

CHAPTER 1 - INTRODUCTION

1.1 Background

PT United Tractors Tbk., a division of PT Astra International Tbk, engages in business across six sectors: energy, coal mining, construction industry, mining contractor, and construction machinery. In addition to additional service installations, United Tractors has 20 branch offices, 32 site supports, 6 representative offices, and 54 support points.

The selling of large machinery and transportation equipment is the primary objective of the Construction Machinery business pillar. Since the beginning of United Tractors, this business segment has played a significant role. It provides a range of trustworthy products that can support operations in a number of industries, including mining, plantation (Agricultural), construction, forestry, as well as transportation and transportation.

Since 1973, United Tractors has been Indonesia's sole dealer of Komatsu. United Tractors offers supplementary products including Tadano cranes, vibratory rollers from Bomag, and UD trucks as its customer base expands and there is a demand for items that can support fieldwork or other industries. The company expands its product line to include Scania products, such as trucks and buses, which are now supporting the Jakarta Provincial Government's public transportation system.

KOMATSU	UD UD TRUCKS	SCANIA	BOMAG FAVAT GROUP	TADANO
Backhoe Loader	Quester Cargo	Mining Tipper & Heavy Hauler Trucks	Asphalt Finisher	All Terrain Crane
Bulldozer	Quester Dump	Mining Supporting Trucks	Cold Milling	Lattice Boom Crawler Crane
Forwarder	Quester Mixer	Fuel Transport Trucks	Combination Rollers	Rough Terrain Crane
Hydraulic Excavator	Quester Tractor Head	General Cargo Trucks	Light Equipment	Telescopic Boom Cargo Crane
Motor Grader		Heavy Haulage Transport Trucks	Pneumatic Tyred Rollers	Telescopic Boom Crawler Crane
Off Highway Dump Truck		Special Vehicle	Refuse Compactors	Truck Crane
Wheel Dozer		Coach	Single Drum Rollers	
Wheel Loader		City Bus	Soil Compactors	
			Soil Stabilizer or Recycler	

Source: www.unitedtractors.com

Figure 1. 1 United Tractors List of Product

In addition to offering dependable products, the Company also provides its clients with a wide range of services, including:

- Field consultation
- Optimum fleet recommendation
- Machine inspection program
- Heavy equipment monitoring program
- Remanufacturing and reconditioning
- Training for mechanic and operator
- UT Call 1500 072 – 24/7 customer service
- Guaranteed product support
- UT Command Center

Construction Machinery segment performance has increased as a result of favorable business conditions in 2022 following the COVID-19 epidemic. With rising commodity prices and demand on international markets, as well as increased activity in the heavy equipment user sector, the heavy equipment industry has been expanding. By the end of 2022, Komatsu had sold 5,753 units of heavy equipment, an increase of 86% over the 3,088 units sold in 2021. Sales at UD Trucks climbed from 375 to 429 units, a 14% increase. Due to limitations in the supply of its products, Scania's sales decreased by 57% from 545 units to 233 units.

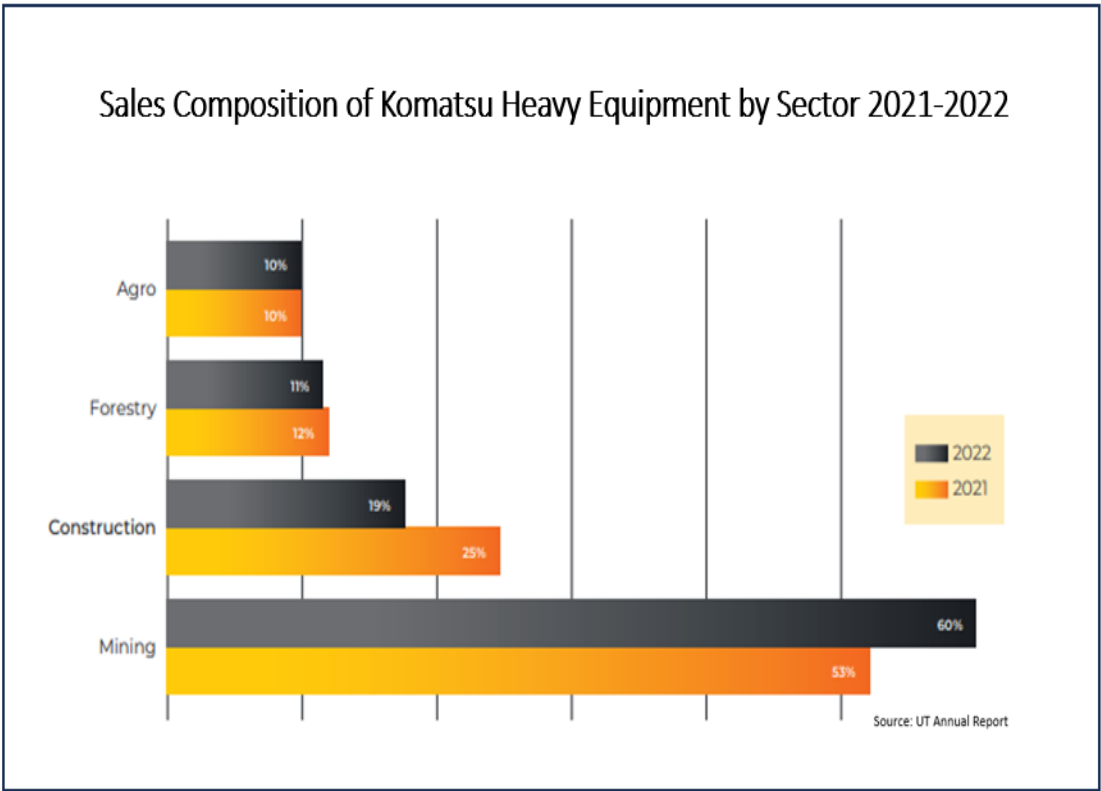


Table 1. 1 Komatsu Products Sales Composition

As an evaluation of customer satisfaction, United Tractors periodically conducts customer satisfaction index surveys conducted every two years. From the results of the last survey in 2021, one of the attributes namely the “Variety of programs and service products offered”, which decreased in value as seen in figure 1.2.

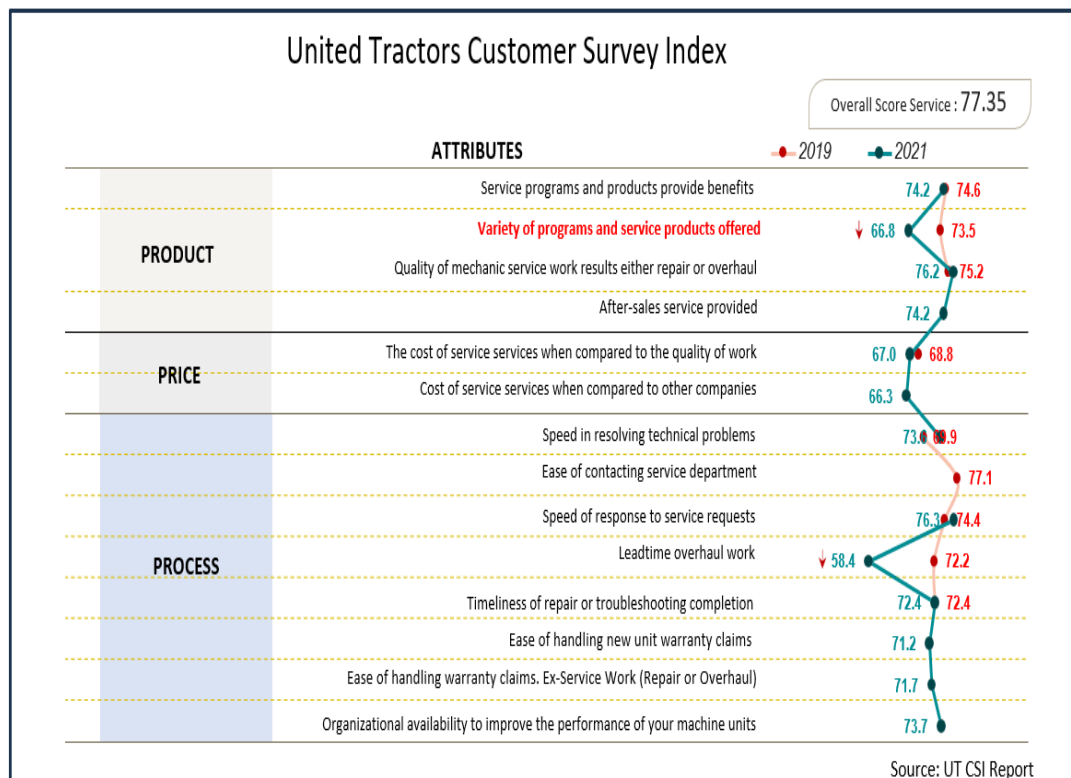


Figure 1. 2 Customer Survey Index

Customer XYZ is one of UT's customers in the Agricultural (oil palm plantation) business sector, which has three locations of oil palm plantations, including in Jambi, Central Kalimantan and East Kalimantan. The location of the Head Office is in Jakarta.



Figure 1. 3 Customer XYZ Operation Area

The population of XYZ heavy equipment is increase in 2022 compared to 2021. UT products owned by XYZ consist of the Komatsu and Bomag brands.

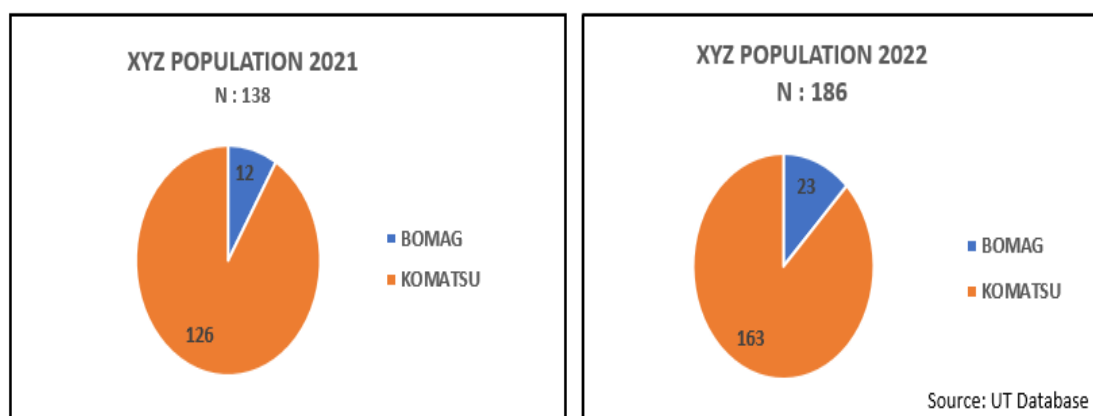


Figure 1. 4 Customer XYZ Unit Population

There are forty-eight new units purchased for the Komatsu and Bomag brands in 2022, which indicates that XYZ customers still trust in the brand.

The revenue service contribution by XYZ customer in 2021 and 2022 is still below the target, It is necessary to evaluate existing condition and create new programs to increase revenue in 2023.

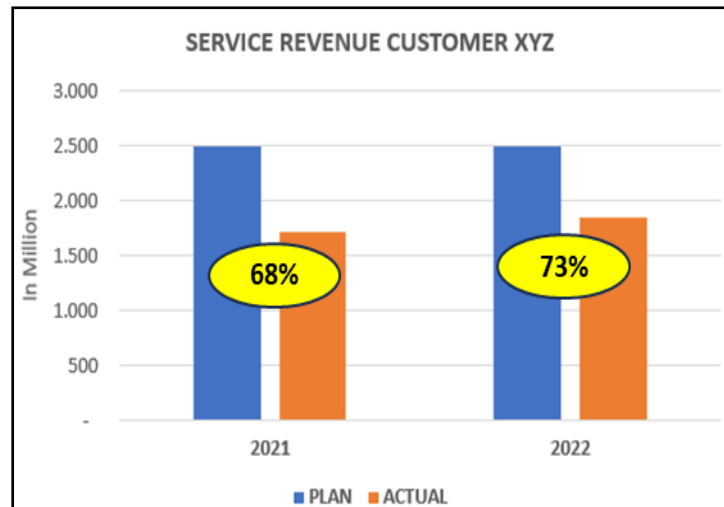


Figure 1. 5 Customer XYZ Service Revenue

The lack of revenue service in XYZ customers is due to still relying on call service from customer XYZ in each farm estate (oil palm plantation) to UT branches representative. The average service call every month is 2 work orders. Due to this condition has implications for not achieving service revenue.

1.2 Research Problem

Heavy equipment operating at XYZ customers operates every month on average between 120-150 hours, relatively lower when compared to heavy equipment operating in the mining sector which operates on average 400-500 hours. This condition results in fewer repair and maintenance process needs in the agro sector and has an impact on low revenue service and results in not achieving revenue service.

1.3 Research Objectives

The purpose of this research is to improve service revenue in customer XYZ by accommodating pain and gain of customer.

1.4 Research Questions

1. How to understand pain and gain customer XYZ?
2. How to accommodate pain and gain customer XYZ?

1.5 Hypothesis

1. Understanding the pain and gain by define and discussion with customer XYZ.
2. Using Value Proposition Canvas to accommodate pain and gain, and create specific program that fit with customer needed.