



## UNIVERSITY OF RUHUNA

### FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration Degree Programme 3000 Level Second  
Semester End Examination - March 2022

Academic Year 2020/2021

ENT 32213 – SOCIAL AND GREEN ENTREPRENEURSHIP

Duration: Three hours

The question paper contains five (05) questions.

Total Marks 70

Answer only four (04) questions including question number one (01).

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01. Read the case titled “Ijo Design” and answer the questions given below.

#### Ijo Design

Indonesia is a country of rich culture, history, and traditions. The Indonesian handicrafts industry is a labor intensive, cottage based and decentralized industry. Most of the manufacturing units are located in rural and small towns, and there is a huge market potential in all Indonesian cities and abroad.

Ijo Design is a newly established design company offering “green”, stylish, and affordable greetings and wedding cards to consumers wanting to create a personalized message. The company is privately owned and operated by Mr. Ariani Hamzah and Mr. Rachman Shaleh as a business partnership, each have a 50% share and located in the Keputih area of Sukolilo, Surabaya, East Java. Ijo Design caters to middle- and upper class consumers who follow a green and creative lifestyle. After the company was established the founders quickly looked how they could expand their business to e-commerce. This additional business channel allows them to reach a broader customer base as well as to expand the level of customer service and personalized services.

Ijo Design's mission is to design and produce artistic greeting and wedding cards and engage in special efforts to attract and maintain customers. The company follows its strict short, medium and long term goals laid down in its business plan. The owners have planned their pillars for success, firstly, by offering products that provide quality and value to the consumer while meeting needs for an expression of personal style. Secondly, by providing personalized customer services such as personalized promotions in an atmosphere of professionalism and hospitality, customers are retained to generate repeated purchases and referrals. Thirdly, by establishing a visible, accessible and welcoming store and website they can position themselves as the premier choice for the products and services within the marketplace and beyond. Fourthly, by providing

the customers with top-notch personalized customer service in an atmosphere of professionalism and hospitality.

Ijo Design sells greeting cards and wedding cards made of recycled and non-toxic materials. The uniqueness of the products derive from the fact that recycled and non-toxic materials are used with a green production system. Furthermore, the products show various and attractive designs, adopted from foreign designs, but with a touch of local culture. Semi-custom to fully-custom made designs according to the customer preference are also offered. The company is not just selling products, but also provides services such as free seminars (in exhibition events) on interpersonal skill development and marriage preparations. In terms of marketing, the company targets different customer segments such as the youngsters at college age who are sensitive to art and design, as well as having idealism about associated environmental issues. Also parents, who care about the issue of environmental conservation with children of primary and secondary school, as well as the children who are getting married.

Ijo Design also collaborates with wedding and event organizers who organize exhibitions for child-related products such as books and children's food. They try to bundle their products with wedding packages, where they provide certain types of wedding cards for every wedding package option as well as with certain children products, where every purchase of the particular product will get a promotion for a particular type of greeting card. Furthermore, Ijo Design uses exhibitions and craft fairs to promote their products. Additionally, they offer free seminars about interpersonal skills development to promote their products. They are also very active in online media marketing such as publishing interpersonal skills development articles on Kompasiana (online citizen journalism) and kaskus (online bulletin board/forum), and actively participate in the discussion forum. Content on self-development, interpersonal skills, and wedding preparation is displayed on their own website and on their facebook page, where they created a network of partners and potential/actual customers. Communication, distribution, and sales channels comprise the company's point of exchange with their customers that play an important role in the customer experience. For Ijo Design these are their own website and webshop, their store, social media, and exhibitions to raise awareness among customers about the company's products and services, make the products available for purchase, and for interaction and networking. The Ijo Design website plays a key role in the marketing and sales process. Third party courier services (TIKI and JNE) are used to deliver the products to the customers. Post-purchase customer support is facilitated by the website, email, and other means of personal communication.

Greeting cards are frequently produced and sold by big national and international companies, supermarket chains, stationary shops etc. Commonly they follow standardized design patterns and slogans. They tend to be affordable and readily available. Ijo Design faced the challenge of how to penetrate the market of greeting cards and distinguish their product from the mass of products.

Ijo Design strives to make environmentally friendly choices and to reduce energy and waste all the time. They only use paper and envelopes that are 30-100% post-consumer recycled. They support vendors that minimize their environmental impacts. Their printer uses solar power, purchases carbon offset credits, and supports animal causes. Their clear sleeves are biodegradable, sustainable, and compostable. Moreover, they are big advocates of reuse—from

shipping boxes and packing material to discarded magazines that they use to bind stacks of cards. Moreover, Ijo Design uses a percentage of all sales to support local no-kill animal shelters. All cards begin as an original hand cut collage, drawing, or print in their studio in the Keputih neighborhood near the Institute of Teknologi Sepuluh Nopember Surabaya. Then the cards are printed at a solar powered print shop in Bratang, Surabaya.

- I. What are the challenges faced by Ijo Design to become as a leading company in the Indonesian handicraft industry? (03 Marks)
  - II. Briefly explain the key strategies followed by Ijo Design to address the competition in terms of surviving in the handicraft industry? (04 Marks)
  - III. Discuss the green practices followed by the Ijo Design. (05 Marks)
  - IV. "Being green gives competitive advantage." Elaborate this statement by using relevant examples from given case study. (06 Marks)
  - V. How the green business model of the Ijo company contributes to economic development of the country? (07 Marks)
- (Total 25 Marks)

02.

- I. Define the concept of "Social change". (03 Marks)
  - II. Briefly explain the factors that affect to social change. (05 Marks)
  - III. "Environmental issues are commanding considerable attention internationally and business is inextricably link with the environmental issues." Do you agree with this statement? Justify your answer. (07 Marks)
- (Total 15 Marks)