

# **The Creating Digital-based Business “Kawan Messenger”: Chat/Messenger and Marketplace Application**

Hamid Muzaki\*

Magister Management, Faculty of Economics, Universitas Islam Indonesia  
[hamidmozaky@gmail.com](mailto:hamidmozaky@gmail.com)

Dessy Isfianadewi

Department of Management, Faculty of Economics, Universitas Islam Indonesia  
[dessy.isfianadewi@uii.ac.id](mailto:dessy.isfianadewi@uii.ac.id)

\*Corresponding author

## ***ABSTRACT***

*This study aims to create a messenger application concept where each user can provide information about each other offered products by uploading them in the status column. This concept is applied so that every user of this messenger application can make product offerings without having to make other parties feel disturbed. The method used is a business model canvas. The results of this study are the launch of the Kawan Messenger product, an innovative smartphone application product that combines two application concepts, namely a chat/messenger application and a marketplace application. This product has successfully captured 1,894 installers. However, in the process of introduction, this application product cannot be projected to benefit directly, so it is crucial to realize promotional communication strategies to gain customer loyalty.*

**Keywords:** *Business Canvas Model, Chatting Application, Kawan Messenger, Messenger Application,*

## **Introduction**

In this globalization era, the development of technology is fast, including the development of technology information and communication. Today, there are lots of applications in the smartphone that give communication services that also known as messenger applications. Producer of messenger applications that mostly from overseas tried to provide the best service of

their product. It is because of messenger application in the required form in every smartphone. Just imagine how big the market of this field.

Indonesia is a country that is experiencing a boom in internet users. In 1998, the number of internet users recorded around 500 thousand. In the early decades of this 21<sup>st</sup> century, there was a significant gap number for internet users, about 61 million (Karimuddin, 2012). The big names of internet users become the main reason why Indonesia placed in the fourth largest country that accesses the internet.

Lichtenthal dan Eliaz (2003); stated that the online business communication system was the only way that can send complete information toward costumers such as awareness, knowledge, liking, preference, conviction, and purchase. The other communication system is unable to give full details like an online communication system. Therefore, it was not surprising that business managers are now beginning to expand and offer their business products online.

So far, messenger applications that exist in Indonesia or overseas only highlighting in chatting and calling features. The difference between one form and another only on detail feature such as emoticon. Without any significant differences, the primary function of all messenger application all this time is limited to chatting and calling. Therefore, Kawan Messenger, with the tagline “More Than Talk,” is tried to give a new offer in the messenger application world by offering to sell and buying features in one application. This business model is one of the significant innovations in the world of messenger application. Using this feature, every user of Kawan Messenger will know other users' business activity. This study aims to create a messenger application concept where each user can provide information about each other offered products by uploading them in the status column.

## **Literature Review**

### **Market Aspects**

Analysis market aspects can be identified by STP analysis, which is segmenting, targeting, and positioning. According to Kotler, 2016, the explanations are below:

#### ***Segmenting***

Market segmentation is a process to differentiate the market into several groups of consumer based on needs and similar characteristic also that gives the same reaction toward a marketing program that is offered. Based on segmenting according to Kotler, it can be sorted into three: based on geographical, demographic and benefits

#### ***Targeting***

Targeting can be interpreted as an activity to determine the target market, which takes one segment or more to be served.

#### ***Positioning***

Positioning was a situation when the company explained the product position toward the consumer. And give information about the differences between the company product than the other and the benefits.

### **Marketing-Mix (7 P)**

Marketing Mix is a set of technical marketing tools that can be controlled, which are integrated by the company to create required to respond in the target market. (Souar, Mahi & Ameer, 2015).

### ***Product***

Product is everything that can be offered to the market to be considered, owned, used, or consume so it can give satisfaction toward consumers' needs and desires (Hermawan, 2012).

### ***Price***

Price is the amount of money (possibly added by some goods) that needed to obtain some combination of products and services.

### ***Promotion***

The purpose of the promotion is as an effect of communication (Tjiptono, 2004) which are:

1. Generating consumer perception of needs.
2. We are introducing and providing views about a product to consumers.
3. It is encouraging in product selection.
4. Persuade costumers to buy a product.
5. Complement the weaknesses element of marketing products.

### ***Place***

The place is a strategy that determines where and how we sell a particular product. (Kotler, 2009).

### ***People***

According to Boom and Bitner in Effendi (2010), explained that people mean "a person who gives or plans services toward consumers."

### ***Process***

According to Boom and Bitner in Effendi (2010), told that “a process happens without consumers’ views, the consumer does not know how the process is happening, as long as they are satisfied with the services.

### ***Physical Evidence***

Services are often intangible, and customers cannot assess their quality thoroughly. So consumers use the service environment as an essential proxy for quality. (Kushwaha & Agrawal, 2015)

### **Brand Awareness**

Moisescu (2009) stated that brand awareness is the ability of the consumer to remember a particular brand or advertisement spontaneously or after being stimulated by keywords.

Meanwhile, according to Asaad Ali Karam (2015), brand awareness is “showing the ability of consumers (prospective buyers) to recall and recognize that the brand is a part of certain product categories.”

### **BCG Analysis (Boston Consulting Group)**

BCG matrix is a more accessible tool to make a decision. With only read the chart, people can see in what position their company placed. This matrix focused on cash flow, investment characteristics, and needs from various organizational divisions. Divisions can change from time to time (Mohajan, 2017)

BCG matrix analysis method helped the business unit to know their position within four categories, which are Dog category, Question Mark, Star, and Cash-Cow, which determine based on the combination from market development and relative market share toward big competitors. This matrix also can be used for mapping product strategy attribute that can produce profits for the company (Lindgren and Band hold 2003).

Company will analyze and placed a business unit toward BCG Matrix based on these four categories:

### ***Question marks***

Question marks are a condition when a business unit in a growing market but has a low market share. The strategy that can be used is market penetration, market development, or product development.

### ***Stars***

Stars are a condition when the business unit has a high market share in a growing market. Several alternative strategies used, such as backward integration, forward integration, horizontal integration, market penetration, product development, or product development.

### ***Cash cows***

Cash cows are a condition when a business unit in a high market share in an emerging market. The best strategy can be used for product development or diversification. However, if the situation becomes lower, the other alternative approach can be used contraction or divestment.

## *Dogs*

Dogs is a condition when business in a small market share in a low-growth market. Product in this condition for the first time, the best strategy is a contraction.

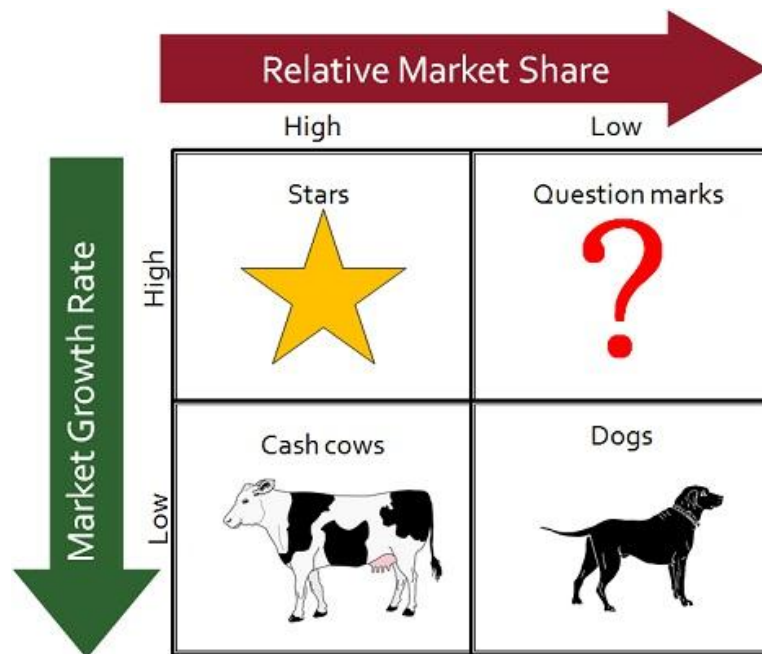


Figure 1. BCG Matrix (Boston Consulting Group)

### **Kawan Messenger Position Based on BCG Matrix Analysis**

According to the BCG matrix analysis above, Kawan Messenger's position is on Question Mark. It is because Kawan Messenger is a new product with a high prospect, even though they still have a low market share. The main reason for low market share conditions is a result of a lack of socialization and promotion. In this position, the strategy that can be used and emphasize

by Kawan Messenger is market penetration. Funding and promotion strategy has to be intentional and become a priority to attract more market attention.

## Methodology

### Business Canvas Model

Osterwalder and Pigneur (2012) said that the business model could be interpreted very well using nine basic building blocks that showed how to think about the way companies making money. Those nine basic building blocks will be placed at an arrangement called Business Model Canvas. Business Model Canvas divided into nine main sections, which are: Customer Segments, Value Propositions, Channel, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure.

Table 1. Business Canvas Model Kawan Messenger

<b>Key Partners</b> 1. UMKM Doers 2. Netizen 3. Shopaholic 4. BUMN 5. Cooperative and Small and Medium Enterprise Office 6. Stakeholder	<b>Key Activities</b> 1. Looking for Investor 2. Doing promotion and marketing 3. Establishing cooperation and partnerships with government, association and stakeholder.	<b>Value Proposition</b> Kawan Messenger is a messenger application which has function to send short message, voice call, video call, sharing photos and videos just like other function that has been offered by other application. However, Kawan Messenger offered marketplace function. Thus, two function in one application.	<b>Customer Relationships</b> 1. Free to use 2. Membership 3. Seminar 4. Workshop	<b>Customer Segments</b> 1. SocMed users 2. Social media users who actively do online shopping 3. UMKM doers 4. UMKM doers who actively use e-commerce
<b>Key Resources</b> 1. Human resource 2. Office 3. Website 4. Application 5. Brand	<b>Channels</b> 1. UMKM directed by BUMN 2. Cooperative and Small and Medium Enterprise Office 3. UMKM Association in region. 4. Google AdWords 5. SocMed Ads			
<b>Cost Structure</b> 1. Human resource cost 2. Operational cost 3. Marketing costs 4. Sales costs		<b>Revenue Streams</b> 1. Investors 2. Prepaid feature users 3. Commission per transaction 4. Unused balance		



## **Results and Discussion**

### **Company History**

Kawan Messenger application is created by a discussion from a young fellowship in Yogyakarta who wanted to make innovation of messenger application. Messenger application is chosen because this application has the most users in Indonesia. The innovation that is done is adding buy and sell features in it. With the new feature, it is expected to facilitate economic turnover at the lower levers.

### **Kawan Messenger Logo and Tagline**



Figure 2. Kawan Messenger Logo

Kawan Messenger has a round logo with a vector picture image resembling people who made a greeting gesture. Besides being interpreted as a picture of a person, the logo also hinted as letter K as the letter prefix of word Kawan.

Kawan Messenger uses “More than talk” (More than just chatting) as a tagline or slogan. The tagline was made intentionally using English, an international language that can be understood globally. From this tagline, it can be assumed that this product has the advantages offered.

## **Vision and Mission**

### ***Vision:***

To become the largest provider messenger application company by young Indonesian fellow in Indonesia and the world

### ***Mission:***

- Build features that suit the tastes of application users
- Build the required features.
- Prioritize features that can give economic support for its users.
- Create a business system that can benefit both sellers and buyers.
- Always update on technological development.

## **Production Process**

### ***Market and Needs Survey***

The first thing is surveying market candidates and the potential needs for planned applications.

### ***Finalization of Application System Concept***

After getting the data segmentation and market needs, the next stage is finalizing the concept of the system that will be applied in the Kawan Messenger application.

### ***Application Making***

After finalizing the concept, the next step is execution. In this stage, the programmer already began the coding making process with the direction of the project manager (project leader)

### ***Trial & Completion***

After the application completed than the last step is trial or testing stage.

### **Product Work System**

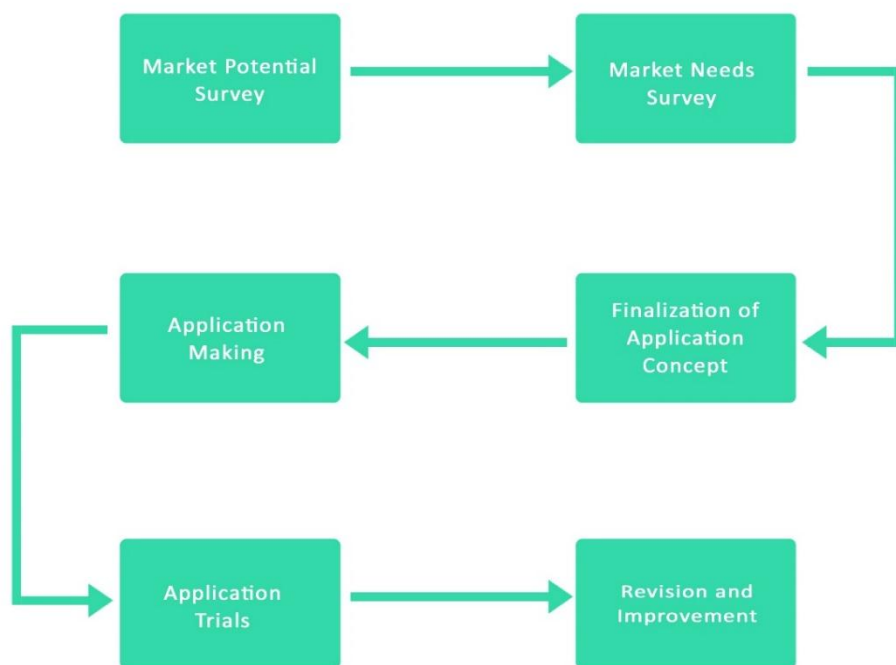


Figure 3. Flow-chart of Kawan Messenger Production Process

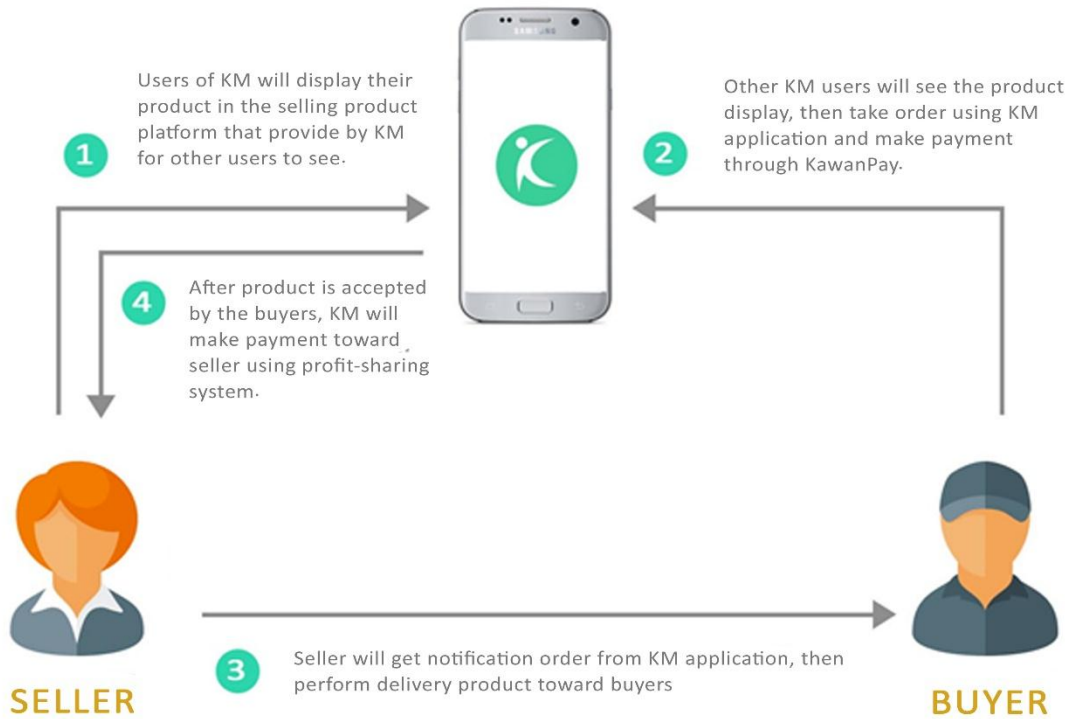


Figure 4. Flow-chart buying and selling transactions process on Kawan Messenger

<b>MARKET POTENTIAL IN INDONESIA</b>	<b>DATA TOTAL</b>
Total of SMEs	57,895,721
Total of SMEs e-commerce users	550,000

**Market Potential and Projection of Revenue**

Table 2. Market Potential

Total of SMEs not e-commerce users	57,345,721
Total of social media users	129,249,800
Total of social media users who actively do online shopping	42,652,434
Total of social media users who less actively do online shopping	86,597,366

Source: BPS, 2017

Tabel 3. Target Users App Kawan Messenger

<b>TARGET USERS APP KAWAN MESSENGER</b>		
SMEs users who actively use e-commerce	3%	16,500
Social media users who actively do online shopping	5%	2,132,622
<b>TOTAL</b>		2,149,122

Source: Precessed Data

Table 4: Potential Income

<b>POTENTIAL INCOME</b>	
<b>PRODUCT PRICE</b>	<b>COMMISSION</b>
Rp. 0 - Rp 100.000	3%
Rp 101.000 - Rp 500.000	2%
>= Rp 501.000	1%

Source: Processed Data

Table 5. Projection of Revenue in 5 Years

<b>EXPLANATION</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
PERCENTAGE OF SALES	5%	10%	30%	45%	60%
PERCCENTAGE OF SALES INCREASE	0	5%	20%	15%	15%
THE AVERAGE OF	Rp 250,000	Rp 250,000	Rp 250,000	Rp 250,000	Rp 250,000

POTENTIAL INCOME					
ACTIVE USERS	107,456	214,912	644,737	967,105	1,289,473
TOTAL TRANSACTIONS	Rp 26,864,021,250	Rp 53,728,042,500	Rp 161,184,127,500	Rp 241,776,191,250	Rp 322,368,255,000
SALES REVENUE	Rp 537,280,425	Rp 1,074,560,850	Rp 3,223,682,550	Rp 4,835,523,825	Rp 6,447,365,100

Source: Processed Data

## Conclusion and Future Implication

### Conclusion

After one year, since the Kawan Messenger application was launched to the market, several things that can be concluded regarding its marketing strategy. In the startup business marketing process, there is a slight difference when compared to the marketing process in general business in general.

In the process of initial planning, the Kawan Messenger application is projected to get margins from the first year of launch. Margin planned in initial revenue projection is obtained from the percentage of purchases made by Kawan Messenger application users. However, along with business growth, there was a change in the concept of income projections in this business. It is happening as a result of a lack number of Kawan Messenger users and a lack of market interest to install the application. Therefore, in the early years after launching, the main priority should be quantity and loyalty market, not margins.

### Future Implication

The short term target of Kawan Messenger is to intensify the marketing communication strategy in all over Indonesia by offering various benefits for its users. This strategy is used to

get market loyalty toward the products. To realize the idea, Kawan Messenger will seek funding, either from grant funds or investors to focus on publication and promotion activities.

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