



The Entrepreneurial Orientation of Property Developers Around JLLB Surabaya Plan

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Abstract. Property development, especially landed houses, is taking place around the Surabaya Outer West Ring Road (JLLB) infrastructure plan. These days, there are dozens of new residential areas in the border area of Western Surabaya and Southern Gresik, East Java Province, Indonesia, utilizing JLLB's plans and physical progress. Property marketing activities around JLLB Surabaya cannot be separated from the entrepreneurial orientation and entrepreneurial marketing of property developers in Greater Surabaya. Taking the momentum of property business opportunities, measurable business risks, long time-held land resources around JLLB, and offering future value property investment for consumers are entrepreneurial marketing and entrepreneurial orientation practices that property developers have successfully carried out on the border of Western Surabaya and Southern Gresik.

Keywords: entrepreneurial orientation · entrepreneurial marketing · property · JLLB

1 Introduction

Property development in Western Surabaya began in the 1990s, pioneered by the Ciputra Group that acquired thousands of hectares of barren land and now has a township city of CitraLand Surabaya with a master plan of 2500 ha of development starting from Western Surabaya connected to Southern Gresik.

Currently, the Ciputra Group property projects in Western Surabaya are scattered in several places; most of them are in the Surabaya Outer West Ring Road (JLLB) development area whose construction began during the era of Surabaya Mayor Tri Rismaharini in 2015. The development was marked by the groundbreaking of JLLB infrastructure in the Made area, Western Surabaya, by Surabaya Surabaya Mayor Tri Rismaharini. The JLLB line in the area happens to be in the Northern CitraLand area and is the responsibility of PT Ciputra Development Tbk to construct the JLLB at that part.

The JLLB Surabaya infrastructure line starts from the northern part of Western Surabaya (Romokalisari toll interchange) to Sememi, Northern CitraLand, Main CitraLand (Southern CitraLand) to Lakarsantri and the Surabaya-Mojokerto toll road in Driyorejo, Gresik.

In 2021, significant construction was carried out around the Romokalisari-Gelora Bung Tomo Stadium-Sememi JLLB section. This section is being worked on jointly by the toll road operator, the central government, the Surabaya City Government, Pelindo III, and PT Mitra Karya Multiguna (Sinarmas Land) developer. The Romokalisari-Gelora Bung Tomo Stadium-Sememi JLLB section has been accelerated because it will be used as an access road to the Gelora Bung Tomo Stadium U-20 World Cup in 2023.

Another JLLB section with significant construction progress is the JLLB along Southern CitraLand and Northern CitraLand for about 2.5 km. Ciputra said there are still around 500 m of JLLB that they will further develop. The rest of the JLLB road in CitraLand will be worked on following the progress of JLLB construction in other areas carried out by the Surabaya City Government and other developers. The JLLB line in CitraLand will pass Lakarsantri but needs to acquire more lands and residential settlements and to be connected with land owned by the Surabaya City Government and Sinarmas Land Lakarsantri to the south, whose land tenure has reached the Lakarsantri road until it is connected to the Surabaya-Mojokerto toll road in Driyorejo, Southern Gresik.

JLLB access will be enhanced by a radial road that connects the Pakuwon Mall roundabout with the Gwalk CitraLand area to continue to connect to JLLB Surabaya. Some radial roads crossing the JLLB are already visible in the CitraLand township area.

In a country's development process, the property sector plays a significant role due to the need for physical space to support activities. Property development is driven more by the relationship between supply and demand [1].

Like Greater Jakarta, which includes Jakarta, Bogor, Depok, Greater Tangerang, and the Greater Bekasi, property development in the Greater Surabaya is also growing rapidly. Property in Surabaya grows along with urban agglomeration to the south (Sidoarjo Regency) and the west (Southern Gresik). Meanwhile, developments to the Eastern and Northern Surabaya are limited by the presence of the sea. This means that regionally, urban agglomerations in the Greater Surabaya have a more limited choice of areas than in Greater Jakarta.

However, unlike Greater Jakarta, which has good transportation infrastructure, especially since the construction of various toll roads and the Greater Jakarta LRT (light rail transit), which have become increasingly intensive since the two periods of President Joko Widodo's administration (2014–2019 and 2019–2024), transportation infrastructure that connects Western Surabaya to Southern Gresik is still relatively limited.

The Serpong area on the outskirts of Jakarta, for example, is not only supported by the presence of electric trains but also by the existence of three new toll roads at once: Serpong-Cinere (Depok), Serpong-Kunciran (Alam Sutera), and Kunciran (Alam Sutera)-Soekarno Hatta Airport. All three are part of the JORR (Jakarta Outer Ring Road) II toll road. Meanwhile, the border between Western Surabaya and Southern Gresik is still supported by conventional road access and part of the JLLB, which is not yet fully connected. Recently, the existence of two new toll roads, namely the Surabaya-Mojokerto toll road in Driyorejo, Southern Gresik, and the KLBM (Krian Legundi Bunder Manyar) toll road in Menganti to Cerme, Southern Gresik, strengthens the infrastructure surrounding the outer side of Western Surabaya and Southern Gresik.

Although JLLB Surabaya is not entirely connected yet, property development on the border of Western Surabaya and Southern Gresik is growing very rapidly. It is recorded that those small local developers to large national-scale property developers like PT Ciputra Development Tbk, which owned the largest land in Western Surabaya and Southern Gresik since the 1990s, have businesses in these areas.

This article intends to examine the role of entrepreneurial orientation and entrepreneurial marketing on the booming property development and sales around the border area of Western Surabaya and Southern Gresik. How can property developers around the border of Western Surabaya and Southern Gresik leverage their sales by utilizing the JLLB development plan and other infrastructure around their property development area?

Entrepreneurial marketing is used to describe the marketing process of companies that pursue business opportunities in dynamic business environments and have limited resources [2]. In running their business, entrepreneurs will assess the availability of company resources amid uncertainty and business risks faced where entrepreneurs will execute their business with minimal planning to achieve company goals with a series of real business actions. This process is known as effectuation [3].

Entrepreneurial marketing behaviour combines finding opportunities, managing risks, managing company resources, and creating value for customers [3]. Meanwhile, entrepreneurial orientation allows companies to respond to uncertainty by allocating resources and executing opportunities in the long term and sustainably [4]. These resources can be in the form of tangible and intangible resources [5].

Entrepreneurial orientation shows the characteristics of organizations trying to enter new industries or opportunities and create value to generate competitive advantage [6]. Property developers often develop recreational facilities, sports, waterfront or canals, cycling, and jogging paths, encourage cultural and religious festivals and events to generate more value for potential consumers with a more elite economic profile [7].

Property developers can predict that the development of an area will trigger urbanization and a new era for an area. The new hospitality sector and local business community will grow as the region develops [8].

Property developers are the main actors in the production of space in an area. Large-scale property developments, such as townships, require property developers to mobilize various skills as well as manage environmental impacts, economic development, community engagement, landscape architecture, transportation infrastructure, and others [9]. Regarding which area property developers intend to develop, the developers need access the knowledge-based resources and capabilities to utilize these resources [10].

Companies that run entrepreneurial orientation must have sufficient resources to deal with strategic uncertainties and a fluctuation of business environment that is characterized by risk-taking, pro-activeness, and innovation [11]. The entrepreneurial approach of the company and its employees is very important. However, how far the company and its employees have entrepreneurial capacity depends on their orientation to innovate, be proactive, and have a risk tolerance that varies for each individual [12].

2 Research Methods

The research method used was qualitative research with case studies about some property development objects on the border of Western Surabaya and Menganti, Southern Gresik Regency. In-depth interviews, observations, and looking at the documents and news sources available were carried out by the author in conducting research.

Like other qualitative case studies, this research does not intend to generalize the research results obtained but to examine the phenomena in the research object. Further research using quantitative research can be carried out to obtain a more generalist portrait of research.

3 Discussion

3.1 Land Acquisition Strategy

Landed property development in Menganti, Southern Gresik, is mostly in enclaves with only a small portion of land directly connected to the main road for access to the housing complex. Meanwhile, the remaining land is in enclaves where the land price is lower than land located directly on the main road. This generally applies to small and medium-scale property developers that develop their properties around the Menganti main road and the surrounding area. This way, land acquisition can be made at a lower price than if the land is located on the main roads.

The land acquisition strategy for most developers took place long before the construction of JLLB was realized and was widely echoed in the mass media. The land acquisition news in the mass media can become a “sales weapon” for property developers. Moreover, acquiring land long before the construction of JLLB also enabled developers to acquire the land at a lower price.

After the JLLB construction began, developers continued to look for land acquisition opportunities to expand the previously acquired land. However, developers are looking to acquire additional land for their existing lands at this stage. For example, CitraLand Surabaya has done this with a development plan of 2,500 hectares by continuing to acquire land up to the Randegansari area, Menganti, Southern Gresik Regency, which is to the western part of the planned CitraLand CBD (Central Business District) Western Surabaya complex.

PT Ciputra Development also develops property through collaboration with landowners in a partnership scheme or joint venture company. Some examples of these partnerships are the CitraLand Driyorejo CBD project in Southern Gresik, CitraLand City Kedamean Southern Gresik, CitraLand the Greenlake Western Surabaya, and the development of mixed-use apartments and CitraLand Vittorio commercial in Western Surabaya.

3.2 Product Attribute

The strategy for developing landed properties with enclaves does not apply to large-scale and township property developers who develop properties on the border of Western

Surabaya and Southern Gresik. CitraLand City Kedamean, which has been marketed since the end of 2021, offers a 50-m-wide residential gate, a 200-hectare land area for the first phase of development, and a 20-hectare land area for a commercial area.

The same applies to the new development area of the Northwest district of 130 ha in Northern CitraLand. Even though it is in the Sememi area, Benowo, Western Surabaya, which is often said quite far from Surabaya's downtown area, more than 3,000 houses and hundreds of shophouses have been successfully marketed and handed over since 2015. From 2015 until 2021, this Northwest district has developed several clusters: Northwest Park, Northwest Lake, Northwest Hills, and Northwest Central.

These housing estates offer product attributes of city-scale development equipped with commercial areas, magnificent main entry gates, food junctions or culinary centres, mini shopping malls, hospitals, schools, regional landmarks, clubhouses, and others. Some were immediately built in the early years of property area development. Other facilities are developers' promises delivered during the initial sales stage, which is still vacant land as the future value of property prospects and long-term area development consumers will purchase.

3.3 JLLB Opportunities and Risks

It is interesting to observe that almost all developers who sell landed house properties around the border of Western Surabaya and Southern Gresik utilize JLLB and other infrastructure to promote their properties to consumers. Besides JLLB, developers also use other infrastructures like the Surabaya-Mojokerto toll road in the CitraLand Driyorejo CBD project and the Krian Legundi Bunder Manyar (KLBM) toll road in the CitraLand City Kedamean project to promote their properties.

Meanwhile, smaller developers also take advantage of the presence of commercial facilities in the vicinity as well as commercial facilities in collaboration with other companies within their property development areas (such as hospitals, retail supermarkets, educational facilities, cinemas, and others).

However, based on data and observations, it is clear that the groundbreaking of the JLLB construction in 2015 was the main trigger for consumers to buy thousands of landed house properties from various developers in the area, especially around 2015 to 2018.

Although the JLLB construction will continue gradually until 2021 and has not been entirely connected until now, the JLLB's prospect remains a magnet for property sales on the border of Western Surabaya and Southern Gresik.

Some of the land for JLLB development is provided by property developers such as PT Ciputra Development and Sinarmas Land (through its subsidiary PT Mitra Karya Multiguna) because the land happens to pass through their development areas and becomes part of the public facilities that the developers must provide.

However, not just helping to build the JLLB that passes through their development areas, property developers are cleverly taking advantage of the momentum of the JLLB development to increase their sales of new landed residential and commercial clusters. Along with launching new landed residential and commercial housing clusters, property developers invited the mass media to cover news about the JLLB construction and other related infrastructures in their land areas. Property developers and agents capitalized on

the news about the JLBB construction and other related infrastructures to promote their properties. As a result, landed and commercial property products, generally sold using the sales methods of the serial number system (NUP), had succeeded in getting purchase commitments from consumers, especially when the JLLB construction started in 2015.

However, the JLBB construction must be carried out in stages over the long term due to the need to acquire people's land and the Surabaya City Government's budget limitation. To deal with this situation, property developers build JLLB that passes through their area gradually, striving to the land acquisition progress and JLLB construction carried out by the Surabaya City Government, toll road operators, and Pelindo 3 which helped build a 2.4-km-long flyover to Teluk Lamong Harbor by utilizing JLLB road access.

4 Conclusion

Taking the momentum of property business opportunities, measurable business risks, long time-held land resources around JLLB, and offering future value property investment for consumers are entrepreneurial marketing and entrepreneurial orientation practices that property developers have successfully carried out on the border of Western Surabaya and Southern Gresik. The success can be seen in the number of landed and commercial properties sold by various developers there, utilizing the JLLB development momentum since 2015.

However, the sustainability of the landed and commercial properties sales on the border of Western Surabaya and Southern Gresik will depend on the extent to which the Surabaya City Government can realize the JLLB development, the Central Government, and independent housing and township property developers through which the JLLB road route traverse their area development.

Reflecting on the construction of the MERR (Middle East Ring Road) since 2000, which was finally completed about 20 years later from Kenjeran, City of Surabaya to the residential border of Pondok Tjandra, Sidoarjo Regency, the completion of the entire MERR segment will encourage a significant increase in the property market value as well as spur regional residential and commercial area development along the MERR route East Surabaya. However, if we look at the composition of the number of developers and the larger land area controlled by large-scale property developers around the Western Surabaya border, the area around the Western Surabaya JLLB main road has more potential to develop than East Surabaya MERR in the long future.

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