JOURNAL OF EMERGING
BUSINESS MANAGEMENT AND ENTREPRENEURSHIP STUDIES

J|E|B|M|E|S

TERAKREDITASI PERINGKAT 4
SK Direktur Jenderal Riset dan Pengembangan 10/C/C3/DT.05.00/2025

sinta S4
Crossref
Google
GARUDA
ISJD
INDONESIAN SCIENTIFIC JOURNAL DATABASE
Database Jurnal Ilmiah Indonesia

JOURNAL
OF EMERGING
BUSINESS MANAGEMENT AND
ENTREPRENEURSHIP STUDIES

TABLE OF CONTENTS

The Implementation of Sustainable Supply Chain in The Beauty and Personal Care Industry in Indonesia: The Natural Resource-Based View

Natasha Vidi Salsabila, Sheilla Ananda Berliana, Erlinda Nusron Yunus*

Sekolah Tinggi Manajemen PPM
Jl. Menteng Raya No.9, Kb. Sirih, Kec. Menteng, Jakarta Pusat 10340, Indonesia
erl@ppm-manajemen.ac.id

*Correspondence Author

ABSTRACT
This study aims to understand the knowledge of the beauty and personal care industry in Indonesia about sustainable supply chain and assess the impact of consumer views about sustainable supply chain implementation on corporate image and purchase intention. Specifically, the study tests the relationships between customers' knowledge regarding firms' sustainable supply chain practices and firms' corporate image. Sustainable supply chain practices are measured through the extent of sustainable procurement, sustainable warehousing, sustainable product design, sustainable energy, sustainable transportation, reverse logistics, and sustainable waste management. Customers' perception on the corporate image would further increase their purchase intention. The research uses a quantitative approach by surveying 438 beauty and personal care product users. The results show that sustainable waste management is the most recognized and perceived implementation that contributes to a good corporate image regarding sustainability. Therefore, beauty and personal care companies can leverage the customer perception of sustainable supply chains by emphasizing sustainable waste management through different strategies and educating customers on sustainable supply chain practices. The findings of this study provide valuable insight into the practical effectiveness of sustainable chain supply in the beauty and personal care industry and provide input to future sustainability efforts on the environment, society, and economics.

Keywords:
Beauty and Personal Care Industry, Environment, NRBV, Sustainable, Sustainable Supply Chain

INTRODUCTION

Beauty and personal care products significantly contribute to Indonesia's economy through employment and the communities that provide their ingredients. These products come from the beauty and personal care industry, which is categorized as the chemical and chemical goods processing industry. According to a report from Statista in December 2022, Indonesia's beauty and personal care products market amounted to IDR 111.83 trillion in 2022 and is expected to grow annually by 5.81% from 2022 to 2027 (Statista, 2022). The increasing demand for beauty and personal care products does not escape the adverse environmental effects, ranging from production processes that cause water and

air pollution, habitat destruction, and plastic packaging waste (Ahdiat, 2022). One of the sustainable protection measures that can be implemented is a sustainable supply chain.

Sustainable supply chain (SSC) or also known as supply chain sustainability is a concept that emphasizes environmental concerns through a sustainable supply chain system. Previous research shows that SSC can reduce negative impacts on the environment. One of the sustainable supply chain approaches was coined by Hart (1995), namely the natural resource-based view (NRBV), or supply chain view with environmental awareness. The Natural Resource-Based View (NRBV) is an extension of the firm's traditional Resource-Based View (RBV), emphasizing how a company's environmentally sustainable practices will gain and sustain a competitive advantage. Proposed by Hart (1995), the NRBV highlights that firms can develop unique capabilities through pollution prevention, product stewardship, and sustainable development, reducing environmental harm and creating long-term economic value. Not only as a competitive advantage, SSC or sustainability topics are deemed to improve the company's image (Widyastuti *et al.*, 2019; Lee & Chen, 2019; Al-Ghdabi, 2019; Mazur-Wierzbicka, 2021). One of the studies involving the NRBV concept in the supply chain was by Yunus & Michalisin (2016), who found that the supply chain from upstream to downstream is implemented by companies differently based on the dimensions of NRBV to form a competitive advantage.

In Indonesia, the crisis-resilient nature of the beauty and personal care industry has a positive impact on industry players. However, the high demand of Indonesian consumers contributes to environmental damage caused by beauty and personal care product packaging, including single-use plastic waste (Arisman and Fatimah, 2023). Several beauty and personal care companies are implementing sustainable principles in their supply chains to face these environmental challenges. Some companies that practice sustainable supply chains in Indonesia include L'Oréal with sustainable sourcing and emission reduction programs; Unilever, through sustainable sourcing; Procter & Gamble, with reduced fuel emissions and green sourcing; and The Body Shop, committed to environmental welfare. Studies on Indonesian consumers' responses to brands that implement green brand products show the positive influence of brands that implement environmentally friendly production on product packaging (Pandjaitan *et al.*, 2022).

The findings have not yet drawn a definite response, especially regarding sustainable practices encouraging customers to fully support the implementation (Puspitasari, 2020; Kuwakuma *et al.*, 2021; Jauhari *et al.*, 2021). Consumer consistency in supporting beauty and self-care products with sustainability is also difficult to ascertain because the research domain is only limited to certain recognized brands (Diva, 2020; Utami *et al.*, 2022). Given this gap, there is still a need to deepen consumer responses to the challenges that may arise from implementing sustainability concepts in beauty and self-care products in Indonesia. Therefore, this study aims to understand the knowledge of the beauty and personal care industry in Indonesia about sustainable supply chain, assess the impact of sustainable supply chain implementation on consumer views on the company, and discuss the

implementation of recent sustainable supply chain practices in the beauty and personal care industry in Indonesia.

The supply chain is an important part of the company, where the supply chain is a system related to goods that need to be supplied from suppliers or suppliers to carry out the production process until the product reaches consumers or distribution. Therefore, several companies that carry out the production of a product and provide services to consumers consisting of producing, delivering, and recycling materials, components, and end products can be referred to as a supply chain (Wisner *et al.*, 2012). In addition to producing and distributing products to consumers, the supply chain also consists of a design and activities to channel information and funds or costs from suppliers to consumers that require coordination and management for all activities (Sanders, 2017).

The existence of a sustainable supply chain or sustainable supply chain management is an effort to break the target barrier that is not only related to operational efficiency and cost reduction but also relates to the use of natural resources related to the environment and helps stakeholders improve performance in other areas (Wang and Dai, 2018). In addition to commitment to the environment, companies implement sustainable procurement to answer consumer questions about corporate responsibility regarding the environment (Perkiss *et al.*, 2021). Based on this understanding, the following hypothesis is formed:

H1: Consumer perception of sustainable procurement positively affects corporate image.

Warehousing activities play a significant role in the product cycle and the arrival of products in the hands of consumers. Sustainable warehousing is considered one of the company's efforts to achieve a sustainable supply chain, but it requires further investigation (Mukonza & Swarts, 2020; Ali & Kaur, 2021). However, as part of the sustainable supply chain, sustainable warehousing is an implementation that shows the company's concern for the environment and can potentially improve corporate image (Karia & Asaari, 2013).

H2: Consumer perception of sustainable warehousing positively affect corporate image.

The findings in previous studies also show the need for sustainable product design to implement the value of sustainable supply chains in companies. The realization of the implementation of the sustainability concept in the form of product design not only opens a profit path for the company but provides a tangible form for consumers to assess the company's commitment to the concept of sustainability (Bukhari *et al.*, 2017). In addition to concern for the environment, the implementation of sustainable product design has the opportunity to increase consumer confidence in the company so that the corporate image of the company is getting better (Widyastuti *et al.*, 2019).

H3: Consumer perception of sustainable product design positively affects corporate image.

The use of environmentally friendly energy that several companies have carried out is one part of the sustainable supply chain activities in the beauty and self-care industry as a result of previous research. Quoted from research by Shekari and Rajabzadeh Ghatari (2013), companies can improve

their image by increasing the effectiveness of green supply chain management by conducting sustainable procurement or green procurement (green purchasing), green production or concerned with the environment by optimizing energy, conducting waste recovery or waste treatment activities, and reducing water, air and soil pollution.

H4: Consumer perception of sustainable energy positively affects corporate image.

Sustainable transportation is one of the sustainable supply chain activities carried out by several companies based on previous research results. Logistics activities are important in the company's supply chain activities and significantly contribute to air pollution (de Souza *et al.*, 2022). Jayarathna *et al.* (2023) argued that sustainable transportation, namely green logistics, provides excellent benefits to the company's economic value but has a relatively low social and environmental impact.

H5: Consumer perception of sustainable transportation positively affects corporate image.

A form of sustainable supply chain carried out by several companies based on the results of previous research is reverse logistics. Reverse logistics can increase value and profit sustainably for the company. It can also provide new channels for companies by utilizing existing resources and making better use of products. Companies that organize, coordinate, monitor, and implement reverse logistics have strategic capabilities and resources (Jayaraman *et al.*, 2007).

H6: Consumer perceptions of sustainable reverse logistics positively affect corporate image.

Waste management practices certainly did not escape the attention of company representatives or resource persons in previous studies. Waste management is something that companies consider important. Many large companies have initiated waste management practices and launched circular economy strategies to obtain CSR values and achieve operational efficiency and competitive advantage (Romero- Hernández *et al.*, 2018). Such implementation can potentially improve the company's image in the eyes of consumers and create a favorable perception of companies that show concern for the environment through sustainable waste treatment (Ko *et al.*, 2013).

H7: Consumer perceptions of sustainable waste management positively affect corporate image.

The corporate image formed by the company will influence the desire to buy from consumers for the products produced by the company. Corporate image is found to be significantly related to consumer loyalty. It cannot be ignored because it is the key to success for almost all types of organizations and businesses in the global economy, so it also has an important role in increasing purchase intention (Ronaldo *et al.*, 2018). Perceptions of companies that have a good image or image determine consumers' willingness to buy these products (Huang *et al.*, 2014).

H8: Consumer Perception of Corporate Image positively affects Purchase Intention.

RESEARCH METHODS

This study conducted quantitative research using a survey to obtain expansive beauty and body care consumer responses regarding sustainable supply chain practices. This quantitative research

examines the relationship between company implementation and consumer perspectives. In addition, the expected results of quantitative research are consumer perspectives on corporate image and consumer assessments and influences on companies that implement sustainable supply chain practices.

The target population is consumers of beauty and personal care products throughout Indonesia, which was determined using purposive sampling; as such, the sample for the quantitative research stage is consumers of beauty and personal care products in the age range of 15-35 years. Based on previous research, it was found that this age range is classified as an age group that makes many purchases of beauty and personal care products.

Based on calculations using the Cochran formula, consumer opinions can be identified by collecting at least 384 questionnaire respondents. The questionnaire sample was determined using purposive sampling using online media as a means of distributing the questionnaire. The respondents needed in this study are people who live throughout Indonesia with an age range of 15-65 years because this age group is considered to buy a lot of cosmetic products. The number of respondents who participated in this stage of the research was 438 respondents.

The analysis of quantitative data was carried out using the JASP software. The series of data processing carried out was the classical assumption test, which consisted of validity, reliability, normality, homoscedasticity, and multicollinearity tests on each variable used in the study. After passing the classical assumption test, the existing data were tested using regression analysis to determine the relationship between the independent and dependent variables.

RESULTS AND DISCUSSIONS

The objects targeted for research are consumers of beauty and self-care products throughout Indonesia aged 15-65 years. Previous research found that this age range is classified as an age that purchases a lot of beauty and self-care products (Handriana *et al.*, 2020). The following are the results of quantitative research that has been conducted on 438 respondents.

Validity, reliability, and classical assumption tests

Questionnaire items are declared valid if the p-value is below 0.05 (Hair *et al.*, 2006). Through Pearson's Correlation analysis, all questionnaire items are valid and can be used for analysis. In the next test results, the reliability of the research data is declared good if Cronbach's Alpha> 0.6 (Black and Babin, 2019). Computations on research variables show good reliability, where all variables have Cronbach's Alpha> 0.6.

To support the results of the validity test carried out on the research data, a classical assumption test was carried out consisting of normality test, multicollinearity test, and Levene test. Classical tests are necessary to ensure the robustness and validity of the data prior to conducting more complex behavioral analyses such as structural equation modeling. These tests help to confirm that the assumptions underlying our statistical techniques are met and that the observed relationships are not artifacts of poor data quality. Figure 1 is a distribution plot of the residual values of the research data.

The distribution of the research data appears close to the regression line, so the data is declared to have a normal distribution. Furthermore, based on Black and Babin (2019), research data is declared to pass the multicollinearity test if Tolerance> 0.1 and VIF < 10.00. Test results with qualified values indicate there is no correlation between variables. The results in Table 1 show that there is no multicollinearity in the data.

Table 1. Multicollinearity and Levene's Test Results

Variables	Multicollinearity Test		Levene's Test	
	Tolerance	VIF	F	Sig.
Sustainable Procurement (SR)	0.415	2.412	9.478	0.975
Sustainable Warehousing (WH)	0.328	3.051	4.844	0.028
Sustainable Product Design (DS)	0.388	2.575	1.479	0.225
Sustainable Energy (EN)	0.336	2.979	4.407	0.036
Sustainable Transportation (TR)	0.338	2.956	2.571	0.11
Reverse Logistics (RL)	0.475	2.106	2.403	0.122
Sustainable Waste Management (WM)	0.307	3.253	0.106	0.745
Corporate Image (CI)	0.561	1.783	0.052	0.82
Purchase Intention (PI)			2.337	0.127

Source: Authors' work

Levene's Test was conducted to test the variance in research data or the homogeneity of sample variance. This Test is classified as one of the classic assumption tests to assess the uniformity of variance within groups in research, where the group used as the basis for Levene's test assessment is the gender of the respondent. The results in Table 1 show that there is no significance to the value of 0.015, so it is evident that the data used in this study is not homogeneous in variance.

Based on the classical assumption test carried out on the research data, there are indications that the data obtained from respondents has a high level of homoscedasticity. High heteroscedasticity occurs when the resulting data obtains a too-high correlation. These results indicate abnormal data and may produce less accurate analysis (Singh & Kumar, 2021).

Hypothesis testing

After conducting the classical assumption test, we tested mediation analysis and linear regression for the test variables. The following are the results of the test of all variables on corporate image and purchase intention. The results of the data analysis on JASP are summarized in Table 2.

Table 2. Linear Regression Results of Sustainable Supply Chain on Corporate Image

DV	A(F-Test Sig.	R2	IV	Beta	Sig. (t-test)	Conclusion
CI	<0.001	43.90%	SR	-0.029	0.621	Not supported
			WH	0.056	0.388	Not supported
			DS	0.016	0.786	Not supported
			EN	0.147	0.022	Not supported
			TR	0.112	0.080	Not supported
			RL	0.068	0.212	Not supported
			WM	0.377	<0.001	Supported
PI	<0.001	37.50%	CI	0.12	<0.001	Supported

Source: Authors' Work

The results shows that only the perception of variable waste management practices (WM) or sustainable waste treatment significantly affects corporate image. Linear regression was further

performed for the corporate image variable on purchase intention, which shows significant results, as evidenced by the *t*-test value or *p*-value less than 0.05.

The results show that the supported hypotheses are H7 and H8, while hypotheses H1, H2, H3, H4, H5, and H6 were not. Hypothesis H7, namely the relationship between sustainable waste management and corporate image, and hypothesis H8, namely the relationship between corporate image and purchase intention, has a significant influence. The following is a discussion of each hypothesis obtained based on the results of the linear regression test.

Sustainable procurement has no positive effect on corporate image.

Based on the regression results, sustainable procurement does not affect corporate image. These results illustrate the role of sustainable procurement on consumer views of the image of beauty and self-care companies. Prior research suggests that the impact of sustainable procurement on corporate image may be contingent upon the visibility and communication of such initiatives (Mir *et al.*, 2021). If stakeholders, including customers and the public, are not fully aware of these efforts or perceive them as compliance-driven rather than value-driven, the influence on corporate image may be limited. Moreover, firms often focus sustainability communication on more consumer-facing activities, such as marketing or product innovation, while procurement remains a back-office function with lower public visibility. These dynamics may explain the lack of a significant relationship in our findings. The study by Roberts (2003) emphasizes that sustainable procurement as part of the sustainable supply chain is a demand from consumers that can be illogical and unpredictable. Thus, the finding of no relationship between sustainable sourcing and corporate image may be due to consumers' perceptions that are not entirely logical (Roberts, 2003). In addition, the lack of awareness of the true meaning of sustainable procurement can be a driving factor in the absence of a relationship between sustainable procurement and corporate Image (Glass *et al.*, 2012).

Sustainable warehousing has no positive effect on corporate image.

The perception of sustainable warehousing practices does not affect corporate image. Similar with the procurement practices, customers often unaware of these activities and companies do not share them to their customers. Along with this issue, implementing sustainable warehousing can create a disconnect between consumer perceptions of warehousing that prioritizes environmental goodness (Torabizadeh *et al.*, 2020). Sustainable warehousing still requires deepening and more emphasized implementation to reap a close relationship with consumer perceptions (Aravindaraj & Chinna, 2022), especially for beauty and self-care products.

Sustainable product design has no positive effect on corporate image.

The regression test results show that product design does not influence corporate image. As stated by several informants in this study, product design is a factor that requires much consideration, one of which is the quality of beauty and self-care products contained in the packaging. Packaging with sustainability elements is likely to create impressions such as relatively high prices (Yan & Yazdanifard,

2014), so consumer perceptions of companies that implement sustainable product design do not have a close relationship. A study by Soon & Kong (2012) shows that different product characteristics can lead to different perceptions of sustainable product design and consumer responses to corporate image as a result of such implementation. Moreover, in line with the remarks of one of the research informants, consumer behavior in developing countries related to sustainability is considered to have good interest value but is not driven by an interest in supporting product design with sustainable properties (Boz *et al.*, 2020).

Sustainable energy has no positive effect on corporate image.

Based on the regression test, sustainable energy does not influence corporate image. Consumer perceptions of sustainable energy are likely influenced by consumer openness to sustainable energy innovations, especially solar panels (Mappangara & Kartini, 2019). The lack of openness to innovation and understanding of the environmental benefits of sustainable energy can also be influenced by the perception of generations who did not receive specific education on the environmental benefits of sustainable energy (Altuntaş & Turan, 2017; Ali *et al.*, 2019; Assali *et al.*, 2019). Not only educational exposure but also the finding of no relationship between sustainable energy and corporate image can be supported by individual interest in the topic and its impact on personal life (Karatepe *et al.*, 2012).

Sustainable transportation has no positive effect on corporate image.

After performing linear regression on the sustainable transportation variable on corporate image, an insignificant result was found. This means that sustainable transportation does not affect corporate image. According to research by Aslam (2019), various factors are the main reasons for carrying out sustainable transportation or logistics. Sustainable transportation is implemented to improve the company's image and relations or relationships with the community, optimize logistics flow, and become part of the corporate responsibility (CSR) agenda. Companies can build a positive corporate image by creating awareness about environmental issues by implementing sustainable supply chain practices (Aslam *et al.*, 2019). In addition to improving corporate image, according to ISO 14001, companies that apply awareness to implement sustainable logistics have the advantage of reducing company costs and saving energy and raw materials (Gong *et al.*, 2013).

Reverse logistics has no positive effect on corporate image.

From the linear regression results that have been carried out, reverse logistics shows insignificant results on corporate image. The study by Khan *et al.* (2024) states a significant correlation between reverse logistics and competitive advantage. However, there is no clear evidence of a direct relationship between reverse logistics and corporate image but rather an explanation that reverse logistics can help improve the company's competitiveness by utilizing resources, generating revenue, and reducing costs. Therefore, there is currently no substantial evidence showing that reverse logistics can have a direct impact on corporate image.

Sustainable waste management has a positive effect on corporate image.

Sustainable waste management or waste management has a positive influence and has significant regression test results on corporate image. Consumers widely know waste management practices. A total of 101 out of 350 supporting answers from respondents stated that companies known by respondents can be said to be sustainable or sustainable because they carry out waste management activities. The waste management in question includes the company having products that can be recycled (recycle), the company having or providing a recycling station, and the company having products that can be refilled (refillable). In addition, respondents also stated that the company implements or conducts green marketing campaigns or activities related to waste management activities, both reuse, reduce, and recycle (3R). This also indicates that the company's green marketing or communication can significantly impact the corporate image (Aslam, 2019).

Corporate image has a positive effect on purchase intention.

Based on research by Ronaldo (2018), corporate image has an important role in increasing purchase intention. The results of the linear regression carried out show significant results between corporate image and purchase intention. The study conducted by Lee (2018) explains that corporate image and brand image are also influenced by activities carried out by the company, one of which is CSR or corporate social responsibility activities, which directly influence the desire to buy from consumers or the purchase intention. The corporate image also significantly influences customer trust, where trust can help increase consumer purchase intention (Lin *et al.*, 2010).

The Natural Resource-Based View (NRBV) and Sustainable Supply Chain

The resource-based view of the company emphasizes the importance of competitive advantage in utilizing existing resources. According to Hart (1995), the initiatives of industry players needed to reduce negative environmental impacts need to be done by considering the company's resources to realize real impacts. There are three main dimensions in sustainable strategies that reduce the negative impact of production on the environment, including:

1. Pollution Prevention. The pollution prevention strategy seeks to reduce these impacts around production activities and cut the costs required for pollution disposal. Implementing pollution prevention is tacit knowledge or information that can be combined with experience to make it easier for each individual.

2. Product Stewardship. Companies can reduce negative impacts on the environment by combining environmental conservation schemes with product design. In product stewardship, companies move towards reducing waste and extending the product life cycle.

3. Sustainable Development. Production's impact on the environment can be reduced while strengthening the company's competitive advantage. Implementing a sustainable development strategy encompasses efforts to preserve the environment by empowering the company's resources to its related parties.

The pollution prevention dimension reduces waste along the company's supply chain. Pollution prevention and supporting environmental sustainability also help reduce excessive costs along the supply chain. This encouragement can help beauty and self-care companies overcome implementation challenges in Indonesia, such as finding the best route with efforts to develop ERP or using more environmentally friendly modes of transportation. In the end, pollution prevention can be implemented to meet future development potential. The dimensions of product stewardship in Indonesia have sufficient understanding. The results show that implementing product stewardship is considered expensive, and the transformation stage for practices that intersect with product stewardship is minimal. Efforts from companies related to activities in the product stewardship dimension that are effective in attracting consumer interest are by carrying out reverse logistics activities, namely receiving back consumable packaging from consumers. The packaging is returned by opening a packaging return place or working with third parties.
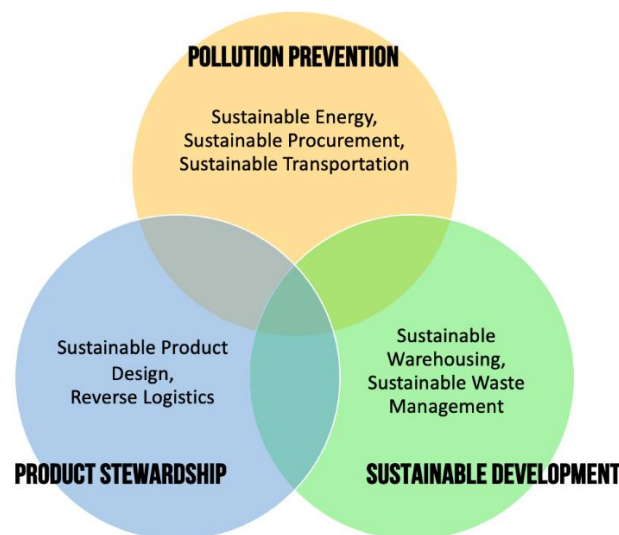
Figure 1. The Relationship between Sustainable Supply Chain Practices and NRBV
Source: Authors' Work

Based on supporting answers by respondents, 101 answers stated that sustainable companies are companies that carry out waste management activities in a sustainable manner, namely openly carrying out waste management, having products that can be recycled or can be recycled, providing recycling stations so that consumers can support the recycling movement, and having products that can be refilled or refillable. Respondents also believe in green marketing programs and activities carried out by companies related to 3R (reuse, reduce, recycle) activities.

The results show that, in general, a sustainable supply chain has been recognized in practice in Indonesia, represented by both company representatives and the general public, as represented by respondents. The implementation of SSC based on the NRBV dimension in Indonesia has its obstacles. Still, it does not close the awareness of beauty and self-care industry players to the worsening environmental situation. With good encouragement, such as prioritizing SSC priorities and being

determined to go through SSC challenges, beauty and self-care companies in Indonesia can realize SSC better and explore the potential for its sustainable implementation. In addition, the awareness and desire of consumers to participate in protecting the environment can be one of the supporting reasons for companies to implement sustainable supply chain policies in the company.

By emphasizing waste management as an integral aspect of sustainable supply chain practices, companies can align with evolving customer expectations regarding sustainability and gain a competitive advantage over industry competitors. Waste management practices are already standard in most beauty and personal care companies, so these implementations can be used to enhance and refine practices that fall under the pollution prevention and product stewardship strategies, thereby transforming company-owned resources into strategic assets that differentiate the company in the eyes of customers.

CONCLUSION AND RECOMMENDATION

The study aims to understand consumer assessments of SSC implementation efforts and the effect of SSC implementation on consumer views of the company. The most significant or prominent influence of SSC implementation on companies in the eyes of consumers is shown in the significance of the relationship between sustainable waste management and corporate image. This study lacks evidence of the positive relationships between other dimensions of sustainable supply chain practices (namely, sustainable procurement, sustainable warehousing, sustainable product design, sustainable energy, sustainable transportation, and reverse logistics) and corporate image, possibly due to limited consumer awareness or perceived relevance of these practices. Notably, the research highlights that a strong corporate image built through SSC efforts can positively influence consumer purchase intention. This finding contributes to the literature by emphasizing the differentiated impact of SSC dimensions on consumer perception and purchase behavior, and it offers practical guidance for firms to prioritize SSC areas that resonate most with consumers when seeking to enhance their image and market performance.

This study should be interpreted with caution as some limitations exist. Firstly, the research employs a convenience sampling technique in data collection, limiting the generalizability of the findings. However, a valid sampling frame is nonexistent, and thus a random sampling technique would be a challenge. Future research might improve the condition by increasing the number of respondents to reduce response bias. Secondly, the study measures the sustainable supply chain practices from the customers' perspective. Future research could enrich the findings by examining the real practices within companies.

REFERENCES

Ahdiat, A. (2022). *Skor keberlanjutan lingkungan di negara Asia Pasifi*k [Data]. KataData. https://databoks.katadata.co.id/datapublish/2022/07/25/pelestarian-lingkungan-indonesia-tergolong-buruk-di-asia-pasifik

Al-Ghdabi, R. R., Almomani, R. Z. Q., Banyhamdan K. M. (2019). Impact of the green supply chain management practices on corporate image of chemical industries in Jordan. *International Journal of Scientific & Technology Research.* ISSN 2277-8616

Ali, S. S., & Kaur, R. (2021). Effectiveness of corporate social responsibility (CSR) in implementation of social sustainability in warehousing of developing countries: a hybrid approach. *Journal of Cleaner Production, 324*, 129154.

Ali, G., Yan, N., Hussain, J., Xu, L., Huang, Y., Xu, S., & Cui, S. (2019). Quantitative assessment of energy conservation and renewable energy awareness among variant urban communities of Xiamen, China. *Renewable and Sustainable Energy Reviews, 109*, 230-238.

Aravindaraj, K., & Chinna, P. R. (2022). A systematic literature review of integration of industry 4.0 and warehouse management to achieve Sustainable Development Goals (SDGs*). Cleaner Logistics and Supply Chain,* 100072.

Assali, A., Khatib, T., & Najjar, A. (2019). Renewable energy awareness among future generation of Palestine. *Renewable Energy, 136,* 254-263.

Aslam, Haris & Waseem, Maimoona & Khurram, Muhammad. (2019). Impact of green supply chain management practices on corporate image: mediating role of green communications. *Pakistan Journal of Commerce and Social Sciences. 13,* 581-598.

Altuntaş, E. Ç., & Turan, S. L. (2018). Awareness of secondary school students about renewable energy sources. *Renewable Energy, 116,* 741-748.

Arisman, & Fatimah, Y. A. (2023). Waste management in indonesia: strategies and implementation of sustainable development goals (SDGs) and circular economy. In *Circular Economy Adoption: Catalysing Decarbonisation Through Policy Instruments* (pp. 131-157). Singapore: Springer Nature Singapore.

Black, W., & Babin, B. J. (2019). Multivariate data analysis: Its approach, evolution, and impact. In *The great facilitator: Reflections on the contributions of Joseph F. Hair, Jr. to marketing and business research* (pp. 121-130). Cham: Springer International Publishing.

Boz, Z., Korhonen, V., & Koelsch Sand, C. (2020). Consumer considerations for the implementation of sustainable packaging: A review. *Sustainability*, *12*(6), 2192.

Bukhari, A., Rana, R. A., & Bhatti, U. T. (2017). Factors influencing consumer's green product purchase decision by mediation of green brand image. *International Journal of Research, 4*(7), 1620-1632.

de Souza, E. D., Kerber, J. C., Bouzon, M., & Rodriguez, C. M. T. (2022). Performance evaluation of green logistics: Paving the way towards circular economy. *Cleaner Logistics and Supply Chain, 3,* 100019. https://doi.org/10.1016/j.clscn.2021.100019

Diva, M. A. (2020). Green purchase intention: the impact of green brand cosmetics. *Management And Sustainable Development Journal, 2*(1). https://doi.org/10.46229/msdj.v2i1.154.

Glass, J., Achour, N., Parry, T., & Nicholson, I. (2012). Engaging small firms in sustainable supply chains: responsible sourcing practices in the UK construction industry. *International Journal of Agile Systems and Management, 5*(1), 29-58.

Gong, M., & Kong, Y. (2014). The implementation of green logistics in supermarkets in Sweden and China: A case study for ICA MAXI and JIA JIAYUE. *University of Gävle.* http://www.diva-portal.org/smash/get/diva2:722929/FULLTEXT01.pdf

Handriana, T., Yulianti, P., Kurniawati, M., Arina, N. A., Aisyah, R.A., Ayu A., Made G., Wandira, R. K. (2020). Purchase behavior of millennial female generation on halal cosmetic products. *Journal of Islamic Marketing.* https://doi:10.1108/jima-11-2019-0235

Hart, S. L. (1995). *A natural-resource-based view of the firm. Academy of Management Review, 20*(4), 986–1014.

Huang, C. C., Yen, S. W., Liu, C. Y., & Huang, P. C. (2014). The relationship among corporate social responsibility, service quality, corporate image and purchase intention. *International Journal of Organizational Innovation, 6*(3).

Jauhari, G. A. T., Sosianika, A., & Hardiyanto, N. (2021). Analisis sikap dan minat membeli wanita muda di Indonesia terhadap produk perawatan diri berbahan alami. *In Prosiding Industrial Research Workshop and National Seminar, 12*, pp. 991-996).

Jayarathna, C. P., Agdas, D., & Dawes, L. (2023). Exploring sustainable logistics practices toward a circular economy: A value creation perspective. *Business Strategy and the Environment, 32*(1), 704–720. https://doi.org/10.1002/bse.3170

Jayaraman, Vaidyanathan; Yadong Luo. (2007). Creating Competitive Advantages Through New Value Creation: A Reverse Logistics Perspective. *Academy of Management Perspectives, 21*(2), 56–73. doi:10.5465/amp.2007.25356512

Karatepe, Y., Neşe, S. V., Keçebaş, A., & Yumurtacı, M. (2012). The levels of awareness about the renewable energy sources of university students in Turkey. *Renewable Energy, 44,* 174-179.

Karia, N., & Asaari, M. H. A. H. (2013). Green innovations in logistics industry: sustainability and competitive advantage. *In IBIMA conference 20th* (pp. 456-462).

Kewakuma, A. S. V., Rofiaty & Ratnawati, K. (2021). *The effect of green marketing strategy on customer loyalty mediated by brand image. Jurnal Bisnis: Teori dan Implementasi, 12(*1). https://doi.org/10.18196/jbti.v12i1.10691.

Khan, K. A., Ma, F., Akbar, M. A., Islam, M. S., Ali, M., & Noor, S. (2024). Reverse logistics practices: a dilemma to gain competitive advantage in manufacturing industries of Pakistan with organization performance as a mediator. *Sustainability*, *16*(8), 3223.

Ko, E., Hwang, Y. K., & Kim, E. Y. (2013). Green marketing functions in building corporate image in the retail setting. *Journal of Business Research, 66(*10), 1709-1715.

Lee, Y., Chen, S. (2019). Effect of green attributes transparency on WTA for green cosmetics: mediating effects of CSR and green brand concepts. *Sustainability*. doi:10.3390/su11195258

Lee, J. and Lee, Y. (2018). Effects of multi-brand company's CSR activities on purchase intention through a mediating role of corporate image and brand image. *Journal of Fashion Marketing and Management, 22*(3), 387-403. https://doi.org/10.1108/JFMM-08-2017-0087

Lin, Long-Yi & Lu, Ching-Yuh. (2010). The influence of corporate image, relationship marketing, and trust on purchase intention: the moderating effects of word-of-mouth. *Tourism Review,* 65, 16-34. 10.1108/16605371011083503.

Mappangara, D., & Kartini, D. (2019). The competitive determinants strategy and its impact on competitive advantage (Study of solar panel industry in Indonesia). *International Review of Management and Marketing, 9*(3), 117.

Mazur-Wierzbicka, E. (2021). Communicating socially responsible actions by means of social media in the process of building the image of an organization, as seen in the case of start-ups from the cosmetics industry. *Procedia Computer Science*, https://doi.org/10.1016/j.procs.2021.09.204.

Mir, S., Fugate, B. S., Johnson, J. L., & Blessley, M. (2021). What should you be talking about? The communication pathway to sustainable supply chain contagion. *International Journal of Physical Distribution & Logistics Management*, *51*(7), 711-737.

Mukonza, C., & Swarts, I. (2020). The influence of green marketing strategies on business performance and corporate image in the retail sector. *Business strategy and the Environment, 29*(3), 838-845.

Pandjaitan, D. R. H., Mahrianasari., Setiyarini, E. Y. (2022). The impact of green brand positioning, green brand knowledge and attitude toward green brand on green product purchase intention in Unilever products, Indonesia. *The International Journal of Business & Management, 10*(3), 36-43.

Perkiss, S., Bernardi, C., Dumay, J., & Haslam, J. (2021). A sticky chocolate problem: Impression management and counter accounts in the shaping of corporate image. *Critical Perspectives on Accounting, 81*, 102229.

Puspitasari, A. F. (2020). The role of brand image, brand equity and product quality toward customers' attitudes to consume eco friendly cosmetic product (an empirical study: millennial generation female customers in Indonesia). *Asia-Pacific Management and Business Application, 9*(1). 10.21776/ub.apmba.2020.009.01.3.

Reddy, D. (2011). *A Study on Reverse Logistics (Dissertation)*. Retrieved from http://urn.kb.se/resolve?urn=urn:nbn:se:mdh:diva-11789

Roberts, S. (2003). Supply chain specific? Understanding the patchy success of ethical sourcing initiatives. *Journal of Business Ethics, 44*, 159-170.

Romero-Hernández, Omar; Romero, Sergio. (2018). Maximizing the value of waste: From waste management to the circular economy. *Thunderbird International Business Review*, doi:10.1002/tie.21968

Ronaldo, Reza & Maulina, Erna & Alexandri, Moh & Purnomo, Margo & Fadoli. (2018). Corporate image on purchase intention, mediated by trust and commitment on the loss insurance industry in Indonesia. *International Journal of Information and Decision Sciences. 20*(12).

Sanders, N. R. (2017). *Introduction to Supply Chain Management. In Supply Chain Management - A Global Perspective (2nd Edition).* Wiley Publisher.

Shekari, H., & Rajabzadeh Ghatari, A. (2013). Promoting Corporate Image: A Reflection on Green Supply Chain Management Approach. *International Journal of Management and Business Research, 3*(4), 311-324.

Singh, S. G., & Kumar, S. V. (2021). Dealing with multicollinearity problem in analysis of side friction characteristics under urban heterogeneous traffic conditions. *Arabian Journal for Science and Engineering, 1*(17).

Soon, T., & Kong, W. (2012). *The influence of consumer's perception of green products on green purchase intention.* Doctoral dissertation: Universiti Malaysia Sabah.

Statista Market Insights. (2022). *Beauty & Personal Care - Indonesia.* https://www.statista.com/outlook/cmo/beauty-personal-care/indonesia

Torabizadeh, M., Yusof, N. M., Ma'aram, A., & Shaharoun, A. M. (2020). Identifying sustainable warehouse management system indicators and proposing new weighting method. *Journal of Cleaner Production, 248,* 119190.

Utami, C. W., Teofilus, Somawiharja, Y., Tanan, A., Salsabila, A. & Emantyo, Y. E. (2022). Negative marketing in the cosmetics industry: the effect of greenwashing perceptions on purchase intention through brand image. *Journal of Applied Management, 20*(3). http://dx.doi.org/10.21776/ub.jam.2022.020.03.19.

Wang, J., & Dai, J. (2018). Sustainable supply chain management practices and performance. *Industrial management & data systems*, *118*(1), 2-21.

Widyastuti, S., Said, M., Siswono, S., & Firmansyah, D. A. (2019). Customer trust through green corporate image, green marketing strategy, and social responsibility: a case study. *European Research Studies Journal, 22*(2), 83-99.

Wisner, J. D., Tan, K.-C., & Leong, K. (2012). *Principles of Supply Chain Management - A Balanced Approach (Third Edition).* South-Western. www.cengage.com/highered

Yan, Y. K., & Yazdanifard, R. (2014). The concept of green marketing and green product development on consumer buying approach. *Global Journal of Commerce & Management Perspective*, *3*(2), 33-38.

Yunus, E. N. and Michalisin, M. D. (2016). Sustained competitive advantage through green supply chain management practices: a natural-resource-based view approach. *Int. J. Services and Operations Management, 25*(2), 135–154.

How to be 'Green' in Apparel Supply Chain? Proposed Model of Green Motives and Practices Relation: A Systematic Literature Review

Diyah Ratna Fauziana

Sekolah Tinggi Manajemen PPM
Jl. Menteng Raya No.9, Kb. Sirih, Kec. Menteng, Jakarta Pusat 10340, Indonesia
dfauziana@gmail.com

How to cite: Fauziana, D. R. (2025). How to be 'Green' in apparel supply chain? Proposed model of green motives and practices relation: A systematic literature review. *Journal of Emerging Business Management and Entrepreneurship Studies*, 5(1), 17–33. https://doi.org/10.34149/jebmes.v5i1.181

ABSTRACT
The growth of the apparel industry has led to an increase in waste that is disruptive to the environment, while green behavior in its supply chain still needs to be improved. This study aims to investigate the apparel supply chain's green motives and green programs and propose a relevant model based on the result. The systematic literature review was carried out in three stages based on the PRISMA Protocol. The study obtained 409 articles from the Scopus database, and after conducting the filtering stages, 35 articles were yielded and analyzed concerning the research questions. Results showed that the green motives of the apparel supply chain are the stakeholders' intention and requirements, government support, instability, ethical issues, collaboration partners' requirements, environmental responsibility of the organizations, and leader commitment. Green practices in the apparel supply chain are decentralizing operations for reverse logistics, promoting circularity in business processes, eco-friendly product development, digitalization along the supply chain, green technology adoption, green advertising, green certification, green collaboration initiatives, and customer education programs. A proposed model of green motives and practices relation was developed to guide government and policymakers in formulating green strategies to promote green practices in the apparel industry.

Keywords:
Apparel, fashion, green motives, green practices, supply chain, sustainability.

INTRODUCTION

The apparel industry has been known as one of several industries generating large volumes of waste that contribute to environmental impact (Gupta *et al.*, 2020). A study by Khairul Akter *et al.* (2022) on 17 textile and apparel manufacturing companies in Bangladesh revealed that waste was generated at every production stage. The study resulted in a loss of USD 0.70 for every piece of apparel exported. Research by Wiedemann *et al.* (2020) calculated greenhouse gas emissions (GHG), fossil fuel energy, and water stress from wool clothing production. Findings reported that per wear produces 0.17 kg CO2-e GHG, 0.88 MJ fossil energy, and 0.96 H2O-e water stress. GHGs have the highest environmental impact, which is generated by the wool production process. The increase in waste in global textiles is 60% between 2015 and 2030, equivalent to 92 million tons of waste every year and water use of 79 trillion liters (Niinimaki *et al.*, 2020).

Based on the Textile Market Size, Share & Trend Analysis Report (Grand View Research, 2024), the growth of the global fashion industry is very rapid. In 2023, the global textile market was valued at USD 1,837.23 billion and will grow at a compound annual growth rate (CAGR) of 7.4% in revenue from 2024 to 2030. The increased textile production volume that uses many chemicals in its processing has increase waste, harming the environment. The emergence of fast fashion offering low-priced and trend-led products encourages people's consumption and impulse buying (Niinimaki *et al.*, 2020). As a result, textile manufacturing companies produce several times the amount typically produced. The extended supply chain involves many actors who carry out different processes, causing high energy consumption and CO2 levels. The high value of waste and negative impacts on the environment due to pollutants produced encourage awareness among textile supply chain actors to make changes in the production, logistics, and transportation processes along the supply chain to produce environmentally friendly performance. The general apparel supply chain is illustrated in Figure 1.
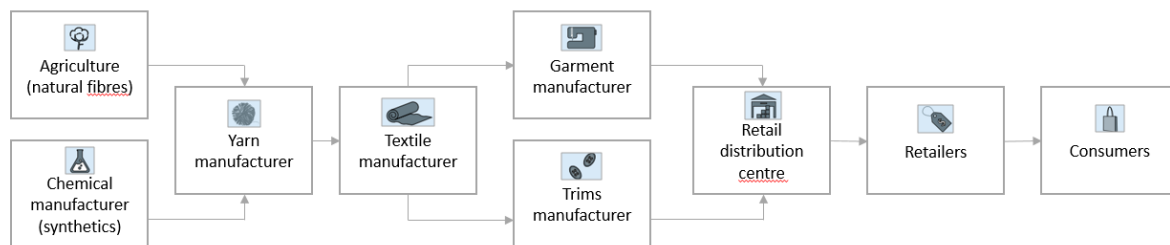
Figure 1. Apparel supply chain
Source: Niinimaki et al., 2020

Studies related to green supply chain is receiving increasing attentions within recent decades (Ba Awain *et al.*, 2023). The development of the Supply Chain Management (SCM) theory into Green Supply Chain Management (GSCM) was motivated by the need for supply chain non-financial performance measurement (Gunasekaran *et al.*, 2004). Study by Hervani & Helms (2005) stated that GSCM is a combination of green purchasing, manufacturing, materials management, distribution, marketing, and reverse logistics. Figure 2 illustrates the GSCM based on the framework of Hervani and Helms (2005) which was simplified. Relevant practices are identified in the figure. The selection process is carried out to obtain green-aware vendors that carried out green practices. In the inbound logistics process, recycling and reusing materials and parts can be carried out, and continued with green production process. The closed-loop manufacturing and de-manufacturing processes are green practices that are parts of GSCM, thus minimizing the waste. Location analysis and green packaging which use eco-friendly materials are carried out in the outbound logistics, including product delivery process to customers. Environmental-friendly products, namely those with reusable, re-manufacturable, and recyclable characteristics can undergo the reverse logistics process. They are returned to the vendors or used as new materials in the inbound logistics to be reprocessed in the production stage. The idea of GSCM is to eliminate or minimize waste along the supply chain (Hervani & Helms, 2005).
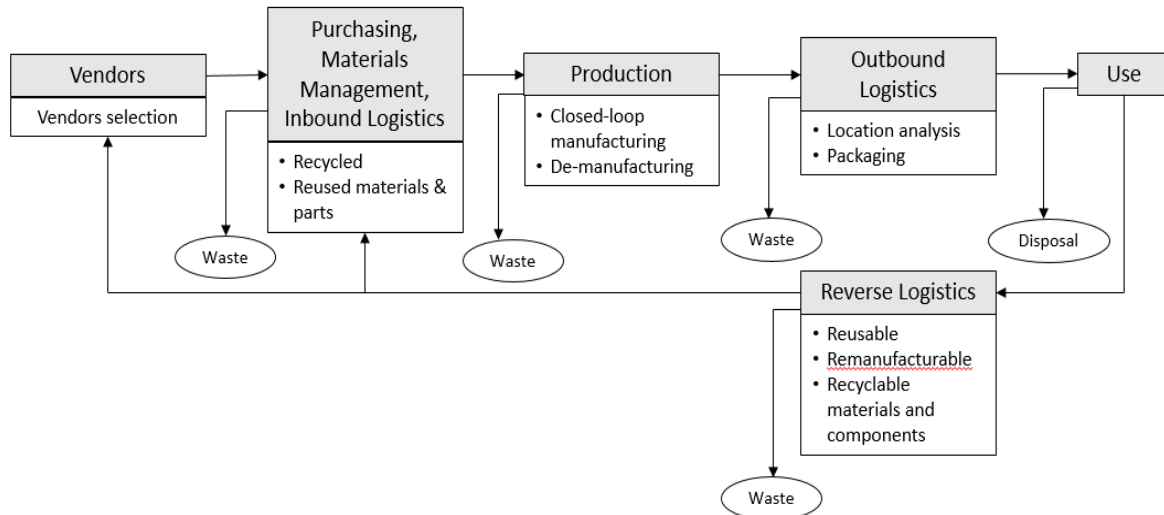
Figure 2 Green Supply Chain Management
Source: simplified from Hervani & Helms (2005)

To analyze the research gap, the data collection process of previous studies was carried out, taken from the Scopus database within the last 10 years of publication (2016-2025). The keywords used were *(apparel OR fashion) AND supply AND chain AND (environment* OR green)* and yielded 409 articles. The mapping process was carried out using the VOS Viewer application and displayed the connection of keywords from all articles that occurred more than 5 times. The mapping results are shown in Figure 3.

It appears in Figure 3 that in previous studies, the topic of fast fashion is still limitedly linked to supply chain management; hence, there is still an opportunity to conduct studies related to sustainable apparel in its supply chain. The limited studies with a literature review approach on the apparel integrated supply chain from upstream to downstream is a research gap fulfilled by this study.
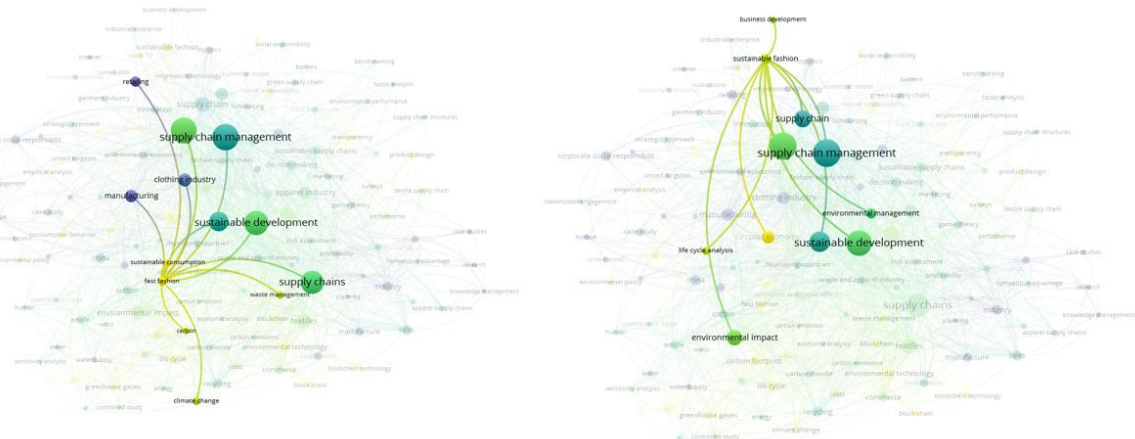
Figure 3. The research gap mapping
Source: VOS Viewer application

Sustainability in apparel supply chain involves various practices and motivation (Warasthe *et al.*, 2020). Positive behaviors as motives related to environment were associated with higher intentions

to engage in sustainability (La Rosa *et al.*, 2021). Study by Lin and Chen (2022) stated that environmental consciousness is one of the predictors of sustainable apparel purchase intentions. To analyze green behavior in the apparel supply chain actors, it is essential to know the motives that drive them to be willing to carry out green practices comprehensively. Therefore, this study aims to investigate the 'green' motives and eco-friendly practices of the apparel supply chain. The research questions answered in this study are: (1) What are the green motives of apparel companies in their supply chain? (2) What are the green practices conducted in the apparel industry? The model developed from the data analysis and synthesis results can be used as a guide for relevant stakeholders, particularly the government, which has the roles and authority to increase awareness of apparel supply chain actors in conducting green practices. The results of this study also contribute to knowledge about the characteristics of the apparel supply chain, which have opportunities to be validated in further research.

RESEARCH METHODS

There are two main stages conducted in this study. The first stage is to conduct a literature review by analyzing 409 scientific articles collected from the Scopus database, which is known as a reputable database that publishes high quality peer-reviewed papers. The keywords used are *(apparel OR fashion) AND supply AND chain AND (environment* OR green)*. Some rules were applied in the document collecting process: the topics of the papers were limited to the field of Business and Management, and they were published within the last 10 years (2016-2025), yielding about 409 articles. A systematic literature review has been carried out based on the Preferred Reporting Items for Systematic Reviews and Meta-Analysis (PRISMA) protocol, which consists of explicit and systematic stages. After eliminating duplicate articles, 408 were obtained and processed in a screening phase. The first screening was conducted by checking the title of the articles with the inclusion criteria: titles must be related to words "fashion" or "apparel" or "green" or "green supply chain". The 226 articles were yielded after the first screening stage. The process continued by carrying out the abstract screening stage which filtering articles with abstracts that meet the screening criteria, and obtained 52 articles. The criteria used to filter articles at this stage are the content of words that mean green drivers or green practices. Titles and abstracts that relate to data search keywords can be processed further. After reading the entire contents of the documents, 35 final articles were related to the research questions in this study and considered eligible for analysis. A content analysis approach was carried out to identify and interpret the content based on the research questions in this study. Relevant themes were developed in a cluster of green motives and green practices. A technique involves grouping similar data points or some keywords together based on their meaning related to green motives and practices. Interpretation process of the keywords was conducted to develop some clusters of themes.

The study continued by conducting stage 2, namely developing a proposed conceptual model that describes the relationships between green motives and practices of apparel companies. The model

is subject to be evaluated in future research, applying quantitative or qualitative methods to obtain feedback. The research framework of this study is illustrated in Figure 4.

Stage 1 - Literature Review

Initiation phase

| Scopus database |

1. Keywords: (fashion OR apparel) AND supply AND chain AND (environment* OR green)
2. Limited to articles published from 2016 - 2025
3. Limited to areas of Business and Management
4. Limited to final article published in Journal
5. Language restriction of 'English"

| Initial search
n=409 |

| After removing duplicates
n=408 |

Inclusion criteria: Titles related words "fashion" OR "apparel" OR "green" OR "green supply chain"

Screening phase

| After title screening
n=226 |

Inclusion criteria: Abstracts related words that mean green drivers OR green practices in fashion industry

| After abstract screening
n=52 |

Inclusion criteria: Only articles related to the research questions (green motives and green programs).

Eligibility

| Final sample
n=35 |

Green motives and programs

Stage 2 – Model Development

Figure 4 Research framework based on PRISMA Protocol

RESULTS AND DISCUSSIONS

Articles profile

A total of 35 final articles obtained for further analysis were published in several scientific journals. Table 1 lists all the journals that published more than 1 article related to green motives or green practices of apparel companies. Journals with a scope of discussion on cleaner production, logistics, and supply chain tend to publish articles about 'green' topics in the industry, including fashion, apparel, and textile. Journals with general topics take place in the next rank, such as the Journal of Business Research and Sustainability, which indicates that the trend of research on the importance of environmental insights in business is increasing. The 'green' topics in research are significantly part of the broader topics of sustainability, in line with the Triple Bottom Line theory in the concept of sustainability, namely people, planet, and profit (Elkington, 1998).

The number of studies on green topics in the apparel industry tends to increase, as shown in Figure 4, although in 2021 and 2023, the numbers are lower than in previous years. No articles discuss green motives or green practices in 2019 due to the limitation of one database source (Scopus). This

results in a low quantity of eligible articles and the statistical picture does not fully represent the actual conditions. However, it can be concluded from the chart in Figure 5, that the trend of green topics in research has increased over the past 10 years.

Table 1 Journals publishing more than 1 related articles

Journal Title	Number of articles
Cleaner Logistics and Supply Chain	4
Journal of Cleaner Production	4
Journal of Business Research	3
Sustainability (Switzerland)	3
Industria Textila	2
International Journal of Production Economics	2
Sustainable Production and Consumption	2
Transportation Research Part E: Logistics and Transportation Review	2
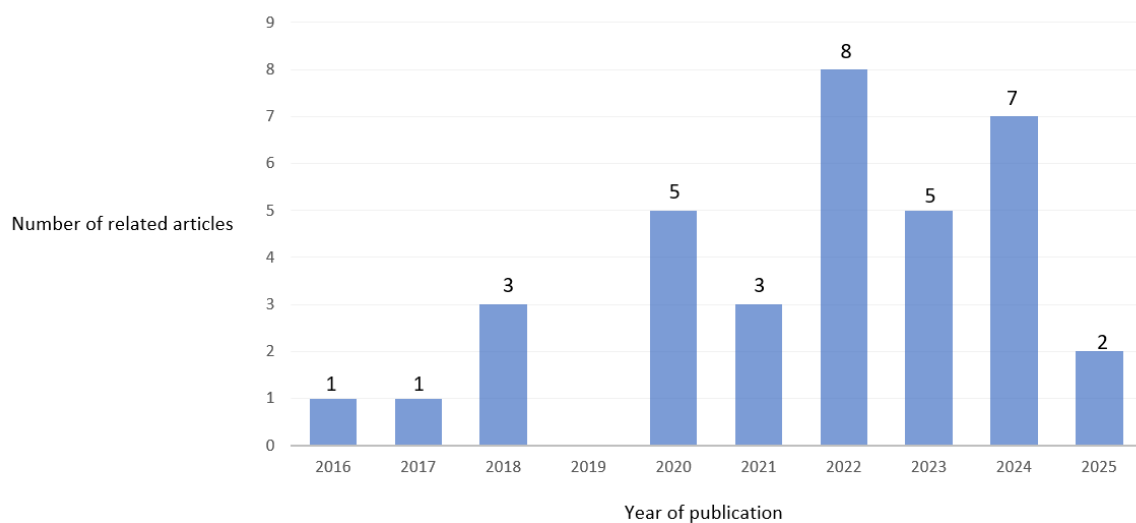
Figure 5 Number of related articles (2016-2025)

Figure 6 describes the 15 most cited articles indicating the most frequently conducted research topic. A study by Zamani *et al.* (2017) entitled 'Life cycle assessment of clothing libraries: can consumptive consumption…' is the most frequently cited by other scholars (190 citations), due to its popular topic, including collaborative consumption in fast fashion. The study analyzes the correlations between collaborative consumption and the service life of three everyday garments: jeans, T-shirts, and dresses, which are widely worn by public.

The four articles cited more than 90 times analyze apparel supply chains, ranging from topics related to luxury apparel (Karaosman *et al.*, 2020), governance mechanisms (Yadlapalli *et al.*, 2018; Adhikari & Bisi, 2020), and green technology adoption (Shen *et al.*, 2021). Research on the apparel supply chain continues to grow and is carried out periodically, although the number remains limited. The 35 articles containing green motives and practices that are analyzed in the Table 2 indicates.
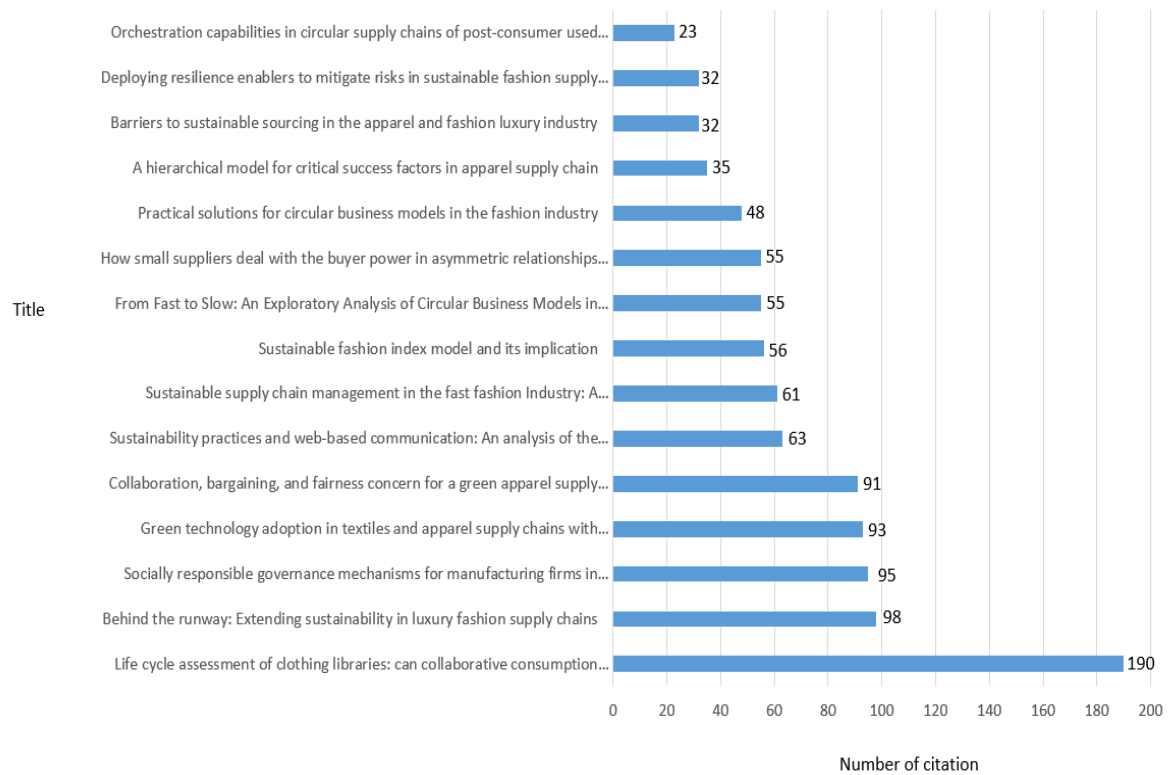
Figure 6 Total citation of each article (15 top cited articles)

Table 2 Article topics

Reference	Green motives	Green practices	Reference	Green motives	Green practices
Fani *et al.* (2025)		V	Rafi *et al.* (2022)	V	V
Perry *et al.* (2025)	V		Wren (2022)		V
Abdelmeguid *et al.* (2024)		V	Zhang *et al.* (2022)		V
Baker & McNeill (2024)		V	Hsu *et al.* (2021)		V
Jadhav & Verma (2024)	V		Küçük *et al.* (2021)		V
Javed *et al.* (2024)	V		Shen *et al.* (2021)		V
Kwon (2024)		V	Adhikari & Bisi (2020)		V
Ma *et al.* (2024)		V	Chowdhury *et al.* (2020)		V
Tolentino-Zondervan & DiVito (2024)		V	Karaosman *et al.* (2020)		V
Abbate *et al.* (2023)	V		Talay *et al.* (2020)		V
Farzin *et al.* (2023)	V		Textiles Intelligence (2020)	V	
Landi *et al.* (2023)		V	Warasthe *et al.* (2020)	V	V
Sandberg (2023)		V	Chen *et al.* (2018)		V
Bhandari *et al.* (2022)	V		Ciasullo *et al.* (2018)		V
Dragomir & Dumitru (2022)		V	Yadlapalli *et al.* (2018)		V
Milewska (2022)	V		Zamani *et al.* (2017)		V
Nayak *et al.* (2022)		V	Da Giau *et al.* (2016)		V
Penz & Drewes (2022)	V				

Green motives of apparel companies

Green motives encourage apparel industry players to carry out green practices or set them as short- and long-term organizational objectives. Table 3 describes compiling the themes of green motives of apparel supply chain actors, based on the articles obtained.

Table 3 Green motives of apparel companies

Reference	Green motives	Themes
Perry *et al.* (2025)	..ethical issues and environmental responsibility	Ethical issues Environmental responsibility
Jadhav & Verma (2024)	..green attitude and behavior of consumers	Stakeholders' intentions and requirements
Javed *et al.* (2024)	..green brand image and consumers' purchase intention..	Stakeholders' intentions and requirements
Abbate *et al.* (2023)	..stakeholder demands for sustainability and circular economy ..customer demand for supply chain transparency ..the selection of certified suppliers	Stakeholders' intentions and requirements Stakeholders' intentions and requirements
Farzin *et al.* (2023)	..social influence has the most significant impact.. ..environmental concerns and altruism had significant effects	Stakeholders' intentions and requirements Ethical issues Environmental responsibility
Bhandari *et al.* (2022)	..government support, and infrastructure ..commitment from top management ..organization awareness	Government supports Leader commitment Environmental responsibility
Milewska (2022)	..instability in the environment	Instability
Penz & Drewes (2022)	..one stress factor, i.e., perceived self-efficacy with regard to COVID-19	Instability
Rafi *et al.* (2022)	..building relationships/partnerships	Collaboration partners
Textiles Intelligence (2020)	..collaborations to build new eco-product development	Collaboration partners
Warasthe *et al.* (2020)	..management orientation and customer orientation	Stakeholders' intentions and requirements

A study by Jadhav and Verma (2024) revealed that the consumers' attitude and behavior towards sustainable consumerism correlate with brand accountability and encourage the apparel industry to develop practical strategies for the future. The statement quoted from the article is as follows

> *.. attitude and behavior of consumers are the least essential determinants for sustainable apparel-consumptions, which provide a foundation for sustainability of a clothing brand...*

Although, according to the study of Jadhav and Verma (2024), the impact of consumers' attitude and behavior is the lowest compared to other determinants, the statement of correlation between variables is supported by research on green apparel by Javed *et al.* (2024) which stated that the green brand image affects consumer intention to purchase. The following excerpts was taken from the article text.

> *..the findings of the research indicate a direct and positive relationship between green brand image and consumer purchase intentions, ..emphasizing the need for clothing and textile industry marketers to strategically promote altruistic values in their sustainability efforts*

Customer intention to purchase green products due to the green brand image created by manufacturers indirectly encourages apparel companies to practice green and build their brand image. One issue that emerged from the research by Javed *et al.* (2024) is the encouragement of apparel companies to offer altruistic value as an action that prioritizes the interests of others above self-interest, without expecting rewards or benefits. The altruism factor that correlates with purchase intention was

also resulted in a study by Farzin *et al.* (2023). Social influence and environmental concerns are two other factors that encourage consumers to purchase green products. Therefore, apparel company marketers can use these factors as references to choose target markets and position themselves according to consumers' needs and requirements. Another supported recommendation was suggested in a study by Perry *et al.* (2025), which emphasized that applying an ethical framework is essential for apparel firms, especially in developing organizational culture and behavior. The excerpt taken from the study is as follows.

> *..it is imperative to apply ethical frameworks.. to evaluate business responsibilities ..., ultimately shaping firm behavior*

Abbate *et al.* (2023) agree with other studies on the importance of ethical factors to encourage apparel companies to behave 'green'. The study proposes a radical change to transform the business models of apparel companies, so that they do not only prioritize profitability in achieving business sustainability goals. Transparency and traceability in the supply chain are required to maintain the quality of products or services. In its quote, a study by Abbate *et al.* (2023) states that certified suppliers are considered essential to describe supplier compliance as an effort to meet quality and integrity standards so that organizations must carry out radical transformations if necessary:

> *..customer demand for .. transparency and the selection of certified suppliers strongly influence the apparel firms' business models, pushing ..to a radical change in their value proposition...*

Other factors that motivate apparel companies to practice green are top management commitment and government support, including the availability of infrastructure (Bhandari *et al.*, 2022). Adequate infrastructure is needed by apparel companies, especially small and medium enterprises (SMEs), due to their low financial capabilities. Small businesses are resource-constrained and have the primary considerations of financial performance. Most SMEs' green practices are driven by their collaboration partners (Rafi *et al.*, 2022), which apply standards related to environmental-friendly issues. Partners with better financial capabilities and knowledge support small and medium-scale apparel companies in the supply chain.

The dynamic and uncertainty in the supply chain ecosystem motivate consumers to adopt green practices in their apparel (Milewska, 2022; Penz & Drewes, 2022). The COVID-19 pandemic, as a form of instability, changed the behavior of consumers and apparel supply chain actors. Consumers reduced their fashion purchases and held back their money from being spent, and the apparel companies reduced their production volume, increased efficiency and cut excessive energy use. The excerpts from the study by Milewska (2022) are as follows.

> *..the research confirmed the significant impact of instability.. on the ability of.. with the level of logistic customer service and price.*

Reducing the scale of production and promoting efficiency efforts during unstable times are indirectly green practices, by reducing the potential for waste.

Green practices in apparel industry

Table 4 Green practices of apparel companies

Reference	Green practices	Themes
Fani *et al.* (2025)	..decentralize operations for reverse logistics	Decentralize operations
Abdelmeguid *et al.* (2024)	..strategic partnerships	Green collaboration
	..adoption of sustainable materials & eco-friendly designs	Eco-friendly product development
	..offering take-back programs, recycling initiatives, and repair services	Promote circularity
Baker & McNeill (2024)	..sustainability certifications	Green certifications
Kwon (2024)	..form a co-evolutionary relationship with partners.	Green collaboration
Ma *et al.* (2024)	..collaboration with eco-conscious suppliers	Green collaboration
	..invest in eco-friendly products	Eco-friendly product development
	..recycling and upcycling	Promote circularity
Tolentino-Zondervan & DiVito (2024)	.. assess the extent traceability	Digitalization to ensure traceability
	..enhance stakeholder collaboration	Green collaboration
Landi *et al.* (2023)	..upstream, and downstream operations, and consumers' habits	Promote circularity
Sandberg (2023)	..collaboration is a major characteristic	Green collaboration
Dragomir & Dumitru (2022)	..educate customers on the topic of circularity	Customer education
Nayak *et al.* (2022)	..adoption of RFID technology	Digitalization to ensure traceability
Wren (2022)	..incentivize collaboration hroughout the supply chain.	Green collaboration
	..eco product development	Eco-friendly product development
Zhang *et al.* (2022)	..investing in green advertising	Green advertising
Hsu *et al.* (2021)	..mitigate risks: to monitor	Digitalization to ensure traceability
Küçük *et al.* (2021)	..collaboration between companies	Green collaboration
Shen *et al.* (2021)	..clean technology adoption	Green technology adoption
Adhikari & Bisi (2020)	..collaboration mechanism using greening cost sharing contract	Green collaboration
Chowdhury *et al.* (2020)	..supply chain partnership is of crucial importance to success	Green collaboration
Karaosman *et al.* (2020)	..traceability projects and supplier audits	Digitalization to ensure traceability
Talay *et al.* (2020)	..enforcing collaborations and extension of responsibilities	Green collaboration
Chen *et al.* (2018)	..designing a modular apparel safety architecture framework for SCM	Eco-friendly product development
Ciasullo *et al.* (2018)	..synergistic actions with stakeholders	Green collaboration
Warasthe *et al.* (2018)	..internal practices (monitoring and digitalization) and external practices (green supplier development)	Digitalization to ensure traceability Green collaboration
Yadlapalli *et al.* (2018)	..green supplier selection and development	Green collaboration
Zamani *et al.* (2017)	..increase garment prolonged service life	Eco-friendly product development
Da Giau *et al.* (2016)	..reduce energy consumption ..reuse of rainwater..	Promote circularity

Green practices are one of the driving factors for organizations to develop sustainability (Alves *et al.*, 2020). Various practices carried out by apparel supply chain actors include encouraging

collaborative consumptions (Zamani *et al.*, 2017), making efficient outsourcing initiatives (Milewska, 2022), recycling and upcycling (Ma *et al.*, 2024). Green practices of apparel companies are listed in Table 4, which is the result of data processing using a content analysis approach.

A study by Fani *et al.* (2025), which conducted some scenario simulations, revealed that a decentralizing strategy for reverse logistics reduces carbon footprint, so it is one of the recommended green practices for apparel companies. Reverse logistics requires time and cost for the return process and provides no added value to the product, so optimization of several developed solution scenarios is needed. The excerpt from the paper is as follows.

> *..our results suggest that strategic decentralization is a viable approach to balancing lead time and sustainability..*

Green collaborations with eco-conscious partners are one of the green initiatives carried out by the apparel industry (Ciasullo *et al.*, 2018; Adhikari & Bisi, 2020; Chowdhury *et al.*, 2020; Talay *et al.*, 2020; Küçük *et al.*, 2021; Wren, 2022; Sandberg, 2023; Abdelmeguid *et al.*, 2024; Ma *et al.*, 2024). One of the motives for collaborating is to obtain support from partners in developing eco-friendly products or services. Another form of contribution from collaboration partners is to provide a digital system to ensure traceability in the supply chain (Karaosman *et al.*, 2020; Hsu *et al.*, 2021; Nayak *et al.*, 2022; Tolentino-Zondervan & DiVito, 2024). For this reason, it is necessary to review the business model of supply chain actors and provide opportunities for collaboration between entities and other stakeholders, such as investors interested in green investment. Green investments are carried out by companies with adequate resources to gain profit based on the organization's awareness of green behavior (Ma *et al.*, 2024). Study by Abdelmeguid *et al.* (2024) highlighted in their paper that extending product lifecycles is essential to developing sustainable value; the excerpt is as follows.

> *..offering end-of-life strategies.. extends product lifecycles and creates sustainable value.*

This opinion is supported by a study by Kwon (2024) stating that green collaboration encourages companies to coevolve altogether with fashion brands. The collaboration aims to develop skills and knowledge capabilities to produce a win-win situation for apparel supply chain actors. The quote in the paper is:

> *.. [skill and knowledge development] were observed among sewing contractor companies that formed a co-evolutionary relationship with their partners*

Other green strategies have been proposed by Landi *et al.* (2023), using the life cycle assessment approach, including upstream, downstream, and consumer habits scenario. To prolong the apparel's life, suggested initiatives for fashion companies include systems optimization of sales forecasting, minimization of product returns, using organic materials, and conducting precision inventory control. Green technology adoption is one initiative that positively impacts companies' sustainability (Shen *et al.*, 2021). In line with this study, the downstream initiative recommended by the Dragomir & Dumitru (2022) study is to educate consumers about circularity, including product

recycling or reuse. Meanwhile, the upstream initiative recommended by the study by Zhang *et al.* (2022) is to form collaborations in green advertising investment as stated in their paper as follows:

> *..firms obtain the highest profits when they both invest in green advertising*

The link between green practices and web-based communications at the supply chain level is rarely unclear in apparel industry (Da Giau *et al.*, 2016). This is the background to the need for transparency with adequate technology throughout the supply chain.

Proposed conceptual model

After obtaining green motives and practices due to data processing, a conceptual model was developed and proposed to be validated further in a future study. Several driving factors that underlie apparel companies to have green practices and the types of green practices are depicted in Figure 7. It is assumed that there is a correlation between motives as driving factors and green initiatives in the apparel supply chain. More comprehensive evaluation and validation steps need to be taken with various approaches, namely a quantitative approach by conducting a survey and a qualitative approach by validating the survey results through an interview process, both with apparel supply chain actors and with other relevant stakeholders.
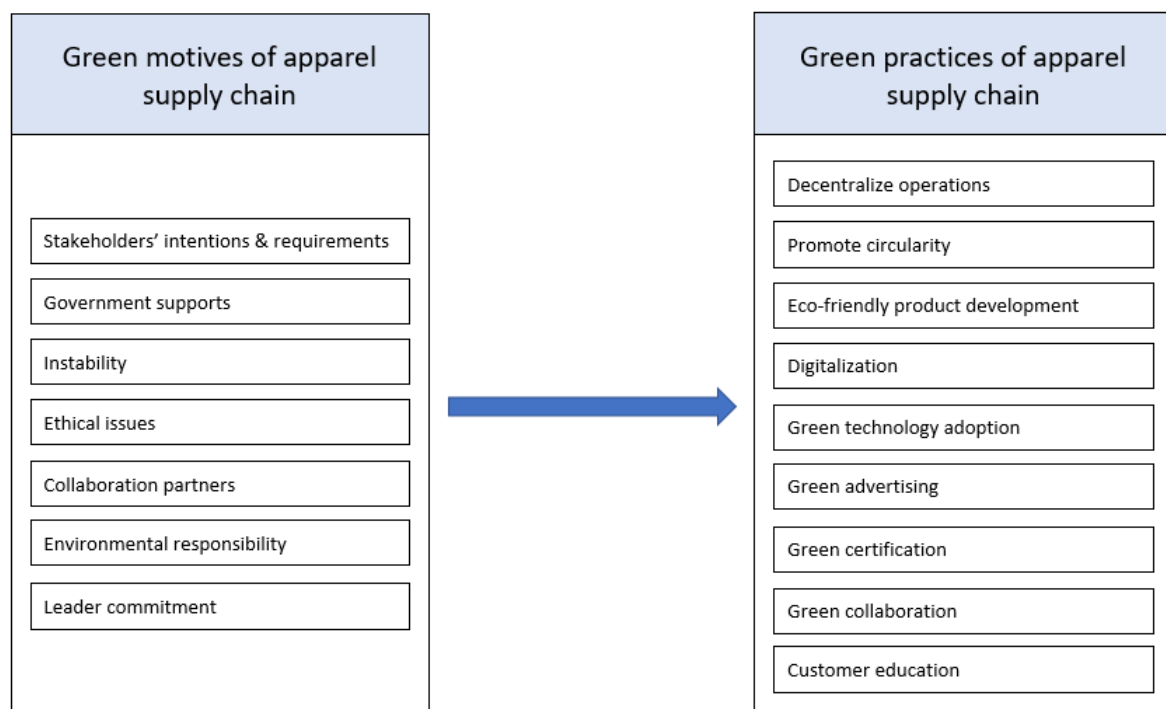
Figure 7. Proposed conceptual model

The proposed conceptual model in Figure 7, that has been tested can be used to identify intervention initiatives related to the green motives that are directly correlated with green practices. Green motives in the model includes of apparel supply chain actors' motives that are integrated from the upstream to the downstream. Further research to test the model can be carried out in some different locations, which are likely to result in different configurations. Various models obtained are beneficial

for decision makers to design relevant programs to increase the green motives and practices of apparel supply chain.

CONCLUSIONS AND RECOMMENDATION

The textile industry affects the environment due to the use of chemicals in the production and handling process of products along the supply chain. Environmental-friendly behavior and practices in the apparel industry are a must to ensure business sustainability of its supply chain actors. This study developed a proposed conceptual model that describes the relationship between green motives and green practices in apparel companies based on the analyses and synthesis processes of 35 articles. Relevant documents were collected from the Scopus database, so the reputability and quality of the papers are guaranteed. However, using one data source is this study limitation, which can be improved in future research by investigating other data sources (Web of Science, ProQuest, etc.) to obtain a broader scope and variety of literature. The primary method used in this study is a systematic literature review, which allows for obtaining various study results. However, there is a lack of validation process of the green motives and practices of apparel supply chain in specific locations concerning the differences between different areas. The proposed conceptual model is subject to evaluation and validation in a future study.

The study results in the form of green motives as a driving factor for green practices in the apparel supply chain can be used by relevant stakeholders, such as the government and collaboration partners, to plan appropriate initiatives to improve green practices in the apparel supply chain. Apparel supply chain actors can use the types of green practices concluded in this study to open insights and as a guide for benchmarking of green best practices.

REFERENCES

Abbate, S., Centobelli, P. & Cerchione, R. (2023). From fast to slow: An exploratory analysis of circular business models in the Italian Apparel Industry. *International Journal of Production Economics*, 260, 108824. https://doi.org/10.1016/j.ijpe.2023.108824.

Abdelmeguid, A., Afy-Shararah, M. & Salonitis, K. (2024). Towards circular fashion: Management strategies promoting circular behaviour along the value chain. *Sustainable Production and Consumption*, 48, 143-156. https://doi.org/10.1016/j.spc.2024.05.010

Adhikari, A. & Bisi, A. (2020). Collaboration, bargaining, and fairness concern for a green apparel supply chain: An emerging economy perspective. *Transportation Research Part E: Logistics and Transportation Review*, 135, 1011863. https://doi.org/10.1016/j.tre.2020.101863

Alves, W., Sila, A. & Rodrigues, H.S. (2020). Green practices as a path towards the sustainability: Evidence from Portuguese Companies. *Business System Research*, 11(2), 7-20. DOI: 10.2478/bsrj-2020-0012.

Ba Awain, A.M., Al-Ansi, A.M. & Jaboob, M. (2023). Green supply chain management: A comprehensive review of research, application and future directions. *Management and Production Engineering Review*, 3, 118-133. DOI: 10.24425/mper.2023.147194.

Baker, K. & McNeill, L.S. (2024). A five-stage framework for sustainability certification for fashion brands: Can a standardized approach work in the fashion industry? *International Journal of Fashion Design, Technology and Education*, 17(3), 287-301. https://doi.org/10.1080/17543266.2023.2277263

Bhandari, N., Garza-Reyes, J.A., Rocha-Lona, L., Kumar, A., Naz, F. & Joshi, R. (2022). Barriers to sustainable sourcing in the apparel and fashion luxury industry. *Sustainable Production and Consumption*, 31, 220-235. https://doi.org/10.1016/j.spc.2022.02.007.

Chen, L., Yu, H. & Yan, X. (2018). Developing a modular apparel safety architecture for supply chain management: the apparel recycle perspective. Industria Textila, 69(1). Doi:10.35530/IT.069.01.1380.

Chowdhury, N.A., Ali, S.M., Paul, S.K., Mahtab, Z. & Kabir, G. (2020). A hierarchical model for critical success factors in apparel supply chain. *Business Process Management Journal*, 26(7), 1761-1788. https://doi.org/10.1108/BPMJ-08-2019-0323.

Ciasullo, M.V., Cardinali, S. & Cosimato, S. (2018). Exploring sustainable behaviour in international footwear supply chain management. *International Journal of Business and Globalisation*, 20(3), 416-436.

Da Giau, A., Macchion, L., Caniato, F., Caridi, M., Danese, P., Rinaldi, R. & Vinelli, A. (2016). Sustainability practices and web-based communication: An analysis of the Italian fashion industry. *Journal of Fashion Marketing and Management*, 20(1), 72-88. https://doi.org/10.1108/JFMM-07-2015-0061

Dragomir, V.D. & Dumitru, M. (2022). Practical solutions for circular business models in the fashion industry. *Cleaner Logistics and Supply Chain*, 4, 100040. https://doi.org/10.1016/j.clscn.2022.100040.

Elkington, J. (1998). Cannibals with forks: The triple bottom line of 21. Century Business, Gabriola Island, BC Canada: New Society Publishers.

Fani, V., Bucci, I., Bandinelli, R. & da Silva, E.R. (2025). Sustainable reverse logistics network design using simulation: Insights from fashion industry. *Cleaner Logistics and Supply Chain*, 14, 100201. https://doi.org/10.1016/j.clscn.2024.100201.

Farzin, M., Shababi, H., Sasi, G.S., Sadeghi, M. & Makvandi, R. (2023). The determinants of eco-fashion purchase intention and willingness to pay. *Spanish Journal of Marketing – ESIC*, 27(3). DOI 10.1108/SJME-07-2022-0158.

Grand View Research. (2024). *Textile Market Size, Share & Trends Analysis Report*. Accessed in https://www.grandviewresearch.com/industry-analysis/textile-market#:~:text=The%20global%20textile%20market%20size%20was%20estimated%20at%20USD%201%2C837.27,USD%203%2C047.23%20billion%20by%202030.

Gunasekaran, A., Patel, C. & McGaughey, R.E. (2004). A framework for supply chain performance measurement. *International Journal of Production Economics*, 87(3), 333-47. DOI 10.1108/14635770510609015.

Gupta, V., Arora, M. & Minhas, J. (2020). Innovating opportunities for fashion brands by using textile waste for better fashion. *Recycling from Waste in Fashion and Textiles*, https://doi.org/10.1002/9781119620532.ch5.

Hsu, C-H., Chang, A-Y., Zhang, T-Y., Lin, W-D. & Liu, W-L. (2021). Deploying resilience enablers to mitigate risks in sustainable fashion supply chains. *Sustainability*, 13(5), 2943. https://doi.org/10.3390/su13052943

Jadhav, S. & Verma, A. (2024). Environmental awareness toward issues and challenges of sustainable consumerism on the Indian Apparel Industry. *Nature Environment and Pollution Technology*, 23(4), 2231-2239. https://doi.org/10.46488/NEPT.2024.v23i04.027.

Javed, T., Mahmoud, A.B., Yang, J., Zhao, X. (2024). Green branding in fast fashion: examining the impact of social sustainability claims on Chinese consumer behaviour and brand perception. *Corporate Communications: An International Journal*, 29(6), 915-934. https://doi.org/10.1108/CCIJ-12-2023-0169

Karaosman, H., Perry, P., Brun, A. & Morales-Alonso, G. (2020). Behind the runway: Extending sustainability in luxury fashion supply chains. *Journal of Business Research*, 117, 652-663. https://doi.org/10.1016/j.jbusres.2018.09.017

Khairul Akter, M.M., Haq, U.N., Islam, M.M. & Uddin, M.A. (2022). Textile-apparel manufacturing and material waste management in the circular economy: A conceptual model to achieve sustainable development goal (SDG) 12 for Bangladesh. *Cleaner Environmental Systems*, 4(100070). Doi: 10.1016/j.cesys.2022.100070.

Küçük, M., Weber, M.O., Bühs, C. & Muschkiet, M. (2021). A comparative analysis of green logistic activities in German and Turkish textile enterprises. *Industria Textila*, 72(01), 11-18. DOI: 10.35530/IT.072.01.1681.

La Rosa, A. & Jorgensen, J.J. (2021). Influences on consumer engagement with sustainability and the purchase intention of apparel products. *Sustainability*, 13(19), 10655. https://doi.org/10.3390/su131910655.

Landi, F.F.D., Fabiani, C., Ploppi, B. & Pisello, A. L. (2023). Sustainable management in the slow fashion industry: carbon footprint of an Italian brand. *The International Journal of Life Cycle Assessment*, 28, 1229-1247. https://doi.org/10.1007/s11367-023-02205-6.

Lin, P. & Chen, W. (2022). Factors that influence consumer's sustainable apparel purchase intention: The moderating effect of generational cohorts. *Sustainability*, 14, 8950. https://doi.org/10.3390/su14148950.

Ma, J., Huang, L., Guo, Q. & Zhu, Y. (2024). Sustainability in design: Sustainable fashion design practices and environmental impact using mixed-method analysis. *Business Strategy and the Environment*, 33(7), 6889-6910. https://doi.org/10.1002/bse.3843

Milewska, B. (2022). The impact of instability in the business environment on the competitiveness of enterprises using the example of the apparel industry. *Sustainability,* 14(22), 14673. https://doi.org/10.3390/su142214673

Niinimaki, K., Peters, G., Dahlbo, H., Perry, P., Rissanen, T. & Gwilt, A. (2020). The environmental price of fast fashion. *Nature Reviews Earth & Environment*, 1, 189-200. https://doi.org/10.1038/s43017-020-0039-9.

Penz, E. & Drewes, K.L. (2022). What shapes pro-environmental attitudes and intention for sustainable fashion consumption during a stressful time event? *Sustainability*, 14(22), 15331. https://doi.org/10.3390/su142215331

Perry, P., Osburg, V.S., Huq, F.A. & Diallo, M.F. (2025). Fashionable ethics: Exploring ethical perspectives in the production, marketing, and consumption of fashion. *Journal of Business Ethics*, 196, 711-721. https://doi.org/10.1007/s10551-024-05913-7.

Rafi-Ul-Shan, P., Grant, D.B. & Perry, P. (2022). Are fashion supply chains capable of coopetition? An exploratory study in the UK. *International Journal of Logistics Research and Applications*, 25(3), 278-295. https://doi.org/10.1080/13675567.2020.1784118.

Sandberg, E. (2023). Orchestration capabilities in circular supply chains of post-consumer used clothes- A case study of a Swedish fashion retailer. *Journal of Cleaner Production*, 387, 135935. https://doi.org/10.1016/j.jclepro.2023.135935

Shen, B., Zhu, C., Li, Q. & Wang, X. (2021). Green technology adoption in textiles and apparel supply chains with environmental taxes. *International Journal of Production Research*, 59(14), 4157-4174. https://doi.org/10.1080/00207543.2020.1758354

Talay, C., Oxborrow, L. & Brindley, C. (2020). How small suppliers deal with the buyer power in asymmetric relationships within the sustainable fashion supply chain. *Journal of Business Research*, 117, 604-614. https://doi.org/10.1016/j.jbusres.2018.08.034

Textile and apparel sustainability updates, 2020. Textiles Intelligence.

Tolentino-Zondervan, F. & DiVito, L. (2024). Sustainability performance of Dutch firms and the role of digitalization: The case of textile and apparel industry. *Journal of Cleaner Production*, 459, 142573. https://doi.org/10.1016/j.jclepro.2024.142573.

Warasthe, R., Schulz, F., Enneking, R. & Brandenburg, M. (2020). Sustainability prerequisites and practices in textile and apparel supply chains. *Sustainability*, 12, 9960. Doi:10.3390/su12239960.

Wiedemann, S.G., Biggs, L., Nebel, B., Bauch, K., Laitala, K., Klepp, I.G., Swan, P.G. & Watson K. (2020). Environmental impacts associated with the production, use, and end-of-life of a woollen garment. *International Journal of Life Cycle Assessment*, 25(8), 1486-1499. Doi: 10.1007/s11367-020-01766-0.

Wren, B, (2022). Sustainable supply chain management in the fast fashion Industry: A comparative study of current efforts and best practices to address the climate crisis. *Cleaner Logistics and Supply Chain*, 4, 100032. https://doi.org/10.1016/j.clscn.2022.100032.

Yadlapalli, A., Rahman, S. & Gunasekaran A. (2018). Socially responsible governance mechanisms for manufacturing firms in apparel supply chains. *International Journal of Production Economics*, 196, 135-149. https://doi.org/10.1016/j.ijpe.2017.11.016

Zamani, B., Sandin, G. & Peters, G.M. (2017). Life cycle assessment of clothing libraries: can collaborative consumption reduce the environmental impact of fast fashion? *Journal of Cleaner Production,* 162, 1368–1375. doi:10.1016/j.jclepro.2017.06.128

Zhang, L., Zhang, Y. & Chutani, A. (2022). Riding the wave of fashion rental: The role of power structures and green advertising. *Transportation Research Part E: Logistics and Transportation Review*, 168, 102946. https://doi.org/10.1016/j.tre.2022.102946.

JOURNAL
OF EMERGING
BUSINESS MANAGEMENT AND
ENTREPRENEURSHIP STUDIES

Enhancing Operational Performance Index Using the Theory of Constraints: A Case Study at PT XYZ

Gusti Ayu Made Hanny Dian Savitri

Sekolah Tinggi Manajemen PPM
Jl. Menteng Raya No.9, Kb. Sirih, Kec. Menteng, Jakarta Pusat 10340, Indonesia
ayu@ppm-manajemen.ac.id

ABSTRACT
Since the onset of the COVID-19 pandemic, car sales in Indonesia have declined, affecting PT XYZ, a subsidiary of a major automotive company specializing in pre-owned vehicle sales. This study aims to develop a strategy for identifying profitable and fast-selling car types using the Theory of Constraints approach. This applied research employs a mixed-method, including both qualitative and quantitative methods. The qualitative approach involves interviews with three key informants, while the quantitative method uses the Theory of Constraints to assess operational performance through inventory turnover and productivity. A Chi-Square test is also conducted to examine the relationship between these two factors. The study's findings indicate a relationship between inventory turnover and productivity. This suggests that changes in one factor can impact the other, influencing PT XYZ's operational strategies to enhance efficiency and profitability in used car sales. Therefore, the company should consider this relationship when making decisions, including vehicle purchasing and refurbishment planning, to optimize sales performance.

Keywords:
Inventory turnover, operational performance index, productivity, theory of constraints, throughput

INTRODUCTION

Indonesia has a diverse range of industries that can contribute to strengthening the national economy. The persistent growth of these industries has led to the country to being recognized as an industrial economy based on its structural composition. This classification is supported by the fact that the industrial sector contributes the largest share to the national economy for more than 20 percent of the total (Bisnis.com, 2017). One of the industries showing positive development is the automotive industry. Minister of Industry Agus Gumiwang reported that the automotive industry has attracted investments amounting to IDR 99.16 trillion, with a total production capacity of 2.35 million units per year and direct employment for approximately 38,390 individuals (Gaikindo, 2021).

The advancement of the automotive industry is also driven by the substantial size of Indonesia's middle class. This demographic, characterized by individuals with moderate income levels, increasingly views vehicles—such as cars and motorcycles—as essential tools for daily life. The middle class is

defined as a segment of the population capable of meeting their basic needs independently and occasionally affording non-essential expenditures, such as vacations or car ownership.

PT XYZ is one of the subsidiaries of the well-known companies in Indonesia's automotive sector. This company focuses on selling pre-owned vehicles. As a market leader, PT XYZ consistently aims to reach its goals by breaking the profit records. However, since the COVID 19 pandemic hit, there has been decreasing in car sales. The Central Bureau of Statistics (2025) indicates a steady drop in car sales from 2022 to 2024, with figures of 1,048,040 units, 1,005,802 units, and 865,723 units, respectively. This decline occurs due to the fact that most people have not prioritized purchasing vehicles even after pandemic. Additionally, the trend of decreasing car sales is also due to the shrinking middle class, which serves as the backbone of the automotive industry (Viva.co.id, 2024).

As a result, PT XYZ's revenue has been affected. The financial report shows a significant drop in used car sales, with a decrease of IDR 142,659 billion in 2021 and IDR 141,197 billion in 2023. One reason for the suboptimal sales performance, according to the financial report, is that the company did not account for inventory in the showroom. Whereas, high inventory levels reduce profit margins (Chopra, 2018). PT XYZ needs to ensure the showroom's capacity before purchasing pre-owned vehicles. This is necessary to determine how many vehicles can be stored in the showroom. Up to this time, PT XYZ has relied only on basic planning methods to determine the quantity of units to acquire for each item, but in practice, the quantity procured depends solely on the supplier's available stock.

PT XYZ doesn't have a specific timetable for the repair of pre-owned cars at the service facility. Instead, the repair stages adhere to a first-come, first-served system, whereby vehicles purchased earlier are prioritized for repair. In fact, the company has not yet developed a strategy for prioritizing the types of cars to be promoted in the market. Marketing team has the data to help identifying customers' demand, however, the data does not yet incorporate an analysis of operational costs and inventory turnover rates.

Russel and Taylor (2023) explained that operating costs refer to how the equipment will be operated, started, stopped, loaded, unloaded, changed over, upgraded, networked, maintained, repaired, cleaned up, sped up, and slowed down. Operational costs are costs incurred to manage raw materials into finished product materials that are ready for sale (Setyowati, 2025). Operational costs and inventory rates are crucial factors for achieving high profits. Eliyahu Goldratt's "The Goal" (2014) explained that generating revenue in operations requires three key points: throughput, inventory, and operating expense. This concept is known as the Theory of Constraints (TOC). According to Hirsch (1994), the Theory of Constraints (TOC) is a method for managing limitations in a dynamic environment. The theory focuses on two main objectives: maximizing throughput and minimizing operating cost and inventory (Hirsch, 1994). The adoption of efficient workflows and the strategic use of resources contributes to lowering operational costs (Dutta, 2023).

Additionally, according to Sunday & Josh (2017), inventory management has a great role to play in corporate financial performance of firms hence firms' inventory systems must maintain an

appropriate inventory levels to enhance profitability and reduce the inventory costs associated with holding excessive stock in the warehouses. The company also needs to focus on inventory turnover. Kwak (2019) explained that inventory turnover (IT) one of the most important factors in the manufacturing industry. This is consistent with the research conducted by Alnaim & Kouaib (2023) on manufacturing in Saudi Arabia, which found that the higher the inventory turnover ratio, the higher the costs that could be suppressed, and the greater the profitability of a company. According to Oktapiadi et al. (2020), a higher inventory turnover indicates that the capital invested in inventory is converted into revenue more rapidly, ultimately enhancing both profitability and productivity. Meanwhile, a low inventory turnover indicates a big number of unused inventories, while high inventory turnover indicates that inventory is rapidly sold and that the firm handles its inventories efficiently. High inventory turnover ratio represents good inventory management since it implies rapid movement of merchandise to lower inventory investment (Shardeo, 2015). When inventory is rapidly sold, corporate profit earned is higher. (Alnaim & Kouaib, 2023).

The profit itself can be computed as productivity of company (Chambers, 1996). To analyze productivity, output and input are necessary (Diewert & Fox, 2023). Productivity is also defined as the relationship between the outputs generated from a system and the inputs that are used to create those outputs (Buheji & Ahmed, 2017). Input includes all the resources used in production process, such as labor, raw materials, time, technology, and capital. Whereas, output is what produced from the production process and refers to quantity and quality. So that, inventory turnover and productivity are good indicators of company performance.

However, PT XYZ has yet to develop a strategy to identify the types of cars that could yield high profits and sold rapidly to customers. This is necessary so that the company can provide the prioritized type cars in the market and facilitate the repairs scheduling based on these prioritized categories. Meanwhile, in Indonesia itself, application TOC in Indonesia's pre-owned car market is still limited. From this perspective, the study addresses two primary research question: (1) How can TOC improve inventory turnover and productivity at PT XYZ?; and (2) What strategies derived from TOC are most effective for PT XYZ's business model. Additionally, this study contributes to TOC theory by examining case studies and empirical data in enhancing operational efficiency, profitability, and overall system performance in emerging economies.

RESEARCH METHOD

This study is applied research that aims to develop a strategy to categorize car types using theory of constraints approach at PT XYZ. Mix method is employed in this study, including qualitative and quantitative. In qualitative method, this study conducted interviews to three informants that provide valuable insight: Branch Manager, Sales Manager, and Stock Control. The interviewees were selected based on their comprehensive understanding of inventory management, sales trends, and the entire

lifecycle of acquiring used cars and reselling them after repairs. The interview questions were designed as open-ended questions to encourage the interviewees to discuss and explain their insights regarding inventory management and business processes at PT XYZ. Besides, in quantitative method, this study used Theory of Constraints approach to obtain the right strategy for optimizing throughput and decreasing inventory and operating expenses.

To ensure a systematic approach, an analysis framework is employed. This analysis framework was used to guide the research process step by step. Also, the analysis framework serves as a tool to connect the various concepts utilized in the study. Figure 2 illustrates the analysis framework in this study.
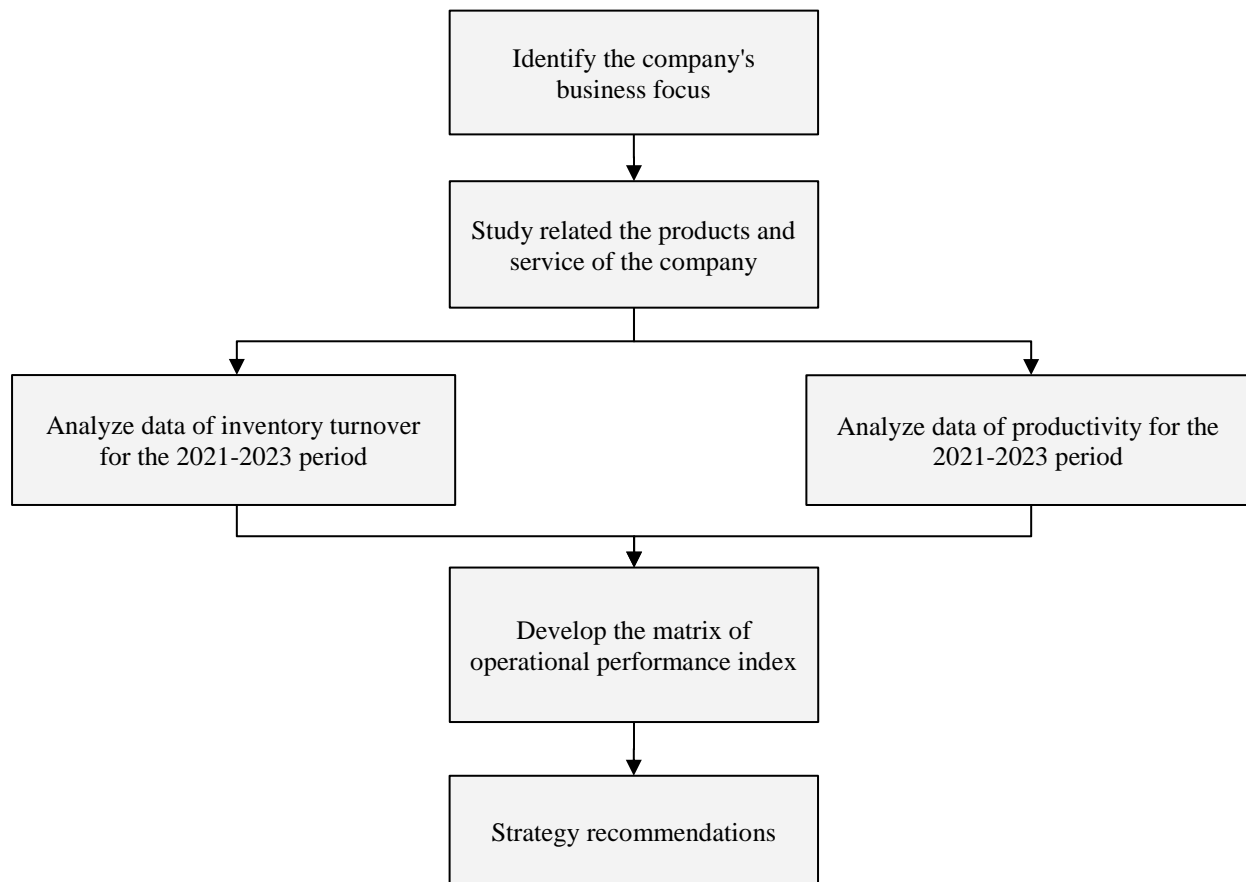
Figure 2. Analysis Framework

To identify the optimal index of operational performance, this study utilizes inventory turnover and productivity as key indicators. The data obtained from financial report's PT XYZ and relevant literature that supports the theoretical framework. Descriptive statistical methods, including the calculation of mean, standard deviation, and variance, were applied to analyze the data. Furthermore, a Chi-Square test was conducted to examine the relationship between inventory turnover and productivity. Table 1 shows the detail of types and source of data, data collection method, and data analysis technique.

Table 1. Data Collection Method

Research Steps	Data Obtained	Sources	Method
Identify the company's business focus	Target and business focus	Interview Interpretation Data	Interview
Study related the products and service offered by company	Product and services of company	Company's document, website, and interview	Literature study, interview
Analyze data of inventory turnover for the 2021-2023 period	Inventory turnover data for the 2021-2023 period	Report's company	Data analysis and data processing
Analyze data of productivity for the 2021-2023 period	Productivity data for the 2021-2023 period	Report's company	Data analysis and data processing
Develop the matrix of operational performance index	Productivity and inventory turnover of company	Data of sales, purchases, and operating expenses' analysis	Data analysis and data processing
Strategy recommendations	Gap between target and analysis results	Operating performance index results	Data analysis and data processing

RESULTS AND DISCUSSION

Results

The business process for used cars begins with purchasing vehicles from supplier, including individuals and other PT XYZ showroom. A purchaser then conducts an inspection of the vehicles, assessing any damages. Following the inspection, the purchaser negotiates the price based on the damage assessment. When both parties settle the price, the purchaser submits a proposal to the finance team to proceed with the vehicle purchase. Then, the finance team will evaluate the proposal to determine its feasibility within the company's financial constraints. There are two possible outcomes. If the purchase request is approved, the finance team will proceed the payment for the vehicle. However, if the request is denied, the finance team will ask the purchaser to renegotiate with the supplier to adjust the price to fit the company's budget. After renegotiation, the purchaser can resubmit the purchase request to the finance team until it is approved and the vehicle payment is completed.

Once the payment is completed and the vehicle has been acquired by the company, the next step involves handing the vehicle over to quality control for a thorough inspection of any exterior and interior damages. This inspection is crucial to estimate the repair costs. Apart of inspecting, quality control is responsible for identifying available repair shops. Next, quality control will negotiate the repair costs with the repair shops. If the both parties, the quality control and the repair shop, agree one the price, the company will send the vehicle to the repair shop to proceed. If an agreement cannot be reached, quality control will continue to search for another repair shop that meets the requirements.

Once the vehicle is delivered to the repair shop, it undergoes a refurbishment process, which involves renewing or replacing damaged parts. The lead time for this process varies depending on the type of damage and the repair shop's availability. Upon completion of the repairs, the repair shop informs the quality control. At this stage, quality control inspects the vehicle to ensure all damages have been fully repaired. If the refurbishment passes the quality control inspection, the finance team proceeds

with the payment. Conversely, if the refurbishment does not pass the inspection, the vehicle is returned to the repair shop for further repairs according to quality control standards. The final step involves sending the repaired vehicle to the showroom for sale to customers. Figure 3 shows the business process for the refurbishment process of PT XYZ.
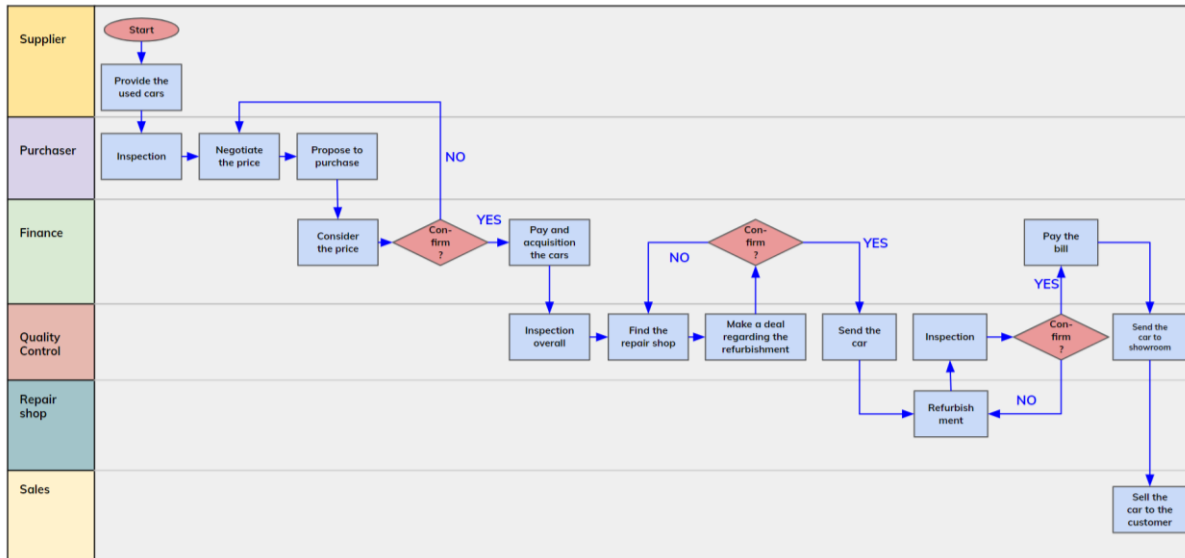

Figure 3. The Business Process for The Refurbishment Process of PT XYZ

PT XYZ offers 27 types of pre-owned vehicles, each assigned a unique Code A followed by its sequence number. Each vehicle type is purchased in varying quantities and sold at different prices. The initial step in developing an operational index for PT XYZ involves analyzing purchases and sales to determine inventory values. Sales data is essential for determining throughput values. Subsequently, an analysis of the company's operating costs is conducted. According to interviews with the Branch Manager, these costs encompass showroom rental, repair or maintenance expenses, labor costs, vehicle shipping costs, and other expenses. These operational costs are analyzed by vehicle type. Once all necessary data is obtained, productivity and inventory turnover calculations can be performed. The formula used to calculate inventory turnover is as follows:

Inventory turnover = Cost of good sold

                  Average inventory value, or   (Eq. 1)

Inventory turnover = Throughput

                  Average inventory value.   (Eq. 2)

Prior to calculating inventory turnover, it is essential to determine the throughput and average inventory. Throughput can be defined as the total value of goods sold. Meanwhile, average inventory represents the total value of unsold vehicles. In this context, inventory refers to unsold units, therefore average inventory can be calculated by multiplying the number of unsold units by the purchase price. Subsequently, after obtaining the throughput and average inventory values for each type of vehicle, inventory turnover can be calculated. This is done by dividing the throughput value by the average

inventory value. This productivity metric serves as an indicator of the sales performance for each vehicle type within the company. The formula for calculating productivity is as follows.

Productivity = Output

Input, or   (Eq. 3)

Productivity = Throughput

Operating Expenses.   (Eq. 4)

The output in this formula represents the total value derived from sales over a specific period. In this study, the output refers to the throughput or COGS of PT XYZ vehicles during the 2021-2023 period. The input, on the other hand represents the total costs incurred by the company during these sales, specifically the operating expenses. Table 2 presents the calculated values of inventory turnover and productivity.

Table 2. Values of inventory Turnover and Productivity of PT XYZ

No.	Type Code	Inventory Turnover	Productivity	No.	Type Code	Inventory Turnover	Productivity
1.	A1	25.00	20.00	15.	A15	3.33	20.00
2.	A2	12.50	16.67	16.	A16	12.50	20.00
3.	A3	1.56	16.67	17.	A17	8.36	20.00
4.	A4	12.50	16.67	18.	A18	15.00	16.67
5.	A5	18.98	20.00	19.	A19	5.00	16.67
6.	A6	8.13	20.00	20.	A20	7.50	20.00
7.	A7	8.75	20.00	21.	A21	1.67	16.67
8.	A8	5.00	16.67	22.	A22	1.25	16.67
9.	A9	12.86	20.00	23.	A23	3.21	20.00
10.	A10	18.75	16.67	24.	A24	2.08	16.67
11.	A11	7.86	20.00	25.	A25	1.25	16.67
12.	A12	1.25	16.67	26.	A26	1.88	16.67
13.	A13	1.67	16.67	27.	A27	1.25	16.67
14.	A14	1.88	16.67				

Furthermore, in order to determine the high or low levels of inventory turnover and productivity, industry benchmarking was conducted. According to Maverick (2024), the average inventory turnover ratio was 7.87% in the automotive vehicle industry. Meanwhile, the average productivity at PT XYZ, calculated based on historical performance, is 18.02. All previously calculated results, including inventory turnover and productivity values, will be incorporated into a matrix or tool to facilitate the categorization of vehicle types. The use of this quadrant matrix can facilitate mapping the position of each car unit based on its productivity and inventory turnover. The faster the inventory turnover, the better, and selling cars at higher prices also boosts the company's finances to achieve higher profits.

Prior to analyzing the relationship between inventory turnover and productivity, it is essential to consider the mean, standard deviation, and variance. Moreover, since the data used are categorical, a Chi-Square test was conducted to examine the relationship between inventory turnover and

productivity. The results are presented in Table 3. From Table 3, it shows that p-value is 0.023, which is less than 0.05. This shows that there is a significant relationship between inventory turnover and productivity.

Table 3. Mean, Standard Deviation, Variance, and Chi Square Test between Inventory Turnover and Productivity

Item	Mean	Standard Deviation	Variance	p-value
Inventory Turnover	7,44	6,59	41,76	
Productivity	17,90	1,64	2,59	
Inventory Turnover x Productivity				0.023

Next, in this matrix, the X-axis represents inventory turnover, while the Y-axis represents productivity. Once the matrix is constructed, the results of each inventory turnover and productivity value can be grouped into four quadrants. This matrix helps to map vehicle types that potentially have the highest sales and profits, and vice versa. Figure 4 Indicates matrix of Operating Performance Index at PT XYZ. According to the matrix of theory of constraints, it can be concluded as follow:
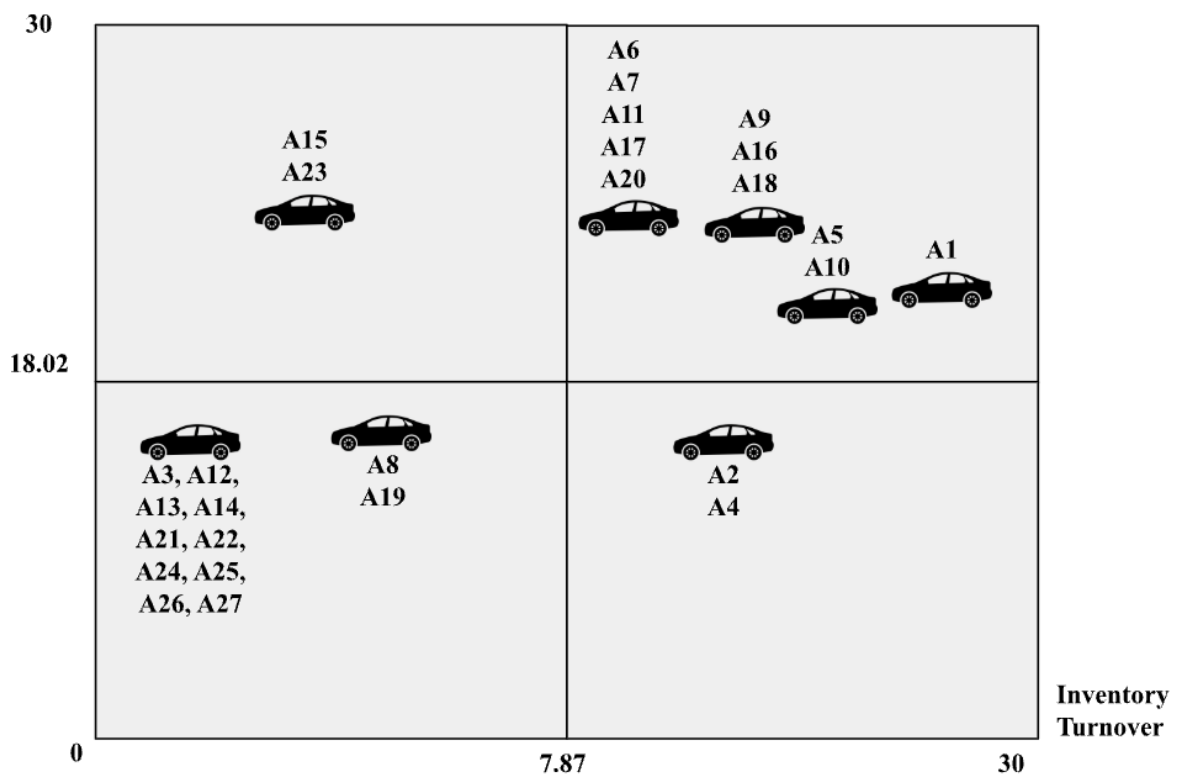
Figure 4. Matrix of Operating Performance Index at PT XYZ

Quadrant 1

Quadrant I, the top left, exhibits high productivity values and low inventory turnover. This indicates that vehicle types within this quadrant can generate high profits for the company, although they do not sell quickly to customers due to their below-average inventory turnover. The vehicle types in Quadrant I include the A15 and A23. In practical terms, vehicles in this quadrant, such as the A15 and A23, are profitable but may remain in inventory for longer periods before being sold. This could

be due to various factors such as higher prices, niche market appeal, or other characteristics that make them less attractive for quick sales compared to other vehicle types.

A15 is categorized as a high-end luxury sedan, known for its premium pricing and advanced features such as a hybrid engine, luxurious seating, a refined gearbox system, etc. Despite these advantages, the second-hand market for this model in Indonesia remains limited. This is largely attributed to its impracticality for daily commuting, particularly in densely populated urban areas with heavy traffic congestion. Similar to the A15, the A23 is positioned within a relatively high price range. This vehicle is equipped with a high-performance twin-turbo engine; however, its fuel efficiency is comparatively low. This characteristic constitutes a critical consideration for consumers, particularly those who prioritize daily operational cost efficiency.

Quadrant II

Quadrant II, the top right, exhibits both high productivity and high inventory turnover values. This indicates that these vehicles are not only generating significant profit for the company, but they also sell rapidly, as indicated by their high inventory turnover rates. In practical terms, vehicles in this quadrant are in an ideal condition for the company. They are profitable and have a high demand, leading to quick sales. Several vehicle types are in an ideal condition within Quadrant II, including the A1, A5, A6, A7, A9, 10, A11, A16, A17, A18, and A29. This finding is supported by the Branch Manager's statement that the A7, A9, and A17 series are fast-moving vehicles.

The vehicle A7 has demonstrated a strong sales performance due to high demand over the period from 2021 to 2023. During the reporting period, PT XYZ maintained an inventory of 32 units of the A7 model and successfully sold 28 units. This high sales rate indicates that the A7 is a popular choice among customers, likely due to its appealing features, competitive pricing, or market positioning. Similarly, vehicle A9 experienced high demand, with only 7 out of 79 units remaining unsold over the last two years, suggesting it effectively meets customer preferences. Vehicle A17, with the highest inventory of 123 units, sold 107 vehicles, demonstrating strong market reception and significant contribution to the company's revenue. According to McKinsey (2024), productivity average at vehicle dealership between 14 and 16 per year. So that, the vehicle types in quadrant II have a good level of inventory turnover. It is advisable to maintain the vehicle types in this quadrant to ensure better profitability for the company.

The A7 and A9 are classified as sedans, whereas the A17 falls under the compact SUV category. These models are highly favored in the pre-owned vehicle market due to their combination of premium brand prestige, comprehensive features, and more accessible pricing compared to new units. They are particularly attractive to young professional families and mid-to-upper income executives who seek vehicles that reflect social status and professional identity by acquiring premium vehicles at a reduced cost through the second-hand market.

Quadrant III

Quadrant III, the bottom left, exhibits both low productivity and low inventory turnover values. This means that each vehicle sold generates below-average profit, and the inventory turnover is also relatively low. The vehicle types in Quadrant III include the A3, A8, A12, A13, A14, A19, A21, A22, A24, A25, A26, and A27. These vehicle models target a highly specific market segment, primarily upper-level executives. However, this consumer group typically prefers to purchase new vehicles in order to maintain a sense of exclusivity and ensure optimal comfort. As a result, demand for these models in the pre-owned market remains relatively low.

Quadrant IV

Quadrant IV, the bottom right, exhibits low productivity values but high inventory turnover. This indicates that while each vehicle sold does not generate high profit for the company, these vehicles do not remain in the showroom for long. In other words, the vehicle types in this quadrant sell quickly to customers. The vehicle types included in Quadrant IV are the A2 and A4.

These two vehicle models possess a distinct appeal due to their highly futuristic and visually striking design. Despite being produced in limited quantities—only 12 units are available in Indonesia—they tend to sell quickly. Their iconic styling and status as advanced hybrid sports cars contribute to their desirability. As a result, many owners choose to retain them as part of private collections rather than resell them, leading to a notably limited presence in the secondary market.

Discussion

The final stage of this discussion involves designing the company's focus strategy based on the operational performance index categorized in the previous points. Managing operating costs and inventory are essential for the company to get higher profitability. Feinberg & Zanardi (2022) explained that the company has to continue maintain operating costs so that the financial performance's company is still stable. This operational performance index will assist the company in determining the optimal number of vehicles to purchase, while also considering operating expenses and inventory turnover. Figure 5 illustrate strategy recommendations for PT XYZ. Furthermore, several improvement recommendations for the company based on this operational performance index are as follows:

a. Shifting Vehicle Types from Quadrant I to Quadrant II

Among the four quadrants, Quadrant II is the most ideal. This is because Quadrant II exhibits both high productivity and high inventory turnover values. This means that vehicle types in this quadrant sell quickly to customers and generate high profits from sales. Vehicle types previously in Quadrant I, such as the A15 and A23, can be targeted to move into Quadrant II. The sales of these two vehicle types have the potential to generate high profits for the company. However, the company should plan the number of vehicles purchased to avoid high operating expenses, thereby increasing inventory turnover. It means PT XYZ should consider the capacity of the showroom to store the vehicles. Capacity itself have highly significant effect on revenues (Nasir et al, 2017). If the company plans the number of

A15 and A23 vehicles according to showroom capacity, these vehicle types will shift to Quadrant II, providing high profits and selling quickly to customers. Additionally, to move the A15 and A23 into Quadrant II, marketing activities should be enhanced. This is necessary to inform consumers that these vehicle types are highly regarded and desired by many customers. Marketing activities could include creating ads on various social media platforms, collaborating with YouTubers for car reviews, or offering promotions to increase sales volume (Bondarenko & Vyshnivska, 2023).

Figure 5. Strategy Recommendation for PT XYZ

b. Shifting Vehicle Types from Quadrant I to Quadrant II

Among the four quadrants, Quadrant II is the most ideal. This is because Quadrant II exhibits both high productivity and high inventory turnover values. This means that vehicle types in this quadrant sell quickly to customers and generate high profits from sales. Vehicle types previously in Quadrant I, such as the A15 and A23, can be targeted to move into Quadrant II. The sales of these two vehicle types have the potential to generate high profits for the company. However, the company should plan the number of vehicles purchased to avoid high operating expenses, thereby increasing inventory turnover. It means PT XYZ should consider the capacity of the showroom to store the vehicles. Capacity itself have highly significant effect on revenues (Nasir et al, 2017). If the company plans the number of A15 and A23 vehicles according to showroom capacity, these vehicle types will shift to Quadrant II, providing high profits and selling quickly to customers. Additionally, to move the A15 and A23 into

Quadrant II, marketing activities should be enhanced. This is necessary to inform consumers that these vehicle types are highly regarded and desired by many customers. Marketing activities could include creating ads on various social media platforms, collaborating with YouTubers for car reviews, or offering promotions to increase sales volume (Bondarenko & Vyshnivska, 2023).
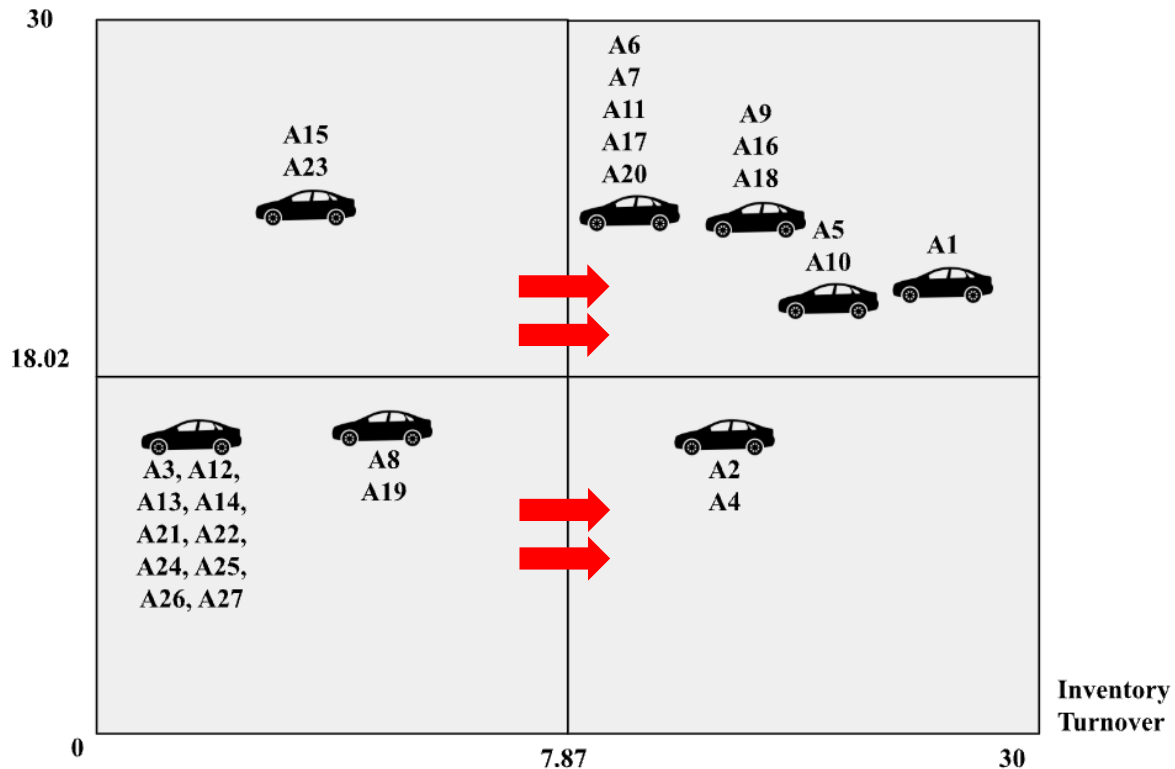
c. Shifting Certain Vehicle Types from Quadrant III

Quadrant III is the least ideal, characterized by both below-average productivity and inventory turnover values. Vehicle types in this quadrant include the A3, A8, A12, A13, A14, A19, A21, A22, A24, A25, A26, and A27. These vehicle types can be moved to Quadrant IV. Although the profit from each sale may not be high, placing them in Quadrant IV will result in higher inventory turnover and lower operating expenses for the company. According to Wang et al (2021) stated that managers are suggested not to ignore the lost productivity caused by the overuse of sticky inventory management. This strategy can be initiated by planning the number of vehicles purchased for these types, based on the potential number of units that can be sold to customers. Furthermore, to enhance the productivity values of vehicle types in Quadrant III, operating costs need to be reduced. According to company data on operating expenses for each vehicle type, the largest expense is often refurbishment or repair costs. These repair costs can be reduced by partnering with credible repair shops to obtain more affordable prices, ultimately reducing the company's operating expenses.

d. Implementing Priority Rules for Refurbishment Scheduling

Previously, refurbishment scheduling was based solely on a first-come, first-served scheme. After identifying several vehicle types and having a large number of units, it is advisable for the company to prioritize scheduling for these vehicle types. According to Schroeder (2021), one type of dispatch rule is the Priority Rule, which prioritizes scheduling based on certain factors. For example, an interview with the Branch Manager revealed that the A1, A7, A9, and A17 are currently favored in the market. When performing refurbishment at the repair shop and these types are present, the company should prioritize their refurbishment over other vehicle types. This is because these vehicle types are more likely to generate high profits for the company and sell quickly to customers.

Those recommendations can be applied by the company to increase revenue and improve inventory efficiency. However, several situations and conditions need to be considered when implementing these recommendations, including: stable demand and consistent refurbishment duration. The vehicle purchase planning is based on the purchase history from the 2021-2023 period. These planning recommendations can be applied if customer demand remains stable, which means that it does not undergo significant changes from previous years and can still be predicted. In addition to referring to vehicle sales history, the company can also conduct direct customer analysis to understand current market needs and conditions. This is very helpful in determining which vehicle types to prioritize in the market, thereby positively impacting the company's sales levels. Lastly, according to an interview with the company's Stock Control, the average refurbishment process takes 3-4 weeks. If the refurbishment

process duration is generally consistent, priority scheduling can be applied. However, if certain vehicle types require a longer refurbishment process than the average time, those vehicles should be prioritized.

CONCLUSION AND SUGGESTIONS

Based on the operational performance index created, there are four quadrants. PT XYZ should initiative strategics, including: (1) moving vehicle types from Quadrant I to Quadrant II by enhancing marketing activities, such as creating ads on various social media platforms, collaborating with YouTubers for car reviews, or offering promotions; (2) relocating certain vehicle types from Quadrant III by planning the number of vehicles purchased for these types, estimating the potential number of units that can be sold to customers, and reducing operating costs; and (3) applying the priority rule for refurbishment scheduling by prioritizing based on the potential for quick sales.

The managerial implication that can be concluded from this study is that management that management must adopt a broader and more adaptive approach to identifying and addressing constraints, particularly in emerging markets where external factors—such as regulatory policies, consumer behavior, and market volatility—play a significant role in limiting operational performance. Furthermore, this study contributes to TOC literature by identifying context-specific constraints in the vehicle dealer industry within emerging markets. These include regulatory, behavioral, and market-driven limitations that challenge the traditional TOC focus on internal process bottlenecks. The findings suggest a need for a more dynamic and holistic TOC framework that accounts for external volatility and strategic decision-making in resource-constrained environments.

While this study provides valuable insights into the application of the Theory of Constraints (TOC) within the vehicle dealership industry in emerging markets, several limitations should be acknowledged. First, the research is context-specific, focusing primarily on the Indonesian market, which may limit the generalizability of the findings to other emerging economies with different regulatory, cultural, or economic conditions. Second, the study relies on qualitative data and secondary sources, which may be subject to interpretation bias or limited availability of up-to-date information. Lastly, the dynamic nature of market constraints—particularly in volatile environments—means that the identified constraints may shift over time, requiring ongoing validation.

Future research could expand upon the findings of this study by exploring the application of the Theory of Constraints (TOC) by comparative studies between different countries or regions could reveal how varying institutional, cultural, and economic factors influence the nature and impact of constraints in the vehicle dealership industry. Additionally, incorporating quantitative methods—such as surveys or performance data analysis—could provide more robust empirical validation of the identified constraints.

REFERENCES

Alnaim, M.; Kouaib, A. (2023). Inventory turnover and firm profitability: A Saudi Arabian investigation. *Processes 2023*, 11, 716. https://doi.org/10.3390/pr11030716.

Badan Pusat Statistik. (2025). *Tren penurunan penjualan mobil baru dan menyusutnya kelas menengah.* Retrieved February 2025.https://www.hetanews.com/article/296158/tren-penurunan-penjualan-mobil-baru-dan-menyusutnya-kelas-menengah.

Bisnis.com. (2017). *Menperin: Indonesia sudah masuk negara industri.* Retrieved May 19, 2025, from https://ekonomi.bisnis.com/read/20171126/257/712859/menperin-indonesia-sudah-masuk-negara-industri.

Bob Feinberg, & Maurizio Zanardi. (2022). Analysis of the influence of operational costs on increasing the financial performance of American public helath corporation. *Medalion Journal: Medical Research, Nursing, Health and Midwife Participation*, 3(2), 44–57. https://doi.org/10.59733/medalion.v3i2.18.

Bondarenko, V., & Vyshnivska, B. (2023). Promotional marketing as a method of increasing sales. *Three Seas Economic Journal*, 4(2), 21-28. https://doi.org/10.30525/2661-5150/2023-2-3.

Chambers, R. G. (1996). A new look at exact input, output, productivity, and technical change measurement. *Department of Agricultural and Resource Economics, University of Maryland, Working Paper* No. 96-05.

Chopra, S. (2018). *Supply chain management: strategy, planning, and operation, enhanced, global edition* (7th ed.). Pearson International Content. https://bookshelf.vitalsource.com/books/9781292257914.

Dutta, S. (2023). The theory of constraints: A framework for enhancing efficiency and promoting growth. *American International Journal of Business Management*, 6(12), 36–44. https://www.aijbm.com/wp-content/uploads/2023/12/E6123644.pdf.

Gaikindo. (2021). *Menperin: Industri otomotif berkontribusi besar untuk ekonomi nasional.* Retrieved May 18, 2025, from https://www.gaikindo.or.id/menperin-industri-otomotif-berkontribusi-besar-untuk-ekonomi-nasional/

Gołaś Z. (2020): Effect of inventory management on profitability: evidence from the Polish food industry: Case study: Agric. *Econ. – Czech*, 66: 234–242.

Goldratt, E. M., & Cox, J. (1986). *The goal: a process of ongoing improvement.* Rev. ed. North River Press.

Kurniawanto, Eko. (2016). Sistem informasi penjualan motor pada dealer MPM motor Nganjuk berbasis web. *Thesis.* Universitas Nusantara PGRI Kediri.

Kwak, J. K. (2019). Analysis of inventory turnover as a performance measure in manufacturing industry. *Processes*, 7(10), 760. https://doi.org/10.3390/pr7100760.

Lin, Y., Wang, J. and Shi, Y. (2022). The impact of inventory productivity on new venture survival, *International Journal of Productivity and Performance Management,* Vol. 71 No. 5, pp. 1972-1988. https://doi.org/10.1108/IJPPM-10-2019-0479.

Maverick, J. B. (2024). *Key financial ratios to analyze the auto industry*. Investopedia. Retrieved May 9, 2025, from https://www.investopedia.com/articles/active-trading/082015/key-financial-ratios-analyze-automotive-industry.asp.

McKinsey & Company. (2024). *Boosting auto sales productivity: A playbook for excellence.* Retrieved May 9, 2025, from https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/boosting-auto-sales-productivity-a-playbook-for-excellence.

Nasir, Abdul & Ahmad, Adeel & Barkat, Waseem. (2017). Operational performance and financial performance of Malaysia Airlines. *Paradigms.* 11. 34-40. 10.24312/paradigms110106.

Oktapiadi, R., Komariah, K., & Jhoansyah, D. (2019). Analisis inventory turn over dalam meningkatkan profitabilitas pada Matahari Department Store Tbk. *Jurnal Ekonomi dan Bisnis,* 20(2), 62-71. doi:http://dx.doi.org/10.30659/ekobis.20.2.62-71.

Otuya Sunday, and Eginiwin E. Joseph. (2017). Inventory management and SMEs Profitability. A study of furniture manufacturing, wholesale and eatery industry in Delta State, Nigeria. *Journal of Finance and Accounting*, vol. 5, no. 3 (2017): 75-79. doi: 10.12691/jfa-5-3-1.

Roger G. Schroeder, Susan Meyer Goldstein & M. Johnny Rungtusanatham. (2021). *Operations management in the supply chain*. International 8th Edition. McGraw-Hill

Russell, R. S., & Taylor, B. W. (2023). Operations and supply chain management (11th ed.). Wiley Global Education US. https://bookshelf.vitalsource.com/books/9781119905622.

Schroder, Gay Odekerken (2003). Consumers trade off between relationship, service package and price. *European Journal of Marketing*, Vol 37, No. ½.

Sekaran, U. & Bougie, R. (2016). *Research methods for Business*. Chichester:John Wiley & Sons Ltd. 7 th edition.

Setyowati, L. (2024). How operating expense and revenue budgets influence financial performance: An analysis through return on assets. Inventory: *Jurnal Akuntansi*, 8(1), 1–10. https://doi.org/10.25273/inventory.v9i1.22250.

Shardeo, V. (2015). Impact of inventory management on the financial performance of the firm. IOSR *Journal of Business and Management*, 17(4), 1-12.

Sugiyono (2017). *Metode penelitian kuantitatif kualitatif dan R & B*. Bandung: Alfabeta.

Susilawati, Emi. (2015). Pengaruh biaya promosi terhadap tingkat penjualan pada dealer Putra Rama Jaya Honda Kota Ponorogo. *Equilibrium*, Volume 3, Nomor 2, Juli.

Viva.co.id. (2024). *Indonesia Automotive Outlook 2025*: Optimism for recovery amid challenges. https://www.viva.co.id/asset-viva/responsive-web/pdf/Indonesia%20Automotive%20Outlook%202025%20English.pdf?v=2.90.

Krisis yang Tak Terlihat: Bagaimana Perencanaan Suksesi yang Tidak Tepat Mengancam Keberlanjutan Bisnis Keluarga

Arry Hendriwal Ananda Putera*, Donard Games, Syafrizal

Magister Manajemen Fakultas Ekonomi dan Bisnis, Universitas Andalas
Limau Manis, Kota Padang, 25175, Indonesia
arry_ananda@yahoo.com

*Korespondensi Penulis

ABSTRAK

Penelitian ini bertujuan untuk menganalisis bagaimana *Entrepreneurial Orientation* (EO), *Business Model Canvas* (BMC), dan perencanaan suksesi dapat mendorong inovasi dan keberlanjutan pada Usaha Mikro Kecil dan Menengah (UMKM) keluarga di sektor fashion tradisional. Studi ini menggunakan pendekatan kualitatif dengan metode studi kasus pada Usaha Mikro Kecil dan Menengah (UMKM) Muda Mandiri di Bukittinggi yang bergerak di bidang kerancang dan sulaman. Data dikumpulkan melalui wawancara mendalam terhadap empat informan utama (dua pemilik generasi pertama dan dua anggota generasi kedua), serta sepuluh informan pendukung dari Generasi Y dan Z untuk mengonfirmasi preferensi fashion sebagai arah inovasi produk. Observasi dilakukan terhadap proses produksi, aktivitas pemasaran, dan interaksi pelanggan. Analisis data menggunakan teknik tematik untuk mengidentifikasi pola dalam praktik EO, elemen BMC, dan dinamika antargenerasi. Hasil menunjukkan bahwa EO, khususnya proaktivitas, inovasi, dan pengambilan risiko, mendorong perubahan positif, meskipun terdapat kesenjangan visi antara generasi pertama yang mempertahankan pendekatan konvensional dan generasi kedua yang berorientasi digital dan menyasar pasar generasi muda, yaitu Generasi Y dan Z. Integrasi EO dalam BMC mendukung transformasi bisnis, sementara perencanaan suksesi masih menjadi tantangan. Penelitian ini berkontribusi pada kajian bisnis keluarga dan memberi panduan praktis bagi Usaha Mikro Kecil dan Menengah (UMKM) dalam menyelaraskan inovasi, kolaborasi antargenerasi, dan ekspansi pasar.

Kata Kunci:
Entrepreneurial orientation, business model canvas, perencanaan suksesi, inovasi usaha mikro kecil dan menengah (UMKM), bisnis keluarga, industri kreatif tradisional, transformasi digital.

ABSTRACT

This study aims to analyze how Entrepreneurial Orientation (EO), Business Model Canvas (BMC), and succession planning can drive innovation and sustainability in family-owned MSMEs in the traditional fashion sector. This research employs a qualitative case study approach on Muda Mandiri, an MSME in Bukittinggi specializing in kerancang and embroidery crafts. Data were collected through in-depth interviews with four main informants (two first-generation owners and two second-generation members), as well as ten supporting informants from Generations Y and Z to confirm fashion preferences as a basis for product innovation. Observations were made on the production process, marketing activities, and customer interactions. Data analysis used thematic techniques to identify patterns in EO practices, BMC elements, and intergenerational dynamics. The findings show that EO, particularly proactivity, innovation, and risk-taking, drives positive change, although a vision gap exists between the first generation, which maintains conventional approaches, and the second generation, which is more digitally oriented and targets the youth market, namely Generation Y and Z. The integration of EO into the BMC supports business transformation, while succession planning remains a challenge. This study contributes to family business literature and provides practical guidance for MSMEs in aligning innovation, intergenerational collaboration, and market expansion.

PENDAHULUAN

Bisnis keluarga memegang peranan penting dalam perekonomian global. Mereka bukan hanya menjadi sumber utama penciptaan lapangan kerja dan inovasi, tetapi juga dikenal memiliki daya tahan tinggi dalam menghadapi guncangan pasar. Namun di balik kontribusi besar tersebut, bisnis keluarga kerap dihadapkan pada tantangan khas mulai dari pergantian generasi, perbedaan visi antar anggota keluarga, hingga kesulitan dalam beradaptasi dengan perubahan pasar yang kian cepat.

Dalam konteks ini, dua pendekatan strategis Orientasi Kewirausahaan (Entrepreneurial Orientation/EO) dan Business Model Canvas (BMC) muncul sebagai alat penting untuk membantu bisnis keluarga, terutama Usaha Mikro Kecil dan Menengah (UMKM) muda mandiri di Bukittinggi, agar bisa terus tumbuh dan berinovasi. EO sendiri mencakup dimensi inovasi, proaktivitas, dan pengambilan risiko tiga hal yang menjadi penentu utama kelincahan bisnis dalam menghadapi lingkungan yang kompetitif. Menariknya, seperti yang dikemukakan Wales et al. (2020), EO bersifat kontekstual artinya penerapannya dapat disesuaikan dengan karakter dan nilai-nilai khas organisasi, termasuk bisnis keluarga.

Pada level Usaha Mikro Kecil dan Menengah (UMKM), penerapan EO terbukti berdampak positif. Inovasi lewat adopsi teknologi dan pemikiran kreatif mampu mendorong kinerja, sementara keberanian mengambil risiko secara terukur serta proaktivitas terbukti meningkatkan pertumbuhan usaha (Al Mamun & Fazal, 2018). Meski demikian, implementasi EO dalam bisnis keluarga tidak selalu mudah. Perbedaan pendekatan antara generasi senior yang cenderung konservatif atau *defenders* dan generasi muda yang ingin menjajaki peluang baru sebagai *prospectors* bisa memunculkan gesekan. Di sinilah komunikasi yang terbuka dan kesediaan untuk berkompromi menjadi kunci agar visi kewirausahaan antar generasi dapat berjalan seiring.

Sementara itu, Business Model Canvas yang dikembangkan Osterwalder et al. (2010), menawarkan kerangka kerja sederhana namun komprehensif untuk memetakan dan mengevaluasi model bisnis. Dengan menyusun sembilan elemen inti mulai dari segmen pelanggan hingga struktur biaya BMC membantu pelaku usaha melihat gambaran besar sekaligus mendeteksi area yang bisa dioptimalkan atau diubah. Ketika EO dan BMC dikombinasikan, tercipta sinergi yang memperkuat kapabilitas inovasi bisnis keluarga, termasuk dalam menemukan proposisi nilai baru dan mengelola aliran pendapatan yang lebih dinamis.

Namun semua ini tidak akan maksimal tanpa perencanaan suksesi yang matang. Peralihan kepemimpinan dari generasi pertama ke generasi penerus bukan sekadar soal jabatan, tetapi juga mencakup transfer pengetahuan, nilai-nilai, dan jejaring bisnis yang telah dibangun selama bertahun-tahun Udomkit et al. (2023). Sayangnya, banyak bisnis keluarga belum siap menghadapi fase ini.

Kurangnya dokumentasi pengetahuan, ketidaksiapan emosional, atau minimnya pelibatan generasi muda dalam pengambilan keputusan bisa menjadi batu sandungan yang serius Garvin et al. (2008). Padahal, keterlibatan aktif generasi penerus bukan hanya penting untuk kontinuitas operasional, tapi juga untuk menjaga socioemotional wealth nilai-nilai emosional dan identitas keluarga yang melekat pada bisnis Pahnke et al. (2024).

Tantangan yang dihadapi bisnis keluarga kian kompleks, mulai dari perubahan preferensi konsumen (Kotler & Keller, 2016), kebutuhan untuk mengadopsi teknologi digital (Christensen et al., 2018), hingga tekanan dari rantai pasok yang semakin rumit (Chopra, 2019). Teori disrupsi Christensen mengingatkan bahwa terlalu fokus pada pelanggan utama dan model bisnis lama bisa membuat bisnis kehilangan momentum menghadapi perubahan. Di sinilah peran penting EO dan BMC. EO menumbuhkan semangat menjelajahi peluang baru, sementara BMC menyediakan peta strategis untuk bergerak secara adaptif.

Penelitian ini bertujuan untuk menggali bagaimana sinergi antara *Entrepreneurial Orientation* (EO), *Business Model Canvas* (BMC), dan perencanaan suksesi dapat memperkuat keberlanjutan Usaha Mikro, Kecil, dan Menengah (UMKM) keluarga di Bukittinggi, khususnya pada Usaha Mikro Kecil dan Menengah (UMKM) yang bergerak di bidang kerajinan kerancang dan sulaman. Dengan menggunakan pendekatan kualitatif melalui wawancara mendalam dan observasi partisipatif, studi ini memberikan gambaran nyata mengenai dinamika antargenerasi dalam bisnis keluarga serta tantangan dalam mempertahankan nilai tradisi sambil menghadapi tuntutan inovasi dan perubahan pasar.

Secara keilmuan, penelitian ini memberikan kontribusi pada pengembangan literatur tentang integrasi EO, BMC, dan perencanaan suksesi dalam konteks Usaha Mikro Kecil dan Menengah (UMKM) keluarga di sektor budaya dan kerajinan. Temuan dari studi ini melengkapi teori EO seperti yang dikemukakan oleh Al Mamun & Fazal (2018) serta Alkharafi et al. (2024), dengan memberikan perspektif kontekstual dari bisnis keluarga berbasis tradisi di Indonesia. Selain itu, penelitian ini juga memperkuat pentingnya pendekatan hibrida dalam manajemen bisnis keluarga menggabungkan kekuatan generasi pendiri dengan potensi inovasi dari generasi penerus.

Secara praktis, penelitian ini memberikan panduan strategis bagi pemilik Usaha Mikro Kecil dan Menengah (UMKM) keluarga untuk membangun mekanisme komunikasi antargenerasi, menyusun strategi suksesi secara sistematis, dan memanfaatkan kerangka BMC untuk menyelaraskan arah bisnis dengan dinamika pasar modern. Studi ini juga bermanfaat bagi lembaga pendamping UMKM, instansi pemerintah daerah, dan pembuat kebijakan dalam merancang program pengembangan UMKM yang mempertimbangkan aspek warisan budaya, keberlanjutan, serta regenerasi kepemimpinan. Dengan demikian, penelitian ini tidak hanya menjaga nilai-nilai lokal, tetapi juga mendorong adaptasi dan pertumbuhan bisnis dalam menghadapi era disrupsi.

METODE RISET

Penelitian ini menggunakan pendekatan kualitatif untuk memahami dinamika bisnis keluarga, khususnya dalam Usaha Mikro Kecil dan Menengah (UMKM) Muda Mandiri. Metode pengumpulan data mencakup wawancara semi-terstruktur dengan empat narasumber utama, yaitu dua pemilik generasi pertama dan dua anggota generasi kedua. Pemilihan narasumber utama didasarkan pada keterlibatan langsung dalam pengambilan keputusan strategis, dengan fokus pada peran mereka dalam orientasi kewirausahaan dan perencanaan suksesi. Sepuluh narasumber pendukung dari Generasi Y dan Z dipilih berdasarkan kriteria preferensi fashion mereka, yang relevan untuk memahami potensi arah inovasi produk dan penerimaan pasar terhadap perubahan yang diusulkan oleh generasi kedua. Narasumber ini diharapkan memberikan perspektif yang lebih segar terkait tren mode dan keinginan konsumen muda.

Selain wawancara, dilakukan observasi terhadap interaksi bisnis sehari-hari dan analisis dokumen dan rencana bisnis perusahaan, untuk memperkaya pemahaman tentang operasi dan visi jangka panjang Usaha Mikro Kecil dan Menengah (UMKM) ini. Data dianalisis menggunakan teknik analisis tematik untuk mengidentifikasi pola dan tema yang berkaitan dengan orientasi kewirausahaan, Business Model Canvas, dan perencanaan suksesi. Prosedur pengolahan data mencakup pengkodean data wawancara dan observasi, serta pengelompokan tematik berdasarkan isu-isu utama yang teridentifikasi.

Hasil penelitian diharapkan dapat memberikan kontribusi bagi pengembangan teori dan praktik dalam manajemen bisnis keluarga serta menawarkan rekomendasi praktis yang dapat diterapkan oleh pemilik bisnis dan pembuat kebijakan untuk meningkatkan inovasi dan keberlanjutan Usaha Mikro Kecil dan Menengah (UMKM).
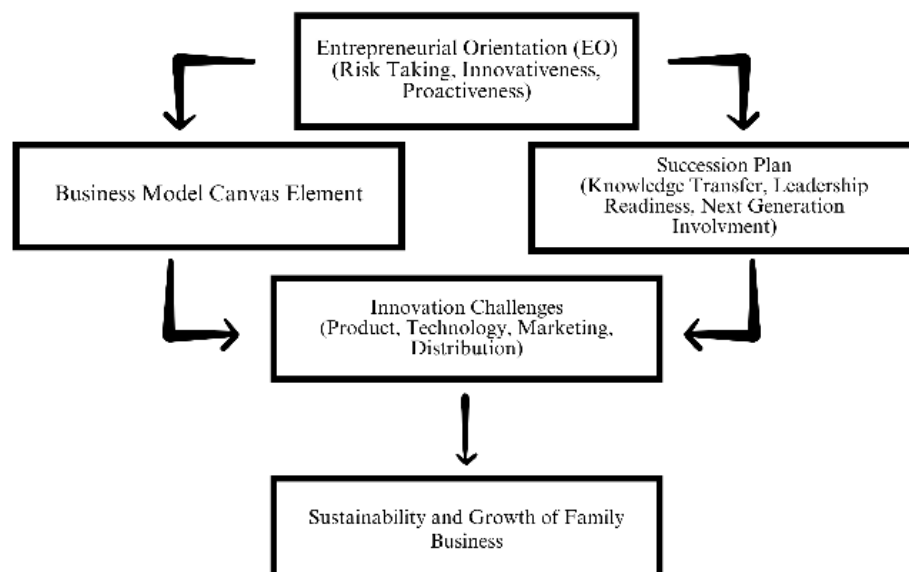
Gambar 1. Kerangka Teori

Kerangka ini menyoroti bahwa keberhasilan bisnis keluarga dalam menghadapi tantangan inovasi tidak hanya bergantung pada strategi *EO* dan *BMC* yang diterapkan, tetapi juga pada efektivitas perencanaan suksesi, yang mendukung transfer pengetahuan dan kepemimpinan ke generasi berikutnya. Dengan kata lain, integrasi *EO* dan *BMC* yang efektif harus disertai dengan rencana suksesi yang matang untuk memastikan kelangsungan dan pertumbuhan bisnis keluarga di tengah dinamika pasar yang cepat berubah.

HASIL PENELITIAN DAN PEMBAHASAN

Dua perspektif berbeda tentang model bisnis

Penelitian ini menganalisis penerapan Business Model Canvas (BMC) pada Usaha Mikro Kecil dan Menengah (UMKM) milik keluarga di sektor mode tradisional, dengan menyoroti perbedaan generasi dalam pendekatan manajemen bisnis. Berikut adalah temuan-temuan dari elemen-elemen BMC:

1. Segmen Pelanggan

   Generasi pertama menargetkan pelanggan setia dari kelas menengah atas (pejabat, akademisi, lembaga) untuk mempertahankan stabilitas pasar. Sebaliknya, generasi kedua berupaya menjangkau Gen Y dan Z melalui saluran digital seperti media sosial dan e-commerce. Hal ini mencerminkan pandangan Lopes et al. (2023) yang menyebutkan bahwa penggunaan BMC dipengaruhi oleh persepsi wirausaha terhadap stabilitas pasar.

2. Proposisi Nilai

   Generasi pertama menekankan keaslian budaya, sementara generasi kedua mengusulkan produk yang dimodernisasi untuk menarik konsumen muda, sejalan dengan Alkharafi et al. (2024) yang menyoroti peran pengambilan risiko dalam inovasi untuk penciptaan nilai.

3. Saluran

   Generasi pertama mengandalkan saluran tradisional (pameran, toko), sementara generasi kedua mendorong penggunaan platform digital untuk jangkauan yang lebih luas, yang konsisten dengan Khodor et al. (2024) yang menekankan peran digitalisasi dalam memperluas akses pasar.

4. Hubungan Pelanggan

   Interaksi pribadi mendominasi pendekatan generasi pertama, sementara generasi kedua lebih fokus pada keterlibatan digital. Kesenjangan komunikasi antara generasi menghambat hubungan yang lebih kuat, mendukung temuan Somboonvechakarn et al. (2022) yang menekankan pentingnya komunikasi dalam keberlanjutan bisnis keluarga.

5. Aliran Pendapatan

   Pendapatan stabil dari penjualan langsung dan pesanan khusus menjadi fokus generasi pertama, sementara generasi kedua melihat peluang dalam kolaborasi produk dan penjualan digital, yang

sejalan dengan Bouguerra et al. (2024) mengenai peran orientasi kewirausahaan dalam diversifikasi pendapatan.

6. Sumber Daya Utama

Generasi pertama mengutamakan keterampilan kerajinan tangan, sementara generasi kedua menghargai teknologi untuk inovasi dan pemasaran. Udomkit et al. (2023) menyoroti pentingnya transfer pengetahuan antar generasi untuk mempertahankan bisnis keluarga.

7. Aktivitas Utama

Produksi tradisional dan pemasaran langsung menjadi inti generasi pertama, sementara generasi kedua menggabungkan pemasaran digital dan kolaborasi dengan influencer. Keseimbangan strategi ini mencerminkan temuan Games & Sari (2023) mengenai pengaruh nilai-nilai keluarga terhadap inovasi.

8. Kemitraan Utama

Generasi pertama bekerja sama dengan pengrajin dan pemasok, sementara generasi kedua menjajaki kemitraan dengan desainer muda dan influencer untuk daya tarik pasar yang lebih luas, mendukung Bouguerra et al. (2024) mengenai kolaborasi yang berfokus pada keberlanjutan.

9. Struktur Biaya

Fokus generasi pertama pada produksi tradisional mengakibatkan biaya yang lebih tinggi, sementara generasi kedua mengalokasikan sumber daya untuk inovasi dan pemasaran digital, sejalan dengan Lazarte-Aguirre (2024) mengenai alokasi sumber daya untuk keberlanjutan jangka panjang.

Secara keseluruhan, temuan-temuan ini menyoroti ketegangan antara strategi konservatif generasi pertama dan pendekatan proaktif yang didorong oleh inovasi dari generasi kedua. Kesenjangan antar generasi ini menekankan perlunya komunikasi dan kolaborasi yang lebih baik untuk memanfaatkan peluang inovasi dan ekspansi pasar.

Blindspot dan Penyebab Perbedaan Perspektif Antargenerasi

Titik buta terjadi ketika individu atau kelompok gagal mengenali peluang atau ancaman karena perspektif yang terbatas atau keyakinan yang sudah tertanam. Dalam konteks Usaha Mikro Kecil dan Menengah (UMKM) keluarga ini, perbedaan antara generasi pertama (Gen 1) dan generasi kedua (Gen 2) menjadi cerminan nyata dari titik buta tersebut, terutama dalam pandangan mereka tentang pasar, inovasi, dan keberlanjutan bisnis. Gen 1, yang membangun bisnis dari nol, sangat menghargai stabilitas dan loyalitas pelanggan dari segmen kelas menengah ke atas. Pola keberhasilan masa lalu membuat mereka cenderung mempertahankan status quo dan berhati-hati terhadap perubahan. Ketahanan mereka terhadap inovasi juga dipengaruhi oleh keterbatasan pengetahuan tentang pemasaran digital serta kekhawatiran bahwa perubahan terlalu drastis dapat mengganggu basis pelanggan yang telah setia.

Sebaliknya, Gen 2 datang dengan semangat inovatif dan keterbukaan terhadap pasar baru, terutama Gen Y dan Z, yang lebih responsif terhadap produk dengan nilai estetika modern dan distribusi digital. Mereka melihat peluang dalam menyasar segmen muda melalui produk-produk kerancang dan sulaman yang dikemas ulang secara kontemporer. Namun, pendekatan ini tidak bebas dari titik buta. Minimnya pengalaman operasional membuat Gen 2 kerap meremehkan kompleksitas manajemen produksi, keterbatasan kapasitas SDM, dan pentingnya mempertahankan hubungan dengan pelanggan lama. Selain itu, ketergantungan pada digitalisasi bisa berisiko jika tidak diimbangi dengan pemahaman mendalam tentang nilai-nilai inti bisnis yang telah menjadi fondasi keberhasilan usaha keluarga tersebut.

Fenomena ini dapat dijelaskan melalui kerangka *The Innovator's Dilemma* seperti yang dibahas oleh Wang et al. (2022), yang menunjukkan bagaimana perusahaan yang sudah mapan seringkali terjebak dalam pola pikir konservatif karena keberhasilan historis, sehingga enggan mengadopsi model bisnis baru yang disruptif. Dalam konteks UMKM keluarga ini, Gen 1 mengalami dilema inovator karena kekhawatiran bahwa inovasi akan mengganggu model bisnis yang telah terbukti sukses. Mereka terjebak dalam mekanisme internal yang memprioritaskan efisiensi atas eksperimen, serta ketakutan terhadap ketidakpastian yang dibawa oleh inovasi. Di sisi lain, Gen 2 berpotensi menciptakan ketidakseimbangan karena fokus pada eksplorasi pasar tanpa dasar yang kuat dalam struktur bisnis yang sudah ada. Inilah paradoks yang dihadapi oleh banyak bisnis keluarga: keinginan untuk berkembang bertemu dengan ketakutan akan kehilangan identitas dan kontrol.

Akar dari titik buta ini terletak pada perbedaan pola pikir generasional Gen 1 yang mengutamakan kehati-hatian dan stabilitas, sementara Gen 2 menyambut perubahan dan pembaruan. Jurang ini diperlebar oleh kesenjangan pengalaman dan terbatasnya keterlibatan Gen 2 dalam pengambilan keputusan strategis. Hambatan komunikasi, baik karena jarak geografis maupun frekuensi interaksi yang rendah, memperburuk situasi, menciptakan asumsi yang tidak dikonfirmasi dan memperbesar potensi konflik.

Jika tidak ditangani secara strategis, titik buta ini dapat menyebabkan stagnasi bisnis atau bahkan konflik internal yang memperlemah daya saing. Penolakan Gen 1 terhadap inovasi bisa menutup peluang pertumbuhan, sementara inovasi yang tidak terarah dari Gen 2 bisa mengancam loyalitas pelanggan lama. Untuk menjembatani kesenjangan ini, diperlukan dialog terbuka antar-generasi yang dilandasi rasa saling menghargai. Pendekatan terbaik adalah mengembangkan inovasi secara bertahap melalui proyek percontohan berskala kecil yang dapat membangun kepercayaan dan meminimalkan risiko. Pengambilan keputusan secara kolaboratif, dengan memanfaatkan kekuatan dan kelebihan masing-masing generasi, akan menciptakan sinergi antara stabilitas dan pertumbuhan. Selain itu, mendidik Gen 1 tentang tren dan teknologi baru sambil membimbing Gen 2 dalam menjaga nilai-nilai inti bisnis merupakan langkah krusial dalam mengelola transformasi yang selaras.

Dengan mengatasi titik buta ini melalui pendekatan integratif yang peka terhadap dinamika generasional dan kompleksitas inovasi, UMKM tidak hanya akan mampu menjaga keberlanjutan bisnis

keluarga, tetapi juga membangun dasar yang kokoh untuk pertumbuhan jangka panjang di tengah disrupsi pasar yang terus berkembang.

Orientasi Kewirausahaan (EO) dalam Usaha Mikro Kecil dan Menengah (UMKM) Milik Keluarga Berdasarkan BMC

Dalam Usaha Mikro Kecil dan Menengah (UMKM) milik keluarga, Orientasi Kewirausahaan (EO) tercermin dalam elemen-elemen *Business Model Canvas* (BMC), yang menunjukkan perbedaan antara generasi pertama dan kedua dalam pendekatan mereka terhadap bisnis dan inovasi. Generasi pertama mengutamakan basis pelanggan yang stabil dan loyal dari segmen menengah ke atas, dengan fokus pada mempertahankan produk tradisional dan menghindari gangguan pasar. Pendekatan konservatif ini sejalan dengan Yigit et al. (2024), yang menekankan EO dalam bisnis keluarga yang berfokus pada sumber daya yang ada. Sebaliknya, generasi kedua menunjukkan proaktivitas dengan menargetkan Gen Y dan Z, yang tertarik pada elemen modern dalam produk tradisional, seperti yang dicatat oleh Lopes et al. (2023). Hal ini menunjukkan keterbukaan mereka terhadap perubahan pasar dan inovasi.

Dalam hal proposisi nilai, generasi pertama mempertahankan keaslian produk dengan inovasi minor, sementara generasi kedua menggabungkan desain tradisional dan modern, menciptakan nilai baru untuk segmen yang lebih muda. Ini sejalan dengan Alkharafi et al. (2024), yang menyatakan bahwa pengambilan risiko adalah kunci untuk inovasi. Mengenai saluran, generasi pertama lebih memilih metode tradisional seperti pameran, sementara generasi kedua memanfaatkan platform digital seperti media sosial dan e-commerce, mencerminkan kesiapan mereka untuk mengambil risiko di pasar digital, sebagaimana dibahas oleh Bouguerra et al. (2024).

Dalam hubungan dengan pelanggan, generasi pertama menghargai interaksi langsung dan personal, sementara generasi kedua mengutamakan keterlibatan digital untuk menarik pelanggan muda, menekankan pentingnya komunikasi dalam mendukung inovasi Somboonvechakarn et al. (2022). Kolaborasi strategis antara kedua generasi dapat menyeimbangkan EO. Generasi pertama memastikan stabilitas pasar, sementara generasi kedua mendorong inovasi dan ekspansi, seperti yang dicatat oleh Games & Sari (2023). Kolaborasi ini memungkinkan bisnis untuk beradaptasi dengan perubahan pasar dan mempertahankan pertumbuhan dengan menggabungkan nilai-nilai tradisional dengan strategi modern, memastikan keberhasilan jangka panjang dalam lingkungan yang kompetitif.

Konflik Generasi dalam Strategi Bisnis dari Perspektif Miles dan Snow

Dalam Usaha Mikro Kecil dan Menengah (UMKM), sering kali terdapat dilema antara mempertahankan kekuatan yang sudah mapan dan mengeksplorasi peluang baru. Perspektif Miles dan Snow serta konsep *Innovator's Dilemma* dapat membantu menjelaskan dinamika antara generasi pertama yang lebih stabil dan generasi kedua yang lebih fokus pada inovasi. Dengan memahami perbedaan ini, Usaha Mikro Kecil dan Menengah (UMKM) dapat merumuskan strategi yang seimbang untuk keberlanjutan dan inovasi.

1. Strategi Generasi Pertama: Defender

   Generasi pertama memprioritaskan stabilitas dengan mempertahankan segmen pelanggan loyal dan produk tradisional berkualitas tinggi. Mereka menghindari inovasi besar dan mengandalkan saluran distribusi konvensional. Namun, pendekatan ini berisiko menghambat ekspansi dan respons terhadap perubahan pasar.

2. Strategi Generasi Kedua: Prospector

   Generasi kedua lebih eksploratif, mencari peluang baru dengan menargetkan pasar yang lebih muda (Gen Y dan Z) melalui desain produk modern dan saluran digital. Meskipun mereka berani dalam berinovasi, mereka menghadapi tantangan dalam menarik pelanggan baru tanpa mengasingkan pelanggan lama.

3. Pendekatan Analyzer untuk Menyelesaikan Konflik

   Strategi analyzer menggabungkan stabilitas dan eksplorasi. Generasi pertama fokus pada pelanggan loyal, sementara generasi kedua mengembangkan produk untuk segmen yang lebih muda dan menggunakan saluran digital. Pendekatan ini memungkinkan Usaha Mikro Kecil dan Menengah (UMKM) untuk berinovasi tanpa merusak nilai inti dari produk mereka.

4. Risiko Tidak Mengatasi *Innovator's Dilemma*

   Jika konflik generasional tidak dikelola dengan baik, Usaha Mikro Kecil dan Menengah (UMKM) berisiko menjadi reaktif, kehilangan daya saing di kedua segmen pasar, dengan pelanggan lama merasa terabaikan dan pelanggan baru merasa tidak tertarik.

5. Strategi Kolaboratif untuk Mengatasi *Innovator's Dilemma*

   Usaha Mikro Kecil dan Menengah (UMKM) membutuhkan kolaborasi antara generasi pertama dan kedua dengan langkah-langkah sebagai berikut:

   a. Memisahkan produk tradisional dan inovatif.

   b. Menggunakan segmentasi pasar yang jelas untuk kedua segmen.

   c. Menguji inovasi secara bertahap untuk meminimalkan risiko.

   d. Meningkatkan komunikasi antara generasi.

Dengan strategi ini, Usaha Mikro Kecil dan Menengah (UMKM) dapat menciptakan sinergi antara tradisi dan inovasi, membuka jalan untuk keberlanjutan dan pertumbuhan.

Succession Planning di Usaha Mikro Kecil dan Menengah (UMKM) Muda Mandiri

Strategi yang berbeda antara generasi pertama dan kedua pada Usaha Mikro Kecil dan Menengah (UMKM) Muda Mandiri menyoroti tantangan dalam inovasi dan pola bisnis. Berdasarkan temuan penelitian, tantangan utama yang memengaruhi keberhasilan perencanaan suksesi meliputi:

1. Dokumentasi Pengetahuan dan Transfer Keterampilan

   Transfer pengetahuan di Usaha Mikro Kecil dan Menengah (UMKM) ini masih bersifat informal dan sangat bergantung pada pengalaman praktis. Generasi pertama menekankan pembelajaran langsung, sementara generasi kedua kesulitan karena kurangnya dokumentasi

yang sistematis. Hal ini sejalan dengan teori perencanaan suksesi yang menekankan pentingnya dokumentasi untuk memastikan transisi yang efektif (Garvin et al., 2008). Tantangan ini juga sesuai dengan temuan oleh Somboonvechakarn et al. (2022), yang menyoroti pentingnya komunikasi dalam mendukung inovasi selama proses suksesi.

2. Kesenjangan Keterampilan

   Generasi pertama unggul dalam keterampilan operasional yang diperoleh dari pengalaman, sementara generasi kedua membawa kompetensi modern seperti teknologi dan pemasaran digital. Kesenjangan ini menciptakan hambatan dalam integrasi strategi tetapi dapat diatasi melalui pembimbingan dan kolaborasi, seperti yang disarankan oleh Alkharafi et al. (2024).

3. Evaluasi Kualifikasi Kepemimpinan

   Generasi pertama menilai kepemimpinan berdasarkan pengalaman praktis, sementara generasi kedua menekankan pentingnya strategi modern dan adaptasi terhadap tren pasar. Pendekatan evaluasi yang holistik, yang menggabungkan pengalaman operasional dan keterampilan strategis, diperlukan untuk menjembatani perbedaan ini (Games & Sari, 2023).

4. Pengembangan Kepemimpinan

   Generasi pertama memprioritaskan pembelajaran langsung, sementara generasi kedua membutuhkan pelatihan terstruktur untuk mengatasi tantangan modern. Kombinasi pembelajaran berbasis pengalaman dan pelatihan formal dapat membangun keterampilan kepemimpinan yang lebih komprehensif (Udomkit et al., 2023).

5. Perbedaan Budaya Kerja

   Generasi pertama cenderung mempertahankan nilai-nilai tradisional, sementara generasi kedua mendukung inovasi berbasis teknologi. Pendekatan kolaboratif, seperti perubahan bertahap dan komunikasi antar generasi, dapat menyelaraskan perbedaan ini untuk keberlanjutan bisnis (Liu et al., 2024).

6. Strategi Keterlibatan untuk Generasi Berikutnya

   Generasi pertama menggunakan pendekatan bertahap untuk melibatkan generasi kedua, memberi ruang untuk eksplorasi sambil memberikan arahan. Strategi ini mencerminkan pentingnya menyeimbangkan pelestarian nilai tradisional dengan adaptasi terhadap tuntutan pasar modern (Somboonvechakarn et al., 2022).

Perencanaan suksesi yang efektif memerlukan pendekatan kolaboratif yang mengintegrasikan nilai-nilai tradisional dengan inovasi modern. Dengan mendokumentasikan pengetahuan, mengembangkan keterampilan secara holistik, dan memastikan komunikasi antar generasi yang efektif, Usaha Mikro Kecil dan Menengah (UMKM) dapat memastikan kelangsungan bisnis dan relevansinya di era modern.

Perencanaan Suksesi: Akar Tantangan Inovasi dan Keberlanjutan pada Bisnis Keluarga

Dalam banyak bisnis keluarga, perencanaan suksesi bukan sekadar transisi kepemimpinan, tetapi juga merupakan pilar fundamental yang menentukan kelangsungan bisnis di tengah lanskap

industri yang terus berkembang. Sayangnya, perencanaan suksesi sering kali menjadi aspek yang terabaikan, meskipun dampaknya yang luas terhadap inovasi, strategi bisnis, dan keberlanjutan operasional.

1. Terbatasnya Peluang bagi Generasi Berikutnya

    Tanpa mekanisme suksesi yang jelas, generasi berikutnya (Gen 2) sering kali menghadapi keterbatasan dalam kemampuan mereka untuk tumbuh. Dari perspektif orientasi kewirausahaan (EO), mereka tidak dapat sepenuhnya melaksanakan proaktivitas, inovasi, dan pengambilan risiko jika peran mereka dalam bisnis tidak jelas atau kurangnya otonomi yang memadai. Hal ini menyebabkan stagnasi, di mana ide-ide baru yang dapat meningkatkan daya saing tetap tidak terealisasi. Lebih jauh lagi, dalam kerangka Business Model Canvas (BMC), bahkan strategi bisnis yang luar biasa memerlukan pelaksana yang memiliki wewenang dan kesiapan untuk mengimplementasikannya. Jika transisi kepemimpinan tidak disusun dengan baik, pelaksanaan strategi akan menghadapi hambatan besar, terutama dalam hal inovasi model bisnis dan ekspansi pasar.

2. Dinamika Antar-Generasi dalam Bisnis Keluarga

    Sering kali, Gen 1, yang telah membangun bisnis dari awal, cenderung memiliki rasa kepemilikan yang kuat, yang membuat mereka enggan menyerahkan kontrol terlalu cepat. Mereka sering mengharapkan penerus untuk pertama-tama menunjukkan dedikasi mereka sebelum diberikan tanggung jawab yang lebih besar. Fenomena ini menciptakan pola pikir "siswa harus mendekati guru," di mana Gen 1 ingin melihat inisiatif yang nyata dari Gen 2 sebelum secara eksplisit memberikan bimbingan atau menunjuk mereka sebagai penerus. Sebaliknya, Gen 2 sering menghadapi dilema komunikasi. Mereka menyadari pentingnya untuk terlibat aktif dalam manajemen bisnis, terutama mengingat usia Gen 1 yang semakin menua, namun mereka juga khawatir bahwa membicarakan suksesi secara terbuka dapat dianggap terlalu ambisius atau tidak hormat terhadap peran pendiri. Akibatnya, kebuntuan terjadi, yang menghambat transisi kepemimpinan dan membuka bisnis pada risiko terkait hilangnya momentum inovasi.

3. Risiko Keterlambatan Suksesi dan Dampaknya terhadap Keberlanjutan Bisnis

    Tanpa strategi suksesi yang matang, bisnis keluarga menghadapi risiko besar, terutama ketika generasi pendiri tidak lagi dapat mengelola operasional sehari-hari. Dalam konteks Usaha Mikro Kecil dan Menengah (UMKM) Muda Mandiri, yang mengkhususkan diri pada kerajinan kerancang dan sulaman di Bukittinggi, ketergantungan pada pemilik generasi pertama untuk pengambilan keputusan strategis dan pengelolaan operasional menjadi tantangan utama. Dunia bisnis yang terus berkembang, tren konsumen yang berubah, dan kemajuan teknologi memerlukan respons yang cepat dan adaptif. Tanpa adanya regenerasi kepemimpinan yang jelas, bisnis ini berisiko menjadi tertinggal, tidak mampu berinovasi, dan akhirnya kehilangan daya saing. Analogi yang tepat untuk menggambarkan situasi ini adalah kapal yang

dikemudikan oleh kapten berpengalaman selama puluhan tahun. Meskipun sang kapten menguasai setiap arus dan gelombang, tanpa adanya anggota kru yang terlatih untuk mengambil alih, kapal tersebut akan kehilangan arah ketika kapten tidak lagi mampu mengemudikan. Dalam hal Usaha Mikro Kecil dan Menengah (UMKM) Muda Mandiri, tanpa penerus yang siap dan terlatih untuk mengelola transisi kepemimpinan, bisnis ini dapat terjebak dalam stagnasi. Generasi kedua, meskipun memiliki ide dan potensi untuk membawa perubahan, belum sepenuhnya terlibat dalam keputusan strategis atau dilatih untuk mengambil alih kendali sepenuhnya. Tanpa persiapan yang matang dalam suksesi, risiko terbesar adalah terjadinya gangguan yang menghambat keberlanjutan bisnis, termasuk kesulitan dalam menyesuaikan diri dengan pasar yang lebih muda dan dinamis, serta mengadaptasi produk-produk kerancang dan sulaman kepada tren mode yang berkembang. Oleh karena itu, perencanaan suksesi yang efektif sangat penting untuk menjaga kelangsungan dan pertumbuhan bisnis Usaha Mikro Kecil dan Menengah (UMKM) ini.

4. **Menyusun Suksesi sebagai Proses Sistematis**

Rencana suksesi yang ideal bukan hanya tentang menunjuk seorang penerus, tetapi tentang menciptakan mekanisme transfer pengetahuan yang efektif antara generasi. Gen 1 harus memberikan ruang untuk berbagi pengetahuan, sementara Gen 2 harus menunjukkan kesiapan dan komitmen untuk memimpin bisnis dengan visi yang selaras dengan perkembangan zaman. Proses ini harus berlangsung secara bertahap, dimulai dengan keterlibatan Gen 2 yang lebih aktif dalam operasional bisnis, diskusi strategis yang lebih terbuka, dan mekanisme mentoring yang memungkinkan Gen 1 untuk mewariskan pengalaman dan wawasan mereka. Dengan komunikasi yang lebih fleksibel dan rencana yang terstruktur, suksesi dapat berfungsi sebagai jembatan untuk inovasi, keberlanjutan bisnis, dan kelanjutan nilai-nilai keluarga. Dengan demikian, perencanaan suksesi bukan sekadar faktor pendukung dalam inovasi dan pertumbuhan bisnis, melainkan fondasi utama yang menentukan apakah sebuah bisnis keluarga akan terus berkembang atau berhenti hanya dalam satu generasi.

KESIMPULAN DAN SARAN

Kesimpulan dari pembahasan ini menunjukkan bahwa sinergi antara generasi pertama dan kedua merupakan faktor kunci dalam mengatasi tantangan inovasi serta memastikan keberlanjutan bisnis pada Usaha Mikro Kecil dan Menengah (UMKM) Muda Mandiri yang bergerak dalam kerajinan kerancang dan sulaman di Bukittinggi. Generasi pertama yang berfokus pada stabilitas dan loyalitas pelanggan lama berperan penting dalam menjaga kesinambungan jangka pendek. Di sisi lain, generasi kedua yang lebih terbuka terhadap inovasi dan eksplorasi pasar baru membawa semangat pertumbuhan jangka panjang yang sangat dibutuhkan dalam menghadapi era disrupsi. Namun, yang paling penting dalam konteks ini adalah adanya perencanaan suksesi yang terstruktur. Suksesi bukan hanya tentang alih kepemimpinan secara administratif, melainkan tentang alih nilai, pengetahuan, serta visi bisnis yang memungkinkan terjadinya transformasi yang tidak meninggalkan akar tradisi. Tanpa perencanaan

yang matang, bisnis keluarga akan kesulitan bertahan dalam menghadapi dinamika pasar yang terus berubah. Oleh karena itu, dokumentasi pengetahuan dan pelatihan generasi penerus menjadi langkah strategis yang perlu diprioritaskan agar kesinambungan nilai dan inovasi dapat berjalan beriringan.

Kekhasan dari studi ini terletak pada kenyataan bahwa UMKM Muda Mandiri menghadapi tantangan ganda: mempertahankan nilai-nilai tradisional produk kerancang dan sulaman yang sarat budaya, sembari beradaptasi dengan kebutuhan pasar yang semakin muda dan berbasis digital. Hal ini mencerminkan pentingnya pendekatan hibrida dalam strategi bisnis—yakni kemampuan untuk menggabungkan kekuatan tradisional dengan sentuhan modern agar bisnis tidak hanya bertahan, tetapi juga berkembang. Temuan ini sejalan dengan hasil penelitian Al Mamun & Fazal (2018) yang menegaskan bahwa orientasi kewirausahaan (*entrepreneurial orientation/EO*) berperan penting dalam meningkatkan kompetensi dan kinerja UMKM, khususnya dalam konteks perubahan pasar yang cepat. Begitu pula dengan studi Alkharafi et al. (2024) yang menyoroti pentingnya EO di negara berkembang, yang dalam konteks ini tercermin dari upaya generasi kedua untuk mengadopsi digitalisasi sambil tetap menghormati nilai tradisi. Selain itu, penelitian ini juga memperkuat temuan dari Rahim et al. (2024) yang menunjukkan bahwa keberlanjutan bisnis keluarga sangat dipengaruhi oleh peran aktif dari generasi penerus, dukungan kebijakan pemerintah, serta sinergi kolaboratif antarpihak. Dalam konteks UMKM Muda Mandiri, ketiga aspek ini hadir dalam bentuk partisipasi generasi kedua, inisiatif digitalisasi, serta potensi kerjasama dengan komunitas dan institusi lokal. Penelitian Rahim et al. juga menekankan pentingnya mempertimbangkan faktor usia perusahaan dan gender sebagai moderator dalam proses suksesi dan keberlanjutan, yang mana menjadi refleksi menarik bagi UMKM di wilayah budaya matrilineal seperti Minangkabau, tempat perempuan berpotensi memainkan peran kunci dalam transisi kepemimpinan.

Implikasi dari penelitian ini bagi pengelolaan UMKM adalah pentingnya membangun komunikasi lintas generasi yang terbuka dan produktif. Perbedaan perspektif seharusnya tidak menjadi hambatan, tetapi justru menjadi kekuatan dalam pengambilan keputusan strategis. Generasi kedua perlu diberikan ruang untuk bereksperimen dan belajar mengelola inovasi, dengan tetap mendapatkan bimbingan dari generasi pertama yang memiliki pengalaman dan pengetahuan mendalam tentang akar bisnis. Dalam hal ini, dokumentasi praktik bisnis, proses produksi, dan nilai-nilai inti perusahaan perlu dilakukan secara sistematis agar dapat menjadi pedoman bagi generasi berikutnya. Strategi pemasaran juga perlu diarahkan ke ranah digital, guna menjangkau konsumen yang lebih muda dan luas, tanpa kehilangan karakter khas produk yang menjadi identitas UMKM tersebut.

Namun demikian, penelitian ini memiliki keterbatasan. Fokus yang hanya tertuju pada satu studi kasus UMKM di sektor kerajinan tradisional di Bukittinggi membuat hasilnya belum dapat digeneralisasikan ke konteks UMKM keluarga lain di sektor atau wilayah yang berbeda. Selain itu, karena menggunakan pendekatan kualitatif, hasilnya bersifat interpretatif dan sangat bergantung pada narasi informan serta persepsi peneliti. Penelitian ini juga belum menggali secara menyeluruh pengaruh faktor eksternal seperti kebijakan pemerintah, dinamika pasar global, dan peran komunitas lokal

terhadap keberlanjutan UMKM keluarga. Di samping itu, aspek gender, khususnya peran perempuan dalam proses suksesi pada masyarakat matrilineal seperti Minangkabau, belum menjadi fokus utama padahal memiliki potensi besar untuk dipelajari lebih lanjut.

Untuk memperkaya pemahaman dan memperkuat generalisasi temuan, penelitian selanjutnya disarankan untuk menggunakan pendekatan campuran dengan menggabungkan data kuantitatif dan kualitatif. Studi komparatif antar-UMKM di sektor berbeda dan wilayah lain juga dapat memberikan gambaran yang lebih luas mengenai dinamika EO, perencanaan suksesi, dan keberlanjutan bisnis keluarga. Selain itu, penting pula untuk mengeksplorasi lebih dalam bagaimana faktor eksternal serta dinamika peran gender membentuk arah transformasi bisnis keluarga dalam mempertahankan warisan sekaligus menciptakan inovasi.

DAFTAR PUSTAKA

Al Mamun, A., & Fazal, S. A. (2018). Effect of entrepreneurial orientation on competency and micro-enterprise performance. *Asia Pacific Journal of Innovation and Entrepreneurship*, *12*(3), 379–398. https://doi.org/10.1108/APJIE-05-2018-0033

Alkharafi, N., Alsaber, A., & Alnajem, M. (2024). Exploring entrepreneurial orientation in an emerging economy. *Journal of Innovation & Knowledge*, *9*(4), 100553. https://doi.org/10.1016/j.jik.2024.100553

Bouguerra, A., Cakir, M. S., Rajwani, T., Mellahi, K., & Tatoglu, E. (2024). MNEs engagement with environmental sustainability in an emerging economy: Do dynamic capabilities and entrepreneurial orientation matter? *International Business Review*, 102298. https://doi.org/10.1016/j.ibusrev.2024.102298

Chopra, S. (2019). *Supply chain management: Strategy, planning and operation* (Seventh edition). Pearson Education.

Christensen, C. M., McDonald, R., Altman, E. J., & Palmer, J. E. (2018). Disruptive Innovation: An Intellectual History and Directions for Future Research. *Journal of Management Studies*, *55*(7), 1043–1078. https://doi.org/10.1111/joms.12349

Games, D., & Sari, D. K. (2023). Role of Female Successors in Family Business Innovation: Some Insights From the Largest Matrilineal Muslim Society. *SAGE Open*, *13*(4), 21582440231210501. https://doi.org/10.1177/21582440231210501

Garvin, D. A., Edmondson, A. C., & Gino, F. (2008). *Is Yours a Learning Organization?*

Khodor, S., Aránega, A. Y., & Ramadani, V. (2024). Impact of digitalization and innovation in women's entrepreneurial orientation on sustainable start-up intention. *Sustainable Technology and Entrepreneurship*, *3*(3), 100078. https://doi.org/10.1016/j.stae.2024.100078

Kotler, P., & Keller, K. L. (2016). *Marketing management* (15 [edition]). Pearson.

Lazarte-Aguirre, A. (2024). Pathways to sustainable entrepreneurship: Analysing drivers of sustainable entrepreneurial orientation. *Sustainable Technology and Entrepreneurship*, *3*(3), 100081. https://doi.org/10.1016/j.stae.2024.100081

Liu, P. C. Y., Zhu, F., & Wang, J. (2024). The apple doesn't fall far from the tree: Parenting styles and its effects on family business succession intentions. *Journal of Business Research*, *172*, 114429. https://doi.org/10.1016/j.jbusres.2023.114429

Lopes, H., Rodrigues, V., Leite, R., & Gosling, M. (2023). Business Model Canvas and Entrepreneurs: Dilemmas in Managerial Practice. *Brazilian Business Review*, *20*(3), 260–280. https://doi.org/10.15728/bbr.2023.20.3.2.en

Osterwalder, A., Pigneur, Y., & Clark, T. (2010). *Business model generation: A handbook for visionaries, game changers, and challengers*. Wiley.

Pahnke, A., Schlepphorst, S., & Schlömer-Laufen, N. (2024). Family business successions between desire and reality. *Journal of Business Venturing Insights*, *21*, e00457. https://doi.org/10.1016/j.jbvi.2024.e00457

Rahim, R., Husni, T., Desyetti, D., & Ryswaldi, R. (2024). Role of Successor, Government Policy, and Collaboration Synergy on Sustainability Family Business: Moderation of Gender and Firm Age. *Business Perspectives and Research*, 22785337241239439. https://doi.org/10.1177/22785337241239439

Somboonvechakarn, C., Taiphapoon, T., Anuntavoranich, P., & Sinthupinyo, S. (2022). Communicating innovation and sustainability in family businesses through successions. *Heliyon*, *8*(12), e11760. https://doi.org/10.1016/j.heliyon.2022.e11760

Udomkit, N., Schreier, C., & Kittidusadee, P. (2023). Methods of social network transfer in Thai family business succession. *Asia Pacific Management Review*, *28*(4), 510–518. https://doi.org/10.1016/j.apmrv.2023.03.002

Wales, W. J., Covin, J. G., & Monsen, E. (2020). Entrepreneurial orientation: The necessity of a multilevel conceptualization. *Strategic Entrepreneurship Journal*, *14*(4), 639–660. https://doi.org/10.1002/sej.1344

Wang, C., Fang, Y., & Zhang, C. (2022). Mechanism and countermeasures of "The Innovator's Dilemma" in business model. *Journal of Innovation & Knowledge*, *7*(2), 100169. https://doi.org/10.1016/j.jik.2022.100169

Yigit, F., Rantamäki-Lahtinen, L., & Sipiläinen, T. (2024). How does perception of success change between family and solo farmers: A perspective from strategic resources and entrepreneurial orientation. *Journal of Rural Studies*, *110*, 103359. https://doi.org/10.1016/j.jrurstud.2024.103359

Preliminary Study on the Dynamics of Food Delivery Driver

Fitri Safira

Sekolah Tinggi Manajemen PPM
Jl. Menteng Raya No.9, Kb. Sirih, Kec. Menteng, Jakarta Pusat 10340, Indonesia
ffa@ppm-manajemen.ac.id

How to cite: Safira, F. (2025). Preliminary study on the dynamics of food delivery driver. *Journal of Emerging Business Management and Entrepreneurship Studies, 5(1),* 66–81. https://doi.org/10.34149/jebmes.v5i1.186

ABSTRACT
While previous studies have explored the intersection of flexibility and algorithmic control in gig work, there is a notable gap in understanding how drivers strategically manage their idle time, balancing personal autonomy and platform constraints. Additionally, while research has primarily focused on ride-hailing drivers, the experiences of food delivery drivers remain underexplored though it has a unique work environment. This study explores how food delivery drivers in Jakarta manage their daily routines and idle time within the gig economy using a qualitative approach combining non-participatory observations and interviews. The research reveals how drivers navigate idle periods and develop scheduling strategies while working through food delivery apps, shedding light on their time use and work dynamics in this unique context. The findings show that there is a complex interconnection between time, space, and activity, of drivers' idle time behavior. Furthermore, the research challenges the idea of complete freedom and flexibility in gig work as the scheduling system, designed to reduce idle time, limits drivers' freedom and flexibility. The result of this study could help platform operators refining their algorithms and support systems to better align driver autonomy with platform objectives, which could improve driver productivity, wellbeing, and satisfaction.

Keywords:
Choices, decision making, food delivery application, gig economy, gig worker

INTRODUCTION

The gig economy has emerged as a disruptive force in global labor markets, transforming traditional employment relationships into more flexible, on-demand arrangements. This model is frequently celebrated for offering greater freedom and flexibility compared to the rigid nature of conventional 9-to-5 employment. This flexibility is often cited as a key benefit, enabling them to align their work with personal schedules and preferences. For example, unlike traditional taxi services, ride-hailing platforms, as a part of gig economy ecosystem, allow drivers to select their working hours and choose which ride requests to accept, fostering a sense of autonomy and control (Li, 2023). In addition, Berger et al. (2019) note that the perceived ability to manage one's own schedule contributes to higher subjective wellbeing among gig workers.

Emerging research suggests that the experience of gig workers is more complex than the promise of autonomy implies. Despite the rhetoric of freedom, the operational frameworks of these platforms often impose constraints on drivers through algorithmic management to maintain

productivity. The trade-off between freedom and productivity is rarely discussed in depth. Additionally, aspects related to this trade-off, such as how workers manage their idle time, make decisions, and navigate their daily routines, remain underexplored. This study aims to fill this gap by investigating the dynamics of food delivery drivers within the gig economy ecosystem, with the goal of understanding how they manage their day, handle idle periods, and structure their broader work routines.

While previous study focused on ride-hailing drivers, there is limited study focusing on food delivery drivers. Both ride-hailing drivers and food delivery drivers often experience traffic congestion during their routines, food delivery and ride-hailing drivers face different challenges in their work environments. Food delivery drivers often struggle with parking issues, long waiting for food preparation, and ensuring the food safety during transit. They may also encounter problems in finding pick-up and delivery location, especially in crowded or hard-to-navigate areas.

Besides these technical challenges, food delivery drivers in the gig economy face other notable challenges, including unstable income, lack of job security, and absence of benefits like health insurance (Salleh et al., 2023). They often work long hours, experience fatigue, and struggle with financial instability (Salleh et al., 2023). Safety risks, customer harassment, and rising operational costs are additional concerns (Du Toit & Phumzile, 2024). The complex nature of delivery work involves entangled physical, digital, social, and natural factors (Ma et al., 2023). Many drivers work 8-10 hours daily, with some working late nights for extra income (Jain & Sethi, 2024). Weekly earnings range from 2000 to 5000 rupees, but platform fees and personal expenses leave little for savings (Jain & Sethi, 2024).

The food delivery gig economy employs algorithmic management through digital platforms, offering workers perceived autonomy and flexibility (Sigroha & Kapoor, 2024). However, this autonomy is closely monitored and controlled by algorithms that govern workers' activities through instructions, ratings, and reviews. These mechanisms significantly impact workers' autonomy, job satisfaction, and labor rights. These algorithmic systems, ranging from customer rating mechanisms to dynamic pricing algorithms, also directly and indirectly influence driver behavior to meet platform objectives, not necessarily the drivers' preferences (Marquis et al., 2018). Wood et al. (2018) similarly highlight how algorithmic management can create paradoxical conditions in which drivers experience both flexibility and control, often leading to low wages, irregular hours, social isolation, and exhaustion.

Another important aspect of gig work which remains underexplored is how drivers utilize their idle time, the periods between ride requests or the waiting period during the low-demand hours. Ma et al. (2022) found that ride-hailing drivers, on average, exhibit higher capacity utilization than traditional taxi drivers, suggesting that platform algorithms are effective in minimizing idle time. However, drivers still experience frequent periods of waiting, particularly during off-peak hours or in locations with low passenger demand. What drivers choose to do during these idle moments is an important component of their overall work strategy and directly affects their productivity, earnings, and wellbeing.

While some drivers use idle time for rest, social interactions, or personal tasks, others engage in activities aimed at improving their economic outcomes. These include repositioning to high-demand areas, monitoring multiple platforms simultaneously (multi-apping), or analyzing patterns in demand surges. Additionally, some drivers use idle periods to reflect on ride selection criteria, such as expected tip amounts, pickup distances, or the likelihood of receiving bonuses (Ashkrof et al., 2022). Likewise, Arora et al. (2024) found that drivers' relocation decisions significantly impact their performance and earnings, with a one-kilometer increase in relocation distance leading to decreases in order assignments, speed, and earnings. Only 25% of relocations were found to be balance-enhancing, with drivers often prioritizing familiar areas despite negative consequences. These actions reflect continuous negotiation between personal freedom and algorithmically influenced incentives, illustrating the nuanced ways drivers manage their time and optimize their performance.

Although prior research has explored the nexus between flexibility and algorithmic control, few studies have systematically examined the behavior of drivers and their strategy during idle time. In gig ecosystem, idle time directly affects gig workers' earnings. Idle time represents periods when workers are not engaged in paid work. Hence, if drivers have long period of idle time, there is a relatively high probability that they will lost higher earnings. Understanding these strategies on idle time can shed light on how drivers balance financial goals, personal autonomy, and platform constraints.

A recent study from Chen et al. (2025) revealed how online food delivery drivers make decision whether to accept or decline orders. The study elaborates that drivers decide whether to accept an order based on potential earnings, which are higher with a higher pay rate or in busy areas. After arriving at the restaurant, they reassess by considering how long they will have to wait for the next order. Waiting time is longer with a more time-consuming order or higher pay, and shorter with more nearby restaurants or busy areas. Orders are considered being good or poor based on the pickup and drop-off areas being busy and wait time at the restaurant.

In the discourse of gig economy, one theory that could be used to understand the dynamics of this issue is the Job Demand-Resources (JD-R) model developed by Arnold Bakker and Evangelia Demerouti. This model generally highlights the impact of job demands and resources on employee wellbeing and performance. It suggests that high job demands and low resources can lead to stress and burnout, while high resources can buffer the negative effects of demands and improve work engagement and motivation. The JD-R model is a widely used framework for examining work engagement and wellbeing (Lee, 2024). It is highlighted by the Conservation of Resources theory, which posits links between job demands, resources, and various work outcomes (Bon & Shire, 2022). The JD-R model has been applied to the gig economy context, where factors like workload, time pressure, job autonomy, and social support are considered alongside personal resources like psychological capital (Lee, 2024). In gig work, key job characteristics include precarity (job insecurity) and flexibility (job autonomy), which can impact workers' psychological wellbeing (Tara & Iqbal, 2023).

This study aims to explore the dynamics of food delivery drivers as part of the gig economy ecosystem. Through this research, we would like to understand how food delivery drivers go about their day, navigate idle periods and their broader work routines. In doing so, we aim to contribute to the ongoing discourse on labor dynamics in the gig economy, offering a more comprehensive view of autonomy, productivity, and the lived realities of gig workers. This research also challenges the simplified narratives of gig work flexibility and highlights the trade-off, and sometimes constrained, choices drivers must make to sustain their livelihoods.

RESEARCH METHODS

This study aims to explore the dynamics of food delivery drivers, such as how food delivery drivers manage the ebb and flow of their day, their idle periods and their overall work routines. A qualitative approach, combining observation and interviews, is employed to understand the dynamics of food delivery drivers within the gig economy sector. By using this approach, the study able to uncovers the unique story, challenges and opportunities faced by food delivery drivers. For instance, Penner et al. (2024) highlight the distinct barriers faced by gig workers with disabilities, requiring tailored support, while Webster & Zhang (2020) show how immigrant women use gig work as a pathway to entrepreneurship despite structural constraints. Additionally, qualitative research captures interpersonal dynamics and emotional experiences, often overlooked in quantitative studies. Moreover, it provides a deeper understanding of gig workers' lived experiences. Mohamed & Mat (2023), for example, demonstrate how workers adapt to shifting expectations post-pandemic, emphasizing the value of human-centered research for responsive policy and practice.

In this preliminary study, two non-participatory observations and two interview sessions were conducted. The purpose of the observations was to gain a general understanding of how food delivery drivers conduct their daily activities, including both active delivery work and idle time. Active delivery work refers to when drivers are *actively* delivering food. This can be seen from their behavior such as bringing food package from food merchants, placing the food package onto their motorcycle and riding their motorcycle away. Idle period refers to when drivers are *not actively* delivering food.

The observations took place around food merchants along Jalan Tebet Raya and the area around Tebet Station adjacent to Jalan KH Abdullah Syafei in Tebet, South Jakarta on October 13th 2024 at 1:17 PM – 2:00 PM and 2:00 PM – 2:30 PM respectively. This area was specifically chosen because there are many food delivery drivers idling and commuting around the area throughout the whole day, creating a dynamics that making it suitable for observation site. Key points of observation includes the number of drivers present near food merchants, the duration they wait to receive new orders, their general behavior, and how they manage their time while waiting.
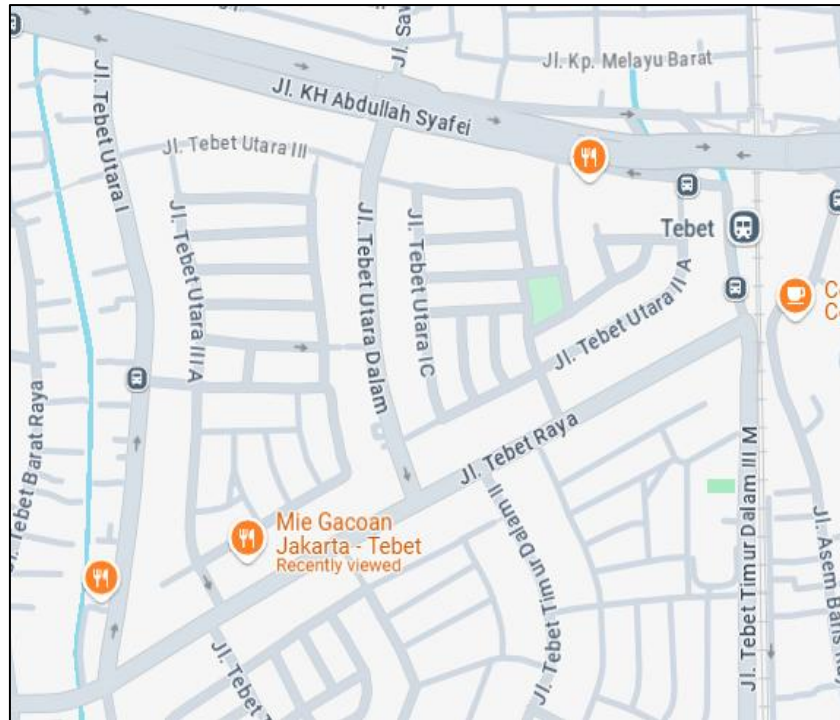
Figure 1. Area of Observation
Source: Screenshot of Google Maps (2024)

Following the observations, in-depth interviews were conducted with the objective of deep diving based on the observation results and understanding how drivers go about their day and how they make scheduling decision. For this interview, we selected two participants using a purposeful, random approach (Creswell, 2007) with one criterion: drivers on gig platform who deliver food. We believe that participants with this criterion will be able to tell their story and experience as food delivery drivers in the gig economy ecosystem hence proving us with meaningful information for the study. We assume the number of food delivery drivers who are actively working to be enormous, so, we randomly choose food delivery drivers as we see fit which according to Creswell (2007) could add credibility to sample.

There are some challenges in recruiting participants. Potential participants were very hesitant to be interviewed due to concerns that their voices and opinions might be reported to ride-hailing and food delivery companies, fearing it could negatively impact their jobs. So, on this preliminary study, we were able to find two persons who are willing to be interviewed with one condition: they did not give permission for voice recording and visual recording (photo or video). During these interviews, participants were asked several questions about how they make decisions when choosing their scheduling schemes, the duration of their working hours, how they spend their day, and how they navigate their idle time between active periods. Two participants were included in this study, they are, not in their real name, Ian (male, 24 years old) and Tri (male, 45 years old) who work with Grab platform. We conducted the series of interviews on October 25th and 26th 2024. Each interview lasts for about 30 – 60 minutes.

The data in this study consist of photographs taken during the non-participatory observations, field notes, and interview notes. As both interviewees did not consent to any form of recording, including photos, voice recordings, or video recordings. Therefore, the data that we collected was only through field notes, interview notes, and observation photographs. The validity and reliability of this research is maintained through methods triangulation; that is, by combining our observations data and interview data. Two researchers were involved in this study during research formulation, data collection, and data analysis stage as an effort in maintaining objectiveness.

There is no universally accepted procedure for qualitative research, as the process may vary depending on the context and complexity of the study. According to Mezmir (2020), qualitative data analysis generally involves four stages: familiarization, data reduction, data display, and report writing. In the first stage, familiarization, researchers must become acquainted with the diverse data collected. During this stage, we re-read the observational field notes and interview notes, identifying key issues, concepts, and themes emerging from the data. Qualitative research often produces more data than is needed for the final report, so data reduction involves narrowing the data using frameworks, research questions, and instruments. This process includes summarizing, coding, identifying themes, and writing stories. Since qualitative data are often unstructured, displaying the data means gradually transforming raw, disorganized data into a recognizable conceptual scheme. The final stage, report writing, involves analyzing the data by making sense of it and explaining how it relates to the research topic, drawing out key insights, patterns, or processes from the data.

In this study, the data analysis process begins with familiarizing ourselves with the data. We then identify the key issues emerging from the photographs and notes through open coding and categorizing and rich, thick description. We attempt to make sense of the data by creating a schematic diagram to shows how each issue or theme is interconnected. From this analysis, we draw insights and patterns in an attempt to draw meaningful conclusions.

RESULTS AND DISCUSSION
Results

The results of this study are synthesized from both the observations and interview sessions. Several key issues were identified through open coding, which was the first cycle of the analysis. The analysis is proceeded with assigning themes for each category of the issues that were identified. We then present how food delivery drivers spend their day (i.e., their work routine), the trade-off in their scheduling decision-making processes, and their behavior during idle time in the following subsections.

Results for observation

Through our observations notes we listed several issues emerging from the data. We observed approximately 20 drivers around the observation site (Jalan Tebet Raya area) with diverse idle duration and activities. The table below summarizes the issues related to idle time behavior which then being categorized into three themes: space, duration, and activities.

Table 1. Open Coding and Themes

Point of Observation	Open Coding	Themes
Where drivers are idle	Under big tree	Space/location
	Under shades	
	Nearby food and beverages sellers	
	On a sidewalk bench	
How long drivers are seemed idle	Idle for > 30 minutes	Long duration
	Idle for 5 – 10 minutes	Short duration
What drivers do during their idle period	Eating, drinking	Activity
	Napping	
	Waiting to pick up orders	
	Smoking	
	Scrolling through social media	
	Watch video (such as YouTube)	
	Paling games on the phone	
	Talk with fellow drivers	

A variety of locations, such as being "under a big tree," "under shades," close to "food and beverage sellers," or sitting "on a sidewalk bench," are included in the open coding and categorized to the theme of "space or location." Regarding "duration," the codes draw attention to times when drivers are not moving, for more than 30 minutes or for five to ten minutes. Drivers' idle activities, such as "waiting to pick up orders," "eating or drinking," "napping," "scrolling through social media," "watching videos (e.g., YouTube)," "playing games on the phone," and "talking with fellow drivers," are all categorized into the "activity" theme. These themes and codes provide insights into the balancing act between work, rest, and social interaction by capturing the range of ways drivers manage their time when they are not actively working.

Figure 2. Drivers' idle location

Based on this observation result, we would like to deep dive into duration aspect of this idle behavior. We initially defined the idle period as the period when drivers are *not* actively working. Given this observation results, idle time might has different meanings. Drivers' idle time can represent a period of opportunity loss, including both longer waiting times for orders and the time spent waiting to receive new orders, in addition to intentional breaks when they are not actively working.

Results from Interviews

Built on the observations result, in-depth interviews were carried out with two participants. The objective of the interview is to further analyze the observation results, especially on the idle time duration, and gain a better understanding of how drivers navigate their day and make scheduling decisions. Rich, thick description is used to present and analyze the findings and extracting the main themes. Each subsection below describes three key themes related to the food delivery drivers: work routine, scheduling choices ("slot" vs regular schedule), and idle time behavior.

Work Routine of Food Delivery Drivers

The day starts early for Tri and Ian, who begin their work at 6 AM. They prefer to take ride orders, capitalizing on the high demand from customers heading to work. By 11 AM, they shift their approach. While Ian continues to take ride orders, Tri changes his focus to food delivery, taking "slot" or shift on Grab for food orders. This slot lasts for four hours, from 11 AM to 2 PM. As the day progresses, Tri becomes busier, receiving frequent rapid orders as he is on slot. His busy schedule makes him deliver food nonstop. Sometimes he has to skip lunch and work late. In contrast, Ian balances his workload by taking a long break from 1 PM to around 3:30 or 4 PM, resting at home. He never likes to drive at noon. Ian said, *"I never like to work at noon, the weather is hot, and it is very exhausting to drive under the scorching sun."* Ian's recharging activity includes having lunch, praying (performing salah), then he takes a nap. By 5 PM, the workday begins again. Tri continues working under his slot system until about 7 PM, after which he reverts to taking regular (non-slot) orders. Meanwhile, Ian has finished his break and is ready to return to regular food deliveries. Both drivers wrap up their day by 11 PM and head home.
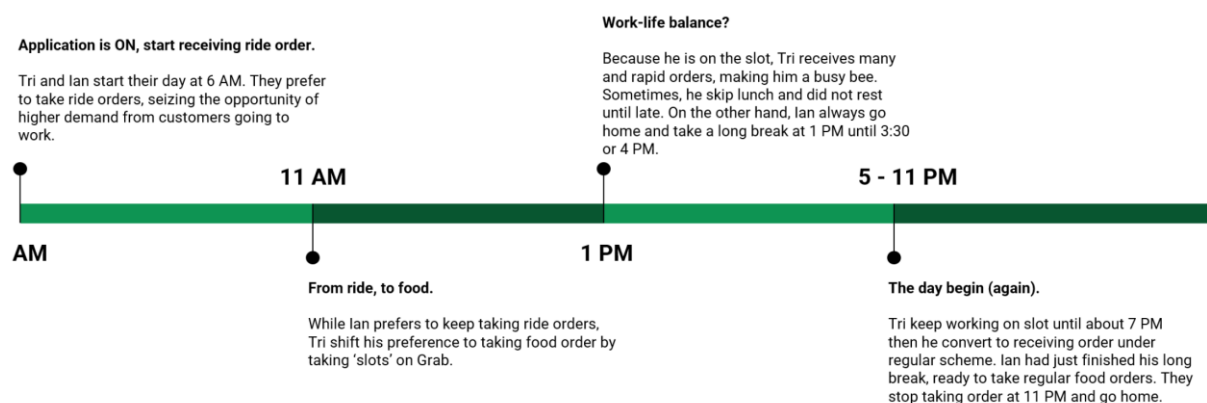

Figure 3. A day in drivers' life

General Drivers' Idle Time Behavior

The different scheme between regular and slot schedule creates different idle time duration as each framework structures work and break differently. The regular schedule follows a long, diverse, unpredictable pattern, whereas the slot schedule enables for less and more predictable idle time. In order to understand drivers idle time behavior, we first conducted non-participatory observations which were followed by interviews. From our observations, drivers often exhibit similar patterns during idle periods. They typically rest under the shades, e.g., under large trees near street-side food, near beverage establishments such as beverages seller on a bike or "starling" and small food kiosk or "warung". They also either sit on their motorcycles, on benches, or at the sidewalk. During these breaks, we observed their common activities include smoking, eating or drinking, browsing social media or playing games on their phones, and interacting with other drivers such as having small talks or conversations. During our observation, we noted over 20 drivers, some remaining idle for more than 30 minutes, while others stayed for shorter periods (around 5–10 minutes). We assume that those with brief idle times are either receiving new orders quickly or making a short stop to pick up food from the merchant. We differentiated these two activities by observing driver behavior: some would park their motorcycles, check their phones, drink water, then put on their helmets and leave, suggesting a quick turnaround between orders. Others, however, parked their motorcycles, entered a specific food merchant, returned to their vehicle, and then departed, indicating a pick-up task at that location. To further understand the idle time behavior, we followed up the observation with interviews deep diving into the three factors we found from the observations. We found that drivers idle time is shaped by three factors: *time*, *space*, and *activity* which are intertwined with one another.
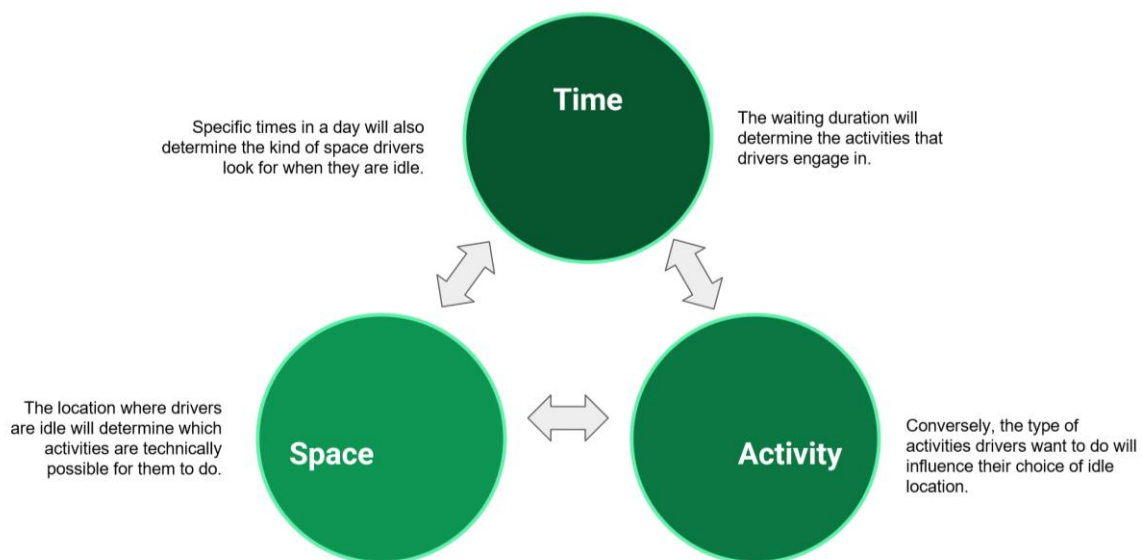

Figure 4. The intertwined between time, space, and activity

The diagram in Figure 4 shows the interconnection between time, space, and activity which shaping the behavior of drivers during their idle periods. Specific times of the day influence the type of space drivers seek when they are idle. For instance, the time of day can affect whether drivers choose

to wait in places closer to food merchants or other locations based on their needs and preferences. The duration of their wait also determines what activities the drivers do during idle time, as longer idle times will often lead to drivers engaging in various activities, such as using their phones or playing video games on their phones, eating, or resting. Meanwhile, the space or location where drivers choose to wait impacts which activities are feasible for them. For example, some spaces may offer benches for rest, while others may not be suitable for sitting or eating. Conversely, the activities that drivers choose to engage in will also influence their choice of idle location, as they may seek areas conducive to their preferred activities, such as places with food vendors or quiet corners for relaxation.

Where do drivers spend their idle time? Drivers experience two types of idle periods: long and short durations. Long idle times occur when drivers intentionally take a break and are not receiving orders. During these breaks, drivers often rest at home, enjoy a proper nap, have lunch, or pray (salah). On the other hand, short idle times happen when drivers are waiting for orders to complete or waiting for new orders. During these shorter breaks, drivers typically find spaces like *warungs* (local food stalls) to quickly grab cold drinks and snacks, or mosques where they can take a quick nap, charge their phones, and pray (salah). Some drivers also spend their idle time under a tree, taking a brief rest under the shade and drinking water, while others stop at a gas station to take a toilet break or fill up on gas.

The nature of these idle periods also influences the activities drivers engage in. During long idle times, drivers take the opportunity to recharge by charging their devices, taking a proper nap, having lunch, or praying. These breaks allow them to rest and refresh. In contrast, during short idle times, drivers often engage in activities such as browsing social media, replying to messages, drinking water, taking a quick power nap, or watching videos. These activities help pass the time as they wait for their next order.

"Slot" vs "Regular" Schedule

In our interview with the participants, we asked about how long their usual idle time. Tri did not answer the question right away and asked, *"It depends on what idle period you are referring to, is it idle period when we are on slot or regular schedule?"*

Tri then explained the difference between "slot" and regular schedule. The term "slot" is actually referring to the Grab Shift feature which allows drivers to choose time slots and work areas from various available options. Shift offers additional incentives per trip and/or guaranteed minimum rates per shift and nudge drivers to keep taking orders. Drivers can plan and determine the timing and location for receiving orders. Drivers who pick a "slot" or shift will be prioritized to receive orders, resulting in less idle time between orders. However, the fee per order is actually lower than for regular drivers (those who do not pick a shift). Regular drivers also tend to experience longer waiting times between orders as they are not prioritized to receive orders. Tri said, "If we take the slot, the orders keep coming nonstop, we don't stop. It's just that the fare is low."

The choice between "slot" or regular schedules is also influenced by the drivers' characteristics. In the case of Ian, a single and young driver, he never uses the slot scheme. He is comfortable with a

higher level of unpredictability, as he can adapt to fluctuations in order demand and income. This flexibility allows him to adjust his work hours and take orders based on real-time opportunities. Ian's willingness to work under such uncertain conditions reflects his lower need for financial stability and his ability to tolerate the risks of not knowing exactly when or where his next order will come from and how much he will earn in a day.
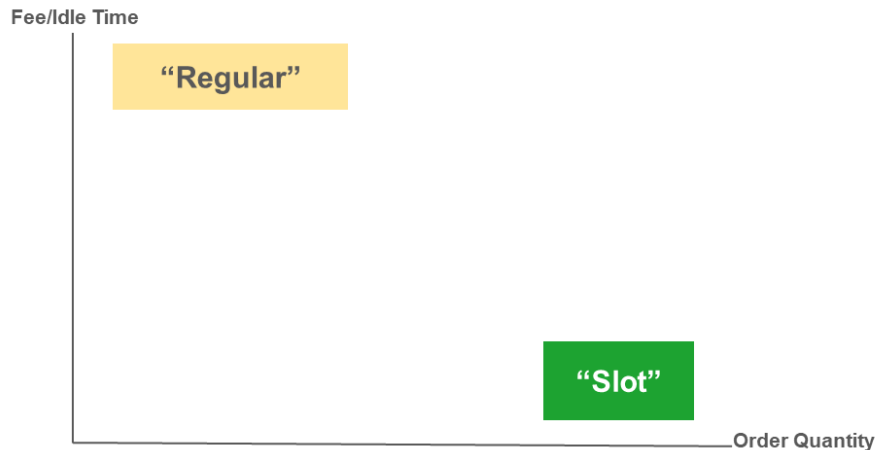

Figure 4. Trade-off between "slot" and "regular" schedules

On the other hand, Tri, who is much older than Ian and married, prefers the structure and security that the "slot" system offers. He always opts for slots during certain period of time, usually during the lunch period when demand is higher and more predictable. By choosing the slot, Tri guarantees himself a steady flow of orders during this high-demand time, reducing income uncertainty. This certainty is necessary for Tri, who likely has additional responsibilities and financial commitments, such as providing for his family. By working within a scheduled period, Tri can better manage his earnings and ensure that he meets his financial needs for the day.

Discussion

Scheduling Type Effect: Trade-off between flexibility and income certainty

Learning how drivers went about their day and their decision to choose slot, or regular schedule provides a deeper understanding of the trade-off between productivity and freedom. The "slot" system on ride hailing platform allows drivers to prioritize certain work hours, reducing idle time by ensuring they are continually receiving orders. However, this "slot" system is contrasts with the experience of regular drivers, who may face longer wait times and higher variability in earnings. The choice between taking a "slot" and opting for regular orders not only impacts their earning potential but also influences how drivers spend their idle time, as those on a "slot" experience less idle time and more consistent work. Furthermore, on a more philosophical perspective, this has blurred the idea of freedom and flexibility which are offered by gig work. Under the "slot" system, drivers are no longer free and flexible as they are bounded by the shift schedule and are nudged by the algorithm to keep taking orders. As coined by Marquis et al. (2018), Salleh et al. (2023), and Wood et al. (2018), platform operational frameworks frequently employ algorithmic management to constrain drivers, such as dynamic pricing

algorithms and customer ratings which leads to a paradoxical situation where drivers feel both in control and flexible yet resulted in low pay, erratic schedules, social isolation, and fatigue.

Drivers Profile and Work Preferences

Taking on a different perspective, the difference in approach of choosing slot versus regular schedule in the case of Ian and Tri highlights how personal circumstances, such as age, family status, and financial responsibilities, shaping their view on general certainty/uncertainty and affect drivers' preferences for income certainty. While Ian's flexibility allows him to work with the fluctuation of demand, Tri's need for stability drives him to seek out more predictable and structured work schedules. This contrast underscores the broader trade-off between flexibility and income certainty in the gig economy. For some drivers, the freedom to choose when and where to work is more important than guaranteed earnings, while for others, financial stability and predictability are essential for managing their personal lives and expenses, especially for those who are on gig platform full time (Keith et al., 2019). Additionally, Tri, as a person with more financial responsibility, is willing to work long hours under the "slot" system in order to get higher, stable earnings; similar to what Jain & Sethi (2024) found their study.

Idle time: Trade-off between wellbeing and productivity

The study also highlights the trade-off between wellbeing and productivity in the context of gig work, particularly regarding idle time. While idle time is often seen as unproductive, idle time is not wasted but serves as an opportunity for drivers to rest, to recharge mentally and physically, meet personal needs and optimize their work routines. The concept of idle time as recharge time resonates with Tara & Iqbal (2023) and Lee (2024) as well as the JD-R theory which discuss the relationship between job demand and wellbeing. The findings reveal that during long idle periods, drivers have the opportunity to rest, eat, pray, or recharge mentally and physically, whereas short idle periods are usually spent on activities such as browsing social media, watching videos, or a quick break. Both short and long idle periods provide opportunities for drivers to recharge their energy, mentally and physically, as an effort to maintain their wellbeing.

However, there is a significant trade-off between wellbeing and productivity. Long idle time, while providing much-needed rest, could also results in opportunity loss, as drivers experience delays in receiving orders or face long wait times between orders. This loss of potential income reduces their overall earnings, which can lead to dissatisfaction or financial stress, particularly in the gig economy sector where income is often tied directly to active working hours. In contrast, short idle periods may not result in lost earnings, but they come at the expense of rest, potentially leading to mental fatigue or decreased wellbeing if drivers do not get sufficient time to recharge.

These findings highlight the delicate balance between maintaining wellbeing and maximizing productivity. While being idle for long periods can hurt a driver's productivity due to lost income opportunities, short idle periods, though productive in terms of income, can negatively impact drivers' health and wellbeing. This trade-off reinforces the idea found by Berger et al. (2019) that the ability to

manage one's schedule, which directly relates to how drivers handle idle time, significantly contributes to their subjective well-being. Balancing these competing demands: recharging during idle time without sacrificing income potential, is a key challenge that gig workers must navigate, and platforms may need to consider ways to minimize unnecessary idle time while allowing for adequate breaks to maintain workers' health and productivity.

CONCLUSION AND RECOMMENDATION

This study emphasizes the complexities of managing idle time in the gig economy, where drivers must balance the need for rest with the pressure to stay available for orders. The findings indicate that while flexibility is a key benefit of gig work, it is often limited by the operational systems of gig platforms.

The results show how drivers plan their days throughout the whole day. With extended pauses for rest, meals, or prayer and brief pauses for things like social media browsing, idle time is essential. These activities are influenced by the location of idle time; drivers near mosques may pray, while people who rest under trees or visit food stalls eat or socialize. The difficulties drivers have juggling rest and remaining available for orders are highlighted by this interaction of time, space, and activity.

The vstudy's conclusions also point out that flexibility comes at a price: uncertain income. This study extends the JD-R model to the gig economy, demonstrating that high job demands negatively impact workers' income stability in addition to their wellbeing. It also challenges the idea that gig work offers total freedom and flexibility. Although gig platforms' "slot" system is designed to cut down on idle time, it actually limits drivers' freedom and flexibility, making it difficult to define what freedom really means in the gig work ecosystem.

Managerial Implications

This finding offers several important managerial implications for gig economy platforms, especially those in the food delivery industry. Given that idle time is linked to drivers' decision-making (i.e., choosing between "slot" work and regular orders), gig platforms could design targeted incentives to encourage desirable behaviors and addressing the income uncertainty. For example, offering minimum pay per day and higher incentives for drivers who spend less time waiting for orders or encouraging them to take longer breaks at specific times could help regulate demand and improve overall service levels. In addition, drivers' ability to manage idle time effectively also impacts their work-life balance. In this case, gig work platforms could introduce reward systems that incentivize drivers to maintain a healthy balance between work and rest. For instance, providing weekly incentive for drivers who maintain healthy working hours or achieve certain rest benchmarks could promote behaviors that contribute to both wellbeing and productivity. By providing tools to help drivers better manage their rest periods, such as recommending ideal resting spots or giving access to amenities like charging stations at designated rest areas, platforms can help drivers maintain a healthier work-life

balance and increase their wellbeing. Likewise, this could lead to greater driver satisfaction, reducing burnout and increasing retention.

Limitations and Further Avenue of Research

As this is a preliminary study, it includes only a limited number of participants and observations site. Nonetheless, despite these limitations, the findings pave the way for future research that could explore the trade-off between productivity and flexibility in gig economy work, as well as how drivers' preferences for certainty or uncertainty influence their scheduling decisions. Additionally, further studies with a more diverse range of participants and locations are necessary to fully understand the concept of freedom for gig workers in different sectors and how it is practiced in the gig economy ecosystem.

ACKNOWLEDGEMENT

REFERENCES

Arora, S., Choudhary, V., Hasija, S., Gorban, I., Turki, S., & Shekhani, A. (2024). Unravelling the implications of effort allocation in gig economy: A study of driver relocation in food delivery. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.4679321

Ashkrof, P., Homem de Almeida Correia, G., Cats, O., & van Arem, B. (2022). Ride acceptance behaviour of ride-sourcing drivers. *Transportation Research Part C: Emerging Technologies*, 142, 103783. https://doi.org/10.1016/j.trc.2022.103783

Berger, T., Frey, C. B., Levin, G., & Danda, S. R. (2019). Uber happy? Work and well-being in the 'Gig Economy.' *Economic Policy*, 34(99), 429–477. https://doi.org/10.1093/epolic/eiz007

Bon, A. T., & Shire, A. M. (2022). Review of conservation of resources theory in job demands and resources model. *International Journal of Global Optimization and Its Application*, 1(4), 236–248. https://doi.org/10.56225/ijgoia.v1i4.102

Chen, A. H. L., Lee, J. Z.-H., & Ho, Y.-L. (2025). Influential factors for online food delivery platform drivers' order acceptance. *Information Discovery and Delivery*. https://doi.org/10.1108/IDD-03-2024-0038

Creswell, J. W. (2007). *Qualitative inquiry & research design: Choosing among five approaches* (2nd ed). Sage Publications.

Du Toit, D., & Phumzile, N. (2024). Beyond digital flexibility: Standing's labor securities framework and the precarious lives of migrant food delivery couriers in johannesburg. *Clinical Sociology Review*, 19(2), 106–133. https://doi.org/10.36615/hyf6ea64

Jain, G., & Sethi, A. (2024). Breadwinners on wheels: Delving into the world of food delivery partners in raipur city. *Journal of Ravishankar University (PART-A)*, 31(1), 15–25. https://doi.org/10.52228/JRUA.2025-31-1-3

Keith, M. G., Harms, P., & Tay, L. (2019). Mechanical Turk and the gig economy: Exploring differences between gig workers. *Journal of Managerial Psychology*, 34(4), 286–306. https://doi.org/10.1108/JMP-06-2018-0228

Lee, S. W. (2024). Fostering engagement in the gig economy: The impact of jd-r model. *Pakistan Journal of Life and Social Sciences (PJLSS)*, 22(2). https://doi.org/10.57239/PJLSS-2024-22.2.001073

Li, S. (2023). The gig economy and labour market dynamics. *Advances in Economics, Management and Political Sciences*, 61(1), 275–281. https://doi.org/10.54254/2754-1169/61/20231285

Ma, Y., Chen, K., Xiao, Y., & Fan, R. (2022). Does online ride-hailing service improve the efficiency of taxi market? Evidence from shanghai. *Sustainability,* 14(14), 8872. https://doi.org/10.3390/su14148872

Ma, S., Bala, P., Nisi, V., Zimmerman, J., & Nunes, N. J. (2023). Uncovering gig worker-centered design opportunities in food delivery work. *Proceedings of the 2023 ACM Designing Interactive Systems Conference*, 688–701. https://doi.org/10.1145/3563657.3596123

Marquis, E. B., Kim, S., Alahmad, R., Pierce, C. S., & Robert Jr., L. P. (2018). Impacts of perceived behavior control and emotional labor on gig workers. *Companion of the 2018 ACM Conference on Computer Supported Cooperative Work and Social Computing*, 241–244. https://doi.org/10.1145/3272973.3274065

Mezmir, E. A. (2020). Qualitative data analysis: An overview of data reduction, data display and interpretation. *Research on Humanities and Social Sciences*, *10*(21), 15–27. https://doi.org/10.7176/RHSS/10-21-02

Mohamed, S. and Mat, N. (2023). Gig work in post pandemic times: does it an agile work structure?. *Journal of Entrepreneurship and Business*, 11(2), 56-68. https://doi.org/10.17687/jeb.v11i2.1014

Penner, S., Griffith, J., Hughes, E., Karoli, K., & Stockdale, C. (2024). Precarious but possible: a qualitative study of the landscape of gig work for people living with disabilities and future recommendations for best practices. *Journal of Occupational Rehabilitation*, https://doi.org/10.21203/rs.3.rs-3998060/v1

Salleh, N. M., Shukry, S. N. M., & Jokinol, V. M. C. (2023). Analyzing the challenges, effects, and motivations of gig economy workers. *International Journal of Academic Research in Business and Social Sciences*, *13*(6), Pages 2125-2142. https://doi.org/10.6007/IJARBSS/v13-i6/17514

Sigroha, A., & Kapoor, P. (2024). Algorithmic management in the food delivery gig economy: Mechanisms of control and worker autonomy. *ShodhKosh: Journal of Visual and Performing Arts*, *5*(1). https://doi.org/10.29121/shodhkosh.v5.i1.2024.2878

Tara, N., & Iqbal, S. M. J. (2023). Examining the impact of job demands, resources and technostress on psychological wellbeing of gig workers: A theoretical model. *Qlantic Journal of Social Sciences*, *4*(4), 369–378. https://doi.org/10.55737/qjss.750203843

Webster, N. and Zhang, Q. (2020). Careers delivered from the kitchen? immigrant women small-scale entrepreneurs working in the growing nordic platform economy. *Nora - Nordic Journal of Feminist and Gender Research,* 28(2), 113-125. https://doi.org/10.1080/08038740.2020.1714725

Wood, A. J., Graham, M., Lehdonvirta, V., & Hjorth, I. (2018). Good Gig, Bad Gig: Autonomy and Algorithmic Control in the Global Gig Economy. *Work, Employment and Society*, 33(1), 56-75. https://doi.org/10.1177/0950017018785616 (Original work published 2019)

Exploring the Preferences of Prospective Students in Choosing Private Higher Education Institutions

Nanda Alifia Putri

Sekolah Tinggi Manajemen PPM
Jl. Menteng Raya No.9, Kb. Sirih, Kec. Menteng, Jakarta Pusat 10340, Indonesia
nap@ppm-manajemen.ac.id

ABSTRACT

As competition among private higher education institutions (PHEIs) in Indonesia intensifies, understanding student preferences becomes essential for developing effective marketing strategies and admission policies. This study investigates the key factors influencing high school students' decisions when choosing higher education institutions in Indonesia, and how these preferences differ between public and private school students. Utilizing the Consumer Decision-Making Process (CDMP) framework, the research employs a qualitative approach. Data was gathered through focus group discussions with nine (9) public school students and in-depth interviews with six (6) private school students from the Jabodetabek area. The findings indicate that public school students prioritize institutional reputation and affordability. In contrast, private school students emphasize program fit and opportunities for personal growth. These results highlight the need for private higher education institutions to tailor their marketing and admission strategies to effectively attract diverse student segments and enhance recruitment outcomes.

Keywords:
Higher education, CDMP framework, decision-making, Indonesia, marketing strategies, private higher education institutions, student preference

INTRODUCTION

Higher education plays a crucial role in advancing socio-economic development and fostering innovation (Komari et al., 2023). Indonesia's higher education landscape has undergone significant changes in recent years, with the number of higher education institutions (HEIs) increasing from 4,397 in 2022 to 6,615 in 2025. These institutions are categorized into State higher education institutions, Private higher education institutions, Foreign higher education institutions, and Higher Education Institutions under Ministries or Government Agencies. In 2022, Java had the highest number of HEIs, with 1,477 institutions, primarily located in West Java, East Java, Jakarta, Central Java, Banten, and the Special Region of Yogyakarta (PDDikti, 2022).

In terms of student enrollment, the Ministry of Education, Culture, Research, and Technology reported that 4.49 million students were enrolled in private higher education institutions in 2022, while 3.37 million were in public higher education institutions. However, this trend changed as public higher

education institutions aggressively expanded their capacity, enrolling two to three times more students than in previous years. This made it more difficult for private higher education institutions to sustain themselves. The quality of academic programs in private higher education institutions has come under scrutiny, with an analysis of 100 private higher education institutions across various regions revealing approximately 740 academic programs, of which only 131 were rated as excellent in accreditation. Accreditation remains a major challenge, with 84 private higher education institution at risk of losing their licenses due to non-compliance with accreditation requirements (Subanidja, 2025). To address these challenges, private higher education institution must enhance their academic quality and competitiveness by becoming more adaptive to the demands of modern education.

By 2025, the number of private higher education institution continues to grow, contributing to market saturation, making it increasingly difficult for institutions to differentiate themselves and attract prospective students. Jakarta, with the third-highest number of higher education institutions in Java, illustrates this dynamic. Bina Nusantara University (BINUS) stands out with an annual intake of 1,336 students and a strong portfolio of 66 programs aligned with the digital and creative industries. In contrast, Prasetiya Mulya University, which focuses on business and entrepreneurship education, enrolls an average of only 136 students annually. This reflects a niche market strategy or limitations in scaling up. Meanwhile, Pelita Harapan University (UPH) offers the highest number of programs with 85, yet attracts only 713 new students annually. This suggests that a larger program portfolio does not necessarily guarantee higher enrollment (PDDikti, 2025). Table 1 presents a comparative overview of competition among selected private higher education institution in Jakarta based on 2025 data.

Table 1. Comparison of study programs and student admissions per year

Higher Education Institutions	Total Study Programs	Average New Student Intake/Year	Strategic Notes
Bina Nusantara University (BINUS)	66 programs	1,336 students/year	Offers many programs, well-accredited, adaptive to industry trends and digital era
Prasetiya Mulya University	13 programs	136 students/year	Focuses on business & entrepreneurship, small intake; needs diversification & promotion
Pelita Harapan University (UPH)	85 programs	713 students/year	Offers many programs but intake not optimal; needs stronger branding & positioning

Source: PDDikti, 2025

Private higher education institutions' success is influenced by their academic programs, institutional branding, curriculum relevance, and marketing strategies. To maintain sustainability, higher education institutions must enhance academic and non-academic competitiveness. Offering programs in digital technology and sustainability is crucial, along with improving faculty quality through training and international certifications. Using digital and hybrid learning methods can enhance flexibility and student experiences. Understanding prospective students' preferences is essential in this saturated environment. Identifying factors influencing their choices in higher education institutions can provide valuable insights for designing targeted strategies. Applying a consumer behavior perspective can help higher education institutions better understand student decision-making, which is influenced

by psychological, social, and personal aspects. By examining these factors, higher education institutions can tailor their offerings to meet the needs and desires of their target audience, ensuring the success of private higher education institutions.

Drawing from consumer behavior theory, purchasing decisions, including the choice of an educational institution, are influenced by a combination of psychological, social, and personal factors (Kotler & Keller, 2016). Students evaluate higher education institutions based on perceived benefits such as the relevance of academic programs, institutional reputation, career opportunities, social environment, and affordability. Particularly, private higher education institutions students tend to value engaging and distinctive study programs, perceived institutional quality, and future career prospects. This highlights the importance for private higher education institutions to innovate and align their offerings with the expectations of their target audience.

The decision-making process for students in choosing a higher education institution is shaped by emotional, rational, and institutional factors. Although tuition fees matter, offering free tuition alone has limited impact (Espinoza et al., 2024). Many students rely on scholarships or loans, while institutional reputation, program quality, and career prospects remain key considerations. In Indonesia, academic quality—such as accreditation and reputation—is a major factor (Hidayat et al., 2018; Proboyo & Soedarsono, 2015). Marketing strategies and brand image also play a role (Jati et al., 2021), along with campus facilities, location, personal interests, and parental advice (Harahap & Amanah, 2019). Alumni success and institutional values further influence student choices.

Bakar et al. (2021) identified seven main factors affecting enrollment in private institutions, with location being the most influential. Accreditation was seen as more important than facilities or cost (Susilawati et al., 2024). Pratminingsih (2011) found that all elements of the education marketing mix positively affect student decisions, a view supported by Prasetyaningrum & Marliana (2020), who emphasized institutional quality, facilities, and marketing communication. Internal factors such as motivation and personality, along with external influences like family support and institutional image, also play a significant role (Masduki et al., 2023). Further, Pardiyono & Puspita (2021) and Harahap et al. (2023) highlight the importance of study program quality, learning environment, location, tuition, and faculty competence, alongside peer influence. The alignment of academic programs with future employment opportunities remains central in both Indonesia and Vietnam (Hai et al., 2023). As Poole et al. (2023) noted, students often engage in iterative evaluations and seek information from various sources. Institutions must therefore adopt tailored marketing strategies that address both rational and emotional aspects of student choice.

As the decision-making process varies across student segments, higher education institutions must develop tailored marketing strategies that cater to both the rational and emotional aspects of higher education institutions choice. Tailored communication addressing academic quality, higher education institutions image, career prospects, and personalized outreach efforts can effectively engage prospective students and support their decision-making process. These findings underscore the complex

interplay of institutional, personal, and marketing factors that higher education institutions must navigate in attracting and retaining students in a competitive higher education landscape. Previous research has shown that student preferences in choosing a higher education institution—especially private higher education institutions—are diverse and multi-layered. Kusumawati et al. (2019) further suggest that student decisions are shaped by a combination of social network influences and rational evaluations of institutional reputation and employability, highlighting the segmented nature of prospective student groups. In addition, Por, Say, and Mov (2024) identified eight influential factors— ranging from parental influence and teacher recommendations to higher education institutions reputation and learning environment—that must be addressed through comprehensive strategies. Therefore, this study not only discusses the factors influencing high school students in choosing higher education institutions but also explores the differences in preferences between students from public and private high schools.

This study uses the Consumer Decision-Making Process (CDMP) framework to understand consumer preferences in private higher education institutions. The model consists of five stages: need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior. These stages help explain how students recognize the importance of higher education, actively seek information, compare options, make final choices, and reflect on satisfaction post-enrollment.

Building on the framework in Figure 2, The study investigates high school students' decision-making processes when choosing higher education institutions, focusing on consumer behavior theory. It uses a qualitative approach, including focus group discussions and in-depth interviews, to understand students' thought processes and criteria. The findings are expected to provide strategic guidance for private higher education institutions to improve their competitiveness in a saturated market.
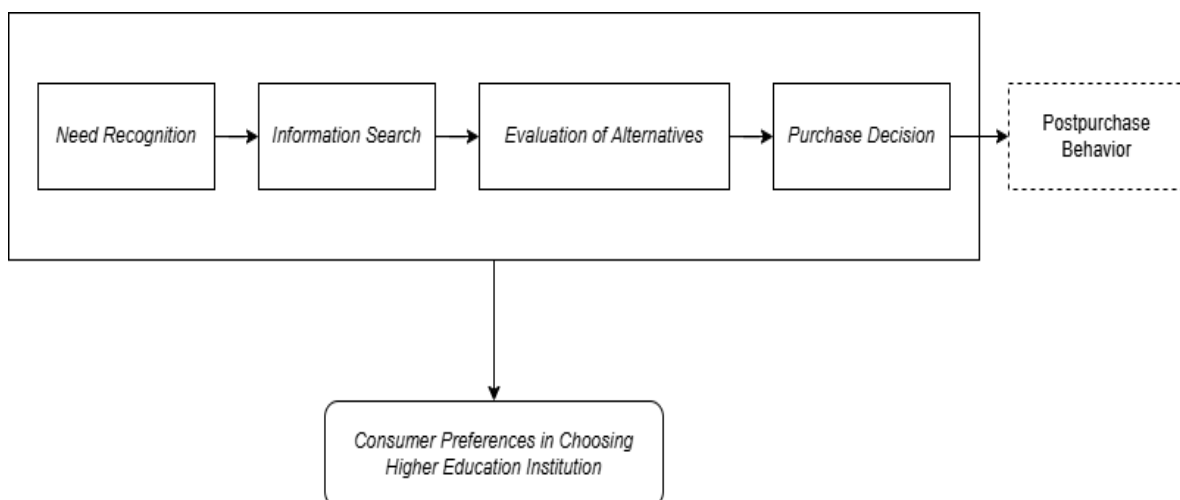

Figure 2. Research Framework

This research focuses on the first four stages of the decision-making process: need recognition, information search, evaluation of alternatives, and purchase decision. It aims to provide a deeper

understanding of students' complex considerations before finalizing their higher education institution choices. The study uses the Consumer Decision-Making Process (CDMP) framework to identify key factors influencing the selection of private higher education institutions. The research question is: "What are the key factors influencing private vs public high school students' preferences in choosing private higher education institutions in Indonesia?" The findings will help develop student-centered strategies and policies, enabling private higher education institutions to design targeted marketing strategies and improve their competitive positioning.

RESEARCH METHODS

This study employs a qualitative research approach to explore the factors that influence high school students' preferences in selecting higher education institutions. Qualitative methods are particularly appropriate for understanding experiences, motivations, and decision-making processes that are shaped by social and personal contexts and cannot be easily captured through numerical data (Creswell & Poth, 2018). Given the exploratory nature of this study, a qualitative approach is considered suitable for investigating the how and why behind students' choices.

To ensure depth and variety in the data, two qualitative data collection methods were used: Focus Group Discussions (FGDs) and In-Depth Interviews (IDIs). FGDs were conducted with students from public high schools to gather collective views and explore group dynamics in decision-making. In contrast, IDIs were carried out with students from private high schools to gain deeper insights into individual motivations and experiences, especially regarding their considerations of private higher education institutions. This methodological triangulation enhances the credibility and comprehensiveness of the findings (Creswell, 2014).

Participants were selected through purposive sampling based on data provided by a private higher education institution in Jakarta. The selection criteria included: (1) attending a public or private high school, (2) being in their final year of study, (3) residing in the Greater Jakarta area (Jabodetabek), and (4) having an initial interest in pursuing higher education. This approach ensured the relevance of participants to the study's objective.

Data Collection

Focus Group Discussions (FGDs)

FGDs were held with nine (9) final-year students from public high schools via Online Zoom. This group size aligns with McDaniel (2017) recommendation of 8–12 participants for effective discussion. A semi-structured guide with open-ended questions was used to encourage interactive discussion and idea sharing among participants (Krueger & Casey, 2015). The guide of FGDs was semi-structured developed based on the CDMP stages and covered the following key themes:

1. Higher Education Aspirations and Motivations

   Participants discussed their goals after graduation, motivations for pursuing higher education, preferred academic majors, and initial higher education institution choices.

2. Factors Influencing higher education institution Selection

   Exploration of key decision factors such as program offerings (e.g., international programs, fast-track), internship and career opportunities, campus facilities, learning technology, tuition fees, scholarships, accreditation, and campus image.

3. Information Sources

   How students searched for higher education institution-related information, including social media platforms, websites, school guidance counselors, education fairs, family, and peers. Participants also shared which sources they trusted most.

4. Evaluation Criteria

   Students ranked the most important aspects influencing their higher education institution choices and explained the reasoning behind their top priorities.

5. Social Influences and Decision-Making

   Discussion of how parental support, peer influence, and guidance counselor input shaped their preferences. This included follow-up questions about plans if not admitted to public higher education institutions and whether private higher education institutions were part of their consideration.

In-Depth Interviews (IDIs)

Six (6) final-year students from private high schools were interviewed individually via Online Zoom. The IDIs aimed to uncover personal stories and specific factors influencing their decisions—such as campus visits, scholarship considerations, or interest in international programs. A semi-structured interview guide, aligned with the FGD themes, was used to maintain consistency while allowing deeper individual exploration (Kvale & Brinkmann, 2009). The sample size was considered sufficient to reach thematic saturation, as supported by Guest, Bunce, and Johnson (2006).

By combining FGDs and IDIs, the study was able to gather both broad group insights and in-depth individual perspectives. FGDs highlighted social dynamics and group-level reasoning among public school students, while IDIs provided rich narratives about the personal decision-making processes of private school students. Together, these methods offered a comprehensive understanding of the factors shaping students' preferences in selecting higher education institutions.

Data Analysis & Validation

The data collected from focus group discussions and in-depth interviews were analyzed using thematic analysis, as outlined by Braun and Clarke (2006). The process began with verbatim transcription of all audio recordings to ensure accurate representation of participants' responses. Following transcription, a content grid was developed to systematically organize the data according to

guiding questions and emerging topics. This step allowed for a clear comparison and identification of patterns across participant groups. The next phase involved manual coding, with the data being categorized both inductively and deductively to identify recurring themes, distinctive patterns, and meaningful categories. Coding was carried out using Microsoft Excel, where the researcher organized the data into separate columns for different themes and categories, facilitating a more accessible and flexible coding process.

To ensure the trustworthiness and credibility of the findings, two validation strategies were applied: triangulation and peer debriefing. Triangulation was achieved by combining data from two sources, FGDs and in-depth interviews, allowing for cross-verification of themes from different participant groups. This approach provided a richer, more nuanced interpretation by integrating both collective and individual perspectives. Additionally, peer debriefing was conducted, where a fellow researcher reviewed the coding scheme and thematic interpretations. This collaborative review process minimized potential researcher bias and strengthened the reliability and accuracy of the conclusions drawn from the data.

RESULTS AND DISCUSSION

This study explored the preferences and decision-making considerations of high school students in selecting higher education institutions, focusing on both public and private high school students. Data were collected through a focus group discussion (FGD) with nine students from public high schools and in-depth interviews with six students from private high schools. This study was conducted from October 2022 to January 2023 through online with students in Jabodetabek Area.

The majority of participants in both the Focus Group Discussion (FGD) and in-depth interviews were female, accounting for 67% of the total, while male participants represented 33%. In terms of educational level, most participants were in the 12th grade of senior high school, comprising 89% of the FGD participants and 83% of the interview informants. The remaining participants were in the 11th grade. Regarding age distribution, FGD participants were predominantly 17 years old (67%), followed by 18 years old (22%), and 16 years old (11%).

Table 2. Participant Profile

FGD Participant Profile		FGD Participant Profile	Interview Informants Profile		Interview Informants Profile
Gender	Female	67%	Gender	Female	67%
	Male	33%		Male	33%
Grade	12th Grade	89%	Grade	12th Grade	83%
	11th Grade	11%		11th Grade	17%
Age	16 years old	11%	Age	16 years old	50%
	17 years old	67%		17 years old	33%
	18 years old	22%		18 years old	17%

In contrast, interview informants showed a more balanced age distribution, with 50% aged 16, 33% aged 17, and 17% aged 18. To provide a clearer overview, the detailed composition of participants in terms of gender, grade level, and age for both the FGD and in-depth interview sessions is presented

in Table 2. This demographic composition reflects a diverse yet predominantly senior high school cohort, providing valuable insights from students at critical stages of their educational decision-making process.

This analysis explores the decision-making processes of public and private high school students in selecting higher education institutions. The analysis identifies key themes related to need recognition, information search, evaluation of alternatives, and purchase decisions, highlighting both commonalities and differences between the two groups.

Drivers of Need Recognition

This theme captures the factors that prompt students to recognize the need to pursue higher education and their initial considerations regarding higher education institution selection. The findings reveal that students' initial motivations to pursue higher education are significantly influenced by their school backgrounds and future orientations. Thematic analysis identifies three sub-themes that shape their early decision-making processes.

1. Aspiration for Upward Mobility and Career Prospects (Public School Students)

   Students from public schools often view higher education as a strategic means to achieve upward social mobility and secure better career prospects. They demonstrate a pragmatic orientation, showing a strong preference for well-known and top-ranked higher education institutions, especially those in the "Top 10", believing that attending such institutions will boost their competitiveness in the job market. This insight aligns with the Consumer Decision-Making Process (CDMP) framework, where the recognition of a need emerges from a desire to improve one's life circumstances. In this case, higher education institution education is perceived as a tool to elevate both economic and social standing. Several participants expressed this preference:

   - *"Pilih univ favorit agar setelah lulus dapat mudah cari kerja bagus."*

     ("I choose a reputable higher education institution so it'll be easier to get a good job after graduation.")

   - *"Kalau milih PT yang favorit, karena biayanya terjangkau dan ada nilai plusnya. Pilih favorit juga berpengaruh ke pekerjaan.*

     ("I choose a top higher education institution because it's affordable and has added value. A well-known campus also influences job prospects.")

   - *"Melihat adanya jurusan yang diminati, PTN-nya favorit agar gampang nyari kerja.*

     ("I consider the major I'm interested in, and I prefer a top public higher education institution to make it easier to find a job.")

2. Supportive Environment and Holistic Development (Private School Students)

   In contrast, students from private schools prioritize a supportive academic and social environment. While they also acknowledge the importance of career readiness, their considerations extend to factors such as campus facilities, personal comfort, and opportunities for holistic development through higher education institution-industry partnerships. This perception highlights a greater sensitivity among private school students toward the quality of the customer experience in higher education. They view higher education institutions not only as degree-granting institutions but also as service providers that must deliver comprehensive value. Several participants expressed this preference:

   - *"Memilih kampus yang bisa melatih untuk mendapatkan pekerjaan yang sesuai, fasilitas yang mendukung, kampus yang punya banyak mitra perusahaan."*

     ("I choose a campus that can train me to get a suitable job, with supportive facilities and many industry partnerships.")

   - *"Tidak harus universitas TOP tapi universitas dengan program kuliah, kualitas dosen, materi pembelajaran, dan prospek kerja."*

     ("It doesn't have to be a top higher education institution, but one with quality programs, good professors, learning materials, and job prospects.")

3. Shift from Prestige to Personal Growth

   Interestingly, there is a noticeable shift among private school students from valuing higher education institution prestige to emphasizing personal growth and self-development. This reflects a transition from an external, status-oriented approach to an internal, meaning-driven perspective. Such a shift supports existing research indicating that today's younger generation increasingly seeks purpose, emotional engagement, and balance when choosing their educational and career paths. From a higher education marketing strategy standpoint, this presents an opportunity for institutions to tailor their messaging and value propositions—especially toward student segments who prioritize personal fit and meaningful experiences.

Information Search Strategies

The second theme emerging from the analysis focuses on the strategies employed by students in their search for information related to higher education institutions. The findings reveal that students from both public and private schools utilize a range of platforms and channels, shaped by their access, preferences, and perceived reliability of information sources. Three key sub-themes were identified:

1. Social Media Dominance

   Across both public and private school groups, social media has become the primary source of higher education institutions-related information, with platforms like Instagram and X (formerly Twitter) being the most accessible and updated. Students follow higher education

institution accounts, student ambassadors, and alumni content to gain insights into campus life, facilities, academic programs, and activities. This reliance on social media reflects the growing influence of digital ecosystems on consumer behavior, particularly among digital-native generations.

2. Community-Sourced Insights (Public School Students)

Public school students heavily rely on peer communities, particularly Twitter-based discussion threads, for authentic information about higher education institution life. They actively seek opinions, campus experiences, and informal reviews from current students or alumni. They also participate in institutional events like Edufairs and Campus Expos to collect brochures and interact with higher education institution representatives. This behavior highlights the importance of social proof and peer influence in the decision-making process, emphasizing the value of grassroots narratives and informal, user-driven communities in supporting knowledge acquisition during the early stages of higher education institution selection.

3. Direct and Curated Sources (Private School Students)

Private school students use a diverse range of information sources, including social media, official higher education institution websites, Edufairs, campus visits, and guidance from family and peers. Campus visits are seen as valuable opportunities to validate information and experience the higher education institution environment firsthand. This structured approach to information search may be attributed to access to guided activities like higher education institution tours and information sessions. Their preference for verified, multi-channel information reflects a holistic evaluation process that combines affective impressions with factual data.

These findings highlight the need for higher education institutions to adopt an integrated communication strategy that balances digital presence with opportunities for in-person engagement. Personalized outreach and experiential marketing, such as open house events, can be particularly effective in addressing the expectations of this student segment.

Evaluation Criteria

This theme explores the factors students consider when evaluating and comparing higher education institutions. The data revealed that students use a diverse set of evaluative criteria, combining both rational and experiential considerations. Nine factors were evaluated: (1) curriculum and academic program attractiveness, (2) internship and career opportunities, (3) accreditation, (4) learning technologies, (5) tuition fee, (6) scholarships and updated social media presence, (7) campus image, (8) admission system simplicity, and (9) campus facilities. However, the priority given to these factors varied significantly between public and private school students.

1. Accreditation and Cost-Effectiveness as Top Priorities (Public School Students)

Public school students prioritize accreditation as the most critical factor in higher education institution evaluation, as it is seen as a proxy for institutional quality and future employability. Tuition fees are the second most important factor, reflecting students' concerns about affordability and financial burden. Comparing tuition costs across institutions is a key step in shortlisting options. Scholarship availability is appreciated, but students prioritize manageable base tuition. Other considerations include the attractiveness of the curriculum, campus facilities, and learning technology. Campus image, social media activity, and ease of admission process are lower priorities. This suggests that public school students follow a logical, needs-based evaluation model, where value for money and academic legitimacy are more important than branding or experiential features.

2. Program Fit and Holistic Value (Private School Students)

Private school students prioritize curriculum and academic program attractiveness, focusing on programs that align with their interests, learning styles, and career goals. They view education as a developmental journey rather than a job-based credential. Accreditation is considered a baseline requirement, but students expect higher education institutions to meet quality standards. Internship and career opportunities are also top priorities, allowing students to combine academic learning with real-world experience. Tuition fees are considered more in terms of perceived value than affordability. Other mid-priority factors include campus facilities, learning technology, scholarship availability, and an active social media presence. Lower-priority aspects include admission process ease and campus image. Private school students adopt a holistic approach, balancing academic fit with long-term value and lifestyle factors.

3. Comparative Summary of Evaluation Priorities

The table below reveals the ranking order of nine most frequently mentioned evaluation factors among public and private school students. It highlights the distinct weight each student segment places on institutional features when selecting a higher education institution, with overlapping considerations but divergent motivations. Public school students prioritize institutional legitimacy and affordability, while private school students prioritize program alignment and experiential value.

Table 3. Comparative Summary of Evaluation Priorities between Private & Public Students

Evaluation Factor	Public School Students	Private School Students
Accreditation	1	2
Tuition Fee	2	4
Curriculum & Program Attractiveness	3	1
Campus Facilities	4	5
Learning Technologies	5	6
Campus Image	6	9
Scholarships & Updated Social Media	7	7
Easy Admission Process	9	8
Internship & Career Opportunities	8	3

These findings demonstrate the importance of tailoring higher education institution marketing and communication strategies to the unique priorities of different student segments. Public school students are influenced most by practical, cost-related considerations and formal institutional reputation, while private school students seek a more customized, growth-oriented academic experience. Higher education institutions aiming to appeal to both markets must therefore combine credibility, affordability, and personalized value in their messaging.

Purchase Decision Tendencies

This theme explores students' final choices regarding higher education institution enrollment, particularly how they respond when their initial admission preferences, typically public higher education institutions, are unmet.

1. Public School Students: Prestige-Oriented and Willing to Wait

   A majority of public school students (67%) indicated a preference to take a gap year and reapply to public higher education institutions if not accepted. This reflects a prestige-oriented mindset, where public institutions are seen as offering higher status, affordability, and better long-term prospects. For these students, private higher education institutions are often viewed as a less desirable backup, leading them to delay enrollment rather than compromise on their aspiration.

2. Private School Students: Pragmatic and Forward-Moving

   In contrast, private school students are more inclined to immediately enroll in private higher education institutions if they are not admitted to public ones. Their decision-making emphasizes continuity and progress over institutional prestige. With greater access to resources and information, these students perceive private higher education institutions as valid alternatives that offer quality programs, modern facilities, and career-ready experiences.

This thematic analysis reveals distinct patterns in how public and private high school students approach the higher education institution decision-making process. Public school students are primarily driven by aspirations for social mobility and career security, placing high importance on institutional accreditation, affordable tuition, and public higher education institution prestige. Their decision-making reflects a strong preference for long-term outcomes, even if it means delaying enrollment by taking a gap year. In contrast, private school students adopt a more holistic and pragmatic approach. While career opportunities remain important, they prioritize attractive academic programs, a supportive campus environment, and the ability to continue their education without delay—even if it means enrolling in a private higher education institution. Their evaluation emphasizes personal growth, experiential learning, and alignment with individual interests.

These findings underscore the need for higher education institutions to design segmented outreach and engagement strategies. Addressing the distinct values and constraints of each group can help institutions more effectively attract and support prospective students from diverse educational backgrounds.

Summary of Key Findings between Public and Private High School Students

This thematic analysis mapped students' higher education institution decision-making journey using the Consumer Decision-Making Process (CDMP) framework. Insights from public and private high school students revealed both overlapping and contrasting priorities across four key themes: need recognition, information search, evaluation of alternatives, and purchase decision. While both groups view higher education as a stepping stone to career advancement, their preferences diverge in terms of values, priorities, and flexibility in choosing institutions. Public school students are typically prestige-driven and cost-sensitive, with strong attachments to public higher education institutions. Private school students tend to be experience-driven and pragmatic, valuing personal growth, program fit, and continuity in education. These distinctions carry strategic implications for higher education institution marketing and enrollment efforts.

Table 4. High school students Consumer Decision Making Process

CDMP Stage	Public High School Students (FGD)	Private High School Students (In-Depth Interview)
Need Recognition	Driven by desire for upward mobility and job security. Strong preference for top-tier public higher education institutions.	Motivated by holistic personal development and career readiness. Emphasis on supportive learning environment.
Information Search	Use social media (Instagram, Twitter), online expos, and alumni testimonials. Passive search behavior.	Use multi-source search: official websites, peer input, campus visits. Seek validation through direct experience.
Evaluation of Alternatives	Rank-order of importance: accreditation, tuition fee, attractive programs, campus facilities, edtech, campus image, scholarship info, application ease.	Rank-order of importance: attractive programs, accreditation, internship/career opportunities, tuition fee, facilities, edtech, scholarship info, application ease, campus image.
Purchase Decision	67% prefer taking a gap year to reattempt public higher education institution admission rather than enroll in private higher education institutions.	67% are willing to proceed with private higher education institution enrollment if it fits their academic and career goals.

As illustrated in Table 4, public school students' decisions are anchored in institutional reputation, affordability, and long-term value, often at the expense of time. In contrast, private school students exhibit greater adaptability, favoring program relevance, campus experience, and continuity. These nuanced differences suggest that higher education institutions, especially private higher education institutions, should adopt segmented communication and outreach strategies, tailoring their value propositions to align with the cognitive and emotional drivers of each group. Doing so can enhance recruitment outcomes and student-institution fit.

CONCLUSION AND RECOMMENDATION

The study concludes that public and private high school students exhibit distinct preferences when choosing higher education institutions. Public school students are primarily driven by aspirations for upward mobility and career security, prioritizing institutional accreditation and affordability. Private school students adopt a more holistic approach, valuing program fit, personal growth, and a supportive learning environment. These findings underscore the importance of segmented outreach and

engagement strategies by higher education institutions to effectively cater to the diverse needs and priorities of prospective students. The implications of this research suggest that higher education institutions, particularly private higher education institutions, should tailor their marketing and communication strategies to align with the specific preferences of different student segments. This necessitates a nuanced approach that combines various stages of the Consumer Decision-Making Process (CDMP) with targeted media types, messaging, and touchpoints.

For instance, to effectively reach public school students during the Need Recognition stage, higher education institutions could utilize social media platforms (e.g., Instagram, TikTok) with messaging that emphasizes career prospects and graduate success stories. During the Information Search and Evaluation of Alternatives stages, webinars and online brochures highlighting accreditation and tuition fee structures would be beneficial. Key touchpoints would include virtual career fairs and online Q&A sessions with alumni. In contrast, to engage private school students, higher education institutions might use personalized email campaigns and high-quality brochures showcasing program attractiveness and campus facilities during the Need Recognition and Information Search phases. During the Evaluation of Alternatives and Purchase Decision stages, strategies could include campus visits and personalized consultations, emphasizing opportunities for internships and industry partnerships.

These strategies have significant managerial implications for higher education institution marketing and admissions departments. Higher education institutions need to invest in market research to deeply understand the evolving preferences of prospective students. They should also develop flexible communication plans that can be adapted to different student profiles. Furthermore, higher education institutions should train their staff to deliver personalized and informative interactions that address the specific concerns and aspirations of each student segment. To illustrate the practical application of these strategies, case studies of private higher education institutions in Indonesia that have successfully implemented segmented marketing approaches would provide valuable insights. For example, higher education institutions that have leveraged social media to showcase student life and career outcomes or those that have created specialized programs aligned with industry needs. Comprehensive Recommendations for Private higher education institutions to enhance student attraction and engagement:

1. Develop and Promote Attractive Academic Programs
   Design programs that are closely aligned with industry needs and student interests, highlighting unique value propositions during campus visits and promotional activities.

2. Strengthen Industry Partnerships and Career Pathways
   Build collaborations with companies to provide clear employment opportunities post-graduation, and actively communicate these opportunities to prospective students.

3. Leverage Direct Engagement Strategies

    Increase efforts in organizing impactful campus visits, edufairs, and interactive online sessions to create memorable experiences and build trust among students and their families.

4. Enhance Integrated Marketing Communication through Trusted Channels

    Utilize social media platforms, higher education institution websites, and peer networks effectively to disseminate relevant information about programs, tuition, scholarships, and student life. Create opportunities to interact with future students at each stage of their decision-making journey.

5. Address Affordability Concerns

    Offer transparent information about tuition fees and provide accessible scholarship opportunities to mitigate cost barriers, particularly for students from public high schools.

6. Empower Influencers in Student Decision-Making

    Engage with school counselors, parents, and alumni as key influencers in the decision-making process to amplify positive messaging and guide students towards informed choices.

By implementing these strategies, private higher education institutions can strengthen their positioning and appeal to a broader spectrum of high school students, ultimately increasing enrollment and sustaining competitiveness in the evolving education market. This study has certain limitations. The sample size, while sufficient for qualitative research, is relatively small and primarily focused on the Jabodetabek area. Future research could benefit from a larger and more diverse sample, including students from various regions across Indonesia, to provide a broader perspective on student preferences. Additionally, future studies could incorporate a quantitative approach to statistically measure the influence of specific factors, such as accreditation, tuition fees, and program attractiveness, on students' decision-making. Combining qualitative and quantitative methods would offer a more comprehensive understanding of the factors influencing higher education institution choice.

REFERENCES

Bakar, A., Rahmania, T., & Heliani, H. (2020). Factors affecting prospective students in choosing local private university. *Jurnal Bisnisman: Riset Bisnis dan Manajemen, 2*(3). https://doi.org/10.52005/bisnisman.v2i3.41

Braun, V., & Clarke, V. (2006). *Using thematic analysis in psychology*. Qualitative Research in Psychology, 3(2), 77–101.

Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). Sage Publications.

Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.). SAGE Publications.

Espinoza, O., Sandoval, L., González, L. E., & others. (2024). Did free tuition change the choices of students applying for university admission? *Higher Education, 87*, 1317–1337. https://doi.org/10.1007/s10734-023-01065-1

Guest, G., Bunce, A., & Johnson, L. (2006). *How many interviews are enough?* Field Methods, 18(1), 59–82.

Harahap, D. A., & Amanah, D. (2019). Assessment in choosing higher education: A case of Indonesia. *Journal of International Business, Economics and Entrepreneurship, 4*(1).

Harahap, D. A., Amanah, D., Gunarto, M., & Purwanto, P. (2023). The important factors that students consider in choosing a university. *Migration Letters, 20*(S1), 341–356.

Hidayat, R., Sinuhaji, E., Widyaningrum, M., Erdiansyah, & Adrianto. (2018). Factors that affect students' decision to choose private universities in Medan City, Indonesia. *Academy of Strategic Management Journal, 17*(6).

Hai, N. C., Thanh, N. H., Chau, T. M., & Sang, T. V. (2023). Factors affecting the decision to choose a university of high school students: A study in An Giang Province, Vietnam. *International Journal of Evaluation and Research in Education (IJERE), 12*(1), 535. https://doi.org/10.11591/ijere.v12i1.22971

Jati, R. P., Vera, N., & Mariani, D. (2021). Indonesian's parent consideration: The decision about private university choice for their children. *IOP Conference Series: Earth and Environmental Science, 704*, 012018. https://doi.org/10.1088/1755-1315/704/1/012018

Komari, K., Fitriyanti, R. S., Susanto, H. W., Siminto, & Amin. (2023). Transformation of higher education in Indonesia: Pursuing quality, accessibility, and relevance in the era of globalization. *International Journal of Teaching and Learning (INJOTEL), 1*(3), 248–259.

Kotler, P., & Keller, K. L. (2016*). Marketing management* (15th ed.). Pearson Education.

Kementerian Pendidikan, Kebudayaan, Riset, dan Teknologi. (2024). *Data perguruan tinggi di Indonesia.*

Krueger, R. A., & Casey, M. A. (2015). *Focus Groups: A Practical Guide for Applied Research* (5th ed.). Sage Publications.

Kusumawati, A., Perera, N. and Yanamandram, V. (2019). Modelling trade-offs in students' choice set when determining universities. *International Journal of Educational Management*, Vol. 33 No. 5, pp. 979-989. https://doi.org/10.1108/IJEM-01-2018-0007

Kvale, S., & Brinkmann, S. (2009). *InterViews: Learning the craft of qualitative research interviewing* (2nd ed.). Sage Publications.

Masduki, Prihartini, E., & Abdullah, D. (2023). Analisis faktor-faktor yang mempengaruhi keputusan kuliah di perguruan tinggi swasta. *Entrepreneur: Jurnal Bisnis Manajemen dan Kewirausahaan, 4*(1).

McDaniel, C., & Gates, R. (2017). Marketing Reseacrh, 11th Edition. England: Wiley

Pardiyono, R., & Puspita, H. D. (2021). Studi tentang faktor dominan dalam pemilihan perguruan tinggi swasta. *Idaarah: Jurnal Manajemen Pendidikan, 5*(2), 279–289. https://doi.org/10.24252/idaarah.v5i2.24085

Poole, R., Thompson, D., & Galloway, D. (2023). Decisions, decisions, decisions: An exploration of factors affecting the decision-making of 'Uni Connect' students when choosing higher education study. *Journal of Marketing for Higher Education*, 1–22. https://doi.org/10.1080/08841241.2023.2275752

Por, N., Say, C., & Mov, S. (2024). Factors influencing students' decision in choosing universities: build bright university students. Jurnal As-Salam, 8(1), 1–15. https://doi.org/10.37249/assalam.v8i1.646

Prasetyaningrum, I. D., & Marliana, E. (2020). Faktor yang mempengaruhi keputusan pemilihan perguruan tinggi swasta (studi pada Universitas Muria Kudus). *Jembatan: Jurnal Ilmiah Manajemen, 17*(1), 61–72. https://doi.org/10.29259/jmbt.v17i1.11146

Proboyo, A., & Soedarsono, R. (2015). Influential factors in choosing higher education institution: A case study of a private university in Surabaya. *Jurnal Manajemen Pemasaran, 9*(1), 1–7. https://doi.org/10.9744/pemasaran.9.1.1-7

Soedijati, E. K., & Pratminingsih, S. A. (2011). The impacts of marketing mix on students' choice of university: Study case of private university in Bandung, Indonesia. In *2nd International Conference on Business and Economic Research (2nd ICBER 2011).*

Subanidja, S. (2025). *Merenungi kesenyapan perguruan tinggi swasta*. DetikNews. https://news.detik.com/kolom/d-7804445/merenungi-kesenyapan-perguruan-tinggi-swasta

Susilawati, W., Ramdani, R. M., Solihin, R., Riyanto, A., & Tran, D. A. (2024). Business competitiveness based on community preferences in an Indonesian private university: A case study of Garut Regency, Indonesia. *Australasian Accounting, Business and Finance Journal (AABFJ), 18*(5).

PEDOMAN PENULISAN ARTIKEL ILMIAH

Journal of Emerging Business Management and Entrepreneurship Studies (JEBMES) adalah jurnal akademik yang diterbitkan dua kali setahun (April dan Oktober) oleh Research Center and Case Clearing House (RC-CCH) Sekolah Tinggi Manajemen PPM.

JEBMES diterbitkan dengan tujuan untuk menyebarluaskan informasi hasil riset manajemen dan tinjauan pemikiran bisnis kepada para akademisi, praktisi, mahasiswa dan pihak lain yang berminat pada riset manajemen dan bisnis. Ruang lingkup bidang dari hasil riset yang dimuat dalam JEBMES antara *business management* dan *entrepreneurship*.

Penulis harus menyatakan bahwa artikel yang dikirimkan ke JEBMES belum pernah dipublikasikan dalam jurnal yang lain. Setiap artikel yang diterima akan melalui proses *double blind review* oleh satu orang anggota dewan editor JEBMES dan satu orang mitra bestari. Kriteria-kriteria yang dipertimbangkan dalam *review* antara lain: (1) memenuhi persyaratan standar publikasi jurnal, (2) metodologi riset yang dipakai, dan (3) manfaat hasil riset terhadap pengembangan manajemen dan praktek bisnis di Indonesia.

Pedoman Penulisan Naskah
1. Sistematika pembahasan dalam naskah:
   a) **Abstrak/sinopsis**
      Bagian ini memuat ringkasan riset. Abstrak ditulis dalam Bahasa Indonesia dan Bahasa Inggris, yang masing-masing bagiannya memuat tidak lebih dari 200 kata. Abstrak ditulis dengan *Times New Roman* ukuran huruf 10 pt, spasi 1 dan diikuti dengan sedikitnya empat kata kunci (*keywords*) untuk memudahkan penyusunan indeks artikel. Penulisan kata kunci dicetak miring dan berukuran 10 pt.
   b) **Pendahuluan**
      Bagian ini menjelaskan latar belakang riset, rumusan masalah, pernyataan tujuan dan (jika dipandang perlu) organisasi penulisan naskah. Pada pendahuluan diharapkan memaparkan kerangka teoritis berdasarkan telaah literatur yang menjadi landasan logis untuk mengembangkan hipotesis atau proporsi riset dan model riset.
   c) **Metode riset**
      Menguraikan metode seleksi dan pengumpulan data, pengukuran dan definisi operasional variabel, dan metode analisis data.
   d) **Hasil Penelitia dan Pembahasan**
      Memuat penjelasan analisis data riset dan deskripsi statistik yang diperlukan dan pembahasan temuan
   e) **Kesimpulan, implikasi dan keterbatasan**
      Memuat simpulan riset, menjelaskan implikasi temuan dan keterbatasan riset, serta jika perlu saran yang dikemukakan peneliti untuk riset yang akan datang.
   f) **Daftar pustaka**
      Memuat sumber-sumber yang dikutip di dalam penulisan naskah. Hanya sumber yang diacu yang dimuat dalam daftar referensi ini. Daftar pustaka ditulis dengan menggunakan format APA Style, dengan menggunakan aplikasi **Mendeley**
2. Naskah dalam bentuk softcopy diketik dengan Word, dengan jarak baris 1,5 spasi;
3. Judul artikel ditulis dengan huruf *Times New Roman* 14 pt dalam huruf kapital pada setiap awal kata dan bercetak tebal.
4. Identitas penulis dilegkapi dengan urutan afiliasi penulis dan alamat email. Untuk identitas penulis ditulis dengan huruf *Times New Roman* ukuran 11 pt, alamat email dicetak miring dengan ukuran huruf 11 pt.
5. Panjang artikel antara 15 s.d. 20 halaman (dengan jenis huruf *Times New Roman* 11 pt).

6. Marjin atas, bawah, kiri dan kanan sekurang-kurangnya 1 inci.
7. Semua halaman harus diberi nomor urut halaman.
8. Tabel dan/atau gambar disajikan **merupakan bagian dari badan tulisan.** Judul Tabel berada di atas tabel, sedangkan judul gambar ada di bawah gambar. Penulisan Judul dalam bentuk kalimat (hanya huruf di awal kalimat yang merupakan huruf kapital.
9. Setiap tabel atau gambar diberi nomor urut, judul sesuai dengan isi tabel atau gambar dan sumber kutipan (jika relevan). Nomor urut tabel dan judul tabel ditulis dengan menggunakan *Times New Roman* ukuran 11 pt. Tabel ditulis dengan menggunakan *Times New Roman* berukuran 10 pt
10. Artikel diserahkan dalam bentuk *softcopy*

JOURNAL OF EMERGING
BUSINESS MANAGEMENT AND
ENTREPRENEURSHIP STUDIES