Combination of canvas business model and blue ocean strategy in developing SMEs Jus Pala Morella

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Abstract. This objective study to formulate and determine business strategies in an effort to develop SMEs Jus Pala Morella. With the abundance of nutmeg plantations in Leihitu District, especially in Morella Village, it is a good business opportunity to operate. There have been several types of the same business using products with the main ingredient being nutmeg, making the Tomasiwa Village Unit Cooperative as the main manager of the Jus Pala Morella products need to prepare careful planning to maintain market conditions. Canvas Business Model (CBM) is a tool that can be applied to restructure business planning. While the Blue Ocean Strategy (BOS) is the right business strategy in mapping out competition. The results showed that Jus Pala Morella needed to plan back its business, among others; 1) making derivatives from nutmeg juice such as jam 35.7% of the respondents are very necessary, 50.1% of the statements really need to be made, and 37.5% of the respondents stated that it is very necessary to produce nutmeg syrup; 2) variations in the taste of nutmeg juice, there are 42.9% of respondents stated that it really needs to be produced; 3) Ease of sales information must be reviewed, there are 75% of respondents stated that managers must provide sales information services, do not expect consumers to notify other potential customers; 4) Discounts of 28.6% of respondents stated that it is very necessary if the mass sales process (in large quantities). 5) 43.3% of respondents stated that they needed to make other packages such as glass bottles, and 6) Reduce the use of natural preservatives as many as 34.8% of respondents said it is very necessary. In addition, with the same competitors, the strategy that must be taken into account by Tomasiwa Village Unit Cooperative is to redesign the packaging and make variations in flavors according to those in CBM and BOS. Discount and drop shippers need to be considered.

1. Introduction
The development of a business model needs to be made to respond to rapid market changes because change is a necessity that cannot be avoided in the current era of global marketing \cite{1,2}. It takes a proper approach to answer these challenges \cite{3}. The combination of two methods, namely the canvas business model (CBM) and the blue ocean strategy (BOS), is expected to help answer the limitations of management in innovating towards consumer needs \cite{4,5}. Marketing activities are needed to introduce products directly to customers who do not know their existence, as well as to customers who already know their existence but need to be conveyed to maintain good relationships (customer relationships). Before starting the marketing process, it is better for industry to plan a business model so that it becomes a benchmark for the vision set by management.
Morella Village, Leihitu District has become an icon of Central Maluku Regency as the largest nutmeg producing area in Maluku Province. This is what was then captured as a business opportunity by Tomasiwa Village Unit Cooperative to create SMEs that are concerned about producing local products that have high economic value, namely Jus Pala Morella. However, there are always obstacles that continue to be encountered and cannot be resolved, namely limited production quantities caused by increased demand and the ability to innovate other derivative products. Therefore, this research is expected to be able to contribute to the Tomasiwa SMEs by applying a combination of CBM and BOS methods to see new opportunities from the market.

2. Methods
This study uses descriptive qualitative and quantitative methods, where the description will discuss consumer attitudes in assessing products and are presented in the following research instruments.

2.1. Survey and distribution of questionnaires
This process is needed to collect data on consumer behavior, consumer needs, and actual events from the implementation of the Tomasiwa Village Unit Cooperative Jus Pala Morella. The data collection technique was carried out randomly and submitted to various respondents in Indonesia who had ever enjoyed Jus Pala Morella.

2.2. In-depth interviews
This process is needed to obtain information from the main source. The main sources here are SMEs managers, experts, and stakeholders, the tools used in this study are interview guides.

2.3. Canvas business model (CBM)
A canvas business model is a tool that can be applied to all types of industries to plan business activities that will be pioneering and that are already running for the expansion process [6-8]. You do this by compiling a business strategy in 9 windows.

2.4. Blue ocean strategy
BOS is a basic concept that is relevant to companies wishing to grow faster by creating unique offerings for new markets rather than competing with existing rivals [9,10]. You do this by designing a curve that contains a lot of strategic knowledge about the current status and future of the business. All strategies must focus on attracting (service) consumers. The number of samples which became respondents in this study was 56 respondents.

Table 1. The formulation for sample.

| Objektive                                | Formulation   | Source |
|------------------------------------------|---------------|--------|
| Determine the sample of respondents      | \( n = \frac{N}{1 + Ne^2} \) | [11]   |

3. Result and discussion

3.1. Canvas business model
From the results of surveys and direct interviews between researchers and experts, SMEs managers, and consumers, various information is obtained, the CBM is arranged according to figure 1. So the researcher then compiles and distributes a questionnaire to find out how much it needs to be developed in terms of products and marketing strategy.
The following is a description of CBM in figure 1 (image) above which has been arranged in 9 blocks.

3.1.1. **Value propositions.** The value propositions for Jus Pala Morella are related to meeting the needs of all consumers in general with consumers in particular who have large-scale requests, such as requests by stores and supermarkets, so managers of Jus Pala Morella need to make a more mature supply plan.

3.1.2. **Customer segments.** Segments customer for people per person includes all circles with age limits are customers with age > 8 years. Meanwhile, regular customers are the Central Maluku Regional Government and the Maluku Provincial Government who always order products for the needs of making parcels from local food during religious holidays (Eid al-Fitr, Christmas, and other holidays), as well as from Indonesia National Army units as banquets and souvenirs for guests.

3.1.3. **Channels.** The distribution channel used by Jus Pala Morella SMEs is an agent (drop shippers) who will distribute nutmeg juice products to supermarkets, kiosks, shops, and other consumers (order outside Ambon Island).

3.1.4. **Customer relationship.** Tomasiwa Village Unit Cooperative continues to strive to maintain good relations with all customers, namely by continuing to meet customer demands. If there is a surge in orders and the manager only has limited supplies, the manager will divide the order according to the level of need. If the order is a regular customer, then it becomes a priority and will give a larger portion.

In addition, the secondary product provided by the manager is Sirup Pala Morella which is also busy being ordered at certain times, so that to maintain good relations with customers, managers must fulfill requests according to their abilities.

3.1.5. **Key resources.** Key resources at SMEs Jus Pala Morella are 1 drop shippers, 11 permanent workers, where 2 people assist in the production and quality control, 1 person as a raw material seeker, 1 person as the main manager (chairman) who gets additional tasks for the marketing process, stock controlling, and order packaging. Apart from human resources, there are also resource in the form of a semi-manual grate machine, 1 expiration date label machine, 1 automatic squeezer, 1 gas stove, 5 hock stoves, a 30 liter pan, and a 30 liter storage basin, a thermometer.
3.1.6. Key activities. The standard operating procedures for Jus Pala Morella are as follows:

a) Sorting of raw materials, carried out by quality control, payment of raw material per 100 pieces of nutmeg, then continued to the production workforce;

b) The production section peels the nutmeg meat manually by each production staff, every 300 pieces of nutmeg/day, and put in the refrigerator, stored in 1 day.

c) After a day in the cooling machine, the grading process is carried out

d) The process of the grating is complete. Quality control begins to measure the size per 300 pieces of meat to be squeezed using a press machine to extract the nutmeg juice.

e) Juice nutmeg is cooked to a temperature above 100 °C. then set aside to 70 °C

f) Using a thermometer to ensure that the nutmeg juice temperature is below 70 °C then pour it into a container (packaging).

g) Production section: fill in the 500 ml bottle, lock the bottle cap with a plastic label, put it in the cooler for 1 day, then arrange it on the shelf.

h) The marketing department (chairman) coordinates with agents (drop shippers) to market to regular customers.

3.1.7. Key partners. In the process of production to marketing, the key partners who assist Tomasiwa Village Unit Cooperative in facilitating supply and demand are packaging distributors (bottles, labels, cartons, and seals), nutmeg farmers, the local government agriculture agency, Maluku Provincial government agriculture office, and drop shippers.

3.1.8. Revenue stream. The main source of income from Jus Pala Morella comes from the sale of nutmeg juice products, while other income is the profit from the purchase of raw material in fruit units (not per kilo), an average of 100 pieces = 1.3kg, so a profit of 0.3kg is additional income. Another revenue stream is the sale of nutmeg syrup products, which are more expensive, but the manufacturing process is cheaper.

3.1.9. Cost structures. Cost structures for Jus Pala Morella include purchasing raw materials (nutmeg meat, sugar, salt), fuel, packaging (bottles, labels, cartons, and seals), and others.

If seen in figure 1 above, it is necessary to rearrange the marketing strategy and description of the CBM of Jus Pala Morella, and it is still necessary to restructure further CBM with the consideration of meeting the level of consumer interest. In accordance with the results of the semantic differential model questionnaire distribution, CBM block improvements are obtained, as shown in figure 2.

3.1.10. Complaint service. Very necessary 32.1% 18 respondents, necessary 44.6% 25 respondents, fairly necessary 19.6% 11 respondents slightly necessary, and 3.6% stated not necessary or equal to 2 respondents.

3.1.11. Packaging redesign. Very necessary that 32.1% or the same as 18 respondents, 48.2% or the equivalent of 27 respondents said it was necessary, 12.5% said it was fairly necessary, and it was not necessary that it was 7.1% or the same as 4 respondents.
3.1.12. Product derivatives that can be produced

a) **Sweets**

50% stated that the sweets were very necessary, 41.1% or the same as 23 respondents who said they were necessary, and 8.9% said they were fairly necessary.

b) **Jelly**

35.7% stated that jelly was very necessary, 50% or 28 respondents stated that it was necessary, 12.5% stated that jelly was fairly necessary to be produced, and 1.8% stated that jelly did not necessary to be produced.

c) **Pickles**

18 respondents, or 32.1%, stated that pickles very necessary to be produced. 55.4% stated that pickles necessary to be produced, 10.7% stated that pickles were fairly necessary to be produced, and 1.8% or 1 respondent said that they did slightly necessary to be produced.

d) **Dodol**

17.9% of respondents stated that dodol very necessary to be produced, 22 respondents or 39.3% stated that dodol necessary to be produced, and 21.4% of respondents stated that dodol is fairly necessary and did slightly necessary to be produced.

e) **Syrup**

37.5% of respondents stated that it is very necessary to produce nutmeg syrup, 50% or 28 respondents stated that syrup necessary to be produced, 10.7% stated that syrup is fairly necessary, and 1.8% or 1 respondent stated that syrup is slightly necessary produced.

f) **Candy**

37.5% of respondents stated that it is very necessary to produce nutmeg candy, 32.1% or 18 respondents stated that it is necessary to produce nutmeg candy, and 30.4% stated that fairly nutmeg candy is needed to be produced.

3.1.13. Variation of taste. There were 24 respondents, or 42.9% stated that it is very necessary to have a variety of flavors in nutmeg juice, and 44.6% of respondents stated that variations in taste necessary to be considered in the production of nutmeg juice. And 12.5% of respondents stated that the taste variation is fairly necessary for nutmeg juice.
3.1.14. **Ease of sales information.** 75% of respondents wanted (very necessary) to have easy ordering and sales information, while 21.4% or 12 respondents stated that easy access to sales and ordering information was needed, and 3.6% (2 respondents) stated that easy ordering and selling information was fairly necessary.

3.1.15. **Using natural preservatives.** 44.6% of respondents stated that natural preservatives were very necessary to maintain the quality of nutmeg juice, while 23.2% said it was necessary, 14.3% said it was fairly necessary, 0.6% of respondents stated that natural preservatives are slightly necessary used, and 17.3% said that there was not necessary to use natural preservatives.

3.1.16. **Discounts.** 28.6% of respondents stated that it is very necessary to have a discount if an order is made in a certain amount, while 37.5% said it was necessary, 21.4% said it was fairly necessary, 8.9% said it was slightly necessary, and 3.6% said that no discount is required because the price of the product is already very low.

3.2. **Blue Ocean Strategy**

From the results of distributing questionnaires and interviews that have been described in the CBM according to the improvement plan, it is possible to obtain additional attributes that must be made by the manager of SMEs Jus Pala Morella in order to be able to innovate in meeting customer demands. In BOS, questionnaires were re-created to determine the extent to which the quality of products and services of the SMEs nutmeg juice and 2 competitors who also produce nutmeg juice and derivative products. So that the BOS curve is obtained as follows in figure 3.

![Figure 3. Blue ocean strategy for jus pala morella.](image)

**Note:**
- **DeP** = Derivative Product
- **QC** = Quality Control
- **EoT** = Easy of Transaction
- **Csev** = Customer Service
- **Disc** = Discount
- **ServCo** = Service Complaints
- **Drop** = Dropshippers
- **ServTi** = Service Time
- **PacRe** = Packaging Redesign
- **FlaV** = Flavour variation

Thus, there are 1 strategy included in the reduce category, namely derivative products. Included in the raise category are 5 strategies, namely quality control, customer service, complaint service, timely customer requests, and ease of transactions. Meanwhile, those in the Eliminate category are discounted prices and the involvement of the drop shippers. And that is included in the creative category is a redesign of the packaging and variations of the taste of nutmeg juice.
4. Conclusions
The results showed that it is necessary to make a business strategy according to the needs of the Jus Pala Morella manager; with the CBM approach from the results that have been achieved in carrying out this research process, it can be concluded that SMEs Jus Pala Morella requires efforts to develop and change business models or strategies in order to maintain its existence as the originator of the nutmeg juice business idea in Maluku, so the need for changes in the value proposition block, revenue streams, channel distribution, and cost structure. So that the efforts of the Jus Pala Morella manager to obtain maximum profit can be achieved and be able to survive facing market challenges. Whereas for BOS, which must be considered in the category of eliminating and reduce.

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