

Analysis of Business Development Strategy for Jember Party Equipment Rental Services Using *the Business Model Canvas* (BMC) Approach

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Abstract: This study aims to describe the steps of business development strategies used in the Jember party equipment rental service business and describe, analyze the Business Model Canvas in the Jember party equipment rental service business. This study was conducted with a Business Model Canvas approach using a qualitative case study research type. Data collection using interviews and observations. The results of the study were obtained based on nine BMC elements consisting of customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structures summarized in one canvas showing that the Jember party equipment rental service business can carry out aggressive strategies. In addition, it also produces a new Business Model Canvas design as a result of improvements as a selected alternative strategy on channels, and customer relationships that can be used for future business development.

Keywords: Strategic Management, Business Development Strategy, Business Model Canvas.

1. INTRODUCTION

The party equipment rental industry in Indonesia is currently experiencing quite rapid growth. This is driven by the increasing number of celebratory events such as weddings, circumcisions, ceremonies, graduations, and other corporate events. People tend to prefer party equipment rental services rather than buying the equipment directly. This is because rental services can provide cost efficiency and convenience for event organizers.

Figure 15. Share and Growth of GRDP by industry Business Activities of Jember Regency 2019-2023



Source: BPS Jember Regency, 2024

Shows the contribution of the corporate service category is relatively stable over the past 5 years, which is below 1 (one) percent for 2019-2023. This condition shows that the role of other categories. The growth rate of the corporate service category in 2023 has increased and reached 10.81% (BPS Kab. Jember).

The party equipment rental business in Jember has a great potential to be developed. This is due to the high demand for events that require renters of various decorations and party equipment. The research was conducted on the party equipment rental business in Jember Regency, such as Linggarjati Baru rental in Summersari District, Merdeka and Erlangga rentals in Patrang District.

However, competition in this industry is also getting tighter with the presence of many new players. Therefore, a proper business development strategy is needed so that the Jember party equipment rental service company can develop its business for a long period of time and maintain its advantage in the market. One approach that can be used is the *Business Model Canvas analysis approach*.

Business Model Canvas approach is used as a medium to provide improvements to maintain stability in the Jember party equipment rental service business unit. The *Business Model Canvas* approach is a strategic management tool to define and communicate business ideas or concepts quickly and easily. Widyawati, (2024:16) states that *the Business Model Canvas* is a strategy in management in the form of a *visual chart* consisting of 9 elements. Through BMC, companies can change complex business concepts into simple and easy ones that are displayed on one canvas sheet containing a business plan with nine well-integrated key elements, which includes internal and external strategy analysis of the company.

Several studies conducted by Kamaludin, (2020). Harianto *et al*, (2022). Susilowati, (2021). and Maftahah, (2022) the results of their research concluded that the nine elements of *the Business Model Canvas* with the resulting strategy are very important and provide convenience for producers to develop their businesses in the future. With this *Business Model Canvas approach*, Companies can gain a more comprehensive understanding of their current business models and formulate more effective development strategies to improve productivity and competitiveness.

2. LITERATURE REVIEW

A. Strategy

Strategy means implementing a strategy with clear planning, time targets, and objectives (Anwar, 2020:27). Strategy is a complex concept that involves many different processes and activities in an organization (Prasodja, 2021:2). According to Ahmad (2020:2) There are two approaches to defining strategy, namely the traditional approach and the new approach. In the traditional approach, strategy is understood as a forward-looking plan. While in the new approach, strategy is better understood as a pattern and is reflective (*backward looking*).

B. Strategy Management

Strategic management is a series of managerial actions that determine the company's long-term performance. Strategic management includes environmental observation, strategy formulation, (strategic planning or long-term planning), strategy implementation, and evaluation and control. Strategic management emphasizes the observation and evaluation of environmental opportunities and threats by looking at the company's strengths and weaknesses. Originally called business policy, strategic management includes long-term planning and strategy (Sudiantini, 2022:1).

C. Business Development Strategy

Developing a business is the responsibility of every entrepreneur or entrepreneur who needs foresight, motivation and creativity. In general, business owners in developing their business must be able to see an opportunity where others are unable to see it, seize the opportunity and start a business (business), and run the business successfully (Supriadi, 2023:21).

D. Business Model Canvas

Business Model Canvas is a strategy in management in the form of a *Visual Chart* consisting of 9 elements. This strategy is designed to describe the ideas and concepts of a business in virtual form (Widyawati, 2024). Muttaqien, (2023:157) states that *Business Model Canvas* is a simple framework that makes it easy for business actors to determine the continuation of the business ideas created. It is easy to see whether the business idea is profitable and feasible to be realized.

3. RESEARCH METHODS

The research conducted by the author used a qualitative descriptive analysis method with a *Business Model Canvas approach*. towards Jember Party Equipment Rental Services . According to Sugiyono (2020:9) Qualitative research methods are research methods used to research on natural object conditions, where the researcher is As a key instrument, data collection techniques are carried out systematically. triangulation (combination), inductive data analysis, and research results Qualitative emphasizes meaning more than generalization. According to Bogdan and Biklen in Sugiyono (2020:7) the method Descriptive qualitative research is the collection of data in the form of words or pictures, so it does not emphasize numbers.

Researchers use interview, observation, and documentation methods to collect the necessary data. Descriptive analysis methods with case studies are used by researchers to process the data that has been successfully collected. The data needed in the study were obtained directly through observation, interviews, and documentation from relevant sources and literature studies.

4. RESEARCH RESULTS AND DISCUSSION

The strategy is basically formulated to form a " *response* " to relevant external changes from an organization. These external changes will of course be answered by considering the internal capabilities of an organization. To what extent can an organization take advantage of opportunities and minimize external threats to obtain maximum benefits by utilizing the advantages of the organization currently owned (Sudiantini, 2022:2).

As an initial step in developing a strategy for developing a party equipment rental service business in Jember using the *business model canvas approach* , a mapping of the company's current business canvas was carried out based on the results of in-depth interviews with internal informants of the Jember party equipment rental service business, so that the business model canvas can be applied to what was obtained from interviews and observations of the Jember Party Equipment Rental service, which can be seen from the nine key elements in Table 4.1 as follows:

Table 4.1 Business Model Canvas for Jember Party Equipment Rental Services

<p><i>Key Partnership</i></p> <p>Work partners: Photographer, wedding organizer, bridal makeup, catering</p> <p>Benefits of Collaboration: having extensive relations, getting new consumers from work partners</p> <p>Maintaining Relationships: communicating and maintaining friendship</p>	<p><i>Key Activities</i></p> <p>Supply Process: there are damaged products, and the ordered products are not available.</p> <p>Sales Process: social media, social gathering</p>	<p><i>Value Propositions</i></p> <p>Advantages: providing the best service, quality rental equipment</p> <p>Special Price: large order quantity</p> <p>Differentiating Service: existing customers get more discounts</p>	<p><i>Customer Relationship</i></p> <p>Maintaining Relationships: often communicate and maintain friendship</p> <p>Ensuring Customer Satisfaction: with customers returning to use our products</p>	<p><i>Customer Segment</i></p> <p>Type of Business: Tents, Tables, Various Chairs, Fans, AC, Buffet Equipment, Stage, Mini Sound System, Catering</p> <p>Target Consumers: surrounding environment, agencies, educational institutions, companies, outside Jember Regency</p>
<p><i>Cost Structure</i></p> <p>Fixed Costs: electricity costs, employee costs, transportation costs, tax costs</p> <p>Additional Costs: costs for repairing goods, repairing business premises, purchasing goods</p>		<p><i>Revenue Streams</i></p> <p>How to Determine Price: number of orders, what product is rented, what product model is chosen</p> <p>Transactions : Cash, Transfer, QRIS Code</p>		

Based on the results of the research analysis through the process of observation and in-depth interviews, the implementation process of the Jember party equipment rental service business can be described in more detail and structured, adjusted to the nine elements of the business model canvas (BMC), so that there is an improvement in the current BMC of the Jember party equipment rental service. The following are the results of the analysis with nine BMC components in Table 4.2

Table 4.2 Improvements *Business Model Canvas* Jember Party Equipment Rental Services

No	<i>Business Model Canvas</i>	Information
1	<i>Customer Segments</i>	<ol style="list-style-type: none"> 1. Local communities 2. Agency 3. Company 4. Outside Jember Regency
2	<i>Value Propositions</i>	<ol style="list-style-type: none"> 1. Quality and guaranteed rental tools 2. The best service 3. Special price 4. Various types of business
3	<i>Channels</i>	<ol style="list-style-type: none"> 1. WA Business 2. ID card 3. Social media: Instagram, Facebook, Tiktok
4	<i>Customer Relationship</i>	<ol style="list-style-type: none"> 1. Silaturahmi 2. Communication 3. Content education through social media: WA business, Instagram, Facebook, Tiktok
5	<i>Revenue Streams</i>	<ol style="list-style-type: none"> 1. Party equipment rental results
6	<i>Key Resources</i>	<ol style="list-style-type: none"> 1. Physical assets: business premises, rental equipment, fleet, workforce 2. Financial
7	<i>Key Activities</i>	<ol style="list-style-type: none"> 1. Product provision 2. Sales/marketing 3. Evaluation
8	<i>Key Partnerships</i>	<ol style="list-style-type: none"> 1. Photographer 2. Wedding organizer 3. Bridal makeup 4. Catering

9	<i>Cost Structure</i>	<ol style="list-style-type: none"> 1. Electricity cost 2. Salary costs 3. Transportation costs 4. Cost of repairing goods 5. Cost of repairing business premises 6. Cost of purchasing goods 7. Tax costs
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Conditions in Jember party equipment rental with the latest *business model canvas* used as a place for research. The application of BMC in party equipment rental can be seen from the nine key elements as follows:

Customer segment is an important key for business people, also in Jember party equipment rental. According to Osterwalder and Pigneur (2010) *customer segment* is an organization serving one or more customer segments. It can be seen in Jember party equipment rental that consumer segments include the surrounding community or individuals, various agencies, various companies and consumers outside Jember Regency.

Value propositions based on Osterwalder and Pigneur (2010) aim to solve customer problems and meet customer needs with value propositions. This *value proposition* is one of the strong elements in Jember party equipment rentals offering quality and guaranteed party equipment, the best service, special prices, and various types of products.

Channels according to Osterwalder and Pigneur (2010) are value propositions that are delivered to customers through communication, distribution, and sales channels. Communication, distribution, and sales channels are the link between the company and customers. It can be seen in the Jember party equipment rental that the channels used are social media such as WhatsApp and ID cards. In the future, Jember party equipment rental can expand channels to carry out activities that have not been implemented.

Customer relationships describe how the relationship is built between an organization or company in business with its consumers. According to Kotler and Keller (2016) in Fuad (2023) *customer relationships* are a process for managing detailed information about each customer and all customers to maximize loyalty. To establish good relationships with customers, Jember party equipment rental maintains friendship, and maintains online and offline communication. However, Jember party equipment rental can expand online sales, provide educational content through Whatsapp, Instagram, Tiktok, and

Facebook stories. As well as creating an online catalog that can make it easier for consumers to find the products they need.

Revenue streams according to Osterwalder and Pigneur (2010) are income streams generated from successful value propositions offered to customers. *Revenue streams* are key factors that need to be optimized so that companies gain maximum profit. The income generated by Jember rental equipment rentals is the result of party equipment rentals.

Key resources according to Osterwalder and Pigneur (2010) where the main resources are assets needed to offer and deliver the elements described earlier. Of course, to support business activities, Jember party equipment rentals have resources used such as physical assets, namely business premises, rental equipment, fleets, and labor, as well as finance. All of these resources are very important for party equipment rental activities, if one of the resources is missing, business activities will be ineffective and will be hampered. In the future, Jember party equipment rentals can expand their main resources with a digital platform.

Key activity is all activities related to business performance with products whose main activity is creating value propositions. According to Osterwalder and Pigneur (2010) said that key activities by carrying out a number of main activities. The main activities carried out in Jember party equipment rental activities such as installing tents, shipping goods, providing products, selling/marketing, and evaluating.

Key partnership is the main partnership building block describing the network of suppliers and partners that make the business model work. According to Osterwalder and Pigneur (2010) some activities are outsourced and some resources are obtained outside the company. Partners in the Jember party equipment rental are similar businesses and businesses related to party equipment rental (photographers, wedding organizers, bridal makeup, catering and others).

Cost structure describes all costs incurred to operate a business model. According to Osterwalder and Pigneur (2010) is an element of a business model that produces a cost structure. In the rental of party equipment in Jember, of course, there are costs that must be incurred, namely electricity costs, salary costs, transportation costs, repair costs, business location repair costs, purchase costs and tax costs.

Based on the results of the alternative business strategy choices that have been obtained, there are 2 aggressive strategies that have been chosen, namely:

1. *Channels* , through market penetration strategies

Describes how companies communicate with companies. According to Osterwalder and Pigneur (2010) is a value proposition that is set aside to customers through communication, distribution, and sales channels. It's just that in carrying out communication channels it has not been maximized because Jember party equipment rentals use WhatsApp channels and ID cards only.

Market penetration strategy according to David (2012) in Maftahah *et al* (2022) can be carried out as a form of aggressive strategy. Based on the results of the selected data analysis, an alternative strategy is selected to reach consumers through social media such as; Instagram, Facebook, Tiktok by utilizing technological developments as a form of development from the previous strategy.

The development of strategies on these *channels* is in accordance with previous research conducted by Aliwinoto *et al* (2022) that to develop business at Toko JIF, technology is used to expand *channels* by opening online stores using platforms to be able to communicate their value propositions more optimally.

2. *Customer relationship* , through market penetration strategies

According to Osterwalder and Pigneur (2010) *customer relationship* is a customer relationship built and maintained with each customer segment. So far, Jember party equipment rentals have only established relationships with consumers directly, either by surveying the consumer's location and when the consumer is at the rental location, as well as through online services via WhatsApp.

Based on the results of the data analysis, an alternative strategy was chosen, namely market penetration by providing educational content through WhatsApp, Instagram, Facebook, and Tiktok stories, and an online catalog can be created that can make it easier for consumers to find the products being made. The more consumers know about the product, the more opportunities there are for consumers from outside the city.

The development of strategies in *customer relationships* is in accordance with previous research conducted by Maftahah *et al* (2022) that to develop a business in *customer relationships* , a market penetration strategy is carried out by creating WhatsApp and Facebook groups with consumers to make it easier to communicate and exchange information with consumers.

CONCLUSION

Based on the results and discussions, there are several important points that can be used to formulate a strategy for developing a party equipment rental business in Jember using the *BMC framework*. So it can be concluded as follows:

1. *Customer segments*: Jember party equipment rental services that rent party equipment such as tents, tables, chairs, buffet equipment, stages, sound systems, catering. Consumers of rental services such as local communities, agencies, educational institutions and out-of-town areas.
2. *Value propositions*: Jember party equipment rental offers quality and guaranteed equipment, the best service, special prices, and various types of businesses.
3. *Channels*: channels used by Jember party equipment rentals such as social media, WhatsApp and ID cards.
4. *Customer relationship*: Jember party equipment rental is committed to maintaining friendship, communication and providing educational content.
5. *Revenue streams*: Jember party equipment rental achieved impressive tenant results. So it plans to continue to innovate and build strong partnerships.
6. *Key resources*: the business has physical assets, and appropriate digital platforms.
7. *Key activities*: Jember party equipment rental provides tent and stage installation services, also repairs damaged products, has marketing activities, development and evaluation to continue to innovate.
8. *Key partnership*: Jember party equipment rental has business partners with similar businesses, photographers, wedding organizers, bridal make-up and catering.
9. *Cost structure*: Jember party equipment rental manages electricity costs, salary costs, transportation, taxes, goods repairs, business location repairs, and goods purchases to maintain the sustainability of their business.

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