

BUSINESS DEVELOPMENT STRATEGY OF BEVERAGE POWDER COMPANY

M. Zaenal Mahasin^{*)1}, Hartoyo^{*)}, Rokhani Hasbullah^{**)}

^{*)}School of Business, IPB University

Jl. Raya Pajajaran, Bogor 16151, Indonesia

^{**)}Department of Mechanical and Biosystem Engineering, Faculty of Agricultural Engineering and Technology,
IPB University

Jl. Lingkar Akademik, Kampus IPB Darmaga, Bogor 16680, Indonesia

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Abstract:

Background: Indonesia is currently experiencing the fourth wave of the coffee trend, characterized by a sharp increase in the market size of the coffee shop business. This growth is due to the ease of starting a coffee business and the emergence of digital businesses. Coffee trends have triggered an increase in domestic consumption of coffee and other drinks like chocolate and tea. The powdered beverage industry as a supporting ingredient for beverage shops has also increased with the rapid growth of modern drinks. In the last five years, this business has also increased following the growth of the ready-to-drink coffee business. Frezzo is one of the Small Medium Enterprises (SMEs) of powdered beverage that enters the medium industry category which is quite strong in the B-to-B segment. Meanwhile, Frezzo is experiencing idle capacity and achieving low market share in beverage industry.

Purpose: The objective of the research is to focus on the challenges encountered by PT Frezzo. The challenges include optimizing production capacity and market share in the rapidly evolving beverage industry through analyzing both conditions, internal and external, that influence the business growth of Frezzo Powder. This research aims to develop priorities that strategic for Frezzo's business advancement, as well.

Design/methodology/approach: This research describes analytical tools used to solve the problems which include Business Model Canvas (BMC); Porter's Five Forces; Strength, Weakness, Opportunity, Threat (SWOT); Internal External Matrix (IE Matrix) and Quantitative Strategic Planning Matrix (QSPM).

Findings/Result: The results of the analysis found that Frezzo had weaknesses in the retail sales aspect, lack of promotion and marketing network. The study concludes that there are priority strategies can be mapped into a new business model that should be applied rapidly. The priority strategies involve addition of new partnerships to cooperate with, such hotels, restaurants and cafes (horeca). Another priority is addition of Frezzo outlets and retailers in considerable towns. And then, new product differentiation in practical drinks, size variations, along with intense advertisement and promotions via Google, TikTok and YouTube. The last priority is addition of horeca sales representatives and procurement of fully automatic machines.

Conclusion: To optimize production capacity and market share in the rapidly evolving beverage industry, company focus market penetration through infiltration of market comprises activities of promoting, discount or reduction of price, and comprehensive in distributing product. In this case, the activities of market penetration are conducted by extending avenues in reseller and Frezzo stores.

Originality/value (State of the art): This research is useful for similar companies to provide an overview for business development by taking advantage of opportunities, level of competition and alternative strategies according to market segments and company characteristics.

Keywords: beverage industry, beverage shops, priority strategies, Frezzo, business development

¹ Alamat Korespondensi:

Email: m.zenmahasin@gmail.com

INTRODUCTION

Coffee trends have triggered an increase in domestic consumption of coffee and other drinks like chocolate and tea. Currently, Indonesia is recognized as one of the largest producers of coffee, chocolate, and tea in the world that derivative products also develop along with the growth of modern drinks, from flavor powdered drinks, ready to drink (RTD), coffee powder, and coffee bean.

Based on reports from PT Toffin and Mix Marketing & Communication, it is noted that in the last three years the number of coffee shop outlets has increased more than 3 times. Growth of coffee outlets in 2016 from 1083 stores to 2,937 stores in 2019. (Research “2020 Brewing in Indonesia”; Toffin Indonesia). Based on the recent amount of coffee shops recorded and the presumption that average transactions for each store are 200 glass every day, and the amount of a cup of coffee is IDR 22,500, PT Toffin predicts the market rate of coffeehouse in Indonesia is expected to be in range IDR 4.8 trillion for each year.

Indonesia is currently experiencing the fourth wave of the coffee trend, characterized by a sharp increase in the market size of the coffee shop business. This growth is due to the ease of starting a coffee business and the emergence of digital businesses. According to data from Bank Indonesia, digital transactions in Indonesia have increased by 64.48% annually during this period (Safitri, 2020). Based on the data, it is shown that digital usage in diversified generation society consumes extra hour for e-commerce than shopping in typical life (Kemp, 2020). In this same period, accompanied by modern drink trends such as Boba tea, Thai tea, Ice cream and Cheese tea, brands emerged such as Dum-Dum, KOI The, Haus, Es Teh Indonesia, Mixue which mushroomed in Indonesia. The product innovation and market expansion has contributed to the increase in beverage trends in all regions.

The powdered beverage industry as a supporting ingredient for beverage shops has also increased with the rapid growth of modern drinks. In the last five years, this business has also increased following the growth of the ready-to-drink coffee business. The types of powder drink sold are quite diverse, from drinks made from coffee, chocolate, tea, and fruit. Powder drink is here to complement previously booming drinks such as iced coffee, iced tea, and fruit ice.

Sales of Frezzo drink powder increased at the peak of the Covid-19 pandemic in 2021, this year Frezzo filled the home and to-go coffee market, while in 2022 to 2023 it experienced a decline because the impact of Covid-19 had decreased, the coffee market shifted to malls. Currently, the percentage of PT Frezzo's sales transactions absorbed is 60% of the available production capacity, so there is still idle capacity that needs to be pursued so that production can run optimally. External problems such as fluctuations in raw material prices and increasingly competitive market competition are problems that must be addressed immediately, because they have a powerful effect on PT Frezzo's growth in the future. The objective of the research is to focus on the challenges encountered by PT Frezzo in optimizing production capacity and market share in the rapidly evolving beverage industry.

The introduction of strategic management concepts and the importance of innovation provides a theoretical basis for the study. However, a clearer connection between these concepts and the specific strategies for PT Frezzo would be beneficial. In 2019, Innoncenti and Zampi disputed that investment in Research and Development (R&D) causes innovation capacity escalation of the companies. In addition, the investing in R&D will make the company effortless to achieve the rivalry. According to Nasution et al. (2019), a foodstuff start-up that wishes to be favorable should own production including advantages which communities demand. The start-up company needs to establish technology-based commodities to challenge in the actual retail, as well. Concurrently, Dessyana and Riyanti (2017) stated that start-up prosperity is affected by entrepreneurial individual-productiveness either having faith in the expertise and capability of leaders to grow the company. The proposition of this study is that implementing strategic business development practices will enhance PT Frezzo's market competitiveness and operational efficiency. As the most advanced level of this research is the fact that we are able to examine this research to the preceding exploration. The previous investigations related to this research were accomplished by several authors. Rachmani et al. (2019), Mahdi and Baga (2018), and Trenggono et al. (2018) had developed a latest model to grow business with further forceful procedures beyond the earlier method utilizing BMC and SWOT. The method is encouraged by Osterwalder and Pigneur (2015), the usage of BMC and SWOT combination is able to figure out a business model forcefully. Furthermore, Trenggono et al. (2018) could

not evaluate present situation of the company and critical preferences to be applied toward the new model of business. Therefore, in this research the methods are integrated from the previous work by Effendi et al. (2017) and Kartika et al. (2018). The similarity of the two researches is using analysis tools such SWOT, IE Matrix, and QSPM. Therefore, the current position (grow and build, hold and maintain, and diversify) of the company can be assessed by using SWOT and IE Matrix. And the use of QSPM is beneficial to conclude strategic priorities. This research associates various techniques from previous works that makes it different. The analysis technique of this research is the combination of several previous model by Rachmani et al. (2019) and Mahdi and Baga (2018) that use BMC and SWOT. Another business model development that were used as reference is QSPM that were examined by Effendi et al. (2017), and Kartika et al. (2018). The methods in this research utilize BMC, SWOT, IE Matrix, and QSPM as a tool. By using analysis that combines BMC, SWOT, and IE Matrix, it was probable to figure out the business model for the company comprehensively. Moreover, the approach developed is to accustom the current position (grow and build, hold and maintain, and diversify) of the company to create the specific plan in accordance with the intrinsic and extrinsic circumstances of the company. Furthermore, the enterprise is not able to apply the entire precise scheme caused by the restrictions of expense and time. Hence, QSPM is utilized in this research to separate the specific action plan to high level and low level of importance, where new models of business will outline the immense critical of strategies.

The study's objectives consist of three principles, i.e. (1) to classify the current model of business with Business Model Canvas, (2) to build alternate plannings based on analysis of strengths, weaknesses, opportunities, and threats (SWOT) of its BMC, and (3) to set up the precise action plan of business based on the Quantitative Strategic Planning Matrix (QSPM) and generate a New Business Model Canvas that is going to be implemented by the company.

METHODS

This study is carried out at the PT. Frezzo Makmur Indonesia, Cileungsi, Bogor, West Java from January to March 2024. Within the analysis process of the research, the collection of prime and secondary

data is utilized. Prime data is collected straight from sources by way of interviews and questionnaires with enterprises, customers, and professionals. Expert came from well-known café chain engaged in beverages sector. Starbucks is the biggest coffeeshop spreads store to various big cities in Indonesia. The product was determined coffee and others flavor like Matcha, Chocolate, and fruits. It's similar with Frezzo beverage products. The second expert came from small medium chain café from Teh Poci, specialist cafe player in the form of a street-booth with superior tea products, in common with Frezzo has a lower middle class customer segment. From both practitioners, how to specifically specify the action plans regarding the finest procedures could be studied. The specific scenario would definitely conquered the deficiency and dangers of PT Frezzo.

The purposive sampling is applied as the sampling technique. In companies, it was conducted by direct observation and interviews. The straight investigation and interview were conducted in the activities of business such as obtainment, process of manufacturing, selling, retailing and the others. And interview also carried out for the customers who have purchased in the last year. The analysis technique of qualitative data concerning the methods of IPA-IFE-EFE-IE-SWOT is accomplished by interviews that carried out using questionnaires filled by 1) Director, 2) Marketing Manager, and 3) Operation Manager of PT. Frezzo, and continued with quantitative analysis. Quantitative analysis is achieved through focus group discussion (FGD) that is conducted with the professionals and specialists correlated with the study. The data collected via distributing Five Force's Porter and QSPM questionnaire to both respondents including Teh Poci Manager and Starbucks Manager. The secondary data was earned by studying literatures related to the substance of the research. The literatures were gained over various sources such journals, e-books, books, articles, websites, and the others.

Based on Figure 1, The first step in the input stage, the IFE and EFE attributes are formed from the results of the analysis of Business Model Canvass (BMC), Strength Weakness Opportunity Threat (SWOT) and Porter's Five Forces. The second step is the matching stage. In the matching stage, the IFE and EFE Matrix is used which is mapped in the SWOT framework to develop a strategy of strengths, weaknesses, opportunities, and threats. thus, producing a strategy of strengths opportunities, strengths threats (S-O, S-T)

and weaknesses opportunities, weaknesses threats (W-O, W-T). After conducting the analysis, alternative strategies use QSPM where priority is measured from the total attractive score obtained from assessing the weight of IFE and EFE scores against the action plan (S-O, S-T, W-O, W-T) to produce high and low urgency strategy. The third step is the scheme that would be establish to the new model of business. The strategy is planned to a high critical level, and it is expected to resolve the core problems of the company. Therefore, a new model of business that the company would achieve is obtained.

The purpose of business strategy analysis using the SWOT and QSPM methods are 1) matching internal strengths with weakness condition, and identify opportunities and threats which occur in the business environment of the company, 2) Using information obtained from SWOT analysis to develop effective and quality business strategies, 3) Evaluate and select the most appropriate marketing strategy using the QSPM method.

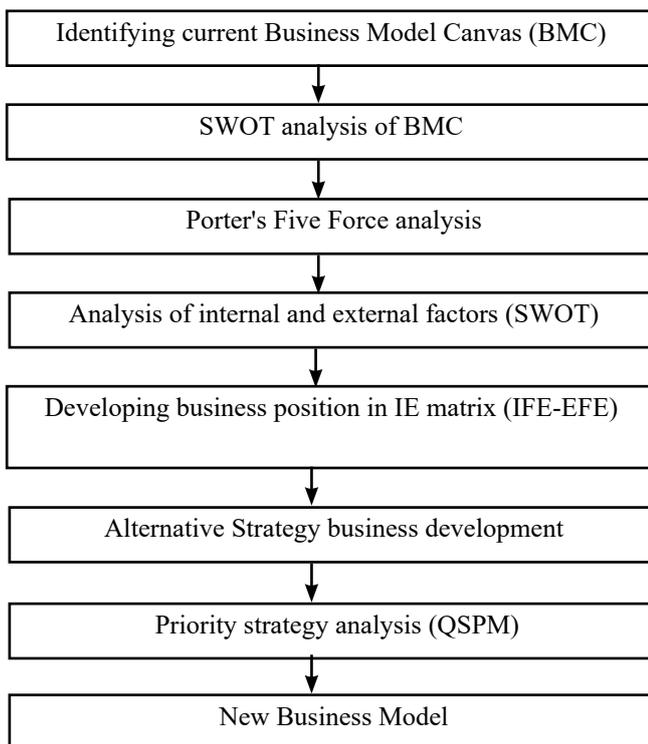


Figure 1. Research framework

RESULTS

Identifying Current Business Model

PT Frezzo Makmur Indonesia (PT Frezzo) is a start-up company that was founded in 2014 in Bogor Indonesia, office location in Pusat Pergudangan Commpark Blok C No. 7, Bogor, West Java. Currently has more than 400 product variants. The marketing strategy mostly uses digital marketing such as e-commerce, marketplace, and Instagram, to optimize advertising using advertisements such as Google ads and Shopee ads.

Current model identification in Figure 2 is used to find out the business model that has been running from the beginning of Frezzo's founding until now. This identification is to see the opportunities of the business development which have not been applied yet. And the opportunities should give a great influence in the company, as well. Identification is conducted regarding nine elements of the Business Model Canvas (BMC) business model block, such segments of the customer, propositions of the value, channels, relationships of the customer, streams of the revenue, key partnerships, primary activities, main resources, and structure of the cost. According to Zott et al. (2011), a business model is able to contribute an analysis of manner of an enterprise to run industry and describes in what way to invent financial worth.

The function of SWOT analysis is to evaluate the model of business. It is able to explain the ongoing conditions of business and evaluate the aspects which remain in the model of business. Accordingly, by using combination of both methods, the advantages and opportunities will be maximized, deficiencies is improved, and existing threats could be minimized (Osterwalder and Pigneur, 2015). In order to enhance the process of business process for every block; some investment opportunities can be optimized. In accordance with Kemenristek (2020), favorable circumstances are available to support start-ups financially to expand their industry range. Then, confirming to Ramadhani (2020), currently, the latest digital technology innovations in the financial services industry, more famous with name fintech (financial technology) has been established. One example of fintech is peer-to-peer (P2P) loan. By using P2P, customer can get several benefits such effortless, quick entry, below-interest percentages, and adaptable assurance arrangements.

Key Partnerships Strategic partnerships with suppliers and consumers/agents in several regions.	Key Activities Raw material procurement, production, marketing, sales, and technology activities.	Value Propositions Affordable prices, one stop shopping for powdered drinks, balanced taste in all variants, buy back guarantee.	Customer Relationships 30% discount price for agents, several gifts	Customer Segments Customer B to B (trader)
	Key Resources Semi-automatic production machines, human resources 50 people, sufficient cash		Channels Stockiest, reseller, marketplace	
Cost Structures Fixed costs: Rent costs, taxes, security cost, advertising costs. Variable Cost: raw materials, electricity & water, labor, commission.		Revenue Streams Sales of powdered beverage products, transportation logistics		

Figure 2. Current business model

Customer Segments

Frezzo has strength in the wholesale customer segment with quite large volume purchases, based on sales records of 70% of sales from Business to Business (B to B) sales. This segment is dominated by retail traders, such as packaging and baking goods shops, where the trader's strength is the high turnover of goods. The weakness is that retail customers such as marketplaces are still low at 30%. The opportunity is that the marketplace segment continues to grow along with the ease of transactions and offers of shipping cost subsidies from service providers such as Shopee and Lazada. Secondly, opportunities in the hotel, cafe, restaurant, and franchise industry segments are still not being exploited optimally and the growth is quite significant. The threats that will be faced are competitors with giant capital and providing ease of payment.

Value Propositions

Strengths Frezzo is the most affordable price, especially for wholesale purchases, the most complete product variants, the packaging is also considered good by customers. Frezzo's weakness is that it is difficult to penetrate the premium drink powder market, in addition to delays in delivery when demand is high. The opportunity is that the growth of the premium segment continues to increase, such as modern cafes and drink shops, several types of retail packaging from 25gr

to 250gr. The threat it faces is consumer purchasing power which has fallen due to the impact of the global pandemic.

Channels

Frezzo's strengths include having strong marketing channels in large provinces such as Jakarta, North Sumatra, South Sulawesi, and Central Java. Frezzo has used communication media via Google Ads for more than 8 years. The weaknesses are market penetration in the marketplace, shops are not yet evenly distributed in big cities, have not yet explored the coffee shop market and large franchise brands, have not yet worked on communication media on TikTok and YouTube. The opportunities are the increasing growth of the coffee shop market, increasingly diverse digital platforms. The threat is aggressive competitors opening stores in big cities.

Customer Relationships

Frezzo's strength is the special prices applied to existing customers, proving that consumers are more loyal with a high repeat order rate. complaints are managed well. Promotion is currently limited to Google and Instagram, needs to be expanded to TikTok and Youtube. Promotional programs are also considered only target certain customers. Frezzo's opportunities are emerging digital platforms or partnerships that

could be leveraged by TikTok and Youtube. The threats that Frezzo will face are other competitors who utilize more diverse promotional media such as TikTok and YouTube and competitors who enhancing their social media presence or creating more engaging promotional content

Revenue Streams

Frezzo's strength is in consumer payments of 100% cash before delivery, its weakness is that other income apart from selling powdered drinks is still exceptionally low, but the opportunity to collaborate with other parties to get other income, such as expeditions, raw material suppliers is very possible. The challenges that will be faced are competitors who have implemented better revenue streams.

Key Resources

Frezzo has sufficient machine capacity with a choice of semi-automatic and fully automatic machines, human resources for both production operators and office staff are sufficient for current needs. The shortcomings that often occur are that production operators do not consistently conduct production process standards properly, such as process, speed and cleanliness of the production area. The opportunity that Frezzo currently has is the choice of distributor for production machines that are more modern and have better production speeds. Challenges faced by competitors who use better technology and human resources that are more qualified and competent.

Key Activities

Frezzo's strength is a good raw material procurement system, implementing production standards according to food safety. The weakness is related to fluctuations in raw material prices caused by the increase in the dollar exchange rate, especially imported raw material. Sales still depend on market conditions and weather. The opportunity is to establish cooperation in procuring raw materials with longer contracts to get stable raw material prices. The threat that will be faced is climate change which has an impact on limited raw materials and unaffordable prices.

Key Partnerships

The current strength is that the partnership pattern with suppliers and consumers is running well. The weakness is that the alternative of suppliers is still small so there are few competitive price options. The current opportunity is that the local market is quite large and tends to increase. The threat faced is the movement of competitors who are more rapid in establishing long-term cooperation with suppliers, large consumers, and exporters.

Cost Structures

The current strength is that fixed costs are more stable with strict control and a budgeting system that is evaluated every month. The weakness is that variable costs, especially fluctuations in raw materials, the opportunity is to increase sales with the choice of many marketing channels. The threat that occurs is an increase in raw material prices.

Importance Performance Analysis

According to Figure 3, it was found in quadrant I that attribute had a remarkably high gap, namely delivery speed with a gap of 0.42, promotional media with a gap of 0.36, customer segment with a gap of 0.16, suitability of the product received with a gap of 0.16. So, these four attributes need to be resolved immediately by the company to meet consumer expectations.

Porter's Five Forces Analysis

According to Porter (1997), there are five forces that influence industrial competition, including competition between similar companies, potential new entrants, buyers, suppliers, and the existence of substitute or substitute products. This industry structure analysis is fundamental to being able to formulate an effective competitive strategy. Table 1 shows a summary of the value of each porter's strength of the beverage powder business of the five forces, the forces that most threaten PT Frezzo are the strategic factors of suppliers (3.71) and new entrants (3.71). Meanwhile, the forces categorized as quite threatening are similar industries (3.57), strategic buyers (3.56) and substitute products (3.50). Therefore, of course the Frezzo company will pay more attention to factors that have a higher threat value, namely strategic factors of suppliers and new entrants.

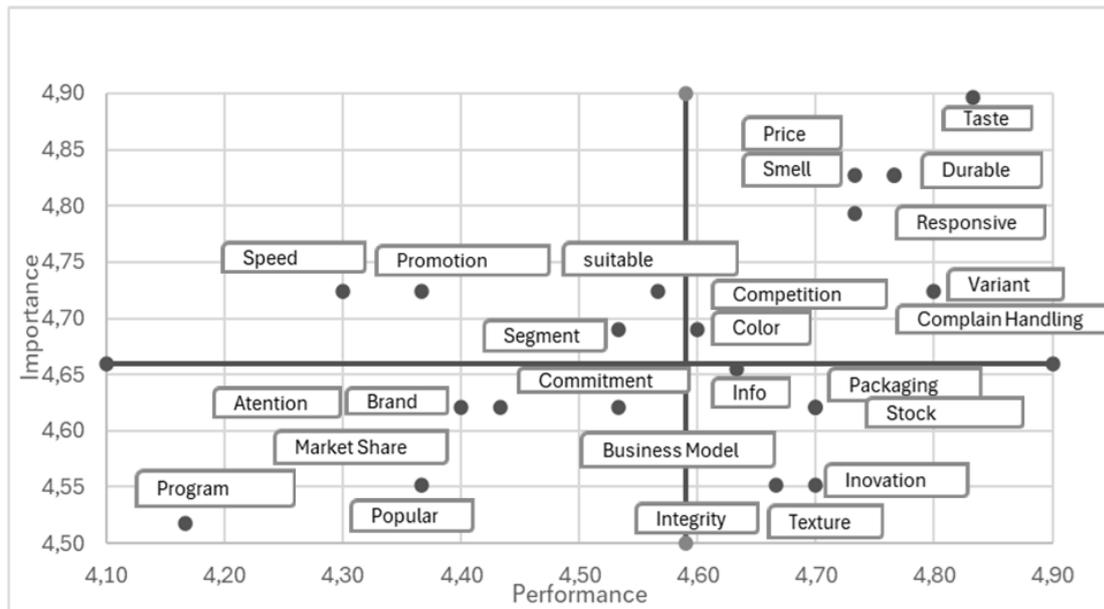


Figure 3. Cartesius diagram

Tabel 1. Porter’s Five Force Analysis

Porter’s Five Forces	Score	Category
Similar companies	3.57	Medium
Buyers	3.56	Medium
Suppliers	3.71	High
Substitute product	3.50	Medium
New entrants	3.71	High

IFE, EFE dan IE Matrix

The company environment is divided into two, namely the intrinsic and extrinsic environment. The objective of quantifying the intrinsic environment is to conclude the proficiencies that can be advanced farther and expected to improve current inadequacy. Meanwhile, the aim of extrinsic assessment is to make optimal use of opportunities and minimize threats (David, 2007). After performing a SWOT analysis on the Business Model Canvas based on IPA and Porter’s Five Forces analysis, various internal and external analysis results were obtained for PT Frezzo. From this analysis, the company can take strategic issues which will be mapped into the IFE and EFE Matrix. The following internal and external strategic issues are in Table 2 and Table 3.

Regarding mapping the IFE and EFE matrix values, the value of IE matrix is obtained (3.62, 3.68), it means that the company’s location is in quadrant III (Figure 4). In accordance with David (2007), quadrant III indicates that the enterprise has a status of growth strategy (evolve and reconstruct). The company could employ several alternate strategies, for example market infiltration, commodity development, vertical integration, horizontal integration, and others.

Alternative Strategy (SO, WO, ST, and WT)

In order to improve business process in company and to establish better enterprise, there are several strategies that can be composed. The subsequent is a specific description of every category of strategy.

S-O Strategy

Kartika et al. (2018) disputes that particular market segments will be increased by the modifying or differentiating of commodity through R&D works. As a result, the sales will be raised, as well. Product differentiation also gives another advantage. In accordance with Evalia (2015), it is concluded that discernment in products and packages will enlarge addition value, therefore the commodity will have a greater marketing value.

Tabel 2. Internal Factor Evaluation (IFE)

No.	Strength (Internal Factor)	Weight	Rating	Total
S1.	Good taste, originality, product benefits; result from R&D activities	0.07	4.00	0.27
S2.	Product variant	0.07	3.50	0.23
S3.	Digital marketing using both Google and Marketplace	0.07	3.67	0.24
S4.	Price competitiveness	0.06	3.83	0.24
S5.	Promotion; discount, gift, free delivery, etc	0.06	3.33	0.20
S6.	Good technology	0.06	3.33	0.21
S7.	Good cashflow management	0.07	4.00	0.26
S8.	Good responsiveness, reliability, and assurance	0.07	3.67	0.25
No.	Weakness (Internal Factor)			
W1.	Raw materials chain's problem (continuity, quality, and price)	0.07	3.83	0.25
W2.	Unstable price of raw material	0.07	3.83	0.25
W3.	Product branding	0.06	3.17	0.19
W4.	Idle capacity of factory	0.06	3.17	0.19
W5.	Marketing & selling strategy still focus on digital marketing	0.05	3.83	0.21
W6.	Human resources who are still concurrent	0.06	3.67	0.22
W7.	Sales still depend on market conditions and weather	0.05	3.33	0.18
W8.	Inconsistent production processes	0.06	3.67	0.22
IFE Scores		1.00		3.62

Tabel 3. External Factor Evaluation (EFE)

No.	Opportunity (External Factor)	Weight	Rating	Total
O1.	Changes in people's lifestyles regarding current drinking trends	0.08	3.67	0.28
O2.	Increase in online consumer transactions	0.07	3.50	0.25
O3.	The millennial generation market has a large population	0.08	3.67	0.28
O4.	Increase in coffeeshop growth trend	0.08	3.67	0.29
O5.	Business licensing is getting easier	0.08	3.83	0.31
O6.	Government support in developing SMEs, both training and licensing	0.08	3.83	0.30
O7.	Ease and flexibility of payments from the marketplace	0.08	4.00	0.33
No.	Threat (External Factor)			
T1.	Increasingly strict tax policies encourage an increase in selling prices	0.08	3.67	0.28
T2.	The supply of raw materials is limited due to the El Nino effect	0.07	3.33	0.23
T3.	Buyers easily switch to other products	0.08	3.83	0.30
T4.	Government threats regarding customs regulations of refined sugar	0.07	3.17	0.23
T5.	Competition in similar industries (price, benefits)	0.08	3.83	0.30
T6.	The threat of large investors in similar segments, foreign and domestic	0.08	3.67	0.29
EFE Scores		1.00		3.68

- Hence, the beginning specific action plan is differentiating the product for coffeeshop segment with strict R&D targeting the millennial market, as well as a choice of retail packaging sizes (S1, S2, S4, O1, O3, O4). According to the conclusions of the SWOT analysis at BMC, it shows that the market growth segment in the millennial age is increasing, which has an impact on the growth of new cafes in Indonesia.
- Second strategy by using the TikTok and YouTube platforms to target millennial end consumers with attractive and attractive design displays (S3, O1, O2, O3, O7). Increasing marketing content will increase consumer interest. Having an attractive, attractive video will certainly impress consumers and make it easier for them to understand the marketing being delivered.

EFE	4	I ←	II	III (3.62, 3.68)
	3	IV	V	IV
	2	VII	VIII	IX
	1	1	2	3
		IFE		
		1	2	3
		1	2	3

Figure 4. IE Matrix

- Third strategy is utilizing internal promotions and marketplaces to maximize sales (S3, S4, O1, O2, O4). The strategy is conducted by creating a promotional program dashboard within a year. It cannot be denied that promotional programs in the form of discounts, delivery subsidies and prizes are a special attraction for consumers.
- Fourth strategy is adopting more advanced Enterprise Resources Planning (ERP) technology to simplify business from production, sales, and financial aspects (S6, S7, O2). The development of 4.0 technology creates an integrated business system from consumers, production, finance, HR to delivery.
- Fifth strategy is improving the service quality of the customer service (CS) team (S8, O3). To improve service (responsiveness, reliability, assurance) it is necessary to equip the customer service team with the skills to answer, respond and handle customer complaints and complaints well.

W-O Strategy

- First strategy is collaborating with many suppliers to get the best prices (W1, O2, O4). To anticipate unstable supply chains and raw materials which have an impact on production costs, Frezzo can conduct a strategy of selecting many suppliers, in this way it is hoped can get competitive price offers.
- Second strategy is diversifying the business in selling raw materials to get quotas and cheaper prices (W2, O2, O4, O5). Market law says that demand with large volumes will get better prices than those with low volumes. To get the best raw material prices, Frezzo can increase the volume of

- raw material purchases with a strategy of creating a new division that focuses on selling raw materials.
- Another technique to extend additional avenues is by owning a retailer system. The ability to grow product sales is performed by trader representative if the company has a retailer system (Rukka et al. 2018). Therefore, the third plans by Increasing sales points through shops or resellers so that advertising expenditure can reach a wider market (W3, W4, W5, W7, O1, O2, O4). To solve the problem of sales not reaching targets, of course Frezzo needs to develop channels both offline and online, opening stores in cities with large markets.
- Fourth strategy is adding human resources and train skills with certification (W6, O6). With additional human resources, Frezzo will focus on dividing into four structures, namely raw materials, production, marketing, financial and operational divisions. In accordance with Mujiyono and Taufan (2021) to increase productivity and competitiveness of the company, competent human resources should be employed and developed,. According to Zawawi et al (2019a), a good commitment of employees can make a company remains exist and develops. Zawawi et al. (2019b) stated that the commitment of organization is able to be improved by organizational culture and leadership characteristic that make a considerable effect.
- Fifth strategy is improving the production system to be better and more efficient (W8, O3, O4). Improving the production system by reducing waste and unnecessary work is expected to increase efficiency so that Frezzo can achieve profit targets.

S-T Strategy

- First strategy is market penetration in the functional beverage segment such as low sugar drinks, superfoods, and whey protein (S1, S2, S3, T3, T4, T5, T6). Seeing the growth of the functional-based beverage market, such as low sugar drinks, drinks high in vitamins and protein, Frezzo can develop new product variants to reach this market, in the future consumers will be more aware of consuming food and drinks with healthy issues.
- Second strategy is increasing sales in the retail sector, especially the marketplace with a larger margin composition to substitute for increased production costs (S3, S4, S5, S7, T1, T3, T4, T5, T6). Retail sales through the official Frezzo

marketplace is a solution to get a potential larger profit margin.

3. Some elements can be regarded in preserving consumer loyalty, including maintaining quality and safety of product, and giving rewards for each buying (Sangadah et al. 2021). The reward must be customized to the demand of consumer segment (Astuti and Noor, 2019). Thus, the tertiary approach is creating regular customer loyalty programs (S3, S5, S6, S8, T3, T5, T6). Strategies for increasing sales of repeat orders can also be conducted through customer loyalty programs, such as cashback, prizes, and target achievement bonuses.

W-T Strategy

1. First strategy is procurement fully automatic machines to reduce employee costs and maximize production capacity (W4,W8,T1). Procurement of fully automatic machines has advantages in consistency, quality, production speed and reducing defective products.
2. Second strategy is long-term management of raw materials to anticipate the impact of climate change (W1, W2, W8, T2). Planning raw materials for a period of 3-6 months is expected to reduce the costs of fluctuating raw material prices. In accordance

with Dudin et al. (2015), advancing the essential partnership block will decrease uncertainties that frequently happen in the agricultural sector. The essential partnership block is conducted by keeping providers who can ensure continuum, quality, price, and service.

3. Third strategy is addition of sales strategies through sales representatives for Hotels, Restaurants, Cafés (W3, W5, W7, W3, W5, W6). The business-to-business segment has the advantage of demand that tends to be consistent and has the potential to grow, especially the café segment and franchise brand owners.

QSPM & New Business Model

Strategies that are included in the immense importance category will be mapped onto the business canvas in accordance with the blocks, so that a new business model is obtained. Table 4 explains strategies that are identified as immense importance or strategies that will be implemented immediately (rank 1-8). Strategies classified as low urgency are ranked 9-16. Subsequently, the author obtains a new model of business which is able to be implemented. The next is the outcomes of priorities of specific scenario and the New Business Model in Figure 5.

Tabel 4. QSPM Matrix

Rank	High Urgency Strategy	TAS
1.	Increase sales points through stores or resellers	5.77
2.	Product differentiation of a premium cafe segment and variations in retail packaging sizes	5.65
3.	Increase sales in the online retail sector, especially the marketplace	4.95
4.	Utilize internet promos and marketplaces to maximize sales	4.59
5.	Market penetration in the functional beverage segment (low sugar drinks, vitamins, superfoods, and whey protein)	4.53
6.	Using the TikTok and YouTube platforms to target millennial end consumers with an attractive and attractive design display concept	3.73
7.	Addition of sales strategies through sales representatives for Hotels, Restaurants, Cafés	3.53
8.	Procurement of fully automatic machines to reduce labor costs and maximize production capacity	3.32
Rank	Low Urgency Strategy	TAS
9.	Add human resources and train skills with certification	2.94
10.	Adopting more sophisticated Enterprise Resources Planning (ERP) technology to simplify business from production, sales, and financial aspects	2.87
11.	Collaborating with many suppliers to get the best prices	2.64
12.	Create regular customer loyalty programs	2.60
13.	Business diversification in selling raw materials to get quotas and cheaper prices	2.53
14.	Long-term management of raw materials to anticipate the effect of change in climate	1.88
15.	Improving the quality of service of the customer service (CS) team	1.59
16.	Improving a better and more efficient production system	1.47

Key Partnerships <ul style="list-style-type: none"> • Strategic partnerships with suppliers and consumers/agents in several regions. • Partnership with hotel, restaurant, café (horeca) 	Key Activities Raw material procurement, production, marketing, sales, and technology activities.	Value Propositions <ul style="list-style-type: none"> • Affordable prices, one stop shopping for powdered drinks, balanced taste in all variants, buy back guarantee. • Functional drinks • Variation packaging of retail pack. • More Ads in marketplace, TikTok, Youtube 	Customer Relationships <ul style="list-style-type: none"> • 30% discount price for agents, several gifts • Promotion in marketplace, TikTok & Youtube 	Customer Segments <ul style="list-style-type: none"> • Customer B to B (trader) • Retail segment in marketplace & store/stockiest
	Key Resources <ul style="list-style-type: none"> • Semi-automatic production machines, human resources 50 people, sufficient cash • Sales representative horeca • Fully automatic machine 		Channels <ul style="list-style-type: none"> • Stockiest, reseller, marketplace • Add point of store and resellers 	
Cost Structures Fixed costs: Rent costs, taxes, security cost, advertising costs. Variable Cost: raw materials, electricity & water, labor, commission.		Revenue Streams Sales of powdered beverage products, transportation logistics		

Figure 5. New Business Model

Managerial Implications

The hypothetical suggestion of the research will be explained in this paragraph. If we would like to modify a business model of the company, it could be begun with classifying the model of business by utilizing BMC. The analysis of SWOT assists to build recent precise scenarios by existing extrinsic and intrinsic circumstances. Please note that not all strategies are able to be implemented at the same time because of expense and time forces. Thus, it is required to analyze the priorities of the action plans with QSPM to decide the high and low level of urgency. The strategy with a highest level of urgency will be placed to new models of business. Professionals regard this approach to give a powerful influence on the company's growth and progress.

The useful suggestion to apply is that PT Frezzo has to concentrate on eight specific action plans recognized as high level of urgency according to the analysis

results of the QSPM. The early stage should be taken by the company is conducting activities of market infiltration. Penetration of market means market share increment of Frezzo powder through more excellent marketing activities. Infiltration of market comprises activities of promoting, discount or reduction of price, and comprehensive in distributing product (Alkasim et al. 2017). In this case, the activities of market penetration are conducted by extending avenues in reseller and Frezzo stores, applying further intense promotional, advertising activities, more content video in new channels TikTok and YouTube. In the next stage, the specific action plans can be implemented by company to product differentiation by developing new functional drink such as low sugar, whey protein and pure product. The third stage is conducted by providing added resources in developing team for strengthening horeca segment by recruiting new salespeople and strengthening production capacity by purchasing new automatic machine.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Identifying models of business models in the nine blocks indicates development opportunities by formulating new alternative strategies. Meanwhile, in the SWOT analysis results on BMC, there are some opportunities such as optimizing market segment, creating partnerships new segments, creating a channel in strategic places, using marketplace, TikTok and YouTube, making product innovation in several diversification, and changing resource's structure. There is a gap in Importance Performance Analysis in delivery speed with a gap of 0.42, promotional media with a gap of 0.36, customer segment with a gap of 0.16, suitability of the product received with a gap of 0.16. In the Five Force's Porter must focus improvement on the forces of strategic factors of suppliers (3.71) and new entrants (3.71). The IE matrix results show the company's position is in quadrant III (3.62, 3.68), so it can implement growth and build strategy. QSPM matrix analysis result strategies which classified as high urgency and will be plotted in the new business model are expanding channels: creating a partnership with horeca and creating new reseller, adding advertisement budgets in marketplace, TikTok and YouTube; applying for various promotions. Making product differentiation (retail and premium segments), improving product issues (speed, accurate, suitable product) by purchasing new automatic machine.

Recommendations

Companies can focus on implementing the eight strategies that are classified as high urgency, experts consider these strategies to have the biggest impact on the company's current growth. For further research, research can be conducted with more diverse respondents and additional analytical measuring tools such as a Balance Score Card to measure the level of company performance based on the company's financial perspective.

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