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The Gold Specialist

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HARTADINATA ABADI

As a gold manufacturer and retailer, Hartadinata Abadi focuses on two things: expanding business and making gold more accessible.

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For over two decades, PT Hartadinata Abadi has manufactured gold jewelry in its four factories and sold them through wholesalers, gold shops, franchises, and its own retail store network. However, when the COVID-19 pandemic hit the global economy, demand for jewelry decreased, forcing the company to think of other ways to maintain a business without depending too much on jewelry sales. “In a situation with high uncertainty, we must work smart and understand the market, and if needed, make some adjustments on our products,” says Sandra Sunanto, the company’s chief executive officer.

The company decided to offer a new product by manufacturing and selling gold bars in smaller fractions, starting from 0.1 gram. The objective was not only to expand the company’s market outreach, but also to make gold more accessible. The decision received a positive response from the market, and in May 2021, the company then collaborated with state-owned miner PT Aneka Tambang (Antam) to produce more gold bars. The company manufactures micro gold bars, including 0.1 gram and 0.25 gram, as well as 24-carat gold jewelry, while Antam provides the raw materials.

The brand for the gold bar is EmasKITA, while for the jewelry, the brand is Kencana. The partnership continues to develop, and Hartadinata Abadi currently manufactures gold bars from 0.1 gram to 100 grams.

The company also boosted its marketing strategies by selling gold jewelry and bars through digital marketplaces, such as Shopee, Tokopedia, JD.ID, and TikTok shop. Sandra says that sales of



gold jewelry and bars still have a lot of room to grow as the supply is still much lower than the total demand. “Our biggest homework is educating people in all groups and geographical areas to see gold as a means of saving or investing,” she notes. The company regularly holds gold exhibitions in big and small cities to learn about the public’s interest in gold, and partners with content creators to make gold purchases more familiar.

Together with Antam, the company has also launched an ecommerce site called emaskita.id. Through the website, people can buy gold bars in all sizes and 24-carat jewelry and sell them back when they require cash. “This is not something we follow blindly, but this is the future. We must also see what other opportunities can be developed because we must be agile,” says Sandra.

For some of the gold bars, the company and Antam apply new authentication technology in the form of a security

→ **“Our biggest homework is educating people in all groups and geographical areas to see gold as a means of saving or investing.”**

ink to create added value. The ink is placed directly on the gold bars’ surface. This way, people can now hold the gold without having to wonder whether the gold is authentic or not because the security ink cannot be counterfeited. This new technology, called BullionProtect®, is applied to gold bars with weights of 10 grams, 25 grams, 50 grams, and 100 grams. Sandra says that in terms of price, there will only be a slight difference with the old packaging because the company does not have to spend huge production costs on the technology. “We do not need new machinery; the seals are sent to us,” she adds. Mostly, the security feature for gold bars is embedded in a certificate by placing a hologram, security QR code, and security ink and paper. These features make the gold bar and its certificates one bundle that cannot be separated, so people can only see the gold bar through the packaging.

Hartadinata Abadi has targeted revenues to reach Rp6.7 trillion this year, up from Rp5.2 trillion in 2021. As for net profit, the company expects to book Rp250 billion, against nearly Rp194 billion last year. The company has partnered with around 80 wholesalers and more than 900 retail stores across the country to sell its products, and it plans to add 14 new self-owned stores this year, bringing the total number to 82 stores by year-end. The new stores will focus on selling gold bars and 24-carat gold jewelry. “These two products are currently our priority,” Sandra says. As of early June, the company has opened 10 new stores in Sumatra and Java. “We always conduct our research when choosing locations,” she notes. “We want to be present in all capital provinces.” In the first quarter of

the year, the company recorded Rp1.38 trillion rupiah revenue and Rp50.7 billion net profit.

Sandra sees gold bar sales contribution at around 40%-45% of the company’s total revenue this year, up from approximately 37% last year. Sandra says that a combination of store expansion, product diversification, and enhanced marketing strategies is expected to increase the contribution of gold bar sales to revenue. She adds that the company will continue producing its jewelry products, but the market will be more segmented. “For jewelry, it’s all about designs and designs evolve quickly,” says Sandra, adding that the company usually releases a new design every two weeks so that the final product will be ready in the market in a month.

Hartadinata Abadi also diversifies its business into a gold pawn, and as of June, the company has 92 pawn units. It aims to have 175 units of pawn shop by the end of this year, from 67 pawn shops at the end of 2021. The company’s pawn shops are in the Greater Jakarta area, West Java, East Java, East Nusa Tenggara, and West Nusa Tenggara. Sandra says the company will focus on expanding pawn services in existing locations, as it must obtain a new permit from the Financial Services Authority (OJK) if it wants to expand to a new province. The company rents a small counter at state-owned postal service PT Pos Indonesia to expand pawn services. “We choose PT Pos because the target market is different, and it has a wide coverage, which is what we need,” says Sandra.

The company is also forming strategic alliances with several parties to widen its customer base. It is finalizing a deal with PT Taspem, allowing active and retired civil servants to purchase gold in installments. The company has also partnered with regional sharia-based lender PT Bank BJB Syariah. Under the scheme, BJB Syariah customers can buy gold bars in any of the company’s stores, but the payment can be made in installments through the bank. “We are open to any form of partnership, but the key is that we must make gold more inclusive,” Sandra notes. Another collaboration has been with Alfamart stores since May where customers can now buy 0.1 gram of gold bar at around 1,300 Alfamart outlets in the Greater Jakarta area and Bandung. “We will reach out to other areas as well because the 0.1 gram of gold bar can be used as saving or present for events, such as weddings and birthdays,” she adds.

These strategic alliances, combined with business and product diversification and improved digital marketing strategies, made it possible for the company to maintain a double-digit growth in revenue and net profit over the past two years when the pandemic hit the economy. When asked whether there is a blessing in disguise, Sandra lightly answered that it is a blessing in a way that the company is pushed to be creative to find solutions to handle the economic turmoil. As for Sandra, taking the CEO role, especially during this time, means that she must lead the company to be ready for whatever challenges that may arise in the future, not just to survive at the moment. **■**