PROCEEDINGS OF
The 2nd INTERNATIONAL JOINT SEMINAR &
COMPANY VISIT TO TOSHIBA CORPORATION:
TOSHIBA SCIENCE MUSEUM
Humanizing Collaboration between Indonesia and Japan

held by

College of Business
Rikkyo University

and

Master of Management Program
Faculty of Economics and Business
Universitas Padjadjaran (MM FEB Unpad)

supported by

ABEST21
(The Alliance on Business Education and Scholarship for Tomorrow, a 21st century organization)

September, 21st - 25th, 2015
Tokyo, Japan
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WELCOME SPEECHES
Welcome Speech,
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Rikkyo University is our partner. We are very proud to be part of the Internationalization process within MM FEB Unpad with Rikkyo University. Looking forward to having great collaboration with Rikkyo University and ABEST21.

Welcome Speech,
Senior Vice President of Rikkyo University
Prof. Noriyoshi Shiraishi
e-mail : siraisi@rikkyo.ac.jp
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Rikkyo University has introduced “Rikkyo Global 24” globalization strategy as a medium-and-long-term plan as a milestone for the university’s 150th anniversary in 2024. Rikkyo Global 24 will be the core of the plan. Within the strategy, one of the specific goals for globalization promotion is to expand acceptance of international students.

Welcome the delegates of MM FEB Unpad to Rikkyo University.
Welcome Speech,
President of ABEST21
Prof. Fumio Itoh
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http://abest21.org

MM FEB Unpad is one of the accredited institutions by ABEST21 and has shown strong interest in increasing international collaborations among members of ABEST21. As one of the members of ABEST21, our institutions is really supported the cCompany Visit Program initiated by MM FEB Unpad to one of Japan Corporations in Tokyo.

Goodluck with the program in Tokyo, Japan.

Welcome Speech,
Dean, Faculty of Economics and Business,
Universitas Padjadjaran
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MM FEB Unpad is the one of the schools within the Faculty of Economy and business, Universitas Padjadjaran. Its mission is to increase the international exposure amongst students overseas id est Joint Seminar hels between MM FEB Unpad and Rikkyo University. We hope students and faculty members gain international perspectives from the program.
Japan and Indonesia are two countries that have shown stronger relationship for decades. 
These relations generate more collaboration academically. I believe Universitas Padjadjaran and Rikkyo University could perform and deliver mutual program in enhancing the collaboration.

It is very honor for MM FEB Unpad to collaborate with Rikkyo University in organizing the International Joint Seminar. The challenges for graduates from business schools are increased very rapidly. Students need practical knowledge and international exposure to align with their capabilities and competencies. We would like to thank for all support contributed by Rikkyo University, ABEST21, Toshiba Science Museum as well as all parties that can not be mentioned one by one.
PERSON IN CHARGED

RIKKYO UNIVERSITY

Prof. Noriyoshi Shiraishi

Senior Vice President of Rikkyo University

and

Prof. Akita Takahiro

Specially Appointed Professor, College of Business, Rikkyo University

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ABSTRACTS
ANALYSIS OF PERCEPTION TOWARD FINANCIAL COMPENSATION AND ITS INFLUENCE OF EMPLOYEE’S JOB SATISFACTION AT PT. CRESCO INDONESIA

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Abstract

Purpose
Compensation is one factor either directly or indirectly affect high and low work performance of employees. This research focuses on financial compensation and job satisfaction of employees at PT. Cresco Indonesia, particularly in the production division. The research looked at how the financial compensation given to employees of the production division at PT. Cresco Indonesia can affect job satisfaction of employees in the company.

Design/ methodology/ approach
This study was conducted to determine whether financial compensation had significant positive effect on job satisfaction of employees. This study has two variables, namely financial compensation as an independent variable and job satisfaction as the dependent variable. The methods that will be used in this research is descriptive and verification methods. The study was conducted because they want to know how the influence of financial compensation to employee satisfaction. In this study, method of verification analysis is used to examine the relationship between the independent variable, namely financial compensation, and dependent variable, that is job satisfaction.

Expected Finding
The expected results of this study is that the dimensions of financial compensation that influence toward job satisfaction of the employee are the basic salary, overtime pay, monthly cumulative bonus and holiday allowance. However, the study expect other additional the dimensions of job satisfaction: are payment, work itself, promotion opportunities, supervision, and co-workers.

Practical implication
This study will find out the compensation provided by the company would likely able to improve employee job satisfaction, the compensation awarded must be targeted. So that, the compensation awarded must be tailored to the services that have been given to company employees. The success of giving appropriate compensation to employees can be seen from the daily performance of employees, lower absenteeism, higher loyalty to the company, the increase in work performance, and others.

Originality/Value
This paper that is about measuring the perceptions related to financial compensation and job satisfaction of employees particularly in the production division at PT. Cresco Indonesia.

Keyword: Perception, Financial Compensation, Job Satisfaction
THE INFLUENCE OF GROUP REFERENCE ON INDONESIA STUDENTS’ PURCHASE INTENTION TOWARD ELECTRONIC IMPORT PRODUCT WITH CUSTOMERS’ ETHNOCENTRISM AS A CONTROL VARIABLE
(CASE STUDY TO NEW STUDENTS OF MM UNPAD)

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Abstract

Purpose

Many choices of electronic products will provide significant threat electronic products producers who do not prepare the marketing strategy and understand Indonesia consumers behavior as their target customers. The intense competition and the increase of dollar price would affect the business income, accompanied by the government's call to reduce the consumption of imports and increase consumption domestic products can be great threat to the import company's sales. Manufacturers of electronic import products must be smart in attracting the attention of consumers, and creating purchase intention. This study aims to provide significant benefits not only for academics in contributing a research on Purchase Intention, Reference Group, and Ethnocentrism, but also for the practitioner and the government.

Design/ methodology/ approach

In this study, we will analyze how the intentions of Indonesian students in purchasing electronic import products and how it is affected by the Reference Group while using ethnocentrism as control variables.

Expected Finding

The results of this study is that we will find the behavior pattern of consumer intention in buying import electronic product by utilizing the reference group and find also a pattern based on different tendency levels of ethnocentrism.

Practical implication

This study will find out the opportunities to rise customers’ purchase intention toward electronic import product, and increase the competitiveness of revenues also for companies that sell their electronic products to Indonesia.

Originality/Value

This paper that is about the relationship between the reference group and purchase intention by uniquely using ethnocentrism as control variable will be a new reference in the marketing management field.

Keyword: customer ethnocentrism, purchase intention, reference group
THE INFLUENCE OF SERVICE FACTOR AND HOSPITAL SERVICES TO THE INTENSITY OF INDONESIAN PATIENTS TO SEEK FOR TREATMENT IN JAPAN

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Abstract

Purpose
This study discusses the proposal of the research to study the influence of the driving factors of patients treated in Bandung City, Indonesia, in particular Bandung residents, regarding perceptions related to services provided by hospitals and quality of hospital services with the intention to seek treatment in hospitals in Japan.

Design/ methodology/ approach
The research will use descriptive and analytic method. Descriptive study aims to present information in a structured, factual, and accurate information on the service factor and quality of hospital services which affect the intensity of the patient's treatment to Japan. Population of this study is directed toward patients residing in Bandung and surrounding areas who had had treatment in Japan.

Expected Finding
The hypothesis developed in this study is the better perception towards service, quality of medical personnel and the quality of hospital, the higher intensity to seek treatment in the hospital. So the expected results of this study is that the better perception towards service, quality of medical personnel and the quality of hospital, the higher intensity to seek treatment in the hospital.

Practical implication
This study will find out the other factors that is also considered by the patient is the quality of the medical personnel as well as aspects of service quality that affects the intention of a patient for seeking treatment or choosing a hospital abroad. Aspects seen in the service quality among other are aspects related to the physical appearance of the hospital (tangible), reliability, responsiveness, assurance, and empathy of the service quality of the hospital.

Originality/Value
This paper that is about measuring the perceptions related to services provided by hospitals and quality of hospital services with the intention to seek treatment in hospitals in Japan.

Keyword: hospital services, the quality of hospital services.
INVESTING DECISION FOR SMALL MEDIUM ENTERPRISES IN BANDUNG, INDONESIA. CASE STUDY: MARLO EAT’n SHARE

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Abstract

Purpose
The paper discusses the case study of enlarging business scale by opening a new branch in culinary industry. The promising opportunity in culinary industry push the business owner to expand their business. The paper discusses two option for location of the new branches, first location is at JL. Ciumbuleuit no 89 and the second is at JL. Pasir Kaliki. All options need to be evaluated by an appropriate method. The paper provide a feasibility study solve problem by business owner by creating a capital budgeting method depends on the actual condition in Bandung. So, the main problems of this paper is “Does business owner’s (namely Marlo) decision to build a new branch is feasible?”

Design/ methodology/ approach
This study was conducted using case study method by providing assumption of initial investment of new branch that were taken from previous project of building and logistic of Marlo’s eat and Share and also similar resto who investing and operating as same line business with Marlo’s. The scenario will be set based on the last year cash flow of the Marlo eat n Share. With Average growth of business are set by the historical data of the cash flow.

Results/Finding
The results of this study is that after generating a capital budgeting, in all two scenario and 3 assumption has passed the feasibility decision, except the pessimistic at scenario 1. The pessimistic assumption on scenario 1, make sure that Marlo’s must be choose scenario Number 2.

Practical implication
This study presents the application of two calculations using assumption of initial investment of new branch. The results of the case study provide the information to evaluate all the opportunity that they have to get an optimum profit. In order to analize the potential optimum profit they need to compare the the potential return of the future project.

Originality/Value
This paper that is about the application of two calculations using assumption of initial investment of opening new branches.

Keywords: Investing Decision, Feasibility Study, Capital Budgeting
ANALYSIS OF CONSUMER PREFERENCES TOWARDS JAPANESE CAR (MAZDA) IN BANDUNG (INDONESIA)

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Abstract

Purpose:
Customers always have tendency/reason in selecting and determining the products to be purchased. The tendency of selecting a product/brand is influenced by the attributes of its product consisting of price, quality, benefits, design, and, after sales service. Cars become part of the lifestyle of today's modern society, many car manufacturers are competing in producing various types of cars and aim for certain social class. The objective of this research proposal was to find out about brand awareness, perceived quality, brand association, brand loyalty of Indonesian society in Bandung City towards Mazda cars.

Design/ Methodology/Approach:
This research proposal applied quantitative approach as research method. Data taken are collected and processed with both primary and secondary data. Sample is taken from a population, using sample determination method by Slovin. Object population of this research are customers in Bandung City. This research is conducted to determine tendency of brand awareness, perceived quality, brand association, brand loyalty of Indonesian society in Bandung city towards Mazda cars based on demographic, psychographic and behavioral segmentations.

Expected Finding:
Mazda cars will become main alternatives whereas people of Bandung have various choices of car brands entering Indonesia. Based on the study result, it is expected for Mazda as a car company to be able to create products that are suitable with the hopes and needs of people of Bandung city.

Originality/ Value:
Brand awareness, perceived quality, brand association, brand loyalty are the basis of reference for producers in aiming the market target from Mazda cars alone so that they can be used by the management of the company in expanding its product. Also, this will also benefit for the consideration of the company’s investors.

Keyword: consumer preferences, brand awareness, perceived quality, brand association
FULL PAPERS
ANALYSIS OF PERCEPTION TOWARD FINANCIAL COMPENSATION AND ITS INFLUENCE OF EMPLOYEE’S JOB SATISFACTION AT PT. CRESCO INDONESIA

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Background

In growing era of globalization, companies are faced with the demands of the times. Companies must adapt to face the rapid changes caused by globalization. A company with slow adaptation will be left behind and beaten in the competition. This is what signifies the increasing competition in the business world. Therefore, companies must be able to compete with other companies in order to maintain their existence in the world of business.

The tight business competition today requires companies to have a competitive advantage among other companies. Only companies with ability that gain competitive advantage. To be able to compete, readiness needed in all areas of the company, both in the fields of marketing management, human resources, finance, and operations.

Human resources as the main processing activities in the company must be prepared very well to be able to deliver the desired competitive advantage. Human resources that respond to global competition lead the company at a competitive advantage. Human resources are also the decision makers in the various aspects of the company such as finance, marketing, and operations. Qualified human resources can run all the strategies set by the company, so that the company's goals can be achieved effectively and efficiently.

One way to be done by a company in creating such circumstances is to provide good compensation for its employees. With good compensation, companies can increase employee job satisfaction. Compensation given to employees can be in the form of financial compensation and non-financial compensation. Financial compensation may include salaries, wages, commissions, bonuses, health insurance, and life insurance, while non-financial compensation may be the flexibility of working environment, and matters relating to the work itself as a policy, co-workers, as well as the competent manager.

In order for the compensation provided by the company is able to improve employee job satisfaction, the compensation awarded must be targeted. The compensation awarded must be tailored to the services that have been given to company employees. The success of giving appropriate compensation to employees can be seen from the daily performance of employees, lower absenteeism, higher loyalty to the company, the increase in work...
The provision of fair and adequate compensation to employees can increase their job satisfaction because they will feel rewarded for the performance they have done for the company. And conversely, if employees feel the compensation given by the company is insufficient and not in accordance with their performance, then it will lead to negative behaviors of employees, which can decrease the employee's job satisfaction. Poor compensation can make the employee do not devote the whole soul, feelings, and their time for the betterment of the company as a result of dissatisfaction, so the company will not be able to achieve the company's objectives and loss of competitiveness with other companies.

PT. Cresco Indonesia founded by Japanese businessman named Fuji Kogyo in the framework of Foreign Investment in 1989. The company is a private company engaged in the industry, manufacturing sandal made from fabric (textiles slipper), where these products will be exported to other countries such as Japan and Korea. In this company, there are about 140 employees in various divisions. This research focuses on financial compensation and job satisfaction of employees at PT. Cresco Indonesia, particularly in the production division. The research looked at how the financial compensation given to employees of the production division at PT. Cresco Indonesia can affect job satisfaction of employees in the company.

**Literature Review**

**Financial Compensation**

According to Mondy, Noe, and Premeaux (2002:312): “Compensation is the total of all rewards provided to employees in return for their services.” According to Davis and Werther (2001:379): “Compensation is what employees receive in exchange for their contribution to the organization.” Compensation is classified into two kinds of compensation of financial and non-financial compensation.

1. **Financial Compensation**

According to Mondy (2008: 242), financial compensation consists of direct financial compensation and indirect financial compensation. Direct financial compensation is the reward received by employees in the form of money as salary, wages, bonuses, and commissions. While indirect financial compensation is all the financial rewards that are not included in direct financial compensation, such as social security, unemployment compensation, worker's compensation, the Family and Medical Leave Act of 1993 (FMLA), payment for time not worked, health care, life insurance, retirement plans, disability protection, Employee Stock Option Plan (ESOP), Supplemental Unemployment Benefits (SUB), and others.
2. Non-financial compensation

According to Mony (2008: 242), non-financial compensation is received by a person from the satisfaction that comes from his own labor or influences of both psychological and physical environment in which the person works.

Factors that affect the financial compensation are:

1. Organization: Organization sees financial compensation as the cost of the asset. It is said that if compensation cost is reflected as expenses paid for labor, and it is said to be an asset when compensation is used as an instrument in recruiting the best people and make them do their best effort. The organization that pays compensation to the well can attract many applicants to assist management in selecting ability and character that corresponds to the value of the organization.

2. Labor Market: Labor market consists of potential employees who are located in a geographical area where the employee is hired. Labor market can be used as a basis for determining financial compensation through compensation surveys, expediency, cost of living, labor union, and the economy.

3. Job: The company paid compensation according to the value attached to a particular task, responsibility, and other factors related to the job itself as working condition.

4. Employee: Employee is a very important factor in addition to the organization, the labor market, and the work itself in determining the fair financial compensation. These factors include performance, skills, competencies, seniority, experience, membership in the organization, and potential

*Job satisfaction*

George dan Jones (2002:81) state “Job satisfaction is the collection of feelings and beliefs that people have about their current jobs.” Newstrom dan Davis (2002:208) state “Job satisfaction is a set of favorable or unfavorable feelings and emotions with which employees view their work.” Factors that influence job satisfaction according to Luthans (2008: 142-144) consists of:

1. **Work Itself:** relates to the extent to which such work can provide an interesting task, learning opportunities, and opportunities to be given the responsibility. Work itself is thorough nature of the work which is a major deciding factor in determining job satisfaction.

2. **Pay:** related to the amount of payments received by employees and the extent to which these payments are considered to be balanced with other colleagues within the organization.
3. **Promotions Opportunities:** transfer of employees from one department to another that
has the organizational level, responsibilities, and higher payments in advance. In other
words, the campaign is an opportunity to progress and develop within the organization.

4. **Supervisions:** related to the supervisor’s ability to provide technical assistance and
support for its employees. Supervision or control is another source of considerable
importance in determining job satisfaction. Good supervisor should be able to build his
subordinates as well as being a role model who respected his subordinates.

5. **Co-workers:** with regard to the extent of co-workers in the organization have sufficient
ability and is able to provide social support. Social interactions that occur between co-
workers in the working environment, either by fellow workers, superiors, subordinates,
and between workers of different types of work can support job satisfaction even
though the amount is not too significant.

**Research Method**

**Research Type**

The methods used in this research is descriptive and verification methods. According
Sekaran and Bougie (2010: 105), descriptive study is conducted to know and be able to
explain the characteristics of the studied variables in a situation. In other words, descriptive
research is research that aims to find a picture of the situation based on facts and processed
or analyzed to be concluded based on the results of the data processing. The study was
conducted because they want to know how the influence of financial compensation to
employee satisfaction. In understanding verification analysis, Nazir (1999: 63) state that it is a
method of research that aims to determine the relationship between variables through a
research hypothesis testing using statistical calculations. In this study, method of verification
analysis is used to examine the relationship between the independent variable, namely
financial compensation, and dependent variable, that is job satisfaction.

**Data analysis technique**

The author conducted qualitative and quantitative questionnaire data processing to
analyze and interpret the data based on the answers collected by distributing
questionnaires to the respondents. Qualitatively, data processing is a processing that is
performed by summing each alternative answer then calculating the frequency and
percentage, then analyzing and drawing conclusions from the results of the data processing.
Quantitatively, data processing is processing that is done by using the tools contained in
statistical science, i.e. statistical tests.

**Operational Definition**
Dimensions of financial compensation to be measured are the basic salary, overtime pay, monthly cumulative bonus and holiday allowance. While the dimensions of job satisfaction to be measured are payment, work itself, promotion opportunities, supervision, and co-workers. Every answer all the questions in the questionnaire uses the scale interval.

Data Processing Technique
Regression analysis was used to predict how much the value of the dependent variable (Y) when the independent variable (X) is altered. According to Sugiyono (2012: 213), regression analysis is used to predict how changes in the value of the dependent variable when the independent variable is increased or decreased in value.

REFERENCES:
will be provided if requested

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THE INFLUENCE OF GROUP REFERENCE ON INDONESIA STUDENTS’ PURCHASE INTENTION TOWARD ELECTRONIC IMPORT PRODUCT WITH CUSTOMERS’ ETHNOCENTRISM AS A CONTROL VARIABLE (CASE STUDY TO NEW STUDENTS OF MM UNPAD)

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Introduction

The instability of the world economy lately damages developing countries' value of currencies, including Indonesia currency. Until August 31, 2015, the value of Indonesian Rupiah to US Dollar is up to more than Rp. 14,000. This rate was the highest rate since the 2008 crisis. One of the economic policy to reduce the impact of the depreciation of the currency is to reduce imports and increase exports. The Government appealed to the public to buy the domestic production. But in fact the Indonesian society can not be separated from electronic products imports, it is in line with the statement of Indonesia’s trade minister Rachmat Gobel (Okezone.com, 2014) in an interview, that he regretted about the very high number of imported electronic products in Indonesia, and local production can not survive with it.

Many choices of electronic products will provide significant threat electronic products producers who do not prepare the marketing strategy and understand Indonesia consumers behavior as their target customers. The intense competition and the increase of dollar price would affect the business income, accompanied by the government’s call to reduce the consumption of imports and increase consumption domestic products can be great threat to the import company's sales. Manufacturers of electronic import products must be smart in attracting the attention of consumers, and creating purchase intention.

Intention is a term in psychology which is then brought into the discussion of consumer behavior in marketing science. Intention according to Ajzen (Aria and Meyanto, 2002: 63) is firstly, a catcher or intermediate motivational factors that have a certain impact on behavior. Secondly, the intention shows how hard the intention of a person to dare to try or attempt to perform a behavior. Thirdly, the intention also shows how much effort a person to realize his plans in drawing up a specific behavior. In conducting marketing activities in order to sell a product, companies need to firstly create the intention to buy or purchase intention within the consumer. According to Rizwan (2014: 58) "Purchase
intention is a calculation on the readiness of consumers to buy a product and calculation of readiness to purchase the product and has been defined as the probability of consumers’ purchases to do."

In their book, Shiffman and Kanuk (2008: 292) "consumers in their decision-making process of purchase / consumption makes reference group (reference group) as a frame of reference". In addition, other literature of Witt & Bruce (Shah 2012: 3) mentions Purchase decisions caused by the reference group during the process of choosing a brand to identify products, the group has a major role in the selection of the brand. By definition, according to Shiffman and Kanuk (2008: 293) "the reference group have expanded the meaning, at first reference group narrowly limited and only includes groups which individual interact directly. But later concept expanded into groups which individual interact directly or indirectly ". A similar understanding was also expressed by Brinberg and Plimpton (Pentina, 2008: 114) 'The existing literature on the reference group influence in consumer behavior generally addresses face-to-face direct membership groups where interaction occurs on a regular basis' and the statement added by Cocanougher and Bruce (Pentina, 2008: 114) 'Group reference is also socially distant (aspiration) groups that do not readily provide the opportunity for interaction'.

If it is related to economic issues and the high competition of manufacturers of electronic brand, the use of marketing with intermediary Group reference is expected to be a solution. thus this research is going to investigate the influence of the reference group on the intention to buy imported products. To add more value from this study, this study will analyze also about ethnocentrism variable as a control variable, as it is according to Han and Herche (Salman, 2015) provide empirical evidence to indicate a strong and significant relationship between consumer ethnocentrism and purchase intention toward local products.

**Literature Review**

**Purchase Intention**

Theory of planned behavior Ajzen and Ajzen (Aria, 2002: 23) states that there are some basic assumptions that need to be considered in understanding the intentions. firstly, the intention is catcher or intermediate motivational factors that have a certain impact on behavior. Secondly, the intention in showing how hard the intention of a person to dare to try or attempt to perform a behavior. Thirdly, the intention also shows how much effort a person to realize his plans in drawing up a specific behavior. Basic assumptions about this intentions behavior can be used to explain the intention to buy consumer electronics import products for students. According to Rizwan (2014: 58) "Purchase intention is a calculation
on the readiness of consumers to buy a product and calculation of readiness to purchase the product and has been defined as the probability of consumer purchases that will be done”

**Group Reference**

Park and Lessig (Pentina, 2008: 115) and from Escalas and Bettman (Pentina, 2008: 115) Reference groups are broadly defined as “actual or imaginary institutions, individuals, or groups conceived of having significant relevance upon an individual’s evaluations, aspirations, or behavior” They have been categorized based on membership status into direct membership groups (reference groups to which an individual belongs), and indirect aspiration groups (reference groups to which an individual aspires to belong). As has been stated by Park and Lessign (1977) reference group is defined to be an actual or imaginary individual or group conceived of having significant relevance upon an individual's evaluations, aspirations, or behavior. Park and Lessig (1977) also stated about three motivational influences of reference groups: informational, value expressive, and utilitarian.

**Etnocentrism**

The term "consumer ethnocentrism" is adapted from the general concept of ethnocentrism introduced more than 80 years ago by Sumner (Shimp and Sharma, 1987: 280). In general, Worchel and Cooper (Shimp and Sharma, 1987: 280) stated that the concept of ethnocentrism represents the universal proclivity for people to view their own group as the center of the universe, to interpret other social units from the perspective of their own group, and to reject persons who are culturally dissimilar while blindly accepting those who are culturally like themselves.

**Research Framework**

The conceptual framework adopted the theory of planned behavior proposed by Ajzen (1991) which developed from the theory of reasoned action (Ajzen, 1980) by increasing the perceived behavioral control in order to predict behavior more efficient. The attitude of the person may not have a direct effect on consumer behavior, but will be considered with the options available and select the most satisfactory results. The results of those choices are intended to affect behavior. In theory, a pattern of behavior which are the measure of the intention of behavior that consists of three main factors, which help to predict, include attitude toward the behavior, subjective norm and perceived behavioral control (Ajzen, 1991).

Attitude toward the behavior is the belief that behavior will lead to certain results. The attitude of the individual is the measure of like and dislike an object (Ajzen, 1991). Subjective norm is the awareness of social pressure from the referenced group that causes the person decision, the influence of an individual or group which agree or disagree with a
given behavior which will affect their efforts. Subjective norm is the structure of normative beliefs and motivation to comply with the person is influenced by a reference group to consider whether it should or should not do anything. (Ajzen, 1991).

From the discussion above, it was stated that a significant subjective norm which means the influence of reference group on the intention becomes base theory of this study to see the effect of the reference group on the intention to buy imported electronic products.

Associated with etnosentrisme, this research want to observe scale of consumer ethnocentrism on local products as a control variable to see how high the level of consumer ethnocentrism Indonesia, as well as how to distinguish the purchase intention of electronic import product within different levels of ethnocentrism. Below are our research hypothesis:

Hypothesis 1: There is an influence of the reference group to the purchase intention
Hypothesis 2: There is a difference in purchase intention and group reference in the different tendency level of ethnocentrism

Sample and Method

Population is the generalization region consisting of the objects / subjects that have certain qualities and characteristics defined by the researcher to be learnt and then to be concluded, (Sugiono, 2004: 72). Population is the whole object of research while the sample is a part of the number and characteristics possessed by this population, (Sugiono, 2004: 73). Sample is a part or a subset of the population, sample taken from the population selected. Sample is a part or representative of the population studied. If the subject number are less than 100 then all are taken for the research, and the study becomes study population, if the subject number are greater then 100, the sample is 10% -15% or 20% -25% or more, depending on ability of researcher.

In this study, the sampling method used is a method of non-probability sampling, sampling convinience. According to Sugiono (2004: 77) Accidental Sampling took the respondents by coincidence, that anyone who accidentally meet the researchers can be used as a sample when the person met fits the data with the main criteria of respondents. in this study the criteria of respondent is new students who are planning to buy electronic products for their study purpose. In this study, a population that will be used is new students of Master of Management Padjadjaran University. The total number of new students in Master of Management Padjadjaran University is 52 students, and because subject number are less than 100 then, all students are taken for the research, and the study becomes study population. The survey tool of the current study address two major purpose. First is to analyze the influence of group reference variable on purchase intention. Second, to collect information about different quality of the respondents that can be used to recognize the variations in different costumers’ ethnocentrism level. The survey
mechanism obtain two section. It includes different personal demographic variables. This section will contain the respondents’ information about gender, age, income, education and status. The latent variables that are essential in the present study includes purchase intention, group reference and ethnocentrism. The scales of the study were adopted from the past literature and published studies. The first variable was purchase intention which the scales will be taken from Esch et al. (Rizwan, 2014). The scale of group reference variable will be taken from Sangkakoon et al (2014). For the control variable, CETSCALE developed by Shimp & Sharma (1987), will be used to measure the respondents’ ethnocentric tendency.

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THE INFLUENCE OF SERVICE FACTOR AND HOSPITAL SERVICES TO THE INTENSITY OF INDONESIAN PATIENTS TO SEEK FOR TREATMENT IN JAPAN

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Background

Hospital is a health care institution for community, where basically it fulfills the needs and demands of patients. Hospital itself is a service organization that has a high interaction and customization to consumers. The interaction between service providers and customers becomes a special characteristic in marketing services and affects the yield and quality of the service. Best service quality is the key factor of success, and at the same time plays an important role in the marketing of services. Hospital performance that is not optimal is generally characterized by income and service quality that are still low. Broadly speaking, health services provided by hospitals in Indonesia are still less than the services provided by hospitals abroad.

Currently, the health sector is one of business opportunities that is pretty good. This is proven by the increasing number of existing hospitals or private clinics. Even in Indonesia, several international-standard hospitals have also established. Both private and state hospitals are trying to improve services for patients. As stated before, that services provided by hospitals in Indonesia is still less than the services provided by hospitals abroad. Often, there is a condition where the hospital refuses the patient because there is no place for patient care.

Indonesian society argue that the medical treatment abroad is better than medical treatment provided in this country. Result of research conducted by Research and Development of Java (2011), came to a conclusion that there were several main factors causing people to tend to seek treatment abroad. Internal factors of why people seek medical treatment abroad, among others confidence in the ability of doctors to treat diseases or problems suffered by the patient, the level of patient trust, the accuracy of diagnosis the doctor abroad, the transparency of the results of the diagnosis delivered by medical personnel towards the patient, the need for excellent services, and the suggestion if the health care abroad can heal faster. External factors of why people seek medical treatment abroad among others, the facilities and technology of hospitals or health services are more sophisticated and modern, the ability to provide better services by hospitals to patients, the presence of patients that are assessed more quickly, cheaper package system,
better hospitality services in one package so it is more practical, manners and management system and skills of medical personnel, and the recommendation or advice of the doctors in the country for medical treatment abroad.

Majority of Indonesian people choose Japan in seeking for medical treatment abroad. Based on data from the Japan Medical Excellence Seminar: Indonesia-Japan Medical Collaboration by the Secretary of the Directorate General of Tourism Destination Development, Ministry of Tourism and Creative Economy, Henky Hermantoro, there were 600,000 citizens of Indonesia who sought for medical treatment abroad in 2012. The costs they incurred reached 1.4 billion US dollars or equivalent to Rp 13.5 trillion. This number showed a significant improvement compared to 2006. At that time, there were 315,000 people sought for treatment abroad with total cost reaching $500 million (equivalent to Rp 4,8 trillion). It can be concluded that in the last few years, there had been increasing number of Indonesian patients who went to Japan.

Besides the hospital itself, other factor that is also considered by the patient is the quality of the medical personnel. Aspect of service quality also affects the intention of a patient for seeking treatment or choosing a hospital abroad. Patients will always compare or ask other for recommendations. Aspects seen in the service quality among other are aspects related to the physical appearance of the hospital (tangible), reliability, responsiveness, assurance, and empathy (Parasuraman, 2006).

This study discusses the influence of the driving factors of patients treated in Bandung City, Indonesia, in particular Bandung residents, regarding perceptions related to services provided by hospitals and quality of hospital services with the intention to seek treatment in hospitals in Japan.

**Literature Review**

**Definition of Hospitals**

Hospital is an institution which is an integral part of health organizations and social organizations, and serves to provide a complete health services, both curative and preventive outpatient and inpatient care through medical activities and treatment (WHO, 1997). Ministry of Health states that hospital is a health care center that organizes basic medical care and medical specialist, medical support services, installation services and maintenance services for both inpatient and outpatient. The main task of hospitals according to the Minister of Health Decree 983/1992 is to implement effective health measures and to give priority to healing and recovery efforts that are carried out in harmony and integrated with efforts to improve and implement prevention and referral efforts.

**Concept of Service Quality**
Quality has several definitions. According to Gaspersz (1997), the notion of quality is conventionally describes the characteristics directly from a product, such as performance, reliability, easy to use, aesthetics and so on. Feigenbaum (1991) argues that quality is fully customer satisfaction. A service quality is to be said if it can give satisfaction to the consumer that is fully in line with what consumers expect of a product. Meanwhile, according to Goestch and Davis, quality is "a dynamic condition related to products, services, people, processes, and environments that meet or exceed expectations."

There are 10 dimensions as major factors in determining the service quality. The ten dimensions according to Zeithaml et.al (1990) include: (1). **Reliability**, covers two main points, namely work consistency (performance) and the ability to be trusted (dependability). Right the first time. It also means that a company concerns to fulfill its promise, for example, deliver the service in accordance with the agreed schedule, (2). **Responsiveness**, namely the willingness or readiness of employees to provide services required by customers; (3). **Competence**, meaning that everyone in a company has the skills and knowledge required to provide certain services; (4). **Access**, including ease of contact and encounter. This means that the location of facilities within easy reach of services, waiting times that are not too long, corporate communication channels which can easily be reached, and others; (5). **Courtesy**, including politeness, respect, attention, and hospitality owned by the contact personnel (such as receptionists, telephone operators and others). (6). **Communication**, means providing information to customers in a language they can understand, and always listen to suggestions and complaints of customers; (7). **Credibility**, namely the nature of honest and trustworthy. Credibility includes the company name, company reputation, personal characteristics, contact personnel, and interaction with customers; (8). **Safety**, which is safe from danger, risk, or doubt. These aspects include physical, financial safety, and secrecy (confidentiality); (9). **Understanding/knowing the customer**, for example the attempt to understand the needs of customers; (10). **Tangibles**, for example physical evidence of service, bias in the form of physical facilities, equipment used, the physical representation of the service.

**Factors affecting service quality**

Classified as a public service for the public sector, hospitals have several factors that affect the service quality, as stated by Parasuraman, 2006 that there are five dimensions of the service quality factors to note:

1) **Reliability**, the company's ability to provide the promised services accurately and reliably.

2) **Responsiveness**, the policy to assist and provide fast service (responsive) and the right to the customer with clear information delivery.
3) **Guarantee, the politeness of knowledge, and the ability of the company's employees to foster a sense of trust of the customers to the company.**

4) **Empathy, a provision of genuine concern and a private individual or given to customers by striving to understand the desires of consumers.**

5) **Physical appearance, direct evidence (Tangible) is the ability of a company to indicate its existence to external parties.**

   Other affecting factor is facility. Mamik (2010) states, facility is anything that can facilitate and accelerate the implementation of a service. Mamik’s opinion is associated with the facilities at the hospital, which is the completeness of the equipment owned by the hospital to support examination, treatment and care for patients. Facility supplies in hospitals such as laboratory tests, radiology, and the car facility to refer patients.

### Research Method

**Research Type**

The method used in this research is descriptive and analytic method. Descriptive study aims to present information in a structured, factual, and accurate information on the service factor and quality of hospital services which affect the intensity of the patient's treatment to Japan. Analytical methods provides an overview of information about the relationship between one variable with other variables.

Population of this study is patients residing in Bandung and surrounding areas who had had treatment in Japan. The sampling technique used is the snowball sampling technique, namely to determine small sample, then this sample is asked to choose their friends to be sampled (Sugiyono, 2007). The research instrument was questionnaire. The scale of measurement used is Likert scale, with the scale of one for disagree statement and ends up on a scale of five, which means strongly agree. The data will be processed using a regression equation. The research model is shown in Figure 1.

![Research Model Diagram](image)

This study uses regression analysis techniques. Based on the research model in Figure 1, the regression equation is:

\[ Y = \alpha_0 + \alpha_1x_1 + \alpha_2x_2 \]

**Where:**

- \( Y \) = dependent variable. \( Y \) is defined as the intention to seek treatment
- \( X_1 \) = Perception of hospital services
X 3 = perception of the quality of hospital services

The hypothesis developed is the better perception towards service, quality of medical personnel and the quality of hospital, the higher intensity to seek treatment in the hospital.

REFERENCE

INVESTING DECISION FOR SMALL MEDIUM ENTERPRISES IN BANDUNG, INDONESIA. CASE STUDY: MARLO EAT’n SHARE

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Background

Lately, Bandung is one of the most attractive city in Indonesia. It has so many potential sectors that can provide for many function, especially stimulate the economic activities. In the last five years the Bandung economic growth has increased, peaking in 9% GDP growth by 2012, beating the national level. This was happened because many visitors who came are not only for a tourist destination, but also to business and others. The presences of the service sector and trade have increased significantly compared to other sectors.

As one of Indonesian’s main destination that visited by the tourists, makes Bandung definitely quite promising for the culinary business. With the accumulated number of visitors in Bandung on 2014 was 6.113.815 people and their local resident 2.483.977 people, the opportunity is very bright and size of the market for culinary needed is very large. With the support from the local and central government that pushed the tourism sector and creative industry concept is one of the important aspects for raise the country’s economic growth. Local Government in Bandung also support Bandung to evolving as tourism city and push our local potentien, especially culinary industries by creating a policy to make regulation for local brand easier. The entrepreneur, even local or foreign investors must be seeing this opportunity as a great chances to create or expand their business, especially for culinary industries.

Culinary industry is a part of creative industries. It involve’s so many people, thus can help to raise people’s wealth. There are only 627 from 3000 restaurant brand listed in Disbudpar Bandung at 2013. It means that most of them were illegal. It shows that the opportunity from the culinary industry is quite good, as of the entrepreneur bothered the local regulation.

Marlo Eat’n Share is one of the local brand who already in culinary industries at Bandung since 2014. Marlo’s one and only restaurant is located at Jl. Tamblong 48-50 Bandung, and wants to increase their business by establish a new branch. Marlo’s offering a concept that the people can eat conviniently and discuss, share the idea simultaneously. It’s supported by the comfort situation inside the restaurant and others facilities like internet connection ond so on. They serve not only local food but also western and asian food.
Owned by local Entrepreneur, Marlo Eat’n Share stimulate their business by empowering local community. “The community” will interact Marlo’s potential customer to came and tasting Marlo’s food product. Marlo’s customer segment coming from middle and middle high level of economy.

As the mentioned state above, Marlo’s will expand their business by creating a new branch. It can be enlarging business scale of Marlo’s, because they see the opportunity to get the customer in this industry. They want to locate their new branch at the strategic positions that have more traffic than the first restaurant. They see the potential customer will be raising if the customer easier to reach their branch. Marlo’s needs to evaluate all the opportunity that they have to get an optimum profit. In order to analyze the potential optimum profit they need to compare the the potential return of the future project.

The problems of this paper is Marlo’s want to enlarge their business scale by opening a new branch. The promising opportunity in culinary industry push them to expand their business. There are two option for location of their new branch, first location is at JL Ciumbuleuit no 89 and the second is at JL Pasir Kaliki. All options need to be evaluated by an appropriate method. The paper provide a feasibility study solve their problems by creating a capital budgeting method depends on the actual condition in Bandung. So The main problems of this paper is “Does marlo’s decision to build a new branch is feasible?”

**Literature Review**

**Capital Budgeting**

Gitman states that capital budeting is “The process of evaluating and selecting long-term investments that are consistent with the firm’s goal of maximizing owner’s wealth”. “The capital budgeting process consists of five distincts but interrelated steps: proposal generation, review and analysis, decision making, implementation, and follow-up”. (Gitman, 2012:390). In this case study, the capital budgeting process is using NPV, IRR, and payback period based on actual data and some assumptions.

**Net Present Value**

In Principles of managerial Finance, Gitman stated that: “Net Present Value (NPV) is a sophisticated capital budgeting technique which found by substracting a project initial investment from the present value of its cash inflows discounted at a rate equal to the firm’s cost of capital” (Gitman, 2012:397).

In this case study, NPV calculated according to projected cash flow for five years. NPV for investment using the basic application that the positive NPV means that the project is feasible and profitable. While negative NPV means the project should not be carried out since the project result in loss. NPV that have the positive value will increase the value of the firm.
Internal Rate of Return

In his book, Gitman also stated that: “Internal rate of return (IRR) is the discount rate that equates the NPV of an investment opportunity with zero (because the present value of cash inflows equals to the initial investment)” (Gitman, 2012: 401)

The requirement of the project by the point of view using IRR is when the IRR is higher than cost of capital, the project can be accepted. But if IRR is lower than cost of capital, the project should be rejected.

Payback Period

“Payback Period is the amount of time required for the firm to recover its initial investment in a project, as calculated from cash inflows” (Gitman, 2012: 393). Payback Period is very important to determine whether the project is accepted or not. The longer payback period it means worse cashflow and it will considered undesirable to invest as it does not good for the time value of the money. the maximum time become the reference to make a decision, as long as its less than maximum acceptable period the project may be accepted. If the payback period is more than the maximum accepted time the project should be rejected.

Weighted-Average Cost of Capital

Gitman stated about Cost of Capital: “Represents the firm’s cost of financing and is the minimum rate of return that a project must earn to increase the firm of value” (Gitman 2012:358). A firm cost of capital estimated at a given point in time, that reflect the expected average future cost of funds over the long run. A calculation of a firm’s cost of capital in which each category of capital is proportionately weighted. The WACC of a firm increases as the beta and rate of return on equity increases, the WACC equation is the cost of each capital component multiplied by its proportional weight and then summing.

Cost of Equity

Cost of equity is the rate of return expected by investors against the funds they invested in the company. One approach that many used to do the estimation of cost of equity is by using CAPM (Capital Asset Pricing Model). (Damodaran, 2006)

Cost of Debt

Cost of debt is the rate of return that must be repaid by the company against what he owes. The debt in question can be derived from bank loans or bonds of the company. In General, the cost of debt as defined with variables include interest expense levels at this time, the risk of the downfall of a company (the default risk of the company), and tax
advantages for the company with a debt (the tax advantage associated with debt). (Gitman 2012).

**Research Methodology**

The final project uses qualitative method, which use both the primary and secondary data. The primary data collected from the survey consisting of observation and thorough interviews direct to owner of Marlo Eat n Share. The Interviews were held number of times on August 2015. The secondary data was collected from Central Statistic Bureau of Bandung, Marketing Business books and National Central Bank websites. The final project depends on the information given by the owner and the secondary data analysis that available publicly.

In order to reveal the solution for the project, this study will use two analysis steps, first is financial modeling. Financial modeling will explain about the theories those will be used as the tools for doing the feasibility analysis and as the basis of the analysis that will be explained in theoretical review. Assumptions also be used as the modal for creating the financial modeling. The assumptions come from the historical data from the company, actual condition and also forecast for the future. Project scenario is the scenarios those will be created to find the most feasible financial modeling for the project.

Secondly, after create the financial model, next is creating the investment project analysis. Investment project analysis consists of three main parts. First is feasibility analysis. Feasibility analysis from this project is derived from capital budgeting method. Capital budgeting analysis consists of NPV, IRR, and payback period. After calculating the feasibility study, using the data from financial model, we would create the investment project analysis.

**Pre-Findings**

**Financial Modeling and Assumption**

**Initial Investment**

Assumption of initial investment of new branch were taken from previous project of building and logistic of Marlo’s eat and Share and also similiar resto who investing and operating as same line business with Marlo’s.

First is building Jl. Ciumbuleuit no 89, with the logistic cost is Rp. 130.700.000,00 or around One hundred point seven Million Rupiah, the rent investment total is Rp.500.000.000,00 for 5 years or around five hundred million Rupiah and the renovation cost Rp 80.000.000,00 or around Eighty Million Rupiah. Total Investment The project will be last for 5 years.

**Descriptions (Location: Jalan Ciumbuleuit no 89, Bandung; Buy Price: Rp. 2.200.000.000 (approximately); Rent Price: Rp. 100.000.000 / year; Width: 320 m2).** For Logistic Investment is calculated and the results will be discussed.
Second is building Jl. Pasir Kaliki, with the logistic cost is Rp. 141.200.000,00, the rent investment total is Rp.675.000.000,00 for 5 years or around six hundred seventy five million Rupiah and the renovation cost Rp 95.000.000,00 or around Ninety Million Rupiah. Total Investment The project will be last for 5 years. Descriptions (Location: Gardujati Perempatan Pasir Kaliki, Buy Price: Rp. 2.800.000.000 (approximately); Rent Price: Rp. 135.000.000 / Year; Width: 400 m²) For Logistic investment is calculated and the results will be discussed.

Scenario Assumption

The scenario will be set based on the last year cash flow of the Marlo eat n Share. With Average growth of business are set by the historical data of the cash flow. According to the first year cash flow of Marlo’s eat and Share was Rp. 1.430.504.394. If Marlo decide to take location in Ciumbuleuit, cash flow on the first year new brach of the project will be lower 7%, because a lot of competitor in there. But, if they want to open a new branch at Pasir Kaliki they expected first year cash flow of new brach will be higher 5 % than the first branch. The scenario analysis divided into three assumptions, which are:

1. Optimistic: Optimist scenario is the scenario that reflects how the company feels very optimist with this project, will be set in average growth 10% (except for teh first year, second year and so on), in hope that the company will make good marketing campaign, great consumption power and less competition. But this will be serve extra marketing cost Rp.125.000.000/ year.

2. Average: This scenario told that revenue from the new branch will able to run in normal pace, support by good marketing and normal competition. In this case, the revenue will growth in average 6 % per year, as the constant growth rate (except for teh first year).

3. Pessimistic: Pessimist scenario is the scenario that reflects how the company feels very pessimist to manage the project. In this case, the revenue will growth in average 2% per year (except for teh first year), as the constant growth rate as same as the average inflation rate in Bandung. They already feel that the competition is more higher and the marketing strategy of their company can’t achieve their expectation.

Depreciation

Depreciation method for either machinery or facility (logistic) used the table listed by the company from company’s report. The depreciation from project cost is using a straight line method divided by the time of the project which is 5 years. The results of the calculated depreciation will be discussed.
Fix and Variable Cost

Depend on the interview with the owner, we assume that the average of variabel cost is 50% of revenue margin. The owner states that that margin will keep the company from any situation to make sure if any wors case will happen like the volatility of the basic food price and so on. Also from that interview, the fix cost of new branch will calculate as follow: Fix cost will raise 6 % /year, took same rate is aggregate inflation in Indonesia is around 5,67-6,68 % per year. There are no different even fix or variable cost either the project will take.

Capital Structure

Optimal capital structure is important to be analyzed in order to get the best financing mix for the project. Optimal capital structure gained from calculation of the lowest WACC. Lowest WACC will generate the highest project value. To gain the WACC value this indicator have to be fullfilled. That required indicator is: Tax Rate. According form the local government policy, the tax rate for the restaurant and hotel is 10 %, only required if the revenue of that restaurant is more than Rp 10.000.000/ month. (PERDA KOTA BANDUNG, no 20. Th 2011). And estimated will not change until the project is over. Inflation. The data that will be used for inflation rate assumption taken from January 2005 to January 2015. Regarding the macroeconomic condition in Indonesia, the inflation rate will divide into two segments, inflation when election and not. Reflecting from the figure, Analysis discovered an average changes for about 1.76%, with standard deviation about 0.42, each year. This project would use escalation rate based on inflation rate. In 2015 inflation rate is 6,83%. Thus, using straight line average method from the past 10 years, cost of escalation rate would be 6.33% for this project. Anomaly occur when election, presumably due to political turbulence with average 9.42%. Thus, project timeline that occur in election period will have higher escalation rate. Risk Free. This project will use Average rate of SUN (Surat Utang Negara). The number of risk free rate taken from SUN in average estimated about 8,375%, and valid until 2036 (Indonesia Ministry of Finance,2015). For risk premium, it will be gotten from Dammodaran research,2014 for country risk of Indonesia is about 9.51 %. Interest rate.

To get the fund, one of the options is bank loan alternative, from the bank, the company will generate cash to operate the hostel. Based on the table average prime lending from Bank in Indonesia for micro credit in 2015 is 18.12% per annum. This research will use micro credit from Sinarmas Bank, because the lending rate is the lowest among the others and still below the average rate. Interest rate applied for this research is 12.6% per annum. Beta Market. Market Beta can be formulated by using CAPM index. Because of limited information of other data in the market, the assumed β is beetween 0,75-2,25. The higher debt/TA ratio more higher β coefficient will be. Weighted Average Cost of Capital (WACC).
After completing the requirement needed, the next step is calculating the optimum structure who gives the minimum WACC according from valuation result. The result of the calculation is discussed. Based on the optimal capital structure above, stated that the optimum debt and equity proportion for this project is 30% (for debt) and 70% (for equity). From the wacc calculation, the most optimum capital structure is 30% debt and 70% by equity. So if Marlo Eat and Share wants to reach optimum condition needs to follow their capital structure. The result of the Funding Scheme Allocation is discussed.

Feasibility Analysis
Revenue Analysis

Based on the last year cash flow data on the first branch, Marlo’s Owner estimating 2 potential project cash flow. This cash flow also reflecting the revenue of the company. It also calculating either if company gain profit or loss based by first year projection. Cash Flow gain from revenue that company kept, undergo their business activities. The revenue derived from food service and drink service. Cash Flow projection : Option 1 : Jalan Ciumbuleuit no 89; Assumption : Estimated revenue of first year lower 7% than last year first branch revenue (cash flow). And then, second year following the assumption. The owner saw that the quantity of competitors will have an impact to the new branch revenue. Marketing cost for optimistic strategi is flat/ year. Option 2 : Jalan Pasir Kaliki. Assumption : Estimated revenue of first year higher 5% than last year first branch revenue (cash flow). And then, second year following the assumption. Marketing cost for optimistic strategi is flat/ year

Capital Budgeting

Next step is generating the capital Budgeting. The main purpose of capital budgeting is the get the estimation of net profit project. Net profit is very improtant thing that they need to find for analyzing the time value of money project. It will be calculating as it below:
Skenario 1: OPTIMISTIC; AVERAGE; PESSIMISTIC
Skenario 2: OPTIMISTIC; AVERAGE; PESSIMISTIC.

After generate a capital budgeting, in all two scenario and 3 assumption has passed the feasibility decision, except the pessimistic at scenario 1. The pessimistic assumption on scenario 1, make sure that Marlo’s must be choose scenario Number 2. That means all two project are feasible to executed if their condition are in optimistic and average assumption. But in worst case, they choose scenario 1 and the business plan doesn’t seem meet their expectation, the Marlo new Branch will be a bad choice business. Comparing Scenario 1 and 2, this method prove that scenario number 2 is more profitable than scenario number 1, although the initial Investment of scenario no. 2 higher than scenario number 1. But the theory says that high risk usually provides high profit or return to their company.
Internal Rate of Return

After generate a capital budgeting, the IRR in all scenarios has passed the feasibility decision, except the pessimistic at scenario 1. The pessimistic assumption on scenario 1 has IRR below the WACC, thus it make sure that Marlo’s must be choose scenario number 2 instead of 1. This result indicate that all two projects are feasible to execute, even at pessimistic assumption on the scenario 2.

Comparing Scenario 1 and 2, this method prove that scenario number 2 is more profitable than scenario number 1, although the initial Investment of scenario no. 2 higher than scenario number 1. But the theory says that high risk usually provides high profit or return to their company.

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ANALYSIS OF CONSUMER PREFERENCES TOWARDS JAPANESE CAR (MAZDA) IN BANDUNG (INDONESIA)

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INTRODUCTION

Business competition faced by companies today is increasingly keen that it forces companies to be more careful in determining its competitive strategy to win the competition. From a marketing perspective, to be able to be the winner in this situation, management of a company is demanded to be able to design and implement marketing strategies that are able to create and maintain as well as increase satisfaction of customer, therefore in the end it can create high loyalty from the customers towards the product offered by the company. For people of middle to upper-middle social class with modern lifestyle, they tend to choose a brand that has been widely known. For people of lower social class, brand is just a name to differentiate one product to another. Unlike the people who have middle to upper-middle social class, brand influences their purchasing decision, because the brand that has been widely known gives positive image for customers.

Brand equity is a set of assets and reliability of brand regarding to certain brands, names and/or symbols, which can increase or decrease the value given by a product or service, both for marketer/company and customers. Brand equity occurred in automotive business plays an interesting role, one of which is MAZDA, a name of car manufacturer owned and made in Japan. PT. Sumber Trada Mobilindo is one of car dealers specialized in providing products of MAZDA, located in Bandung city. Mazda also offers various types of cars such as Hatchback, MPV, APV, and sedan.

Identification of Problem

In accordance with the background of problems discussed above, the problem formulations of this research are: Does brand awareness affect consumer purchasing decision to buy MAZDA cars? Does perceived quality affect consumer purchasing decision to buy MAZDA cars? Does brand association affect consumer purchasing decision to buy MAZDA cars? Does brand loyalty affect consumer purchasing decision to buy MAZDA cars?

Problem Limitation
This research focuses on PT. Sumber Trada Mobilindo. The subject of this research are customer of Mazda cars.

Benefits of Research
Theoretical benefit. Result of this research is expected to add information and knowledge as well as reference material for everyone. Practitioner benefit. Result of this research is expected to be useful as recommendation for companies with regard to marketing on brand awareness, perceived quality, brand association, and brand loyalty to the purchasing decision.

LITERATURE REVIEW

Theoretical Framework
Schiffman and Kanuk (1994) state consumer behavior as “the term consumer behavior refers to the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs.”

One consumer has different behavior with other consumers in purchasing products. The difference includes 6 matter (Mangkunegara,2001), namely: what to buy (object), why buy (objective), who buys (occupant), when to buy (occasion), how to buy (operation), and who involves in the purchase (organization). The differences between consumers happen because there are factors affecting consumer behavior in purchasing decision.

The process of purchasing decision by consumers to buy is started with marketing stimuli. Each company must carry out marketing activities in order to realize the success of its product sales. One of marketing activities conducted by producers is marketing mix strategy. Engel et.al (2001) states that marketing mix is program designed by a company to obtain the expected respond from the market.

Framework
Competition between industries is increasingly keen in gaining market share with the emergence of more new products that can be consumer choice. Consumers are free to select which product to buy among various brands offered by producers by establishing certain criteria according to needs, tastes and purchasing power. In order to gain market share, producers must understand consumer behavior in what they needs, what they like, and how they make decision.

Understanding of consumer behavior enables marketer to influence the decision of consumers so that they are willing to buy what the marketers offer. In line with technological advances, there are more products offered in the market to fulfill the need of consumers. This will give more opportunity for consumers to select and buy products according to their wants and needs. Such circumstances will certainly lead to tight
competition, particularly for companies that sell similar goods or services. Such competition requires businessmen to be able to create an effective and efficient marketing strategy than competitors.

For consumers, brand equity can provide value in strengthening their understanding of information process, foster confidence in purchasing, as well as increase the satisfaction achievement. Value of brand equity for marketers/companies is that it can enhance the success of marketing program in luring new consumers or embracing old consumers. This is possible because with the brand that has been widely known, then the promotion carried out will be more effective (Source: http://id.wikipedia.org/wiki/Ekuitas_merek). Before purchasing a product, firstly consumers must make decision with regard to the product, such as when and where the purchase of the product is done. So, as consumer, decision-making process is strongly needed before we buy a certain product, therefore the product we buy can be consumed according to our need and is useful.

Based on this reality, researchers were interested and considered it important to comprehend and further analyze the brand awareness, perceived quality, brand association as well as brand loyalty of MAZDA that have been acknowledge by consumers to choose in making purchasing decision of the product. The most appropriate way is to study the effects of brand equity to consumer purchasing decision. And it also can be known by providing a number of questions to consumers who purchase the product. Therefore, researchers will conduct a study entitled: “Analysis of Brand Equity towards Purchasing Decision of Mazda Cars (A Case Study: Consumers of Mazda in Sumber Trada Mobilindo Bandung).”

Hypothesis. This study will test the following hypotheses: H1 : Brand awareness affects the purchasing decision of Mazda products significantly; H2 : Perceived quality affects the purchasing decision of Mazda products significantly; H3 : Brand association affects the purchasing decision of Mazda products significantly; H4 : Brand loyalty affects the purchasing decision of Mazda products significantly.

RESEARCH METHODOLOGY

Research Object
The object of this research is the effect of consumer preferences on Mazda cars as the products of Japanese car towards the consumer purchasing decision in Bandung City, Indonesia.

Research Variable
In this research, variable (X) is the dimensions of consumer preferences and variable (Y) if purchasing decision.

Data collecting method
Data collecting method used is observation, by distributing questionnaires to respondents.
REFERENCES:

will be provided if requested

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FOTO
The 1st International Joint Seminar & Company Visit to Sony Corporation
Held by
College of Business, Rikkyo University and
Master of Management Program, Faculty of Economics and Business,
Universitas Padjadjaran (MM FEB Unpad)
January, 06 - 10th, 2015
ITENARY

DAY 1 : Monday, Sept, 21, 2015
: 06.50 – 16.30 : Jakarta – Narita, Japan (JL 720S)
: 18.00 – end : Cultural Analyst
: Hotel at APA Hotel Kamata Eki Nishi

DAY 2 : Tuesday, Sept, 22, 2015
: 09.00 – end : Marketing Analyst Program, Case Study at Gotemba Market
: Hotel at Jiragon Fujinoyakata

DAY 3 : Wednesday, Sept, 23, 2015
: 09.00 - end : Business Analysis Program
: Hotel at Red Planet Asakusa

DAY 4 : Thursday, Sept, 24, 2015
: 09.00 - end : Financial and Cultural Analysis Program
: Hotel at Red Planet Asakusa

DAY 5 : Friday, Sept, 25, 2015
: 08.00 – 09.00: Transfer to Rikkyo University
: 09.00 – 12.00: Arrive in Rikkyo University dan presenting the papers
: 12.00 - 13.30: Lunch and Break
: 13.30-16.00 : Company Visit to Toshiba Corporation : Toshiba Science Museum
: 16.00-17.00 : Transfer to Narita International Airport
: 18.55 – 01.00: Narita – Jakarta (JL 729S)
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