| RESEARCH ARTICLE

Proposed Digital Advertising Strategy to Generate Higher Amount of Leads for an HRMS Company: A Case Study of Company XYZ

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| ABSTRACT

This thesis explores the critical success factors influencing lead generation campaigns using digital advertising within B2B companies that provide software-based solutions (SaaS) for HRMS functions and proposes a digital advertising strategy according to these factors. The research addresses the issue of a decreasing net profit margin, despite increasing revenue. With a significant spike in the marketing costs, the net profit contribution reduced, and thus, the business failed to achieve the desired outcome. To construct the digital advertising strategy, an overall evaluation of the business and the market is conducted to see the current situation. Firstly, market analysis is conducted to set expectations of market reactions. Furthermore, segmentation will be determined using the needs-based segmentation approach. The business strategy evaluation is examined by carrying out some necessary analyses to get a full picture of the influencing internal factors and external factors that shape the business strategy. Competitive advantage will then be determined through VRIO analysis to elaborate on the value proposition that is carried by the current business strategy. As understanding how the business operates fully is a key part of proposing a strategy, a value chain analysis of the company will be necessary. Finally, SWOT analysis will help to understand the attributes of the company and the market, and finalized by the construction of a strategy, utilizing the TOWS matrix based on the prior analyses above. The outcome of this study should help companies to construct digital advertising strategies with a consideration of the grander overview of their businesses and the market they are operating in.

1. Introduction

The management of industrial (B2B) brands differs significantly from consumer (B2C) brands due to distinct business models and cycles (Pfoertsch & Scheel, 2006). A fundamental shift in B2B marketing is the move towards digital channels, driven by changing buyer behavior. Research indicates that 80% of B2B buyer-supplier interactions now occur digitally, with 43% of buyers preferring a sales representative-free process (Gartner, 2020). Consequently, a strong digital presence is now an expectation for industrial brands (Sheerin, 2021; Akbari et al., 2018).

Technology companies, particularly Software-as-a-Service (SaaS) providers, are at the forefront of this trend, allocating nearly a quarter of their marketing budgets to digital strategies (Bergen, 2023). SaaS allows consumers to use a provider's applications running on a cloud infrastructure, accessible via a web browser or program interface, without managing the underlying infrastructure (Mell et al., 2011). A prominent example of SaaS is the Human Resource Management System (HRMS), a software-based solution for managing HR data and processes (Gupta, 2013).

The HRMS market in Indonesia is experiencing rapid growth and high competition, holding the largest revenue share (27%) in Southeast Asia (Southeast Asia Human Resource Software Market, 2030, n.d.). This adoption is largely driven by the need for automation, as 57% of HR professionals report being overloaded with administrative tasks (SHRM, 2024).

In the complex B2B customer journey, demand generation is a fundamental process for acquiring and converting customers, with lead generation as a critical component (Zahay et al., 2023). Digital advertising serves as a key channel for generating these leads. This study will evaluate the past digital advertising performance of Company XYZ, an Indonesian branch of a multinational HRMS company, and propose an improvement strategy, followed by an implementation plan, OKRs, and KPIs.

1.1 Company Profile
Company XYZ is a business software provider that originated in 1999, primarily operating within the Southeast Asian market. Its focus has been on developing and providing comprehensive technology solutions for business management. The company's core offerings include software for Human Resources (HR), covering areas like personnel administration, payroll processing, and talent management. Additionally, Company XYZ provides Enterprise Resource Planning (ERP) systems, designed to integrate various core business processes, and solutions for accounting management.

According to their vision, they seek to help their clients' employees work better and live happier. As a mission, they stated that they thrive to cater to the recognized and unrecognized needs of their clients. This puts an emphasis on their willingness to innovate while trying to reach an unserved market. It can also be considered that their business strategy is differentiation.

1.2 Business Issue
The full year accounting of 2024 Company XYZ recorded a significant drop in net profit margin, despite an increase in revenue. They earned around IDR 618 billion in annual revenue, which actually marked a 6% increase compared to the previous year, yet a slight decrease of 4,8% in net profit margin. One of the increased costs was marketing costs, which totaled almost IDR 10 billion. This included staff cost, tools, digital advertising, PR, and events. The significant difference is the expense of the newly initiated lead generation campaign using digital advertising.

The turnover was underwhelming. The newly established digital advertising approach has gathered 1500 leads over the year with around IDR 1 billion budget spent on Google Ads, LinkedIn Ads, and Meta Ads in a 80:15:5 ratio, averaging almost IDR 900.000 per raw lead. After qualification, it left 500 qualified leads with IDR 2 million per qualified lead on average. With the current number of conversions (33), it costs the company IDR 30.000.000 per conversion. Singh (2025) in his report stated that the average composite cost per lead across all platforms, all industries is around US$60, which is similar to what Company XYZ had achieved. However, platform selection plays an important role in this surge of cost, with the range of cost per lead on LinkedIn being much higher than it is on Meta. Therefore, it is still possible to improve the performance by optimizing budget allocation towards each platform.

Another aspect that is worth mentioning is the market metrics. Company XYZ seeks to compete with global business applications software providers such as Oracle and Workday in the broad market. Their current revenue is at 1,5% of Workday's, which was a non-developing percentage compared to the previous full year. This indicates that Company XYZ failed to achieve the desired year-on-year growth in revenue to capture a higher market share.

2. Literature Review
The study uses a holistic approach to review the company's past digital advertising performance, taking corporate and business strategies into account. Market analysis will firstly be conducted to get a view of the market's situation and the position the company is currently in. Segmentation will be shaped, and the author will focus on the needs-based segmentation process. Internal analysis will be conducted, using frameworks such as resource-based view to examine resources and capabilities, VRIO analysis to determine competitive advantages, and value chain analysis to have a complete understanding of the business operation. There are three main influences that are considered from the external environment. Hitt et al. (2017) suggest using general, industry, and competitor analysis. General environment analysis comprises pressures from the dynamics of political or legal, economic, sociocultural, technological, environmental, and global situations. In continuation, competitor analysis using the SOAR Framework (Strategy, Objective, Assumption, Resources), and industry analysis using Porter's Five Forces are needed to give the author a complete understanding of the past performance's surrounding environment. Having done all the analysis will enable the author to form a SWOT analysis, which will be the base for business solutions in the next chapter.

2.1 Digital marketing for B2B
Digital marketing was defined by Kotler as "a form of direct marketing which links consumers with sellers electronically using interactive technologies like emails, websites, online forums and newsgroups, interactive television, mobile communications, et

cetera". (Kotler & Armstrong, 2009). This indicates that under the term of digital marketing lie multiple mechanisms and tools to achieve different objectives for different segments.

In selecting platforms to advertise on, there are multiple considerations, such as consumer behavior (Hadžić & Poturak, 2025), objectives (Yang et al., 2020), attribution analytics (Almestarihi et al., 2024), and content compatibility (Kurniawan & Wulandari, 2023).

To understand consumer behavior in the context of digital marketing, which then shapes the goals of digital marketing, the author adopts the AISAS funnel by Sugiyama & Andree (2010). AISAS comprises Awareness-Interest-Search-Action-Share. This staging aligns with the objectives set on each digital marketing platform, with each platform having its own settings.

Meta's and LinkedIn's common flows of lead generation are divided into two, based on their conversion place. Firstly, there's a social media-owned instant form, hosted on their server, allowing potential customers to interact with the ads, fill their data in, and submit, all within their social media environment, never moving outside of it. The second common method is when the conversion takes place on the advertiser's owned website or landing page. Then the data collected will be stored on-site, hosted by the website or landing page, with the option to extract it to advertiser-owned data storage.

Search ads, also known as search engine marketing, are based on search engine's, or in most cases Google's, users' demand. In order for the advertising to be seen, potential customers have to search certain keywords, and simultaneously, on the other end, the advertiser needs to target those keywords to show up in the search results. When the advertiser's ads show up and the potential customers click them, that might indicate that the ad is relevant and the demand is met.

In comparing different campaigns, several key metrics are important to judge the efficiency of digital lead generation. Firstly, it is important to compare the number of leads generated from the campaign in total. The number of leads will be measured against the amount of spending that will be derived and compared as a single metric called CPL (cost per lead). In other words, CPL is the average amount of budget spent for a single lead. This CPL could not be assessed singularly; it must be viewed as the efficiency metric and whether or not the campaign can be improved. The metric must be paired. One campaign with IDR 100.000 CPL is not conclusively better than the other campaign with IDR 200.000 CPL if the gap in spending is too wide. Ruler Analytics (2022) suggests that CPL alone is not enough to guarantee the success of lead generation campaigns, as it does not track the revenue generated out of those leads.

Another metric to be compared is the quality of leads. The leads generated by the marketing team have to be qualified to identify the level of interest and engagement in correlation with the likelihood of conversion (Monat, 2011). With the success of conversion in the business context, leads that are converting into revenue-generating customers will be counted per total leads, and that will result in the conversion rate or also known as CVR. This metric will show you the efficacy of the campaign in generating revenue.

2.2 Conceptual Framework
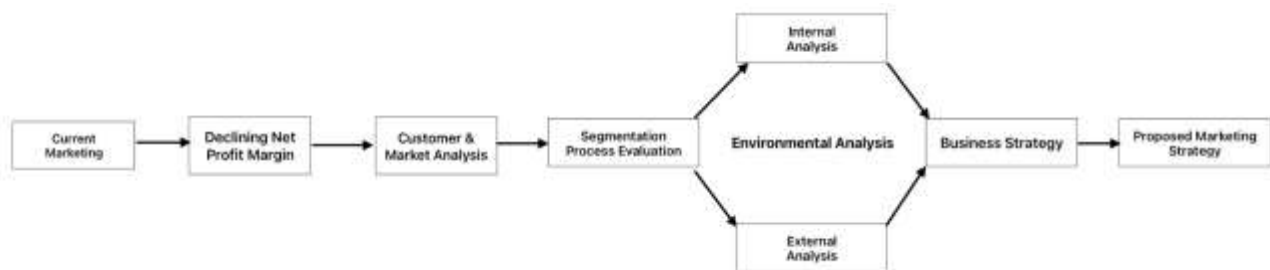
3. Methodology

The study addresses a well-defined issue, with increased marketing costs reducing net profit margin compared to the previous year. The primary data will be collected through interviews with four employees from the company from marketing, HR, finance, and business development departments, each of which has worked at least 4 years at the company. This interview will cover topics such as resources and capabilities of the firm, value chain analysis, and nuances surrounding the past digital advertising performance. The interview is semi-structured, guided by theory-based frameworks but not limited to those points, allowing participants to add more details, such as reasoning, assumptions, and expectations. In addition to the interviews, secondary data

will be collected through business reports, comprising financial reports and marketing reports. Desktop research will be conducted to fill information gaps for market analysis and industry benchmarks.

3.1 Research Questions
The study seeks to answer the following research questions:

- How is the firm situated in the market currently?
- Who are the company's segments? What kind of companies are possible to be targeted as potential buyers?
- What are the external and internal factors from the participant's company that influence the success of lead generation campaigns using digital ads?
- What are the recommendations for conducting a successful lead generation campaign using digital advertising for an HRMS company? How does Company XYZ improve their digital advertising performance?

3.2 Research Limitations
This research will be limited to proposing improvement strategies by analyzing a well-defined issue based on past occurrences. The study will then focus on reviewing the strategic planning prior to creating its implementation in the marketing strategy. The participants are from a single company, from multiple functions, to increase the validity of the data and to enrich the context of the business issue. The study alone is limited to the Indonesian software provider market, which operates as a business solutions provider, but not limiting its possibility to be further explored, implemented, and applied in a broader context.

4. Results and Discussion
This chapter will show a series of findings that are derived from the interviews conducted with a set of semi-open questions, based on the models and frameworks explained in the previous chapter.

4.1 Market Analysis
Company XYZ provides a Human Resource Management System or HRMS, which encompasses the systems and processes that standardize and package human resources routines into programmed software and enterprise resource planning (ERP) (Navaz et al., 2013). Under this definition, it is implied that HRMS is intended for businesses, not for personal use software. This would categorize HRMS into the technology sector according to the IDX Industrial Classification. Company XYZ is not a public company listed on the IDX stock exchange; however, there are multiple comparable companies listed in the same sector, subsector, and industry, which is the Technology sector (I), Software & IT Services subsector (I1), and Software industry (I13). This would put Company XYZ in the exact same categorization. (IDX).

Arora (2015) further classified software into three categories: operating system, utility, and application software. Operating systems are required to operate computers, while utility software is the supporting function within the computer, such as basic file management and text editing. Company XYZ's product falls into the application software category, which by definition is a bundle of programs that direct the computer to do specific tasks. Arora categorized these applications software into a few categories, one of which is business application software, a category in which Company XYZ's product would greatly fit.

Under business application software, or often referred to as Enterprise Application Software or Enterprise Software, is defined as software applications that are specifically designed to support essential business activities such as enterprise resource planning, supply chain management, customer relationship management, and business intelligence (Statista, 2025). The categorization is fluid, with human resource management often seen as part of enterprise resource planning, while also often standing as a solitary category within the business application software. In this case, since Company XYZ provides both HRMS and ERP services, it can be considered that Company XYZ serves the bigger market of ERP, with HRMS specialization.

According to the report by Mordor (2025), the market is expected to grow at around 9% CAGR. The ERP segment makes up 31% of the entire business application software market, while the other 69% comprises other types of software. This highlights the importance of ERP among businesses in Indonesia. Based on the revenue generated, large enterprises drive more than half of the entire market (54%), with 46% contributed by medium, small, and micro enterprises combined. Ching-Fang et al. (2005) elaborated that there are possible entry barriers for SMEs to adopting business software, such as financial constraints, lack of knowledge, and a perception that these might be unnecessary, which explained the aforementioned statistics. Despite these hindrances, according to Ching-Fang et al. (2005), SMEs' technology adoption accelerates significantly, with a CAGR of up to 17%, with a lot of low-cost SaaS emerging and offering single-function software, which is easily obtainable, even for small and micro enterprises.

Based on deployment types, there are two categories of software according to the report by Mordor: cloud-based and on-premise. Cloud-based deployment refers to types of software that are hosted and delivered by a third-party provider over the internet. On the other hand, on-premise deployment means that all the IT resources that support the deployment, including hardware, are installed within the company's premises. Cloud-based deployment is much more preferred to the on-premise, according to the reports, with a dominant 66% portion of the entire market. The trend with cloud-based deployment is also identified as the CAGR driver with the highest impact, as a lot of procurement roadmaps prioritize cloud-based technologies for their businesses.

Based on the research by Tech in Asia, SaaS companies with HR functions in Indonesia are the second highest among other functions. This makes the HRMS competition very dense. On the other hand, there are not a lot of competitors in the ERP function, which may give Company XYZ an opportunity to thrive.

4.2 Needs-Based Segmentation Process

According to the above-explained market analysis. It is clear that the company's segmentation is within the industrial and organizational buyers. The needs-based segmentation process then starts with identifying the needs (Best, 2013). Within the business application software market, the buyers' needs are to support their business activities, be it primary or secondary activities in the value chain. HR proves to be a vital activity in a company, boosting profitability, productivity, and ROI (Chali & Lakatos, 2024). Thus, the need is to manage human resources so that they can support business activities to achieve above average performance.

4.2.1 Segment Identification

Kotler (2016) defines the influencing factors to segment business markets. Demographic (firmographic) factors, operating variables, purchasing approaches, situational factors, and personal characteristics. Demographic factors ask questions such as company size, industry, geographic area. Operating variables determine the level of technologies used, the level of usage, and clients' capabilities in operating the software. Purchasing approaches ask questions about the organization's purchasing organization and power structure, explore the nature of the relationship with potential customers, and examine purchasing criteria. Situational factors include urgency, specific function, and size of order. Lastly, personal characteristics determine whether the potential customers have similar values in certain aspects, such as attitude toward risk and loyalty.

Based on the above declared characteristics, here are the following segment identification:

	Segment 1 - Large Enterprises	Segment 2 - Medium Enterprises	Segment 3 - Small and Micro Enterprises
Demographics	Company size >250 Employees	Company size 50-249 employees	Companies with less than 50 employees
Operating variables	High-level technology, complex offerings, require high-level capabilities, offering wide range of functions	Easy to implement, easy to manage, medium level of capabilities.	All-in-one, easy to operate, low level function, low-level capabilities.
Purchasing approaches	Decentralized, governed by GA / procurement department.	Mixed	Centralized, owner oriented
Situational	HR function, ERP function or combination of multiple functions with such capabilities. High level of urgency.	Less complex and cost-effective, medium level of urgency	Supports basic functionality, not urgent
Personal	Undefined	Undefined	Undefined

4.2.2 Segment Attractiveness

The report samples 1500 leads that are coming in through digital advertising, including around 400 qualified leads. Large Enterprises, according to the marketing and finance manager, tend to already have HRMS and/or ERP tech at their company, which makes them generally harder to penetrate and persuade. However, once the deal is won, enterprise companies are those with the biggest revenue, ranging from 1.000.000 to 500.000.000 per employee at their company.

Similar to Large Enterprises, Medium Enterprises cluster drives revenue dynamically, with revenue as low as 500,000 up to 3.000.000 per employee. Leads from this cluster tend to seek alternatives with lower cost for their current HRMS. Barely any SME leads would seek ERP products; however, some are interested in adopting Company XYZ's services, like payroll outsourcing.

The Small & Micro Enterprises Cluster is the cluster with the smallest sample within Company XYZ's current customer base. From the number of revenue generated per employee, this cluster has the highest number, ranging from 8.000.000 to 10.000.000 per employee. From the potential customers' point of view, the high cost might lead to diseconomies of scale, which might explain

the low number of interest coming from this cluster. Small and Micro Enterprises tend to seek relatively simple functions and tend to negotiate to get the cheapest deal possible.

This being said, the author determines that the two clusters, Large Enterprises and Medium Enterprises, are the most attractive clusters. Large enterprises have bigger potential to profit, with maximum revenue driven per number of employees. Medium enterprises do not necessarily have the biggest revenue, but the volume of untapped companies is still high, and this segment still has a lot of potential.

The table below shows the segment attractiveness.

	Have, not planning to drop	Do Not Have but Intend to Add	Plan to Drop to Cut Cost	Do Not Have and Would Not Add
Cluster 1 Large Enterprises				
HR	V			
Other Services & Licenses		V		
ERP	V			
Cluster 2 Medium Enterprises				
HR			V	
Other Services & Licenses		V		
ERP			V	
Cluster 3 Small & Micro Enterprises				
HR		V		
Other Services & Licenses				V
ERP				V

According to the database gathered through digital advertising, around 50% of the qualified leads are categorized as Medium Enterprises. However, a lot of those leads are not capable of affording Company XYZ's offering. On the contrary, the number of large enterprise leads might be fewer, but they yielded a higher number of conversions.

This indicates that despite being easier to approach through digital ads, medium-sized enterprises do not directly have the financial capability to accept the offering. More large enterprises came from approaches through long term relationships, built upon databases gathered through events, client or acquaintance referrals, and less from digital advertising. Thus, the long-term relationships yielded a higher sum of revenue due to a higher level of conversion.

By product choices, large enterprises often opt for HR and ERP products, with some of them asking about change management

and corporate training. Medium enterprises tend to inquire about HR products, especially payroll, and some of them even inquired about Company XYZ's payroll services. Small & micro enterprises mostly consulted about HR products with simple functions and easily accessible by their employees from mobile phones.

4.2.3 Segment profitability

The report samples 1500 leads that are coming in through digital advertising, including around 400 qualified leads. Large Enterprises, according to the marketing and finance manager, tend to already have HRMS and/or ERP tech at their company, which makes them generally harder to penetrate and persuade. However, once the deal is won, enterprise companies are those with the biggest revenue, ranging from 1.000.000 up to 500.000.000 per employee at their company.

Cluster 1 - Large Enterprises	Cluster 2 - Medium Enterprises	Cluster 3 - Small & Micro Enterprises
Program A Your Strategic HR Partner **Key Benefits:** Best practices, early access for newly developed products, complex solutions, intensive maintenance and client servicing.	**Program B** Enterprise Class, Designed for Growth **Key Benefits:** Cost-effective, high value HR software and services. Ease of use, simple bundling.	**Program C** Smart HR for Small Teams **Key Benefits:** Mobile access, fast-responsiveness, simple bundling

4.3 Internal Analysis
4.3.1 Resource-based view

Tangible	Intangible
Financial resources: Sufficient amount of funds to generate new prospects, not limiting any new approach of platform selection.	**Reputational resources:** Known as the HRMS and ERP expert internationally. There's a slight misalignment on brand and product perception, leading to brand comparison from potential customers which lowers customer's expectation about product's price. Brand audit is necessary to evaluate this misalignment.
Organizational resources: There are Product Development, Marketing, Sales, Implementation and Admin. HR, Legal, Finance and GA are available to support. Within the marketing department, Marketing Manager oversees multiple functions of marketing communication, including Event, Digital & Website, Design, Product Marketing Specialist as lead qualifier, General Assistant	**Innovation resources:** Routine quarterly and annually product maintenance and innovation roadmap. On microtrends weekly meetings are conducted to respond to any changes.
Physical resources: Equipped with video production equipments and physical assets for offline events (iPad, Smartscreen) **Technology:** Subscription to a wide array of digital tools that support the function of creative design, project management, CRM, event and email marketing among others. AI tools were also utilized to speed up some of the processes (content writing, ideation). Social media adoption is high, while still having a conventional approach.	**Human resources:** Product knowledge is always updated through the quarterly company-wide meetings, but sometimes there's a lack of direct lateral communication between the middle managers, which could lead to silo. Decision making processes are rigid due to stiff bureaucracy and CEO-centricity, leading to some prolonged or delayed decisions. Inside the marketing department, there's a stack of tasks that relies on a single worker, for example a unified taskforce for digital & web. This could be more efficient if the duty is assigned to another specialist. There's a need for knowledge improvement for some team members, especially digital marketing due to lack of experience.

4.3.2 VRIO Analysis

Potential competitive advantage	Valueable	Rare	Inimitable	Organized	Implications
Flexible, high quality, wide–range product development	Y	Y	Y	Y	Competitive Advantage
Renowned reputation as international HR and ERP expert	Y	Y	Y	N	Unused Competitive Advantage
Industry-related Whitepaper releases	Y	Y	N	Y	Temporary Competitive Advantage

4.4 External Analysis

In this subchapter, the study will review external influences that might affect Company XYZ's business strategy and performance. In this section, the framework to analyze the general environment is based on the theory explained in Chapter II. It involves the influence of the General, Industry, and Competitor Environment.

4.4.1 General Environment

The general environment comprises segments that influence a firm's performance from outside the company. It involves the influence of Demographical, Sociocultural, Political / Legal, Technological, Economical, and Global segments that impact Company XYZ's strategy.

Demographical segment: One of the concerns that the participant from Company XYZ pointed out is that the conventionality and rigidity of the firm's go-to-market strategy might limit them from approaching and eventually acquiring the emerging demographic segment. Data from BPS (2025) backed this, stating that the productive and emerging workforce age group makes up almost a quarter of the total population (23,48%). The participant stated that the company has to consider adopting a youthful and engaging approach in certain channels to allow the younger generation to be in touch with the brand, although they are not the one who makes the decision currently.

In addition to the above-mentioned potential influence, the digital literacy skills of Indonesians might hinder the adoption of digital solutions, especially for productive use. According to the study by Akbar and Wijaya (2024), it is indicated that people in rural areas have lower levels of digital operations skills and security. This essentially limits the market area that Company XYZ seeks to target to only bigger primary and secondary cities, in which the companies are potentially bigger and have the resources to adopt Company XYZ's services.

Sociocultural segment: One of the most noticeable behavioral changes within the workforce is the concern about work-life balance, alongside economic concerns, according to TGM Research (2024). This behavior change is particularly recognizable among the younger generation of the workforce, with 15% of those aged 16-24. Company XYZ can capture this change by offering mental health and work-life balance related features, allowing it to adapt to the client's employees.

Economic segment: The economic disparity, tied with the low penetration of literacy and technology mentioned by Akbar & Wijaya (2024), caused Company XYZ to narrow down the segmentation to enterprises of a certain size, to avoid spending too much time with unwanted interactions from outside of the targeted area.

Technological segment: The recent technological development, especially in HR infrastructure, is still limited in Indonesia. According to a study conducted by Satispi et al. (2023), the limitation of HRMS technology adoption in the public sector is still limited due to the lack of infrastructure and digital skills. Globally, Indonesia is ranked 87 in technological adoption at the workplace. Post-pandemic, the growth of HR digitization slowed down (Chief of Staff Asia, 2023). This implies that HR solutions are not prioritized in many businesses, especially in the public sector.

The participant also mentioned that emerging AI technologies enable new innovation in the industry that supports both products (AI-based training recommendations, enhanced employee analytics, resume screening) and the company's value chain activities (e.g., AI-based coding, marketing automation, content writing, automated follow-ups). Nawaz et al (2024) suggested that the implementation of AI in HRMS would increase accuracy and efficiency, reduce cost, and have a significant impact on the business.

Political / Legal segment: Participant V stated that a lot of potential users held their spending or chose not to prolong their cooperation contract to save some budget during the presidential election. With the recent ongoing events, such as the government budget cut (Yuniar, 2025), Pertamina corruption scandal (Derriansyah, 2025), and many others, many companies expect to slow down their spending as well. This causes uncertainty in the nation. This implies that Company XYZ has to be flexible and adaptive towards clients' decisions. Most of the agreement is bound legally by long-term contracts; however, it is not possible that they will suddenly want to stop the cooperation due to political instability.

Global segment: One of the major threats that is always present regarding HRMS is cyber security, because HRMS handles sensitive information such as date of birth, social security numbers, and monthly income. A lot of phishing attacks even come using AI, which has the possibility to outsmart humans. These blind spots and risks are challenges from global issues that the HRIS company has to manage.

Industry Environment
The general environment comprises segments that influence a firm's performance from outside the company. It involves the influence of Demographical, Sociocultural, Political / Legal, Technological, Economical, and Global segments that impact Company XYZ's strategy.

Competition Level: High. There are a lot of HRIS software companies, ranging from small to enterprise. Tech in Asia research shows there are at least 30 companies competing in this industry, not including the ERP software that is capable of providing HRIS functions.

Bargaining power of buyers: Moderate. The risk is minimized due to complex integration and long-term contract security.

Threat of New Entrants: Moderate to Low. According to the interviewee, it is not hard to create an HRIS software, but to the level the Company XYZ offers, it is hard and it requires a lot of capital, skillsets, and trust from customers.

Threat of Substitute: High. Considering that the very basic function of HRIS can be replaced.

Bargaining power of suppliers: Low. Company XYZ, as a buyer, has higher bargaining power due to a lot of options in the market for the supply of cloud storage and servers.

4.4.2 Competitor Environment
In this section, two of Company XYZ's competitors are going to be analyzed. Both of their main offerings are HRIS software. The companies are Talenta and Workday, both of which focus on providing HRMS software as a service. Most data is gathered from accessible websites.

Aspect	Talenta	Workday
Strategy	A part of a bigger corporation, with HR software as the segmented offering. **Differentiation focus** is their main strategy as they create value through innovation (Company website)	With an emphasis on innovation on their website, Workday's business strategy would likely be **differentiation.**
Objectives	Make HR processes easier and more efficient for SMEs, providing integrated solutions with other products in the corporations.	Drive digital transformation in enterprise HR globally, utilize AI to make decision based on HR analytics
Resources & Capabilities	Part of a bigger corporation, renowned as the first-mover in the business application software industry in Indonesia.	Enterprise-grade infrastructure. AI + Machine Learning capabilities. Global compliance and adherence suited for multinational enterprise
Assumptions	Already having a strong market share in Indonesia, Talenta seeks to win over some clients with their diverse, one-stop for all solutions.	Workday wants to provide comprehensive, integrated cloud-based ERP and HRIS system

4.4.3 SWOT Analysis

In this section, two of Company XYZ's competitors are going to be analyzed. Both of their main offerings are HRIS software. The companies are Talenta and Workday, both of which focus on providing HRMS software as a service. Most data is gathered from accessible websites.

Strengths	Weaknesses
1. Company's XYZ reputation as a global HR software provider 2. Flexible and modular products, designed to fit with potential customers' needs and budget. 3. Long list of case studies and best practices from previous clients. 4. Adequate financial capabilities, backed by international corporation network	1. Lack of modern, innovative approach to engaging with younger demographics 2. Dense and unbalanced value chain activities, causing multiple tasks assigned to existing departments that actually can be assigned to a dedicated department. 3. Lack of interdepartmental communications and too CEO-oriented in making decisions. 4. Lack of experience in the digital marketing team
Opportunities	**Threats**
1. Emerging AI and IT technologies opens up new opportunities of increased efficiencies (reduce cost & save time) in all value chain activities 2. Attractive segmented features, like mental health training or gamification of employee's well-being, which lately become younger generations' interest	Intense competition in the industry of HR with at least 30 companies competing in the industry High level of substitute and low level of entry barrier, urging the firm to constantly innovate and create value through combination of tech, operational and servicing.

4.5 Business Solutions

The author recommends Company XYZ to stay in a differentiation strategy in the future with several crucial reasons. In the business issue, it is mentioned that the net profit margin declines as marketing costs increase. This should not mean that the business strategy should pivot to cost leadership. It is recommended to reassess the marketing budget allocation and its spending.

Harvard Business Review (2023) views marketing as a strategic investment, rather than as an expense, especially for companies with differentiation strategies. Thus, it needs a comprehensive review of how the investment is made and how it is attributed to the business. For this reason, analytics and marketing profitability attribution can be a solid foundation for the marketing team to justify future spending.

In relation to that, leadership buy-in is also necessary. A rigid, top-bottom decision making strategy is not helpful for the marketing team to quickly adapt in the agile environment of digital marketing. Rapid iterations, real-time campaign optimizations, and ever-evolving algorithms require quick, delegated, yet responsible decision making from the functional leaders.

4.5.1 TOWS Matrix

	Strengths	Weaknesses
Opportunities	**SO1** - (S4,O2) Run market research to further analyze the needs from the customer side and validate the demand **SO2** - (S3, O1) Conduct a research with the existing customer base on how to improve current services and whether the implementation of AI is necessary. **SO3** - (S1,O1) Develop highly innovative, on-demand features with the addition of AI **SO4** - (S3,S4, O2) Go to market with the help of case studies, based on the market demand that is validated on SO1.	**WO1** - (W1, O2) Gather some information about the demographics of an organizational buyer **WO2** - (W2,O1) Streamline procedures in the value chain to increase efficiency.
Threats	**ST1** - (S1,T1) Amplify the renowned reputation to win share of voice **ST2** - (S3,T2) Provide studies that shape the narrative that it's hard to substitute HRMS	**WT1** - (W1,T1) Fill the gap of information and brand awareness of the company among the addressable generation by increasing frequency of the markeiting. **WT2** - (W2, T1) Compare Company XYZ's value chain and number of employees with competitors to distribute the weight and workload of each employee **WT3** - (W4T1) Conduct digital marketing training for the inexperienced

4.5.2 Proposed Resources & Activities

According to their current business profile explained in the first chapter, their initial business strategy is differentiation, with a willingness to innovate and serve new markets possible. The author agrees with the current strategy, due to the fact that their reputation as an innovative, multinational HRMS tech provider is already widely recognized.

Possible rooms for improvement are still there, nonetheless. In the marketing department, where processes are quite complicated and multi-layered, there are tasks with different expertise that rely on a single person. For example, the social media manager should not handle the website as it requires a different skillset, though it might imply the company's expenses.

Another activity in the value chain that can be considered for reduction is the lead qualification process, which occupies a single person with repetitive tasks. This actually can be assigned to an AI agent, freeing the headcount for another specialist required, as mentioned in the previous paragraph. Streamlining processes like this could accelerate the lead processing time and smoothen the communication between the sales team and the marketing team.

With the current comprehensiveness of the marketing activities, the author recommends that Company XYZ should conduct regular brand health research. This would allow the firm to understand brand awareness level, brand image, and audience's perception, market share, even customer loyalty and advocacy (Ehrenberg-Bass Institute for Marketing Science, 2024). A brand health check would then give a better view of the non-financial returns of the marketing spend.

4.5.3 Proposed Segmentation, Targeting, and Positioning

To large enterprises, Company XYZ should position themselves as the strategic partner who can help solve complex problems and focus on enriching new registrants as a database, honing relationships for later stages. As part of the communication strategy, Company XYZ should publish best cases on how their softwares can improve large-size businesses, and also insights about employee management, organizational structure, and HR-related tips. While it might not result in a direct conversion, it should increase brand awareness among large companies.

To the medium enterprises, Company XYZ should position themselves as an efficient, value-driven software company, addressing certain features that solve specific problems. While doing this, Company XYZ should keep its prestige by delivering the keyword "Enterprise Class", but also inviting medium enterprises to grow.

There would be no specific positioning for the small and micro enterprises, as they would not be the primary target. It is, however, recommended that, if Company XYZ chooses to pursue this market, they build a sub-brand, serving smaller-sized companies with a light-loading app, accessible by simple devices and more cost-focus oriented.

4.5.4 Proposed Marketing Mix

Product: As large and medium enterprises are the main target, certainly different highlights will be communicated for each cluster. Large enterprises will see more complex solutions as a whole rather than as pieces of some. This is to convince potential customers that the company is able to handle and manage issues of that scale. Large enterprises will also see the ads for corporate training and change management as part of Company XYZ services.

Medium enterprises will see more highlighted features and functionalities that are easier to understand. This is also due to less complex problems that exist in medium sized enterprises (Ching-Fang et al., 2005). As for the services, medium enterprises will see more outsourcing services that help them simplify processes even more.

Price: Most of the products will be billed by subscription, though services such as training might incur an occasionally fee by event. Price will not be communicated explicitly, as company policies prohibit it. By publishing a certain price floor or ceiling, some existing customers might feel they pay too much and be disappointed with the deal.

Place: Place in this section is meant as the place where the conversion of lead generation might happen. There are multiple methods to generate leads. The author recommends dividing the attention not solely towards the website, and to publish as much information as possible on social media. The social media ads should direct to the Instagram profile, due to the likelihood that social media users' access is from mobile devices (Maddalena, 2025). In addition to this, Company XYZ could try running instant form lead generation along with whitepaper publication on Meta.

A possible improvement point from the current lead generation design is the design of the website, where the conversion takes place. To determine these factors, some acid tests on several aspects have to be conducted.

Promotion: In this section, it will be further defined how the advertising should be structured. This can be divided by objectives and budget allocation. The initial strategy spent 80% of their budget on Search Ads (Google) and 20% of their budget on Meta Ads and LinkedIn. All of these ads are set for website-based conversion.

The author proposes that the budget should be allocated 40% for Meta Ads and 60% for Google Ads. This is to increase brand awareness using push marketing more on Meta, as they need to increase the frequency of being seen, heard, and experienced. (referring to ST1, WT1 in IV.2.1 TOWS Matrix). The majority (60%) of the budget on Meta ads is recommended to be spent towards increasing brand awareness. The rest can be tested to run for lead generation campaigns, to determine whether Meta

Ads can generate high quality leads. As LinkedIn ads cost the company highly, relative to the results and impact it delivered for the business, the author does not recommend continuing to advertise on LinkedIn, even though it has a convenient segmentation strategy. The author recommends placing search-engine based ads to capture needs-based queries and branded search. Review should be conducted upon its targeted keywords, as the ad performance heavily relies on the keyword selection.
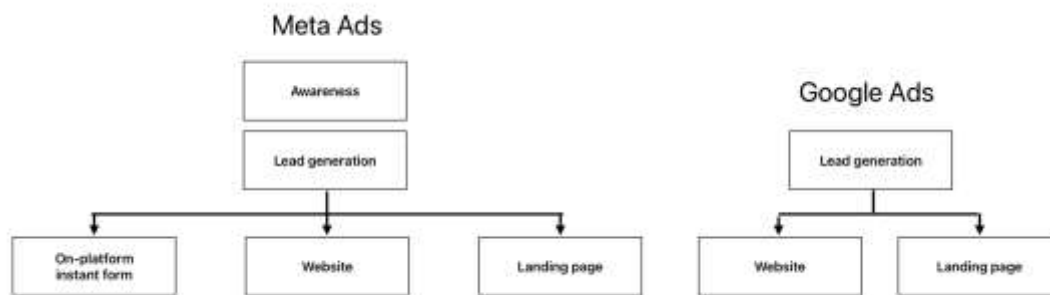
4.5.5 Implementation Plan
Overall, there are three digital advertising-related objectives, with two of them related directly to the advertising campaigns, and one to the post-campaign activities.

Objectives & Key Results	Key Performance Indicators	Tactical activities
Increase brand awareness	1. 2% monthly increment of social media followers 2. 5% monthly increment of organic traffic	1. Advertise with the objective brand awareness, emphasizing client portfolio, high star reviews and client satisfaction.
Generate more leads	2. Cost per lead IDR 500,000 3. Cost per marketing qualified lead 1,500,000	4. Acid test on multiple platforms, conversion place, audience and ad asset.
Increase operational efficiency	5. Produce 25 contents in a month 6. Produce 5 text-based, product-related content in a month 7. Adjust all content to be compatible to each platform, so those can be distributed cross-platform.	8. AI-based led creative production, using tools like ChatGPT, Midjourney and similar to offload repetitive, time-consuming tasks 9. Assign specialists to create a new vertical of content (client videos, a day in the office etc.) that requires human presence.

5. Conclusion
Digital advertising might be a functional activity within a business. However, the strategy cannot be crafted without having understood the overarching business and corporate strategies. Therefore, a good digital advertising strategy planning involves a holistic overview of the business. Understanding the market it operates in, the resources the firm possesses, the competitive

advantages the firm produces, and the surrounding environments, all expose the business to certain opportunities and threats, with the strengths and weaknesses that the firm has.

By addressing the opportunities and threats and utilizing the strengths and weaknesses, Company XYZ should be able to improve its business performance. With the set objectives and key results in the section above, it is expected that the company will generate more leads and drive higher revenue, without costing too much capital. With the objective of generating more leads with revenue and profit as the longer term focus, it is recommended that Company XYZ should utilize its reputational resources to increase and strengthen its brand awareness and market share. In addition to that, the study suggests exploring the effectiveness of advertising to generate leads using segment acid test strategies, testing multiple aspects of the advertising. Audience behavior, conversion place, and ad assets are among those within the control of the company to change and test to generate leads most effectively. Doing this requires intensive monitoring of advertising spending, lead processing, and return on investment. Furthermore, regular brand health check is also recommended to measure growth in metrics that are not directly related to financial performance, such as brand awareness, perception, loyalty, and to give insights about the external factors, such as competitive landscape and market share. Finally, the study recommends that Company XYZ reassess its organizational structure and value chain activities to possibly accelerate business processes.

6. Limitations

1. The sample size might be limited, as the interview involves only the manager level. Generalizability might require a higher number of samples with various backgrounds (management, junior employees)
2. Participants might or might not involve subjective opinions in answering research questions. This can affect the validity of the findings.
3. Other important factors, such as year-on-year or month-on-month market dynamics, might have to be considered, as the topic of the study involves an agile and fast-changing condition.
4. The context of the company is limited to the Indonesian SaaS market, almost especially to the HRMS market. The context of the study might be applicable to other B2B companies with similar characteristics.

Conflicts of Interest: The authors declare no conflict of interest.
Publisher's Note: All claims expressed in this article are solely those of the authors and do not necessarily represent those of their affiliated organizations, or those of the publisher, the editors, and the reviewers.

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