BUSINESS DEVELOPMENT STRATEGIES: INNOVATION AND PROCESS OPTIMIZATION FOR COMPETITIVE ADVANTAGE

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Abstract - This study examines the impact of digital transformation on traditional media industries, with a focus on PT Radio Swara Gadjah Mada. The evolution of digital technology, including the rise of social media, podcasts, and streaming services, has significantly challenged the dominance of radio broadcasting in Indonesia. PT Radio Swara Gadjah Mada's case highlights the importance of innovation and process optimization in staying competitive. By leveraging data analytics and adopting digital platforms, the company has adapted its strategies to meet changing consumer preferences and engage a broader audience. The application of business development theories, such as the SWOT analysis and the Ansoff Matrix, further demonstrates how the company navigated the shifting media landscape. This research underscores the need for businesses to embrace digital transformation, enhance customer engagement, and optimize processes to achieve sustainable growth. Future studies may explore the long-term financial and market competitiveness outcomes of these strategies..

Keywords - Business Development, SWOT Analysis, Ansoff Matrix.

I. INTRODUCTION

The rapid evolution of digital technology has significantly transformed the landscape of traditional media industries worldwide, including radio broadcasting. In Indonesia, the radio industry has been a vital source of information, entertainment, and culture since the early 20th century. However, with the increasing dominance of digital platforms such as social media, podcasts, and streaming services, radio stations have been forced to innovate and optimize their processes to remain relevant and competitive.

Historically, radio in Indonesia played a central role in disseminating news and entertainment, especially during the early stages of the country's independence. The first radio broadcast in Indonesia took place in 1923 under Dutch colonial rule, with the establishment of a transmitter in Malabar, Bandung. Radio became a prominent medium, particularly in rural areas where access to other forms of media was limited. By the time Indonesia gained independence in 1945, radio had established itself as an essential tool for communication and information sharing.

Over the years, Indonesia's radio industry continued to grow, with many stations catering to diverse audiences across the archipelago. The establishment of private radio stations in the 1970s further diversified content and expanded radio's reach in the country. According to data from the Indonesian Broadcasting Commission, the number of licensed radio stations remained relatively stable between 2019 and 2022, emphasizing the ongoing relevance of radio despite facing challenges from digital media. However, while radio remains popular among certain demographics, particularly older listeners and those in rural areas, it faces intense competition from moderndigital platforms that offer on-demand content and highly personalized media experiences.

II. THE COMPETITIVE LANDSCAPE OF THE RADIO INDUSTRY IN INDONESIA

In today's digital era, Indonesia's radio industry competes not only with other radio stations but also with various digital media platforms. Social media, streaming services like Spotify and YouTube, and the rise of podcasts have contributed to changes in consumer behavior.

Social media platforms combine information technology with interactive user-generated content and foster interpersonal relationships. Younger audiences, in particular, are increasingly drawn to platforms that offer flexibility, interactivity, and greater control over content consumption. This shift poses significant challenges for traditional radio stations, which now have to compete in an environment where digital content is easily accessible and personalized according to user preferences.

A survey conducted by the Centre for Strategic and International Studies (CSIS) found that young generations prefer using social media to obtain information compared to other information platforms. CSIS conducted a survey of 1,200 respondents aged 17-39 in Indonesia from August 8-13, 2022, using a multistage random sampling method with a 95% confidence level. The survey data showed the following:

Sources of Information for Indonesian Youth (8-13 Agustus 2022)	
Sources	Percentage (%)
Social Media	59
Television	32
Online News	6,3
Newspaper	1
Radio	0,3
Podcasts	0,3
Others	0,3
TT/TJ	0,9

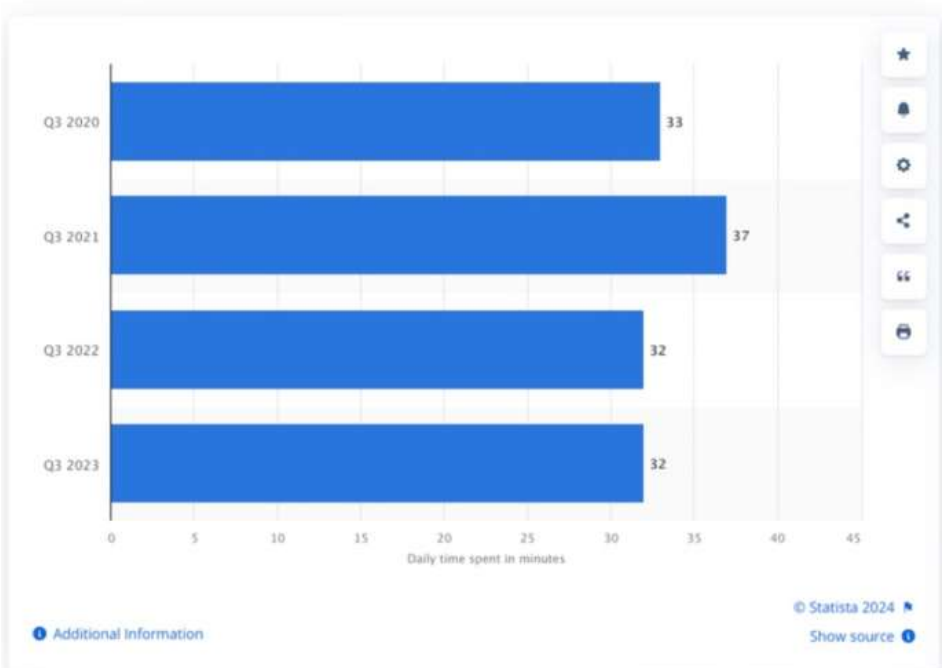
Table 1: Survey Results on Young People's Information Preferences

From the data above, we can see that the challenge for the radio industry is the interest of the younger generation in seeking information more from social media. The emergence of the internet and mobile technology has accelerated the pace of change in this country.

Based on statistical data from the Central Statistics Agency of Indonesia, the population using the internet has increased from 2018 to 2022. Thepercentage of the population using the internet was 66.22% in 2018, 73.75% in 2019, 78.18% in 2020, 82.07% in 2021, and increased to 86.54% in 2022. The growing access to digital platforms has increasingly shifted consumer behavior away from traditional media channels such as radio and television.

III. THE NEED FOR INNOVATION AND PROCESS OPTIMIZATION

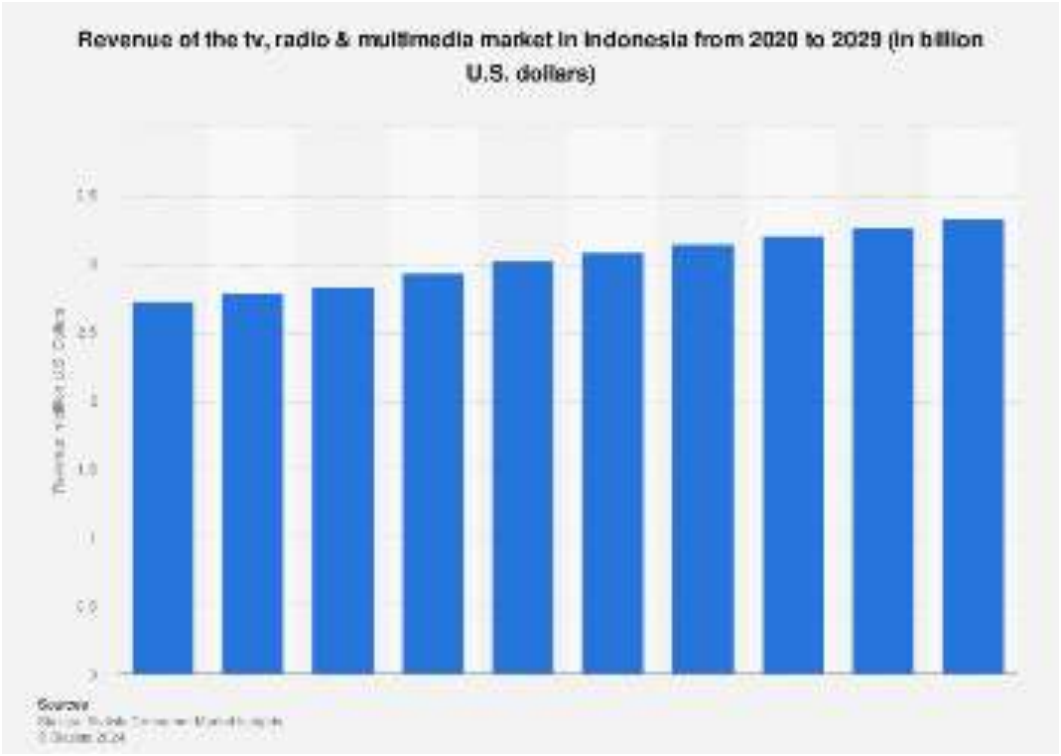
Picture 1: the average time Indonesians spend listening to the radio



Source: Statista (2024)

Despite the declining number of radio listeners, radio remains a prominent medium in Indonesia as a source of information and entertainment because it is an affordable and accessible medium. Baade (2015) in Annisa (2021) mentions that radio is still a cost-effective medium. According to Statista in 2024, internet users in Indonesia spent around 32 minutes per day listening to radio broadcasts in the third quarter of 2023.

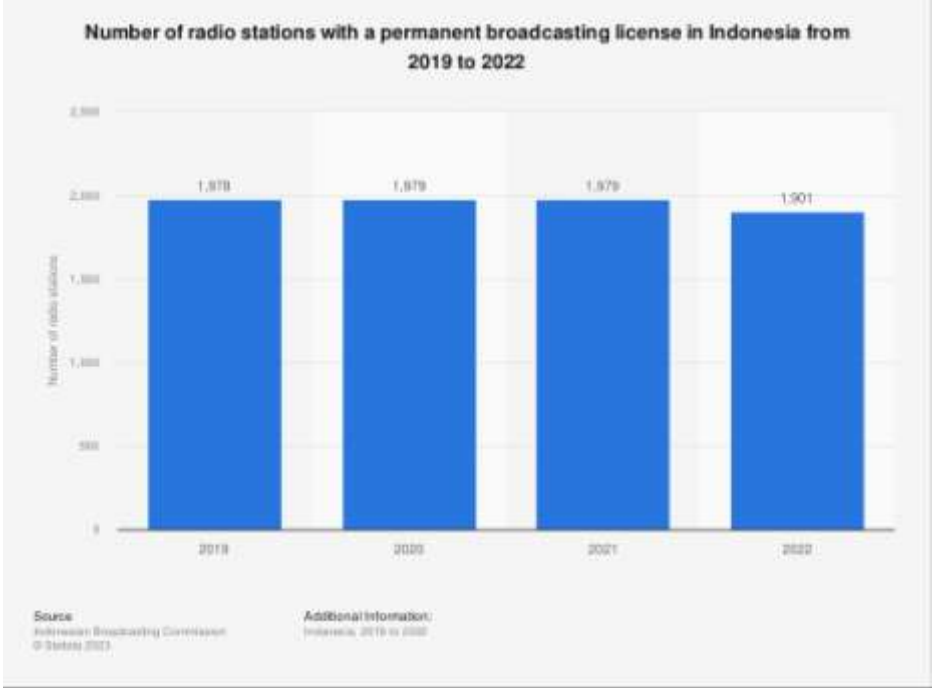
Picture 2: Revenue of the tv, radio, & multimedia market in Indonesia



Source: Statista (2024)

The data above shows that the TV, radio, and multimedia industries are still experiencing annual revenue growth. However, it is important to note that the number of radio stations and other informationplatforms in Indonesia is substantial, requiring strategies for businesses to remain competitive. The competitive pressure in Indonesia's radio industry necessitates a strategic focus on innovation and process optimization. Innovation involves not only the creation of new content formats but also the adoption of new technologies and methods to improve operational efficiency. Process optimization, meanwhile, focuses on refining workflows and utilizing digital tools to reduce costs and enhance listener experiences.

Picture 3: Number of radio stations with a permanent broadcasting licence in Indonesia from 2019 to 2022



Source: Statista (2024)

The data above shows that the number of radios in Indonesia is also high, so there is a need for strategies to remain competitive in the business. The competitive pressure in the Indonesian radio industry requires a strategic focus on innovation and process optimization. In the context of business development, innovation involves not only the creation of new content formats but also the adoption of new technologies and methods to enhance operational efficiency. Process optimization, meanwhile, focuses on refining workflows and leveraging digital tools to reduce costs and enhance the listener experience. To thrive in this environment, radio stations must integrate digital strategies that enable greater audience engagement. This includes using social media for real-time interaction with listeners, conducting live polls, and engaging in interactive discussions, all of which can strengthen audience loyalty. Additionally, by analyzing audience behavior and preferences through data analytics, stations can tailor their content to specific demographic segments, thereby increasing the effectiveness of their broadcasts and marketing efforts. The case of PT Radio Swara Gadjah Mada illustrates the importance of these strategies in maintaining relevance amidst fierce competition. By adopting digital content distribution channels and optimizing processes to meet the needs of digitalaudiences, the station has successfully expanded its reach beyond traditional geographical boundaries. This demonstrates how innovation and process optimization can help businesses confront the challenges posed by digital disruptions.

IV. SWOT ANALYSIS

A SWOT analysis is an acronym for Strengths, Weaknesses, Opportunities, and Threats. These components are derived from prior analysis. A SWOT analysis is conducted by identifying the following:

1. Identifying the company's internal strengths.
2. Identifying the company's internal weaknesses.
3. Identifying market opportunities for the company.
4. Identifying threats from the company's external environment.

Below are the factors to consider for identifying strengths, weaknesses, opportunities, and threats, according to Thompson et al. (2021).

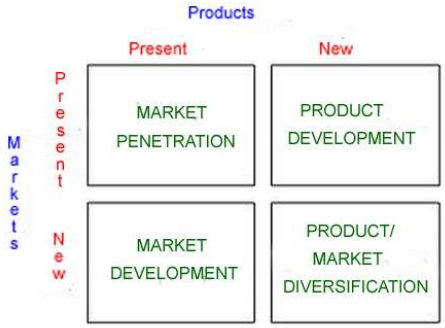
Strengths and Competitive Assets	**Weaknesses and Competitive Shortcomings**
• Sufficient financial resources for business development. • Strong company image and reputation. • Unique core competencies. • Cost advantage over competitors. • Attractive customer base. • Exclusive technology, superior technological skills, and patents. • Strong bargaining power with suppliers and buyers. • Superior product quality. • Wide geographic coverage and the company's ability to distribute products. • Alliances and/or joint ventures providing access to valuable technologies, competencies, and/or attractive markets.	• No distinctive company competencies • Lack of attention to customer needs. • Low product quality. • Weak financial balance, too much debt. • Higher costs compared to competitors. • Narrower product line compared to competitors. • Poor or weak image and reputation. • Poor distribution capability. • Lack of management depth. • Internal operational problems and outdated facilities. • Overcapacity in underutilized areas.
Market Opportunities	**External Threats**
• Ability to meet rising product demand. • Serving additional customer groups. • Expanding into new geographic markets. • Expanding product lines to meet wider market needs. • Introducing new product lines or starting new businesses. • Taking advantage of reduced trade barriers in attractive foreign markets. • Acquiring competitors or companies with valuable technological expertise	• Increasing competitive intensity. • Slowing market growth. • Entry of stronger new competitors • Shifting buyer preferences. • Economic downturns affecting demand • Weakening of company competencies due to technological changes. • Increased input costs.

V. BUSINESS DEVELOPMENT THEORIES

The concept of business development involves identifying growth opportunities and implementing strategies to take advantage of them. The Ansoff Matrix is a well-known tool that provides four main strategies for business growth: market penetration, market development, product development, and diversification (Ansoff, 1957). These strategies help businesses evaluate risks and identify the most effective way to reach their long-term goals.

The matrix is a simple tool that can be used in strategic planning. According to Dawes (2018), the Ansoff Matrix has been widely taught in business education for over 50 years. According to Ansoff (1957), this matrix combines a 2 x 2 axis that results in four potential strategies that can be used as company strategies. Ansoff (1957) also stated that there are four basic strategies that serve as alternatives for growth, namely market penetration, market development, product development, and diversification.

Picture 4: Ansoff Matrix



Source :www.ansoffmatrix.com

In market penetration strategies, a company aims to increase the position of existing products in existing markets. This strategy convinces as many current consumers as possible to buy the product or implements cost-saving measures. Developing emerging markets is a risky strategy because one never knows all the factors about emerging markets that will sell existing products. Offering new products to consumers builds a strategy for creating new products for the company, but not necessarily for consumers. These products must offer truly new features to be well-recognized in the market. Diversification is the riskiest strategy, involving offering new products in emerging markets.

VI . METHOD

This research adopts a qualitative approach, combining case study analysis and secondary datareview. Data from PT Radio Swara Gadjah Mada's business operations and strategic initiatives are used to illustrate how companies can implement innovation and process optimization to achieve growth. Primary data collection through interviews with management provides insights into the company's challenges and strategic responses in the digital age.

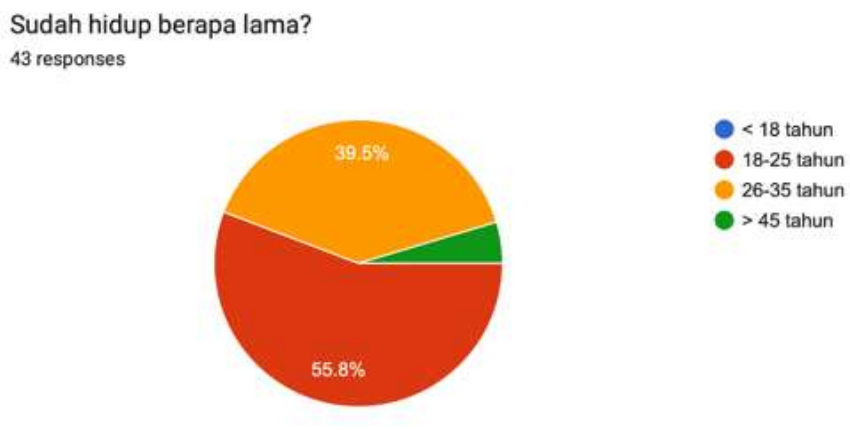
VII. RESULT AND DISCUSSION

7.1. SWOT Analysis

Competitive Strengths and Assets	Weaknesses and Competitive Disadvantages
• A strong company image and reputation. • Strong geographic coverage • Experienced human resources • Superior product quality • Having a training line of business for broadcasters. • Having another radio station targeting a different segment.	• Still in the recovery phase after the Covid-19 pandemic. • The human resources are still limited because many resigned during the Covid-19 pandemic.
Market Opportunities	External Threats
• Many companies still rely on radio advertising • Trusted by clients for a music launch event • Trusted by clients to create Ramadan content in hotels in Yogyakarta • The surge of podcast content on YouTube and social media	• There is a shift in the interest of the younger generation towards conventional radio listening. • The presence of technology distribution, along with the rise of social media, has led the younger generation to prefer obtaining information from social media.

This study also conducted a survey among young people who know about PT Swara Gadjah Mada, and the data obtained are as follows:

Picture 5: Data of PT Swara Gadjah Mada's Listeners



Microstructure of TBCoatedalluminium alloys The dominant respondents were aged 18-25 years. Seventy percent (70%) said they often listen to music streaming. Data also shows that 80% of those listeners tune in to the radio while driving, indicating that radio is often used as a companion during travel. This is supported by data showing that the average Indonesian listens to the radio for only 32 minutes per day.The study found that people do not listen to the radio because the content is not visual, the content is monotonous, and radio signals are hard to access.
The study also asked what type of content listeners would like to hear on the radio, and the results are as follows:

1. Easier access and more contemporary themes.
2. Interactive communication with listeners via phone.
3. Podcasts that can be watched visually.

Live streaming broadcasts.

VIII. ADAPTING TO CHANGING CONSUMER HABITS

The case of PT Radio Swara Gadjah Mada illustrates the necessity for businesses to adapt to shifting consumer preferences. The rise of social media platforms and streaming services has challenged traditional radio's dominance, requiring the company to diversify its content and enhance its digital presence . By leveraging data analytics, the company gained insights into audience behavior, enabling them to tailor content more effectively.

Annisa (2021) states that the increasing number of social media users each day also presents a significant opportunity for radio to reach a broader target audience. Annisa (2021) adds that data from Hootsuite in 2019 showed that around 150 million people in Indonesia actively access social media.

by reaching 56% of the total population. PT Swara Gadjah Mada already has social media accounts such as Instagram, YouTube, Noise, and others that can be optimized to expand its market reach and provide content that aligns with consumer preferences.

Here are the social media accounts owned by PT Swara Gadjah Mada.

1. Facebook
The Facebook account of PT Swara Gadjah Mada was created in 2009, with a follower count reaching 99 thousand and a total of 101 thousand likes.

2. Instagram
The Instagram account of PT Swara Gadjah Mada was created in 2014, with a total of 23.2 thousand followers and 4,235 posts.

3. Tiktok
The TikTok account of PT Swara Gadjah Mada has 9,097 followers with a total of 161.7 thousand likes on its content.

4. Youtube
The YouTube account of PT Swara Gadjah Mada was created in 2019 with a total of 221 videos. It has 1,820 subscribers, but it is no longer active in uploading content on YouTube now.

5. X
The X account of PT Swara Gadjah Mada was created in 2009 and has 218,000 posts, as well as 187,000 followers.

6. Souncloud

A music streaming platform on the internet owned by PT Swara Gadjah Mada has 73 followers and is no longer active. As of now, PT Swara Gadjah Mada does not have a music streaming account on Spotify, which is highly favored by young people for listening to music, while some of its competitors already have accounts and have created updated song recommendation playlists.

IX. ADAPTING TO CHANGING CONSUMER HABITS

Innovation has been a key driver of PT Radio Swara Gadjah Mada's business development. The company introduced on-demand content through platforms like YouTube and expanded into podcasting to engage younger audiences. This shift is in line with the theory of disruptive innovation, where companies create new markets or reshape existing ones by introducing innovations that initially target niche audiences before expanding to mainstream markets (Christensen, 1997).

X. STRATEGIC USE OF THE ANSOFF MATRIX

PT Radio Swara Gadjah Mada applied the Ansoff Matrix to explore growth opportunities. The company pursued market penetration by increasing its digital advertising presence, and product development through the creation of new digital content formats. These strategies demonstrate a proactive approach to navigating a rapidly changing market environment.

Annisa (2021)In this digital age, the internet has become the primary competitor to traditional media, particularly radio. Regarding this, if radio does not have a special purpose in promoting media convergence, it may be said that radio journalism will eventually become obsolete and be replaced by a variety of new and more interesting media channels. According to data from a survey of users, many of them enjoy listening to music on Spotify or Youtube Music. This could present an opportunity for PT Swara Gadjah Mada to enter the platform by creating a playlist of recommended businesses for users.

XI. CONCLUSIONS

PT Radio Swara Gadjah Mada's experience underscores the importance of innovation and process optimization in business development. As industries evolve, companies must remain agile, adapting their strategies to meet new challenges and opportunities. This research highlights the critical role of digital transformation, customer engagement, and process efficiency in achieving sustainable growth. Future research could explore the long-term impact of these strategies on financial performance and market competitiveness.

ACKNOWLEDGMENTS

The researcher expresses gratitude to the Indonesia Endowment Fund for Education (LPDP) from the Ministry of Finance, Republic of Indonesia, for funding the seminar and publication stages of this research. Additionally, thanks are extended to the PT Swara Gadjah Mada for granting permission for the research. Special appreciation is also extended to University of Gadjah Mada for providing guidance to students throughout the research process.

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