

Application of Business Model Canvas at Thirty-One Collection Boutique

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Abstract: The fashion business today is one of the promised businesses. Thirty-One Collection Boutique is one of the business traders in the fashion sector that will be built in Karawang Regency. The purpose of this research is to develop a business strategy using the Business Model Canvas at Thirty-One Collection Boutique. The research method used is qualitative, data collection is done by interviewing fashion enthusiasts and fashion actors. This study analyzes the business model used by Thirty-One Collection Boutique using the Business Model Canvas, then analyzes each element using a SWOT analysis (Strength, Weakness, Opportunities, and Threats). The results of this study are a business strategy to increase productivity and see the risks that may be faced by the Thirty-One Collection Boutique Store and to help business actors to minimize the risks that may arise and find out the potential that can be developed in the Thirty-One Collection Boutique Store business.

Keywords: Business Model Canvas; SWOT Analysis; Fashion Boutique.

1. Introduction

Technological developments encourage business competition which requires business actors to be able to adapt. To be able to compete in a business, business actors must be able to adopt several concepts such as e-commerce, as well as social media marketing. Alves, et al have conducted research that proves the impact of social media marketing [1]. In addition, e-commerce has also been proven to be a strategy in increasing the productivity of MSMEs [2]. Seeing the importance of strategy in preparing a business, a business or business needs to be studied for ideas and market descriptions that will be carried out. One of the concepts that can be used to develop a business strategy is the Business Model Canvas.

Business Model is a business model that describes the rationale of how organizations create, deliver and capture the value of a company [3]. The concept of a business model must be simple, relevant, and intuitively easy to understand without the intention of simplifying very complex company functions[4]. The Business Model Canvas is a draft organizational setting, to resolve the paradox of mission measurement and to meet the challenges of strategy, legitimacy and governance [5]. The Business Model Canvas helps prospective business actors in designing their company's business models [6]. The Business Model Canvas is a tool that can explore a business model that is oriented towards sustainable innovation[7]. In addition, by using the Business Model Canvas, prospective business actors can use this tool to provide explanations to potential investors [8]. The main core of the Business Model canvas is about how a company can continue its activities and always increase its profits so that it can continue to survive[9]. The business model framework is in the form of a canvas and consists of nine blocks containing interrelated elements which describe how an organization creates benefits and obtains benefits for and from its customers [10][3].

Meanwhile, to test the Business Model, the researcher conducted a SWOT (Strength, Weakness, Opportunity and Treat) analysis. SWOT analysis or SWOT matrix is a tool used to assess the strengths, weaknesses, opportunities, and threats of a product, project, or business [11]. SWOT analysis is a tool that helps make decisions to develop the type of strategy for a company or agency [12]. SWOT analysis uses a matrix to explain the development strategy of a company or agency. The development strategy resulted in the possibility of four alternative cell strategies [13][14]. SWOT analysis describes the situation and conditions being faced and is able to provide solutions to the problems being faced [15].

The Business Model Canvas concept provides an opportunity for business actors to be able to see an operational picture as well as the benefits and risks that will be found by these business actors. The proof shop Thirty-One Collection is a trading business in the fashion sector that will be built in Karawang Regency. The proof shop Thirty-One Collection strives to be able to adopt concepts that can adapt to technological developments so that business productivity can be of interest to its customers. Seeing the needs of the Thirty-One Collection evidence store, it is interesting for researchers to be able to develop a business strategy using the Business Model Canvas so that the Thirty-One Collection proof shop can understand the business operations that will be carried out.

2. Background

The study took qualitative data through the interview method. Interviews were conducted with fashion enthusiasts and fashion business actors. The procedure of this research begins with the preparation of interview tools, then data is collected by semi-structured interviews. The results of data collection were carried out by the preparation of a Business Model Canvas for Thirty-One Collection Stores, to test the Business Model, the researchers conducted a SWOT (Strength, Weakness, Opportunity and Treat) analysis. SWOT analysis is an assessment of the results of the identification of a situation, to determine whether a condition is categorized as a strength, weakness, opportunity or threat [16][17]. SWOT analysis is part of the planning process. The main thing that is emphasized is that in the planning process, an institution requires an assessment of the current conditions and the future that will affect the process of achieving the goals of the institution. With a SWOT analysis, the characteristics of the main strengths, additional strengths, neutral factors, major weaknesses and additional weaknesses will be obtained based on the internal and external environmental analysis carried out [18][19].

3. Result Analysis and Discussion

In the process of collecting data, the researcher got several ideas to develop a Business Model Canvas. Here are the results of the Business Model Canvas design for the Thirty-One Collection proof shop.

Key Partnership	Key Activities	Value Proportion	Customer Relationship	Customer Segment
<div data-bbox="167 1162 400 1272">Fashion agency</div> <div data-bbox="167 1294 400 1429">Convection and tailor</div>	<div data-bbox="430 1162 675 1509">Carry out 4M production activities in Indonesian (Mendesain, Membuat produk, Menjahit, dan Marketing)</div> <div data-bbox="430 1534 675 1872"> <p>Key Resource</p> <ol style="list-style-type: none"> Ingredient Shop Human (employee) Financial (Cash) </div>	<ul style="list-style-type: none"> Items are always up to date. Low prices but good quality, Ease of customers to shop offline or online. There are products that are sold that have their own brand. 	<div data-bbox="963 1162 1198 1491">Create social media groups and create customer service for customer complaint services.</div> <div data-bbox="963 1534 1198 1872"> <p>Channels</p> <div data-bbox="963 1592 1198 1680">Social media</div> <div data-bbox="963 1697 1198 1785">Resellers</div> </div>	<ul style="list-style-type: none"> Woman Teenagers Moms

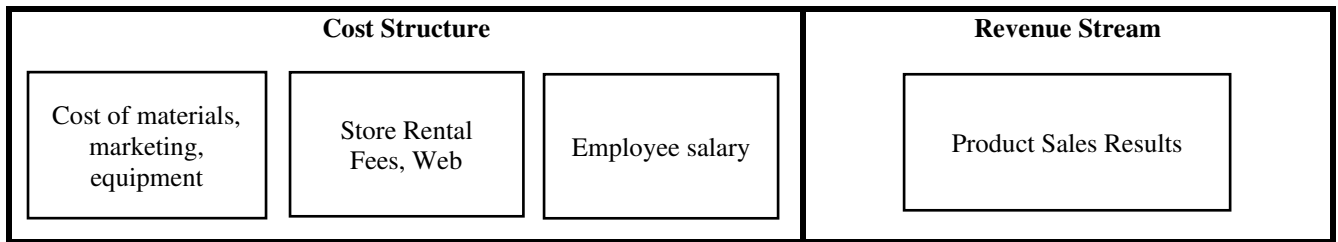


Figure 1. Business Model Canvas Thirty-One Collection boutique shop

- a. **Customer Segments**
The customer segments of Toko Evidence Thirty-One Collection are women, teenagers and mothers who like fashion.
- b. **Value Propositions**
Value propositions, namely fashion products that are sold are always up to date following the development of fashion besides being cheap and of good quality. To make it easier for customers, fashion products can be ordered offline or online. Some of the products sold have their own brand, Thirty-One Collection Boutique Store. The prices given range from Rp. 35,000 - Rp. 200,000 which are affordable. To be able to provide convenience to customers, Thirty-One Collection Boutique Store provides a guarantee if the product is defective.
- c. **Channel**
Channel is a way to reach / communicate with customers. Thirty-One Collection Boutique Stores reach customers through resellers and social media. The transaction process is divided into two, namely processes that occur directly (customers come to the store) and indirectly (contact through virtual stores). For customers who order, they are given two choices, namely take it yourself or the owner who delivers. The direct payment system has two options, namely paying in cash and debit, while for transactions carried out indirectly, a COD system can be used where payment is made in cash when the goods are delivered and a transfer system where the customer is asked to transfer an amount of money according to the total amount. the price of the goods and then the owner will deliver the order to the house. The distribution process carried out by the Thirty-One Collection Boutique Store is divided into two, namely for within the city and outside the city. For those in the city, the store will send orders using private couriers. As for outside the city, the store will send orders using an expedition or by using a dropship system where the supplier will directly send orders to customers via expedition. After sales action in the Thirty-One Collection Boutique Store, the owner offers reseller customers a cellphone number or line id as a medium of communication. serve the exchange of goods on the condition that the goods are found damaged or defective on the same day, and the Thirty-One collection Boutique will create its own online shopping application "Open Boetik".
- d. **Customer Relationship**
Customer Relationships is the type of relationship that you want to build with each particular customer segment. Thirty-One Collection Boutique Store tries its best to maintain good relations with customers. The categories of customer relationships that are applied in are personal assistance (customers communicate directly with the store, both with employees and ADMIN), dedicated personal assistance (customers are specially served by the admin), communities (owners create groups on line and WhatsApp to establish relationships with the customer community).
- e. **Revenue Stream**
Revenue Streams Revenue streams are the revenue that the company gets from customer segments. Thrity One Collection boutique earns revenue from product sales. The pricing mechanism used is fixed menu pricing where prices are set based on quality. Although the price set is fixed, the Thirty-One Collection Boutique provides product bonuses for the purchase of a minimum of 5 items.
- f. **Key Resources**
Key resources are company resources needed by the company in creating and offering value propositions, reaching markets, maintaining relationships with customer segments and earning revenue. Key resources can be seen from 3 elements, namely physical (physical facilities, namely materials or fabrics, shops), human (employees), financial (cash).
- g. **Key Activities**
Key activities are the most important actions a company must take for its operations to be successful. Thirty-One Collection boutique carries out 4M production activities (Designing, Making products, Sewing, and Marketing. After finishing production, displaying new products, making sales. Some of them buy products from other parties and stock them.
- h. **Key Partnership**
Key partnerships are parties that establish a cooperative relationship with the company. Thirty-One Collection boutique has potential partners such as suppliers and customers who can assist the owner in achieving his goals.

In addition, partners owned by Thirty-One Collection Boutique currently have the potential to have long-term relationships with fashion agents, convection, tailors.

i. Cost Structure

The cost structure is all costs incurred by the Thirty-One Collection Boutique company. The costs incurred by the Thirty-One Collection Boutique Store are equipment costs, equipment costs, gasoline costs, employee salaries, shop rental costs and shipping costs. The cost structure characteristic of Thirty-One Collection Boutique Store is divided into 4, namely fixed costs (employee salary costs, store rental costs, equipment costs for store decorations).

After preparing the Business Model Canvas, a SWOT analysis is carried out which can measure the strengths, weaknesses, opportunities and threats that can be accepted by the Thirty-One Collection Boutique Store. The SWOT matrix is a tool used to measure the company's strategic factors. This matrix can clearly describe how external opportunities and threats are owned [20][12].

<u>Strengths</u>	<u>Weakness</u>
<ol style="list-style-type: none"> 1. Affordable prices. 2. Good quality. 3. Have customers, suppliers, co-workers. 4. Can use social media. 5. Can produce their own fashion models. 	<ol style="list-style-type: none"> 1. Stores must be innovative in making models that are of interest to the public. 2. Social media is vulnerable to comments from netizens.
<u>Opportunity</u>	<u>Threats</u>
<ol style="list-style-type: none"> 1. Fashion Trends. 2. Social media supports a wide reach. 	<ol style="list-style-type: none"> 1. Differences in customer tastes. 2. The number of competitors in the same business world.

Figure 2. Thirty-One Collection Boutique Store SWOT Analysis

Based on the SWOT analysis image above, it can be seen that the Thirty-One Collection Boutique Store has strengths between affordable prices, quality goods, having supportive partners, proficient in using social media and producing their own fashion. The weaknesses of the Thirty-One Collection Boutique Store include, store owners must continue to innovate to produce innovative fashion and also the use of social media is vulnerable to comments from users. Apart from these weaknesses, the Thirty-One Collection Boutique Store has an opportunity because the fashion business is a trending business and many social media users support a wider reach in marketing. The threat from this business is that different customer tastes make Thirty-One Collection Boutique Stores to be able to research models before carrying out production and the many competitors require Thirty-One Collection Boutique Stores to continue to be adaptive so that their business can continue to run.

4. Conclusion

The Thirty-One Collection Boutique Shop Canvas Business Model can provide an overview of the production from the fashion business to Thirty-One Collection Boutique Store investors. Based on this description, investors can make the right decisions in investing. In addition, business actors themselves can understand strategies on how to increase their productivity and see the risks that the Thirty-One Collection Boutique Store may face. The SWOT analysis carried out can help business actors to minimize risks that may arise and find out the potentials that can be developed in the Thirty-One Collection Boutique Store business. The Business Model Canvas approach and SWOT Analysis can be used by other business actors in formulating their business strategies. In addition, a more comprehensive analysis can support the success of the Thirty-One Collection Boutique Store business.

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