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Business Development Strategy of Dewi Media Lestari to Become a Holding Company

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Abstract: Promotional products are an industry with sustained demand from both government and private institutions. Promotional media play a crucial role in building public awareness of a brand, ensuring that promotional messages are effectively communicated. Dewi Media Lestari is a company specializing in promotional products, focusing on the B2B and B2G markets, with the core value of "growing and helping others grow." Dewi Media Lestari, with its specialization in promotional products, is targeting transformation into a holding company to manage multiple subsidiaries and diversify revenue streams. This study aims to analyze business development strategies by considering four key aspects: Human Resources (HR), Production & Operations, Sales & Marketing, and Finance. In marketing, the company implements the 7P marketing mix strategy. In production, supply chain efficiency and equipment management are top priorities. From a financial perspective, the company needs to assess its financial readiness. Additionally, Dewi Media Lestari utilizes the Business Model Canvas to facilitate strategic planning and implementation, ensuring sustainable business growth and relevant corporate growth theories.

Keywords: Promotional Goods, Business Development Strategy, Business Model Canvas

A. Introduction

The promotional goods industry plays a crucial role in supporting marketing strategies for various institutions, both public and private. Promotional items are used as souvenirs, gimmicks, informational tools, and tokens of appreciation for customers, all of which contribute to enhancing brand awareness and customer loyalty. As times evolve, institutions are increasingly required to be more creative in capturing audience interest and encouraging engagement with the products and services they offer. Therefore, promotional goods have become one of the most effective and targeted alternatives for delivering promotional messages (Belch & Belch, 2021).

In recent years, institutional awareness of the use of promotional products in marketing activities has significantly increased. This trend has contributed to the rapid growth in demand for promotional goods in Indonesia. Along with the rising demand, business opportunities within the industry have also expanded, ultimately driving intense market competition. Numerous new competitors have emerged, while long-established businesses in the sector continue to innovate their products and services to remain competitive.

Dewi Media Lestari (DML) is a company specializing in the provision of promotional products, focusing on the B2B and B2G markets. With over a decade of experience in the industry, DML has identified several recurring challenges faced by clients when sourcing promotional goods. These include discrepancies between the promised and actual quality of products and services, prolonged production timelines that lead to missed deadlines, and growing concerns over delayed order fulfillment. In addition, clients often encounter inefficiencies in the ordering process, including issues with payment systems and logistics. Product designs are frequently viewed as monotonous and lacking uniqueness, while personalization and customization options remain limited. Furthermore, the complaint-handling and after-sales processes are often perceived as overly complex and poorly managed. Lastly, many promotional goods providers fail to deliver added value beyond functionality, resulting in weak emotional engagement and loyalty from customers.

To address these challenges, Dewi Media Lestari offers innovative solutions through a customer satisfaction–oriented approach. DML adopts the principle of *"Over-deliver is better than over-promise,"* ensuring that clients receive high-quality products backed by a 100% service guarantee. The company operates its own manufacturing facility, allowing full control over the production process, which leads to faster and more organized lead times. In addition, DML has implemented an online ordering and order-tracking system to ensure transparency and efficiency in fulfilling customer orders.

Furthermore, DML offers professional design services that meet high standards in terms of visual appeal, branding, and functionality. With a fully customized concept, clients have the flexibility to order products that are precisely tailored to their specific needs. More than just a promotional product supplier, DML is committed to delivering added value through the philosophy of "growing and enabling growth." This philosophy emphasizes not only business success but also the creation of a positive impact for customers, business partners, and the broader community.

Through this strategy, Dewi Media Lestari continues to strive to become a leading provider in the promotional products industry, delivering optimal solutions to clients while fostering stronger, long-term, and value-driven relationships with all stakeholders.

Dewi Media Lestari, with its specialization in promotional products, is targeting transformation into a holding company to manage multiple subsidiaries and diversify revenue streams. This research aims to analyze the company's business development strategies through a comprehensive framework that integrates BMC, SWOT analysis, and relevant corporate growth theories.

B. Materials and Methods

This study employs a descriptive qualitative approach to provide a comprehensive depiction of the implementation of the Business Model Canvas at Dewi Media Lestari. This approach was chosen because it enables an in-depth understanding of the processes, strategies, and dynamics occurring naturally within the business. The subject of the research is the owner or managing director of Dewi Media Lestari, who serves as the primary informant due to their direct knowledge of the company's overall operations. The object of the study focuses on the application of the nine elements of the Business Model Canvas, namely: customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure.

Data collection was carried out through semi-structured interviews and online questionnaires using Google Forms. Interviews were conducted to obtain primary data from the key informant, while the questionnaires were distributed to customers and business partners to gather secondary data that supports the primary findings. Secondary data collected from industry reports and financial statements. The data were analyzed using an inductive qualitative approach, involving data reduction, data display, and conclusion drawing. This method enabled the researcher to identify patterns, relationships, and ongoing practices within Dewi Media Lestari, offering a comprehensive understanding of the company's application of the Business Model Canvas. Such a qualitative strategy is well-aligned with (Merriam and Tisdell's, 2022) perspective, which emphasizes that qualitative inquiry is most effective when exploring complex business dynamics and extracting meaning from real-world contexts. Thematic coding and qualitative content analysis are used to identify key themes, which are further structured using SWOT and BMC frameworks.

C. Result and Discussion

Profile of Dewi Media Lestari

Dewi Media Lestari (DML) is a company engaged in the production and provision of promotional products, souvenirs, merchandise, and gift sets. These products serve as strategic tools to maintain engagement between organizations or institutions and their customers. According to a study by Tynan and McKechnie, promotional gifts can enhance customers' emotional attachment to a brand and foster loyalty(Tynan & McKechnie, 2009). Recognizing the significant market potential and strategic benefits of promotional products, DML was established and rapidly grew due to limited competition at the time of its founding and favorable market momentum. Currently, DML faces challenges from the influx of imported products, particularly from China, which has led to the marginalization of local products. In response to these challenges, DML is committed to offering creative and innovative promotional products that embrace local wisdom by utilizing domestic raw materials and labor. The company aims not only to gain wider acceptance in the domestic market but also to expand into international markets.

Over more than 12 years of operation, DML has continued to evolve and adapt to market changes. All business processes—from operations to administration—have been fully digitized and well-integrated. The company's core pillars, including human resources, marketing, production, finance, and R&D, are managed by competent professionals. Despite facing various challenges, including the COVID-19 pandemic, DML has not only survived but also managed to innovate its products and increase customer loyalty. Through the development of an integrated factory and an efficient management system, DML has successfully enhanced productivity, customer satisfaction, and employee welfare, while simultaneously contributing to both local and national economic growth.

SWOT Analysis

1. Strength (S)

a) Excellent Customer Service

The company's strong focus on delivering exceptional customer service provides a significant competitive advantage. Fast, responsive, and personalized service creates a positive customer experience, enhances loyalty, and builds a strong market reputation.

b) Ownership of In-House Manufacturing Facility

Having its own production facility grants the company substantial benefits in terms of quality control, production efficiency, and flexibility in fulfilling custom orders. It allows for better production scheduling, reduces dependence on third-party suppliers, and ensures that products meet established standards. Moreover, it enables faster and more efficient product adjustments when needed

c) Product Updating Capabilities
The ability to regularly update products ensures the company remains relevant in the market by offering promotional goods and merchandise aligned with current trends and customer preferences. This capability allows the company to swiftly adapt to shifting tastes and dynamic market demands.

d) Product Innovation
With full control over its own factory, the company is better positioned to experiment with new designs and features. Continuous product innovation helps distinguish the company from competitors and addresses the evolving demands of the market.

e) Efficient Cost and Time Management
Operating an in-house production facility enables the company to manage production costs more effectively, eliminate third-party shipping expenses, and minimize the risk of delays. This advantage allows the company to offer competitively priced products without compromising on quality.

2. Weakness (W)

a) Dependence on Production Capacity
Although owning a factory provides control, the company remains dependent on its internal capacity to meet large-scale market demands. If demand increases significantly, limited production capacity may become a bottleneck in achieving production targets

b) High Investment and Maintenance Costs
Maintaining an in-house production facility requires substantial financial resources, both in terms of initial investments for equipment and infrastructure and ongoing operational and maintenance expenses. Additionally, the need to upgrade technologies and equipment to sustain production efficiency may affect the company's cash flow

c) Balancing Mass Production and Customization
Frequent product updates and a strong emphasis on customization can create challenges in balancing mass production with individualized orders. This complexity may disrupt production workflows and affect delivery timelines.

d) Risks to Quality and Consistency
While in-house production allows for better quality control, poorly managed mass production or rapid product changes can compromise quality consistency. This poses a risk to the company's brand reputation, especially given its strong focus on customer satisfaction and service excellence.

3. Opportunity (O)

1) Rising Demand for Trend-Based Merchandise.
The company holds a significant opportunity to capitalize on emerging marketing trends that favor more personalized and unique promotional products. With the ability to regularly update its offerings and provide customized merchandise, the company is well-positioned to attract more business from organizations seeking innovative and up-to-date ways to promote their brands.

2) Global Market Expansion
Having its own manufacturing facility and the capability to quickly update product lines provide the company with greater flexibility in responding to global market demands. This enables the introduction of new designs and products tailored to international preferences, facilitating wider market penetration and expansion.

3) Strategic Partnerships with Other Companies

The company's ability to offer continuously refreshed and customizable products opens up opportunities for strategic partnerships with major brands, event organizers, and marketing agencies that require tailored merchandise. Such collaborations can expand the company's market reach and significantly increase sales volume.

4) Technological Advancements
By operating its own production facility, the company can invest in advanced technologies to enhance production efficiency. These include automation, digital printing, and improved production management systems. Technological adoption is expected to shorten production time, improve product quality, and reduce operational costs.

4. Threat (T)

1) Intensifying Competition
The promotional products and merchandise industry is highly competitive, with numerous players offering similar products coupled with strong customer service. Without continuous product updates or service improvements, the company risks losing market share to competitors—especially those offering lower prices or more innovative solutions.

2) Raw Material Cost Fluctuations
As a company with its own manufacturing facility, DML is highly susceptible to fluctuations in the prices of raw materials used in production. Increases in material costs or disruptions in supply chains may raise production expenses and negatively impact overall profitability.

3) Challenges in Maintaining Product Quality
As production capacity increases to meet high or seasonal demand, maintaining product quality and consistency becomes more challenging. The risk of production errors or defective products also rises which could damage the company's established reputation for excellence.

4) Strict Regulations and Compliance Requirements
Manufacturers of promotional products must adhere to relevant regulations and policies concerning copyright, product safety, and environmental standards. Changes in legal frameworks or the introduction of stricter compliance requirements may disrupt production and distribution processes, while also increasing administrative and operational costs.

Marketing Strategy

1. AIDA

1) Attention
   - Channel: Instagram, WhatsApp
   - Content: Videos, posters
   - Copywriting: Do you often get the task of looking for merchandise but it's a hassle to apologize?

2) Interest
   - Channel: Instagram, WhatsApp
   - Content: Posters for Instagram stories and feeds
   - Copywriting: Dewi Media Lestari is the solution for those of you who are lazy to bother and search here and there.

3) Desire
   - Channel: Instagram, WhatsApp
   - Content: Videos, posters
   - Copywriting: The merchandise is complete, the service is top-notch, there is free design and free shipping for you.

4) Action
   - Channel: Instagram, WhatsApp
   - Content: Poster, includes a link to place an order such as a WA business link
   - Copywriting: What are you waiting for? Chat with our customer service now! This week's order comes with a special free gift.

2. Instagram

Creating quality content is crucial for marketing on Instagram. Create posts with engaging visuals, such as high-quality product photos, behind-the-scenes videos of the production process, and creative images of trending merchandise. Types of content you can create include:

1) Instagram Stories: Showcasing discount announcements, limited-time promotions, and customer testimonials.
2) Reels: Creating short videos about merchandise creation or inspiring product usage tips.
3) User-Generated Content: Using content from customers using the product and tagging the company's Instagram account.
4) Carousel Posts: Showcasing various products or merchandise design variations.

In addition to creating quality content, Instagram can be optimized by collaborating with influencers, holding giveaways, and adding relevant hashtags.

3. WhatsApp

WhatsApp is a platform that connects DML with customers in a personal, two-way manner. DML uses the WhatsApp Business feature to facilitate customer communication. Business profiles are created with complete information about the company, products, and ordering process. With WhatsApp, Customer Service can send promotional messages, new product announcements, or other interesting information to customers through the broadcast feature. Additionally, create exclusive WhatsApp groups for customers who frequently purchase products or have a specific interest in merchandise.

4. Website

Marketing using a website certainly has many advantages. Besides its broader reach, a website can be used as a powerful branding tool. Websites make it easier to organize, create templates, and communicate about products and values.

Corporate Management Theory and Business Expansion.

Ansoff's Growth Matrix suggests four growth paths: market penetration, product development, market development, and diversification. Penrose's theory Theory of the Growth of The Firm underlines that sustainable expansion relies on internal resource utilization and managerial capabilities. The holding company model offers strategic advantages: risk diversification, centralized management, and efficient allocation of capital among subsidiaries. These theories underpin Dewi Lestari's planned transition to a multi-subsidiary structure capable of managing diverse product lines.

Development Strategy

1. Short Term Development Plan (0-1 Year)

1) Improving Customer Service

   Action: Focus on enhancing the customer experience by introducing a better customer relationship management (CRM) system and increasing responsiveness in handling inquiries and complaints.

   Objective: Significantly increase customer satisfaction and build loyalty.

   Success Indicator: Increased customer satisfaction ratings and positive testimonials.

2) Maintaining and Utilizing Technology for Production Efficiency

   Action: Invest in production management software and automation tools to improve production process efficiency and minimize waste.

   Objective: Optimize production time and improve the quality of promotional items.

   Success Indicator: Reduce production time and consistently improve product quality.

3) Improving Product Offerings with Regular Updates

   Action: Refine and update existing product lines according to the latest trends and more specific market needs.

   Objective: Maintain product relevance to evolving market trends.

   Success Indicator: Increased sales volume and demand for new products.

4) Increasing Production Capacity to Address Seasonal Demand

Action: Increase the number of work shifts or consider outsourcing some production to meet seasonal demand or large orders.
Objective: Ensure timely fulfillment of large orders.
Success Indicator: Minimal or no delivery delays.

2. Medium Term Development Plan (1-3 Years)
1) Overseas Market Expansion
Action: Assess and identify potential international markets, adapt products to meet local preferences, and establish international distribution partnerships.
Objective: Enter international markets to expand reach and increase sales volume.
Success Indicators: Open markets in 2-3 new countries and increase global sales.
2) Collaboration with Major Brands or Event Companies
Action: Approach major brands or event organizers to offer custom merchandise as part of their promotions or campaigns.
Objective: Build long-term partnerships and increase sales volume through collaboration.
Success Indicators: Increase the number of B2B customers and secure long-term contracts.
3) Production Infrastructure Optimization and Facility Addition
Action: Upgrade existing production facilities to speed up production processes and increase capacity, or open new branches/facilities if necessary.
Objective: Expand capacity to meet greater market demand and maintain quality.
Success Indicators: Increase production capacity by 25% within 2-3 years.
4) Customer Service Management (CRM) System Improvement
Action: Implement a more sophisticated customer service management system using the latest technologies such as chatbots and customer data analytics to provide a more personalized experience.
Objective: Improve the efficiency of customer communications and increase overall satisfaction.
Success Indicators: Faster response times and increased customer satisfaction.

3. Long-Term Development Plan (3-5 Years)
1) Product and Service Diversification
Action: Develop new product lines that are not limited to promotional items and merchandise but also include more innovative products relevant to global trends (e.g., eco-friendly products or promotional technology).
Objective: Become a market leader with a diverse offering that focuses not only on physical products but also on merchandise-based marketing solutions.
Success Indicators: Launch 3-5 new product categories and increase market share.
2) Global Production Capacity Development
Global Production Capacity Development
Action: Establish production facilities or warehouses in several strategic overseas locations to accelerate product distribution and reduce logistics costs.
Objective: Expand reach and achieve cost efficiency in distributing products to the global market.
Success Indicators: Open at least two new factories or distribution facilities overseas.
3) R&D Development for Sustainable Innovation
Action: Increase investment in research and development (R&D) to discover new, more innovative products and solutions that meet changing market needs.
Objective: Ensure product relevance and meet evolving market needs.
Indicators of Success: Annual introduction of new innovative products and increasing market demand.
4) Brand Strengthening and Increasing Market Trust
Actions: Conduct a major marketing campaign highlighting superior quality,

innovation, and customer service. This includes attending industry exhibitions, social media campaigns, and increasing brand awareness through international advertising.

Objective: Increase brand recognition and establish the company's image as a market leader in the promotional goods and merchandise industry.

Indicators of Success: Increased brand recall, market recognition, and higher market penetration.

Financial Projection and KPIs

Projected revenue growth over three years is estimated at 20–25%, supported by operational efficiencies and expanded market reach. KPIs include customer acquisition cost, client retention rate, and gross margin improvement.

Risk Analysis and Mitigation

Main risk: market volatility, financial risk and diversification failure. Mitigation strategies: portfolio diversification, close cash flow monitoring and strategic partnership with key suppliers.

Impact on Industry

The transformation into a holding company is expected to create supply chain efficiencies, create new jobs, and increase the competitiveness of local MSMEs that partner with Dewi Media Lestari.

D. Conclusion

The conclusion is a concise, clear, and precise statement of the findings, containing strengths and weaknesses, demonstrable, and directly related to the research objectives. The description in this section should be a statement that has been analyzed/discussed in the previous section, not a statement that is entirely new and has not been discussed in previous sections. It should also answer the problem formulated. This section does not require further explanation.

Dewi Media Lestari's marketing strategy focuses on a digital and customer-centric approach through the using of the AIDA technique and the use of social media such as Instagram and WhatsApp as primary communication and promotion channels. Compelling visual content, interactive campaigns, and personal communication through WhatsApp Business are key to attracting attention and building rapport with customers. Furthermore, the website is used as a branding and product information tool, strengthening the company's professional and broader image.

In terms of development, DML has designed a multi-tiered strategy ranging from short-term to long-term. The initial focus is on improving service, production efficiency, and product refinement. In the medium term, DML is targeting international market expansion, strategic partnerships, and infrastructure optimization. Meanwhile, for the long term, the company emphasizes product diversification, development of global facilities, continuous investment in R&D, and brand strengthening to position DML as an innovative and highly competitive market leader in both national and global markets.

Dewi Media Lestari’s strategic roadmap toward becoming a holding company integrates SWOT and BMC frameworks, supported by corporate growth theories. By focusing on digital marketing, operational efficiency, and financial readiness, the company aims to achieve sustainable expansion and deliver wider value to stakeholders, while mitigating risks inherent to business diversification.

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