SUMMARY

NIZZA NADYA RACHMANI. Business Strategy Development of Milk Products at PT Cisarua Mountain Dairy. Supervised by ARIEF DARYANTO and SITI JAHROH.

Milk is a supplementary daily nutritional needs. Milk consumption in Indonesia is currently increasing, but the milk productivity had not been able to fill the milk consumption needed. The government made a regulation that every milk processing industry had to take domestic fresh milk to produce their products. This caused a competition to get fresh milk. Cimory is a dairy industry in Bogor that does not have its own farms and cooperates with regional dairy cooperatives to get fresh milk. The tight competition in getting fresh milk made Cimory have to create a new business strategy based on the evaluation of the present business model.

This study aimed to 1) identify Cimory's business model, 2) identify environmental factors that influence Cimory's business model, 3) evaluate Cimory's business model, and 4) develop business strategies from the evaluation of the current business models. The research was carried out by descriptive method. Data came in form of primary and secondary data. The methods were interview, questionnaire, and literature study. Sampling was done by non-probability sampling with purposive sampling technique.

Cimory’s business model showed that the customer segment was a family with middle and upper middle economic abilities. Products offered include quality, satisfaction, innovation, and images. Current channels were direct and indirect channels. Customer relations were guarded by complaints channels, mass media communication channels and Miss Cimory’s programme. The activities were production, marketing and distribution supported by tangible and intangible resources and having partners such as local milk cooperatives, and packaging production companies. Revenue was obtained from dairy products selling and the cost structures consisted of production cost, salaries cost, and product distribution cost. Environmental factors that influence Cimory's business model were market strength, key trends, industrial strength, and macroeconomic strength. Evaluation of the BMC SWOT showed that the main strength came from customer relationships element caused by close relationship between the company to customers using Miss Cimory programme. Meanwhile, the main weakness came from cost structure because production activities did not run efficiently. The biggest opportunity is at the customer segment because of the new market segmentation that has not been maximally reached. Meanwhile the biggest threat came from key resources because of scarcity of fresh milk. The strategy was to conduct a feasibility study in establishing dairy farm in order to solve the problem of milk’s scarcity, improved communication with customers, and product’s promotion at social media platform, website and ad at television or newspaper.

Keywords: business model, business model canvas, dairy industry