

BUSINESS DEVELOPMENT STRATEGY OF INSTANT GINGER START-UP IN THE COVID-19 PANDEMIC

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Abstract: COVID-19 has changed people's lifestyles and transaction behavior. People switch to a healthier lifestyle and use digital marketing for daily transactions. Arvan Natural Group, a start-up company that produces ginger powder, must be able to optimize these opportunities. The increment of a competitor in the health drink sector has even tighter competition. In addition, this company faces several problems regarding raw materials (continuity and quality), product development, and limited channels. Therefore, this study aims to identify existing business models, develop alternative strategies, prioritize business strategies, and build a new business model. The data processing technique thoroughly analyzes BMC, SWOT, IFE/EFE, and QSPM. Experts working in biopharmaceutical research and business give the weights and ratings. IE matrix showed the company's position is in quadrant II (2.92, 3.02). It is categorized as grow and build strategy. Based on QSPM analysis, strategies classified as high urgency and plotting in the new business model are expanding channels (strategic location, reseller system), adding advertisement budget and joining promotion events, and applying for bonus promotion. Besides, there are differentiating products, creating an operational partnership system with farmers, improving marketing content (video), applying the functional structure of human resources, and creating product size variety.

Keywords: BMC, digital marketing, lifestyle, QSPM, SWOT

Abstrak: COVID-19 telah mengubah perilaku gaya hidup masyarakat menjadi lebih sehat dan meningkatkan perilaku bertransaksi pemasaran digital. Arvan Natural Group selaku perusahaan start-up dalam bidang minuman kesehatan jahe bubuk harus dapat mengoptimalkan peluang tersebut dengan baik. Adanya peningkatan pesaing dalam bidang minuman kesehatan, membuat tingkat persaingan semakin ketat. Selain itu, perusahaan ini menghadapi permasalahan-permasalahan inti, seperti kontinuitas dan kualitas bahan baku, pengembangan produk, dan channel yang terbatas. Maka dari itu, penelitian ini bertujuan mengidentifikasi model bisnis existing, mengembangkan strategi alternatif, menentukan prioritas strategi, dan membentuk bisnis model baru. Teknik pengolahan data dilakukan melalui analisis BMC, SWOT, IFE/EFE, dan QSPM. Pembobotan dan rating diberikan oleh pakar yang bekerja dalam bidang penelitian dan bisnis biofarmaka. IE Matrix menunjukkan posisi perusahaan berada pada kuadran II (2,92, 3,02) yang dapat dikategorikan strategi grow and build. Berdasarkan analisis QSPM, strategi yang dikategorikan memiliki urgensi tinggi dan akan dipetakan dalam model bisnis baru ialah memperluas channel (lokasi strategis, sistem reseller), menambah biaya iklan dan mengikuti kegiatan promosi, dan melakukan bonus promosi. Selain itu, ada juga diferensiasi produk, menciptakan kerjasama operasional dengan petani, meningkatkan konten pemasaran (video), mengaplikasikan struktur fungsional SDM, dan menciptakan variasi ukuran produk.

Kata kunci: BMC, pemasaran digital, gaya hidup, QSPM, SWOT

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INTRODUCTION

COVID-19 has changed our lifestyles and restricted interactions among people in various parts of the world. The threat of rapid transmission raises a sense of urgency for people to switch to a healthier lifestyle. We can see changes in human behavior concerning cleanliness and daily consumption patterns. Looking for healthy food and drink that can increase body immunity carries the changes in public consumption patterns. Based on research from FMCG Gurus (2020), a global market research institution, after the Covid-19 pandemic, as many as 79% of consumers have plans to eat and drink healthier, and 52% of consumers feel COVID-19 will continue to disrupt their daily lives for minimum one years. Meanwhile, in Indonesia, based on research from Grab (2020), during the COVID-19 pandemic in Indonesia, there was an increase in demand for healthy food and drinks via Grab's online service in the amount of 7.4%.

Indonesians believe ginger, One of Indonesia's traditional drinks, can prevent COVID-19. Ginger contains active chemical compounds, such as gingerol, zingerol, shogal, zingiberin, sineol, and others which have the primary function as an immune booster and antimicrobial. In addition, ginger has another function in curing coughs, headaches, rheumatism, and gastric disease and reduces blood cholesterol levels (Aryanta, 2019). Arvan Natural Group, a newly established and produces ginger powder, must be able to optimize this lifestyle change. This company must be able to emphasize ginger's benefits, which are compatible with the lifestyle changes. According to Kotler et al. (2005), three main factors influencing lifestyle are subculture, social class, and occupation.

At the beginning of the spread of the coronavirus in various countries, in April 2020, there was restricted interaction, so most people worked from their homes or did lockdown activity. It led to a significant increase in global internet usage by 7% compared to last year. In addition, data showed that digital use in various age groups spends more time shopping online than in ordinary life (Kemp, 2020). In Indonesia, based on Bank Indonesia data in the same period, there had been an increase in digital transactions of 64.48% annually (Safitri, 2020). This phenomenon opened up business opportunities for digital marketing. Therefore, digital

marketing can be one of the strategies which this start-up company strengthens. Optimizing digital marketing, the company hopes to reach a broader market segment.

The growing demand for health drinks also raises the threat of new competitors in the same industry and the threat of substituted products with the same function, such as vitamins, supplements, and fruit drinks. The competition from these substituted products is quite tight. According to Mc Kinsey and Company (2020), the demand for vitamins and supplements in various countries in the world has experienced positive growth. Meanwhile, according to Huda and Akbar (2020), demand for multivitamins and supplements in Indonesia increased 2.5 times during the COVID-19 pandemic.

The sales results of Arvan Natural Group have shown a positive trend, but it is still below the target of 85% of production per month (from April to December 2020). This start-up company also faces and needs to resolve several significant obstacles. These problems include the problem of raw materials in the form of quality standards, continuity, and price fluctuations at the supplier level. From a marketing perspective, the limited number of channels makes the need for a more effective marketing and partnership strategy. In addition, in terms of product development, there are still many opportunities for product innovation development through R&D activities.

With the characteristics of start-up companies, the company is experiencing a rapid growth business with limited resources. Therefore, a unique and effective strategy is needed to differentiate this company from competitors and avoid a valley of death. One way is to use the strategy to transform an ongoing business model. According to Zott et al. (2011), a business model can provide an overview of how a company does business and explain how to create value. According to Osterwalder and Pigneur (2015), a business model that can quickly and well be used is the business model canvas (BMC). BMC is simple, relevant, and easily understood by various stakeholders. According to Umar et al. (2018), BMC has several advantages, including marketing mix strategy, business operation, business movement, growth, and providing high value to customers.

In developing a start-up, we must know the factors which affect the performance and success of a start-up. From Faizurrohman et al. (2021), start-ups need to increase the intensity of digital marketing and digital infrastructure development to develop the market. Meanwhile, according to Lazanyi (2015), it is essential to build a business model in line with environmental expectations and pay attention to marketing aspects so that a start-up can grow well. Innoncenti and Zampi (2019) argue that investing in Research and Development will increase the company's innovation capacity and make the company easier to win the competition. It is in line with Nasution et al. (2019), a food start-up that wants to be successful must have a product with benefits that people need. This start-up also should develop technology-based products to compete in the existing market. Meanwhile, from Dessyana and Riyanti (2017), start-up success is influenced by entrepreneurial self-efficacy or belief in the knowledge and ability of leaders to develop start-ups. According to Br Sitepu (2017), training on the concept of innovation can improve entrepreneurial self-efficacy.

State of the art of this research, we can compare this research to previous research which has been carried out by Rachmani et al. (2019), Mahdi and Baga (2018), and Trenggono et al. (2018). All three had created a new business model with more effective business processes than the previous model using BMC and SWOT. This is supported by Osterwalder and Pigneur (2015), the combination of BMC and SWOT can evaluate a business model effectively. However, research from Rachmani et al. (2019), Mahdi and Baga (2018). Moreover, Trenggono et al. (2018) had not been able to assess the company's current position and strategic priorities to be implemented into the new business model. So, this research combined methods from Effendi et al. (2017) and Kartika et al. (2018), both of these research used SWOT, IE Matrix, and QSPM so that they could assess the company's current position (grow and build, hold and maintain, and diversify) and used QSPM to determine strategic priorities.

The difference between this research and other research, this research combined several methods from Rachmani et al. (2019), Mahdi and Baga (2018), Trenggono et al. (2018), Effendi et al. (2017), and Kartika et al. (2018); the methods which used were BMC, SWOT, IE Matrix, and QSPM. Combining BMC, SWOT, and IE Matrix analysis, it was possible to comprehensively evaluate the company's business model. In addition, the strategy formed was to adjust

to the company's current position (grow and build, hold and maintain, and diversify) to form the strategy according to the company's internal and external conditions. In addition, a company could not implement the whole strategy because of cost and time constraints. Thus, this research used QSPM to divide strategies into high and low urgency strategies, where new business models will map high urgency strategies.

There are three objectives of this study, i.e. (1) to identify the existing business model with Business Model Canvas, (2) to develop alternative strategies based on strengths, weaknesses, opportunities, and threats (SWOT) analysis of its BMC, and (3) to prioritize business strategies based on the Quantitative Strategic Planning Matrix (QSPM) and build New Business Model Canvas which the company will implement.

METHODS

This research was conducted in Arvan Natural Group from September-December 2020. The business was located in Ciomas Bogor Indonesia. The research method used in this research was a case study by conducting an in-depth examination of activity and incident in Arvan Natural Group; and the suggestions for improvement to the company, which was arranged based on expert analysis. Types of data used in this research include primary and secondary data. Primary data was obtained through direct observation, interviews, and expert analysis. Direct observation and interviews were done in the activities of procurement, production processes, marketing, and other business activities. Experts selected in this study were researchers and business consultants (BFK Research Center), and business practitioners (ETI, HK, and PT. BF). Secondary data could be used in the external analysis (opportunities and threats) and as support of the strategy that would be arranged. Secondary data would be used were Central Bureau of Statistics data; data on political, economic, social, and technological developments; and business competition data. It could be obtained through websites, books, articles, e-books, journals, and others.

The first expert, BFK Research Center, researched the health sector, from cultivation to product development. This research institution also had experience as a business consultant, such as fostering farmers in several regions of Indonesia and developing herbal business strategies. Depth interview activities with BFK experts

would be able to identify opportunities and threats; developed strategies for improving raw materials and other business strategies. Based on in-depth discussions with the business owner and supporting research data, determine each method's expert weighting and rating.

The second expert came from three business people engaged in the food sector. ETI was a business that belonged to Indonesia's young entrepreneurs. The product of this business was a contemporary tea drink franchise with various flavors. ETI had been successful, and this business spread to various big cities in Indonesia. HK also belongs to Indonesia's young entrepreneurs. The product was fermented tea beverage products, which had benefits for digestion (probiotics) and antioxidants. PT. BF was a herbal company located in Bogor, Indonesia. This company produces many products, such as honey, health capsule (Curcuma, Phylari, Morinda, Etc.), tea with various flavors, and aloe vera instant drink. From the three businesses, it could be learned how to formulate strategies based on best practices. The strategy would effectively overcome the weakness and threats of Arvan Natural Group.

We could look at Figure 1 about the conceptual framework, this research began by identifying a business model with a Business Model Canvas, so it could be seen what the company run activities and business processes. The nine elements of BMC

were customer segment, value propositions, channel, customer relationship, revenue streams, key resources, key activities, key partnership, and cost structure. Then, the SWOT analysis on BMC could evaluate the business model of each block in terms of strengths, weaknesses, opportunities, and threats. The evaluation of the company's internal conditions uses strength and weakness analysis. Meanwhile, the company's external conditions use the opportunity and threat analysis.

The factors included in the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrix were carried out based on the results of the SWOT analysis on the BMC. Factors classified as essential and that had a significant impact will be selected. Afterward, weighting and rating were carried out to obtain Internal-External (IE) Matrix. This matrix described the current position of the company (matching stage). Strategy alternatives ((Strength-Opportunity (SO), Weakness-Opportunity (WO), Strength-Threat (ST), and Weakness-Threat (WT)) were arranged based on the company's current position. After that, the prioritization of strategies was carried out using QSPM. The strategies would be classified into high and low levels of urgency. The strategy that would be put into the new business model was a high-level urgency and could overcome the company's core problems. Then, we got a new business model that the company would complement.

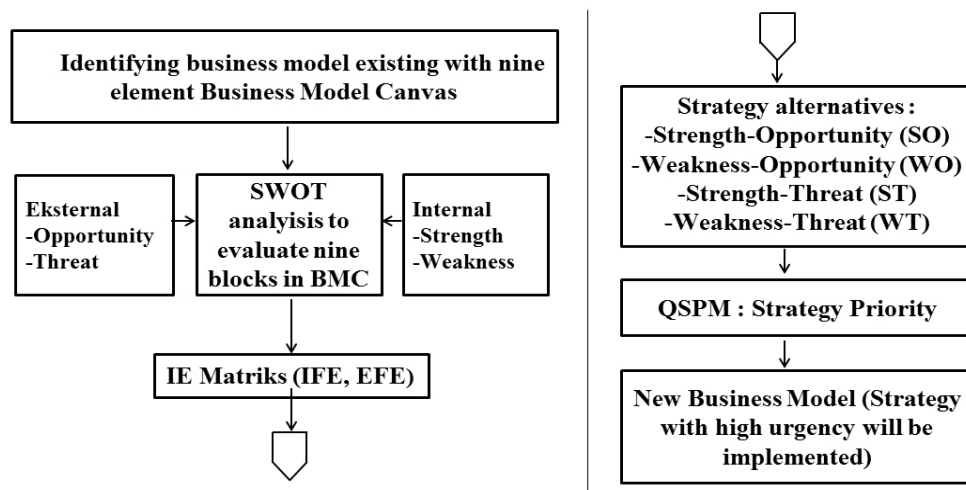


Figure 1. Research framework

RESULTS

Identifying Business Model Existing

Arvan Natural Group is a start-up company or Micro, Small, and Medium Enterprises (MSMEs), established in March 2020 in Bogor City, West Java. The product sold is a red ginger powder with a mixture of sugar, cloves, cinnamon, and honey; the product name is “Sang Jawara”. The ginger powder is packaged in a plastic jar and weighs in the amount of 300 grams. The product is designed with an attractive logo and complete information (benefits for health, how to serve product, composition, Etc.). Sales activity has started in April until the present, the sales data show a positive trend, but it is still below target (85% sales of production per month).

The customer segment of this product is adolescents and adults (20-60 years) who are concerned about healthy living. The value proposition of this product is the taste that suits consumer tastes; originality, the main composition is red ginger without any substitution material; high benefit; competitive prices; and the existence of free shipping from the marketplace. Channels are carried out by direct selling and online marketing. Direct sales come from cake stores, restaurants, and vegetable stores. Online marketing is done by optimizing various social media platforms and

marketplaces to advertise and educate customers about healthy living. In more detail, Figure 2 describes this business model.

SWOT Analysis to Evaluate Business Model Canvas

A business model canvas can describe the current business conditions, while a SWOT analysis can assess the elements that exist in the business model. So by combining these two methods, it will be able to maximize advantages and opportunities, improve deficiencies, and minimize existing threats (Osterwalder and Pigneur, 2015). Some investment opportunities can be optimized to improve the business process of each block. First, according to Kemenristek (2020), there is an opportunity for funding assistance for start-ups to enlarge their business scale. Second, according to CNBC Indonesia (2020), some company has developed a youth entrepreneur development program through training and financial assistance. One of the well-known programs is Wirausaha Muda Mandiri. Third, according to Ramadhani (2020), nowadays, there is a financial technology that has been developed, such as peer-to-peer lending. The advantages of P2P are easy and fast access, low-interest rates, and flexible guarantee patterns. Explanation about nine block evaluation is described as follows.

Key Partnership	Key Activities	Value proposition	Customer Relationship	Customer segment
-Marketing business partner (Business to Business) -Supplier	-Research and development activity -Marketing activity -Production and purchasing material activity	-Taste, originality, and benefit of Sang Jawara Ginger - The use of digital marketing (various platforms) for advertisement and education on healthy living -Competitive price -Promo: free shipping (online order)	-Personal assistance (fast and responsive service) -Educate on healthy lifestyles to prevent COVID-19 <u>Channel</u> <u>Offline/Direct</u> -Cake store, restaurant, vegetable store <u>Online Marketing</u> -Tokopedia, Whats App, Instagram, Facebook	-Age of 20-60 years old (Adolescents and adult) -Concern about health
Key Resources				
	-Technology production (grinder, spinner, press, crystallators, etc) -Human resources			
Cost Structure		Revenue Streams		
-Fixed cost (bulding rental cost, depreciation of equipment) -Variable cost (cost of purchasing raw materials and packaging, cost of electricity and water, cost of labor)		-Purchasing of Sang Jawara (red ginger product)		

Figure 2. Existing business model

Customer Segment (CS)

The UI research institute was surveyed to identify the age group profile of internet users in Indonesia. The results showed the following age groups of internet users, 18-25 yo (49%), 26-35 yo (33.8%), 36-45 yo (14.6%), 46-55 yo (2.4%), and 56-65 yo (0.2%) (Puskakom UI, 2015). Arvan Natural Group has the strength of being able to identify the customer segment well. Based on the identification of customer segment data from the marketplace, it shows that in the age range of 26-35 yo, the percentage of sales is high with an amount of 34.48%. Meanwhile, in the range of 18-25 yo, the percentage of sales is only 19.54 %. It means the company has not optimized sales among the young generation (millennials) in the range of 18-25 yo.

Another customer segment identification comes from direct selling. The age range of customer is 20-60 yo, such as adolescents and adults. The most significant customer segment from direct selling is housewives (age > 30 yo) who usually do shopping for the family. Opportunities in CS block are advanced technology 4.0, increment of digital marketing, lifestyle change due to COVID-19, and investment. So, with these four opportunities, the company can create a unique digital strategy and product innovation to optimize the market segments. Threats in the CS block, customers quickly move to another product because there is a low switching cost. Many other competitors have promoted similar herbal products in various channels. The last threat, the economic recession due to COVID-19 will decrease people's purchasing power. Based on data from the Central Bureau of Statistics (2020), Indonesia experienced negative economic growth, in the second and third quarters of 2020, by -5.32% and -3.49%, respectively.

Value Proposition (VP)

The strength comes from the product aspect. First, combining cloves, cinnamon, and honey creates an excellent and unique taste compared to competitors. In addition, the selection of ginger raw materials is old ginger aged at least 11 months. It is to maintain the level of spiciness of ginger products. Second, originality, there is no substitute raw material for the main ginger product, so the taste is natural. In comparison, several competitors reduce the composition of ginger to save costs by replacing it with pepper and Javanese chilies. Third, the benefits of ginger with a mixture of other

natural ingredients can strengthen the body's immunity and prevent the transmission of viruses and bacteria.

Another strength is using digital marketing with exciting advertising content on various online platforms (Tokopedia, Instagram, Facebook, Whatsapp). In addition, advertisements about healthy living and tips to avoid COVID-19 makes relations with consumers even better. The other strength is the free shipping cost through the marketplace (Tokopedia), with a minimum requirement for purchasing two products. This promo is very effective. Data from market place show the free shipping sales until September 2020 are dominated by 79.59%. The last strength is competitive prices. The profit margins taken from Arvan Natural Group and business partners are not too large so that it can compete well in the market. The weakness in the VP block is the lack of product variety to attract consumers with different tastes and cultures. The other weakness, the discount program is considered less effective. It happened because the discount rate is low, and consumers must buy many products (five) to get the discount.

The opportunity in this block, first, there is investment from government and company programs to develop many kinds of product innovation. In addition, this investment can be used to arrange product promos that are more attractive to consumers. Meanwhile, the threat comes from competitors in the same industry/ product. The number of competitors increased quite significantly after the COVID-19 pandemic and the occurrence of price competition to attract consumers' attention. Intense price competition occurs in the marketplace. Another threat is substitute products (immune boosters), such as multivitamins and supplements, which already have their market share because of different consumer tastes and affordable prices.

Channels (CH)

In the CH block, the strength is the variation of a channel used in direct selling and online marketing so that it can reach consumers of different ages. Direct selling, there are channels, such as cake stores, restaurants, and vegetable shops. Meanwhile, this business has used many online marketing platforms such as Tokopedia, Whatsapp, Instagram, and Facebook. The weakness of the CH block is that the sales target of 80% of the total production per month has not been met. The range of sales data is still between 63-74% of the total monthly

production. It indicates that the existing channels are still limited, there are channel locations that are not strategic yet, and the marketing content should be improved. Opportunities are the development of technology in the industrial 4.0 era (IoT, Big Data, and AI), increment of digital transactions in the Covid-19 era, and investment funds. With those opportunities, the company can expand channels in strategic locations and strengthen digital marketing through content improvement. Threats come from competitors from well-known companies that have already expanded their channels in strategic locations.

Customer Relationship (CR)

The strength of CR block, this company provides fast and responsive services to consumers through personal assistance. Customer inquiries, suggestions, and input are always responded to quickly. Delivery of product is always on time on the day of order. Online assessment from the marketplace (Tokopedia), where the service level has a value of 97 (scale 1-100), proves it. The weakness of CR block, there is no exceptional relationship program for customers. So, it can be an opportunity, with investment funds, this business can develop Ginger Community to facilitate consumers for exchanging information and solving health problems. The company also can create various attractive promotions (keep loyalty). The threat to CR block is the existence of old competitors with many loyal customers. Moreover, the threat comes from new competitors with good financial strength and already have good networking from the previous business.

Revenue Streams (RS)

In the RS block, the existing strength is smooth acceptance (without arrears) from direct selling and online sales. The weakness is that its revenue model is still focused and dependent on product sales only. There is no other model diversification. The company can cooperate with various parties and expand business channels with investment. In addition, there is an opportunity to create a different revenue model system. Threats, building consumer loyalty takes a long time. We have to convince customers with an attractive promotion.

Key Resources (KR)

In the KR block, the strength lies in the fields of technology and human resources (HR). In the field of technology, Arvan Natural Group's production is already efficient, with equipment such as grinders, spinners, press, crystallizer, and dry grinders. Compared to other start-up companies with a small or medium scale, this company is more advanced in terms of equipment. In terms of human resources, the company has human resources who are skilled in food technology and product design. The weakness of this block is a limited number of human resources, which are not well specialized. It makes the business movements is not too fast. Due to technological advances in agricultural equipment, opportunities allow this company to use more efficient equipment. In addition, to increase the number of human resources can use investment funds to make this business movement faster. The threat comes from competitors already in good financial condition and has specialized human resources, so their business movements are much better.

Key Activities (KA)

The strength of the KA block first is the production process which is always a concern to Good Manufacturing Practices. The production process takes food safety into priority, such as equipment which always washed regularly, the use of gloves, and the production location which is kept clean. In addition, there is an R&D activity that has been done regularly to produce quality products. The weakness of KA block is in procuring raw materials from a supplier, and continuity has not been adequately maintained to meet quality standards of at least 11 months of ginger. Therefore, companies often change suppliers because it is still difficult to get raw materials that match the age standards. Suppliers also still provide relatively higher prices because the bargaining power of buyers is still lower. Suppliers come from various regions such as Cipanas, Cianjur, Banten, and Pematang. Another weakness is in production activity. There are waste products that have not been utilized properly. Opportunity, with the investment, the company can run a system of partnership patterns directly with farmers. In addition, companies can implement cleaner production to process existing waste into more valuable product materials. The threat is fluctuating price of raw materials due to shifts in people's tastes and natural factors (planting season, weather, disasters).

Key Partnership (KP)

The strength of KP block, the partnership with B to B marketing partners (cake store, restaurant, and vegetable store) is running well. Always carry out incentive communication to strengthen the relationship between the two parties. The weakness is that the number of partnerships that have been made is still lacking in marketing and raw materials. Opportunities create partnerships with B to B marketing partners and farmers. The threat of KP block is several competitors who have faster movement. It happens because they are already making many partnerships with other businesses.

Cost Structure (CoS)

Strength in CoS block is good management of operational costs. The cost can be predictable due to the financial history report. It happens because the financing records are carried out in detail. Weakness of CoS block, the economic scale has not been achieved yet. It happens due to start-up companies are still concerned about building markets. This condition makes raw material and production costs relatively high. Opportunities in CoS block are an increase in sales through expanding business channels, cooperation with various business partners (marketing partners and farmers), and effective marketing strategies. With these three things, it is hoped that the economy of scale can be achieved, with economies of scale will make very low production cost per unit. The threat that exists is

fluctuating price of raw materials due to shifting tastes of the consumer and natural factors (planting season, weather, disasters).

Internal and External Matrix Factor

The purpose of measuring the internal environment is to discover which competencies can be developed further and improve deficiencies. Meanwhile, the objective of external measurement is to optimize opportunities and minimize threats (David and David, 2017). After conducting a SWOT analysis on the BMC, those analyses can select strategic or essential issues, and IFE and EFE matrix will put the issues. Table 1 and Table 2 show a more detailed explanation.

From the internal factor matrix, the IFE value is 2.92, which means that the company has medium-level strength. The strengths which already good are product, technology, and service factors. Meanwhile, the weakness that needs to be fixed based on their importance is problems with raw materials. From the analysis of external factors, the EFE value is 3.02, which means that the company's response to external factors is excellent for maximizing opportunities and minimizing threats. The IE matrix value is obtained (2.92, 3.02), so the company's position is in quadrant II. According to David and David (2007), quadrant II means a company is in a growth strategy (growth and build). Companies can use various alternative strategies, such as market penetration, product development, market development, vertical integration, Etc.

Table 1. Internal matrix analysis

Strength (internal factor)	Weight	Rating	Total
Good taste, originality, and product benefits; result from company's R&D activities	0.12	4.0	0.48
Use of digital marketing (various platforms) for advertising and customer education	0.11	3.5	0.38
Competitive price	0.08	3.0	0.25
Promo (free shipping) in market place	0.08	3.5	0.29
Good and efficient processing technology	0.12	4.0	0.48
Fast and responsive services	0.07	4.0	0.29
Weakness (internal factor)			
Raw materials chain's problem (continuity, quality, and price which determined by the supplier)	0.12	2.0	0.24
Product brand (new company)	0.08	2.0	0.17
Marketing system, the number of sales is below target (not optimal)	0.08	2.0	0.17
Human resources are not yet specialized, causing the business move less quick	0.07	1.5	0.11
Waste in production process	0.06	1.5	0.09
Total Internal Factor (IFE Scores)	1.00		2.92

Table 2. External matrix analysis

Opportunity (external factor)	Weight	Rating	Total
Change in people lifestyles (healthy living)	0.10	3.5	0.34
Increment of digital transactions	0.10	4.0	0.38
Technology 4.0 and agriculture machine development	0.09	4.0	0.35
Government coaching and financing programs for start-up	0.09	4.0	0.35
Young entrepreneur development program (corporate CSR) and peer to peer landing loan access	0.09	3.5	0.30
The younger generation is the largest internet user (18-35 y.o.)	0.07	3.0	0.20
Threat (external factor)			
People's purchasing power has decreased due to the economic recession	0.09	2.5	0.22
Fluctuations in raw material prices due to seasons and weather	0.10	2.0	0.19
Buyers easily switch to other products, low switching costs	0.09	2.5	0.22
Threat of substituted products (consumer taste and product price)	0.10	2.0	0.19
Competitive in the same industry (number of competitor, price competition)	0.07	2.5	0.17
The threat of newcomers with financial strength and ownership of good network access	0.05	2.5	0.12
Total External Factor (EFE Scores)	1.00		3.02

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

There are several strategies that the company can make. With this strategy, the company can improve its business process and develop into a better company. The following is a detailed explanation of each type of strategy.

1. SO-Strategy

According to Trenggono et al. (2018) and Mahdi and Baga (2018), specific customer age ranges have the potential to be optimized. From Trenggono et al. (2018), this research can optimize the student segment by making the lower price of coffee and tea product. Meanwhile, Mahdi and Baga (2018) explain they can maximize the children's components by making nutritional fortification products with the new flavor. Kartika et al. (2018) argue that product modification or differentiation through R&D activities will optimize specific market segments and increase sales. Another benefit of product differentiation, according to Evalia (2015), is that differentiation in packaging and products will increase added value so that the product has a higher selling value.

So, the first strategy is product differentiation. The objective is to maintain promising market segments and optimize young market segments (S1, O1, O4, O5, O6). SWOT analysis results on BMC show growing market segment in direct selling is homemakers; meanwhile, in online marketing, the level of sales in the segment

of young people aged 20-25 is classified as low. In contrast, this segment is a large number of internet users. Therefore, differentiating products can maintain customer loyalty (consumers aren't easily bored) and optimize market segments with low performance. Product innovations which used to maintain customer loyalty are ginger milk and Curcuma ginger. Both of them have many health benefits and good taste. Meanwhile, Arvan Natural Group plans to make coffee ginger and ginger milk with boba for a young segment. It is because coffee and boba drinks are the favorite drinks of young people nowadays.

The second strategy, improve the quality of digital marketing content through animated videos and more attractive designs (S2, O2, O3, O4, O5, O6). With improvement in marketing content, it will increase the interest of consumers. Based on the AIDA framework, the second stage is to reach consumers' interests. An exciting video and design will make consumers want to have a deeper look at the products being sold. This strategy is formulated based on best practices from ETI and HK. Both successfully attract consumer interest with video animations, games, and stunning photography.

An internet-based application can be created to make an effective channel that integrates the fields of raw materials, processing, and marketing (Lukman et al. 2018). The third strategy is the android application, which incorporates selling, services, and business cooperation (S1, S2, S3, S4, S6, O2, O3, O4, O5).

With the development of technology 4.0, almost all people currently use smartphones. So, this strategy will improve the overall company's business processes, especially the level of sales. This application is practical because it can reach many people and is easy to access. The fourth strategy is to upgrade technology (grinder and press equipment: full automation) (S5, O3, O4, O5). With improved technology, it will undoubtedly be able to increase the company's efficiency. Based on best practices from PT. BF, using advanced technology can reduce production time and costs.

2. WO Strategy

The first strategy is an operational partnership system with farmers in nearby areas (seed, fertilizer, and other assistance) (W1, O4, O5). The problem is continuity of raw materials from one supplier to provide red ginger aged at least 11 months is challenging to fulfill, so the company often changes suppliers. Without a partnership system, ginger prices from suppliers tend to be higher. So, with an operational partnership system, the company will provide seeds, fertilizers, pesticides, and other farming equipment. Meanwhile, the farmers will provide land, facilities, and resources to plant ginger. Cropping will be done in the nearby area and will be done every month so that the continuity of raw materials is well maintained. After that, the company will share mutually beneficial revenue with both parties. Rachmani et al. (2019) support this strategy; a nearby raw material supply location will facilitate quality control and material management. And Dudin et al. (2015) explained that optimizing the key partnership block by having suppliers who can guarantee continuity, quality, price, and service will reduce risks that often occur in the agricultural sector.

Expanding the channel in health centers will increase sales, for example, the sale of herbal rice products spread in clinics and fitness centers (Astuti and Noor, 2019). Another way to expand other channels is by having a reseller system, where selling agents can play a role in increasing product sales (Rukka et al. 2018). So, the second strategy is expanding channels (a) partnerships with businesses in strategic locations, such as health places and souvenir places (b) implementing a reseller product system (website) (W2, W3, O4, O5). Expanding channels in places where someone cares about health, such as pharmacies, gymnastics, gyms, and sports venues, are expected to increase

product sales. In addition, cooperation will be carried out with souvenir stores in Bogor. This strategy is potential due to many tourists from outside the city on weekends. Best practice also comes from HK, which has succeeded increasing sales by promoting products in health centers (yoga) and strategic locations (youth cafes). In addition, the existence of a reseller system (website) can create an agent of sales. It makes market expansion very fast because the products are more spread in various places. In addition, with this strategy, a new revenue stream model will be obtained through membership and reseller training.

One effective way to improve product branding is through advertising and participating in promotional activities (Effendi et al. 2017). In addition, market penetration through intense promotions accompanied by product education can increase market share (Kartika et al. 2018). So, the third strategy is additional advertising budgets, joint promotion events, and galleries, making attractive product taglines (W2, W3, O4, O5). Companies will intensely advertise on online platforms and participate in promotional events to increase the level of popularity of the brand product. In addition, the company will create a more attractive product tagline and improve consumers' curiosity. Best practices also come from ETI and HK. Both have increased product brands by conducting regular advertisements and creating attractive taglines. The fourth strategy is increasing the number of human resources and dividing them into three functional structures, raw materials, production, and marketing & operations (W4, O4, O5). With this strategy, the company will move better and faster because it will focus on specific areas. The fifth strategy is treating waste into valuable products and applying cleaner production (W5, O4, O5). Waste from production can still be processed into high-value products, such as ginger candy. It will generate a new revenue model for the company.

3. ST Strategy

First, Through R&D activities, creating a smaller variety of sizes (stand pouch packaging) that is appropriate for the community's purchasing power (S1, S3, T1, T3, T4, T5). It will provide price variations to consumers, suitable with purchasing power in the Covid-19 era (economic recession). Second, increase direct socialization about customer education (SJ ginger

has its benefit and uniqueness against substitution and similar products) (S1, S2, S3, S4, S6, T3, T4, T5, T6). Meeting in person is one effective way to convince consumers about the product's advantages.

Several factors can be considered in maintaining customer loyalty, including preserving product quality and safety and providing bonuses for every purchase (Sangadah et al. 2021). The bonus should be adjusted to the customer segment's needs (Astuti and Noor, 2019). So, the third strategy applied various attractive promotions (cash back, bonus items, etc.), which can engage buyers (S2, S4, S6, T3, T4, T5, T6). Promotion is one of the best ways for customer acquisition (attracting new customers). Promotions planned are to add cashback features in the online marketplace and give bonuses in direct selling, such as hand sanitizers needed in this pandemic. In addition, another unique prize is offering a bonus of vegetable or chili seeds to maintain good relations with housewife segment. Fourth, creating a social community of Ginger Sang Jawa for sharing and solving problems about health (S6, T3, T4, T5, T6). With the existence of a community, the relationship between companies and consumers will be stronger and better. Fifth is setting a better production schedule (aggregate planning) and increasing production capacity when prices are stable

(S5, T2). This strategy is hoped to minimize the impact of price fluctuations due to seasons and weather.

4. WT Strategy

Increase competency of human resources to maintain good performance, improve deficiencies, and face tight competition (W1, W2, W3, T4, T5, T6). Competence will increase through training and continuous learning. According to Mujiyono and Taufan (2021), with competent human resources, it will increase productivity and increase company competitiveness. From Zawawi et al (2019a), a company will still exist and develop if there is a good commitment from employees. Zawawi et al. (2019b), this organizational commitment can be increased through leadership style and organizational culture which have a significant influence. To determine a strategic priority based on an attractive score can use the QSPM matrix (David and David, 2017). After knowing the ranking based on TAS, strategies categorized as high urgency will be put into the business canvas according to the kinds of a block. After that, the writer gets a new business model that can implement. The following are the results of strategic priorities and the New Business Model in Table 3 and Figure 3.

Table 3. Matriks QSPM

Rank	Rank 1-8 : High Urgency & Rank 9-15 : Low Urgency	TAS
1	Expanding channels: partnerships in strategic locations, implementing reseller system.	6.54
2	Advertising budgets, joint promotion events, making attractive product taglines.	6.43
3	Applied various and attractive promotions (cash back & bonus) which can engage buyers.	6.13
4	Product differentiation to maintain good market segments and optimize young segment.	5.83
5	Operational partnership system with farmers in nearby areas.	5.77
6	Improve quality of digital marketing content through animated videos & attractive designs.	5.60
7	Increasing the number of human resources and dividing into 3 functional structures.	5.42
8	Creating a smaller variety of sizes which is appropriate with purchasing power.	5.30
9	Increase competency and commitment of human resources.	5.06
10	Creating a social community of Ginger Sang Jawa.	5.00
11	Android application which is integrated selling, services, and business cooperation.	4.76
12	Increase direct socialization about customer education.	3.93
13	Upgrade technology (grinder and press equipment: full automation).	3.45
14	Setting a better production schedule (aggregate planning).	3.04
15	Treat waste into useful products, apply cleaner production.	2.32

Key Partnership	Key Activities	Value proposition	Customer Relationship	Customer segment
<ul style="list-style-type: none"> -Marketing business partner (Business to Business) -Supplier -Operational partnership system with farmer in nearby areas (seed and fertilizer assistance) 	<ul style="list-style-type: none"> -Research and development activity -Marketing activity -Production -Control partnership with farmer 	<ul style="list-style-type: none"> -Taste, originality, and benefit of Sang Jawaara Ginger -The use of digital marketing (various platforms) for advertisement and education on healthy living -Competitive price -Promo: free shipping (online order) -Product differentiation, growth segment : ginger milk & curcuma ginger, youth segment : coffee ginger & ginger milk with bobba -Small size product (stand pouch packaging) -Intense promotion (advertising and event) 	<ul style="list-style-type: none"> -Personal assistance (fast and responsive service) -Educate on healthy lifestyles to prevent COVID-19 -Various bonus : Cash back bonus (online), handsanitizer & seed plant bonus 	<ul style="list-style-type: none"> -Age of 20-60 years old (Adolescents and adult) -Concern about health
Key Resources <ul style="list-style-type: none"> -Technology production (grinder, spinner, press, crystallators , etc) -Functional structure of human resources: raw material, production, marketing & operation 			Channel <ul style="list-style-type: none"> Offline / Direct -Cake store, restaurant, vegetable store -Strategic place (Pharmacies, Sport Venue, Food Souvenir) OnlineMarketing -Tokopedia, Whats App, Instagram, Facebook -Animated video & attractive design marketing -Reseller system(Website) 	
Cost Structure <ul style="list-style-type: none"> -Fixed cost :bulding rental cost, depreciation of equipment -Variable cost (cost of purchasing raw materials and packaging, cost of electricity and water, cost of labor) 		Revenue Streams <ul style="list-style-type: none"> -Purchasing of Sang Jawaara (red ginger product) -Reseller system : membership and training 		

Figure 3. New business model

Managerial Implication

The theoretical implication of this research, when we would like to change a company's business model, can be started by identifying the business model using BMC. Then the SWOT analysis helps generate new strategies by current external and internal conditions. After generating the strategy formulation, not all strategies can be applied simultaneously due to cost and time constraints. Therefore, it is necessary to measure strategic priorities with QSPM to determine high and low urgency strategies. The high urgency strategy will be plotted into new business models. Experts consider this strategy to have a significant effect on the development of a company.

The practical implication is that Arvan Natural Group companies must focus on eight strategies classified as high urgency based on the results of the QSPM analysis. The first step that the company can take is through market penetration activities. Market penetration is increasing the market share of Sang Jawaara's ginger products through more excellent marketing activities. In this case, market penetration activities are carried out through expanding channels in tourism areas and sports venues, implementing a product reseller system, and more intense promotional and advertising activities. In the second step, companies can implement strategies to maintain customer loyalty and look for

new customers (acquisitions). Strategies are developed and implemented in the form of additional bonus variations, product differentiation, marketing content (animated videos), and variations in product sizes. The company can implement a raw material sustainability strategy in the third step. It is done by establishing operational cooperation with farmers in areas adjacent to the profit-sharing system. The three strategic steps the company will carry out are supported by the addition and structuring of human resources through the search for investment funds so that the company's business movements become more focused and effective than before.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Identifying 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 (farmers), creating a channel in strategic places, using technology 4.0, making product innovation, and changing HR structure. The IE matrix results show the company's position is in quadrant II (2.92, 3.02), 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 businesses in strategic locations and creating reseller systems; adding advertisement budgets and joining promotion events; applying for various promotions; making product differentiation (growth and young market segment); creating operational partnership system with farmers; improving marketing content (animated video and attractive design); applying a simple functional structure of HR; and creating product size variety.

Recommendations

Companies can focus on implementing the eight strategies that are classified as high urgency. Experts consider this strategy to impact the company's current condition most. For further research, research can be carried out on the financial analysis of the production sharing operational cooperation system with farmers to obtain calculation data regarding the area, production costs of planting, profits for both parties, and the percentage reduction in raw material costs. In addition, research can be conducted on the effect of variations in product taste on increasing the company's market share.

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