PROPOSE MARKETING STRATEGY TO INCREASE NUMBER OF RETAIL INVESTOR (CASE STUDY: INDONESIA SEHAT MUTUAL FUND)

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UNIVERSITAS MERCU BUANA

Jurnal Perilaku Dan Strategi Bisnis

Vol.10 No.2, 2022

Hal. 137 - 153

ABSTRACT

The Indonesia Sehat Fixed Income Mutual Fund is a business innovation launched by BPJS Kesehatan through collaboration with three Investment Managers, namely PPT Bahana TCW Investment Management, PT Danareksa Investment Management, and PT Mandiri Manajemen Investasi. This product was created to help BPJS Kesehatan in achieving two targets, first to fulfil the OJK Regulation No. 1 of 2016 on investment of state securities for non-bank financial services institutions, and second to increasing revenue collection with donation schemes through crowdfunding mechanisms.

This research focuses on how BPJS Kesehatan can implement effective strategies to increase the number of retail investors in Indonesia Sehat mutual fund products. In this study, an external and internal analysis was used, using tools and frameworks such as PEST, Porter Five Forces, STP, VRIO, and supported by interviews and surveys to internal BPJS Kesehatan. Nex step is mapping the strengths, weaknesses, opportunities, and threats through the SWOT Matrix, as well as determining the root cause of the problems. From the results of the study, it was found that the root cause that hinders the growth of Indonesia Sehat mutual funds is the selection of segmentation and target investors that are too narrow combined with the very limited promotion of the products, and also cooperation that needs to be reviewed with three investment managers. Author recommends an evaluation of cooperation with the three existing investment managers, as well as changes in marketing strategies to increase the number of retail investors.

Keywords – *Mutual funds, retail investors, Strategic Diamond Model*

BACKGROUND

In 2015, world leaders including Indonesia agreed to ratify the Sustainable Development Goals (SDGs) agenda as a global development agreement. The SDGs are a global action plan to end poverty, reduce inequality and protect the environment, which is expected to be achieved in 2030 or 15 years after the agenda was agreed. The SDGs itself contains 17 Goals with 169 targets that require all UN members, both developed and developing countries to commit and implement actions to achieve the goals and targets that have been proclaimed.

To realize the SDGs at point three, that is a healthy and prosperous life, the Indonesian Government implemented through a program called the Healthy Indonesia Program which consists of three pillars, one of the pillars is National Health Insurance, strategic program

that conducted by the state to guarantee all residents and foreign nationals living in Indonesia in their health services. BPJS Kesehatan is a public legal entity in charge of implementing the National Health Insurance programs (Jaminan Kesehatan Nasional or JKN) for all the people. One of the most significant risks that many have predicted since the beginning of the JKN program is its financial capacity to pay the cost of health care, relying solely on the participant's contribution. This problem continues to overshadow the Social Security Fund until now. Over the past six years, the Social Security Fund has had several difficulties covering the cost of health services for the participants. Ministry of Finance as the main stakeholder of BPJS Kesehatan emphasizes the importance of increasing revenue collection as one of the solutions to overcome the deficit of the Social Security Fund.
Considering those problems, BPJS Kesehatan seeks to find solutions to these problems through various efforts and innovations. One of these innovations is the donation from society in the form of endowment mutual fund, namely the Indonesia Sehat Fixed Income Mutual Fund (Reksa Dana Pendapatan Tetap Indonesia Sehat). This product was created in collaboration with 3 Investment Managers, consisting of PT Bahana TCW Investment Management (Bahana), PT Danareksa Investment Management (Danareksa) and PT Mandiri Manajemen Investasi (Mandiri).
After running for almost five years, the amount of funds managed by Indonesia Sehat Mutual Funds has experienced fluctuation. This decrease in AUM will also impact the receipt of donations from the Indonesia Sehat mutual fund.

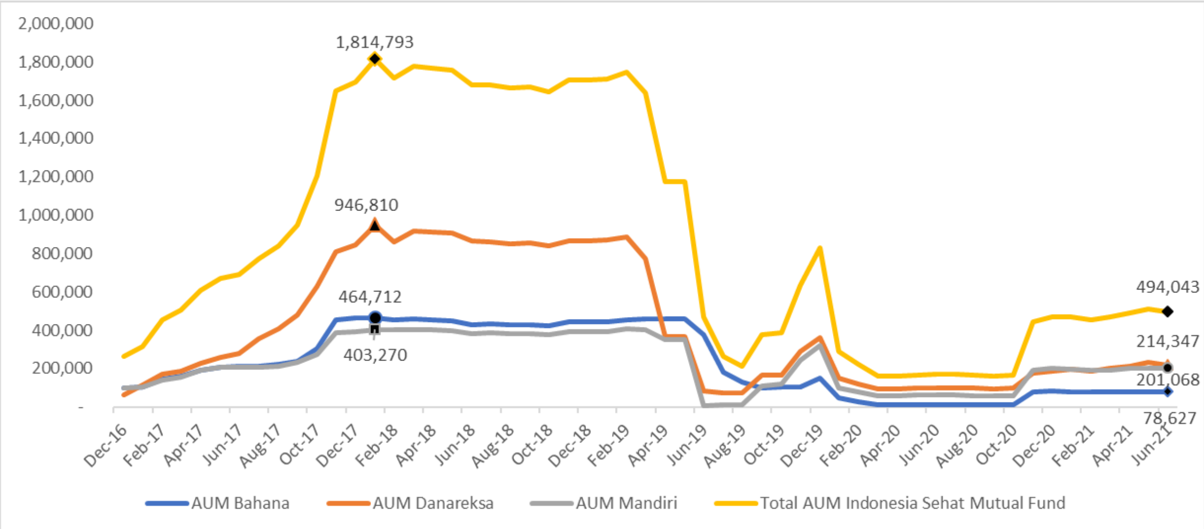

Figure **Error! No text of specified style in document.**.1 Indonesia Sehat Mutual Funds AUM
(Source: https://www.infovesta.com/)

The decline in the AUM of Indonesia Sehat Mutual Funds contrasts with the growth in the number of Investors and the increase in Fixed Income Mutual Funds in the Capital Market. Based on data released by the Indonesian Central Securities Depository (KSEI), the number of Capital Market Investors and Mutual Funds Investors has continued to experience significant growth over the last three years.

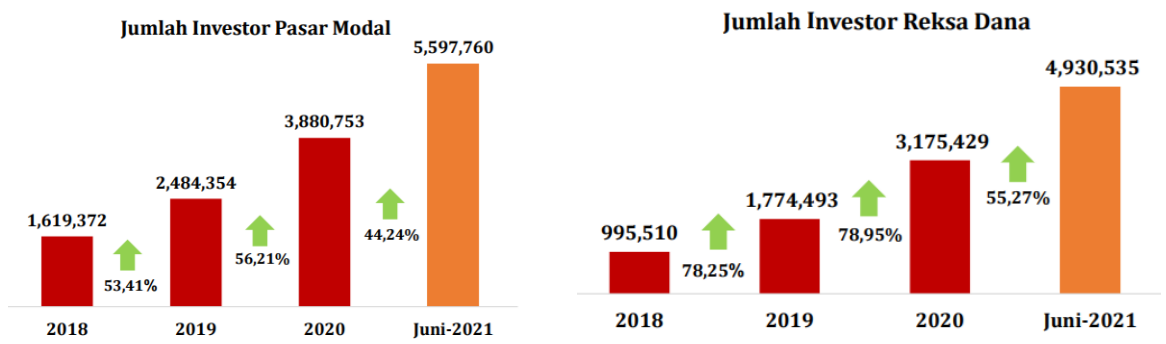

Figure **Error! No text of specified style in document.**.2 Investors Growth in the Capital Market and Mutual Funds
(Source: ksei.co.id, 2021)

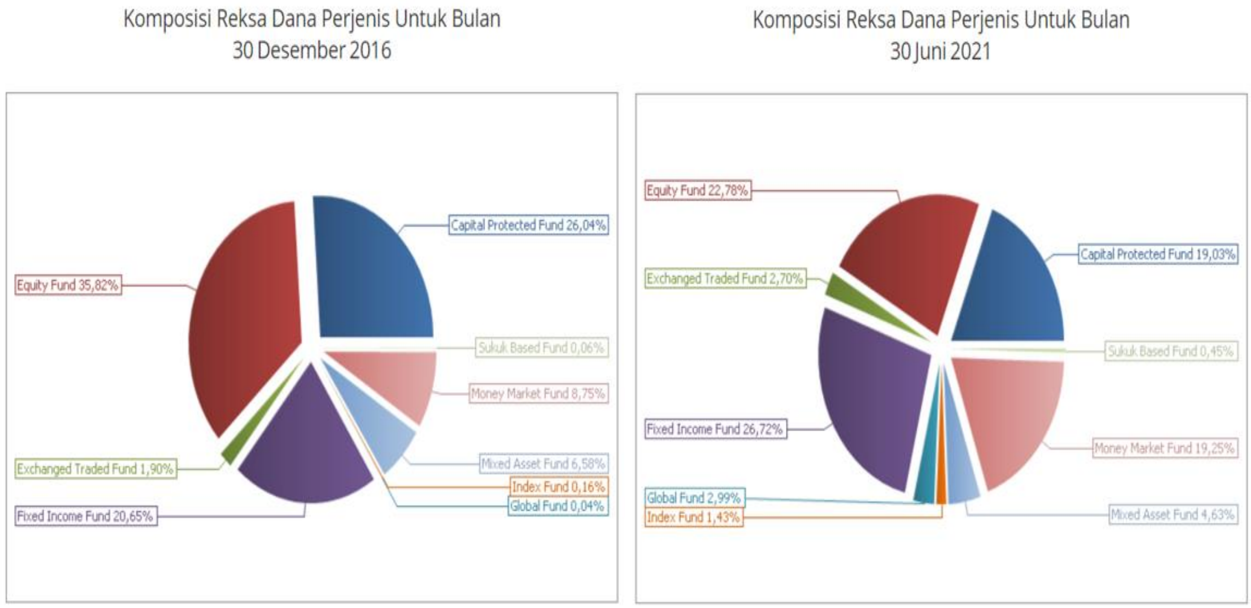

Figure **Error! No text of specified style in document.**.3 Composition of Mutual Fund in 2016 and 2021
(Source: reksadana.ojk.go.id, 2021)

Table **Error! No text of specified style in document.**.1 Mutual Fund Growth in 5 Years Based on the Type of Funds
(Source: OJK, 2021)

NAV Total (in Billion Rp)

Mutual Fund Type	December-16	June-21	Growth
Capital Protected Fund	88,323.65	102,043.01	15.53%
Equity Fund	121,493.74	122,148.38	0.54%
Exchanged Traded Fund	6,433.99	14,467.81	124.87%
Fixed Income Fund	70,024.21	143,244.82	104.56%
Global Fund	145.99	16,052.38	10895.45%
Index Fund	527.57	7,692.45	1358.09%
Mixed Asset Fund	22,323.16	24,830.87	11.23%
Money Market Fund	29,679.39	103,196.87	247.71%
Sukuk Based Fund	220.44	2,429.45	1002.11%
Total Fund	**339,172.13**	**536,106.05**	**58.06%**

Suppose Indonesia Sehat mutual funds can take advantage of this growth momentum in the mutual fund industry on the capital market. In that case, the number of donations distributed to DJS may also increase in the future.

RESEARCH METHODOLOGY

This research is designed by using data from primary and secondary data to answer questions on existing problems., that is:

1. What is the current strategy that the organization used towards Indonesia Sehat mutual funds?
2. What is the root cause of the AUM growth problem of the Indonesia Sehat mutual funds?
3. What is the proposed marketing strategy to encourage the growth investors in the Indonesia Sehat mutual funds?

Primary data comes from interviews and also through surveys. Interviews were conducted with the internal organization, the Deputy for Treasury and Investment, where author interviewed personnels responsible for the management of Indonesia Sehat mutual funds. While the questionnaires were distributed online to the main target market for products, that is BPJS Kesehatan employees. Author sets a minimum of 100 respondents, where for descriptive research this number is essential (Fraenkel, Wallen, & Hyun, 2012). In addition, Author also use secondary data in the form of organizational financial reports, capital market indicator data, and literature studies to support the sharpness of the analysis in this research.

RESEARCH RESULT

Authors use the PEST and Porter Five Forces frameworks to identify external opportunities and threats that may have an impact on the competitiveness of Indonesia Sehat mutual funds. Meanwhile, for STP and VRIO framework, Author used to find out the strengths and weaknesses. The use of these four frameworks helps Author to understand the positive and negative aspects of Indonesia Sehat mutual fund products. The results of the analysis with the four frameworks are as follows:

1. PEST Analysis

a. Political and Legal

Legal factor include the official outcomes of political processes as manifested in laws, mandates, regulations, and court decisions – all of which can have a direct bearing on a firm's profit potential (Rothaermel, 2017). Based on Government Regulation of the Republic of Indonesia Number 87 of 2013 concerning Management of Health Social Security Assets, along with its amendments (Number 84 of 2015 concerning Amendment to Government Regulation Number 87 of 2013, and Number 53 of 2018 concerning Second Amendment to Government Regulation Number 87 of 2013 concerning Management of Health Social Security Assets), Article 15 paragraph 1 point d states that the sources of Health Social Security Fund assets consist of other legitimate sources under the laws and regulations.

Based on that government regulation, it is possible for the Health Social Security Fund to receive other sources of income other than participant contributions, which in this case are the donations generated from the Indonesia Sehat mutual funds managed by Investment Management. The Government has provided sufficient flexibility for BPJS Health to be able to find other legitimate sources of income to support the sustainability of social security funds.

Things that can affect the growth of mutual fund investors, especially fixed income mutual funds, are government regulations Number 55 of 2019 concerning the second

amendment to Government Regulation Number 16 of 2009 concerning Income Tax on income in the form of bond interest. Article 3 point d explains that: interest and/or discount on bonds received and/obtained by mutual fund taxpayers and collective investment taxpayers, real estate investment funds in the form of collective investment contracts, and asset-backed securities in the form of registered collective investment contracts or registered with the Financial Services Authority of
1) 5% (five percent) until 2020; and
2) 10% (ten percent) for 2021 and beyond
This can be said to be a disincentive for fixed income mutual fund investors because the return on investment of this funds automatically decreases slightly due to increased tax costs.

b. Economic
After experiencing a recession in 2020 caused by the Covid-19 pandemic, Indonesia's economic growth began to show a reversal, where in the second quarter of 2021, Indonesia was declared out of the recession zone. Based on published data from BPS, Indonesia's economic growth in the second quarter experienced a significant increase of 7.07% year on year or 3.31% quarter to quarter. This is certainly a positive sentiment for investors in the capital market.
Apart from economic growth, low-interest rates are another support for investors to invest in the capital market. The policy to maintain interest rates at the level of 3.5% was carried out by Bank Indonesia as an effort to support economic recovery and maintain rupiah exchange rate stability as well as to help curb capital outflows.
On the other hand, with a low benchmark interest rate, this also makes investment in bond instruments or mutual funds with bond as an underlying asset quite attractive with a spread around 2% between bank deposit interest rates and bond yields.

c. Sociocultural
Sociocultural factors capture a society’s culture, norms, and values (Rothaermel, 2017). Financial literacy is an important aspect for retail investors who are followers in the capital market so that they can protect investors from illegal investments and mitigate investments that are only oriented to high short-term profits without considering risks, aspects of product legality and aspects of the fairness of the offer.
The growth in the number of capital market investors and the number of mutual fund investors from 2018 to 2020 continues to increase. In 2020, the number of capital market investors increased by 56.21% compared to the increase in 2019 which reached 53.41%. As of June 2021, the number of investors in the capital market has reached 5.59 million investors. while for mutual fund investors, in percentage terms, investor growth in 2020 is not much different from growth in 2019, which is around 78%. As of June 2021, the number of mutual fund investors has almost reached 5 million investors. This growth in the number of investors indicates that businesses in the capital market are more of the people's choice than real businesses which are in a slump during the pandemic due to the Large-Scale Social Restrictions (PSBB). To support the continued growth of interest in investing in capital market instruments and their derivatives, the Government also continues to encourage by increasing financial literacy for the community, considering that the level of financial literacy in Indonesia is one of the lowest (OCBC NISP, 2021)
Quoting the statement of the Chairman of the OJK Board of Commissioners, Wimboh Santoso, OJK continues to encourage the improvement of financial literacy in line with the increasing number of individual investors who buy various financial investment instruments. For example, the number of investors in the capital market increased to 5.60 million (96% year-on-year) in June 2021 and was dominated by retail investors, especially millennials, which reached 70% (OJK, 2021). This

increased literacy is also an opportunity for Indonesia Sehat mutual funds to attract new potential investors from the retail investor segment.

d. Technological
Technological factors capture the application of knowledge to create new processes and products (Rothaermel, 2017). Nowadays, technological developments can no longer be separated from people's lives. It can be said that consumer behavior also changes all the time due to acceleration and adaptation to technological developments. This change in consumer behavior also applies to investors in the Indonesian Capital Market. People can easily access the internet using their smartphones to open accounts and invest online without having to go to banks or other mutual fund selling agents. Even buying mutual fund products can be done through e-commerce applications.
According to data from the OJK, the number of digital platform-based mutual fund sellers grew 66.67% from 30 platforms in 2017 to 50 platforms as of April 2019. In the future, it is believed that digital mutual fund platforms will develop rapidly (Bisnis.com, 2020). This optimism is based on two reasons. First, there has been a proven correlation between the growth of digital platforms and the rapid increase in the number of mutual fund investors. In the 2017–April 2019 period, the number of mutual fund investors nearly doubled to 1.2 million people. This figure continues to increase by almost 60% to reach 1.9 million in March 2020. Of course, this increase will strengthen investment managers' determination to develop digital services. Second, changes in lifestyle due to the Covid-19 pandemic, such as working from home, are increasingly accelerating the adoption of digital mutual funds. One provider of a digital mutual fund platform reported that managed funds and the number of customers actually increased by 20%-30% in the midst of the pandemic situation. This data confirms the inevitability that digital mutual funds will become a trend in the future. The reason is, this digital mutual fund is able to answer the challenges of the times, providing convenience and efficiency in transactions.
Nowadays, there are currently 59 websites and applications which has been officially registered with OJK. With the increasing penetration of capital market industry players in the development of information technology, it is an opportunity for Indonesia Sehat Mutual Funds to be able to reach a wider range of investors, apart from only targeting institutional investors.

2. Porter Five Forces

a) Bargaining Power of Suppliers (Low)
The bargaining power of suppliers captures pressures that industry suppliers can exert on an industry’s profit potential (Rothaermel, 2017). There are 98 Investment Managers operating in Indonesia and have officially received operational permits from OJK. When compared to the current number of mutual fund investors as of April 2021, which was 4.41 million investors, it can be said that the number of investors far exceeds the Investment Managers who have obtained permission to operate from the OJK. However, if we pay attention to the number of mutual fund products that are quite a lot in circulation and with types that do not have much difference, it can be concluded that supplier power tends to be low.

b) Bargaining Power of Buyers (High)
The power of buyers relates to the pressure an industry’s customers can put on the producers’ margins by demanding a lower price or higher product quality (Rothaermel, 2017). With low switching costs, investors can easily switch to other mutual fund products or switch to other investment instruments that have the potential to provide higher returns. With a total of 422 fixed income mutual funds circulating in the

market, investors can get the same fixed income mutual fund products from other investment managers, so it can be concluded that the bargaining power of buyers is relatively high.

c) Threat of New Entrants (Medium to High)
The threat of entry describes the risk of potential competitors entering the industry (Rothaermel, 2017). Currently there are 422 fixed income mutual fund products and 98 Investment Managers in Indonesia. This amount does not include other mutual fund instruments such as equity mutual funds, Balanced mutual funds, money market mutual funds, and other instruments outside mutual funds, including peer-to-peer landings and other investments offered by fintech. With the increasing number of acquisitions of securities companies and the emergence of many fintech start-ups offering new investment products, it can be said that the threat of new entrants tends to be medium to high.

d) Threat of Subtitutes (High)
The threat of substitutes is the idea that products or services available from outside the given industry will come close to meeting the needs of current customers (Rothaermel, 2017). There are many substitute products for mutual funds, but all of them really depend on the risk appetite of the investors themselves. For example, investors who focus on achieving higher returns and have an aggressive risk profile tend to switch to stock instruments, equity mutual funds, or even popular instruments such as forex/cryptocurrencies and peer-to-peer landing. On the other hand, for very conservative investors, where they avoid the risk of reducing their assets, these investors tend to choose relatively stable instruments such as deposits, gold, or bonds.

e) Rivalry among Existing Competitors (High)
Rivalry among existing competitors describes the intensity with which companies within the same industry jockey for market share and profitability (Rothaermel, 2017). Competition in mutual fund products is highly intense as many Investment Managers offer a similar product with little differentiation in terms of function, feature, and underlying assets. The only difference that may arise is related to its quality or, in this case, the rate of return it offers. However, historically, no mutual fund product has always been the reigning champion, and no mutual fund product has consistently outperformed its benchmark performance. So, it can be concluded that the income mutual fund industry has a high level of competition.

3. STP

a. Segmenting
Based on the results of internal interviews, it is known that at the beginning, the primary purpose of establishing this mutual fund was to fulfill obligations under OJK regulation number 1 of 2016. What this means is that, although Indonesia Sehat mutual fund products are open-end products that can be purchased by retail investors as well as institutional investors, this product is more intended to fulfill obligations for institutional investors. This is evidenced by the underlying assets of this product, mostly filled with government bonds and bonds issued by State-Owned Enterprises.

b. Targeting
After determining that the segment of this product is institutional investors, the target market for this product is institutions that are affected by OJK regulation number 1 of 2016, namely non-bank financial services institutions consisting of:
1. Life insurance companies, insurance companies, and reinsurance companies
2. Guarantee agency
3. Employer pension fund
4. Social Security Administering Agency (BPJS) for Employment and Health

Based on IKNB statistical data issued by the OJK, as of June 2021, there are 366 institutions engaged in the insurance industry and pension funds with total assets of Rp 910.43 trillion.

c. Positioning
Indonesia Sehat Mutual Funds are positioned as products specifically designed to fulfill OJK's obligations for financial institutions affected by the regulation. In addition, this mutual fund also offers other benefits to investors in the form of donations to the Social Security Fund, so it can be said that Indonesia Sehat mutual fund investors are also philanthropists.

4. VRIO

a) Valuable (V)
Three Investment Managers, Bahana, Mandiri and Danareksa, are included in the category of Big 10 Investment Managers with the largest AUM in August 2021, where with a total AUM of IDR 43.6 trillion, Bahana ranked second with a market share of 8.03%, followed by Mandiri in third position with a market share of 7.70% and a total AUM of IDR 41.8 trillion, and Danareksa in sixth position with a market share of 5.27% and a total AUM of IDR 28.6 trillion.

Table 1.2 Ten Biggest Investment Managers
(Source: Pefindo Research, 2021)

Aug-21			
Rank	**Fund Manager**	**Total in Rp**	**Market Share**
1	Manulife Aset Manajemen Indonesia, PT	60,267,484,566,819.50	11.11%
2	Bahana TCW Investment Management, PT	43,565,182,981,729.30	8.03%
3	Mandiri Manajemen Investasi, PT	41,768,927,222,527.00	7.70%
4	Batavia Prosperindo Aset Manajemen, PT	40,686,551,600,128.00	7.50%
5	Schroder Investment Management Indonesia, PT	33,738,399,090,573.80	6.22%
6	Danareksa Investment Management, PT	28,615,450,996,386.10	5.27%
7	Trimegah Asset Management, PT	25,193,249,131,067.40	4.64%
8	Ashmore Asset Management Indonesia, PT	23,722,166,257,534.80	4.37%
9	BNI Asset Management, PT	21,440,424,527,392.60	3.95%
10	Sinarmas Asset Management, PT	20,680,436,774,593.80	3.81%

With a market share of more than 5%, it can be said that the three investment managers have a good reputation, credibility and are also trusted by investors to manage their funds.
In addition, BPJS Kesehatan also has a reputation as a national institution that oversees social interests for all Indonesian people in terms of health insurance. In 2021, BPJS Kesehatan received the Best Brand Award organized by SWA and MARS Digital. According to a survey conducted by SWA and MARS Digital in several major cities in Indonesia for three months with more than 10,000 respondents, BPJS Kesehatan is able to maintain its brand image in the midst of the Covid-19 pandemic which has not yet ended. The selection of the Indonesia Best Brand Award 2021 was carried out by considering five assessment variables, namely awareness, advertising, brand usage, satisfaction, and loyalty, which resulted in a brand value index (BPJS Kesehatan, 2021). Conclusion: Yes

b) Rare (R)
BPJS Kesehatan is the only organization that organizes Social Security programs in the health sector for all Indonesian people, whereby regulation all people are obliged to become participants. Meanwhile, related to Indonesia Sehat mutual fund products, there are not many mutual funds circulating in the market today that have concerns

about social problems, especially those related to social health insurance. It can be said that the Indonesia Sehat Mutual Fund is the only investment product that directly contributes to supporting the JKN program and the SDGs program. Conclusion: Yes

c) Imitate (I)
Based on Financial Services Authority Regulation (POJK) number 47/POJK.04/2015 concerning Guidelines for Daily Announcement of Net Asset Value of Open-ended Mutual Funds, fixed income mutual fund investments are at least 80% of their Net Asset Value placed in debt securities. Currently, there are many fixed income mutual fund products circulating in the capital market. Based on data from the OJK website, information was obtained that currently there are 422 fixed income mutual fund products. It can be said that several investment managers offer products with similar underlying assets. However, what makes the difference is that the Indonesia Sehat Mutual Fund product is a product that not only designed to fulfill the OJK requirement but also support the JKN program dan the SDGs. Conclusion: Yes.

d) Organized (O)
Based on the results from interview with the investment team at BPJS Kesehatan, it is known that after the mutual fund product was launched, there was no strategy or evaluation that specifically monitored developments, both in terms of the growth in the number of investors, the growth in the number of donations, and even the opinion that there was no significant contribution from Indonesia Sehat Mutual Funds on the performance of the Social Security Fund. Author concludes that there are jobs that still not effectively managed and there is room for improvement so that the contribution of the Indonesia Sehat Mutual Fund can be felt by the benefits to the Social Security Fund. Conclusion: No.

5. Internal Interview

In addition, to understand the problem more deeply and get a clearer picture, as well as a reference in developing an improvement strategy, Author also conducted an internal interview, where Author interviewed the Analyst who initiated the mutual fund product as well as the Assistant Deputy of Investment who is responsible for managing the investment fund, and Deputy Director of Treasury and Investment who has the authority to give approval for the management of investment assets.
The results of the interview are presented in an interview summary as follows:

- The development of Indonesia Sehat Mutual Funds over the last five years
  After the Indonesia Sehat Mutual Funds are issued, the development process follows the market mechanism, including the numbers of investors, AUM's growth, etc. All of which are left to the Investment Manager without the involvement of BPJS Kesehatan. BPJS Kesehatan is only concerned with two things, as an investor that is concerned about yield and as a donation recipient for the Social Security Fund. There is no particular concern about ways or strategies to make Indonesia Sehat mutual funds grow faster. At this point, internal BPJS Kesehatan are starting to realize that there are opportunities that have not been explored.

- The impact of the issuance of Indonesia Sehat mutual funds on the performance of the Social Security Fund
  In nominal terms, the amount of donations obtained from the Indonesia Sehat Mutual Funds does not appear to be significant when compared to the total deficit in the Social Security Fund. For example, in 2019 the amount of donations generated by the Indonesia Sehat mutual fund was Rp. 2 billion, while the deficit experienced by the Social Security Fund at that time reached Rp. 17 trillion. Therefore, internally BPJS Kesehatan emphasizes that the donation strategy is more

aimed at increasing the collectability of contributions in the independent participant segment and encouraging the number of active participants' achievements. These two things are important to note because they receive special attention from BPJS Kesehatan stakeholders, that is the Ministry of Finance. However, it must be admitted that the distribution of these donations is not yet optimal. Currently, it has not been properly monitored and it is still difficult to see directly how significant the impact of Indonesia Sehat mutual fund donations is in increasing the collectability of contributions and the number of active participants.

- The factors that hinder the growth of retail investors in Indonesia Sehat mutual funds.
  When this mutual fund was formed, the main priority was to fulfill the obligations of the OJK (regulation No. 1 of 2016). This condition has an impact on determining target investors, where the targeted investors are institutional investors who are also affected by the issuance of this OJK regulation, namely non-bank financial institutions. In terms of promotion, it is not carried out massively to the public because the marketing strategy to institutions is more like direct selling.
- What things can attract people to invest in Indonesia Sehat mutual funds
  Indonesia Sehat mutual funds can be said to have a different positioning from other fixed income mutual funds circulating in the capital market, where apart from investing, investors can also contribute by donating to support the JKN program as one of the government's strategic programs in achieving the SDGs. Therefore, the targeted retail investors are BPJS Kesehatan employees. Besides being able to donate to social security funds, they can also invest for their retirement later
- The internal strategy of BPJS Kesehatan related to Indonesia Sehat mutual funds in the future
  In the future, it may be more serious to work on the potential of retail investors, including the possibility of fundamental changes such as creating a balanced mutual fund product that can reach investors with moderate or aggressive risk profiles, improvements to marketing campaigns, and including evaluation of contracts with existing investment managers.

From the results of these interviews, Author get an overview of the strategies and management that are currently being implemented in Indonesia Sehat mutual funds.

6. Internal Survey

In addition to interviews, Author also conducted a survey of BPJS Kesehatan employees. BPJS Kesehatan employees were chosen because based on the results of internal interviews, for the retail investor category, BPJS Kesehatan employees are one of the target markets that are expected to contribute to the growth of the mutual fund. From the results of the survey, Author get the following information:

a. Respondent Profile
   - The proportion of respondents by gender is dominated by women (58.7%) and the rest are male employees (41.3%). This number is in line with internal data where the majority of BPJS Kesehatan employees are women with a total of 5,815 and 3,496 male employees. In terms of age, it is dominated by millennials and generation Z where 35% of respondents are in the 31-35 year age range, 26.7% are in the 26-30 year age range and 14.6% are in the 21-25 year age range.
   - Almost half of the respondents (49.4%) are BPJS Kesehatan employees who have worked for 5-10 years. It means that the majority of respondents who filled out the survey already have experience and understand enough about the conditions and problems faced by BPJS Kesehatan.

- The majority of respondents (63.5%) have an average expenditure of < 10 million rupiah per month. And as many as 67.5% of respondents said they had invested. The data illustrates that with a quite low level of consumption of respondents, the majority of respondents use their income to invest.
- When asked about the choice of investment instrument, the most preferred investment instrument was gold (255 respondents), followed by deposits (141 respondents), property (127 respondents), stocks (75 respondents), mutual funds (64 respondents), forex/cryptocurrency (32 respondents), bonds (17 respondents), savings (11 respondents), and others (7 respondents) and some respondents didn't have any investment (76 respondents).

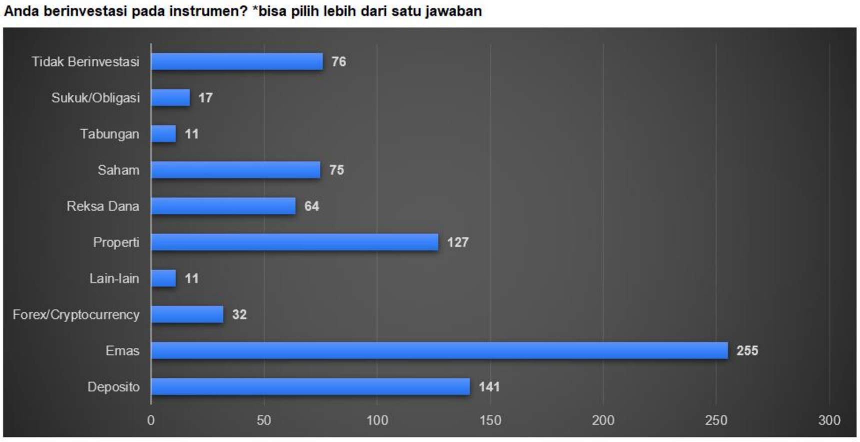

Figure 1.4 Respondents Preference on Investment Instrument

b. Respondent's Investment Preferences
- Authors try to explore more about respondents' knowledge about mutual fund instruments, especially Indonesia Sehat mutual fund products. As a result, 61% of respondents did not know about mutual fund instruments and 87% of respondents did not know about Indonesia Sehat mutual fund products.
- Author launched specific questions regarding respondents' interest in Indonesia Sehat mutual fund products. As a result, 64.4% stated that they were not interested in investing in Indonesia Sehat mutual fund products. The dominant reason of respondents regarding their reluctance to invest in this product is because they still do not understand mutual fund products (34.3%), are more interested in investing in other instruments (26%), are not interested in investing in all capital market instruments (19.1%), afraid to invest in capital market instruments (9.9%), and other reasons (> 1%).
- For respondents who answered that they were interested in investing in Indonesia Sehat mutual funds (35.6%) then the reasons for their interest in investing in Indonesia Sehat mutual funds were mapped again. Author try to categorize the respondents' reasons into the 4 most interesting factors for respondents, that is the potential rate of return given (17.3%), the donation factor to the Social Security Fund (29.7%), the nominal initial investment factor which is relatively low (25.9%) and the factor lower risk of loss compared to other investment instruments (27%). If sorted, the most interesting factor for respondents is the donation given by Indonesia Sehat mutual funds to the Social Security Fund (29.7%).
- Author launched additional question related to the channel for purchasing Indonesia Sehat mutual fund products selected by the respondent, the amount of investment that respondents are willing to set aside every month, and recommendations for investment in Indonesia Sehat mutual funds to others. The result is that most respondents choose to buy these products through e-commerce/e-wallet such as Tokopedia, Bukalapak, OVO (29.7%), 74.6% of respondents are willing to set aside

<Rp 500,000 to buy Indonesia Sehat mutual fund products every month, and 92.4% respondents will recommend to others to invest in Indonesia Sehat mutual funds.

c. Responden Risk Profile
To get an overview of products that are suitable for investors, Author provide additional questions specifically to determine the risk profile of respondents who are interested in investing in Indonesia Sehat mutual funds. The result is that the majority of respondents have a conservative risk profile (50%) followed by a moderate risk profile (26%), a very conservative risk profile (19%) and an aggressive risk profile (5%).

7. Root Cause Analysis

To be able to understand the root of the problem in this research, where the main problem is the growth in the number of AUM of Indonesia Sehat mutual funds, which are not in line with the growth of the number of mutual fund investors and the number of AUM of fixed income mutual funds. After defining the problem and research objectives, collecting the information, and analyzing the data, Author concludes that the root cause of the growth in the number of Indonesia mutual fund AUMs is caused by the selection of segmentation and target investors that are too narrow combined with limited promotion, and also cooperation that needs to be reviewed with the three investment managers.

8. SWOT

After analyzing internally and externally, Author then mapped the strengths, weaknesses, opportunities, and threats through the SWOT framework. By doing an external analysis through the PEST framework and Porter's Five Forces, Author gets an overview of the threats and opportunities that exist. By paying attention to the organization's resources, capabilities, and competencies from in-depth analysis, the STP, VRIO analysis and interviews, and surveys, Author can find its internal strengths and weaknesses.

Table 1.3 SWOT Analysis

Strength	**Weakness**
• Good reputation from BPJS Kesehatan and three investment managers • Unique product positioning	• Underutilized market segments • Coordination with Investment Manager
Opportunity	**Threat**
• Strong economy growth • The growing number of investors • Growth of financial literacy • Online commerce channel	• Many competitors • Bond tax regulatory incentives

BUSINESS SOLUTION

1. Proposed Segmenting, Targeting, and Positioning

a. Segmenting
The first stage in the preparation of the STP framework is the determination of segmentation. Since the organization has not determined the segmentation of retail

investors in more detail, Author try to elaborate the research results that have been carried out with several other reference sources such as data from BPS and KSEI. Kottler and Keller divide segmentation based on four segmentation bases, that is geographic, demographic, psychographic, and behavioral.

Table 1.4 Investor Segmentation

Geographic	
Regions	Jawa, Sumatera, Kalimantan, Sulawesi, Bali, NTT dan NTB, Maluku dan Papua
Demographic	
Age (Generation)	Generation X (1960 -1980) Generation Y (1980 - 1995) Generation Z (1995 - 2010)
Gender	Male and Female
Occupation	Employees, Students, Entrepreneurs, Housewives
Psychographic	
Aspects to consider when investing	Donation factor, Return on Investment factor, Price factor, Risk Factor
Risk Profile	Very Conservative, Conservative, Moderate, Aggressive
Behavioral	
Investment Period	Long term Investment, Short term Investment

b. Targeting

After grouping investors at the segmenting stage, the next step is to determine which segment of investors will be the focus to be targeted. The selection of target investors is crucial because it will determine the success of the marketing strategy in an effort to encourage the number of retail investors in Indonesia Sehat mutual funds that will affect the donations to the Social Security Fund. By elaborating the research results and literature study, Author recommends the target investors for Indonesia Sehat mutual funds as follows:

Table 1.5 Target Investor Segmentation

Geographic	
Regions	Jawa, Sumatera, Kalimantan
Demographic	
Age (Generation)	Generation X (1960 -1980) Generation Y (1980 - 1995) Generation Z (1995 - 2010)
Gender	Male and Female
Occupation	Employees
Psychographic	
Aspects to consider when investing	Donation factor, Price factor, Risk Factor
Risk Profile	Conservative, Moderate
Behavioral	
Investment Period	Long term Investment

The target investors for Indonesia Sehat mutual funds are investors domiciled on the islands of Java, Sumatra and Kalimantan, which are included in the Generation X, Generation Y or Generation Z categories. The segment selection is based on data from KSEI, where the concentration of capital market investors is mostly on the island of Java, Sumatra and Kalimantan, while from the age aspect, the target investors are Gen X, Gen Y (millennials), or Gen Z categories. In addition, investors who are the target market for Indonesia Sehat mutual funds are those who are employees, have a concern for donating, and investors with conservative or moderate risk profiles tend to invest for the long term. The primary target market for the retail investor category is BPJS Kesehatan employees themselves. However, although targeting internal employees is the main target, it is possible to also reach employees of other institutions that are included in the JKN ecosystem, such as employees of clinics, hospitals, or other medical personnel.

c. Positioning
Based on the analysis that has been done previously, which is internal analysis, external analysis, through in-depth interviews as well as a survey to the internals, it can be said that Indonesia Sehat mutual funds are an investment product that allows investors to do charity through donation, support the Government program (JKN program), and at the same time prospering investors through returns from the investment.

2. Strategic Diamond Model

Business needs a strategy that determines the direction of its functioning and further development (Aliekperov,2021). After formulating a marketing strategy using the STP framework, the essential next step is to formulate a strategy to increase the number of retail investors using the Strategic Diamond Model tools.
In the Strategic Diamond Model introduced by Hambrick and Fredrickson, there are five main elements consisting of arena, vehicles, differentiators, staging and economic logic. This model states that an organization can have a good strategy if it can answer these five questions:

1. Where will be active?
2. How will we get there?
3. How will we win?
4. What will be our speed and sequence of moves?
5. How will we obtain our returns?

a. Arenas
This part will be focus on where business will be active, which arena that organization will compete or what business will be in. As a result of an in-depth analysis previously, the products will still be offered in the form of fixed income mutual funds, but the segment to be targeted will no longer focus on institutional investors. Instead, it will be focus more on retail investors with jobs as employees, where the main target market is BPJS Kesehatan employees throughout Indonesia.

b. Vehicles
BPJS Kesehatan will still cooperate with the Investment Manager, but first, a review of the cooperation with the three existing Investment Managers is carried out. To be able to reach investors throughout Indonesia, the role of technology is very crucial here. Collaboration with fintech start-ups such as Ajaib, Bareksa, OVO, banking companies, or e-commerce start-ups such as Bukalapak and Tokopedia is needed to be able to reach and make it easier for investors to buy Indonesia Sehat mutual fund products.

c. Differentiators
In order to attract more investors from Gen Y (millennials) and Gen Z, optimizing digital marketing campaigns through social media (Facebook/Instagram) can support awareness of this mutual fund product. In addition, promotion and socialization of this product can also be carried out periodically through employee community media such as Ask The Expert, BPJS Kesehatan official social media accounts, webinar and so on.
In terms of pricing, in order to reach retail investors, it is necessary to make changes regarding the minimum purchase of mutual fund products for two investment managers, Bahana and Mandiri (currently still offered with a minimum purchase of

Rp 1 million). With a more affordable minimum purchase (Danareksa offers a minimum purchase of Rp 10 thousand), it will be more attractive to potential investors.

d. Staging

Great effort is needed to promote investment products, as well as improve financial literacy. Based on data from the National Survey of Financial Literacy and Inclusion (SNLIK) organized by the OJK in 2019, the financial literacy index in Indonesia only reached 38.03%. This numbers are still increasing when compared to the survey results of the previous three years, in year 2016, where the financial literacy index reached 29.7%. Despite an increase of around 8.3%, the index is still relatively low compared to other countries. This illustrates the level of difficulty in educating the society about financial products. Of course, this is also a challenge for Indonesia Sehat mutual fund products. Therefore, Author concludes that even though there is a massive marketing campaign to target investors, it will take a times to convince BPJS Kesehatan employees to invest in Indonesia Sehat mutual funds. But Author is quite optimistic that there will be an increase in the number of retail investors from BPJS Kesehatan employees within the next 1 year, if the strategy is implemented immediately.

If the internal market target is achieved, the next step is the external target market. For the external target market, it can be started from employees who are involved in the JKN ecosystem, in this case employees from clinics, hospitals, the pharmaceutical industry and medical personnel. If the internal awareness of BPJS Kesehatan is strong enough, employees can also be involved to encourage external markets through promotion and personal advocacy.

e. Economic Logic

From the perspective of BPJS Kesehatan, the increase in the number of investors will have an impact on the stability of donation funds. By reaching retail investors who generally invest longer than institutional investors, this will have a positive impact in terms of the stability of mutual fund AUM, as well as the donations to social security funds. In the end, the donation will also increase the level of collectability of dues or reduce the number of arrears of the independent participant segment.

From the perspective of the target investors, in this case are BPJS Kesehatan employees, by investing in this mutual fund product, there are several points that can be a benefit for them:

1. Charitable to those in need
2. Help companies outside their main jobs
3. Long-term investments that are affordable and beneficial for them in the future

CONCLUSION

From the results of the analysis based on the collection of existing data and facts, Author conclude with the following points:

1. Currently, there is no specific strategy from BPJS Kesehatan or the three investment managers related to growth and donations provided from the results of managing Indonesia Sehat mutual funds. Asset growth and the number of investors that occur only follow market mechanisms. It is unfortunate that investor growth that occurs in fixed income mutual funds is not followed by Indonesia Sehat mutual funds.
2. Indonesia Sehat Mutual Funds are currently unpopular among other fixed-income mutual funds. In fact, there are still many BPJS Kesehatan employees who do not know the product's existence. The lack of employee awareness of this product is due to the selection of a target market that is too narrow, which focuses on institutional investors

so that product offerings are done through direct selling. In addition, the lack of coordination between BPJS Kesehatan and three investment managers is another cause of the lack of growth in the AUM of Indonesia Sehat mutual funds.

3. Considering the problem above, Author proposed a marketing strategy as an initiative to increase the number of retail investors in Indonesia Sehat mutual funds by first reviewing cooperation with the three existing investment managers and determining the target market in accordance with the root cause analysis result. In terms of marketing strategy, Author focuses on determining segmenting, targeting, and positioning (STP) on the new target investors, that is BPJS Kesehatan employees. In addition, Author proposes to target employees located on the three largest islands in Indonesia (Java, Sumatra, and Kalimantan) as a top priority, investors who prioritize charitable or donating factors and tend to invest in the long term. In addition to focusing on STP, other things that Author proposes, especially in increasing awareness of the target market to invest in this mutual fund, is through: 1) Utilizing the internal community as a means of socialization and education for the investors, 2) Utilizing social media as a means of marketing campaigns (especially to reach millennial investors and Gen Z), 3) Collaboration with fintech or other digital start-ups as a sales channel for the products.

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