

THE BUSINESS PLAN OF PARENTING APPLICATION “PARENTS JOURNEY”

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Parents Journey is a technology company focused on parenting application. Parents Journey provides all the information needed for parents or guardians of early childhood (0 - 6 years) in the form of a mobile application platform. This business plan preparation aims to analyze the market, technical and operational, risks, legal and legality, and financial aspects. This business plan preparation is supported by research through online survey methods which are analyzed using descriptive statistical methods and interviews with purposive sampling technique. Using a marketing strategy with the Segmentation, Targeting, Positioning (STP) method, 7P Marketing Mix, Digital Marketing Funnel, and a business model with the Business Model Canvas (BMC), it is known that the Parents Journey has an advantage over competitors with eighteen features that can help parents/guardians in providing early childhood care. The business idea is feasible in the best-case scenario with a payback period of 1.42 years (below 5 years), positive NPV, has a greater IRR value (78% -79%) than the MARR (10%), and the PI value of 4,65.

1. INTRODUCTION

The World Bank states that the quality of human resources is a key factor driving sustainable economic growth and a weapon for a country to win global competition (Drucker, 1993; Sulistyaningrum, 2018). In 2018 Indonesia was included in the High Human Development category with a score of 0.707 or ranked 111th out of 186 countries surveyed. Even though it is included in the "high" group, this performance is below the world average surveyed, namely 0.732. In fact, Indonesia ranks 6th out of 10 ASEAN countries (UNDP, 2019).

Based on the 2019 Digital Mom Survey conducted online by TheAsianParent with a total of 1,281 mothers from Jabodetabek, Surabaya, Yogyakarta, Medan and Bandung, mothers' internet usage levels increase significantly when a woman becomes a mother. As many as 39% of women admitted that they were more dependent on the internet after becoming mothers to access websites related to parenting, surfing social media and shopping online (Handayani, 2019). This shows that the level of awareness of Indonesian mothers to implement parenting patterns based on valid science has begun to increase.

Based on research results, a facility is needed that can accompany parents or guardians in caring for their children, especially at the age of 0-6 years. Parenting application "Parents Journey" is a solution and interesting idea to develop based on current parenting trends. This application contains features that can open up parents' and/or guardians' insight regarding children's growth and development, game ideas that support stimulating children's development according to their age, parenting articles, educational method features for parents, as well as a forum for sharing and discussing so that they are able to apply optimal parenting patterns to their children through one integrated application.

2. METHODS

Data sources consist of qualitative and quantitative data (Sugiyono, 2015). This research is using both qualitative and quantitative data. Qualitative data is data presented through words, schemes and images while in this research, qualitative data was obtained through interviews and observations. Quantitative data is data in the form of numbers or summed qualitative data while in this research, quantitative data was obtained from survey results via questionnaires.

The total population in this study is all women (the dominant party who applies parenting technically and directly to children) with married status aged 20 to 34 years in Indonesia. Ages 20 to



34 years were selected based on the dominant age group of married women in Indonesia (Central Bureau of Statistics, 2019). Therefore, the total population is 18,847,313 people while the population was narrowed by calculating the sample size using the Slovin Formula, and the minimum sample size required is 100 people.

3. RESULTS AND DISCUSSION

Product Idea Offered

The following are the features provided by Parents Journey application:

1. Parental Examination Feature.
2. Pregnancy Features.
3. My Child Feature.
4. Do and Don'ts feature.
5. Features of food recipes, and MPASI (Complementary Food for Mother's Milk)
6. commerce features as a supporting feature for early childhood care,
7. Media features, containing songs, fairy tales, child-friendly learning and play media, etc.
8. My Class Features: contains educational training options for parents/guardians.
9. Latest information/article features about parenting,
10. Features of national and international journals as supporting valid information,
11. Ask the Expert Feature! is a user consultation feature with experts in the field of parenting
12. Poll feature that is filled in by users
13. Competition feature, contains a list of competitions that users can take part
14. The Discussion Forum feature contains user questions and answers grouped by categories
15. Collaboration features
16. The Contact Us feature
17. Invite friends feature to increase the number of application users.
18. Rating feature, so that users can easily rate applications both on Google Play and the App Store.

To describe and explain the business model of Parents Journey, the author uses the Business Model Canvas (BMC) framework which is depicted in Figure 1. below.

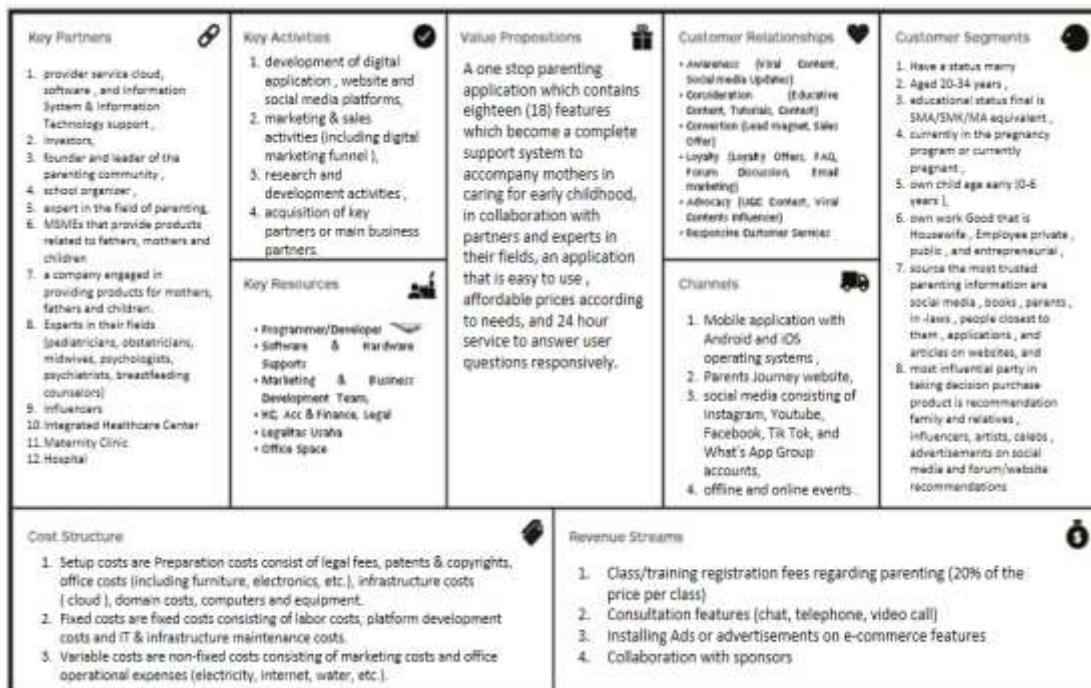


Figure 1. Parents Journey Business Model Canvas

Source : Processed Data Writer

a. Customer Segments or Segment Customer

Segment customers are women throughout Indonesia with the following characteristics:

1. Have a status marry
2. Aged 20-34 years ,
3. educational status final is SMA/SMK/MA equivalent,
4. currently in the pregnancy program or currently pregnan,
5. own child age early (0-6 years),
6. own work Good that is Housewif , Employee private, public, and entrepreneurial ,
7. source the most trusted parenting information are social media, books, parents, in -laws, people closest to them, applications, and articles on websites, and
8. most influential party in taking decision purchase product is recommendation family and relatives, influencers, artists, celebs, advertisements on social media and forum/website recommendations

b. Value Propositions or Value Proposition

The products and services provided by Parents Journey are in the form of *a one stop parenting application* which contains eighteen (18) features which become a complete *support system* to accompany mothers in caring for early childhood, in collaboration with partners and experts in their fields, an application that is easy to use, affordable prices according to needs, and 24 hour service to answer user questions responsively.

c. Channels or Channels

Companies communicate with segment customers in conveying product and service value propositions through:

1. Mobile application with Android and iOS operating systems,
2. Parents Journey website,
3. social media consisting of Instagram, Youtube, Facebook, Tik Tok, and What's App Group accounts,
4. *offline* and *online* events.

d. Customer Relationships or Connection Customer

The type of relationship you want established by the company with consumers are grouped based on the stages in *the Digital Marketing Funnel*, namely:

1. *Stage Awareness*: To increase awareness of the target market, the company delivers viral content, updates social media on a scheduled basis with the latest content that attracts the target market's attention.
2. *Consideration Stage*: To attract the interest of the target market, the company communicates by creating educational content, tutorials, articles and contests on websites and social media.
3. *Conversion Stage*: To increase the number of users, the company first obtains *a data base* or contact target market so that it is easier to approach, the company communicates by providing *lead magnets on the landing page* (*Free Trials*, *Free E-Books*, etc.) and *sales offers* or sales offers through the contact database obtained.
4. *Loyalty Stage*: In increasing consumer loyalty after becoming a user to continue using products from Parents Journey and making repeat purchases, the company carries out continuous communication by always providing services according to their needs through *Loyalty Offers* , FAQs, Discussion Forums, and *Email marketing*.
5. *Advocacy Stage*: To increase consumers who are in the *Brand Advocacy stage* , the company communicates by holding UGC (*User Generated Content*) *Contests* and *Viral Content Influencers*.

e. Revenue Streams or Genre Income

The company gets income from segment customer via :

1. Class/training registration fees regarding *parenting* (20% of the price per class)
2. Consultation features (chat, telephone, video call)
3. Installing Ads or advertisements on e-commerce features
4. Collaboration with sponsors



f. Key Resources or Key Resources

Assets _ The most important thing is what Parents Journey needs to make the business model work run it including:

1. *programmer/developer* as source human resources who will develop applications according to the needs of the target market,
2. Human resources consisting of *marketing & business development team, Human Capital, and accounting & finance, and Legal.*
3. *software & hardware supports* as assets to carry out application development and carry out company operational activities,
4. *business legality, patents and copyrights* as company digital assets as well as corporate identity in carrying out operational activities,
5. *office space* or office space and all its facilities as a place to carry out office operational activities.

g. Key Activities or Main Activities

The most important activities carried out by the company so that the business model can be implemented, including:

1. development of digital application, website and social media platforms,
2. *marketing & sales* activities (including *digital marketing funnel*),
3. *research and development* activities,
4. acquisition of *key partners* or main business partners.

h. Key Partnerships or Key Partnerships

The business partners needed for the business model to be run are:

1. provider service *cloud, software* , and *Information System & Information Technology support*,
2. investors,
3. *founder* and leader of the *parenting community* ,
4. school organizer ,
5. expert in the field of parenting,
6. MSMEs that provide products related to fathers, mothers and children
7. a company engaged in providing products for mothers, fathers and children.
8. Experts in their fields (pediatricians, obstetricians, midwives, psychologists, psychiatrists, breastfeeding counselors)
9. Influencers
10. Integrated Healthcare Center
11. Maternity Clinic
12. Hospital

i. Cost Structures or Structure Cost

Costs incurred for Carrying out company activities is grouped into three costs, there are setup costs, fixed costs, and variable costs.

1. *Setup costs* are Preparation costs consist of legal fees, *patents & copyrights*, office costs (including furniture, electronics, etc.), infrastructure costs (*cloud*), domain costs, computers and equipment.
2. *Fixed costs* are fixed costs consisting of labor costs, platform development costs and IT & infrastructure maintenance costs.
3. *Variable costs* are non-fixed costs consisting of marketing costs and office operational expenses (electricity, internet, water, etc.).

Segmenting, Targeting, and Positioning

Table 1. Parenting Application Segmentation

Device Type	Operation System	Gender	Marital Status	Based on Geographic	Trusted Source of Parenting Information (Consumer behavior)
- Smartphone	- Android	- Female	- Single	- 34 province in Indonesia	- Social media
- Tablet	- iOS	- Male	- Marry		- parenting books
- Laptop	- Windows		- Divorced		- the closest person known
			- Death divorce		- parenting application
					- online and offline parenting seminars
					- website articles
					- official and non-official parenting schools
					- print media
					- television
					- radio

Source : Processed Data Writer

Parents Journey's target market is married women, aged 20 to 34, with the highest education being senior high school (SMA/SMK/MA) equivalent, working as housewives, civil servants, private sector employees, or entrepreneurs, whether they are in a pregnancy program, are currently pregnant, or have young children (0-6) in Indonesia who have smartphones with Android and iOS operating systems, which makes the most trusted sources of parenting information are social media, books, parents, in-laws, people closest to them, applications and articles on websites, and the parties who have the most influence in making product purchasing decisions are recommendations from family and relatives, influencers, artists, celebrities, advertisements on social media and forum/website recommendation.

The image of Parents Journey that will be instilled in consumers' minds is a parenting application with the most complete features, attractive appearance, responsive, informative, up to date, and affordable. With this image, a diagram of the positioning of Parents Journey among several other parenting applications is depicted in Figure 2. as shown below.

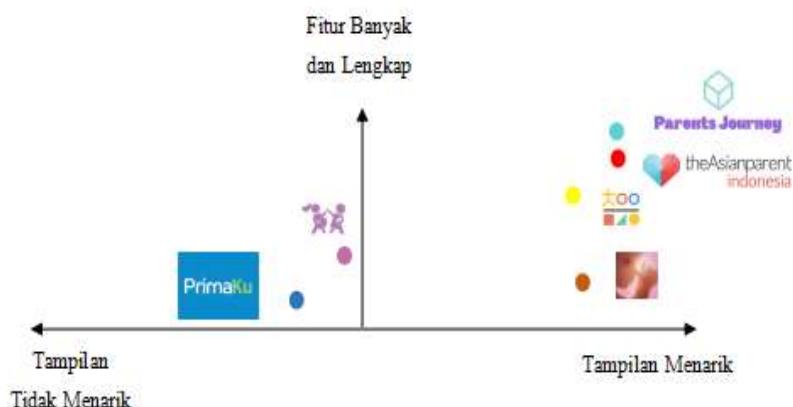


Figure 2. Parents Journey Positioning

Source : Processed Data Writer

Marketing Mix

The Marketing Mix concept used in Parents Journey is the 7P concept which is a development of the 4P concept by adding elements regarding interface interactions with consumers or customer interfaces which often occur in companies operating in the service sector (Lovelock & Wirtz, 2016).

1. The product offered by Parents Journey is an Android and iOS based parenting application with various features that parents need, focusing on pregnancy to children aged 0 – 6 years.
2. Price or price. The product is a free application with some paid features in it.
3. Place or location where the company makes products and delivers them to consumers is through applications, websites, social media (Instagram, Youtube, Tik Tok, Facebook, What's App Group), offline and online events.
4. Promotion is mapped using the Digital Marketing Funnel framework in **Table 2.** as shown below.

Table 2. Parents Journey's Digital Marketing Funnel Framework

Funnel Section	Stage	Target Market Status	Promotion Strategy
TOFU (Top of Funnel)	Awareness	Viewer/Visitor Fan/Follower	viral content, updating social media on a scheduled basis with the latest content that attracts the attention of the target market.
	Consideration	Website Visitor Content Reader	educational content, tutorials, articles and contests on websites and social media.
MOFU (Middle of Funnel)	Conversion	Lead Prospect	get a data base or target market contacts to make it easier to approach, the company communicates by providing lead magnets on landing pages (Free Trials, Free E-Books, etc.) and sales offers or sales offers through the contact database obtained.
BOFU (Bottom of Funnel)	Loyalty	Customer Repeat Customer	The company carries out continuous communication by always providing services according to their needs through Loyalty Offers, FAQs, Discussion Forums, and Email marketing.
	Advocacy	Brand Advocacy	Mengadakan UGC (User Generated Content) Contest dan Viral Contents Influencers.

Source : Processed Data Writer

1. The company's operational processes in creating and conveying value propositions to consumers are carried out using the Business Model Canvas framework.
2. Physical Environment, as concrete evidence of the company's image and the quality of the company's services, consists of an office as a place for the management team to work, work equipment in the form of laptops, scanners, printers, photocopiers, tables and chairs, and office equipment.
3. People or the company's human resources consist of the CEO or Chief Executive Officer as the head of the company, the technology team consisting of platform developers used by the

company, the accounting & finance team, the human capital team, the marketing and business development team, and the legality team

Aspects of Organization and Management

Parents Journey will consist of 10 employees consisting of one director, three people in the Information Technology (IT) division, one person in the Accounting and Finance section, one person in the Human Capital division, three people in the Marketing division and Business Development, as well as one person in the legal and legal department.

Aspects of Risks

Parents Journey is a company that is still in the form of a business plan, so at this time Parents Journey is still in the early stages of the company cycle, namely in stage I, namely the Existence I or Existence I phase. If the initial capital runs out, the owner is likely to close the business, but if they are lucky, they can sell the business based on the value of its assets. But in some cases, owners cannot accept and carry out the demands on their time, finances, and energy, so they decide to quit. Companies that remain in business will then become Stage II companies, namely the Survival phase (Churchill & Lewis, 1983).

Aspect of Legality

The following are matters related to law and legality that Parents Journey needs to prepare: (1) Form a Business Entity: The Parents Journey Limited Liability Company (PT) business entity is recommended to make it easier for companies to distribute share ownership and raise capital. Things that are prepared regarding the legality aspect include checking and reserving the company name, deed of company establishment, approval from the Ministry of Law and Human Rights, Building Domicile Letter, company NPWP (Taxpayer Identification Number), SIUP (Trade Business License), NIB (Business Identification Number), and Electronically Integrated Business Licensing or Online Single Submission OSS). (2) Brand Rights, Copyright and Patent Rights: These three things are prepared to protect the company's intellectual property rights (IPR) which are registered with the Directorate General of Intellectual Property.

Capital Requirements

Based on an analysis of the financial projections needed and generated while running the Parents Journey parenting application business, it was found that the company's capital requirement to run the business process for five years was IDR 5,273,875,000.00. In carrying out its business processes, Parents Journey requires a type of capital in the form of providing 100% capital from Angel Investors, Venture Capital, or Crowd Funding with a 10% dividend scheme.

Business Feasibility Analysis

In the business feasibility analysis related to financial aspects with the Best Case Scenario, it was found that the payback period for this business was still below the expected return on capital (5 years), namely 1.42 years. Apart from that, the results of the calculation of feasibility parameters show the results of $NPV > 0$, $IRR > MARR (10\%)$, and $PI > 1$. In the Base Case Scenario, it was found that the payback period for this business was still below the expected return on capital (5 years), namely 2.41 years. Apart from that, the results of the calculation of feasibility parameters show the results of $NPV > 0$, $IRR > MARR (10\%)$, and $PI > 1$. The Payback Period in the Worst Case Scenario is 4.08 years, so in terms of the length of return of capital, this business is considered feasible because the return of capital takes less than 5 years. However, based on the NPV analysis, the value obtained is $NPV < 1$, apart from that the IRR calculation shows the $IRR < MARR (10\%)$, and $PI < 1$.

4. CONCLUSIONS

Parents Journey application has eighteen features that can be downloaded on smartphones with the Android and iOS operating systems. Based on the operational aspects of Parents Journey in supporting the operational needs of the application platform being developed, cloud services with a rental system and servers through local service providers are considered appropriate compared to using a rental system from overseas service providers because it can reduce large initial investment costs, with facilities that not much different, and communication is smoother. Based on the marketing



aspect, Parents Journey carries out different marketing strategies based on the type of relationship it has with customers (Customer Relationship) through adapting the Digital Marketing Funnel Framework. In terms of organization and management, Parents Journey will consist of 10 employees consisting of one director, three people in the Information Technology (IT) division, one person in the Accounting and Finance section, one person in the Human Capital division, three people in the Marketing division and Business Development, as well as one person in the legal and legal department. Parents Journey applies Risk Management from the start of the company in order to overcome and mitigate company risks. Parents Journey will be a Limited Liability Company (PT) to make it easier for companies to distribute share ownership and raise capital. Brand Rights, Copyright and Patent Rights are also prepared as protection for companies' intellectual property rights (IPR) that are registered with the Directorate General of Intellectual Property. In carrying out its business processes, Parents Journey requires a type of capital in the form of providing 100% capital from Angel Investors, Venture Capital, or Crowd Funding with a 10% dividend scheme. The business idea is feasible in the best-case scenario with a payback period of 1.42 years (below 5 years), positive NPV, has a greater IRR value (78% -79%) than the MARR (10%), and the PI value of 4,65.

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