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FOREWORD

Welcome to the 2st International Conference on Entrepreneurship (2015 ICOEN, INDONESIA)



On behalf of The Distinguished Managing Director of Ciputra Group, The Excellence, Rector of Ciputra University, Keynote Speakers, Conference Co Host, Organizational Committee, Steering Committee, and The Honorable Presenters and Participants.

It is my great pleasure to welcome you to this International Conference on Entrepreneurship (ICOEN) 2015 in Indonesia.

The conference is held on August 27th and 28th; 2015 moreover. It attracts educators, researchers, and entrepreneurs which related with scientific disciplines of practitioners.

On this occasion, let me give special thanks to the Keynote Speakers (1) Prof. Annie Koh, Ph.D, VP for

Office of Business Development Singapore Management (2) Edward Rubesch, Ph.D., Director of International MBA Program Thammasat University Bangkok, Thailand (3) Mohd. Shawahid Haji Othman, Ph.D., Professor of Faculty of Economics and Management, Universiti Putra Malaysia (4) Harun Hajadi, M.B.A, Managing Director of Ciputra Group, Indonesia (5) Prof.Michael Frese, Ph.D., Institute for Strategic HR Management, Reserch & Development Institute of Corpoarte Development LEUPHANA, Universit of Lueneburg, West Germany (6) Kim Sung Sup, Ph.D, Director of Small and Medium Business Administration, Republic of Korea (7) Yunita Resmi Sari,M.B.A Director of Small and Medium Enterprises Development Central Bank of Indonesia, and (8) Ir. Antonius Tanan,M.B.A., M.Sc., M.A President of Universitas Ciputra Education Center, Indonesia.

Your contribution to this seminar as reviewers and keynote speakers make this event more meaningful and valuable. We are also thankful to all reviewers, for their commitment, effort and dedication in understanding the task of reviewing all of the full paper.

We would like to thank to all authors who have submitted their papers to be reviewed, those whose paper were chosen to be presented in the seminar, and those who have submitted manuscripts to be publishes in proceeding

Last but not least, we would like to express our sincere gratitude to everyone who has contributed and made the joint conference a success. Best wishes,

2015 ICOEN Organizing Committee Chair Dr. J.E.Sutanto, MM. Graduate School, Ciputra University Surabaya, INDONESIA

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- Dr. Umi Muawanah, MSi., Ak. CA (Gajayana University Malang)

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KEYNOTE SPEAKERS

- Prof. Annie Koh, Ph.D. VP For Office of Business Development Singapore Management University, SINGAPORE
- Edward Rubesch, Ph.D. Director of International MBA Program Thammasat University Bangkok, THAILAND
- Mohd.Shahwahid Haji Othman, Ph.D. Professor of Facaulty of Economics and Management, Universiti Putra MALAYSIA
- Harun Hajadi, M.B.A. Managing Director of Ciputra Group, INDONESIA
- Prof. Michael Frese, Ph.D. (Psychology, Innovation & Entrepreneurship) Institute for Strategic HR Management, Research & Development Institute of Corporate Development LEUPHANA, University of Lueneburg, West Germany, GERMAN
- Kim Sung Sup, Ph.D. Director of Small and Medium Business Administration, Rebuplic of KOREA
- Yunita Resmi Sari, M.B.A. (Economics & Finance) Director of Small and Medium Enterprises Development Central Bank of Indonesia (Bank Indonesia), INDONESIA
- Ir. Antonius Tanan, M.B.A., M.Sc., M.A. President of Universitas Ciputra Education Center, INDONESIA

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CONSUMEN BEHAVIOR AND PROBLEM RECOGNITION INACTIVE PERSPECTIVE : A LITERATURE REVIEW

Rony Prabowo^a, Moses L. Singgih^b, P, Putu Dana Karningsih^c

- ^a Doctorate Program Student, Industrial Engineering, Industrial Technology Faculty, Sepuluh Nopember Institute of Technology at Surabaya, Indonesia;
- ^b Department of Industrial Engineering, Industrial Technology Faculty, Sepuluh Nopember Institute of Technology at Surabaya, Indonesia
- ^c Department of Industrial Engineering, Industrial Technology Faculty, Sepuluh Nopember Institute of Technology at Surabaya, Indonesia

Marketing is an activity that is growing, where marketing is more in touch with the customer compared to a business functionality eat it, which not only covers the needs and desires but also includes hope, and this is related to the increasing number of information received by consumers, giving rise to higher demands will fulfill the needs, desires and expectations. Problem recognition with inactive approach has the advantage that the problem of defining the problems that exist in the consumer but can not or can not be disclosed by the consumer if the company can uncover and define it into a product development concept will be a chance that the product will have some benefit if the companies could make, benefits include: product will have a brand awareness to consumers so that consumers are more loyal to the product, the product will have a long life cycle because competitors have not thought inactive product design problem, replication products by competitors takes a long time, the company will acquire supernormal profits and companies can make a lot of derivative products. The theoretical benefits of this literature review is to provide an overview for employers to be able to capture consumer behavior so as to meet consumers' desire that they could not express

Keyword : problem recognition, inactive problem, consumen, behavior, awareness

1. Introduction

Marketing is a social process in which individuals and groups obtain what they need and want by creating, offering and freely exchanging products and services of value with others. (Kotler, 2013). Perceived consumer satisfaction will lead to a positive response in the form of the re-purchase and to encourage other consumers to buy the same product. Manufacturers will gain great Yag through dissemination of positive information from one consumer to another consumer (Fisher, 2007). Also the existence of a common ground, ie marketing activities that aim to deliver goods and services produced by producen to consumers for the needs and desires of consumers are fulfilled

While the marketing mix is a device used by marketers to get the desired response from their target market (Rossiter, 2012). There is an element in the marketing mix that can be controlled by the company, namely : (1) Product. Everything that is offered to a market to satisfy the desires or needs, whereas in the narrow meaning the product is a set of physical attributes related to a form of yanh can be identified; (2) Price. An amount of money to be paid by the consumer or customer to obtain a product of the company (Hoyer et al, 2008); (3) Promotion. As an activity to communicate the various advantages of a product and affect the target market to buy such products (Toader, 2013); (4) Distribution. As a point of including a

wide range of activities undertaken by the company so that products can be obtained and made available to consumers (Mathin, 2006).

2. Purchasing Decision

To get an idea of the purchasing decision, the following will put forward a definition of buying decisions, according to experts. According to Kotler (2013) decision to buy, namely : some stages yangdilakukan by consumers before making a purchasing decision of a product. Decision making is the process of buying recognition problems (recognition), information search, evaluation (assessment) and the selection of alternative products, the selection of distribution channels and the implementation of the decisions of the products will be used or purchased by consumers (Fisher, 2007).

According Manoj et al (2010) implies the buying behavior of activities of individuals directly involved in the exchange of money for goods and services as well as in the decision-making process that determines the activity. The consumer's decision to buy a product always involves physical activity (such as direct consumer activities through the stages of the purchase decision making process) and mental activity (ie when consumers assess a product in accordance with certain criteria set by the individual).

Purchasing decisions taken by the buyer is actually a collection of a number of decisions were organized. According (Geoff & Paul, 2005) every purchase decision has seven component structure. There's components include : a decision on the type of product, a decision on the form of the product, a decision on the brand, the decision about the sale, keputuasan on the number of products , the decision about the time of purchase , the decision about the method of payment (Mckinney, 2004). The conclusion that the decision to buy is a set of cognitive processes carried out by someone to arrive at a determination of the choice of the products to be bought so that it will encourage someone to buy a product.

According to the most common understanding, a decision is the selection of two or more alternative option. Here are some expert opinion regarding the decision-making process conducted consumer buying. According to Kotler (2013) there are five buying decision process through which every individual in making a purchase, namely : (a) Introduction needs. The early stages of the buying decision, consumers recognize the problem needs to be a product to be purchased. Consumers feel the difference between the real situation and the desired situation. The need is triggered by internal stimulation (needs) and external (user effect similar products as needed) (Solomon, 2006); (b) Search information. Phase purchasing decisions that encourages consumers to look for more information (Fisher , 2007). Consumers may only increase the concern or may actively seek information ; (c) Evaluation of alternatives. Process undertaken consumers to use the information obtained to evaluate alternatives, the process of selecting the product to be purchased (Rossiter, 2012); (d) The decision of purchase. Consumers planning to buy a product and then buy a particular product to meet the needs of (Roger et al, 2000); (e) post-purchase. Follow-up after purchase based on the satisfaction of consumers on whether or not the product is used (Coleman, 1983).

3. Factors Influence to Consumen to Make Purchase Decision

Consumer behavior is a process that happens to consumers when purchase decision, what to buy, where and how to buy it (Kotler, 2013). Each consumer purchases created because

of the needs (needs purposes) or wants (desires) or a mixture of both. Factors that influence consumers in making purchasing decisions :

- a. Environmental Factors comprising Cultural factors which include, values that are shared norms of society, perception is something perspective, preferences are liking on the product compared to other products, namely customs Behaviour (Fisher, 2007).
- b. Social factors include the following: this is a factor that affects the members of the group / community in making decisions terhadappembelian of goods or services. Family factors are also important for a person influence in choosing a product or service. The role and status of a person in the community or the company will affect the pattern of actions in buying goods or services (Solomon, 2006).
- c. Technology factors which include : Private transport, household appliance. Audiovisual, internet and mobile.
- d. Personal factors of : (1) the personal aspect that a consumer would be different from one another due to consumer personal factors in terms of the following: age, occupation, financial condition, lifestyle, personality, self-concept. (2) Psychological aspects ie psychiatric or psychological factors that affect a person in the act of buying a product or service that consists of: motivation, perception, beliefs and behavior (Solomon, 2006).

According to Kotler and Keller (2007) image of the brand associated with a product or service is the perception and beliefs made by consumers, as reflected in the associate in consumer memory. Perception is an important activity that connects the individual consumer groups, the situation and the influence of marketers. According to Kotler (2013), perception is the process of how people select, organize, and interpret input information to create a picture of the world that has meaning. Perception covers all processes carried out by someone in understanding information about their environment.

In general, every consumer who will make the decision to purchase a product will pass through the process of purchasing decision, as stated Kotler, (2013) that the stages to be passed by the consumer to take a purchasing decision is the recognition process needs, information search, evaluation of alternatives, purchase decision and post-purchase behavior. According Ramdez (2009) the formation of a positive image of a brand is influenced by many factors such as perceptions of marketing stimulus (eg, advertisements), and situations when the stimulus was perceived, in addition to the information and experience of the individual against the product will also affect the formation of the brand image in the minds of consumers, Positive brand image and brand experience to a satisfactory product will cause a sense of love and other positive feelings within the consumer, it is then influence consumer decisions.

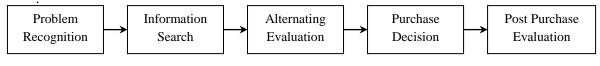


Figure 1. Process of Customer's Purchase Decision Source : Kotler and Armstrong. *Basic of Marketing* (2013)

The early stages of the buying decision, consumers recognize the problem needs to be a product to be purchased. Consumers feel the difference between the real situation and the

desired situation. The need is triggered by internal stimulation (needs) and external (user effect similar products as needed) (Fisher, 2007). After that phase of the purchase decision that encourages consumers to seek more information. Consumers may only increase the concern or may actively seek information. Process undertaken consumers to use the information obtained to evaluate alternatives, the process of selecting the product to be purchased.

Consumers planning to buy a product and then buy a particular product to meet the needs. Follow-up after purchase based on the satisfaction of consumers on whether or not the product uses. According to Kotler and Fox (2013) "image as the sum of the pictures, an impression, and the belief held by a person against an object. Products or services that are managed well will produce positive consequences. Creator of the impression of being one of the basic characteristics of the modern marketing orientation is through the provision of more attention as well as the creation of a strong brand.

Information search). After understanding the problems that exist, consumers will be motivated to look for information to solve the existing problems through information retrieval (Rossiter, 2012). The search process can be derived from the information in the memory (internal) and based on the experience of others (external). Alternative evaluation, once consumers get various kinds of information, consumers will evaluate the alternatives that exist to solve the problems it faces. Purchase decision, after consumers evaluating several strategic alternatives exist, consumers will make a purchase decision. Sometimes the time taken between making purchasing decisions by creating actual purchase is not the same because of the things - other things that need to be considered (Rossiter, 2012).

Post purchase evaluation is an evaluation process that consumers do not just end at the stage of making a purchase decision. After purchasing the product, the consumer will evaluate whether the product is in accordance with expectations (Fisher, 2007). In this case, there is satisfaction and customer dissatisfaction. Consumers will be satisfied if the product is in accordance with expectations and will further increase the demand for branded products in the future. Instead, consumers will feel unsatisfied if the product is not in accordance with expectations and it will decrease consumer demand in the future.

4. Consumer Behavior

An understanding of the consumer and consumption process will yield a number of benefits including the ability to help managers make decisions, provide the basic knowledge of marketing research when analyzing consumers, helping the country's legislative and regulatory create laws and regulations relating to the purchase and sale of goods or services, and assist consumers in making better decisions (Fisher, 2007). In brief Consumer Behavior studied in order to understand more about what is purchased by the consumer, why, where, when and how often he buys. This knowledge is then used to create a way to satisfy meet their needs and create a good approach to communicating and influencing them. So, it's all the studies that are very fundamental in all marketing activities.

According to Kotler (2013), the factors that influence consumer behavior is a factor of cultural, social, personal, and psychological. Most of these factors are not considered by marketers but in fact should be taken into account to determine how far the factors that influence consumer behavior consumer purchase.

<u>Culture</u> Culture Sub Culture Society Class	<u>Social</u> Reference Group Family Social Status	<u>Personalize</u> Ages and Experience Jobs Economic Condition Life Style Personality	Psychologies Motivation Perception Learning Confidently and Attitude	
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Figure 2. Inflience Factors of Consumen's Behavior Source : (Kotler, 2013)

Consumer Behavior in a matter of a decision taken by a person in the competition and the determination to acquire and use goods and services. According Schifman and Kanuk (2000), Consumer behavior is the process through which a person in finding, buying, using , evaluating and acting after the consumption of products , services and ideas that are expected to meet their needs. According to (Wayne et.al, 2008) is a consumer behavior that is directly involved in the action to get, consume and spend your products or services, including the decision processes that precede and following on this action.

4.1 Cultural Factors

Cultural factors have the most extensive and profound influence on consumer behavior. Marketers should know the role of each of the components, namely:

- a. Culture. Culture is the most fundamental determinants of desire and behavior. Lower creatures are generally guided by instinct. Whereas in humans, usually studied the behavior of the surrounding environment. So the values, perceptions, preferences and behavior between a living in a particular area may be different with other people who are in other environments as well. So it is important for marketers to see a shift in the culture to be able to provide new products that consumers want (Wayne et.al, 2008).
- b. SubCulture. Each culture consists of sub-cultures a sub-culture that smaller provide identification and dissemination of more specific for their members. Sub cultures composed of nationalities, religions, racial groups and geographic regions. Many sub cultures that make up an important market segment and marketers often design products and marketing programs that are tailored to their needs (Rossiter, 2012).
- c. Social Class. Social class division of society is relatively homogenous and permanent, which is arranged in heirarkis and whose members embrace values, interests and similar behavior. Social class not only reflects the income but also other indicators such as employment, education and housing. Social classes differ in terms of clothing, speech, recreational preferences and has many other features (Wayne et.al, 2008)

4.2 Society Factors

Social class is determined by a single factor, such as income, but it can be measured as a combination of occupation, income, education, wealth, and other variables. In some social system, members of the class who berbeada maintaining a certain role and can not change their position (Fisher, 2007). Kosumen behavior is also influenced by social factors as follows :

a. Reference group. All groups that have a direct or indirect influence on the attitudes or behavior. Groups that have a direct influence on a person named group membership.

Some membership groups are the primary groups, such as family, friends, neighbors and co-workers, which interacts with a person continuously and informal (Fisher, 2007). People also become members of the secondary group, such as religious groups, professional and trade associations which tend to be more formal and requires interactions that are not so routine.

- b. Family. Families are the organization's most important consumer purchases in the community, and he has become the object of extensive research. Member of the family is the primary reference group of the most influential. Marketers interested in the role and influence of the husband, wife and children on purchasing a variety of products and services (Wayne et.al, 2008).
- c. Role and Status. The position of a person in each each group can be defined in the role and status. Role includes activities that are expected to be done by someone. Each role carrying reflecting status of the general award given by the community. People often choose products that demonstrate the role and status in society (Rossiter, 2012).

4.3. Personality Factors

A buyer's decision was also influenced by personal characteristics such as age and lifecycle stage purchasers, occupation, economic circumstances, lifestyle, personality and selfconcept buyers concerned. Buying decisions are also influenced by personal characteristics, namely :

- a. Age and Life Cycle. People change the goods and services they buy during his lifetime. Taste for food, clothing, equipment and recreation is often associated with age. Buying is also shaped by life cycle stage spend their money and how they allocate their time. Therefore, it is associated with actions and behavior from birth (Bereday, 2007).
- b. Personality. Everyone has a different personality that can influence purchasing behavior. Personality refers to the different psychological characteristics of a person that causes relatively consistent response and enduring to the environment. Personality is usually explained by traits such as self-confidence, dominance, autonomy, obedience, social skills durability and adaptability. Personality is very useful for analyzing the behavior of consumers towards the selection of a particular product or brand.

4.4. Psychology Factors

Selection of goods purchased by the person affected by major psychological factors, namely :

a. Motivation. According to Raymond (2006) motivation is defined as the initiation and direction of behavioral and motivational lesson is actually a behavior lesson. Motivation can be interpreted as giving the driving force that creates excitement someone to get them to cooperate, to work effectively and integrated with all his efforts to achieve satisfaction (Svend 2010).

A requirement can be interpreted as an internal state that causes certain results seem interesting. An insatiable need for creating a stimulating voltage impulses that exist within the individual concerned (Bereday, 2007). This impulse, if achieved will meet the needs and lead to a reduction in voltage. Motivated behavior initiated by activation of a need or recognition needs. Needs or motives is activated when there is sufficient

mismatch between the actual state with the desired state. Consumers are always faced with the problem of cost or sacrifice that will be issued and how important that is needed and desired product. Therefore consumers will be faced with the issue of driving motivation (Wayne et.al, 2008).

- b. Perception. Perception is the process used by an individual to select, organize and interpret information inputs information to create a picture of the world that has meaning. The perception of each person to an object will vary. Therefore, the perception has subjective nature of perception will be shaped by the person affected by the mind and the surrounding environment (Svend 2010).
- c. Learning. Learning describes the changes in a person's behavior that arises from experience. Learning theorists believe that learning is produced through a combination of employment encouragement, stimulation, guidance, feedback and reinforcement. Most human behavior is the result of learning. In consuming products that consumers will consider mamfaat be obtained. Therefore, the product quality will determine whether consumers will give a positive or negative response. Positive response will occur when consumers feel satisfied, consequently the probability of consumers make repeat purchases higher. While the consumers will give a negative response if the response is not satisfactory for his actions.
- d. Beliefs and Attitudes. Beliefs and attitudes to encourage people to behave consistently with similar objects. People do not have to interpret and react to each object in a way that is entirely new. Energy saving attitude and mind. Therefore, it is very difficult to change attitudes. The attitude of a person forming a consistent pattern, and to change attitudes needs major adjustments to the attitude of the other.

Through actions and the learning process, someone will get the beliefs and attitudes that influence buying behavior. Belief is a descriptive thought that a person about something. Confidence is based on the knowledge or belief that the whole idea may contain emotional factors. Attitude is an evaluation, emotional feelings and tendencies actions favorable or unfavorable, lasting from someone on some object or ideas (Wayne et.al, 2008). Attitudes lead people to behave in a relatively consistent to the same object.

5. Inactive Problem Perspective

Purchasing decisions would not be possible if the consumer is not aware of a problem or identify problems in advance, so the solution is to be obtained from the issues that will be the goal to make the purchase. The problem of the consumer may be inactive and active problem problem. Active problem is when consumers are already aware, or be aware of a problem (Flynn et al., 2010; McCutcheon and Meredith, 2011; and Meredith, 2013). Inactive problem is when consumers do not realize (Hawkins, Best and Coney, 2011). In active problem, the company only convince consumers that they have a problem and brand marketers is the most powerful solution in the matter. While inactive problem, companies should be able to capture the phenomenons of customer behavior in exploiting or using the product is consumed.

According Growin (2011) understanding of the problems (problem recognition) customers with inactive approach to the problem is required by the company in the development of new products compared to the collection of consumer issues through active problem

(Eisenhardt, 2006; Kotler, 2010). Companies or marketers must be sensitive in capturing phenomena - phenomena that occur on consumer behavior in consuming a product.

Some indicators that distinguish between inactive perspective problem with latent problems or hidden problems can be seen in Table 1.

Inctive Problem	Hidden Problem	Latent Problem
Consumers showed specific	Consumers have a desire and need	Consumers do not understand
behavior implicitly to the needs of	for the product but do not know the	the needs and desires of others to
the product. (Callahan & Lasry,	description of needs and how to	meet the needs of the product is
2008)	fulfill (Gales & Mansour Cole,	already known at this time
	2009)	
Company captures the	Companies already provide those	The company sees there are
phenomenon of consumer needs	needs, but consumers do not yet	opportunities for innovation but
through behavior.	know. (Brooks, 2006)	have not been able to describe.
(Solomon, Steinhoff &		(Ashby and Johnson, 2006)
Trommsdorff, 2009)		
Competitors do not know the	Competitors already know this new	Competitors have not thought
chances of new product	product development and has been	that such innovations.
development. (Kleinschmidt &	emulate. (Souder, Sherman &	(Prendeville et al, 2014)
Cooper, 2009)	Davies Cooper, 2007)	

Table 1 Differences of Inactive Problem, Problem and Latent Hidden Problem

Source : Sumaryanto, (2014)

According to Alba and Hutchinson (2010); Kessler (2010) and Stanton (2013) for the active consumer problems in general have the characteristics of economic consumer, that is, those who make decisions rationally. In this case to take economic decisions, consumers need to know all the alternatives, consumers analyze the advantages and disadvantages associated with alternatives and also can identify the best alternative. While other characteristics are cognitive consumer is the consumer who actively search for products or services that can meet their needs. Consumers with the type of cognitive seek and evaluate information and products selected. Consumers in the cognitive processing of the selected information directed at formation of choice and ultimately the purchase option. The difference with the economic consumer, the consumer is more realistic cognitive and are not looking for all available information on each option, because the cognitive consumers will stop the search information once they get enough information.

As for the consumer with the general character types inactive passive consumer that the consumer is interested in buying at the time interested in buying or marketers require considerable effort hard to persuade her to buy the product. Consumers sometimes - sometimes make purchases impulsive and irrational (Shenhar, 2014). And a second characteristic for inactive consumers with the type of consumer that the consumer is conative which always involves a deep feeling or emotion when faced with the purchase or to choose something. This can be seen when consumers are making decisions based on emotion not emphasize on the search information before purchase, but more emphasis on mood (mood), this means that the

people choose the product according to the pre-existing desire but can not be disclosed (Hawkins, Best and Coney (2011).

Caloghirou et al. (2004) and Huang (2011) explains that consumers of knowledge management can be one of the factors that determine the company in order to increase the success of new products (Chatterji, 1996. Thus, in the development of new products by involving consumers, of course, companies must understand the problems that exist in problem old products that have been consumed consumers (Gibbons et al., 1994; Coombs et al., 2003). According to (Staropoli, 2008; Zirpoli and Becker, 2011) The first stage in the process of purchasing decision or the decision process is the problem of recognition or recognition problems (Gibbons et al., 1994; Coombs et al., 1994; Coombs et al., 2003).

At this stage the consumer aware of the existence of a problem that is being faced or are aware of the emergence of a need. In the process of recognition of this problem is the result of a mismatch between the desired state (what consumers want) and the actual state (what consumers feel). Secondly it is this which raises and activates decision process (Hawkins, Best and Coney, 2011). Purchasing decisions would not be possible if the consumer is not aware of a problem or identify problems in advance, so the solution is to be obtained from the issues that will be the goal to make the purchase.

6. Managerial Implications

The collection of problem recognition customers with inactive approach to the problem is required by the company in the development of new products compared to the collection of consumer issues through active problem (Eisenhardt, 2006; Kotler, 2010). Problem recognition with inactive approach has the advantage that the problem of defining the problems that exist in the consumer but can not or can not be disclosed by the consumer if the company can uncover and define it into a product development concept will be a chance that the product will have some benefit if the companies could make , benefits include: product will have a brand awareness to consumers so that consumers are more loyal to the product, the product will have a long life cycle because competitors have not thought inactive product design problem, replication products by competitors takes a long time, the company will acquire supernormal profits and companies can make a lot of derivative products (Kim and Wilemon, 2009; Norman, 2011; Oxley and Sampson, 2014).

7. Conclusion

Problem recognition with inactive approach has the advantage that the problem of defining the problems that exist in the consumer but can not or can not be disclosed by the consumer if the company can uncover and define it into a product development concept will be a chance that the product will have some benefit if the companies could make , benefits include: product will have a brand awareness to consumers so that consumers are more loyal to the product , the product will have a long life cycle because competitors have not thought inactive product design problem , replication products by competitors takes a long time , the company will acquire supernormal profits and companies can make a lot of derivative products .

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