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ANALYSIS OF THE ADVERTISING INDUSTRY'S COMPETITION IN PEKANBARU CITY

Abstract: This study aims to determine the competition in the advertising industry in Pekanbaru City. The data used are primary data and secondary data. The population and sample in this study were the advertising industry in Pekanbaru City, which amounted to 15 business units. This study uses quantitative descriptive analysis to determine the conditions of business competition in the advertising industry in Pekanbaru City. The analytical test tools used in this study are the market structure of CR4, IHH and Porter's Analysis. The results of the market structure research show that CR4 30.05% is a monopolistic market with a value approach of $0 < CR4 < 40$ and a Herfindahl-Hirscman index value of 712.1 This means that competition in this industry is included in the monopolistic category with an IHH value approach of $< 1,500$. The results of Porter's analysis research can be seen that the competition in the advertising industry in Pekanbaru City is quite high, because the number of advertising industries is large, both licensed and unlicensed. From the supplier variable, it is quite strong coming from inside and outside the region. From the variables of new entrants, there are not too many obstacles to entering the business such as the amount of capital, the same type of business that has lasted a long time, as well as price competition and product quality. From the substitute product substitution variables that threaten the existence of advertising businesses in Pekanbaru City, namely the presence of posters, brochures and calendars with materials, sizes, designs at relatively low prices and good product quality.

Key words: industry competition, advertising, CR4, IHH, porter.

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Introduction

In order to reap the greatest rewards from the development's outcomes, the entire community is still encouraged to participate in the economic sector growth, which is a priority in national development. Development in the industrial sector is a key factor when focusing on the goal of encouraging economic sector development. Small and large industries are one of Indonesia's strengths in attaining this development, when seen from a socioeconomic standpoint.

The industrial sector is one factor that aids in national growth. The relationship between this sector and a nation's growth and development is crucial. The industrial sector is Indonesia's most competitive industry, and it is characterized by the growth of numerous small and medium-sized businesses across the country.

The community-use industry, which can employ as many people as possible, such as small industries, needs to be established in order to improve the industry. The growth of employment options for the workforce, which is always growing, as well as raising people's earnings to a more equitable and comprehensive level are two difficulties in development that the small industrial business sector is crucial in addressing.

One of the biggest economic hubs in the east of Sumatra Island is Pekanbaru City, the capital of Riau Province. The city recognized for its commercial and industrial sectors is Pekanbaru City.

As a result of the existence of SMEs, the issue of labor absorption can be solved, making it possible for it to become a source of income. Small and medium-sized industries (IKM) play a very important role in making a big contribution to the country's economy, both in developed countries and in developing countries, including Indonesia. essential to society. The information that follows shows how many small and medium-sized business developments there were in Pekanbaru City between 2017 and 2020.

Table1. Data on the Development of Small and Medium Industries in Pekanbaru City in 2017 – 2020

No	Subdistrict	Number of Companies (Units)			
		2017	2018	2019	2020
1	Tampan	15	10	11	21
2	PayungSekaki	29	17	12	22
3	Bukit Raya	5	5	3	3
4	MarpoyanDamai	19	3	4	9
5	TenayanRaya	6	9	3	8
6	LimaPuluh	3	3	1	1
7	Sail	-	1	-	-
8	PekanbaruKota	7	-	4	-
9	Sukajadi	15	5	6	4
10	Senapelan	7	2	3	5
11	Rumbai	6	-	4	6
12	RumbaiPesisir	5	-	1	1
	Total	117	54	52	80

Source: Dinas Perindustrian dan Perdagangan Kota Pekanbaru, 2021.

Advertising, which includes the process of creating, producing, and disseminating the resulting advertisements, such as market research, advertising planning, outdoor advertising, and material production, is one of the creative industries that is now growing significantly in Pekanbaru City. advertising, public relations initiatives, promotions, the placement of different posters and images, the distribution of flyers, booklets, circulars, brochures, and similar billboards, as well as the delivery of promotional items or samples.

The process of creating, producing, and disseminating the resulting advertisements, for instance, includes market research, advertising communication planning, outdoor advertising, the production of advertising materials, promotions, public relations campaigns, and the display of advertisements in print (newspapers, magazines), electronic media (television), and other forms of media.

Billboards, banners, and other types of advertising signage are frequently employed. The present social order and society cannot exist without banners, billboards, and promotions. Today's billboards, banners, and banners have evolved into a communication system that is crucial for both customers and companies that create goods and services. advertise its goods and services. Advertising

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and promotion are used by many different types of businesses, from retail to global corporations, to support the marketing of their goods and services to the general public.

The growth of printing and publishing companies in Pekanbaru City is evidence of the expansion of this advertising service. It is made simpler for business owners in Pekanbaru City to advertise and market the products and services they offer. In order to keep customers interested, advertisements must be made exciting and occasionally even dramatic. This is due to the increasing dynamics of the people of Pekanbaru City who use advertising services, such as billboard covers and banners, as a requirement to have fun in a business. However, no particular target receives the advertisement (direct).Through mass media, advertisements are spread to a large audience, and everyone will embrace these communications, regardless of their age, group affiliation, ethnicity, etc. The graphs below illustrate how advertising changed in Pekanbaru City between 2016 and 2020.

Table 2. Data on the Development of the Licensed Advertising Industry in Pekanbaru City in 2016 – 2020

No	Year	Business Unit	Produced Product
1	2016	4	*Cover*Baliho, Spanduk
2	2017	2	Spanduk,*Banner, Cover*Baliho,
3	2018	4	*Cover*Baliho,*Banner*, Spanduk
4	2019	3	Spanduk, *Cover*Baliho
5	2020	2	Spanduk, *Cover*Baliho

Source:Dinas Perindustrian dan Perdagangan Kota Pekanbaru,2021.

One industry that is quite common in Pekanbaru City is business advertising. The advertisement has the potential to significantly improve the local economy. Its presence has increased the number of jobs available to the neighborhood. Banners, covers, and other advertising materials are generated. Although the growth of billboard advertising in Pekanbaru City has been positive, there are still many issues to be resolved. The weak areas of capital and management are the barriers or hurdles that lead to weakness for the management of the advertisement.

Intense rivalry, which accounts for 45% of all problems in Pekanbaru City's advertising, is a typical occurrence. The issue of falling sales comes in second with a 30% percentage. Entrepreneurs in the advertising sector also struggle with the 15% problem of advertising with personal cash. Because there are still not enough machines for production with a percentage of 10%, the issue with the smallest percentage is on those machines.

Due to this phenomenon's tight business competition and sales that don't match production, every business owner needs to be aware of competitive strategies. Porter (1980) argues that competitiveness isn't just judged by a company's ability to turn a profit, but also by how it uses its assets and potential to compete in the market it now occupies while maintaining a level playing field with developing new products.

Intense rivalry, a lack of funding for raw materials purchases, and a lack of consumers owing to the volume of advertising make up some of the primary issues in the field of advertising. As a result, advertising is reduced. Due to the phenomena of fiercer and fiercer competition, business owners and managers must continue to work to sell their products, compete in advertising, promote product loyalty, and make a positive first impression on customers. Due to the fact that consumers have a wide range of preferences to satisfy their own levels of satisfaction, the number of buyers is increasing rather than decreasing.

The writers are interested in doing study under the title: *"Analysis of The Advertising Industry's Competition In Pekanbaru City"* in light of the background information provided above.

Formulation of The Problem

In light of the backdrop previously mentioned, the problem as studied by the research is formulated as follows:

1. What is the advertising market structure in Pekanbaru City?

2. How does the Porter's Forces Model study describe the advertising competition in Pekanbaru City?

Research Purposes

1. To determine the market structure of advertising in Pekanbaru City.

2. To determine the competition in advertising in Pekanbaru City using the Porter's Forces Model.

Benefits of The Research

The following advantages will result from this research:

1. Donations for research interests to enhance the advertising's insight and understanding so that it can later be used as a reference for future researchers.

2. Industry players advertising in Pekanbaru City to help their businesses grow.

Literature Review
Industrial Theory

According to the Central Statistics Agency (2022), a company or industrial business is a business unit that engages in economic activities, aims to produce goods or services, is housed in a specific building or location, has its own administrative record regarding production and cost structure, and is managed by one or more people. A micro industry is a group of businesses that produce similar goods (homogeneous) or goods that can be substituted for other goods. Meanwhile, macroindustry is an economic activity that generates value that can be used, or has added value. So the industry limits on a micro are a group of companies that produce goods and macroeconomic activities that generate income.

Production

Production includes the processes of creating, producing, and making. Production activities will be halted if there are insufficient materials to complete the manufacturing process. People require human labor, natural resources, capital in all forms, and skills to carry out production. All of these elements are referred to as production factors (factors of production). As a result, all of the elements that contribute to the effort to create or increase the value of goods are referred to as factors of production.

Sale

According to Thamrin Abdullah and Francis Tantri (2016), sales are a component of promotion, which is a component of the overall marketing system. According to the experts' definitions, selling is an activity in which a buyer and seller meet to conduct transactions, influence each other, and consider the exchange of goods or services for money.

Advertising Industry

According to the Creative Economy Blueprint 2025, the creative economy is a value creation (economic, social, cultural, and environmental) based on ideas born from the creativity of human resources (creative people) and based on the application of science, including cultural heritage and technology. Creativity does not have to be limited to works of art and culture; it can also be based on science and technology, engineering, and telecommunications. The creative economy is built on three main components: creativity, innovation, and invention.

Industrial Market Structure

According to Nikensari (2018), market structure refers to the number and relative strength of buyers and sellers, the level and form of competition, the level of product differentiation, and the ease of entering and exiting the market.

Porter's Five Forces Competition Theory

According to Porter (1980), the foundation of a strategic analysis theory is to emphasize and clarify the ultimate goal of an industry or business that will affect the marketing of a business product. The number of products sold and how a company survives in an industry are indicators of competitive value. In the theory of industrial competition, we know from Michael Porter's famous theory when analyzing competition (competitive analysis). The Porter Five Force Model is the name given to this theory. Porter's five forces model is used to analyze the industry's competitive environment. The bottom line is that the porter determines that the company is not only competing with existing companies in the industry.(Arismunandar, 2013).

Defining competitive advantage, according to Porter (1980), is at the heart of a company's performance in a competitive market. Furthermore, competitive advantage has an impact on the company's strategy, structure, and existing competitors. Alternatively, at the regional and national levels. The presence of local competitors has a significant impact on the growth of innovation. Local competitors have more incentives to improve their business than foreign competitors.

Research Framework

Analysis of The Advertising Industry's Competition in Pekanbaru City

Market Structure Based on Seller Concentration:

1. Concentration Ratio (CR4)
2. Herfindhal Hirschman Index (IHH)

Porter's Five Forces Model Analysis

1. *competition*
2. *new entry*
3. *suplier*
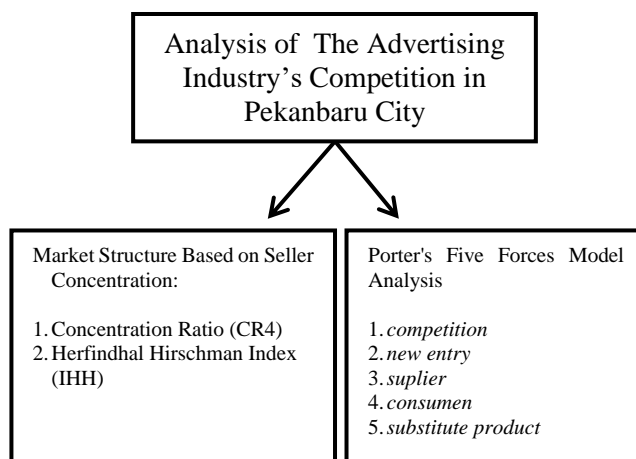4. *consumen*
5. *substitute product*

Figure 1. Schematic Research Framework

Research Methods

This study was conducted in Pekanbaru City. The city was chosen as the research location because it has significant potential to develop its economic sectors, including advertising. This study will take place between March and August of 2022.

The population is a generalization area composed of objects/subjects with specific qualities and characteristics that researchers have determined to be studied and then drawn conclusions from (Sugiyono, 2016). The sample is a subset of the population in terms of size and characteristics, and the sampling technique is known as sampling. According to the explanation above, the population in this study consists of actors and business owners in as many as 15 advertising industries in Pekanbaru City.

The data used in this study is a combination of primary and secondary data, which is then processed as needed.

The following techniques are used to collect the necessary data: questionnaires and interviews (questionnaires).

Research variables are concepts or constructs that can be measured with various values to provide a true picture of industry phenomena. According to the market structure (CR4, and IHH) and Porter's Five Forces Model Analysis, Porter's five competitive forces are business competition variables, supplier variables, buyer variables, new entrants, and substitution variables, all of which are related to theories about the problems discussed. In addition, supporting variables such as economic aspects, resource aspects, and financial aspects were presented. The table below shows an operational table for advertising in Pekanbaru City.

The researchers used quantitative descriptive analysis to analyze the advertising in this study. Descriptive analysis was conducted by examining the market structure of CR4, IHH, and Porter's five forces model. A quantitative analysis is one that uses a mathematical model to determine the value and percentage of variables to be studied.

Research Results And Discussion
Market Structure in the Advertising Industry in Pekanbaru City
Market Share

Table 3. Calculation of Market Share in Advertising Industry Business in Pekanbaru City

No	Business Name	Sales/month (Rp.000)	Market Share (%)
1	Sinar Jaya Offset	125.000	7,30
2	Karya Anugerah	130.000	7,59
3	Dot Art	110.000	6,42
4	Mitra Berkah Hasanah	115.000	6,71
5	Zuhvan Sukses Abadi	90.000	5,25
6	Wahyu Zahra	125.500	7,32
7	Oke Printing	130.400	7,61
8	Sumatera Era Solusindo	120.200	7,01
9	Citra Media	105.500	6,16
10	Asia Grafika	127.000	7,41
11	Gravis Cipta Rizky	122.000	7,12
12	Mitra Utama Sejahtera	100.000	5,84

13	Matiinu Berdikari	120.000	7,03
14	Berhati	65.000	3,79
15	Karya Pratama	127.500	7,44
	Total	**1.713.100**	**100**

Source:*Data Olahan, 2022.*

According to the results of the calculation of the market share of advertising in Pekanbaru City in the table above, there are three companies with the largest market share based on sales concentration, with OK Printing having the highest market share at 7.61%. Be cautious has a market share of 3.79%, which is the lowest market share or amount of sales concentration.

The disparity in production capacity, price competitiveness, and the volume of sales from each kind of advertising are the root causes of this competition.

Calculation of the Concentration Ratio of the 4 Largest Companies (CR4)

Table 4. Calculation of CR4 Concentration Ratio in Advertising Industry Business in Pekanbaru City

No	Business Name	MS (%)
1	Oke Printing	7,61
2	Karya Anugerah	7,59
3	Karya Pratama	7,44
4	Asia Grafika	7,41
	Total	30,05

Source:*Data Olahan, 2022.*

CR4 = Oke Printing + Karya Anugerah + Karya Pratama + Asia Grafika
= 7,61% +7,59 % + 7,44 % + 7,41 %= 30,05 %
The concentration ratio of the CR4 value in the advertising in Pekanbaru City is calculated to be 30.05%. This suggests that Pekanbaru City's advertising market structure is monopolistic, with a value approach of 0< CR4< 40. (Jaya, 2001). In this

industry, there is a lot of rivalry for customers in terms of both price and service. so that entrepreneurs with insufficient resources and experience will leave the market swiftly.

Calculation of IHH(*Indeks Herfindhal Hirschman*)

Table 5. Calculation of IHH in the Advertising Industry Business in Pekanbaru City

No	Business Name	Sales/month (Rp.000)	Market Share (%)	IHH
1	Sinar Jaya Offset	125.000	7,30	53,29
2	Karya Anugerah	130.000	7,59	57,61
3	Dot Art	110.000	6,42	41,22
4	Mitra Berkah Hasanah	115.000	6,71	45,02
5	Zuhvan Sukses Abadi	90.000	5,25	57,56
6	Wahyu Zahra	125.500	7,32	53,58
7	Oke Printing	130.400	7,61	57,91
8	Sumatera Era Solusindo	120.200	7,01	49,14
9	Citra Media	105.500	6,16	37,94
10	Asia Grafika	127.000	7,41	54,91
11	Gravis Cipta Rizky	122.000	7,12	50,69
12	Mitra Utama Sejahtera	100.000	5,84	34,10
13	Matiinu Berdikari	120.000	7,03	49,42
14	Berhati	65.000	3,79	14,36
15	Karya Pratama	127.500	7,44	55,35
	Total	**1.713.100**	**100**	**712,1**

Source:*Data Olahan, 2022.*

The IHH value is 712.1 according to the figure used in the Pekanbaru City advertising. This indicates that the rivalry in this sector falls under the definition of monopolistic competition, with an IHH value

approach of between 100 and 1000, or around 1,500. Oke Printing, the company that holds the top position with the highest IHH level at 57.91%, is the business

actor that has the greatest market power over advertising in Pekanbaru City.

Porter's Five Forces Model Analysis
Competition Variables

Based on investigation carried out by academics who advertised in Pekanbaru City. We can get the conclusion that the advertising is quite expensive when combined with the advertising that is unregistered and unlicensed. These companies are advertising in Pekanbaru City.

Additionally, the cost of advertising, including that of banners, banners, and billboard covers, is a competitive component. In Pekanbaru City, price is a crucial component in the advertising rivalry. Entrepreneurs in advertising sell their goods for prices that range depending on the components and components used. The degree of consumer interest in a product is greatly influenced by the price at which it is offered. According to the materials and materials utilized, the selling price of banner items, banners, and covers used in billboard advertising in Pekanbaru City varies.

One of the competitive variables is the volume of output, specifically how much production is done by an advertisement in Pekanbaru City. Based on the study's findings, it can be said that each firm in Pekanbaru City produces advertising in a unique way. Where OK Printing produces the most items, specifically banner products costing Rp. 25,000, banner 19,000, and cover billboard Additionally, the advertising sector produces the least quantity of goods, such as banner products for Rp. 15,000 and covers for Rp. 13,000 every month.

Supplier Variable

When starting a business, a business owner must take into account a number of important factors, including the supplier variable. The availability of sufficient raw materials allows business owners to improve their production capacity and expand their target market. This is a key supplier variable. Less availability of raw materials suggests that suppliers have great negotiating leverage. Some of the raw materials are relatively simple to obtain, according to research done through questionnaires that company owners who were advertising in Pekanbaru City were asked to complete. According to the findings of a study done on the sources of the raw materials used in Pekanbaru City's advertising, the majority of these resources originate there, with some also coming from Medan, Jambi, Padang, and Jakarta.

Buyer Variable

A number of indicators, such as product selling prices, promotions, and industrial sites, can be used to identify buyer factors. One of the elements influencing a buyer's or consumer's decision to purchase a product is the product's selling price. One

technique to expose things to customers is through promotion. This indicator can be noticed in how commercial actors advertise their goods. Furthermore, location plays a crucial role in running a business because it can either be easily accessible to customers or out of their reach. Additionally, customers take into account a company's travel time and strategic position.

Advertising Product Price

Every business in Pekanbaru City offers advertising at a reasonable price. Due to the relatively intense rivalry in the advertising industry, prices for banners, banners, and covers per m2 are sold by business owners at roughly the same prices.

According to the study's findings, Pekanbaru City business owners set the rates for banners, banners, and covers based on the quality of the paper and the volume of orders. High-quality paper costs more to order for banners, covers, and other items than regular paper does. The price will be considerably less expensive than purchasing the unit if the buyer orders an advertisement.

Promotion/Marketing

According to research findings, word-of-mouth is the primary method used by business owners inPekanbaru City to promote their products and increase sales.

Location

The location of industry advertising in Pekanbaru City is fairly strategic, being adjacent to workplaces and educational institutions, making it simpler for customers to purchase goods through advertising. Every business actor in the advertising in Pekanbaru City choose their business location for a variety of reasons, including strategic position, proximity to offices or campuses, accessibility to roadways, and so on.

Product

Each advertisement in Pekanbaru City advertises its goods in one of three ways: through banners, covers, and billboards. where consumer preferences determine the purchase. Depending on the size and design of each item, billboards, banners, and other advertising media have varying prices.

Newcomer Variable

According to the study's findings, similar businesses that are not registered with the Pekanbaru City Industry and Trade Office, pricing and product quality rivalry, and capital competition are competitors for newcomers to the advertising in Pekanbaru City.

Substitution Variable

Posters, brochures, and calendars are just a few of the alternative goods used by businesses to

advertise in Pekanbaru City. Whereas 13 (86.67%) business actors who were asked if there were any substitute products said that there were no posters, brochures, or calendars to replace business advertising. This poses a significant challenge to advertising in Pekanbaru City since consumers have other options with better quality, more appealing designs, and more cheap rates.

The quality of the materials, designs, and pricing of the advertising products determine the odds of winning substitute products in Pekanbaru City. because compared to existing substitute products, banners, banners, and covers have distinct materials and sizes. Consumers choose banners, banners, and covers with more diverse designs and sizes, such as billboard covers, which stand out due to their strategic design, size, and placement and can be seen by a lot of people. So that business people whose products can still thrive in the market can take advantage of this.

Discussion
Analysis of the Business Market Structure of the Advertising Industry in Pekanbaru City

Based on the findings of the study, Pekanbaru City's advertising utilizes a market structure analysis tool to measure the concentration ratio of the four largest enterprises, CR4, IHH, and (Hirschman Herfindahl Index). The market structure is calculated using the market concentration ratio CR4, which yields a result of 30.05%. This demonstrates that the level of advertising concentration in Pekanbaru City is monopolistic with a value approach of $0 < CR4 < 40$. Because there are numerous sellers and no one has a sizable enough market share, the market circumstances in this monopolistic rivalry market are characterized by a large number of businesses that manufacture differentiated items.This demonstrates the fierce competition in the Pekanbaru City advertising market.

In the meantime, Oke Printing, with an IHH value of 57.91, is the company facing the most competitive business environment in Pekanbaru City's advertising. The Berhati business actors have the lowest IHH value at 14.36. The IHH of the advertisement in Pekanbaru City is worth a total of 712.1. As a result, the IHH value for the advertisement based on the IHH technique is between 100 and 1,000, or about 1500, indicating that the advertising is in a market with monopolistic competition.

Analysis of Advertising Industry Business Competition in Pekanbaru City According to Porter's Five Forces Model

Based on the processed primary data that was collected from respondents to the Pekanbaru City advertising. The results of the processed data show a number of variables that illustrate the level of competitiveness among the Pekanbaru City advertising respondents.

1. Competition Between Businesses in Industry

The research findings indicate that there are quite a few rivals or businesses in Pekanbaru, specifically 15 advertisements, based on the data that has been acquired based on primary data that is then processed. This demonstrates that there is significant rivalry, as evidenced by the selling price and advertising costs, which are nearly identical across all industries. This suggests that there is "very significant" rivalry in advertising.

2. Bargaining Power of Suppliers

The findings of research by researchers are recognized to be sources of raw materials for advertising from both inside and outside the city based on the data that has been gathered based on primary data, which is then processed. Raw ingredients are readily available and generally simple to procure. Due to the abundance of the raw materials received and the respondents' reports that there are many suppliers, it is clear that suppliers' ability to influence prices is limited. According to theory, the supplier's power can therefore be described as "weak."

3. Bargaining Power of Buyers

The selling price of advertising in each business is almost the same, according to data that has been gathered based on primary data that is then processed, research findings. This suggests that the advertising is very price competitive. Entrepreneurs in the industry advertise through word-of-mouth, social media, and partnerships with other parties. Customers may easily choose the things they wish to buy because all business locations are accessible.

According to the findings of interviews with respondents, consumers continue to purchase things at a set price. This shows that consumers have little power over pricing, which means that advertising's effectiveness and profitability are unaffected.

4. Newcomer Threat

Using secondary data that has been processed after being collected based on main data According to the findings of the researchers' research, establishing an advertisement requires relatively little/low investment capital due to a variety of manufacturing characteristics. Potential new entrants who have substantial cash have the chance to enter this market, conduct out product development, and then penetrate it. This makes it simpler for new entrants to enter the market, especially if new entrants innovate on existing items. Existing businesses in the market will be threatened by this, and they will need to come up with solutions to keep their clients afloat.

According to the data, the industry has relatively low entrance requirements. This idea contends that new competitors will pose a danger to Pekanbaru

City's advertising industry, increasing the level of competition.

5. Threat of Substitute Products

From the information that has been gathered using primary data that has been processed, it is known that a number of service items, specifically in the form of posters, brochures, and calendars, serve as substitutes for advertising. Although they vary depending on the quality supplied, the costs for posters, brochures, and calendars are comparable to those for banners, covers, and banners. As a result, buyers may want to switch to other items. The degree of profitability and competitiveness of businesses in the sector may be at risk as a result. Enhancements are required, such as higher quality, more promotions, and product innovation to keep customers, in order to mitigate these risks.

Conclusion, Limitations And Suggestions
Conclusion

The authors make the following conclusions from their investigation of the business competition in advertising in Pekanbaru City.

1. Advertising in Pekanbaru City uses a market structure based on business competition by measuring the concentration level of the four largest companies, or CR4, which is worth 30.05%, indicating that the advertising industry business there is concentrated in a monopolistic market condition with a value approach of $0 < CR4 < 40$. The IHH computation comes out to 712.1. As a result, the IHH value in Pekanbaru City's advertising is based on the IHH method between 100 and 1000 or 1500, indicating that the city's advertising is in a market with monopolistic competition.

2. An analysis of Porter's Five Forces Model as follows:

a) Variable Competition, the advertising industry business competition in Pekanbaru City is quite tight because there are 15 businesses that already have business licenses and are registered with the Pekanbaru City Industry and Trade Office.

b) Supplier Variable, advertising industry entrepreneurs in Pekanbaru City have several suppliers who come from both within the city and from outside the city. Sources of raw materials originating from within the city such as Pekanbaru City, and raw materials originating from outside the city such as Medan, Jambi, Padang, Jakarta.

c) Buyer Variable, in terms of buyers of advertising products in Pekanbaru City, many come from within the region but there are also some who come from outside the city. How to increase sales of the advertising industry business in Pekanbaru City is to optimally utilize social media such as Facebook, WhatshApp Instagram and e-commerce. So that the product is known by entrepreneurs. Another thing that

needs to be considered is improving product quality but at a price that is still affordable by consumers.

d) New Entrants Variable, for the variable newcomers to the advertising industry in Pekanbaru City, there are not too many barriers to entering the business such as the amount of capital, types of businesses that have lasted a long time, as well as price competition and product quality.

e) Substitution Variables, substitute products that threaten the existence of advertising businesses in Pekanbaru City, namely the existence of posters, brochures and calendars with attractive designs and relatively low prices and good product quality.

Research Limitations

Based on the researcher's firsthand experience with the research process, there are a number of restrictions encountered and possibly a number of factors that future researchers can pay more attention to in further perfecting their research because the research itself undoubtedly has flaws that need to be continually improved in upcoming research. The following are some of the study's drawbacks, among others:

1. In the process of gathering data, information provided by respondents via questionnaires occasionally does not reflect the true opinion of respondents. This occurs because there are occasionally differences in the thoughts, presumptions, and understandings of each respondent, as well as other factors like the respondents' level of honesty when providing their opinions.

Suggestion

Based on the conclusions above, the following suggestions can be given:

1. For business entrepreneurs in the *advertising industry in Pekanbaru* City, it is better to innovate by increasing marketing, promotion and production quality in order to provide satisfaction for consumers. Promotion can be done using social media such as Facebook, Instagram and other e-commerce so that sales results are in accordance with production results and sales increase. Because this can increase market share, concentration ratio, and to add greater profits for the *advertising*.

2. The Government and related agencies are expected to pay attention to the business growth of the advertising industry *in*Pekanbaru City and provide capital and training to entrepreneurs and sufficient workforce so that the *advertising* can develop better and be able to compete and survive in the market.

3. Recommendations for further research, related to the analysis of business competition in advertising using M. Porter's five strengths and deepening the discussion of the strategies used to face competition between the advertising industry and *another*.

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