

BLUE OCEAN STRATEGY FORMULATION IN NON FORMAL EDUCATION INDUSTRY STUDY AT BIMBINGAN BELAJAR YOUTH EDUCATIONAL CENTRE (YEC)

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Abstract

Purpose - This study aims to identify existing attributes and offers by industry, in this case conventional learning tutors in Yogyakarta, and the other strategic independent learning groups using media books, Youtube, and others education online platform. These attributes and offering levels are represented in a value curve. After obtaining the value curve from the industry, the purpose of the next study is to formulate a new strategy for Bimbel YEC with a Blue Ocean Strategy framework.

Design/methodology/approach – The study was conducted with a questionnaire instrument. Kueisoner was distributed to three groups of respondents, namely groups of respondents who gave their ratings on an ideal tutoring, a group of consumer tutoring in Yogyakarta, and consumers of Bimbel YEC. The results of the data from the first and third groups are compared, then the analysis is carried out to determine recommendations for adjustments to the offering level of each Bimbel YECs' attribute. Adjustments are made with three main considerations. First, the difference in the expectation value of respondents with the Bimbel YECs' offering level was compared with the standard deviation of respondents' expectations. If the difference is larger than the standard deviation, an adjustment in the offering level needs to be done. The offering level is maintained if the difference between these two values is less than the standard deviation. The second consideration is made to the resources and the potential costs needed for each choice of adjustment action, especially in improving and adding attributes. The third consideration is done by comparing the offers from competitors and independent learning strategic groups whose assessments are obtained from the results of the focus group discussion.

Originality - Formulation new strategy with blue ocean strategy framework for Bimbel YEC

Findings and Discussion – The results of this study are recommendations for new strategies for Bimbel YEC. Bimbel YEC is recommended to focus on offering programs for grades 6, 9 and 12 for guidance on national exam preparation. In addition to the high demand of consumers, this can also increase the efficiency and effectiveness of the use of existing resources, have the opportunity to open new markets, and minimize costs incurred. The guidance process is done by a combination of offline learning and online media. This offer is not given by competitors or independent learning strategic groups. Bimbel YEC can be a learning guide with clearer positioning and can provide services with "cerdas mencerdaskan"

Conclusion – Bimbel YEC is recommended to focus on offering programs for grades 6, 9 and 12 for guidance on national exam preparation. In addition to the high demand of consumers, this can also increase the efficiency and effectiveness of the use of existing resources, have the opportunity to open new markets, and minimize costs incurred.

Keywords - Blue Ocean Strategy, tutoring, focus, value curve

Introduction

Bimbingan belajar Youth Educational Center (Bimbel YEC) is one of the developing tutoring institutions in Yogyakarta. Established since January 2012, tutoring that already has more than 1,700 students needs a new alternative strategy to survive and develop. At its inception, Bimbel YEC only provided individual private tutoring and group private tutoring programs. The growth in the number of students is quite significant, which is up to 45% annually (Bimbel YEC internal data, 2018). The growth rate above the target of the company motivated Bimbel YEC to add regular programs for compulsory school subjects in a classical form. The classical program, which is named the Focus Program, began to be offered in the 2015/2016 school year. The institution targets a total of 30 students for this first year. But this program was not welcomed by the market. The number of students enrolling in this program was limited to 12 people. Bimbel YEC studied guidance to evaluate and improve the Focus program in the 2016/2017 school year, but again the number of students was less than what was targeted.

The difference in interest of students in the two main programs offered by Bimbel YEC raises big questions about the formulation of strategies that are appropriate for the Focus Program to succeed as in private programs. Offers need to be designed more creatively and in accordance with consumer demand, so that Bimbel YEC's learning guidance is able to open new markets and widen the market.

This study aims to formulate a new strategy for Bimbel YEC. The thinking framework used in this study is the Blue Ocean Strategy (Kim & Mauborgne, 2005). Unlike the strategy formulation with the framework of other competitive strategies, Blue Ocean Strategy offers a series of ways to make competition irrelevant. In addition, this strategy allows companies to create more value while reducing costs. The value curve is one of the instruments in formulating the Blue Ocean Strategy. The value curve helps companies see supply factors that are the focus of competition in the industry. Through this curve, it can be analyzed what factors need to be removed, reduced, added, and created from the offers that have been offered by the industry to be able to make new offers that are able to open new markets. The strategy formulation in this study was also carried out by considering the offerings from the strategic group independent learning as an alternative for students in meeting their learning needs outside of school.

Literature Review

Strategy is a response made by the company to opportunities and threats (external factors) with strengths and weaknesses (internal factors) possessed to achieve sustainable competitive advantage (Thompson, A. A. et al., 2010). Competition between companies that have never weakened makes the company must compete with strategies. Competition between companies is triggered by the fact that there are limited numbers of consumers, as well as limited willingness and ability of consumers. This limitation makes each company compete to obtain and retain consumers.

One strategy used to obtain the company's competitive advantage was formulated by Michael Porter. This strategy is known as Porter Generic

Strategy (Porter, 1996). Generic Strategy Porter provides alternative strategies for companies to choose one of three things namely differentiation or differentiation strategies, overall cost leadership or leadership costs, and focus or focus. Companies that choose all three will be in a stagnant position or commonly called "stuck at the middle". Blue Ocean a concept in business strategy that involves creating uncontested market space, making the competition irrelevant, and creating new market demand rather than competing in existing markets (Madsen & Slåtten, 2019)

In order to be able to survive and be sustainable in the future, companies need to continue to win competition from competitors (Kim & Mauborgne, 2005). The only way to be invincible is to stop trying to win the competition to try to find other ways or strategies to open new market spaces. The fierce competition between companies to fight over consumers in the existing market that exists today is likened to a red ocean. The red ocean is identified with the ocean full of blood, the result of the weight of competing and fighting over the market. As an alternative, blue oceans indicate industries that do not yet exist and have the opportunity to gain new market space. "Blue Ocean" signifies untapped market spaces or industries where competition is minimal or non-existent, allowing for innovative and uncontested growth.(Massoudi & Ahmed, 2021). Businesses that pursue a blue ocean strategy aim to create new market spaces, often by innovating, creating unique value, and focusing on differentiation rather than head-to-head competition. This approach can lead to higher profitability and growth by tapping into new customer segments or creating entirely new industries (Ejsmont et al., 2020).

Methods, Data, and Analysis

This research focuses on the acquisition and processing of primary data. Primary data obtained from respondents by filling out questionnaires prepared through FGD. Secondary data in the form of company profiles, brochures, and other online information are used as additional information. Based on the requirements in analysis and procedure analysis, there are three main groups of primary data sources of research. Respondents are samples selected through purposive sampling techniques. These three groups are:

- a. Group 1. Respondents who filled out the questionnaire based on their expectations of the offering level that existed in the attributes of bimbel.
- b. Group 2. Respondents were middle and high school students who had joined competitor tutoring institutions (other than Bimbel YEC) in the last three years.
- c. Group 3. Respondents in this group consisted of 12 people consisting of

active and non-active students from Bimbel YEC.

The recommendations for adjusting the offering level of each attribute are carried out with several principles:

- i. The top ten attributes with the highest value are recommended to be kept at a high level of offers or increase to match the expected value of the respondent.
- ii. Other attributes not included in the top ten can be adjusted in two ways, if the difference between the expected value of the respondent with the Bimbel YEC offering level is greater than the standard deviation, it is necessary to adjust the attribute's offering level. This is because the difference exceeds the permissible tolerance by standard deviation.
- iii. If the difference in the difference between the expected value of the respondent and the Bimbel YEC offer level is not more than the standard deviation, then maintain the recommended level of attribute offerings. An increase in attribute level offers is more recommended, with conditions not causing a significant increase in fixed costs or variable costs or increasing prices charged to consumers.
- iv. Attributes that do not form the core of Bimbel YEC's services, or which in the fulfillment give rise to high fixed costs and variable costs are recommended to be eliminated from the offer.
- v. Attributes that are at the core of the Bimbel YEC service, but in its fulfillment can be combined with other attributes or can be replaced with other alternatives that are more cost effective, it is recommended to be eliminated from the offer. This recommendation can be made as long as this new offer does not reduce the value that consumers will receive.
- vi. New attributes can be added to become new offers when at least one fifth of respondents expect the new attribute.

Results

Table 1.1 contains a summary of recommendations on the offering levels changes that can be made by Bimbel YEC. There are four recommendations given for formulating the Blue Ocean strategy, namely by eliminating the attributes offered, reducing the offering level of attributes, increasing their offerings, and maintaining the offer attributes. Removal and reduction in the offering level is done on attributes that require high fulfillment costs and/or attributes that are considered not important for consumers and prospective consumers. Conversely, an increase in the offering level is done to increase the value received by consumers, because this is the main similarity between consumer and prospective consumer segments.

Table 1.1 Offering Level Adjustment Recommendations

Factors/Attributes	Initial Value	Recommended Value	Adjustment Recommendations
Cost factor	2,58	2,58	
Cost	2,58	2,58	<i>keep</i>
Teacher Quality Factor	4,38	4,81	
Teacher's ability to deliver the lesson	4,25	4,90	<i>raise</i>
Teacher's empathy & friendly	4,58	4,90	<i>raise</i>
Teacher's quality gives motivation	4,50	4,90	<i>raise</i>
Teacher's quality provides information updates	4,33	4,90	<i>raise</i>
The quality of the teacher's background	4,41	4,41	<i>keep</i>
Factors/Attributes	Initial Value	Recommended Value	Adjustment Recommendations
Teacher capacity utilizes technology	4,00	4,70	<i>raise</i>
The teacher's ability to build two-way interaction	4,41	4,90	<i>raise</i>
Teacher communication	4,58	4,90	<i>raise</i>
Institutional Image Factors	3,59	3,90	
Number of alumnae	3,37	4,00	<i>raise</i>
Quality of alumnae	3,83	4,70	<i>raise</i>
Brand	3,58	4,00	<i>raise</i>
Learning Method Factors	4,33	4,71	
Material and conceptual deepening	4,25	4,90	<i>raise</i>
Learning with logic	4,42	4,90	<i>raise</i>
Short formula / method	4,33	4,33	<i>keep</i>
Extra Learning Factors	3,18	1,30	
Additional learning outside the tutoring schedule	2,27	1,00	<i>eliminate</i>
Persuasion of teachers / branch manager on extra learning	4,08	1,50	<i>reduce</i>
Learning Facilities	4,23	4,57	
Class comfort	4,58	4,58	<i>keep</i>
Class lighting	4,67	4,67	<i>keep</i>
Audio quality	4,25	4,25	<i>keep</i>
Visual quality	4,33	4,33	<i>keep</i>
Miniatur/prototype quality	3,33	4,70	<i>raise</i>
Learning Module Factors	3,95	4,48	
Module content / contents	4,08	4,08	<i>keep</i>
Short formula summary	3,75	4,70	<i>raise</i>
Paper quality	4,00	4,00	<i>keep</i>
Online platform	3,58	4,70	<i>raise</i>
Exercise quality	4,33	4,90	<i>raise</i>

Class Capacity Factors	1,92	3,00	
Number of students per class	1,92	3,00	<i>raise</i>
Media Communication Factors	2,35	2,53	
Parent's general meeting	1,75	3,00	<i>raise</i>
Try out	2,50	4,00	<i>raise</i>
Progress report	2,58	2,58	<i>keep</i>
Personal consultation parents with institution	1,83	1,00	<i>eliminate</i>
Mrchandise	3,08	3,08	<i>keep</i>
Program Offer Factor	2,71	2,00	
Program option	2,67	2,00	<i>reduce</i>
Schedule option	2,75	2,00	<i>reduce</i>
Reliability Factor	4,38	4,90	
Factors/Attributes	Initial Value	Recommend-ed Value	Adjustment Recommendations
Suitability of material with school material	4,42	4,90	<i>raise</i>
Suitability of information with realization	4,33	4,90	<i>raise</i>
Duration & Frequency Factors	3,38	2,66	
Regular schedule	3,42	2,00	<i>reduce</i>
Duration of study	3,33	3,33	<i>keep</i>

The recommendation value of each attribute is then summed and averaged to produce a factor value of offers. Figure 1.1 shows the Bimbel YEC new value curve which is prepared based on the recommendations made (factor value curve). Figure 1.2 shows the value curve of each attribute. Based on Bimbel YEC's new value curve, it can be observed that this recommendation has fulfilled the two main characteristics of a superior strategy that is focused and divergent. This new offer focuses on important attributes that are truly needed by consumers, and attributes that can increase the value that consumers receive (Kim & Mauborgne, 2004). The level of this new offer is also different compared to the competitor's offering level, as well as the strategic group of independent learning. A superior strategy also has an attractive tagline. Bimbel YEC is recommended to use the tag line "cerdas mencerdaskan". This tagline is simple and easy to say, interesting, and contains meaning that describes Bimbel YEC, which is to package concepts and offer tutoring intelligently to help educate consumers.

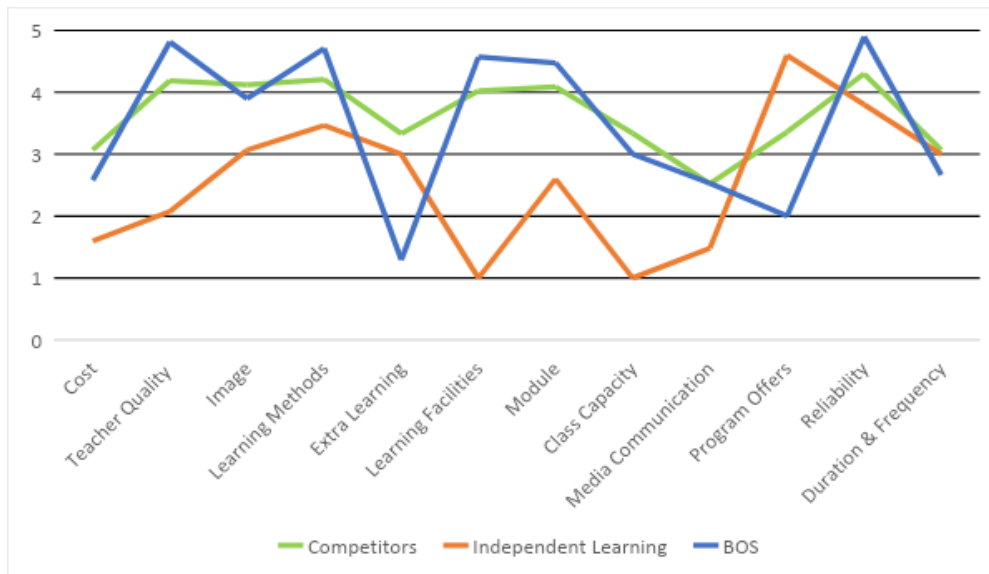


Figure 1.1 Bimbel YEC New Factor Value Curve Based on the Blue Ocean Strategy (BOS) Principle

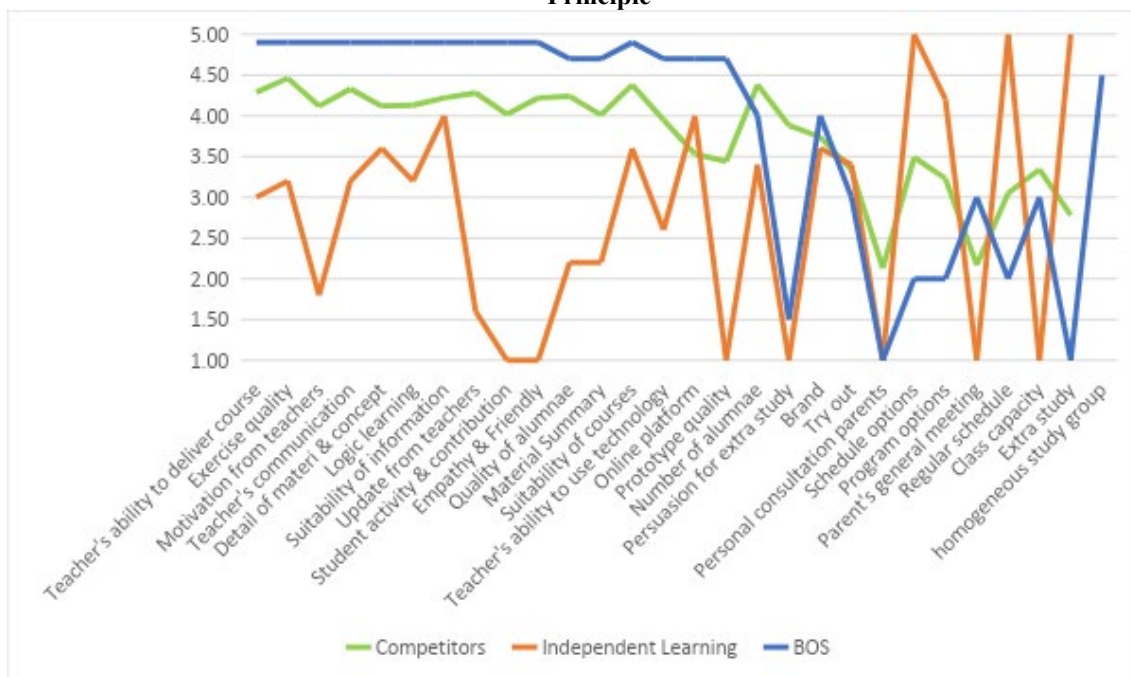


Figure 1.2 Bimbel YEC New Attribute Value Curve Based on Blue Ocean Strategy (BOS) Principles

The Blue Ocean Strategy Formulation for Bimbel YEC in this study can clarify its positioning as a tutoring specialist for national exam preparation (Ujian Nasional). The focus on providing the best service to students in 6th, 9th, and 12th grades to prepare for the Ujian Nasional will make the resources owned more effective and efficient. Strong positioning and this focus can help Bimbel YEC open new markets, namely for

consumers of non-Bimbel independent learning strategic groups. These non bimbel consumers can move up to become consumers of Bimbel YEC not only because their needs are met, but because of the more value they receive. Initially, non-tutoring consumers studied independently with irregular study schedules. In addition, they cannot interact directly with the teacher, so they are prone to misunderstandings in understanding the lessons. The climate of competition and their interpersonal communication skills are not created by independent learning. Bimbel YEC offers fulfillment of all these needs without reducing their value or reason for independent learning, namely flexibility in learning. Online learning platforms, e-books, and learning videos that Bimbel YEC provides will be able to add student references and can be used to meet the needs of prospective customers.

Bimbel YEC is recommended to focus on offering intensive Ujian Nasional preparation programs. This does not mean that the targeted market is narrower only in the 6th, 9th, and 12th grades, but it becomes wider. This program can be followed by students who are at one level below the final class, 5th, 8th and 11th grades. Even though students at this level will not have conducted a national exam in the same school year, preparation earlier in the face of national examinations can be done to get optimal results. Bimbel YEC can also provide promos in the form of free reseat / repeat classes at the next level, so students in 5th, 8th and 11th grades who take part in tutoring this year can follow the same guidance again when they are at the next level. This is certainly very beneficial for consumers. This strategy can also be used by Bimbel YEC to reach the market early and not compete with competitors offering almost similar programs.

Conclusion

This research focuses on consumer assessment of the attributes offered by the existing tutoring industry, including by Bimbel YEC. There are 39 attributes that are considered by consumers in choosing bimbingan belajar, as well as being a competition for the tutoring industry. These attributes are grouped into 12 factors: Cost Factors, Teacher Quality Factors, Institution Image Factors, Learning Method Factors, Extra Learning Factors, Learning Facility Factors, Learning Module Factors, Class Capacity Factors, Customer Communication Media Factors, Factors Program Offer, Reliability Factors, and Duration and Frequency of Learning Factors. All offering level factors have been summarized in the strategy canvas.

Blue Ocean Strategy allows value innovation to be carried out by reducing costs while increasing value for consumers. The cost reduction can be done by Bimbel YEC by eliminating additional learning facilities attributes outside the tutoring schedule and parent's personal consultations with institutions and reducing weekly routine learning schedules, program

choices, schedule choices, canteen quality, and the persuasion of instructors / branch heads to additional learning activities outside the guidance schedule.

Bimbel YEC is recommended to improve and make new offer attributes to increase consumer value. Increasing the offering level can be done on the attributes of the teacher's ability to deliver the lesson, teacher's empathy & friendly, teacher's quality gives motivation, Teacher's quality provides information updates, teacher capacity utilizes technology, the teacher's ability to build two-way interaction, teacher communication, number of alumnae, quality of alumnae, brand, material and conceptual deepening, logic learning, miniatur/prototype quality, short formula summary, online platform, exercise quality, number of students per class, parent's general meeting, try out, suitability of material with school material, and suitability of information with realization.

The value offered by Bimbel YEC for consumers can be further enhanced by creating a new offering attribute, namely a homogeneous study group. Students who come from the same school or community can be made into one class. This is seen as an important thing for students as consumers, considering learning is an ongoing process and is closely related to the personal comfort of students.

The new Bimbel YEC Blue Ocean Strategy Formula has fulfilled two characteristics of a good strategy, namely focus and divergence (Kim and Mauborgne, 2005). First, the value curve is arranged to focus on the similarity of needs and desires of groups of consumers and prospective consumers by providing more value. This is done by focusing on offering Ujian Nasional preparation programs for 6th, 9th and 12th. Bimbel YEC offers a Super Intensive Ujian Nasional Preparation program, which not only can be accessed by students at the final level, but also students who are still in the 5th, 8th and 11th classes. Adequate guidance is carried out two sessions per week, so students have more time to self study at home. Because the program is designed with a focus so that students are ready to face the Ujian Nasional, the program's objectives become clearer and more specific, to get a score at Ujian Nasional average above 90 (on a scale of 100). The discussion of the material was focused on the official Standar Kompetensi Lulusan (SKL) prepared by the Badan Standarisasi Nasional Pendidikan. Students are enriched with various practice questions and periodic measurements to monitor the learning progress of each individual.

The new value curve of Bimbel YEC is divergent, meaning that this curve has its own pattern compared to other conventional bimbel value curves and independent learning strategic groups. Bimbel YEC's new value curve eliminates the boundary between what has been referred to as bimbel conventional and bimbel online. Bimbel YEC is recommended to combine the advantages of face-to-face tutoring and the flexibility and other advantages of online bimbel. The third characteristic of a good strategy is to have a charming motto. Bimbel YEC is recommended to make a new motto that is

"cerdas mencerdaskan". This means that Bimbel YEC has smartly compiled a program based on the needs and the best way to educate all students.

Research in the object of Tutoring with the theme of the next strategy formulation can be done by considering the existence of a new framework, namely the White Ocean Strategy. This is a strategy that focuses on the social impact that the company produces on the general public compared to the profits earned. This can be done considering the education sector has a high social impact for the society.

Limitation

Scope:

This study is constrained by limitations in the scope of respondents. The observations are confined to specific groups, potentially affecting the generalizability of the findings. For future research, it is recommended to broaden the scope of respondents by involving a more diverse and extensive participant pool.

Observation Timeframe:

The limitation of observation time is also a crucial aspect. Within the confined period of observation, it is conceivable that not all pertinent aspects of the strategies can be fully disclosed. Subsequent research endeavors are encouraged to extend the observation timeframe, allowing for a more profound understanding of the subject matter.

International Context:

To enhance the relevance of the identified strategies, this study confines itself to a national context. A suggestion for future research is to expand the international scope. Engaging respondents from various countries can yield broader and more pertinent insights for global strategic considerations.

Integration with White Ocean Strategy:

This study has yet to explore the potential integration between the Blue Ocean Strategy and the White Ocean Strategy. Subsequent research may adopt a holistic approach, considering elements from both concepts. Specifically, emphasis should be placed on the social impact that businesses can generate within the context of their strategies.

Social Impact:

While this research provides insights into business strategies, the focus on social impact remains limited. The amalgamation of Blue Ocean Strategy with White Ocean Strategy could offer a more comprehensive perspective regarding the contribution of businesses to society and the environment.

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