Proceeding

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UNIVERSITAS CIPUTRA

ICEN
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DESIGN STRATEGY FOR PROPERTY DEVELOPER ADDRESSING THE POLICY OF BANK INDONESIA NO.15/40/DKMP ON 24 SEPTEMBER 2013 (CASE STUDY: CITRALAND SURABAYA)

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ABSTRACT

The background of this research is the issuance of “Surat Edaran Bank Indonesia (SEBI) No.15/40/DKMP” dated to September 24, 2013, which explains the regulation of Loan To Value (LTV) in the property industry. This leads to a decrease in property sales nationwide in Indonesia, and in particular for property developer company CitraLand Surabaya, which will be used as a study case for this research. The aim of this study is to: 1) find and analyze internal factors that affect the property developer after the issuance of “SEBI No.15/40/DKMP 24 September 2013”; 2) find and analyze the external factors that affect the property developer after the issuance of “SEBI No.15/40/DKMP 24 September 2013”; 3) recommend strategical design suited for property developer based on internal and external factors identification after the issuance of “SEBI No.15/40/DKMP 24 September 2013”. This research utilizes quantitative descriptive approach by using IFE (Internal Factor Evaluation) matrix, EFE (External Factor Evaluation) matrix, IE (Internal Eksternal) matrix, SWOT (Strengths Weakness Opportunities Threats) matrix, QSPM (Quantitative Strategic Planning Matrix) and in depth interview result that aim to figure out the internal condition of the company when research is conducted, the response of the company towards the external condition that is happening, recommend alternative strategical design that is based on the strengths, weakness, opportunities, and threats that happen, and recommend strategical design that should be prioritized by the company to be done. The population in this research includes company management, bank management, and consumers. The sample in this research are 2 respondents from company management, 2 respondents from bank management, and 2 respondents from consumers. Technique used in picking up samples is Non Probability Sampling with Purposive Sampling. Based on the analytical result done, it is known that the strategic internal position of the company is located in the present condition and respond quite well with external condition (opportunities and threats) that is happening in the property industry. Recommended strategies are comprised from financial and non-financial sectors, equipped with execution details. Based on the company and bank management’s view, it is wise to prioritize strategy from financial sector, whereas based on consumers’ view, strategy from both financial and non-financial sectors have to be carried out in balance to increase sales in property industry.
Keywords: Internal, External, Strategy, Property

INTRODUCTION

Indonesia is a developing country with rapid economic growth. This can be seen by the movement of the real sector and property business in Indonesia increased considerably. Based on the data from BPS 14/02/Th.XVI, February 5th, 2013, Construction Sector growth rate of 7.5% from 2010 to 2012; while the Financial sector, Real Estate, and Business Services at 7.15%. Each sector was ranked 5 and 8 as a contributor to the increase in the rate of the Indonesian economy. Indonesia's economy in 2012 grew by 6.23% compared to the year 2011. One factor supporting the development of these sectors is the number of developers which continue to provide decent housing needs and continue to make improvement and innovation. One of the many developers that contributes to Indonesia is Ciputra Group, through its subsidiary PT. Ciputra Surya Tbk. which develops housing CitraLand Surabaya with the tagline "The Singapore of Surabaya - Living a Clean, Green, and Modern City" and a complete range of facilities like an independent city.

Sales of property in CitraLand Surabaya continued to increase and reached its peak in 2012 and 2013, but started the 2nd half of 2013, the slowdown in home sales occurred in CitraLand Surabaya that only sold home-type > 70 m2. Sales data can be seen in the following figure.

![Figure 1. Percentage of Actual Sales against Targets in 2013](image)

Source: Internal Ciputra

![Figure 1. Percentage of Actual Sales against Targets in 2014](image)

Figure 1. Percentage of Actual Sales against Targets in 2014
The First International Conference on Entrepreneurship

Source: Internal Ciputra

It is influenced by various factors, such as the BI rate continued to increase and in September 2013, Bank Indonesia issued a policy Loan To Value (LTV) with the issuance of Circular Letter of Bank Indonesia (SEBI) 15/40/DKMP as can be seen in the following table.

**Table 1. Regulation of Credit / Financing Property**

<table>
<thead>
<tr>
<th>KREDIT / PEMBERIANNAN (*)</th>
<th>PEMBERIANAN</th>
<th>PP 1</th>
<th>PP 2</th>
<th>PP 3 DIT</th>
<th>PP 1</th>
<th>PP 2</th>
<th>PP 3 DIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPR Tipe &gt; 70</td>
<td>70%</td>
<td>60%</td>
<td>50%</td>
<td></td>
<td>80%</td>
<td>70%</td>
<td>50%</td>
</tr>
<tr>
<td>KPR Tipe 7 - 70</td>
<td>70%</td>
<td>60%</td>
<td>50%</td>
<td></td>
<td>80%</td>
<td>70%</td>
<td>50%</td>
</tr>
<tr>
<td>KPR Tipe 22 - 70</td>
<td>80%</td>
<td>70%</td>
<td>60%</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>KPR Tipe 22 - 70</td>
<td>80%</td>
<td>70%</td>
<td>60%</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>KPR Tipe &lt; 70</td>
<td>-</td>
<td>70%</td>
<td>60%</td>
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<td>-</td>
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<tr>
<td>KPR Tipe &lt; 70</td>
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<td>70%</td>
<td>60%</td>
<td></td>
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<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Keterangan:
*) ikhtisar bembiayaan hanya untuk bembiayaan dengan akad murabahah dan istisna.
FK = Fasilitas kredit; FP = Fasilitas pembiayaan

Source: www.bi.go.id

Terms LTV in Table 1 is very influential for the developer and the prospective consumer. Down Payment (DP) to be paid by the prospective consumers to purchase the property becomes progressively bigger and in accordance with the conditions of the prospective customers. While the impact of the LTV rules for the disbursement of funds for the developer is the mortgage (mortgage) which previously could immediately accepted despite housing units have not been built, it cannot be done. For the first home, the bank will disburse the mortgage to the developer in accordance with certain termyn of the appropriate development progress, while for the second, third, and so on, the bank will disburse the mortgage at the time of housing units which have been completed. This will make it difficult for most of the cash flow property developer to be able to continue to produce housing units, because developers have to provide more funds for working capital.

Looking at the background of the existing problems, PT. Ciputra Surya Tbk. developer has to find the right strategy to be able to continue to increase sales. Thus, this study will attempt to find and analyze internal and external factors affecting the property developer after the issuance of “Surat Edaran Bank Indonesia (SEBI) 15/40/DKMP”, and recommend appropriate design strategies for property developers based on the identification of internal and the external factors.

**CONTEXT AND REVIEW OF LITERATURE**

**Internal and External Environmental Factors**

According Buchory and Saladin (2010), put forward several reasons for the importance of environmental factors analysis in an effort is made, the environment is changing very fast or dynamic so that corporate leaders need to analyze and diagnose changes in the environment, leaders need to investigate to determine whether the particular environment factors in the current environment and are now threatening the achievement of the strategic objectives of the company, and the company that systematically conduct environmental analysis and diagnosis is generally more effective than those that do not do it.
The internal environment is the factors that are directly related to the environment, which affect the company. So the internal environment is a reflection of the strength or weakness of a company's organization and may reflect the ability of management to manage the company.

According to Glueck in Buchory and Saladin (2010), external environments are factors that are beyond the reach of the company that may lead to opportunities and threats to the company. The external environment can be analyzed by using a PEST (political and legal, economic, social and cultural, technological) analysis. These things can help to analyze the conditions that occur due to the influence of factors internal and external environments of a company. Because of the strength of a company rely heavily on the strength of an analysis. The more accurate analysis, the more precise decision-making should be done by a company.

SWOT Analysis
According Kotler (2009), SWOT analysis is an overall evaluation of the company's strengths (S), weaknesses (W), opportunities (O), and threats (S). Strengths include internal capabilities, my source and positive situational factors that can help the company to serve its customers and achieve goals. Weaknesses include internal limitations and negative situational factors that can affect the performance of the company. Opportunities are good factors or trends in the external environment that can be utilized by the company. The threats are not good external factors that may be present and affect the performance of the company.

Consumer Behavior
Definition of consumer behavior according to Kotler (2009) is the study of how individuals, groups, and organizations select, use, and take advantage of how goods, services, ideas, or experiences to satisfy their needs and desires. Consumer behavior not only learn what the consumer purchased or consumed, but also how consumer habits, and the conditions of how the goods and services purchased.

Model of consumer behavior according to Kotler in Figure 3, explains that consumers in the purchase decision is influenced by characteristics other than the consumer, can be influenced by marketing stimuli which includes product, price, distribution, and communicators, and other stimuli that include political, economic, cultural, and technology.

![Figure 3. Model of Consumer Behavior](image)

Source: Kotler (2009)
Purchase Decision
In addition to studying how internal and external environmental factors that affect the performance of a company and learn how consumer behavior and the factors that influence consumer purchase, it is necessary to note also how the strategy should be the managerial company to reach a decision by the consumer to purchase the product are marketed. Purchasing decisions have meaning/understanding and process the different stages.

According to Schiffman and Kanuk (2010), making the decision is the selection of the action of two or more alternative options. In other words, a decision can be made only if there are a few selected alternatives. According to Kotler (2009), the purchase decision process can be described in several stages as shown in Figure 4.

Definition and Strategy Formulation
According Porter (2008):
- Strategy is the creation of a unique and valuable position, involving a different set of activities. The essence of strategic positioning is to choose activities that are different from rivals.
- Strategy is making trade-offs in competing. The essence of strategy is choosing what not to do.
- Strategy is creating fit among a company’s activities. The success of a strategy depends on doing many things well – not just a few – and integrating among them.

Based on the explanation of Porter, it can be concluded that the strategy is how to position the company into something unique and valuable to make a decision on what to run and what is not executed, and the next is to make the conformity of all activities of the company. The process of preparation of the strategy is a critical issue of how to achieve the stated goals, objectives both financial and strategic objectives. In general, we define a strategy as a way of achieving the goal. Strategies can be hidden or concealed, are not easily known outsiders, even insiders though, can also be open, one can easily determine a company’s strategy undertaken. The strategy is proactive (intended and deliberate) but also the reactive (adaptive).

RESEARCH METHODS
This study used a descriptive quantitative approach. In this study, the included populations are the corporate managerial of developer, managerial banks, and consumers. The samples in this study were 2 respondents from managerial companies, 2 respondents from managerial banks, and 2 respondents from the consumer. The sampling technique is Non-Probability Sampling, with purposive sampling.

Data collection methods used were interviews, observation, technical literature, and filling the matrix IFE (Internal Factor Evaluation), matrix EFE (Eksternal Factor Evaluation).
Evaluation), matrix IE (Internal-Eksternal), matrix SWOT (Strengths Weakness Opportunities Threats), and QSPM (Quantitative Strategic Planning Matrix). Processing and data analysis methods used in this study are the approaches to the concept of strategic management. Analysis of environmental data is through descriptive analysis presented in the form of tables, charts and descriptions. In the early stages descriptive analysis through observation in the location of research, interviews with internal and external parties and company literature. Once the internal and external factors are identified then performed reconfirmation to the management of the company to determine the accuracy of the data obtained. The resulting quantitative analysis in this study is a result of the weight, rating and scores. The data collected will be processed and analyzed in three stages: the input stage, matching stage, and the decision stage.

Data Analysis

1. **The Input Stage**
   - **External Environment Analysis**, to identify some of the opportunities and threats in the political and legal factors, economic, social and cultural, and technological changes that may affect the property business.
   - **Internal Environmental Analysis** identifies the strengths and weaknesses of the company to be able to cope with the changes that occur.
   - **IFE and EFE Matrix**, based on the identification of external and internal factors obtained will be determined the weight of each factor with a paired comparison method. Then, it was conducted to determine the rating of the results of the analysis of the company's situation with a predetermined scale. The result of multiplying the weight by the rating will get the value of IFE and EFE. EFE matrix values show how companies respond to the opportunities and threats that exist in the industry. Value IFE matrix describes the condition of the company internally.

2. **Matching Stage**
   - **IE Matrix**, puts the position on the x-axis value of the IFE and EFE values on the y-axis, to determine the position of the company is located in quadrant know how and what strategy should be done.
   - **SWOT Matrix**, develops a strategy based on internal and external environmental situation. Strategy obtained is divided into four types of strategies: SO (strengths-opportunities; strengths-opportunities), WO (weaknesses-opportunities; weakness-opportunities), ST (strengths-threats; strength-threats) and WT (weaknesses-threats; weakness-threats).
3. Decision Stage.

QSPM (quantitative strategic planning matrix) is a tool that allows authors to evaluate alternative strategies objectively strategy based on key success factors internal and external that has been identified previously. In concept QSPM determine the relative attractiveness of various strategies based on how far the key success factors of internal and external utilized or repaired. Value based on the attractiveness of alternative strategies with the largest value is the preferred strategy.

RESULT

**Input Stage**
1. Analysis of External Environment
2. Analysis of Internal Environment
3. IFE and EFE Matrix

The results of the assessment rating of the internal factors obtained a total IFE score of 2.584. Score of 2.584 indicates that the position of the company's strategy in a state of being.

The results of the assessment rating of the external factors obtained a total EFE score of 2.551. Score of 2.551 indicates that the position of the company's strategy to respond quite well to the opportunities and threats that exist in the property industry, although still not optimal, indicated by the average value.

**Matching Stage**
1. IE Matrix

From the data processing IFE and EFE matrix, obtained was 2.584 for the value of IFE and 2.487 for the value of EFE, will be plotted into the IE matrix in Figure 5.
Based on the analysis of the IE matrix in Figure 5 shows that PT. Ciputra Surya Tbk. for the year 2014 is in quadrant V. At quadrant V, according to the company strategy is a strategy to maintain and sustain (hold and maintain). Alternative strategies that can be used for companies that are in quadrant V usually is market penetration strategy and product development. Market penetration strategy is a strategy of looking for a bigger market share through product at this time, in the current market through better marketing. While the strategy of product development is a strategy to strive to increase sales through improved product at this time or new product development.

2. SWOT Matrix
   1. SO (Strengths Opportunities) Strategy
      This strategy is based on the company's way of thinking, that is by using all the strengths and exploit the opportunities that exist.
      General strategy:
      - Expand the marketing area by way of promotion, advertising, and publicity.(SNP)
      - Improve the quality of existing human resources in order to achieve the target. (SNP)
      - Perform design and development of high quality products with complete facilities.(SNP)
   2. ST (Strengths Threats) Strategy
      This strategy made by using the whole power of the company to address existing threats.
      Strategies addressing SEBI:
      - Based on the bank financing system implemented that purchase products that use a home mortgage second, third, etc. must provide the physical condition
that is so, then the company must provide the product home property stock in sufficient quantities to not spend too much working capital.(SNP)

General Strategy:
- Maintain and improve product quality with minimal production costs and selling prices remain competitive.(SNP)
- Improve the product warranty and after sales service.(SNP)
- Utilize cooperation and good relations with the consumer to dampen the competitors.(SNP)

3. WO (Weakness Opportunities) Strategy
This strategy is based on exploiting the opportunities that exist in a way that overcomes these weaknesses.

General Strategy:
- Implement sales system sales booking numbers to products sold in the moments before launching.(SNP)
- Open new business line sales of the secondary products, in addition to primary products.(SNP)
- Provide assurance handover on time products to consumers in accordance with the following agreed time with the consequences.(SNP)

4. WT (Weakness Threats) Strategy
This strategy is based on activities that are defensive and trying to minimize weaknesses and avoid.

Strategies addressing SEBI:
- Implement a more flexible system of financing for the purchase of products by consumers.(SP)
- Provide convenience for the consumer finance through cooperation with the banks.(SP)

Strategi secara umum:
- Provide innovative bonuses and more helpful for consumers in the purchase of the product by the consumer only at certain events.(SNP)

Based on the SWOT matrix is done, get some good alternative strategy of SO, WO, ST, and WT. From the analysis of several alternative strategies, can be seen there are two sectors which are the core of each of these strategies, namely finance and non-finance sectors. Therefore, an alternative strategy would be divided into 2 groups of strategies, as follows:

1. Financing Strategy (Strategy coded SP).

Furthermore, there are two alternative strategies will be analyzed using QSPM (Quantitative Strategic Planning Matrix).

The Decision Stage
Based on the results of the QSPM analysis with the managerial department of CitraLand Surabaya represented by the General Manager/Associate Director and Marketing Manager by filling in the value of the (AS) Attractives Score, it can be seen that the strategy that had highest value of TAS (Total Attractives Score) was the alternative strategy from the financial sector (strategy I), with a total score of 5.140 and 5.519, compared with the alternative strategy of non-financial sector (strategy II), with a total score of 4.112 and 4.920.
Based on the QPSM analysis with the banks represented by the Head of the Office of Consumer Credit at Bank Central Asia and the Secured Loan Manager of Bank OCBC NISP, by filling in the value of the AS (Attractives Score), it can be seen that the strategy that had the highest value of TAS (Total Attractives Score) was the alternative strategy from financial sector (strategy I) with a total score of 6.177 and 5.492, compared with the alternative strategy of non-financial sector (strategy II), with a total score of 4.978 and 4.816.

Based on the QSPM analysis with the Citraland Surabaya consumers represented by Mr. Stephanus Pribudi and Mr. Teguh Lauwis, by filling in the value of the AS (Attractives Score), it can be seen that the strategy that had the highest value of TAS (Total Attractives Score) was the alternative strategy of non-financial sector (strategy II) with a total score of 5.897 and 5.798, compared with alternative strategies of financial sector (strategy I), with a total score of 5.806 and 5.780. However, there was almost no difference between the strategies so it can be said that from the customer's perspective, both strategies should be made and applied to answer the needs and desires of consumers.

The value of the total score of the managerial department and the banks showed similar result: the financial sector strategies (Strategy I) took precedence over non-financial sector strategies (Strategy II), thus according to the managerial and banking, financial sector strategies must be analyzed in detail to be applied by property developers after the issuance of SEBI 15/40/DKMP. This is because the SEBI policies highly affect the cash flow for developers and the financial sources of the developers are sourced from the cooperation with the banks.

On the other hand, the value of the total score from the consumers showed different results than the managerial and banking: the financial sector strategy (Strategy I) and non-financial sector strategy (Strategy II) were strategies that should be prioritized in balance, thus for the consumers, both financial sector strategies and non financial sector strategies must be analyzed in detail to be applied by property developers after the issuance of SEBI 15/40/DKMP. This is because consumers do not just put the funds needed to purchase the property and the prevailing lending rates into priority, but also to maintain the quality of products being purchased, the availability of the demanded products, and the warranties and after sales service service on products being purchased.
Implications of Research Results

<table>
<thead>
<tr>
<th>No</th>
<th>Recent Condition</th>
<th>Strategy to Recommended</th>
<th>Managerial Implication</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Housing units are built based on the order and sales from the marketing. Housing stock are built based on the existing condition and in limited quantity.</td>
<td>Housing stocks are build in large quantity based on the budget (the most preferred housing type by the consumers). The progress does not have to reach 100%, but already look clean and neat.</td>
<td>By the availability of housing stocks, the purchasing process is easier for the consumers who need the house immediately, in order to cope with SEBI policy for the consumers of mortgage 2, 3, and so on.</td>
</tr>
<tr>
<td>2</td>
<td>The work order of housing constructions for the contractors are divided into two parts of contracts: foundation contract (if using pile foundation) and construction to finishing contract.</td>
<td>The work order of housing constructions are divided into three parts of contracts: foundation contract (if using pile foundation), poer to sloof contract, and construction to finishing contract. If required, the first work order will be issued for the foundation and poer to sloof, but not for the construction to finishing.</td>
<td>By issuing the work order for the foundation and poer to sloof, most banks can release the payment up to 50%, in order to help the cash flow of the company. Thus, it can help the developer to cope with SEBI policy for the consumers of mortgage 1.</td>
</tr>
<tr>
<td>3</td>
<td>Payment: - mortgage consumers type 1: DP 30% with the installment up to 3x - mortgage consumers 2,3, and so on: DP 30% with the installment up to 3x, the rests are up to 12x - Inhouse = 2 years, DP 30% with the installment up to 3x, the rests are up to 21x.</td>
<td>Payment: -mortgage consumers type 1: DP 30% with the installment up to 12x - mortgage consumers 2,3, and so on: DP 30% with the installment up to 6x, the rests are up to 18x - Inhouse = 3 years, DP 30% with the installment up to 6x, the rests are up to 30x (giro cover)</td>
<td>By more flexible payment, the payment term becomes longer, and the numbers of consumers with purchase power will be increase.</td>
</tr>
<tr>
<td>4</td>
<td>Mortgage Program: - mortgage interest without subsidies - fixed interest in year 1,2,3, and 5 - fixed interest in 3 years and 2 years after.</td>
<td>Mortgage program : - Subsidies for mortgage in year 1 is available. - Easy approved program if the consumers pay the DP up to 50% (the submission is approved, only require a checking account and BI checking)</td>
<td>The mortgage interest tends to increase, so with the subsidies and cooperation program with the banks, the credit installements can be decreased, so the number of consumers with purchasing power will increase.</td>
</tr>
<tr>
<td>No</td>
<td>Recent Condition</td>
<td>Strategy to Recommended</td>
<td>Managerial Implication</td>
</tr>
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<tr>
<td>1</td>
<td>Promotion by advertisements, newspapers, banners in Surabaya, and promotion with developer website.</td>
<td>Promotion by advertisements, newspapers, banners at nearest cities from Surabaya such as Gresik, Lamongan, Sidoarjo, Malang, Mojokerto, etc.; Promotion with developer website and other websites such as rumah123.com, berniaga.com, etc.</td>
<td>Promotion done in a broader location will reach a wider market. The number of consumers who are interested in obtaining information will increase, in order to increase sales.</td>
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<td>2</td>
<td>Training on personality and job specification are held for the human resources</td>
<td>Conducting additional training for on how to provide good service to customers and how to effectively sell the targeted properties products.</td>
<td>By giving human resources the ability to serve customers well and sell a product developer, the consumers will be more satisfied and will be more easier to make a purchase.</td>
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<td>3</td>
<td>The quality of the product is equivalent to the quality of a competitor's product.</td>
<td>Improving the quality of the product to be better than a competitor's product, by improving the quality of contractors, suppliers, and specifications of the materials used.</td>
<td>By improving the quality of products owned, it will make the value added to the product, so that consumers will be more easily to purchase the products offered by developer.</td>
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<td>4</td>
<td>Insurance for home care benefits for 6 months after the handover of consumers, except if there is damage to the structure. The time required for after sales service is standard.</td>
<td>Increasing home care insurance for 1 year after the handover of the consumer; improving after sales service, especially on the issue of complaints (Example: give a special slogan &quot;a complaint will be handled within 1x24 hour&quot;)</td>
<td>With good quality products, increasing the guarantee maintenance of the products is not difficult. It should also be supported by a committed team of after sales service and service implementation team to make the consumers feel satisfied with the products and services provided by the developer.</td>
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<td>5</td>
<td>Several housing units are overly late-handed to the consumer.</td>
<td>Guarantees the handover at the agreed time, by sanctioning the consumer and developers if breaking the agreement.</td>
<td>With a commitment of time given by the developers to the consumers, so consumers will feel safe to purchase the products and the developers will also feel secure with the stability of the consumer repayments.</td>
</tr>
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<td>6</td>
<td>Bonuses for product purchase are standard, such as electronic vouchers, cash back, air conditioning units,</td>
<td>The bonuses for products purchased are innovated to certain events only, such as free golf membership, free club house facilities, free</td>
<td>With the bonus innovation given to consumers only in certain events, then consumers will not easily miss the offerings provided by the developer.</td>
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</table>
etc.  | internet and cable TV, car raffle, etc.  |  With the booking number system, the developer can determine the interest of potential customers first. In addition, the developer gives more opportunities and rewards for existing customers and provides a return on investment already promised.
---|---|---
7 | Purchasing a product without booking fee but paid directly to seal the buying contract offered by the developers. | Running the numbers booking system at a cost of sales with the selling price after launching will certainly higher than the initial price. Preference will be given to the existing customers first. If consumers fail to purchase, the cost can be refunded.
8 | Developer only sells primary products. | Developer opens a new line of business, by selling primary products and secondary products. By selling secondary products, the developer can reach a wider market, and can immediately follow the development of the product and the price of property in the environment.
9 | The sales of store housing product sales regardless of what business will be run. | To sell the store housing products, potential consumers should be given an opportunity to explain the areas of business which will be run. There is guarantee money to guarantee the security of the business that will be opened within a certain period (if the consumer interest are large enough) With a selling system of store housing, it can become an advantage for developers, because there is no guarantee that consumers will immediately open their business and the area will be developed.

**CONCLUSION**

**Conclusion**

1. The identification of internal factors of the property developer after the issuance of SEBI No.15/40/DKMP, September 24th, 2013, were based on the strength as the main factor, which were: developers have pretty good reputation, complete facilities of the environment and housing, good product quality standards, the value of the property as a promising investment, and strong financial condition of major developers. Based on the weakness as the main factor were: the increase of BI rate and credit interest that tend to increase, the purchase power of the consumers which is not in line with the increase property price, ±70% of the property consumers choose mortgage type of payment, the dealing with construction permit and legally take a long time, and nonflexible of SEBI policy.

2. The identification of internal factors of the property developer after the issuance of SEBI No.15/40/DKMP, September 24th, 2013, were based on the opportunity as the main factor, which were: demand for homes is still high, there is the promotional offering to attract buying interest, the appearance of the building material product
innovation, the more efficient work system/method in the development, and a lot of small developers who are out of property business. Based on the threat as the main factor were: the characteristics of government policies that tend to change, the delayed development as resulted by the shortage of working capital for the developers, the increase in the price of building production, the secondary property becomes more competitive to purchased, the investors postpone to purchase the property and divert the funds to other investments, and the business property experiences a slowdown up to 15-20%.

3. The QSPM results of the managerial and the banking showed similar result; the financial sector strategies took precedence over non-financial sector, thus according to the managerial and the banking, the financial sector strategies must be analyzed in detail to be applied by the property developers after the issuance of SEBI No.15/40/DKMP. This is because the SEBI policies highly affect the cash flow for developers and the developer financing sources are sourced from the banks. On the other hand, the QSPM results of the consumer showed different results compared with the QSPM results of the managerial and the banking; the financial sector strategy and non financial sector strategies should both be prioritized in a balanced way. Thus, according to the consumers, the strategy of sector financing and non-financing must be analyzed in more detail to be applied by the property developers after the issuance of SEBI 15/40/DKMP. This is because the consumers do not just put the funds needed to purchase the property and the prevailing lending rates as the priority, but also maintain the quality of products being purchased, the availability of the demanded products, the guarantees and after sales service on products being purchased.

4. The strategies to recommend in order to cope with SEBI No.15/40/DKMP, issued on September 24th, 2013, based on the non financial sector, were to build the stock of the most preferred house type by the consumers in large quantity with the allocated budget. The progress does not have to reach 100%, but should reach the clean and neat condition. With the availability of the optimal house stock, the sale can be easily done (for consumers who need a home immediately) and can cope with SEBI policy for the mortgage consumers type 1,2,3, and so on which requires that the housing units being purchased should have been completed. However, the problem that is faced by the developers was how to set the optimal cash flow for the all types of mortgage consumers. This can be done by issuing the work order for the housing construction and dividing the work order into three contracts: foundation contract (for the pile foundation), poer to sloof contract, and construction to finishing contract. If required, the work order for the foundation (for the pile foundation) and poer to sloof can be issued first, but not with the work order for the construction to finishing. Therefore, most banks will disburse the payments to developers up to 50% at the time of purchasing by the consumer, because the foundation up to the sloof have been completed. This can help the developers to arrange the cash flow and to overcome with the SEBI policy no. 15/40/DKMP. Additionally, there are many strategies to be done on the non-financial sector to support the performance of the properties developers, such as the innovations in marketing strategy, improving the quality of products and services, opening new lines of business, and so on. Detailed explanation can be found in general implications that have been outlined in Chapter V.
5. The strategies to recommend in order to cope with SEBI No.15/40/DKMP, issued on September 24th, 2013, based on the financial sector, were to adjust with the payment system which are applicable. For the mortgage consumers type 1, the Down Payment of 30% can be paid in installments up to 12x, while the type 2 and 3 and so on, the down payment of 30% can be paid in installments up to 6x, and the remaining installments are up to 18x. The inhouse consumers / installments to developer are allowed to do installments up to 3 years, with the down payment of 30%, with the detail that the installments are up to 6x and the rests are up to 30x with giro cover. In addition, the developer should work with the banks to provide mortgage programs, such as mortgage interest subsidies for the first and second year, the easy approved program if the consumer pays the down payment up to 50% (only require a checking account and BI checking), and other programs. With a more flexible payment system, the payment period becomes longer; the interest subsidy programs in cooperation with banks are available so the number of consumers who have purchase power will be increased. The condition can be reached because the selling price of property continues to rise and the consumers will be more easily to purchase the products offered by developer.

**Recommendations**

Based on the background of the case and the policy of Loan To Value (LTV) with the issuance of SEBI No.15/40/DKMP on September 24th, 2013, it can be ascertained that the society has slight decrease of their interest in purchasing houses. If this situation continuously happens, the climatic condition the housing business will decline. To overcome these problems, the government and the banks have to cooperate. Banks are expected to review the LTV policy that has become a burden for the developer and the consumer. The government is expected to review the system of housing contract in Indonesia. This is because if the people who face difficulty to purchase houses as resulted by unaffordable down payment will make them shift to the housing contract system that is cheaper.

In addition to those problems, it is expected that there will be a further research to measure the successful of strategies design for the property developers that have been suggested in this study, due to the circumstances and conditions that are constantly changing.

**REFERENCES**

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