

BUSINESS IMPROVEMENT FOR PT PERTAGAS NIAGA IN UTILIZING CNG MRU TO EXPAND THE RETAIL MARKET IN BALI AREA

Rafi Putera & Liane Okdinawati
Bandung Institute of Technology, Indonesia.
Corresponding email: rafi_putera@sbm-itb.ac.id

Abstract

Compressed Natural Gas (CNG) is natural gas compressed into less than 1% of the volume it occupies at standard atmospheric pressure. CNG is stored and distributed in a hard container at a pressure of 180 – 250 bars and transported by truck to make it easier to supply, especially to a customer who has relatively long distances from gas field. CNG is still perceived as the bridging product until the customers have access to Pipeline Gas. For the last couple of years, a few of CNG customers of Pertagas Niaga have switched to Pipeline Gas once it is available. If the costs of sales of CNG are to be borne to the sales of the current contracted volume, the company target and minimum margin cannot be achieved. The company's target of CNG sales could be achieved by increasing the sales volume in the brand-new area with less risk of competition. The CNG sales need to target new customer segments that consume gas in smaller volumes which are not economically feasible to be supplied with Pipeline Gas and in the area where there are still no competitors. The retail market is easier to approach due to the prices of CNG being lower than LPG; the terms of the sale are also in favour of the customer as they only paid the volume of gas read on the meter system rather than depending on the Kilogram Scale LPG use. New CNG is expected to generate efficiency on transportation cost and acquires new customer segments.

Keywords: Retail CNG, CNG Hub, Business Model Canvass, Strategy Diamond
