WHEN WORDS OF MOUTH ISN'T ENOUGH FOR A DESIGN FIRM CHANNEL, ANALYZED FROM HADIPRANA'S BMC

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ABSTRACT

This research aims to describe the block channels of the business model canvas from a leading architecture and interior design firm which has stood for more than 56 years, in Indonesia, Hadiprana. Block channels associated with the channel being used by a business unit in delivering awareness, products and or services to the targeted costumers. This block is usually overlooked in the field of architecture and interior design for many years because there is a ban on advertising and promotion activities of professional associations in Indonesia. This study was conducted based on the theory of the business model: the Business Model Generation by Osterwalder and Pigneur. Analysis was performed on block channels of business Hadiprana in two phases, phase in 1958-2007 and 2007-2014. The type of research conducted using qualitative research with qualitative descriptive method. The resarch finding is the strenghth of Hadiprana channels originating from its differentiation methods, well allignment with other blocks and consistency in operation. Recomendation for businesses in this area are about the importance of understanding, designing and implementing block channels holistically, contextualy and constantly.

Keywords: business model canvas, channels, architecture firm, interior design firm, creative industry, marketing, design management

INTRODUCTION

In Indonesia, architecture and interior design firm are classified under the construction services industry according to Law No. 18 of 1999, which defines that the construction work covers the whole or part of the series of activities and the planning or implementation as well as monitoring including architectural, civil, mechanical, electrical and environmental layout of each along with the accessories, for the realization of a building or other physical forms. Businesses that are included in the business services include contractors, developers, real estate, consulting architecture, interior design and some other related fields. The Government set up LPJK by issuing Law No. 18 of 1999 which declared its formation in Jakarta on August 9, 1999, to regulate all businesses related to construction services. Association for Architects and interior designers in Indonesia are the Association of Indonesian Architects (IAI), Indonesian Society of Interior Designers (HDII), both of which are regulated under LPJK. The data taken from the official website LPJK (Construction Service Development Institution) shows that most companies in the field of consulting services architecture and interior design is not much that can sustain and developed into a large-scale company. In 1998, 2,951,532 SMEs, recorded

bankrupt, whereas the number of SMEs scale companies reached 90% of the whole registered construction companies. However, there are some consultant company which can last up to more than five decades as well as being a large-scale company with a good reputation. Among those companies there is Graha Cipta Hadiprana, which has reached fifty-seven years old now. Sustainability to growth for consulting services in the field of architecture and interior design in Indonesia is influenced by external and internal factors. External factors that affect are the macro-economic conditions and industry competition while the internal factors are the design management and design competency of the firm .

Indonesian macro conditions such as the social, political and national and international economy greatly affects the survival and development of business in this field. Construction services business is one area of business that can be an indicator to measure a country's economic development. It was due to the development in this field is strongly influenced by the economic conditions of the country. At the time of monetary crisis in 1998, 1500, or approximately 60% of existing development company went bankrupt and dragged all related fields (Wuryandani et.al., 2005: 4-6), including the fields of architecture and interior design. When the monetary crisis, followed by riots in 1998, many property projects stalled and almost no new projects until 2000.

Other external factors are industry competition in this field. One of the constraints in the industry competition is coming from organization that houses the fields of architecture and interior design. Certification system under LPJK considered corrupt by the Comission of Business Competition Supervision Republic Indonesia (KPPU, 2014) . Certification of the caretaker LPJK dominated by large employers in the same field, is considered as a barrier to grow due to abuse of power to compete with unhealthy ways, and make the certification for commodity (KPPU, 2014). Uncertified construction services consultants and contractors unable to bid on large projects which is to be a great stepping stone for their growth. It causes the little amount of business that is capable of developing into major scale in this field. On the website of LPJK data of large-scale enterprises in the construction field only less than 10% of the total number of construction companies listed in LPJK. In addition to the certification of unhealthy factors in the organization under LPJK, there are regulations in Indonesian Architects Association (IAI) which forbids its members to carry out promotional activities so that the marketing strategy in this business only use word of mouth strategy to channeling their existence to their customers. Businesses operating services in this field tend to be passive and not creative in finding clients and marketing their services (Asnudin, 2008).

> "Kaidah Tata Laku 2. 102: Arsitek tidak akan menyampaikan maupun mempromosikan dirinya atau jasa profesionalnya secara menyesatkan, tidak benar atau menipu. Arsitek tidak dibenarkan untuk memasang iklan atau sarana promosi yang menyanjung atau memuji diri sendiri, apalagi bersifat menyesatkan dan mengambil bagian dari kegiatan publikasi dengan imbal jasa, yang mempromosikan/merekomendasikan bahan-bahan bangunan atau perlengkapan/peralatan bangunan" (IAI, 2007).
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> Translation:
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> "Rule of Practice 2. 102 : Architect would not convey nor promote themselves or their professional services in a misleading , false or deceptive . Architects are not allowed to advertise or promotion tool that flatter or praise themselves, and take part of the publication by the reward, which promote / recommend the building materials or fixtures /equipment   (IAI , 2007) .

Compared with a similar association in America, the American Institute of Architects and the American Society of Interior Designers (AIA and ASID), the association in Indonesia do not provide supports their member to develop the business management system in architecture and interior design.

Internal factors influencing the firm development are the difficulty to maintain the fresh competency of talented designers, it affects the regeneration process and the sustainability of its design character which are needed for the competition. In addition, there is the lack of business management skill on construction services, since most of the human resources are graduates from engineering and design school which only teach project management dan design competencies. This deficiency results uncontrolled and unplanned operation which make them difficult to grow.

Hadiprana choosen as a research focus because Hadiprana can stand, grow and become leading firm in this field for 57 years (Iman, 2010). This research will focus on its block channels. The data is taken from interviews with people who know Hadiprana business development from inside and outside the firm, the official website Hadiprana and previous research in the form of biography of companies and monography. To investigate the development of block channels in the consulting business Hadiprana design, Business Model Generation by Osterwalder and Pigneur is used as an tentative theory for analytical tool guide /framework in this research.

RESEARCH METHODS

The approach in this study is a qualitative approach, because the focus of this research is still relatively new, where researchers can not ensure that critical variables and the theory to be tested. Besides previous theories can not be used as a hypothesis but only as a guide and explanatory research. With such conditions, exploratory qualitative approach is more appropriate for use (Creswell, 2009). Audience targets which are expected to utilize this findings are those engaged in the business of architecture and interior design consulting services. A qualitative approach provides room for innovation and creativity (Creswell 2009: 19) that is suitable for audience and researchers background. Inquiry strategy or the type of research is descriptive qualitative where researchers are exploring in depth the business development process Hadiprana. Researchers collected data and later interpreted, catagorized, reduced and evaluated. Theory or existing preposition used as a tool to describe and categorize the data and evaluate the results during the analysis (Creswell, 200: 13, 27). In this research, the channels strategy of both Hadiprana phase are searched, categorized, analyzed and evaluated with nine guide BMC building block of Business Model Generation (Osterwalder and Pigneur, 2010).

Business Model Generation Review

BMC is an innovative one page business plan format which is divided into nine blocks containing nine essential elements for planning a start - up or business development. BMC will be used by researchers to interpret , map and analyze data obtained from in- depth interviews and related documents . Nine building blocks or basic element in the business models include: customer segments, value proposition, channels, customer relationships, revenue streams, key resources, key partnerships and cost structure. The following is an explanation of each of these blocks (Osterwalder dan Pigneur, 2010).

Customer segments is a segment of customers targeted by an organization . The segment will be a reference for the design and implementation of a business . Some types of Customer Segments are mass market where customers consists of many people with the same needs ; niche market where customers consists of a small number of people with very specific needs ; segmented where customers are divided into several groups with needs that differ little from each other ; diversified where customers consists of two or more segments are completely different from each other ; and multi - sided platforms where customers consists of several segments of different but interrelated to one another .

Value Propositions is the solution offered to solve the problems and meet the needs of the targeted customer in block Customer Segments . Value can be a novelty , improved performance , customization , reliability , new design , brand image / status , price , cost reduction , risk reduction , accessibility and convenience of use

Channels is how a company show its value to deliver the targeted segments , in this case includes communication channels , channels of distribution and sales channels. By filling in this block the user can plan the type and stage of the delivery channels used . Types channel includes sales force , sales sites , stores , consignment shops , and retailers. The stages that occur in the process of delivering is preceded by awareness, evaluation, purchase, delivery and after sales.

Customer relationships is how a company to establish and maintain good relationships with the targeted segments . Some type of relationship that is mentioned in this book are personal assistance, dedicated personal assistance, self-service, automated service, communities and co - creation where customers involved for the performance of the service and product innovation .

Revenue Streams is how the system get the results of all activities in the block Value propositions and Key Activities. Some ways to generate cash flow can be product sales, asset sales, registration fees, subscription fees, rental fees and licenses, the cost of a broker or intermediary, it could also provide space for advertising. After determining how, then businesses determine whether the pricing mechanism using fixed menu pricing or dynamic pricing for each of these ways .

Key Resources describe the most important asset of a company is required to be able to operate all blocks . This can be a major asset of intellectual assets, physical assets, financial assets and assets of human labor.

Key Activities is the main activity is to operate a business. This activity can be the production of goods and problem solving that normally exist in a design service business and a network or platform activities .

Key Partnership is the main partner from outside the organization that is needed to operate. The three motivations for partnering: to optimize the business scale , reduce risk and uncertainty or acquiring certain activities and resources required.

Cost Structure is a block that describes all financing operations in seven other blocks. Furthermore, through this block, the user describes what kind of financing models appropriate for the business, whether it is cost- driven, value - driven, fixed costs, variable costs, economics of scale or the economics of scope.

The use of BMC now has grown to guide the assessment to examine the pattern of the transformation process in business development. Researchers use them for research purposes, while the businessmen use to assess ongoing business as a foothold for the subsequent development strategy. The use of BMC as an evaluation tool is proposed by Osterwalder in his dissertation in 2004, six years before the book Business Model Generation was published. First function: **understand and share**, the tools assist users in the process of capture-visualize-understand-communicate and share. These tools can simplify the business logic of a complicated business plan format. Its simplicity and its graphic enable a novice user to capture and re-share their concepts and logic of a very complex business easily. The second function: **Analyze**, this tool make it easier to measure and compare the business logic of a company. In analyzing the business models that will be run or are already running, Business Model Generation provides assessment tools developed from the SWOT analysis. Assessment tools consist of a checklist question includes strenght, weakness, opportunity and threat per block. On the question checklist per block there are questions about the relationship (alignment) between blocks. The third function is **managing**, this tools can help users to improve ongoing business, while the fourth function: **prospect**, this tool can be used to innovate in developing the business. Furthermore, this tool can be used to design business models and patented business for sale.

Data Collecting Technique
The type of data in this research is qualitative data consist of :

1. The primary data of the interviews of the informant related to Hadiprana business development and professional organizations in this field .

2. Secondary data are written sources include: biography, the book works, Hadiprana official website, the official website of professional organizations, scientific journals. Here is the informant identity of and its encoding :

Table 1

CODE	INFORMANT IDENTITY
HS, 2014	Informant 1 : Hendramianto Syamsulhadi Joining in Hadiprana July 14, 1986 , former division head design and build and Retail Hadiprana Accent to 2004 , Hadiprana Associate (Hadiprana Associates is a partner Hadiprana consisting of former staff designer / senior designer who is considered to be ' spirited Hadiprana ') until now .
AS, 2014	Informant 2 : Alwi Sjaaf Practitioners and Observer Design and Lifestyle , Contributor to several design magazines nationwide that Living Goddess , Bravacasa and Indonesia Design Oom Henk article on the interview by Alwi Sjaaf in Bravacaza entitled : Oom Henk , Indonesia A , 04 , February 2014 , March 2014 PT Media Esquirindo International
FS, 2014	Keynote Speaker 3 : Francis Surjaseputra Chairman of Central HDII period in 2014 (a professional organization interior design) . Informant interaction with Hadiprana : engaging with staff Hadiprana in seminars and excursions at home and abroad are held by a relatively HDII or not HDII
II, 2014	Informant 4 : Iman Imanuel of Sentra Systems , a business consultant of Hadiprana 2007-2008 for business development and use of ISO 9001 , as well as the author of a case study of transformation in an organization with a case study Hadiprana

Source: Nuradhi, 2015

The data collection method using in-depth interviews and review on documents such as biographies, monographs and previous studies. In-depth interviews with the informants, use the questions that develop from BMC which its structure already arranged based on BMC. During the interview process , the conversation documented using audio recorder, followed by transfer the record into a written form or transcript. While the data from the biographical literature , websites and guide the practice of professional organizations will be catagorized and reduced to fit the BMC blocks.

Data Analysis Technique
Data analysis technique developed from the analysis model by Miles and Huberman (2014) with points analysis developed from BMC blocks. Data from interview transcripts and related documents Hadiprana marked and categorized according to the MC blocks details. Categorization is done by using coding tools developed from existing detail in BMC blocks. The results of the first classification per stage was classified again according to the Hadiprana

development phase. Two complete filled Hadiprana's BMC was analyzed to find the details of its channels and its allignment with other blocks. Professional organizations practice guides and case studies from previous research on business management design consulting firm, used for deepening the discussion of the results of the analysis process, to find the differentiation between Hadiprana's channel compared to other firm in general.

Data Validation Technique

In this research, the data validation using triangulation techniques. Triangulation technique is a technique that uses more than one source to validate the same data in the analysis and conclusion (Moleong, 2002, Creswell, 2009). In this research, triangulation is performed between the transcript and documents. Triangulation results will then be analyzed with comparative data from previous research and document the Professional Practice Guideline from professional organizations. All the techniques used above are used for accountability in conformability and dependability. As for transferability to other settings can be done for a similar service sector and in a similar setting, which is expected as the benefits of this research.

RESULT AND ANALYSIS

Hadiprana General Review

The general overview of Hadiprana summarized from triangulation sources include company websites, two books that discuss the biography Hadiprana namely Indonesia Accent (1999) by Tan Hock Beng and Transforming Organization (2010) by Imanuel Iman, article interview by magazine Bravacaza contributor with Hadiprana founder, as well as in-depth interviews with the contributors, one of the Hadiprana associates and the HDII Chairman period of 2014. Hadiprana formerly Graha Cipta Hadiprana was founded between 1957 and 1958 by Hendra Hadiprana (Tan, 1999). Hendra Hadiprana which his nickname is Oom Henk has a Chinese name Go Cu Hing, that become the initials of Graha Cipta Graha (GCH).

Graha Cipta Hadiprana was originally the first interior design consulting firm in Indonesia. GCH has spelled success for the project is entrusted with the interior design of a foreign bank in Jakarta in the first nine year since its founded. Originally, its business activities include architecture and interior design consulting services, which is now grown up to an art gallery, service contractors, handicrafts manufacture and art courses. The strength of this agency does not fade in the age of more than five decades , even its existence becomes stronger. Imelda Akmal, architectural writer , stated that Hadiprana is one of the most comprehensive one stop design consultant in Indonesia and Hadiprana has a very good reputation in Indonesia, even at the level of ASEAN (Akmal, 2011).

The projects entrusted to Hadiprana are the large-scale national and international clients who have an extensive network of banking and hospitality. National and international crisis in 1965 , 1998 and 2008 passed Hadiprana safely and still stand strong today. In 1973 , GCH add architectural consulting services with a core team consisting of the founder , son and daughter of the founder, known as the triad. In the young age of the company for the category of design services namely seventeen years, GCH has gained the confidence to handle large projects for the entire network of Bank Niaga Indonesia, as well as its network grew to nationwide and to international hospitality project until now .

From 1975 until 2013 , Hadiprana has gained many awards both nationally and internationally, and has gained a lot of projects design and development to the outside Indonesia. Several times the regeneration of the leadership and financial crisis Hadiprana passed safely.

In 1988 the leadership passed on to Sindhu Hadiprana. Sindhu Hadiprana lead Hadiprana safely through monetary crisis of 1998. Next in 2007, Hadiprana going on regenerated again from Sindhu Hadiprana to Mira Hadiprana until now, the regeneration time happened at a time of financial crisis in the GCH. In the leadership of Mira Hadiprana , the world was hit by the global economic crisis of 2008 and 2010 (Iman, 2010). All the regeneration of the crisis and

have been passed and Hadiprana still standing strong today. What is being done for fifty-seven years is certainly very valuable to be studied and inspired by the other business consultants and interior architecture.

Hadiprana Channels Analysis
Hadiprana use two types of channels , direct and indirect , direct sales force and indirect includes stores, promotional tools, websites and community events. Both direct and indirect are owned by Hadiprana. Hadiprana use both types of the channel since 1958 until now. However there is a development on both of its channels.

Table 2. Triangulation of Hadiprana Channels

Iman, 2010 Channel type: Direct via founder, cuatomer servoice , via designers as sales force Indirect via build project and word of mouth from satisfied client. Without modern marketing program , simply relying on work and service quality maintenance and customer satisfaction only. Very strong in phases of awareness, evaluation, purchase, delivery and after sales.	**CHANNELS HADIPRANA ERA 1958-2007** Based on previous research and interview results with Hadiprana related people	Tan, 1999 Channel type: Direct via founder, cuatomer servoice , via designers as sales force indirect via own office, own gallery, own house, build project, own cultural events.
HS, 2014 Channel type: Direct via founder, marketing staff as cuatomer servoice maintain client for repeat order, via designers as sales force. Indirect via own office, own gallery, own house, build project, own cultural events. very strong in phases of awareness, dan after sales.	Sjaaf 2014, AS, 2014 Channel type: Direct via founder indirect via own office, own gallery, own house, build project, own cultural events. very strong in phases of awareness, evaluation	FS, 2014 Channel type: Direct via founder Indirect via build project and word of mouth from satisfied klien
Iman, 2010. Channel type: Direct via cuatomer services, marketing staff and designers as sales force indirect via own gallery, own house, build project, own cultural events. Online and offline promotion tools,	**CHANNELS HADIPRANA ERA 2007-2014** Based on previous research and interview results with Hadiprana related people	Tan, 1999 N/A

very strong in phases of awareness, evaluation, purchase, delivery and after sales. More organized using modern marketing strategy		
HS, 2014 No change from the previous era with the addition of a website and well planned marketing program	Sjaaf, 2014. AS, 2014 Channel type: Direct via cuatomer services, marketing staff and designers as sales force indirect via own gallery, own house, build project, own cultural events. Online and offline promotion tools,	FS, 2014 Channel type: Direct via founder Indirect via build project and word of mouth from satisfied klien Plus art program for international school and exhibition untuk next generation customer

Source: Nuradhi, 2015

In the era of 1958-2007, the most powerful direct channel of Hadiprana is the power of founder personality, Hendra Hadiprana , which is further supported by the core team, Sindhu and Wedhari, followed by its designers. Hendra Hadiprana use lifestyle education strategies to introduce Hadiprana's design work through a high tea parties and fine dining at Hendra residence attended by socialite from Jakarta, Bandung and Bali (AS, HS, 2014).

According to Hendramianto, interior and table setting during those parties using the western standards but combined with Indonesian decoration, since Hendra's passion to the Indonesian culture, especially the elegant Java and festive Bali. Hendra/ Oom Henk introducing international lifestyle, branded home decoration, interior design, table manners and the art knowledge to Indonesian socialite who was still not much exposed to a similar lifestyle that time. His residence and parties along with his unique personality as a channels to introduce his business. Here the home, gallery and office become indirect channels (Tan, 1999, HS, 2014, AS 2014, Hadiprana dalam Sjaaf, 2014)

Changes of Hadiprana sales force formation in 2007 reduced role of founder and the core team. In addition, since 2007 Hadiprana have special marketing staff with a more modern marketing strategies. But the founder wisdom in terms of design and services perfection invested continuously to all staff. Founder always instill the importance of quality of work and service as a strong base to reach clients, he calls this a quality management for marketing. This wisdom is the reason why Hadiprana at the beginning of the establishment does not have a modern marketing program according to Hadiprana business consultant, Iman, 2010. But actually, his unique personality, activity and property, has created strong and attractive direct and indirect channel for all channels phase (HS, 2014).

Indirect channel Hadiprana from 1958 to the present using many channels include gallery, consultant's office, founder residence and villa, built projects, promotional tools, presentation tools and lifestyle-cultural-art events. When Hadiprana started implementing modern marketing, Hadiprana began making promotional tools such as producing monography books and postcards, while still maintain the perfect quality of the design and service during project. Those channels create other channels, word of mouth to the old and new clients clients. Now Hadiprana has a good website as additional marketing tools along with the presence of internet in Indonesia.

Hadiprana channels strong in the awareness phase with an unusual strategy for compare to similar type of business in the same era, which will be explained in more detail in the comparison between Hadiprana and other agencies. Those strengths since 2007 became more organized and integrated with the overall company strategy. In the phase of awareness and evaluation, direct and indirect channel Hadiprana give a very strong and clear message about Hadiprana's value propositions. When the client begins to interact with the Hadiprana staff, the quality of customer relationships during the project which serve by Hadiprana human resources, become channels to get the clients to the ext all phases. Nowadays Hadiprana reach a position where the marketing staff was asked to focus more on taking care of good relations with old clients rather than looking for new clients (HS, 2014). However, this unique channels just not as strong as before 2007 (Sjaaf, 2014), although there are additional art-school program to international school (Francis, 2014), and this is because of the founder absence.

Professional practice documents in the field of architecture and interior, describes channels as an untouched block in the operational management. The cause is the prohibition to carry out marketing activities. In 1980, the association in many countries already loosening the ban on advertising (Piotrowsky , 2013 , Kolleeny , 2002 , Littlefield , 2005). Th past conditions make architects and interior designers rely on the channel words of mouth and project portfolio which weakened their channels in awareness and evaluation phase. In Indonesia, until now, IAI has not revoke the ban (IAI, 2007. The architects and interior designers all around the world also believe in the myth that the quality of their work automatically make the audience aware of their presence for decades (Littlefield 2005).

Now in the overseas this field is now open for marketing activities, their channels develop to highly innovative channels, and most of these firm have specialized human resources for marketing and allocate large cost for marketing activities (Littlefield, 2005, Emmitt, 2014, Maurer, 2010, Kolleeny, 2002). Here are Channels SWOT Evaluation and Comparison Table between Hadiprana channels and other firm.

Table 3. Channels SWOT Assessment

(D= Hadiprana before 2007, S= Hadiprana 2007-2014)

CHANNELS S-W ASSESSMENT	+	-	
Our Channels are very efficient		DS	Our Channels are inefficient
Our Channels are very effective	DS		Our Channels are ineffective
Channel reach is strong among customers	DS		Channel reach among prospects is weak
Customers can easily see our Channels	DS		Prospects fail to notice our Channels
Channels are strongly integrated	DS		Channels are poorly integrated
Channels provide economies of scope		DS	Channels provide no economies of scope
Channels are well matched to Customer Segments	DS		Channels are poorly matched to Customer Segments

CHANNELS OPPORTUNITY	Y	N
How could we improve channel efficiency or effectiveness?	DS	
Could we integrate our Channels better?	DS	
Could we find new complementary partner Channels?	DS	
Could we increase margins by directly serving customers?	DS	
Could we better align Channels with Customer Segments?	DS	

CHANNELS THREATS	Y	N
Do competitors threaten our Channels?	S	D

Are our Channels in danger of becoming irrelevant to customers?			S	D

Comparison between Hadiprana Channels and other firm

Channels Biro Konsultan	Methods	Phase	Ownership
Hadiprana 1958-2007	Direct via founder, cuatomer services , via designers as sales force indirect via own gallery, own office, own house, build project, own cultural events.	very strong in phases of awareness, evaluation, purchase, delivery and after sales	Channel ownership: own channel
Hadiprana 2007-2014	Direct via cuatomer services, marketing staff and designers as sales force indirect via own gallery, own office, own house, build project, own cultural events. Online and offline promotion tools, More organized using modern marketing strategy	very strong in phases of awareness, evaluation, purchase, delivery and after sales.	Channel ownership: own channel
Arsitektur dulu	Indirect and direct via founder and designer	Almost without channel in awareness phase, only use word of mouth fromformer client. While the other phases happen naturaly without strategy.	Channel ownership: own channel
Arsitektur Luar negeri sekarang	Creative Indirect and direct via PR and salesforces	Channel Innovation focused on Awareness and Evaluation Phase	Channel ownership own and media partnership
Interior dulu	Channel types: Indirect and direct via founder and designer	Almost without channel in awareness phase, only use word of mouth fromformer client. While the other phases happen naturaly without strategy.	Channel ownership: own channel
Interior luar negeri sekarang	Channel type: Creative Indirect and direct via PR and salesforces	Channel Innovation focused on Awareness and Evaluation Phase	Channel ownership own and media partnership

Source: Nuradhi, 2015

CONCLUSION

Hadiprana channels method consist of direct and indirect , direct channel includes unique team sales force, while indirect includes an open house activity, gallery, project portfolio, marketing tools, websites, gathering, exhibition cultural event, and monography. Hadiprana use both types of the channel since 1958 until now. Development is done by adding the website and well planned costs allocation for business development. Its power lies in the uniqueness of the strategic concept which is built on the specific capabilities of human resources, physical resources from the existence of the physical evidence hat match with the specific needs of Hadiprana's customer segments. Those evidences and reputation of Hadiprana's value propositions channeled through words of mouth and user experience on all interaction phase. This makes Hadiprana's words of mouth developing into "Seeing is Believing".

Managerial Implication:

1. While in Indonesia the association still has not lifted the ban on promotion for its members, design firms can still has its channels in a creative , honest and consistent as that of Hadiprana. Because, basically, channels happen not only through advertising and signboard , and not only in the awareness phase only, but can be cultivated in each phase during the design process .

2. Now is the era for design firm not only depend on the words of mouth especially with the internet availability . Hadiprana use the cultural event activity and its physical resources to demonstrate its works in offline social networks, directly channeling their presence to their future client. Hadiprana aware that the quality of design and service will be promotional material whether it be negative or positive , so both are taken care of perfection in every phases. The impact is Hadiprana's words of mouth is not just words of mouth , but become strongly proven words of mouth on the right targeted segments .

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