ke dalam pesan yang disampaikan, (2) merekrut tim promosi dengan kemampuan pemasaran digital, dan (3) mengembangkan promosi khusus untuk unit studio, yang merupakan unit dengan stok terbanyak.*

ABSTRACT

Keywords: SWOT; Marketing Mix; RICE	This study offers insights into how an apartment project "X" in Jakarta can utilize strategic business solutions to revitalize their sales and marketing efforts and overcome challenges in the market. The apartment market in Indonesia has been experiencing a decline in demand over the past five years, resulting in stagnant take-up rates, unchanged apartment prices, and a limited number of new apartment projects. To address this issue, the writer adapt the approach from Wheelen and Hunger (2010) on strategic management process framework, and performs svarious analysis, such as PESTEL, STP, Marketing Mix – 4P, and 3C. The analysis then serves as inputs for SWOT matrix and strategic initiative recommendation. Upon prioritization of the recommendation using the RICE scoring approach, the writer identified three quick wins initiatives that can be implemented within two months. The initiatives include (1) tailoring the messages to suit each market segment's product unique selling proposition and adding emotional benefits to the messages, (2) hiring a new promotion team with digital marketing capabilities, and (3) developing a special promotion for studio units that contribute the most to the stock.

INTRODUCTION

The Indonesia Property Outlook 2023 by the Center of Macroeconomics and Finance predicts that global economic growth will experience a down trend due to issues such as high inflation, a slowdown in the economic growth of major countries, the negative impact of the Ukraine war, and the Covid-19 pandemic. However, Indonesia's macroeconomics is predicted to maintain its strength, with GDP growth projected to be around 4.8% up to 5.0% in 2023. The property industry in Indonesia is transforming into one of the backbone sectors for the national economy, with a significant contribution to GDP and workers absorption (Denzin & Lincoln, 2011).

The government's stimulus played an important role in maintaining the property market landscape in 2022, with the easing of down payments and value-added tax for property ownership loans. The prospect for the real estate sector in 2023 is still promising, although there is still anticipation of recession issues and an increase in global interest rates. However, demand for apartments in Greater Jakarta has declined, with sales remaining weak and no new projects launched in response to low demand (Inesencia, 2020).

The study case for this paper is conducted at apartment "X", an apartment with superblock concept (consists of two towers) in Jakarta. The apartment launched in 2015, yet facing critical problem on prolonged take-up rate that cause lots of financial burden since direct sales expense is higher (including employee and marketing costs), building maintenance expense is higher (since project must maintain the stock units), and Net Operating Margin is lower due to higher debt interest and cost increment. Apartment "X" is also facing hardship to maintain its brand position in the market because the longer a developer can sell the product, the lower the customer's trust in the brand. This happens because customers will perceive the product as an "old product" and consider it as a "not hot product" in the market (Walalangi et al., 2021).
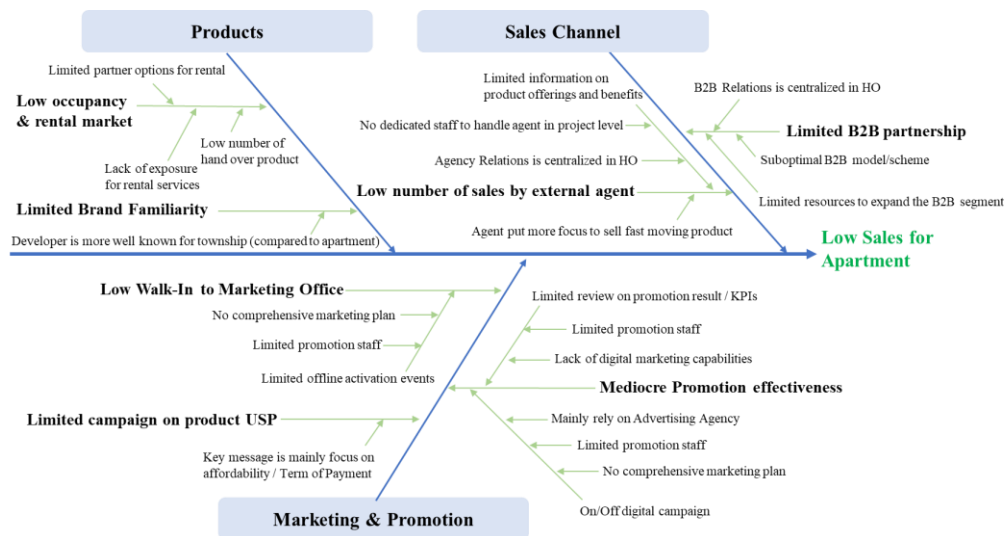

Figure 1. Root Cause Analysis For Low Sales Number

The fishbone diagram in Figure 1 shows an initial root cause analysis based on data collected during semi-structured interviews and observations. According to the analysis, there appear to be three main clusters of issues that may have contributed to the low number of sales for Apartment "X", includes Sales Channel, Marketing & Promotion, and Product (Lesmana, n.d.).

Furthermore, the aim of this research is to formulate a new marketing strategy for Apartment "X" by (1) assessing current marketing strategy and conduct competitor benchmarking, (2) evaluating market segment and product unique selling points, and (3) formulating the proposed marketing strategy that overcomes the business issues. By formulating a new marketing strategy, the apartment "X" can remain competitive, increase the sales figures, and optimize their chances of success in this highly competitive market (Wade, 2020).

RESEARCH METHODOLOGY

To remain competitive and successful in business, companies must establish a comprehensive strategy that forms the foundation for management decision-making processes. Kotler (1997) says that marketing strategy is a marketing logic and based on that the business unit is expected to achieve its marketing goals. Effective marketing strategy should prioritize creating value for customers. Marketing strategy must also be dynamic, adapting to changes in the market and in customer demands.

According to Strategic Management Business Formulation (Wheelen & Hunger, 2010), the strategic formulation consists of four elements: environmental scanning, strategy formulation, strategy implementation, and evaluation and control. Figure 2 describes the conceptual framework that is adapted from (Wheelen & Hunger, 2010) and futher utilized as structured approach that organizes concept and provides a foundation for this research study. The primary objective of this study is to create an effective sales and marketing strategy to increase sales number and reduce remaining inventory.
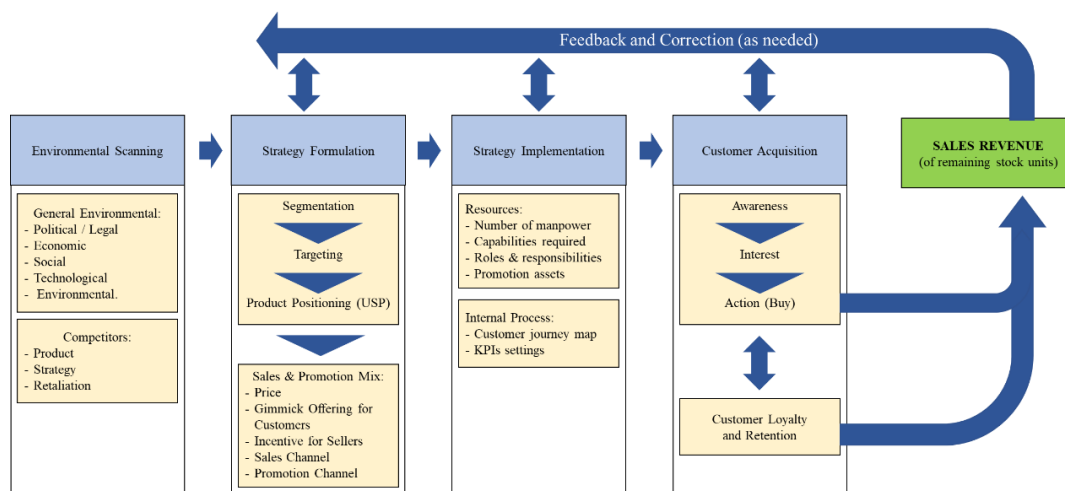

Figure 2. Conceptual Framework

Qualitative research is an investigative method that explore and comprehend the subjective perspectives and interpretations of individuals or groups regarding a social or human issue. The research methodology in this study mainly uses a qualitative approach, through primary and secondary data collection. For the primary data, data is collected through on-site observations and semi-structured interviews with the internal sales team, external agent relations team, selected external agent, and site visits to direct competitors. The interview will be conducted one-on-one in an informal setting. Furthermore, for the secondary data, the data is collected from internal sources of Apartment "X" such as website and digital assets, monthly sales reports, and HQ market research reports, as well as external sources such as journal publications and competitor data available in public. Figure 3 depicted the research framework that is used in this study, consisting of steps on data collection, analysis tools, and strategy recommendation and implementation plan.
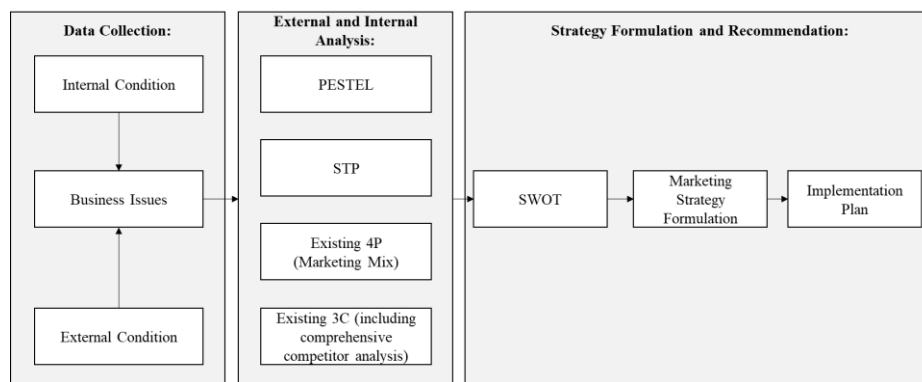

Figure 3. Research Framework

Table 1 explained the data collection method for each type of data, including the source of information, and method to acquire the data. Upon the data collection, the writer uses qualitative deductive coding to get the insight for analysis. Deductive coding involves the systematic process of categorizing excerpts in qualitative data based on themes and patterns using a top-down approach. The writer performs the following deductive coding steps: (1) start by developing a set of codes based on the research questions and conceptual framework, (2) read the interview data collected and assign excerpts to code, (3) do second round to review the code assignment, and (4) gather insights for each code group and serve as inputs for analysis.

The insights from the deductive coding will be used as inputs for various qualitative data analysis models such as STP (Segmentation, Targeting, and Positioning), 4P (Product, Place, Placement, and Promotion), 3C (Company, Competitor, and Customers), and SWOT (Strength, Weakness, Opportunity, and Threats). These models allow for a thorough evaluation of different aspects of the marketing strategy and provide insights into how to improve and optimize it to achieve better results.

Table 1. Data Collection Method

Type of Data	Source of Information	Method To Acquire Data
Reference from previous relevant study	Journal / Publication	• Search the internet for information (googling) • Search previous final thesis study
Project profile and sales data	Internal data	• Website and digital asset • Semi structured Interviews • Observations • Monthly report
Competitor data	External data available in public and site visits to direct competitors	• Search the internet for information (googling) • Internal market research data • Mystery shopping
Customer's consideration in buying an apartment	Internal Sales Team, External Sales Agents	• Interview to understand the current customer profile and their key decision points

RESULT AND DISCUSSION

PESTEL Analysis

PESTEL analysis is one of the tools that can be used to define the context of business issues based on external perspective. PESTEL consists of analysis in six factors, including political, economic, social, technology, environment, and legal:

(1) Political / Legal:

To overcome the sluggish market condition, Indonesian Government has launched several policies including "PPN *Ditanggung Pemerintah*" (PPN DTP) tax incentive and Loan-to-value (LTV). PPN DTP that launched by Indonesian Government in 2021 was a government incentive related to VAT that is applied to the sale and purchase of low-middle residential products with ready stock condition. The government provides VAT subsidy up to 50%, applicable for one unit purchase for each citizen and cannot be resold within a year.

In March 2021, BI changed the policy of LTV by providing loan relaxation until December 2023. The LTV ratio for primary residential property is up to 100% for first time homebuyer. This means that if a property is valued at IDR 5 Billion, the maximum amount of loan that can be provided by a bank is IDR 5 Billion (100% property value). Historical data from BI concluded that LTV relaxation tends to be followed by an increase in mortgage growth, while a tightening LTV is followed by a decrease in mortgage growth.

(2) Economic

Organization's financial performances are influenced by various economic factors, including inflation, exchange rates, economic growth, and unemployment rate. In the context of the real estate industry, specific considerations such as interest rates and inflation have a significant impact on the purchasing power, mortgage affordability, and overall demand for real estate. Mortgage interest rates and inflation rates in Indonesia tend to increase over the years. In

September 2022, the government started to increase the 7-day reverse repo rate by 50bps to 4.25%. This number keeps increasing and within three months reached 5.75% (January 2023). The increase in mortgage rate heavily impacted the customers since their monthly installment is increased. The inflation rate also increased and reached 5.47% YoY. The increase in inflation has an impact on rising prices for building material, that caused the risen of property's price especially for high-rise project.

The impact of inflation on a customer's ability to purchase an apartment can be exhibited in various ways. The cost of goods and services, including the price of apartments, will increase when inflation rates rise. As a result, customers may face difficulties paying the down payment and subsequent monthly mortgage payments. Additionally, inflation can lead to higher mortgage interest rates, which can elevate the cost of borrowing money and force the customers to reconsider their commitment to purchase the apartment. The government stimulus can provide partial relief to mitigate the effects of inflation on customers' ability to buy apartments. However, if the inflation rate is continuously high, the government stimulus may not be enough to offset the rising costs of apartments, making it more challenging for customers to purchase the product.

(3) Social

Demographic and cultural factors such as population growth, lifestyle changes, and consumer attitudes can impact the business. Few highlights on social factors that have impact for real estate industry:

- BPS data in 2021 showed that Gen Z (age 20 to 24) and Millennial (age 25 to 40) dominated 8.3% and 24% of Indonesian population, this population is a great market for residential.
- There are ample alternative housing options, such as landed houses or affordable government-subsidized housing, which may be more attractive to some buyers. An online survey from Rumah.com shows that two out of three respondents plan to buy a new property within a year, however, they still target landed residential compared to an apartment.
- Customers tend to focus on a property with great infrastructure and access. They put more focus on traveling time rather than distance. This situation makes millennials choose Transit-oriented development (TOD) - based apartments compared to regular apartments. Transit-oriented areas are believed to have large potential to reduce congestion in the capital city.
- Based on an online survey from Rumah.com to 1,078 respondents (2022), recovery from the Covid-19 situation has already bun, yet potential customers are still delaying the plan to buy and reluctant to survey the property location.
- Based on internal research and benchmarking to other prominent developer in Asia (i.e., Ayala Land, Philippines), they highlight the product USP and functional benefit with personal messages which impact the sales performance. Example:
  o The product USP: proximity to MRT station
  o Functional benefit: easy accessibility

     o Emotional benefit: more potential quality time with family, more personal time (reward for the hard work), and solution for customers who look for instant and hassle-free lifestyle.

(4) Technology

Technological progress, encompassing automation, innovation, and advancements in communication and information technology, has the potential to significantly affect the operations and products of a business. In the present day, technology has become an integral part of property searching, with property developers adopting digital marketing and online platforms to facilitate real estate transactions. Recent trends in prop2022search behavior, as evidenced by Rumah.com's data for 2022, indicate a growing interest in digital property searching, with a significant increase of 37% observed as compared to the preceding year.

(5) Environment

The evolving lifestyles and shifting preferences of customers towards environmentally friendly and sustainable buildings have significant implications for the types of properties that are in demand. There has been a noticeable increase in public awareness and interest in eco-friendly homes, with a survey conducted by Rumah.com (2022) revealing that nine out of ten respondents recognized the importance of eco-friendly features in their homes. Particularly appealing were features that could help reduce expenses, such as lower electricity bills and less reliance on personal vehicles.

STP Analysis

Marketing concepts known as STP (Segmentation, Targeting, and Positioning) are crucial for businesses to create successful marketing strategies. This evaluation will determine whether the current market segmentation, target market selection, and brand positioning are suitable or require adjustments due to potential changes in customer behavior and preferences. The writer has found that both towers of Apartment "X" share similar segmentation, targeting, and positioning strategies, with some key differentiations. Tower 1 has positioned itself as a property for younger customers, offering lower prices and a range of amenities for millennials. In contrast, Tower 2 has positioned itself as a luxury property with larger units, more suited to professionals with families.

The writer's explained the Apartment "X" STP in Table 2. The analysis indicates that the current STP strategies are well-aligned with the product offerings, brand equity, and customer profiles of each tower. Current STP are appropriate for their respective target markets and offer a strong foundation for marketing efforts. However, it is important to ensure that the marketing campaigns are also designed to reflect the STP strategies and reach the intended target audience. It is important to ensure the messages in each communication channel to optimize the awareness level and sales conversion.

Table 2. Apartment "X" STP

STP	Apartment "X" Tower 1	Apartment "X" Tower 2
Segmentation	• Male and female, Indonesian nationality. • Area Jakarta, West Java, East Java.	
	• Age ≥ 25 years old. • Income ≥ Rp 20 mio/month. • Have interest in buying an apartment above Rp 1 Billion.	• Age ≥ 30 years old. • Income ≥ Rp 50 mio/month. • Have interest in buying an apartment above Rp 3 Billion and luxury property.
Targeting	• Male and female with SES B- A+. • Focus on Jakarta and Depok area, with extension to another city in West Java and East Java.	
	• Age 25 to 54 years old. • Junior to Executive Manager, Business Owner. • First time property buyer or buy property for their kid. • Investor.	• Age 30 to 54 years old. • Middle to Executive Manager, Business Owner. • First time property buyer or already has property before (buy for transit home). • Investor.
Positioning	• Apartment as the main hub for well-living, developed with superblock concept, and connected with mall. • Affordable apartment with strategic location (near access of JORR toll road) and great access (near commuter line). • Healthy environment with extensive green area • Developed by trusted developers.	
	• For millennials, offer varies facilities including gaming room and co-working space.	• For family, provide ample facilities suitable for family.

4P Analysis

The purpose of 4P analysis is to evaluate and develop a company's marketing strategy by examining these key areas of the marketing mix, including Product, Price, Place, and Promotion. The 4P is a tactical tool that businesses use to achieve their marketing goals by influencing target market response. Products contain the goods or services offered by the business, while price contains the amount customers pay for the product or service. Promotion contains the methods used to communicate the benefits of the product or service to the target market, such as advertising and public relations. Finally, Place contains the channels used to distribute the product or service. An integrated marketing program (as shown in Figure 4) that effectively blends marketing mix elements can help businesses achieve their marketing objectives by engaging customers and delivering value to them (Kotler & Armstrong, 2021).

Regarding the product component, Apartment "X" is considered prominent since the product is already finished construction, ready to move-in, and provides full furnished option in collaboration with home décor company. Given the current challenging market conditions in which several developers have canceled their high-rise developments due to poor take-up rates, this apartment's completion presents a positive image to the market. However, investors have faced issues with low building occupancy, making it challenging to lease the units. Based on interview analysis, the writer also idenfied other Unique Selling Points (USP) of Apartment "X" including 1) located in a superblock that offers connectivity to mall, 2) 60% green space, 3) an abundance of amenities for both millennials and families, and 4) affordable monthly mortgage with the added benefit of a free Down Payment for buyers, making it easy to purchase.

Figure 4. Managing Marketing Strategy and Marketing Mix (Kotler & Armstrong, 2021)

Regarding the price component, the Apartment "X" already offers competitive pricing that bundled with ample building facilities. Price is one of crucial parameters in the decision-making process of potential apartment buyers, they also consider factors such as the ease of purchase and the affordability of monthly mortgage payments. There are still challenges to sell studio type apartments, since this type makes up the largest portion of available stock, but they are the most difficult to sell due to an oversupply in the market. The project needs to devise a specific strategy to sell its studio apartments.

Regarding Place component, the Apartment "X" is positioned near South Jakarta, near Lenteng Agung, providing ease of access via commuter stations and the Toll Jakarta Outer Ring Road (JORR). However, this location is perceived weakness in the minds of investors since they tend to favor apartments which located in the heart of offices areas such as TB Simatupang, Ampera, and Pondok Indah as their top choices for apartments in South Jakarta.

Regarding Promotion component, the Apartment "X" has employed various channels to promote the property, both offline (such as through marketing galleries, booths, and events) and

online (including website, Google, Instagram, TikTok, and YouTube), as well as print advertisements and online proptech portals (such as Lamudi and Rumah123). However, this study has uncovered several findings that present opportunities for improving the effectiveness of its promotions. There are four key findings in the promotion areas including (1) lack of promotion staff with digital marketing capabilities, (2) suboptimal marketing plan with limited evaluation mechanism, (3) current campaign style leans towards hard selling, primarily emphasizing payment terms rather than communicating the unique selling proposition of the product, and (4) low conversion rates, despite having high awareness among potential customers, project not successfully persuading the potential customers to make a purchase. Low conversion rates could be due to a variety of factors, such as poor targeting, ineffective messaging, or ineffective customer handling within customer journey.

3C Analysis

3C analysis aims to provide a comprehensive understanding of a company's internal environment and capabilities. The three components of this analysis are Company, Customers, and Competitors. The Company component involves evaluating the resources, as well as their internal strengths and weaknesses. The Apartment "X" has well-established credibility since this project was developed by trusted developer with years of experience. For the manpower aspects for sales channel, there is high dependency on internal salesperson with low contribution from external sales agents (i.e., Ray White, Century 21). This over-reliance on in-house salespersons is less than ideal, as external sales agents are also an important channel for liaising with potential customers and can help reach a larger audience in the Jabodetabek area.

The Customers component aims to understand the needs and wants of customers, and how the company can fulfil these needs compared to its competitors. Analyzing customer behavior, preferences, and demographics helps to identify market segments and opportunities.   The writer identified two primary obstacles of Apartment "X" that can arise during customer journeys. Firstly, due to the high volume of leads being managed by internal salesperson, it is possible for a single salesperson to struggle with lead prioritization, potentially neglecting hot leads. Additionally, salespersons may hesitate to relinquish leads, fearing that they will be redirected to another salesperson. Secondly, the COVID-19 pandemic has made it challenging to encourage potential customers to visit the location, as they may avoid physical visits to minimize their exposure risk. Previous experiences of the Apartment "X" Sales Team indicated that if customers visit the location, the chances of them buying properties increase by 50% (Tomohardjo, 2022).

The Competitors component involves assessing the strengths and weaknesses of the competitors. This analysis provides insights into their strategies and potential threats to the company's market position. Referring to Table 3, the writer presents the comparison of Apartment "X" with the competitors in the area. The area faces tight competition, with multiple apartment complexes offering comparable amenities and pricing. However, in general, the project is

categorized as competitive, since they can compete in various aspects, such as brand positioning, project size, location, price points, product offering, facilities, building progress, USP, and promotion strategy.

Table 3. Tight Competitor Landscape Around Apartment "X"

Aspect	Apartment "X"	Vasaka Solterra	SQ Residence	Arumaya
Location	Lenteng Agung	Pejaten	TB Simatupang	TB Simatupang
Distance from Apartment "X"	-	10 km	10 km	11 km
Launching Year	2015	2017 (Residence) 2019 (Suites)	2019 (Tower D) Cancelled (Tower E)	2017
Project size	4.8 Hectare	1.1 Hectare	7.2 Hectare	2.6 Hectare
Building progress	Completed	Completed	In-progress	Completed
Price points	1.2 – 3.7 Bio	1.1 – 2.5 Bio	1.1 – 5 Bio	1.5 – 3 Bio
Brand positioning	Green-living mixed use developments	Urban lifestyle sanctuary	Resort style residential living	Exclusive home in integrated lifestyle
Unit option	Studio, 1BR, 2BR, and Loft	Studio, 1BR, and 2BR	1BR, 2BR, and Dual Keys	Studio, 1BR, 2BR, 3BR, and 4BR
Product concept	Mixed-used concept: mall, office, and apartments	Single use apartment (2 towers)	Mixed-used concept: office, retail, and apartment (2 towers)	Office, retail, apartment (1 high-rise and 1 low-rise)
Facilities	Mall, green area, swimming pool, gym, games room, co-working space	Jardenia Sanctum Garden, infinity pool, gym, library, jogging track, amphitheater	Elevated walkway, resto at SQ Dome, pool, gym, sauna, and co-working space	Infinity pool, thematic garden, and multi-function room
USP	High proximity to Simatupang CBD, integrated with Mall, big green area	Green concept, strategic location	High proximity to Simatupang CBD and Pondok Indah, TOD Lebak Bulus, and 1 minutes to Siloam Hospital	Between two (2) Station MRT and two (2 toll) toll road (JORR & Desari)
Promotion strategy	• Subsidized Down Payment (DP) up to 15% • Free KPA fee • Free furniture • Free 1 year service charge	• Subsidized Down Payment (DP) up to 10% • Free KPA fee • Free furniture voucher (for 2 Bedroom only)	• Discounts • Semi furnished units • Electronic gifts for customers	• Zero Down Payment • No installment payment for one-year • Extra discount for Astra employee

SWOT Analysis

Upon performing several analyses, the writer summarized it in SWOT analysis with two elements for internal aspects (strength and weakness) and two elements for external aspects (opportunity and threat). The utilization of SWOT analysis will enable the writer to recognize the aspects where the project can advance and potential hazards that require attention. Furthermore, it will assist in developing a strategy to bolster the strengths, alleviate the weaknesses, capitalize on the opportunities, and anticipate possible threats.

The strengths of Apartment "X" include: (1) integration with mall, offering a unique superblock concept, (2) large green area (60% of total location), (3) conveniently located near the Commuter Station and Toll JORR, providing easy accessibility, (4) readily available for occupancy with fully furnished features and installment affordability, (5) strong financial standing to facilitate Down Payment (DP) Subsidy Program, (6) STP settings are already optimized for the target market, and (7) ample building facilities with options for families and millennials.

The weakness of Apartment "X" include: (1) low conversion rate of sales from digital channel despite high product awareness, (2) inadequate staff to support marketing and promotional activities, particularly in the realm of digital marketing, (3) lack of a comprehensive marketing strategy, coupled with inconsistent digital marketing placement, (4) suboptimal partnerships with external sales agents have resulted in a low number of sales, (5) low occupancy and limited rental agency options have led to the perception of Apartment "X" as an inferior investment, and (6) a high proportion of studio units are considered oversupplied and difficult to sell.

The opportunity of Apartment "X" include (1) the population of Gen-Z and Millennials is a great market for apartments and has growing interest in digital property searching, (2) the evolving lifestyles and shifting preferences of customers towards environmentally friendly and sustainable buildings, (3) changes on Bank Indonesia's policy regarding LTV, providing loan relaxation until December 2023, (4) utilize loyalty membership program from Head Quarter to encourage repeat-buyers as well as referral, (5) even though the B2B and communities are considered niche markets, there is still a potential to tap into B2B market (especially banking) and communities, and (6) explore new partnerships and collaborations with local businesses and community organizations to enhance its appeal and create added value for tenants.

The threat of Apartment "X" include (1) the area faces tight competition, with multiple apartment complexes offering comparable amenities and pricing, (2) high-rise apartments face soft demand due to customer preferences for landed residential properties, (3) proximity to a political election year and the possibility of an economic downturn, (4) mortgage interest rates and inflation rates in Indonesia tend to increase over time, and (5) while recovery from the COVID-19 situation is underway, potential customers remain hesitant to visit the property location, delaying their plans to buy.

TOWS Matrix

Upon development of SWOT analysis, the writer builds the TOWS matrix in Table 4 to explain nine strategy recommendations. The TOWS matrix serves as an advantageous instrument for strategic planning, as it enables organizations to pinpoint areas for enhancement, utilize opportunities, and lighten potential threats. There are four quadrants that explain four sets of possible strategic alternatives that combine internal strengths and weaknesses and external opportunity and threat (Afdhalash & Adriyani, 2019).

Table 4. TOWS Matrix

Internal Factors / External Factors	Strength (S)	Weakness (W)
Opportunity (O)	**Quadrant I: S-O** 1. Tailor the messages when communicating product USP for each market segment and put emotional messages. 2. Utilize loyalty programs to attract existing buyers to buy ready to move-in apartments.	**Quadrant II: W-O** 3. Recruit new promotion team with digital marketing capabilities. 4. Create guidelines for short and long-term marketing strategy. 5. Partnership with several rental agency.
Threat (T)	**Quadrant III: S-T** 6. Collaborate with mall to create a crowd puller event that will attract potential buyers to visit Apartment "X". 7. Create special collaboration with bank partners.	**Quadrant IV: W-T** 8. Special scheme to promote collaboration with external agents. 9. Assign dedicated PIC to handle agent. 10. Special promo for studio.

RICE Scoring

The TOWS matrix outlined in earlier section has revealed nine strategic initiatives that can address the challenges encountered by Apartment "X". According to McKinsey research, companies that prioritize strategic investments can generate 40% more value than those that rely on a "business as usual" approach. To further enhance the efficacy of these initiatives, the author sort and prioritize them based on their RICE score, which considers their potential reach, impact, confidence, and effort required (Poerbo, 2001). The RICE scoring model is useful to evaluate each of competing initiatives by scoring them according to the following formula: RICE Score = Reach x Impact x Confidence: Effort. Table 5 shows the scoring for each inititiaves that will be used as reference to prioritize the top three initiatives.

Table 5. RICE Scoring For Each Strategic Initiatives

#	Business Strategy	R	I	C	E	Score	Rating
1	Tailor the messages when communicating product USP for each market segment and put emotional benefits to the messages.	10	2	100%	1	20.0	1
2	Utilize loyalty program to attract existing buyers to buy ready to move-in apartment.	1	1	50%	2	0.3	9
3	Recruit new promotion team with digital marketing capabilities.	7	3	100%	2	10.5	2
4	Create guideline for short term and long-term marketing strategy.	5	2	80%	2	4.0	4
5	Partnership with several rental agency (since the apartment is already ready to move-in)	2	2	50%	3	0.7	7
6	Collaborate with the mall to conduct crowd puller event that will attract potential buyer to visit Apartment "X"	4	2	80%	6	1.1	6
7	Create special collaboration with bank partners.	2	1	50%	2	0.5	8
8	Special scheme to promote collaboration with external agents.	7	2	80%	3	3.7	5
9	Develop special promo for studio unit.	5	2	100%	2	5.0	3

Notes on RICE scoring methods:

- R (Reach): estimate number of sales per month (in units) that can be generated from each initiative. The larger the reach, the higher the score for this factor.

- I (Impact): estimate potential impact of each initiative to the business. Initiatives that are expected to have a higher impact receive a higher score for this factor, following below guideline:
  - o 3: massive impact
  - o 2: high impact
  - o 1: medium impact
  - o 0.5: low impact
  - o 0.25: minimal impact

- C (Confidence): estimate the level of confidence that the project will achieve the desired outcome, following below guideline:
  - o 100%: high confidence
  - o 80%: medium confidence
  - o 50%: low confidence

- E (Effort): measures the resources and time required to complete the initiatives. Initiatives that require less effort receive a higher score for this factor. For this metric, the writer will use the number of FTE to complete the initiatives.

According to the RICE scoring results mentioned above, the three most impactful initiatives are as follows: 1) customizing product USP messaging for different market segments and including emotional benefits in the messaging (RICE score: 20.0), 2) recruiting a new promotion team with expertise in digital marketing (RICE score: 10.5), and 3) creating a special promotion for studio units (RICE score: 5.0). These initiatives should be implemented within the first two months of the implementation plan as they are quick wins. Furthermore, to ensure proper implementation, each of these initiatives must be detailed out at a business function level. Table 6 explained the example of business function level for the quick win's initiatives.

Table 6. Busines Function Strategy For Top-3 Quick Wins Initiatives

#	Business Strategy	#	Functional Strategy
1	Tailor the messages when communicating product USP for each market segment and put emotional benefits to the messages.	1.1	Key messages are tailored for following market segment (consider price points and age range for each tower), i.e.: (1) First time home buyers, workers, and college students in JBDTK: • Affordable • Integrated with mall • Quality time for yourself and family (Accessible with proximity to Toll JOR and MRT Station) (2) Environment enthusiast: • 60% green area • Healthy environment • Quality time for yourself and family (Accessible with proximity to Toll JOR and MRT Station) (3) Investors: • Affordable • Strategic location and high ROI • Trusted developers
2	Recruit new promotion team with digital marketing capabilities.	2.1	(1) Develop job description, and roles & responsibilities matrix for new position. (2) Determine the numbers of manpower required for the position. (3) Recruit new personnel who have capability in digital marketing.
		2.2	Review current digital marketing strategy in each sales funnel. There is a potency to combine leads from digital marketing with offline events, to increase lead conversion.
3	Develop special promo for studio unit.	3.1	Perform calculation on bottom-line offerings for studio apartment.
		3.2	Offer special gimmicks for studio. Possible promo: (1) Full-furnished package, apartment is ready to move-in / rent. (2) Collaborate with furniture company to develop free design services. Offer a unique move-in experience, i.e., provide free moving services, free internet services, free AC maintenance.

CONCLUSIONS

The writer adapted a business strategy model from to Strategic Management Business Formulation (Wheelen and Hunger, 2010), to formulate sales and marketing strategy for a case study "Apartment "X" in Jakarta, with objective to increase the sales figures and reduce the remaining stock units. By performing step by step from environmental scanning, strategy formulation, and strategy prioritization, the writer comes up with nine initiatives that can be implemented in functional level. Furthermore, using RICE scoring, the writer can identify and prioritize top three initiatives that identified as the quick wins include: (1) tailoring the messages to suit each market segment's product unique selling proposition and adding emotional benefits to the messages, (2) hiring a new promotion team with digital marketing capabilities, and (3) developing a special promotion for studio units that contribute the most to the stock.

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