ANALYSIS OF PT INASI’S MARKETING STRATEGY FOR SUSTAINABLE PRACTICES THROUGH GAP ANALYSIS FINAL PROJECT

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Abstract

This thesis explores the Marketing Strategy of PT INASI in the context of sustainability, employing the Gap Analysis method to identify and address discrepancies in the internal and external perceptions of the company's sustainability initiatives. The focus is on the gap analysis, which signifies the disparity between the comprehensive internal sustainability approach encompassing environmental, economic, and community aspects and the predominantly environmental perception held by the public. The study begins by defining the gap at PT INASI and recognizing its implications on the company's reputation, community relationships, and overall impact. The research delves into the reasons behind the gap, acknowledging the importance of aligning internal efforts with external perceptions for the successful implementation of sustainable strategies. The thesis concludes by highlighting the critical role of addressing the gap analysis in achieving PT INASI's sustainable strategy objectives. By implementing the proposed action plan, the company can enhance its reputation, strengthen community relationships, and maximize the impact of its sustainability initiatives. The findings contribute to the broader understanding of gap analysis methodologies in the context of sustainability-focused organizations.

Keywords: Sustainability, Marketing Strategy, Gap Analysis, Qualitative Study

INTRODUCTION

The intensifying competition among companies in diverse business sectors underscores the imperative to strive for superiority. In the pursuit of excellence, numerous companies engage in competition, yet a significant portion neglects their business processes in favor of preserving the surrounding environment, both in the immediate and distant future. Optimizing the relationship between a company and its surrounding social environment significantly impacts the process of maintaining the company's excellence (Crowther & Aras, 2008). The growing recognition of social environmental awareness in Indonesian companies is influencing their sustainability and ability to maintain their existence. It is acknowledged that a company's financial success and other advantages are intertwined with its responsibility to uphold sustainability development programs (Gutterman, 2022).

This report from CNBC Indonesia highlights the ranking of certain companies that prioritize environmentally friendly and sustainable business practices above the industry average. The research conducted by CNBC Indonesia Research in May 2023. The concept of green business ranking encompasses the utilization of specific indicators and criteria that encompass a wide range of sustainability aspects, including but not limited to energy efficiency, waste management, nature conservation, corporate social responsibility, and financing.
Figure 1 CBNC Indonesian Green Business ratings 2023

An analysis of the provided data reveals the presence of eight companies that demonstrate a heightened focus on environmentally friendly and sustainable business practices. The crucial role of PT PLN (Persero), as a State Electricity Company, in the economic stability and societal well-being of the Indonesian population. In considering economic and environmental sustainability, Darmawan Prasodjo, CEO of PLN, emphasizes the significance of financial achievement (profit). PT Pertamina (Persero), Indonesia's largest state oil and gas company, has exhibited a steadfast dedication towards promoting environmental sustainability. Pertamina, a company managing upstream and downstream oil operations in Indonesia, has emerged as a commendable exemplar of sustainable and environmentally conscious enterprises (CNBC Indonesia, 2023).

According to Harvard Business, a company's success may be measured by its ability to "Do Good" and "Do Well" at the same time, which means that the company can maximize its profit and financial benefits while also balancing the surrounding environment (Mubarak, Hegyes, & Farkas, 2020). This is because, via company sustainability, many businesses may keep their brands by overcoming risks that may arise in the future for their businesses, and the market for environmentally friendly items is now increasing rapidly, so more chances will emerge. for businesses that first grow their business potential by creating a sustainable environment within their organization (Joshi & Li, 2016).

Building a company's reputation takes time and consistency, because companies are becoming increasingly competitive in building a reputation, supported by the social environment and technological advances that are increasingly developing to make the process of building a reputation easier, including communicating a company's sustainability aspirations (Joshi & Li, 2016).

Business communications practitioners and scholars continue to emphasize the relevance of business sustainability communications (Pollack & VanEpips, 2012). This is due to rising consumer and stakeholder expectations of brands and businesses. Companies that seek to gain a competitive advantage must address ethical issues (Du & Bhattacharya, 2010). The importance of conveying corporate sustainability cannot be overstated, given that it can assist organizations in developing a more positive reputation and product perception, achieving a competitive advantage, and being an essential hope for stakeholders.

Effective sustainability communication can raise individual awareness, impact the evaluation of a company's stakeholders, and ultimately effect the company's reputation. Sustainable communication is thought to be capable of meeting the needs of stakeholders who want information on company activities as well as the impact of a country or company on all aspects of sustainable development (economic, social, and environmental) (Cahyandito, Febrian, Herwany, & Anwar, 2009).
Sustainability communications, according to (Humas Indonesia, 2022), is a strategy adopted by businesses to communicate their sustainability activities to its stakeholders. Sustainability communication is defined here as more than just communicating about CSR programs and their impact. The significance is broader than that. Employees, consumers, and investors must all be included as major stakeholders in effective sustainability communication. It must also be consistent with the company's overarching strategic goals, as described in the long-term sustainability plan. There is involvement or participation in it. The content is more than just hard news, let alone promotions about how diversified and inventive the company's CSR programs are. Or, how many people benefit from CSR programs. (Silvestre, Antunes, & Filho, 2018).

Effective and trustworthy sustainability communication has a beneficial impact on share value, customer and staff loyalty, and the company's reputation among important stakeholders. True sustainability communication enables businesses to communicate consumers, employees, and other stakeholders about their products and services, as well as how they adopt a sustainable approach in all parts of their operation (Humas Indonesia, 2022).

**RESEARCH METHOD**

Research methodology is a systematic way to explain how to carry out the research and desired goal. A methodology is used to ensure the research has valid results that address its aims and objectives. It includes what data will be collected and where and how it is being analyzed. Moreover, this research will be finished systematically to obtain the root cause of the problem and provide the best solution. This research uses data collection, analysis, and offering solutions.

The qualitative research method is a research method used to examine the condition of natural objects in which the researcher serves as the primary instrument, data collection techniques are triangulated, data analysis is inductive, and qualitative research results emphasize meaning rather than generalization (Sugiyono, 2018).
This study will collect both primary and secondary data. This study is qualitative in nature since it illustrates how to use gap analysis to develop PT INASI's marketing strategy for long-term success. The research purpose in this study is to examine how the company's internal and external environments influence the public's expectations and opinions on sustainability. According to Miles and Huberman (Sugiyono, 2016), data analysis in qualitative research occurs both during and after data collection. If the interview results are regarded poor, the researcher will continue to ask questions until the data received is deemed credible and the data is saturated.

RESULT AND DISCUSSION

Politics
Political factors include government policies governing company laws, employment policies, taxation policies, regulations governing business and institutional licensing, licensing applications, approvals, and electronic reporting, as well as liability policies. Respond to the surroundings. These political considerations can also include whether a country has a stable political level or not, as this would effect the company's operations. The existence of these political factors can also make it easier for the PT INASI to achieve marketing strategies and expand company assets by adapting to existing political policies, allowing it to remain an aspirational company for millennials and become a company that meets the needs of society on a daily basis.
The following are many activities that are political elements that PT INASI should be aware of.

a. The government's focus is on making the young generation become the driving force of a developed country and have capabilities equivalent to those of Superpower countries, in this case PT. X must have several sustainability strategies that must be developed from now on, with the help of the younger generation to be able to contribute more to their responsibility for the progress.

b. The political year leading up to the 2024 elections in Indonesia, which is in line with the impact of the cabinet reshuffle, is also a challenge for companies and investors to refrain from investing and other activities until the announcement of the elected government, because election activities can affect economic stability because election elections will affect several fluctuations. Although economic indicators can have a favorable impact on some areas, election activities will alter the value of share prices since there will be changes in economic policies.

c. Implementing the G20's Three Main Pillars (Global Health Architecture, Sustainable Energy Transition, and Digital Transformation) PT INASI has implemented several things and activities that support the activities of the three main pillars, such as a reduction in greenhouse emissions by launching electric vehicles, several health activities carried out for social and community purposes, which X has also carried out through its CSR process, and digital transformation, which is currently in the development stage by PT INASI. Of course, as time passes, PT. X will carry out more and more developments in support of the G20's three fundamental pillars.

Economics

Economic considerations include demand and supply situations, such as high demand but limited supply, inflation rates, currency exchange rates, economic growth, tightening interest rates, and conditions of PT’s many business lines. X must also be closely monitored, as economic circumstances have a significant impact on numerous sales of products and services carried out by PT. Economic factors are also important to consider because X is currently known as the company with the largest line of companies offering reliable products, so paying attention to economic factors that will have a significant impact on the company will help X maintain its existence as a company with a good image in Indonesia.

The following are many actions that are economic factors that PT INASI must consider:

a. Indonesia's economic recession, one of the economic elements causing the recession, has caused many companies to carefully plan long-term plans, one of which is by decreasing expenses and debts acquired by the company, as stated in PT INASI's Annual Report.

b. B20 priorities are challenges that require many parties to participate, namely the public and private sectors; there is a need for responsibility and collaboration to face B20; there are several collaborations that must be carried out by these sectors in order to achieve infrastructure stability by encouraging G20 and B20 priorities in growth and development economies.

c. The Ukrainian-Russian conflict has an impact on the global economy. The following are issues that worry companies operating in many industries, such as PT. X, because Indonesia’s economic conditions have been impacted since the pandemic ended and the Ukrainian war began. The rise in oil and gas prices, which has a detrimental influence on a number of industries, is also a threat to...
PT. Until now, X has yet to develop a long-term strategy for a number of issues that could have a negative impact on the organization.

**Social**

PT INASI is also growing its CSR program year after year, implementing a triple road plan, and delivering village coaching programs in numerous Indonesian communities, as follows:

a. PT INASI is concentrating on changing the world with the Triple-P Roadmap Strategy in order to help it evolve. X is taking a step forward with this approach to improve its development momentum and become more sustainable. As a commitment, this plan will commence in 2022 with the release of the 2030 Sustainability Aspirations report. PT INASI scope 1 and scope 2 greenhouse gas emission reduction targets of 30%, achieving a 50% renewable energy mix to support operational activities, reducing the PT INASI Group's water extraction intensity by 15%, recycling and solid waste recovery of up to 99%, and increasing business resilience by increasing non-coal income by up to 88% in 2030 are among the targets in the X 2030 Sustainability Aspirations.

b. PT INASI is devoted to assisting and strengthening the community for a better long-term business for all levels of society in Indonesia. PT INASI has built 170 Villages, 78 of which are PROKLIM Villages, as part of its commitment to expanding community involvement in climate change mitigation. PT INASI also supports 1,060 Prosperous Villages, working with the central government, regional governments, and village residents to build a rural economy based on local resources. A number of MSMEs in the villages from 35 provinces in Indonesia have succeeded in exporting their products under the program. Since 2018, 110 villages domestic products worth IDR 68 billion have successfully entered the export market. The Villages also seeks to increase village economic potential by focusing on the development of excellent products in each village, so creating a multiplier effect on the broader economy.

**Technological**

PT INASI now uses technology to deliver information to the public in a more advanced, integrated manner. The existence of controls for company security must also be sustainable with current technological advances, PT INASI is a company with digitalization technology capabilities, one of which is developing cyber security and data privacy, and it is committed to maintaining information security by establishing several policies and procedures to maintain information security and the security of required data resources. PT INASI established the Group Information Security Committee (GISC), which is comprised of chief levels from various divisions/functions, to ensure that several information security and privacy applications are owned by various divisions, ensuring that each division's security and information applications are safe and well managed.

The dedicated cyber security work unit reports to the Corporate Information System and Technology (CIST) function, which performs, reviews, and improves information security measures in the company environment on a regular basis. PT INASI also holds regular information security and data privacy training in accordance with ISO 27001: 2022 and ISO 27701: 2019 and includes important personnel from linked divisions in the Certified Personal Data Protection Officer (Certified DPO) Training.

**Environmental**
Environmental considerations are related to the existence of the automotive sector, financial services, and the location of PT's many business lines. X denotes that it will have a significant environmental impact; the existence of new government laws addressing carbon emission policies may also have an influence on numerous PT business industries. X, this is also consistent with PT’s marketing operations. PT INASI is now trying to ensure company sustainability so that PT INASI can continue to give the finest in all of its business divisions for Indonesia.

Still fighting for the same scope of activities, PT INASI has undertaken several corporate actions in line with Indonesia's Sustainable Development Goals (SDGs), such as investing in shares in several health company, one of Indonesia's largest hospital groups, and in renewable energy company, a public company that operates in the field of hydroelectric power generation. Aside from that, PT INASI has previously invested in a number of start-up firms. It is believed that this will provide value to the Group by leveraging and collaborating with the PT INASI ecosystem. Another type of activity carried out is that of contributing to the SDGs. PT INASI has planted 65,000 trees in stages and installed 65 solar panels in 65 their villages program that spread throughout Indonesia. This activity was also held to coincide with PT INASI's 65th birthday and is a form of commitment to sustainable business development. One of the activities carried out by PT. X, which is one of the development goals, is a free emissions testing activity in numerous PT INASI workshops.

Legal

Legal elements are the legal basis for a firm to carry out office operations in order for the company to function correctly. PT INASI has also conducted its operations in accordance with the company's operational activities pertaining to each of PT INASI's business lines.

In terms of legality, PT. X also has legal management that is directly supervised by the Chief Group Legal Division and is responsible for handling the company's legal interests and ensuring compliance with applicable laws and regulations. If the corporation engages in poor behavior in the form of fraud and corruption by all employees, directors, and board of commissioners, sanctions will be levied for these offenses. Violations of these activities may result in disciplinary action by the Company, termination of employment, and/or criminal or civil legal proceedings, in line with existing regulations.

Strategy Formulation (Gap Analysis Results)

Gap Analysis is a tool that is often used to assess the difference between what should be done and what actually occurred. Gap analysis, also known as gap analysis, is a crucial activity to perform throughout the planning and job review stages, especially for large corporations with multiple business lines. This gap analysis method is also commonly employed by an institution's internal management. The term "gap" literally means "the existence of a difference (disparity) between one thing and another." Gap analysis is very commonly used in management and is one of the strategies used to assess service quality. The 7Ps is a marketing mix framework that outlines the key elements of a marketing strategy. It is commonly used in the business and marketing context to ensure that all aspects of a product or service are considered in the overall marketing plan. The 7Ps stand for Product, Price, Place, Promotion, People, Processes, and Physical Evidence. Here's an explanation of each element:

1. **Product:** This refers to the tangible or intangible item that is being offered to the target market. It includes the design, features, quality, branding, and packaging of the product.
2. **Price**: This involves determining the appropriate pricing strategy for the product or service. Factors to consider include production costs, competitor pricing, perceived value, and overall market conditions.

3. **Place**: Place refers to the distribution channels and methods used to make the product or service available to the target audience. It involves decisions related to where and how customers can access the product.

4. **Promotion**: This is about the various ways the product or service is promoted to the target market. It includes advertising, public relations, sales promotions, personal selling, and other communication strategies to create awareness and stimulate demand.

5. **People**: People represent the personnel involved in delivering the product or service to the customer. This includes customer service representatives, sales staff, and any other individuals who interact with customers.

6. **Processes**: Processes refer to the methods and procedures used to create, deliver, and support the product or service. Efficient and effective processes are crucial for meeting customer expectations and maintaining quality standards.

7. **Physical Evidence**: This relates to the tangible elements that customers associate with the product or service. It includes the physical environment, packaging, branding, and any other visible cues that contribute to the overall customer experience.

The 7Ps framework, commonly used in marketing, can be adapted to analyze and improve the marketing strategy for sustainable practices at PT INASI through gap analysis. By applying the 7Ps to the analysis of PT INASI's marketing strategy for sustainable practices through gap analysis, you can systematically address each element of the marketing mix and identify areas for improvement. This approach helps ensure a holistic understanding of the internal and external factors influencing the gap in perception and allows for targeted interventions to enhance PT INASI's sustainability strategy.

Boulding et al. (1993) used gap analysis to assess service quality. The service quality gap is defined as the difference between what should be given and what consumers perceive to be provided. The smaller the gap, the higher the quality of service, so that the company's strategy can help discover a unified point of perception between the company's business processes and the existence of consumer expectations that are adjusted to this.

There are activities carried out by the company from a management standpoint that are conveyed to the community that have nothing in common, meaning that from a management standpoint, implementing sustainability is an activity to maintain the sustainability of various aspects of the company in order to maintain the environment, social, and human relationships, and which is packaged in such a way by focusing on long-term sustainability and marketing efforts that are wrapped in a focus on sustaining this, so that the company can continue to carry out its commercial activities without upsetting nature's and everything in it's sustainability.

The thing that focuses on the management perception gap is that according to the public, PT INASI's activities are focused on only one thing, namely the environmental aspect, whereas from the internal side, what PT INASI does is provide many marketing activities that also pay attention to the many activities related to environmental, economic, and community aspects. However, many people are still unaware of the sustainability activities being out by PT INASI. As a result, PT INASI should pay more attention to sustainability in order to focus more on the community approach. This can be accomplished by PT INASI paying attention to the wishes of the community and the activities carried out must be evenly distributed to all communities in Indonesia, not just certain areas, and there are The Triple Road Map, which focuses on three elements, must be implemented equitably...
and not solely on one technique. Every month, there are CSR activities for all communities throughout Indonesia, where the CSR activities must also help the community, the environment, and the economy of that location.

The existing quality specifications, which are based on management’s perception and the expectations of service users, do not meet community expectations, because the activities carried out for several product qualities meet community expectations due to the environmentally friendly product approach. This can be seen in the numerous collaborations conducted by PT INASI with various companies, both startups and developing companies, to provide convenience for the community, while also paying attention to environmental factors that maintain comfort and safety through design with technology, which also pays close attention to the surrounding environment. with PT INASI's social contribution and innovation. What can be done is to ensure that all areas of society receive equal quality services.

The delivery of services based on service quality specifications and service delivery carried out by PT INASI is done by communicating various aspects that are also carried out to implement the company's strategy, but there are several things conveyed by this company that are still not true. conveyed to the public, resulting in a Dispute Resolution between the delivery of the message conveyed by PT INASI and the message received by customers. The public believes that PT INASI's message distribution still has a quality gap compared to the delivery of services communicated from the company's side, such as the availability of emission testing activities carried out by PT INASI at several of its workshop facilities. Not everyone is aware that this is used as a factor in PT INASI has a sustainability plan in place, however the general public does not perceive this to be one of the things PT INASI does for its sustainable business. Activities that can be carried out include maximizing the use of social media as a medium to disseminate information on the service delivery that PT INASI has so far carried out.

Because of the expansion of digital era communications in conjunction with technology, the way corporations promote their products has also transformed; businesses must adopt methods that can reach a wide range of individuals. Almost all significant organizations have gone online, and each uses a distinct digital communication approach to carry out their marketing messages. Because everything has been digital, the way firms connect with all business parts has changed. Marketing communications have an impact on brand recognition when all of the parts involved play and function properly. Marketing communication elements, which include all marketing-mix'tools' as well as derivative elements, all have the same duty, which is to optimize their function of introducing goods and services to all clients. The presence of two-way communication that the corporation must optimize so that the public feels involved in the company's business processes must also be considered.

These five gaps are usually regarded as the foundation for gap analysis in order to improve consumer perceptions of gap analysis in relation to the quality of service experienced by consumers. They have been significantly modified to function in a range of service situations. For example, gap analysis has been used to quantify service quality in terms of consumer satisfaction with the company's relationship with these consumers, and the magnitude of the gap has a negative link with general community satisfaction. Furthermore, gap analysis has been enhanced to include management benchmark analysis. A corporation can address or quantify the gap between consumer expectations and actual performance by combining gap analysis and benchmarking analysis, as well as examine the difference between the baseline (present organizational performance) and the benchmark (current best company performance). Identifying gaps between an organization
and its benchmarks (competitors) can provide further insights for setting organizational goals and allocating resources.

**CONCLUSION**

Based on the findings of the qualitative data research, it is possible to conclude that PT INASI still needs to improve and update its business strategy in order to meet the community's high expectations, which is the most important component of PT INASI's business strategy, as evidenced by the data collection method. This was carried out by comparing people's perceptions and expectations in order to better discover the gap analysis between the two. Interviews with PT INASI representatives and public polls were conducted as part of the activities.

The author also compares three other multinational companies that are competitors of PT INASI and shows that PT INASI only has a percentage of 9%, indicating that it is still very far from the image of sustainability that has been carried out by PT INASI thus far. This data also shows that as a well-known company, PT INASI has a low percentage of sustainability. We still need to strengthen public image and awareness in the automotive sector as a core business to keep PT INASI top of mind in terms of sustainability, given that PT INASI is one of the firms that always goes hand in hand with the environment and social issues. The public's expectations of PT INASI have several important points, as PT INASI still needs to improve its image as a company with a sustainable image, next is the sustainability promotion carried out, and the communication strategy also does not meet the public's wishes, where one of the sustainability approaches taken by PT INASI is also a marketing strategy carried out, so implementing a marketing strategy that is in accordance with the company's expectations will be very difficult.

**REFERENCES**


