



Exploration Of The Potential Of Pharmaceutical Services Online Apotek X Jatiwaringin Bekasi Based Blue Ocean Strategy (Bos)

Atika Bendra¹, Sahat Saragi², Lies Putriana³

Program Magister Farmasi Universitas Pancasila, Jakarta, Indonesia^{1,2,3}

Email: atikabendra@gmail.com

Keywords

Blue Ocean Strategy,
Business Strategy,
Pharmaceutical Service,
Telepharmacy

Abstract. One of the impacts of the development of information technology and the emergence of the Covid-19 pandemic is the emergence of various digital platforms in health services, including pharmaceutical services. The business model has completely changed and has an impact on the importance of adjusting relevant business strategies. Pharmacy X is one of the business units that is experiencing the dynamics of the impact of technology and the COVID-19 pandemic on its business performance. This study aims to formulate an appropriate business strategy for optimizing performance development through the X Jatiwaringin Bekasi Pharmacy service using the Blue Ocean Strategy approach. The research method used was qualitative, with a total of 7 informants (5 pharmacy managers and 2 customers). Data collection was carried out through in-depth interviews and supplemented by field observation data and pharmacy performance reports. Data were analyzed using SWOT analysis with a blue ocean strategy approach. The SWOT analysis and the four-step framework using the blue ocean strategy approach conclude that there are no factors that need to be eliminated, because all the factors that exist in Pharmacy X are currently needed. Factors that must be improved include service quality, product completeness and availability, as well as consulting services that have been implemented. Product prices are a factor that needs to be lowered, especially for fast moving drugs because there are quite a lot of consumers and they are one of the mainstay products of the Pharmacy. Meanwhile, the factors that must be created are information systems, collaboration or joining digital platforms, online payment methods, inventory systems, and promotional programs that are more diverse and digital-based promotions.

1. INTRODUCTION

Pharmacy is a retail business whose commodities consist of pharmaceutical supplies (drugs and medicinal ingredients) and other pharmaceutical supplies (medical devices).¹ Pharmacy is an institution that has two functions, namely as a health service unit (patient oriented) and a business unit (profit oriented). The function of the pharmacy as a business institution is to make a profit. The pharmacy business is regulated in special regulations and standards, namely Regulation of the Minister of Health Number 73 of 2016 concerning Pharmaceutical Service Standards in Pharmacies². The regulation explains that pharmacy services are not only product oriented or not just selling drugs, but also patient oriented. Pharmacists must prioritize services with rational treatment principles and prevent medication errors from occurring to ensure patient safety and security, as well as resolve drug-related problems (Drug Related Problems).²

Vincent Herjianto, Chair of the Trade and Industry Development Committee for GP Pharmaceutical Raw Materials, also said that there are seven points that the pharmaceutical industry can do for a new normal situation while simultaneously developing digitalization optimally, namely: 1) Monitoring changes in customer attitudes; 2) Solicit input from customers, employees and colleagues for a better strategy; 3) Business does not return to normal as before Covid-19, but must follow a business model that is adapted to the new normal; 4) Consultation; 5) Creative, always experimenting; 6) Prepare well; and 7) Manage finances carefully. The seven points above are closely related to the business processes carried out by the pharmaceutical industry. In running its business, pharmacies are required to be able to create innovations and strategies³.

Apotek X Jatiwaringin Bekasi has experienced the impact of technological developments, especially during the pandemic for the past 2 years. Apotek X Jatiwaringin Bekasi is still

implementing a simple system in its management, while other pharmacies have switched to digital services. If no adjustments are made, consumers will abandon Apotek X Jatiwaringin Bekasi. The results of observations and interviews conducted with the owner and pharmacist in charge of Apotek X Jatiwaringin Bekasi obtained information that the pharmacy's system and strategy had not received any improvement. Sales data shows that the percentage of online sales is still below 40%.

Table 1. Sales Data for Pharmacy X Jatiwaringin Bekasi for 2018 – 2021

Year	Sales Amount	Online Sales	Online Sales Percentage
2018	11.985.000.000	2.996.250.000	28%
2019	13.150.000.000	3.945.000.000	33%
2020	14.985.000.000	5.244.750.000	39%
2021	15.670.000.000	5.797.900.000	41%

The results of a pre-study of 62 loyal customers at the X Jatiwaringin Pharmacy Bekasi, showed that 75% of informants needed online services. One of the most widely applied business strategies in the pharmaceutical sector is the Blue Ocean Strategy. Blue Ocean is an unknown market space characterized by unexplored market space, demand creation and highly profitable growth opportunities. In order for a pharmacy not to experience a decrease in turnover amidst the rise of competitors who also sell the same products in the same way, the X Jatiwaringin Bekasi Pharmacy must have a new business plan that can increase turnover and performance, namely through online services. This online pharmacy service business strategy is important because there is great potential to develop business in the Bekasi area with significant population growth, large Gen X, Millennial and Gen Z profiles. This study aims to formulate an appropriate business strategy for optimizing performance development through the X Jatiwaringin Bekasi Pharmacy service using the Blue Ocean Strategy approach.

Literature Study

Business strategy is a strategic plan that occurs at the divisional level and is intended how to build and strengthen the competitive position of the company's products and services in the particular industry or market served by the division⁹. Business strategy is a strategy to achieve goals that is often analogous to a chess strategy, in which systematic thinking, planning, preparedness to take steps, courage to take risks and passion to win matches are some of the characteristics of chess games that are relevant to business management practices.⁴ Business strategy is different from strategy at the corporate level. This strategy at the business level focuses more on improving the competitive position of the company's products or services in certain market segments. ⁵

Blue Ocean is part of the business world, in the present and the past. The industry never stands still, always evolving. So far, strategic thinking has been more focused on red strategies based on competition. The history of the industry shows that markets are never constant or fixed. On the contrary, all the time it looks like blue oceans are popping up continuously. Value innovation is one of the mind cores of the blue ocean strategy. Value innovation according to Kim and Mauborgne⁶ created in an area where the company's actions positively affect the cost structure and bids for buyers. Cost savings are made by eliminating and reducing factors that become points of competition in the industry. Buyer value is increased by adding and creating elements the industry has not yet offered.

Table 2. Differences between Red Ocean and Blue Ocean Strategy

Red Ocean Strategy	Blue Ocean Strategy
<ul style="list-style-type: none"> ▪ Complete in the existing market space ▪ Competitive win ▪ Exploits Existing requests ▪ (value cost – trade off) 	<ul style="list-style-type: none"> ▪ Create uncosted market space ▪ Makes competition irrelevant ▪ Create and capture new request ▪ Breaking the exchange of value cost

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Integrating the entire system of company activities with a strategic choice between differentiation or cost value | <ul style="list-style-type: none"> ▪ Integrating the entire system of enterprise activities in the pursuit of differentiation and low costs |
|---|--|
-

A competition-based red ocean strategy assumes that the structural conditions of an industry are given and that firms are forced to compete within it, an assumption based on what academics call a structuralist view, or environmental determinism. In contrast, value innovation is based on the view that market boundaries and industry structures are not given and can be reconstructed by the actions and beliefs of industry players. In red oceans, differentiation increases costs because firms compete under the same best practice rules. However, in a reconstructionist world, the strategic goal is to create new best practice rules by breaking existing value-cost exchanges and thus creating blue oceans.⁶.

2. METHODS

Data analysis was carried out using descriptive qualitative, namely primary data obtained from reports, semi-structured interviews and on-site observations which can then be followed by internal and external analysis which is translated into a SWOT analysis.

3. RESULTS AND DISCUSSION

Informants in this study are pharmacy managers and pharmacy customers, namely:

Table 3. Research informants for Pharmacy X Managers and Customers

No	Initials	Position	Years of service
Pharmacy Manager			
1.	EFP	Pharmacy Owner	17 years
2.	SEL	Pharmacist	2 years
3.	FIA	Pharmacy Staff - TTK	5 years
4.	KAM	Pharmacy Staff - TTK	2 years
5.	ULF	Pharmacy Staff - TTK	4 years
Pharmacy Customer			
6.	AS	Private sector employee	28 years
7.	TW	ASN retired	59 years

The results of the analysis of the informant and customer interview data, and from the coding process of the interview data, the factors that become the strengths, weaknesses, threats, and opportunities of Pharmacy X can be formulated:

- 1) Strength The current X pharmacy is:
 - Awareness of global changes and opportunities to utilize technology in developing its services (awareness of change).
 - HR has good product knowledge about medicines sold at apotek X
 - Have loyal customers
 - Have a good network with suppliers
- 2) Weakness pharmacy X is:
 - Less human resources
 - Not yet using the information system
 - Havent joined the platform yet
 - Lack of space or storage space
- 3) Opportunity pharmacy
 - Many digital platforms to choose from

- Have a work program
- Wide sales coverage
- 4) Threat pharmacy X
 - New pharmacy with lower price
 - Government regulations
 - Another pharmacy that has joined the e-commerce

Blue Ocean Strategy analysis

In this four-step framework, the company determines which factors must be eliminated, reduced, increased and which must be created in preparing the Blue Ocean Strategy. A four-step framework is also carried out to reconstruct the buyer's value elements in generating a new curve. The following are the factors that will emerge in the four-step framework, namely:

- 1) Eliminated factor
 Factors that are removed are factors that are considered unfavorable for the company or have a low value that has no effect on the company. In the context of this study, namely the analysis of the objective conditions of Pharmacy X, no factors were omitted, because all factors in Pharmacy X are very important.
- 2) Reduced factor
 At this factor the company must reconsider whether the product produced is excessive in a competition in the market. At Pharmacy X, the factor that needs to be reduced is product prices, especially fast moving drugs, in order to increase the number of buyers.
- 3) Enhanced factor
 In the factors that must be improved, the company must consider the weak factors that must be improved to be able to compete or even get out of the current competition. The factors that need to be improved are:
 - Consultation services: customers still need consultation
 - Completeness of products: ensuring the availability of drugs is always guaranteed, including replacement products.
 - Quality of service: Pharmacy X needs to improve the quality of service starting from the ordering process, payment, to delivery.
- 4) Factors created
 At this stage the company offers things that do not yet exist so as to create a new market to be superior to competitors. The factors created are:
 - Sales information system
 - digital platforms
 - Online payment system
 - Inventory system
 - Promotion

Table 4. Schematic of the Four Steps Framework

No	Attribute	At the moment	Action	upcoming
1.	Product Price	The price is right, you can still compete, but you need to anticipate newcomers who tend to offer lower prices.	Reduce	Reduce up to 10% specifically for fast moving products because they are the best sellers.
2.	Product Quality and Completeness	There have been no complaints regarding the products sold, but that doesn't mean you don't need	Upgrade	Make sure not to sell expired drugs, and guarantee the availability of drugs.



		to pay attention to product quality.		
3.	Service Quality	Service is fast and precise, but not yet efficient and effective in terms of time	Upgrade	Provide more efficient consulting sessions
4.	Online Sales System	It is still a combination of offline and online, while the need for online services is increasing and there are many competitors in e-commerce	Create	Designing information systems, or using digital platforms as sales techniques, and creating online payment methods with e-money.
4.	Promotion	There is no promotional program that has been run other than word of mouth	Create	Create promotions through social media
5.	Inventori	There is no inventory system so it is difficult to quickly find out which products are sold offline and online.	Create	Create an inventory system that is integrated into the developed platform or information system.
6	Regulation	The understanding of Pharmacy managers regarding online sales regulations and the risks is not evenly distributed	Upgrade	Providing information to increase the understanding of managers and staff regarding government regulations regarding services in the pharmaceutical sector so as not to violate provisions.

The results obtained regarding the implementation of the blue ocean strategy at Pharmacy X show that in today's digital ecosystem, using technology in business operations has become commonplace. Technology is considered to provide a great opportunity to increase sales and revenue, as research conducted by Mourtzikou et al. (2019).⁷

Mourtzikou analyzes how to create demand through impressively increasing value for buyers at an affordable price. The result is that technology has entered as part of restructuring efforts, including e-prescribing systems and e-audits regarding drug reimbursement. The application of technology as a business strategy is also believed to create a wider market space as found by Andriani, Diana (2013)⁸. Technology clearly can provide major opportunities in organizational matters and as part of restructuring efforts, including electronic prescribing systems and electronic audits regarding medication reimbursement (Mourtzikou et al., 2019). While the Ikhwan, Rizky (2018)⁹ uses the Blue Ocean Strategy as a method for designing a strategy that focuses on creating new market space through a process with a strategy canvas analysis and a four-step framework.

The completeness and availability of products as well as the implementation of an inventory system is one of the important focuses in the business strategy produced by the blue ocean strategy, as is the case with Andriani's findings (2013). Andriani's research shows that there is a relationship between electronic supply chain integration and the Blue Ocean Strategy. Pharmacy X can adopt this method by using an information system that is integrated with the inventory system. The application of blue ocean is believed to be able to increase Pharmacy X's revenue because it will increase customer loyalty, and even increase the chances of getting customers from various groups. Business expansion can also be carried out by implementing an information system or using the right digital platform. This is in line



with the findings of Mourtzikou et al. (2016) who said that the implementation of the Blue Ocean strategy can affect company profits. Pharmaceutical companies can grow with integrity of values and with the help of blue ocean strategy.¹⁰

The blue ocean strategy approach shows that the new strategy design is proven to be able to improve the quality of hospital services (Ulvi Pratiwisari, 2017).¹¹ Even in terms of pharmaceutical distribution strategy, blue ocean strategy is also effective in increasing competition. Even though we haven't felt any competition from similar companies, technological developments and the number of pharmacies joining e-commerce will be a tough challenge in the future. Pharmacy X needs to establish planned steps to create service innovations for customers, offer new products, new services, more efficient sales systems, and provide attractive promotions. Using social media as a means of promotion in the digital era is an effective step.

4. CONCLUSIONS

Apotek X still feels that they are in a comfort zone with the service system implemented. The business strategy implemented is a combination of online and offline sales. Apotek X considers that this strategy is still relevant to the current situation. Managers are very aware of the challenges of technological developments and are ready to transform to a digital platform with certain preparations. Pharmacy X also has strengths in the field of competent human resources, good product knowledge, and loyal customers. Awareness of business changes in the global era is also an internal strength so that they will quickly adapt to a new work culture. Meanwhile, the current weakness of Apotek X is that it has not yet implemented an information system in business management, both in internal management and in terms of customer service. The SWOT analysis and the four-step framework using the blue ocean strategy approach conclude that there are no factors that need to be eliminated, because all the factors that exist in Pharmacy X are currently needed. Factors that must be improved include service quality, product completeness and availability, as well as consulting services that have been implemented. Product prices are a factor that needs to be lowered, especially for fast moving drugs because there are quite a lot of consumers and they are one of the mainstay products of the Pharmacy. Meanwhile, the factors that must be created are information systems, collaboration or joining digital platforms, online payment methods, inventory systems, and promotional programs that are more diverse and digital-based promotions.

REFERENCES

- Achmad, W. (2023). MSMEs Empowerment through Digital Innovation: The Key to Success of E-Commerce in Indonesia. *Daengku: Journal of Humanities and Social Sciences Innovation*, 3(3), 469-475.
- ANDRIANI, Diana. Pendekatan *Blue Ocean Strategy* untuk Meningkatkan Strategi Pelayanan Obat di Apotek K-24 (Studi Kasus Apotek K-24 Antapani). *iJurnal Manajemen Informatika (JAMIKA)*; 2013; 3(1).
- Arikunto S. Metode penelitian kualitatif. Jakarta: Bumi Aksara; 2006.
- David F R. Strategic management: Concepts and cases, 13th Editi. New Jersey: Pearson, 2011.
- Dewanti iR. Kewirausahaan. Jakarta: Mitra Wacana Media; 2008.
- Farquhar, Jillian Dawes. "Retaining customers in UK financial services: The retailers' tale." *The iService Industries iJournal*; 2005: 1029-1044.
- Hariadi B. Strategi manajemen, Jakarta: Bayumedia Publishing; 2003.
- Hartanto. Analisis Strategi Distributor Farmasi dengan Pendekatan *Blue Ocean Strategy* dan Balanced Scorecard pada Line Solusi Bisnis Kerjasama Laboratorium PT Indofarma Global Medika; 2013
- Hidayat A A. Metode penelitian paradigma kuantitatif. Surabaya: Health Books Publishing; 2015.

- Hit M A, Ireland R D, Robert E H. Strategic management. USA, South- Western: Thomson Corporations; 2005.
- IKHWAN, Rizky, et al. Analisis Perancangan Strategi Dengan Pendekatan *Blue Ocean Strategy* Untuk Meningkatkan Penjualan Dalam Persaingan Bisnis (Studi Kasus di Kedai Kopi Nongkring); 2018.
- Joewon H. Strategy management. Jakarta: Arrbey; 2012.
- Kaplan R S, David P N. Strategy map: Converting intangible asset into tangible asset. USA: Harvard Business School Press; 2004.
- Kim W C, Mauborgne R. *Blue Ocean Strategy* : How to create uncontested market space and make the competition irrelevant. Boston: MA: Harvard Business School; 2005.
- Kuncoro M. Ekonomi pembangunan. Jakarta: Penerbit Salemba Empat; 2006.
- Martono, Ricky Virona. *Dasar-Dasar Manajemen Rantai Pasok*. Bumi Aksara; 2019.
- MOURTZIKOU, Antonia; STAMOULI, Marilena; EMMANOUIL, Dimitrios. Implementation of the *Blue Ocean Strategy* in Healthcare: The Case of Greece. *International Journal of Reliable and Quality E-Healthcare (IJRQEH)*; 2019; 8 (2): 36-49.
- Mutanen, Teemu. "Customer churn analysis—a case study." *iJournal of Product and Brand Management*; 2006; 14 (1): 4-13.
- Nawawi. Manajemen sumber daya manusia. Yogyakarta: Universitas iGadjah Mada; 2015.
- Peraturan Bank Indonesia Nomor 19/12/PBI/2017 tentang Penyelenggaraan Teknologi Finansial.
- Peraturan Menteri Kesehatan Nomor 73 tahun 2016 tentang Standar Kefarmasian di Apotek.
- Peraturan Menteri Kesehatan Republik Indonesia Nomor 35 Tahun 2014 Tentang Standar Pelayanan Kefarmasian Di Apotek.
- Peraturan Menteri Kesehatan Republik Indonesia Nomor 9 Tahun 2017 Tentang Apotek.
- Peraturan Nomor 8 tahun 2020 tentang Pengawasan Obat dan Makanan yang Dieldarkan Secara Daring; 2020.
- Porter M E. Competitive advantage: Creating and sustaining superior performance. New York: Free Press; 1985.
- Porter M E. How Competitive forces shape strategy. *Harvard Business Review*. 1976; (57):142- 167.
- PRATIWIWISARI, ULVI, et al. *Pendekatan Blue Ocean Strategy terhadap Kualitas Pelayanan di Rumah Sakit Umum Daerah (RSUD) Sambas*. PhD Thesis. Tanjungpura University 2017.
- Purwanto. Strategi bersaing untuk mengoptimalkan kapasitas produksi: Studi kasus pada PT. Jaya Indah Casting, Bekasi. *The Winners*. 2011; (12)154-179.
- Rangkuti F. Analisa SWOT teknik membedah kasus bisnis. Jakarta: PT. Gramedia Pustaka Utama; 2014.
- Riyanto A D. Hootsuite (We are social): Indonesian Digital Report 2021. Hootsuite. 2021. Available form: <https://andi.link/hootsuite-we-are-social-iindonesian-digital-report-2021/>
- Sampurno. Manajemen stratejik : Menciptakan keunggulan bersaing yang berkelanjutan. Yogyakarta: Gadjah Mada University Press; 2010.
- Sari W M, Andry N. Perubahan profesi masyarakat nelayan di era 5.0. Sumatra Barat: Penerbit Insan Cendikia Mandiri; 2020.
- Solihin I. Manajemen strategik. iJakarta: Penerbit Erlangga; 2012.
- Sulistio. Analisis lima kekuatan porter pada PT Borneo Membangun. *Agora*. 2016; (4):34-43
- Sutedja, Wira. Panduan Layanan Konsumen. Jakarta: PT. Grasindo, Anggota IKAPI; 2007.
- Umar M. Manajemen apotek praktis. Solo: CV Ar-Rahman, 2011.
- Yusanto M I, M K Widjajakusuma. Menggagas bisnis islam, Jakarta: GemaInsani Press; 2002.