

# Strategic Mapping During Covid-19 Pandemic in PT. Zamrud Bumi Indonesia Base on Swot and Business Model Canvas Strategy

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**Abstract.** PT. Zamrud Bumi Indonesia is a company that produces organic liquid fertilizer from Kuningan Regency, West Java. In the COVID-19 pandemic, PT ZBI underwent a strategy adjustment and tried to adapt in running its business. This study aims to describe the business strategy of PT. ZBI during the COVID-19 pandemic, was equipped with a mapping of its business model using a business model canvas through a qualitative descriptive research approach. The covid-19 pandemic has an impact on the business turnover of PT. ZBI and more specifically, the most affected are in marketing strategies that previously used offline marketing techniques more often by conducting counseling and product demos, now have to change by optimizing digital marketing strategies, then what changes and is affected are the marketing and financial aspects where sales decline and has an impact on revenue shrinkage, which is now trying to improve with digital marketing strategies. Meanwhile, other elements of the business model canvas, such as key activities, key partner, costumer relationship and cost structure are carried out any changes, in terms of costs there are additional digital marketing costs. Then, for the SWOT Analysis of internal and external factors based on SWOT use ST strategy or market diversification strategy.

**Keywords:** Business Strategy; Business Model Canvas; Covid-19 Pandemic

## 1 Introduction

World Health Organization (WHO) states that Coronavirus Disease (Covid-19) is spreading so fast to all corners of the world and becoming a frightening phenomenon for the world community including Indonesia. The covid-19 pandemic has an impact on various sectors, especially the economic sector. The impact felt by this phenomenon is from government policies in the form of restrictions on social relations and PSBB (Large-Scale Social Restrictions) and other policies to be the cause of the hampering of economic activity for a while (Virgin Wineka, 2020). The agricultural sector is one of the sectors that continues to run despite the covid-19 pandemic.

PT. Zamrud Bumi Indonesia located Kuningan Regency, West Java is a manufacturing company engaged in the processing of multipurpose liquid organic agricultural fertilizer, with the trademark Power Bumi. This fertilizer has been widely used by the people of Java island even outside the island. Although the sale of products has been sold to outside java island but in each period experiencing sales that are up and down or fluctuating. The covid pandemic had an impact on the decline in sales caused by the declining purchasing power of consumers

because the company could not carry out the usual marketing strategy, with the government's policy related to keeping distance resulting in the company having to reset the marketing strategy, this resulted in a decrease in revenue.

**Table 1.** Sales Data of PT Zamrud Bumi Indonesia

Bulan	2020												Total	2021				Total
	Jan	Feb	Mar	Apr	Mei	Juni	Juli	Aug	Sep	Oct	Nov	Dec		Jan	Feb	Mar	Apr	
Target	1591	1682	1555	0	1372	1405	1365	1538	1405	1848	1965	2288	18014	1994	1744	2312	2245	8295
Sold	514	537	287	0	297	1365	430	376	439	525	761	948	5639	911	555	658	625	2749

Based on Table 1, the target and realization of products sold in April 2020 were worth 0 (zero) because the company decided to take a short break not to carry out production or sales activities. This situation is used to reorganize the company's strategy in dealing with inventory. Therefore, May 2020 is the beginning of the 1st period of the COVID-19 pandemic. The realization of products sold in 2020 is reached 5,639 boxes and the 2020 sales target of 18,014 boxes. The realization of the product sold for 16 months is categorized unable to reach the sales target set by the company. As a result, the turnover of costs incurred during the production process is felt to be stagnant.

PT. Zamrud Bumi Indonesia speculates that the sales target was not achieved due to the declining purchasing power of consumers. Since the Covid-19 Pandemic, public (consumers) have begun to prioritize panic buying such as purchasing health-related goods (products) to prevent the spread of the corona virus. These factors relate to the level of consumer demand for the product, so PT. Zamrud Bumi Indonesia is in a condition of uncertain product demand. The impact of covid-19 that not resolved soon, will be worse and the company could losses in product sales. Business model innovation, can help companies survive on this phenomenon (Baghiu, 2020). Business model innovation is a means to build a business that generates optimal value. This is related to future changes in the bisnis environment, digital transformation is required in the era of the covid-19 pandemic.

From research In hotel, the marketing strategy carried out by the Grand Tjokro Premiere Hotel Bandung generally received good results and feedback (Karina Widia Sari, 2021), then Hotels can cooperate with the local government to be used as a place for quarantine of Covid-19 patients or a transit place for medical personnel. This is used to maintain hotel revenues and operations, so the strategy is to increase the cooperation with government (Syaifudin et al., 2021), in other research industry in Food and Beverage used various innovations and strategies to survive the Covid19 Pandemic, so the role in innovation is important to survive (Hendriyati & Santoso, 2021), furthermore the use of Business Model Canvas can identified the innovation and competitive advantage in the company such as in the product of e-fishery which have innovation their product as smart fish feeder (Awaluddin et al., 2018)

Based on the description it can be drawn the formulation of the problem in this study is how the strategy applied by the company, how the business model canvas change before and after pandemic and what strategy SWOT should have by this company during the pandemic covid-19?

## 2 Methodology

This study uses a qualitative descriptive approach with in-depth interview techniques to company leaders who belong to the purposive sampling category (Awaluddin et al., 2018). The informants are both from internal and external stakeholders. Internal stakeholder is from

the owner and its director, external is from academician who know the business situation and strategic condition. Observation and in depth interviews use to identify the strengths and weaknesses in internal, opportunities and threat in external company and to make a business model canvas and its strategy.

### **3 Result and Discussion**

PT Zamrud Bumi Indonesia is a manufacturing company engaged in the processing of multipurpose liquid organic agricultural fertilizer. The company was found without intentionality, there is a formulator named Mr. Jahim from Brebes who concocted and sold himself in the form of bottles of used 1 liter mineral water size, which it was sold directly to farmers. Then a relative named Mr. Rusda who is currently the Director negotiated persuasively to cooperate in the development of products that do not yet have a brand. The company as well as lab testing and products authorized under the trademark "Power Bumi" and formed a CV. Bumi Makmur Raya on December 3rd, 2003, and running for approximately 8 years but over time in the market consumers see the packaging and listed on the bottle label is still in the form of a CV. So at the urging of consumers who see products from the brand image formed PT. Zamrud Bumi Indonesia on April 6th, 2020 with certain requirements and permission from the Ministry of Agriculture. Therefore, the change from CV to PT is actually at the request of farmers or consumers.

The core of this business is to produce and sell agricultural products in the form of multipurpose liquid organic fertilizer branded "Power Bumi" with packaging variants of 1/2 liter and 1 liter. PT Zamrud Bumi Indonesia has 13 – 15 permanent employees, which work at production, finance, marketing, operational part, factory and sales marketing. The rest is a freelance employee system, that do a labeling bottles or packing with a daily wage system. Vision and Mission of PT. Zamrud Bumi Indonesia is *"Menjadikan Bumi ini Makmur Secara Raya (Nasional) Menuju Kesejahteraan Bersama"* with their slogan *"Tanah Gembur, Tanaman Subur, Petani Makmur"*.

#### **SWOT Analysis**

SWOT analysis is a systematic identification instrument of various factors used to formulate corporate strategies (Fatimah, 2020). The SWOT analysis process requires an internal survey of organizational strengths and weaknesses /activities in the organization / something that wants to be studied, as well as an external survey of opportunities and threats.

**Table 2.** SWOT Analysis on PT Zamrud Bumi Indonesia During Pandemic Covid-19

		Internal Factor	
		Strengths	Weaknesses
External Factors	Opportunities	<ul style="list-style-type: none"> <li>• Raw materials are easily available.</li> <li>• Production and distribution license.</li> <li>• Product can be mixed with other types of fertilizers and all types of crops</li> <li>• Complete facilities distribution</li> <li>• Human resources that willing to learn technology and information.</li> <li>• Provide assistance and consultation facilities for consumers.</li> </ul>	<ul style="list-style-type: none"> <li>• Product packaging (bottles) is relatively expensive and rare.</li> <li>• Competition business</li> <li>• Product creates air waste and takes a long time to ferment products</li> <li>• Only sell liquid organic fertilizer</li> <li>• Sales decreased due to the impact of the pandemic.</li> <li>• Direct marketing</li> </ul>
	Threats	<ul style="list-style-type: none"> <li>• PT ZBI has the opportunity to expand its business, especially since this company has implemented the concept of sustainable products and food security (S1, O2, O4)</li> <li>• Social media training for employee (S5,O2)</li> </ul>	<ul style="list-style-type: none"> <li>• PT ZBI can diversify their products by making solid fertilizers and alternative packaging that are cheaper and more efficient. (W1, O1)</li> </ul>
		External Factors	
		S-O Strategies	W-O Strategies
		S-T Strategies	W-T Strategies
		<ul style="list-style-type: none"> <li>• Raw materials that easy to get are strengths in reducing production costs so that they can sell fertilizers at relatively cheaper or competitive prices. (S1, S4, and T4)</li> <li>• Use other channel as a tool for assistance and consultation for consumers (S6, T1, and T2)</li> <li>• Human resources that know technology and information can maximize marketplace and non-direct marketing to promotion and reach consumer. (S5,T2)</li> </ul>	<ul style="list-style-type: none"> <li>• Maximizing marketing using indirect marketing. One of the indirect marketing is the digitalization of marketing through various platforms, such as WA, Facebook, and the marketplace. (W6, W5, T1)</li> </ul>

The strengths of PT ZBI are the licensed product, sustainable product, human resources, assistance and consulting services of product. The weaknesses of PT ZBI are fertilizer products only in liquid form, declining on sales, and cost packaging that quite expensive. Opportunities of PT ZBI are can scale up the business, social media, freelance work system and recycle of agricultural waste helping community in that area. Threat from PT ZBI is that the COVID-19 pandemic has had a major impact on the company, like PSBB and business competition.

Based on these conditions, the strategy implemented by PT ZBI in dealing with the Covid-19 pandemic is diversification strategy (S-T) or ST Strategy. Diversification strategy is strategic that choose by enterprise or corporate after analysed its resources and capabilities (Le.H, 2019). Diversification strategy that choose for PT ZBI is market diversification strategy that shift to online consumer and direct marketing. This ST Strategy includes (1) Raw materials that are easy to get can be reduce production cost, so PT ZBI can get the competitive prices or lower prices (S1, S4, and T4), (2) Social media can used as a tool for assistance and consultation for consumers (S7, T1, and T2), (3) Maximizing marketplace and non-direct marketing can be used to promotion the product and reach online consumers (S5,T2).

### Business Model Canvas PT. Zamrud Bumi Indonesia

Business Model Canvas is a mapping method and tool in strategic management that is useful for documenting or developing business models or other companies or organizations. From the results of the interview analysis through the 9 elements of the Business Model Canvas frame of reference, the Business Model Canvas PT. Zamrud Bumi Indonesia as follows:

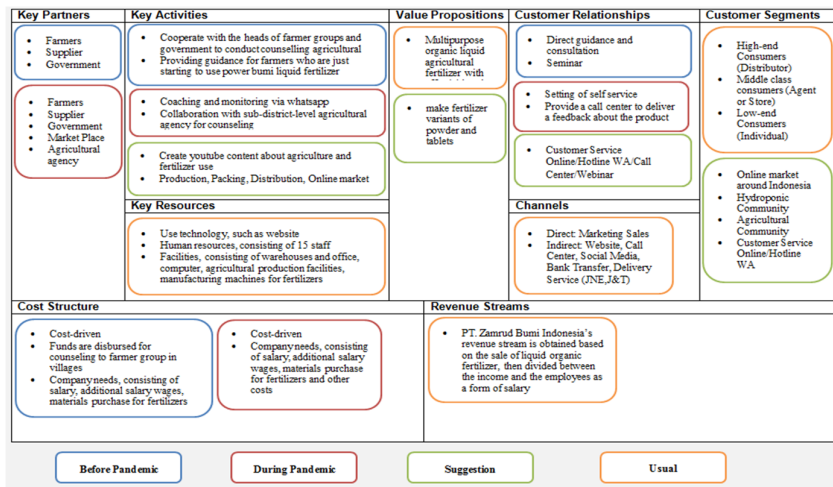


Figure 1. Business Model Canvas PT. Zamrud Bumi Indonesia

### 1. Customer Segments

The market of PT. Zamrud Bumi Indonesia is a segmented market. This means that the market that distinguishes market segments based on their individual needs and problems or based on similar but varied needs and problems. PT. Zamrud Bumi Indonesia includes companies that have consumers with similar needs and problems but vary by segment. Consumer needs are similar in the form of agricultural product needs, namely liquid organic fertilizers and vary in terms of the number of orders and uses desired or based on the treatment of each different market segment.

PT. Zamrud Bumi Indonesia differentiates its market segments into upper, middle class and lower class consumer markets. For the upper classes are usually distributors in major cities who buy up to more than 120 dus. For the middle class it is usually the group of farmers, agents, shops and sales marketing who buy 1 to 10 dus. For the lower class, it is usually consumers who buy units, for example consumers who buy online through e-commerce or who come to stores that sell agricultural products.

### 2. Value Propositions

The main products offered by PT. Zamrud Bumi Indonesia is a multipurpose liquid organic agricultural fertilizer branded Power Bumi. At an affordable price for consumers, but also still provide high quality to consumers.

### 3. Channel

PT. Zamrud Bumi Indonesia conveys information to consumers through several stages. It is simply described in the table below.

**Table 3.** PT Zamrud Bumi Indonesia's Channels

Fase	Channel Type	
	Direct	Indirect
Awareness (Information Delivery)	Sales	Website
Evaluations (submission of unclear information)	-	Call center, whatsapp, social media
Purchase (consumers payment)	sales	Bank transfer
Delivery (delivery to consumers)	Sales	Delivery Service (JNE, J&T)
After-sales (feedback submission)	-	Call center, whatsapp, social media

#### **4. Customer Relationship**

The company establishes self service where the company provides information for consumers to be able to place orders in e-commerce PT. Zamrud Bumi Indonesia Official which then consumers choose their own quantity of desired products, place of delivery and mode of payment. The company implements a service system that allows consumers to communicate with the customer service section to get help during the sales process or after the purchase is completed.

#### **5. Revenue Stream**

Revenue Stream PT. Zamrud Bumi Indonesia is obtained based on the sale of liquid organic fertilizer which then income is divided with employees as a form of salary.

#### **6. Key Resources**

Key resources describe the most important assets required to make a business. Some of the key resources is 1) Technology, in the form of website use, (2) Human Resources, consisting of 15 staff who come from open recruitment and who have their own abilities based on being in the field of whether the staff is located, (3) Facilities, consisting of warehouses and corporate offices, computers, agricultural production facilities of manufacturing machinery for fertilizer.

#### **7. Key Activities**

Activities carried out by PT. Zamrud Bumi Indonesia is working with the leaders of farmers' groups and village devices to conduct counseling on liquid organic fertilizer agricultural products by holding such an introduction seminar on its products and the benefits of these products and providing testimonials from other farmers who have used the product. And also always do coaching to farmers who are just starting to use the earth's liquid fertilizer power as a form of sustainable relationship with consumers both online and offline.

#### **8. Key Partnership**

Some parties who are partners of PT. Zamrud Bumi Indonesia is a group of farmers, distributors of materials for the manufacture of organic fertilizers and village devices for the procurement of extensions to their citizens, especially farmers.

#### **9. Cost Structure**

Type of cost structure in PT. Zamrud Bumi Indonesia is cost-driven where the company minimizes spending in order to provide affordable prices for consumers. In carrying out its business, the expenditure of funds is carried out for extension

purposes to farmers groups or to villages and for corporate purposes including the provision of salaries, wages, additional salaries, purchase of materials for fertilizer, and other costs.

### **Strategy of PT. Zamrud Bumi Indonesia**

#### **1. Before Covid-19 Pandemic**

Before the covid pandemic, one of the strategies carried out by the company was the procurement of socialization or counseling related to liquid organic fertilizer agricultural products, by gathering people such as members of farmers groups, people who have rice fields and owners of shops that sell agricultural products collected in village halls. This strategy is the most effective and efficient strategy in introducing products to the public because usually when counseling is completed many people buy products and have an impact on the company's revenue.

#### **2. After Covid-19**

Covid pandemic has a major effect on the strategies that implemented by companies. Because PPKM social restrictions, the company cannot invite and gather people to hold socialization or counseling. The strategy carried out by the company is to store or send products in agricultural stores with a consignment system or pay if the goods have been sold, store in the farmer group and later distributed to the members of the farmer group and also rely on digital marketing. Covid pandemic is very influential but does not occur in all aspects such as distribution, production and human resources aspects. Some aspects affected by the covid pandemic are sales, marketing and finance aspects.

#### **3. The element of BMC that has been affected by covid-19 pandemic**

Customer relationship conducted by the company is to provide assistance and guidance by the sales marketing section from the beginning of product purchases to harvest including problems faced such as how to handle pests, fungi and so on. But after the pandemic covid mentoring so rarely and done online through whatsapp media but sometimes sales visit farmers who will start spraying fertilizer and will be videoed by the sales team and the video is uploaded to the Power Bumi Official youtube page and becomes a plus in itself, farmers feel happy because they can learn on youtube channel and tell other farmers if buying Power Earth fertilizer will be accompanied and entered to the youtube page.. The other marketing strategy is sell its product in market places such as Shoppe.

Cost Structure at PT Zamrud Bumi Indonesia during the Covid Pandemic was affected by financial conditions and revenues, where sales decreased because they could not implement an extension or socialization marketing system, although applying other strategies, but the revenue obtained was not as much as when doing counseling. Company must to focus maximizing marketing on digital marketing through Marketplace. The biggest expenses is bottles and boxes that quite expensive.

Key Partner conducted by the operational field to adapt to the covid pandemic is an agent system because it cannot do counseling as before the covid by storing products as many as 15 dus in each district and in collaboration with BPP (Agricultural Extension Agency) one Kecamatan 15 dus. Before the company's covid strategy is direct to farmers, now the company marketing strategy by BPP Subdistrict. BPP distributed product to farmers in the village. Customer relationship at PT Zamrud Indonesia before pandemic are direct guidance and consultation and through seminar. After pandemic, digital marketing by a call center as a form to accept the feedback from consumers.

## 4 Conclusion

Before the covid-19 pandemic, the company's strategy in sales by socializing and counseling farmers, the company give coaching and consulting facilities related to the use of fertilizer from the beginning to ready for harvest. This is a strategy so that consumers feel satisfied in addition to getting a good product also get a consultation facility for free. It's a strategy to attract consumers.

After the pandemic covid strategy carried out by PT. Zamrud Bumi Indonesia is by utilizing digital marketing, use marketplace and e-commerce for online-based. Direct marketing do by a system of storing goods in collaboration with BPP (Agricultural Extension Agency) sub-district level. Coaching and consulting facilities held online by video calls.

BMC of PT Zamrud Bumi Indonesia has changed after covid-19 pandemic, there are 4 element of BMC that being affected, it is consist of key activities which adding of marketing online activity, key partner which adding government, and supplier community, consumer relationship which adding online channel both website, marketplace or social media platform relationship and cost structure which adding the cost of online marketing. The SWOT Analysis of internal and external factors based on SWOT use ST strategy or market diversification strategy.

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