

APPLICATION OF THE BUSINESS MODEL CANVAS TO BEAUTY CLINIC BUSINESSES (Study at RSa Aesthetic Clinic)

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ABSTRACT

The beauty industry in Indonesia continues to grow every year, resulting in increased competition. Moreover, awareness of the importance of having healthy skin is not only sought after by women but also by men. This situation causes more and more business people in the beauty industry to compete to be the best. For this reason, the right business strategy is needed for the RSa Aesthetic Clinic beauty clinic so that the beauty business can survive and get lots of customers. This research is qualitative research with data collection using observation, interviews and documentation. The data sources used are primary data and secondary data. The research results conclude that the RSa Aesthetic Clinic business development strategy based on BMC is to refocus on customer segments, strengthen and develop the value proposition, expand channels, maintain customer relationships and revenue streams, utilize key resources, key activities and key partnerships and streamline cost structures.

Keywords: Business Model Canvas, RSa Aesthetic Clinic

1. INTRODUCTION

The beauty industry in Indonesia is growing from year to year. Based on a Euromonitor report, the market potential for beauty and personal care products in Indonesia will reach around IDR 120 trillion in 2022. Increasingly, the demand for beauty among Indonesian women is increasing, especially in big cities. Many women prioritize appearance so they can be different from other people. As a result, they all compete to look different and flawless. Moreover, it is not only women who diligently carry out body treatments at various beauty clinics. Men also seem to want to compensate by looking fresh and neat, which is currently often called metrosexual men. Interest and awareness of self-care is increasing among society (Samoedra et al., 2023).

This situation causes more and more business people in the beauty industry to compete to be the best. The proliferation of beauty clinics in various cities in Indonesia automatically increases business competition. Each player is required to continue to innovate to create a unique brand. Deputy CEO of Markplus, Inc., Jacky Mussry, stated that demand for the beauty and personal care industry in Indonesia could even grow twice as fast as global demand, which averages only 5% because the market is very large. Therefore, it is not surprising that beauty industry players continue to improve themselves, from product to service aspects. Competitiveness can be influenced by many factors, including location, price, quality, promotion and marketing (Hacioglu et al., 2012).

Moreover, the rapid growth of advertising in the media, both social media, electronic and print media, has resulted in an increase in advertising to promote and depict ideal body image, cosmetic surgery, sexual attraction and presentation (Mehr et al., 2018). The digital era makes beauty care a very important need for some people.

Moreover, to overcome various complaints that cause skin problems that can reduce beauty, almost every woman needs the right products and care. This phenomenon supports the emergence of many beauty clinics that offer products and services to meet people's needs and desires for beauty treatments. The clinics that are emerging today not only offer treatment services that consumers can carry out while at the clinic, but also offer products as a continuation of the treatment carried out at the clinic so that consumers get the results they desire. These products are usually medicines packaged in various cosmetic forms for daily use by consumers.

One of the beauty clinics that offers beauty products and services is the RSa Aesthetic Clinic which is located on Jl. Raya Soreang-Banjaran, Ciluncat RT 002 RW 003 Ciluncat Village, Cangkuang District, Bandung Regency. RSa Aesthetic Clinic provides beauty products, for example facial creams, facials, vitamins, chemical peels, facial lasers and a number of other products. In carrying out these beauty practices, patients are always under the supervision of skin and beauty specialists and professional doctors who are experts in their fields. RSa Aesthetic Clinic always maintains product quality because the interests and safety of patients are the priority so that patients or consumers feel safe.

As a beauty clinic located in a big city, RSa Aesthetic Clinic faces various competitions because in Bandung itself there are quite a lot of beauty clinics that offer many advantages: Karadenta House of Beauty, Beautylogica Clinic, Airin Skin Clinic, The Clinic Beautylosophy, Natasha Skin Clinic and many more.

Researchers use the Business Model Canvas (BMC) as a tool to help RSa Aesthetic Clinic to see what business model will be implemented. Through BMC RSa Aesthetic Clinic you will see the outline, but every element related to the business will look complete and detailed. BMC is a business model, a logical description of how an organization creates, delivers and captures value (Osterwalder & Pigneur, 2012). By using BMC RSa Aesthetic Clinic you can see a complete picture that can answer questions about business. Evaluation of each element makes it easier to analyze what is deemed inappropriate and in the end the company can take the right steps to achieve business goals.

2. LITERATUR REVIEW

Business Model Canvas (BMC)

The Business Model Canvas is a visual framework for depicting various elements of how a business works. It describes what a business does, for and with whom, the resources needed to do that and how money flows in and out of the business. It can be used to design new models or to analyze current models (Robinson & Lock, 2013). Business Model Canvas is strategic management for developing new business models or documenting existing business models. It is a visual chart with elements that describe a company or product's value proposition, infrastructure, customers, and financials. The Business Model Canvas is a common language for describing, visualizing, assessing and changing business models.

The Business Model Canvas has been widely used in various business mapping, as a framework for mapping businesses to produce more optimal performance (Royan, 2014). In the initial process of creating a new innovative business model, the business model canvas can be used to plan a new business (Andrzej Tokarski & Maciej Tokarski, 2017 in Yulia 2020). The idea generation process is one of the crucial parts that must be decided by the company. Innovative Business Models are needed to facilitate and support existing changes with a focus on services and products so that an integrated product and service system approach can be calculated (Amit & Zott, 2012 in Yulia 2020).

The Business Model Canvas is explained in terms of nine basic building blocks, namely:

- a. Customer Segment describes the combination of people or organizations that the business company in question wants to reach and serve (Osterwalder and Pigneur, 2012).
- b. Value Propositions are an arrangement of products or services that create value that focuses on specific customer segments, value can be quantitative or qualitative (Osterwalder and Pigneur, 2012).
- c. Channels are media or means used to convey and explain the company's ways of getting consumers (Osterwalder and Pigneur, 2012).
- d. Customer Relationship describes the various types of relationships that companies create with specific customers (Osterwalder and Pigneur, 2012).
- e. Revenue Streams describe the cash flow obtained by the company from each customer segment (Osterwalder and Pigneur, 2012).
- f. Key Resources, namely defining the most important company assets needed for the business model to work (Osterwalder and Pigneur, 2012).
- g. Key Activities are the main activities carried out by a company so that its business model works well (Osterwalder and Pigneur, 2012).
- h. Key Partnerships describe the relationships between suppliers and partners that make the business model work (Osterwalder and Pigneur, 2012).
- i. Cost Structure defines all costs incurred to run a business model (Osterwalder and Pigneur, 2012).

The Business Model Canvas



Figure 1. Nine Building Blocks in The Bussiness Model Canvas

SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats)

SWOT analysis is a strategic planning method used to evaluate strengths, weaknesses, opportunities, and threats that occur in a project or in a business venture or evaluate one's own product lines or those of competitors. To carry out the analysis, the business objectives are determined or the objects to be analysed are identified. Strengths and weaknesses are grouped into internal factors, while opportunities and threats are identified as external factors (Rangkuti, 2014).

According to Pearce and Robinson SWOT is an abbreviation of a company's internal strengths and weaknesses as well as opportunities and threats in the environment faced by the company. SWOT analysis is a systematic way to identify factors and strategies that best describe the fit between them. This analysis assumes that an effective strategy will maximize strengths and opportunities, minimize weaknesses and threats. When applied accurately, this simple assumption has a huge impact on the design of a successful strategy

(Pearce & Robinson, 1997).

This analysis can logically help in the decision-making process. The decision-making process is related to the company's vision and mission as well as company goals. However, SWOT analysis can be used as an effective tool for analysing factors that influence a company, as a decision-making process for determining strategy. Factors in SWOT Analysis are:

a. Strength

Strengths are resources/capabilities controlled by a company or available to a company that make the company relatively superior compared to its competitors in meeting the needs of the customers it serves. Strength arises from the resources and competencies available to the company. Strength can be contained in financial resources, image, market leadership, buyer and supplier relationships and other factors. Strength factors owned by a company or organization are special competencies contained within the organization which result in the business unit having a comparative advantage in the market. It is said this because the business unit has a source of skills, reliable products and so on which makes it stronger than competitors in satisfying market needs that are planned to be served by the business unit concerned (Siagian, 2019).

b. Weakness

Weaknesses are limitations/deficiencies in one or more resources/capabilities of a company relative to its competitors, which become obstacles in meeting customer needs effectively. In practice, these limitations and weaknesses can be seen in the facilities and infrastructure that are owned or not owned, low managerial abilities, marketing skills that are not in line with market demands, products that are not or are not in demand by consumers or potential users and the level of profit that is obtained is low. inadequate. Internal strengths and weaknesses are controlled activities of an organization that can be carried out very well or badly. This appears in management, marketing, finance or accounting, production, research, and development and so on (David, 2011).

c. Opportunities

Opportunities are the main profitable situations in a company's environment. The main trend is one source of opportunity. Identification of previously overlooked market segments, changes in competitive/regulatory conditions, technological changes, and improved relationships with buyers/suppliers can be opportunities for companies.

d. Threats

Threats are the main unfavourable situations in a company's environment. Threats are the main obstacle for a company in achieving its current or desired position. The entry of new competitors, slow market growth, increased bargaining power of key buyers/suppliers, technological changes, and revised or updated regulations, can be obstacles to a company's success (Sedarmayanti, 2014).

3. DATA AND RESEARCH TECHNIQUE ANALISYS

Types of Research

The type of research used in this research is descriptive qualitative research, namely research that aims to provide clarification of phenomena that occur today, as well as describe efficiently, verifiably and accurately the facts or characteristics and relationships between the phenomena that occur. is being researched (Moleong, 2017).

Data Source

a. Primary data source

Primary data was obtained through interviews with the owner and employees of RSa Aesthetic Clinic.

b. Secondary data sources

Data sources obtained through literature study, namely in the form of RSa

Aesthetic Clinic business reports, documents and other sources related to the problems studied and everything related to the research object (Soekanto, 2019).

Data Collection Technique

The data collection techniques used in this research are observation, interviews and documentation. Data analysis technique Data analysis techniques are the process of collecting data systematically to make it easier for researchers to reach conclusions. The data analysis technique uses qualitative data, namely the activity of analyzing data in the form of material obtained from observations and information provided by informants, then discussing and explaining it from general matters and then drawing a conclusion. The steps for qualitative data analysis according to Sugiyono are: data reduction, data display and conclusion drawing/verification (Sugiyono, 2019).

4. RESULTS AND DISCUSSION

Based on the results of interviews that researchers convert into SWOT analysis, then converted again into BMC, a business model can be formulated to further increase sales, namely

Key Partners - Skin care supplier - Supplier of maintenance equipment	Key Activities - Selling products - Provide treatment services to patients - Providing Consultation	Value Propositions - Providing Treatment services - Safe quality skincare. - Medical personnel are professional	Customer Relationships - Discounts - Give away - Vocher - Bazaar - Seminar - Live on Social Media - Follow up patients via WA to remind patients to carry out control	Customer Segments The target customer segmentation for RSa Aesthetic Clinic is men and women aged 15-59 years
	Key Resources - Skin care - Maintenance equipment - Health workers (doctors, nurses, beauticians, pharmacists, pharmacist assistants)		Channels - Whatsapp - Instagram - Facebook - Tik-tok - Youtube - Marketplace - Website	
Cost Structure - Raw material costs - Operating costs - Product promotion costs - Costs of purchasing medicines, medical equipment and skincare		Revenue Streams Sales of treatment products and services		

Source: data is proceed, 2023

Figure 2. Business Model Canvas RSa Aesthetic Clinic

In business in the field of beauty clinics with a business model described in figure 2 the following elements can be the key to the success of the beauty clinic business, namely:

- a. Consumer segment, or a group of people who want to be reached and served by the company (Osterwalder & Pigneur, 2012). Consumer segment is a party that uses the services/products of the organization and those who contribute to providing income for the organization. In general, customers are those who pay directly a service/product they buy. Consumer segment can also be said as a person or organization that is intended by the company to be served. Including customers are users or connoisseurs not directly buyers, but companies must pay attention to the will and desire. Customers are this from the business model because there are no companies that have no companies that can last for a long time (Osterwalder & Pigneur, 2012). Consumer segment RSa Aesthetic Clinic is currently men and women aged 15-59 years.
- b. Value proposition, or more value that makes customers switch from one company to another. Value propositions can be said to be a uniqueness that determines why the product or service deserves to be chosen. Value propositions offer to solve customer problems or as much as possible to meet the customer's wishes. The uniqueness offered must be something that stands out and is different compared to competitors but must also be truly craved by consumer segments. The more value possessed by the RSa Aesthetic Clinic is the provision of safe and quality treatment and skincare services and medical personnel are professional.
- c. Channels, which is the way a company communicates with its customer segments and reaches them to provide value propositions. Without a good communication channel, the product value cannot be known by consumers. In this element RSa Aesthetic Clinic uses WhatsApp, Instagram, Facebook, Tik-Tok, Youtube and Marketplace.
- d. Customer relationship, which is a customer relationship that describes various types of relationships built by the company together with specific customer segments. When consumers have captured the value offered by the company, the company must maintain the relationship for a long time. Customer relationship has an important role because it has three functions, namely: acquire customers, maintain customers and increase sales. The way done by RSa Aesthetic Clinic is to make discounts, give away and voucher.
- e. Revenue streams, cooperative businesses that routinely become a source of income for cooperatives are capital given when attending training. Revenue streams illustrate how the organization earns money from every customer segment. This flow of funds allows the organization to stay alive. Revenue streams RSa Aesthetic Clinic are from the sale of product and treatment services.
- f. Key resources, related to raw materials and suppliers needed in the production process (R.P.H et al., 2018). The availability and quality of materials is an important element in a company. The product value can also be determined by communicating how raw materials are obtained and how the quality of raw materials affects the quality of the product (Evelina et al., 2013). Every business has each key resource that is the hallmark of the business unit. RSa Aesthetic Clinic key resources are products, treatment equipment and human resources.
- g. Key activities, in the process of creating product values, each company has a different process and maybe the process is the product value (Wisdaningrum, 2013). Therefore, the company must identify the key activities of the company and keep the activity maintained its consistency and confidentiality. Important things that must be done by RSa Aesthetic Clinic so that the business model can work, namely selling products, providing treatment services to patients and providing consultation.
- h. Key Partnership, the existence of the company is always related to partners both directly related to the production and indirect process (Kurniawan, 2017). All stakeholders or partners must be identified and managed in order to have a positive impact on business units (Natalia & Astuario, 2015). Key Partnership RSa Aesthetic Clinic is a supplier of skin care and maintenance equipment suppliers.
- i. Cost Structure, in the product creation process cannot be separated from the costs incurred (Kaban, 2019). The amount of costs incurred will have an impact on the selling price of the product and the strategy implemented by the company. Company

profits depend on promotion and product COGS, so reducing costs to a minimum and selling at maximum prices is the business goal (Jannah, 2018). The costs required by RSa Aesthetic Clinic are raw material costs, operational costs and product promotion costs.

5. CONCLUSION

RSa Aesthetic Clinic business development strategy based on BMC is to refocus on customer segments, strengthen and develop the value proposition, expand channels, maintain customer relationships and revenue streams, utilize key resources, key activities and key partnerships and streamline cost structures. The part of BMC that will be emphasized for RSa Aesthetic Clinic is the customer segment and value proposition where RSa Aesthetic Clinic must expand the customer segment and add value proposition.

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