

***PROPOSED BUSINESS STRATEGY TO CREATE SUSTAINABLE BUSINESS
GROWTH FOR PT. CENDANA INDO PEARL***

**STRATEGI BISNIS YANG DIUSULKAN UNTUK MENCIPTAKAN
PERTUMBUHAN BISNIS YANG BERKELANJUTAN BAGI PT. CENDANA
INDO PEARL**

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ABSTRACT

In an increasingly competitive global luxury market, companies must adapt their strategies to balance profitability with long-term sustainability. COVID-19 Pandemic also change the approach of company to face challenge. PT. Cendana Indo Pearl (CIP), a premium South Sea pearl producer in Indonesia, faces both opportunities and challenges in maintaining growth amid rising demand for ethical and traceable luxury products. While the company has established strong capabilities in pearl farming and vertical integration, it must strengthen its strategic positioning, digital presence, and market outreach to remain competitive. This research employs a qualitative case study approach, utilizing semi-structured interviews with key stakeholders and supported by secondary data. Strategic management tools such as SWOT, PESTEL, Porter's Five Forces, and VRIO are used to evaluate both the internal resources and external forces affecting the company. The analysis indicates that CIP possesses valuable and rare capabilities but needs organizational enhancement to fully leverage these assets. The study proposes a focused differentiation strategy centered on sustainable branding, direct-to-consumer (D2C) marketing, product customization, and international expansion. These strategic directions are expected to improve CIP's competitive advantage and support its journey toward sustainable business growth.

Keywords: Business strategy, sustainable growth, South Sea pearls, VRIO, differentiation, strategic management, Indonesia

ABSTRAK

Dalam menghadapi persaingan global yang semakin kompetitif, perusahaan perlu mengembangkan strategi yang mampu menyeimbangkan antara pertumbuhan bisnis dan keberlanjutan jangka panjang. PT. Cendana Indo Pearl (CIP), produsen mutiara laut selatan premium asal Indonesia, berada dalam posisi strategis untuk merespons meningkatnya permintaan terhadap produk mewah yang beretika dan dapat ditelusuri asal-usulnya. Meskipun CIP telah memiliki kemampuan unggul dalam budidaya mutiara dan integrasi rantai pasok, perusahaan masih menghadapi tantangan dalam memperkuat posisi merek, kehadiran digital, dan penetrasi pasar internasional. Penelitian ini menggunakan pendekatan studi kasus kualitatif dengan metode wawancara semi-terstruktur kepada para pemangku kepentingan utama, serta dilengkapi dengan data sekunder. Alat analisis strategis seperti SWOT, PESTEL, Lima Kekuatan Porter, dan VRIO digunakan untuk mengevaluasi sumber daya internal dan kondisi eksternal perusahaan. Hasil analisis menunjukkan bahwa CIP memiliki kapabilitas yang bernilai dan langka, namun perlu peningkatan dalam aspek organisasi agar keunggulan tersebut dapat dimaksimalkan. Strategi yang diusulkan merupakan strategi diferensiasi fokus, yang menekankan pada penguatan merek berkelanjutan, pemasaran langsung ke konsumen (D2C), inovasi produk kustom, dan ekspansi pasar global. Strategi ini diharapkan dapat meningkatkan daya saing CIP dan mendukung pertumbuhan bisnis yang berkelanjutan.

Kata Kunci: Strategi bisnis, pertumbuhan berkelanjutan, mutiara laut selatan, VRIO, diferensiasi, manajemen strategis, Indonesia

INTRODUCTION

Indonesia, as an archipelago country with more than 70% of its territory at sea, has huge marine economic potential. Indonesia has a wealth of ocean resources, 17,504 islands and coastline as long as 99,093

Kilometers and is surrounded by two oceans, namely the Indian Ocean and the Pacific Ocean, making Indonesia a country with an abundance of marine resources in 3,2547,483 km² of territorial waters and 2.7 million waters

in the Exclusive Economic Zone (FAO, 2022).

Fisheries are all activities related to or associated with the utilization and management of marine resources for production activities. Fisheries are one of the key coastal economic activities, providing employment, food security, and economic benefits to millions of people worldwide. Coastal fisheries contribute significantly to local and national economies, particularly in developing countries where they support livelihoods and serve as a primary protein source (FAO, 2022). Small-scale and artisanal fisheries play a crucial role in sustaining coastal communities, while industrial fisheries contribute to global seafood trade (Béné et al., 2021).

Indonesia is one of the world's leading producers of South Sea Pearls (SSP), which are highly valued for their large size, natural colours, and high luster. The pearl trade plays a significant role in Indonesia's marine economy, contributing to export revenues and supporting coastal communities engaged in pearl farming (Priyambodo & Hosaka, 2021). South sea pearls are notably recognized as the largest and most expensive pearls, with size ranging from 8 to 22 mm, surpassing other renowned pearl varieties such as Japanese Akoya, Chinese freshwater pearls, and Tahitian black pearls (Gandhiwati & Rahmanita, 2023). In 2022, Indonesia's pearl exports reached approximately USD 29.8 million, with major export destinations including Japan, Hong Kong, and Europe (KKP, 2023).

PT. Cendana Indopearls (CIP) has established itself as a key player in this sector. However, despite its premium-quality products and reputation, the company faces challenges in achieving sustainable growth. The pearl industry is becoming increasingly competitive, with growing pressure from synthetic pearl

substitutes, fluctuating international demand, and sustainability-related concerns from global buyers (Sudirman et al., 2023).

Internally, CIP must reassess its resource allocation, operational efficiency, and strategic direction to maintain competitiveness and ensure long-term viability. The absence of a well-defined and adaptive business strategy tailored to the company's internal strengths and weaknesses may hinder its potential to grow sustainably in the face of a dynamic global market (Barney & Hesterly, 2022).

Thus, there is a pressing need for CIP to conduct a comprehensive internal analysis and develop a business strategy that aligns with its core competencies and market opportunities. This study purpose to propose a business strategy to foster sustainable business growth for PT. Cendana Indopearls (CIP) through internal analysis.

RESEARCH METHOD

This research used a **qualitative case study design**, which is suitable for understanding complex business phenomenon within their real-life context (Yin, 2020). The study focuses on conducting an in-depth internal analysis of PT. Cendana Indopearls (CIP) to propose a strategy for sustainable business growth. A qualitative approach allows the researcher to explore internal organizational elements, such as resources, capabilities, value creation processes, and strategic decision-making and its offering sights into company decision and behavior.

Primary data will be collected through semi-structured interviews with key stakeholders within PT. Cendana Indopearls. These may include senior management, operations managers, and marketing personnel. Semi-structured

interviews are chosen due to their flexibility, allowing the researcher to explore issues in-depth while maintaining a structured framework (Saunders et al., 2019).

Interview questions as displayed below has four questions package for each key informant. It mainly focused on:

- Internal strengths and weaknesses of the organization

- Current operational processes and strategic planning
- Challenges in achieving sustainable growth
- Perceived opportunities for development and innovation

The data from these interviews will be recorded, transcribed, and thematically analysed to identify recurring patterns and insights.

Table 1. Table Participants

No	Position	Company	Years of Experience	Code
1	Company Executives	PT. CIP	26 Years	IN1
2	Grading Manager	PT. CIP	12 Years	IN2
3	Target Consumer	Consumer	-	IN3
4	Retail Staff	PT. CIP	3 Years	IN4
5	Sales and Marketing Staff	PT. CIP	3 Years	IN5

Table 2. List of Questions

Questions Package A: Company Executives & Marketing Team	
<i>Brand Positioning & Strategy</i>	<ol style="list-style-type: none"> 1. How does PT. CIP currently differentiate itself in the luxury pearl market? 2. What branding strategies are in place to attract eco-conscious consumers? 3. How is the company's sustainability commitment communicated to customers?
<i>Challenges & Opportunities</i>	<ol style="list-style-type: none"> 4. What challenges does PT. CIP face in marketing its sustainable products? 5. What innovations or diversifications are being considered to stay competitive? 6. How does PT. CIP measure the success of its sustainability and branding efforts?
Questions Package B: Industry Experts / Competitors	
<i>Market Trends & Competition</i>	<ol style="list-style-type: none"> 7. What are the current trends in sustainable luxury jewelry? 8. How do leading brands integrate sustainability into their branding successfully? 9. What are the main challenges luxury brands face in appealing to younger and eco-conscious consumers? 10. How important are sustainability certifications (e.g., Fair Trade, Responsible Jewelry Council) for brand positioning?
<i>Marketing & Consumer Behaviour</i>	<ol style="list-style-type: none"> 11. What role does digital marketing play in promoting sustainable jewellery?

	12. What strategies can niche brands use to compete with established luxury jewellers?
Questions Package C: Target Consumers	
<i>Purchasing Behaviour & Brand Perception</i>	13. What factors influence your decision when purchasing pearl jewelry? 14. How important is sustainability when choosing jewelry brands? 15. What sources (social media, influencers, certifications) do you trust for sustainability claims? 16. How do you perceive PT. CIP's brand and sustainability efforts?
<i>Consumer Preferences & Willingness to Pay</i>	17. What would make you more likely to buy pearls from a brand like PT. CIP? 18. Are you willing to pay a premium for sustainably sourced pearl jewellery? Why or why not?
Questions Package D: Retailers & Distributors	
<i>Market Demand & Sales Trends</i>	19. How has consumer demand for sustainable pearl jewelry evolved in recent years? 20. What are the key selling points that resonate most with customers? 21. How does PT. CIP's brand compare to competitors in terms of sustainability and luxury positioning?
<i>Marketing & Branding Recommendations</i>	22. What marketing and branding strategies have been most effective in selling sustainable jewelry? 23. How important is eco-friendly packaging, transparency, or ethical sourcing to buyers? 24. What suggestions would you have for PT. CIP to strengthen its market position?

Secondary data will be sourced from:

- Company reports and internal documents
- Industry and market reports related to the pearl industry
- Academic journals and books on strategic management and sustainable business
- Government publications on marine resource utilization and fisheries development

These sources will provide context, support the internal analysis, and enhance the reliability of findings (Johnston, 2017). Secondary data complements the primary data by offering broader insights into the industry landscape and theoretical grounding for the analysis.

RESULTS AND ANALYSIS

This chapter presents an in-depth discussion based on the findings derived from qualitative interviews conducted with internal stakeholders of PT. Cendana Indo Pearl (CIP), including top management, operational staff, and marketing personnel. The interview method was chosen to capture rich, context-specific insights regarding the company's internal capabilities, external environment, and strategic positioning in the cultured pearl industry. Qualitative interviews are a widely recognized method for exploring managerial perspectives and generating grounded data in business strategy research (Saunders et al., 2019). This approach allows for the identification of strategic

patterns, underlying motivations, and nuanced challenges that are often not visible through quantitative methods alone (Pathak et al., 2021). In line with best practices in case-based strategic research, the interview protocol was semi-structured to allow flexibility while ensuring coverage of essential areas such as market dynamics, operational processes, resource evaluation (VRIO), and external challenges (PESTEL and Porter's Five Forces). The results were analyzed using thematic coding, enabling the formulation of strategic alternatives grounded in real business conditions (Yin, 2018; Nowell et al., 2017). The insights gained from the interviews were further triangulated with secondary data such as company reports, market studies, and peer-reviewed literature to ensure the validity and reliability of the strategic recommendations (Creswell & Poth, 2018). These findings form the basis of the strategic formulation proposed in the following sections, structured into external and internal environment analyses, SWOT synthesis, and strategy formulation.

Based on the previous internal and external analyses, PT. Cendana Indo Pearl (CIP) has demonstrated key advantages in product quality, sustainability practices, and control over its value chain. However, the company faces challenges in global branding, digital transformation, and market diversification. To ensure sustainable business growth, a Focused Differentiation Strategy is proposed, positioning CIP as a premium, ethical, and direct-from-farm pearl brand that targets niche luxury markets with high ethical awareness.

Targeting the Premium Ethical Consumer Segment

The proposed strategy recommends CIP focus on consumers in Japan, Europe, and the Middle East, where demand for traceable, high-quality, and sustainably sourced luxury goods is growing. These segments increasingly value ethical production, cultural authenticity, and environmental responsibility (UNCTAD, 2022). Positioning South Sea pearls as both a cultural artifact and a sustainable luxury product aligns CIP with this rising demand trend.

Building Brand Identity through Storytelling

Brand storytelling must center on the company's unique origin—Indonesia's pristine marine environments—and its community-oriented, sustainable pearl farming practices. Branding is critical in the luxury sector, and strong narratives can create emotional attachment and increase brand equity (Kapferer, 2020). CIP should develop content that conveys not only the quality of its pearls but also the journey behind each product, from ocean to ornament.

Accelerating Digital Marketing and D2C (Direct-to-Consumer) Sales

In today's digital-first economy, luxury consumers expect seamless online experiences. CIP is encouraged to build a strong digital presence via e-commerce and social platforms, such as Instagram and TikTok, to reach younger demographics. Direct-to-consumer (D2C) strategies improve margins and strengthen brand control. Implementing digital analytics, content marketing, and social media campaigns will be essential (Chaffey & Ellis-Chadwick, 2019; Kotler et al., 2021).

Product Innovation and Customization

To support brand differentiation, CIP should introduce limited-edition collections and personalized options such as engraving, origin certificates, and packaging tailored to cultural preferences. Personalization enhances the perceived value and emotional engagement, a known driver in high-involvement purchases within luxury markets (Kapferer, 2020).

Operational Optimization and Sustainable Practices

Improving operational efficiency through automation, smart aquaculture tools, and environmental monitoring systems will not only reduce costs but also support sustainability goals. Embedding sustainability deeper into the business model can yield long-term competitive advantage, especially when integrated with innovation (Bocken et al., 2021).

Table 3. Strategic Implementation Plan

Time Horizon	Key Actions
Short-Term (0–12 months)	Launch e-commerce platform; establish sustainability-driven marketing campaign; train marketing staff
Medium-Term (1–2 years)	Expand to Middle East; develop personalized product lines; apply for sustainability certifications
Long-Term (3–5 years)	Open flagship experiential showroom in Bali or Jakarta; invest in smart aquaculture and logistics innovation

Strategic fit

This strategy aligns with CIP's VRIO strengths, particularly in:

- Valuable & Rare: Premium South Sea pearls and origin exclusivity
- Imitable: Low imitation risk due to environmental uniqueness and craftsmanship
- Organized: Requires development in branding and technology—addressed by this strategic roadmap

By leveraging its internal strengths and responding to external demands for sustainability and digital engagement, CIP is well-positioned to achieve sustainable competitive growth in the global pearl industry.

CONCLUSION AND SUGGESTION

The research concludes that PT. CIP must shift from a product-oriented strategy to a market-driven and sustainability-focused strategy to thrive in the increasingly competitive and

environmentally conscious global market.

Based on the findings and conducted strategic analysis, the following implementation plan are proposed for PT. Cendana Indo Pearls:

- Brand Development and Digital Transformation
- Strategic Alliances and Market Diversification
- Sustainability Integration in Operations
- Human Capital Development
- Monitoring and Evaluation System

By implementing these plan, PT. Cendana Indo Pearl will be better positioned to achieve sustainable business growth and long-term competitive advantage in the cultured pearl industry.

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