



# **Snack Business Development Strategy Using the Canvas Model Business Approach at UD Mentari Jaya Putra, Tanggul District, Jember District**

**Rallyanta Tarigan**

Politeknik Negeri Jember, Jember, East Java

## **Abstract**

Business competition is currently increasing, companies must improve their business capabilities so that their businesses can develop and compete with other companies. Therefore, companies must have a strategy so that their business continues to run and develop. Research on "Snack Business Development Strategy Using the Business Model Canvas Approach at UD. Mentari Jaya Putra, Tanggul District, Jember Regency" uses a qualitative descriptive research type. Qualitative descriptive research was carried out to describe the actual situation of the UD snack business environment. Mentari Jaya Putra. The first step in the descriptive analysis carried out in the research was to formulate the UD business model. Mentari Jaya Putra in its current snack business uses the Business Model Canvas approach. The second step is to formulate improvements to the new business model with the results of previously obtained data so that a business model is created that is suitable for the business development strategy at UD. Mentari Jaya Putra. The formulation of the Business Model Canvas through 9 BMC components, each of which is analyzed, then separated again into the right (efficiency side) and left (value side) components consisting of customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure.

**Keywords:** Business Model Canvas, Development, Snack

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## **\*Correspondence Author:**

rallyanta1@gmail.com

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## INTRODUCTION

Research conducted by Hambali and Andarini (2021) and released by the Central Statistics Agency (BPS) indicates a year-on-year increase in the number of MSMEs. In 2016, the number of MSMEs was 61 million; by 2018, it had increased to 64.2 million. Jember Regency hosts 647,416 MSMEs (Department of Cooperatives and MSMEs of East Java Province, 2019), including UD. Mentari Jaya Putra. This MSME specializes in the production and trade of diverse snacks in Patemon Village, Tanggul District, Jember Regency. UD. Mentari Jaya Putra is presently a distributor of diverse snacks in East Java Province, having partnered with souvenir stores across multiple locations and distributing its snack items from Banyuwangi City to Sragen City. Snacks are distributed eight times monthly, yielding around 1.88 billion in revenue from snack sales. The raw materials and marketing supply has already engaged with multiple suppliers, farmers, and other merchants. Home industries work with other businesses to uphold product quality. This entrepreneur supplies raw materials that will subsequently be processed by UD. Mentari Jaya Putra into numerous ready-to-eat snacks for sale.

UD. Mentari Jaya Putra offers an extensive assortment of over 200 distinct snacks. Among these goods, only 20% of the snacks are manufactured internally by UD Mentari Jaya Putra, including soybean snacks, koro, marning, otok nuts, and komak. The remaining 80% of the snack goods are procured from various vendors affiliated with the home industry, including egg nuts, hidden nuts, and rengginang. The product costs are quite economical, ranging from IDR 5,000 to IDR 50,000 per box, with net weights varying from 300 grams to 5 kilos. UD. Mentari Jaya Putra specializes in offline sales. UD. Mentari Jaya Putra's snack business encounters multiple challenges, including a scarcity of raw materials, volatility in raw material prices, the proliferation of competitors manufacturing analogous products, the absence of a defined business model, and a downturn in sales attributed to the COVID-19 pandemic. The identified issues indicate that business competition is exceedingly intense, necessitating entrepreneurs to adopt development strategies to ensure product viability by delineating suitable business models to bolster competitiveness and establish effective and efficient corporate governance. The Business Model Canvas is a highly implementable business model. Research by Rahmatang (2019) entitled "Business Development Strategy for Honey Using the Business Model Canvas Approach (Case Study: UMKM Toko Pelawan, Namang Village, Central Bangka Regency)" indicates that UMKM Toko Pelawan has satisfied the nine components of the business model canvas. Nonetheless, the business model at UMKM Toko Pelawan presently exhibits deficiencies, necessitating the formulation of strategies based on enhancements to the business model canvas. These strategies include the incorporation of agents, diversification of honey bee species, augmentation of honey bee hives, development of more appealing and comfortable stalls, issuance of membership cards, amplification of business capital, modification of packaging shapes and sizes for greater variety, provision of training for members or employees, and establishment of legally binding written agreements.

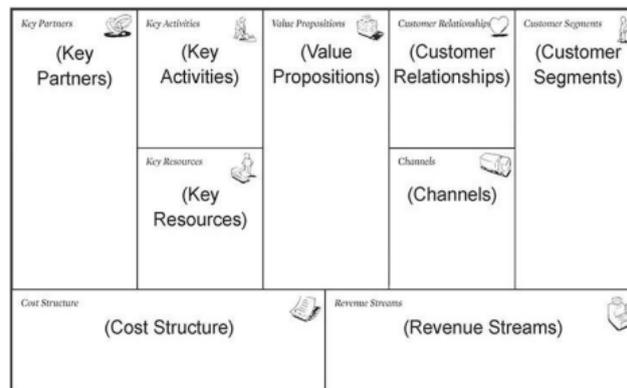
Kuswardhani's (2021) research, titled "Business Development Strategy for 'Cofresh' (Coffee Fresh) Using the Business Model Canvas (BMC) and QSPM (Quantitative Strategic Planning Matrix)," reveals that the EFE matrix calculations demonstrate CoFresh's position in growth and development. The preeminent approach for advancing marketing is to utilize online marketing platforms (IT-based) and partnerships with coffee shops to promote products.

This research seeks to identify, develop, and evaluate different methods for the snack business that are appropriate for UD. Mentari Jaya Putra, based on prior research studies.

## METHOD

This study used a nonprobability sampling technique. Purposive sampling is a technique that entails the selection of data sources depending on particular criteria. (Sugiyono, 2016). The

sample for this study comprises the management of UD. Mentari Jaya Putra includes one distribution head, the company owner, and an expert/practitioner with extensive knowledge of the company and insights into the developments within the snack industry at UD. Mentari Jaya Putra. This research aims to delineate the facts and circumstances and address inquiries pertaining to the corporation UD. Mentari Jaya Putra. The research is conducted at UD. Mentari Jaya Putra to develop a business model utilizing the Business Model Canvas framework.



**Figure 1:** Business Model Canvas Framework

Source: Gloword.co.id

The phases of elucidating the nine elements of the Business Model Canvas are as follows:

1. Target Demographics
 

The initial phase involves identifying the client categories for UD. Mentari Jaya Putra's snack business is used to ascertain the target audience for product offerings and sales. Customers provide numerous advantages to the organization, including the likelihood of recurring purchases of provided products, which fosters customer loyalty.
2. Value Propositions
 

This factor evaluates the value of UD. Mentari Jaya Putra will and has delivered its products to entice buyers. This value proposition will distinguish UD. Mentari Jaya Putra's snack goods are based on comparable offerings and provide a competitive edge. This may impact the selected client category.
3. Channels
 

This component examines the methods by which the organization has delivered and will supply items to clients and the channels through which these products will be presented to them. It relies on the efficacy of essential resources, critical activities, and significant partners.
4. Client Relations
 

This component examines how the organization cultivates relationships with customers. Establishing a strong rapport with clients fosters loyalty, enhancing the company's revenues.
5. Income Source
 

This component evaluates the company's revenue and its sources.
6. Essential Assets
 

This component examines the essential resources within the organization that are crucial for operating the business at UD. Mentari Jaya Putra.
7. Principal Activities
 

This component evaluates the current and future operations of the company that substantially influence value creation for snack goods at UD. Mentari Jaya Putra.
8. Essential Collaborations

This component evaluates the individuals who have emerged as major partners at UD, specifically Mentari Jaya Putra. It examines the resources that have been and will be supplied by the partners and the principal activities associated with the main partners.

#### 9. Cost Structure

This element examines the expenses that substantially enhance product value. Additionally, it analyzes the essential resources and significant activities that generate considerable costs at UD. Mentari Jaya Putra.

## RESULTS AND DISCUSSION

According to the results of the conducted identification, the following explains each component of the BMC for UD. Mentari Jaya Putra:

### 1. Customer Segmentation

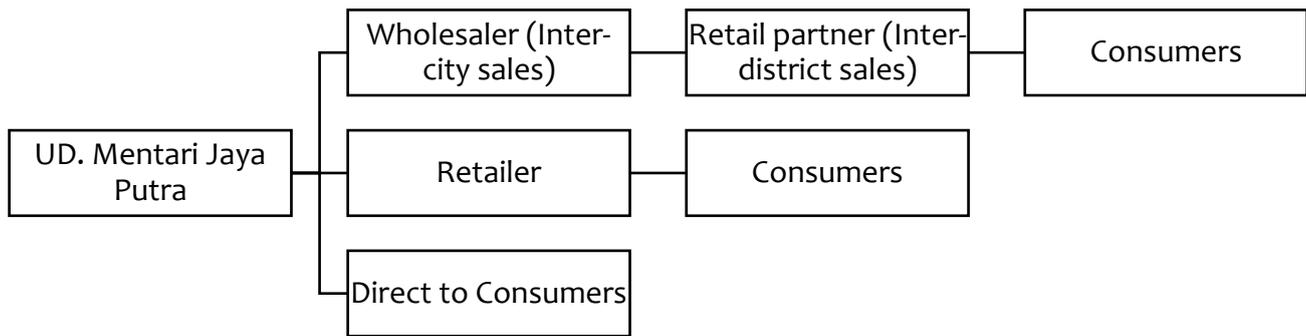
The customer segmentation for UD. Mentari Jaya Putra is classified by gender, encompassing all genders, specifically male and female, with age brackets from youth (15 years) to adults or seniors (60 years and over). The created snacks are suitable for consumption by individuals of all religions, particularly Muslim consumers, as the snack goods possess halal certification. This snack product is available to all social strata, including students, college attendees, homemakers, and entrepreneurs. Mentari Jaya Putra provides consumers with competitive pricing due to the variability of individual incomes. The marketing of this snack occurs from rural areas to urban centres, with the sales objective remaining national as the marketing is confined to the domestic market.

### 2. Value Propositions

UD. Mentari Jaya Putra's value offering to consumers is the provision of high-quality snacks that are available in diverse flavours, sizes, and pricing points. The snacks are produced and marketed by UD. Mentari Jaya Putra is devoid of preservatives. Moreover, the snacks are encased in robust, tidy, and functional packaging, guaranteeing resistance to tearing and safeguarding the products from dust. The product prices vary from IDR 5,000 to IDR 75,000, contingent upon the type and weight of the snacks. The delicacies offered by UD. Mentari Jaya Putra are popular among consumers and serve as suitable keepsakes.

### 3. Channels

UD. Mentari Jaya Putra employs direct interaction with customers in-store to explain and present the company's value propositions through product introductions and offerings. This effort is conducted through partner snack sales outlets that have worked with the company, including souvenir centers, supermarkets, and convenience stores. Approximately 3,200 partner sales stores collaborate with UD. Mentari Jaya Putra is distributed across diverse locations, from Banyuwangi City to Sragen. According to the interview with Mr. Nasir, the proprietor of UD. Mentari Jaya Putra, the company's sales and promotional strategies predominantly depend on word of mouth, facilitating consumer awareness of the available snack goods and the diverse options UD provides. Mentari Jaya Putra. Moreover, the sales of these snack goods concentrate on offline transactions. The subsequent delineates the distribution and marketing channels of the snack enterprise UD. Mentari Jaya Putra:



**Figure 2.** Distribution and marketing channels of UD. Mentari Jaya Putra  
Source: The primary data has been analyzed

#### 4. Customer Relations

UD. Mentari Jaya Putra cultivates client connections by upholding the quality and standards of its products, hence ensuring continued consumer faith in the given goods. This firm supplies snack racks to partner establishments associated with UD. Mentari Jaya Putra also delivers excellent service to all customers.

#### 5. Sources of Revenue

This cash stream is crucial for UD. Mentari Jaya Putra, as a business, cannot function effectively without revenues. The revenue of UD. Mentari Jaya Putra is derived from its capital and the selling of snack items to partner retailers. The monthly turnover from snack product sales is around 1.88 billion. Additional revenue streams for UD. Mentari Jaya Putra is derived from second-party partners, including investors and several collaborating institutions.

#### 6. Primary Resources

The primary resources possessed by UD. Mentari Jaya Putra, as derived from the acquired data, are as follows:

##### Physical assets

UD. Mentari Jaya Putra possesses physical resources comprising manufacturing facilities such as a house, a storage warehouse for snack goods, production and packaging equipment, a retail location for product sales, and a fleet of 8 box trucks.

##### a. Fiscal assets

Financial resources denote the monetary assets utilized to operate the business. The financial assets of UD. Mentari Jaya Putra comprises personal cash from Mr Nasir and contributions from several investors associated with UD. Mentari Jaya Putra.

##### b. Human Capital

Human resources denote the competencies and knowledge required to operate the enterprise. UD. Mentari Jaya Putra employs 47 individuals, comprising 18 in packaging, 20 in distribution and marketing, 6 in production, and 3 in the snack store operated by UD. Mentari Jaya Putra.

#### 7. Principal Activities

##### a. Production Activities

UD. Mentari Jaya Putra's production activities comprise 20% snack goods, including soybean snacks, koro beans, marning, and otok beans. The remaining 80% of the snacks are procured from other companies collaborating with UD, specifically, Mentari Jaya Putra, where only labelling and packaging operations are conducted on these products.

#### b. Packaging Operations

The product packaging process necessitates the most staff, such as UD. Mentari Jaya packages around 200 varieties of snack food, including diverse tastes, forms, and packaging sizes. Similar to basreng snacks, egg peanuts, potatoes, and macaroni.

#### c. Marketing and Distribution Operations

The marketing and distribution of snack products by UD. Mentari Jaya Putra occurs in multiple cities and is sold in its stores and partner outlets, including souvenir shops, grocery stores, and supermarkets, spanning from Banyuwangi to Sragen. For one month, snack deliveries occur eight times utilizing eight box trucks, with each delivery route encompassing 50 businesses as destinations for the snacks distributed across multiple cities.

### 8. Principal Collaborators

UD. Mentari Jaya Putra collaborates with many suppliers of raw materials essential for snack production and is a significant partner in its business operations. Market demand can be satisfied through collaborations, guaranteeing the procurement of essential raw materials for snack production. The raw materials suppliers for this company are situated in several places, including Jember, Lumajang, and Malang. This business also has a plastic packaging provider that partners with a packaging factory. UD. Mentari Jaya Putra possesses essential collaborators, specifically sales partners and capital partners. This firm has roughly 3,200 sales partners distributed throughout several cities, while its capital partners comprise three investors and cooperation with Bank Jatim and BRI.

### 9. Financial Framework

Fixed costs are expenditures incurred by the company that remain unaffected by variations in sales. UD. Mentari Jaya Putra's fixed expenditures encompass personnel pay, procurement and maintenance of manufacturing equipment and buildings, utility expenses for power and water, and property taxes for both the production site and the snack stores.

Variable cost refers to the company's expenditures that fluctuate under changes in sales and other operational operations. The variable costs articulated by UD. Minister Jaya Putra encompass expenses related to the production of raw materials, including those for snack manufacturing and packaging, costs for printing packaging labels, product distribution expenses, and overhead costs, which comprise the purchase of writing instruments, printing banners, and daily consumables.

The strategy for advancing the snack business at UD. Mentari Jaya Putra employs the Business Model Canvas technique, resulting in a delineation of the nine components of the business model canvas, which provides an alternate framework for new strategies that may be formulated by UD. Mentari Jaya Putra. The business model concepts are generated from the existing BMC mapping, scrutinized, and assessed. This document elucidates each component of the Business Model Canvas for UD. Mentari Jaya Putra as a strategy for business development.

#### 1. Customer Segment

The formulation of the new business development plan is anticipated to expand the scope of all components of the BMC, particularly the client segments component. The broader and more defined the targeted consumer categories, the simpler it will be for the company to market and provide its products. In the current age of globalization, individuals of all ages increasingly favour online shopping, such as via social media or marketplaces, due to the convenience of ordering and delivery to the consumer's location. Researchers propose augmenting the Customer Segment component of UD. Mentari Jaya Putra, by broadening its clientele to

encompass consumers who favour online shopping, as this may enhance snack sales volume, corroborating the findings of Ermaya and Darma (2019).

## 2. The Value Proposition

Aspects of UD. Mentari Jaya Putra are now commendable; however, the researcher recommends enhancing the value propositions of this snack enterprise by integrating the convenience of purchasing, which is available both online and offline. This element pertains to Channels and prior customer segmentation, as expanding the customer segment to encompass consumers who favour online shopping will yield Value Propositions that include the convenience of shopping and the capability to conduct online and offline transactions. UD. Mentari Jaya Putra optimizes the services offered to its customer segments, resulting in modifications to its Value Propositions aspect by incorporating excellent and amiable service performance, consistent with the findings of Hambali and Andarini (2021).

## 3. Channels

At present, UD. Mentari Jaya Putra relies solely on word-of-mouth and direct communication with customers who visit the shop and its sales partners. The communication and promotional channels at UD. Mentari Jaya Putra can be improved by using social media platforms such as Facebook, Instagram, and WhatsApp and broadening its marketing avenues through marketplaces like Shopee and Tokopedia. Should UD. Mentari Jaya Putra executes this plan, and the organization may enhance sales volume and fortify client relationships, according to the research provided by Kuswardhani (2021).

## 4. Client Relationships

Customer Relationships pertain to the interaction between producers and consumers, wherein consumers can engage with the value proposition presented by the company. Establishing a strong rapport with clients fosters loyalty towards the organization. Presently, enterprises are engaged in intense competition to capture consumer loyalty, employing strategies such as providing membership cards and discounts contingent upon a minimum purchase of products. This can be executed by UD. Mentari Jaya Putra to sustain customer ties. Furthermore, UD. Mentari Jaya Putra can deliver prompt responses to consumers seeking to acquire snack products, hence minimizing wait times for purchasers, consistent with the findings of Kuswardhani's research (2021).

## 5. Income Sources

UD. Mentari Jaya Putra presently possesses multiple revenue streams, encompassing revenues from product sales, personal capital, and collaborations with external parties, including banks and individual investors. The snack goods from UD. Mentari Jaya Putra is distributed to multiple places in Indonesia. Sales executed outside the city, regardless of volume, necessitate transport expenses. The shipping payment can also be incorporated into the company's revenue stream, as it will create income, according to the research undertaken by Kuswardhani (2021).

## 6. Essential Assets

Key Resources are the essential assets a corporation utilises to accomplish its operations. At now, UD. Mentari Jaya Putra possesses sufficient assets for business development; nevertheless, the researcher recommends the acquisition of more Key Resources, namely sealing equipment for the packaging process, as the company currently operates with only one sealing machine. This modification is essential to guarantee the seamless operation of the

packaging process in the event of a sealing machine malfunction, and it may also accelerate the packaging process, according to research conducted by Rahmatang (2019).

#### 7. Principal Activities

Key Activities are the essential operations a firm conducts to manage its business and develop the value proposition presented to its client groups. UD. Mentari Jaya Putra is presently involved in various principal activities, specifically manufacturing, packaging, and marketing/distribution of products. Research revealed that the primary activities undertaken by UD. Mentari Jaya Putra requires augmentation through administrative tasks. The administrative functions are conducted at UD. Mentari Jaya Putra encompasses the documentation of all sales transactions and expenditures during business operations. This activity occurs whenever production activities, product sales, and firm expenditures transpire, according to the research undertaken by Suwarni and Handayani (2021).

#### 8. Mitra Utama

UD. Mentari Jaya Putra presently maintains various essential collaborations, encompassing suppliers of raw materials and packaging, in addition to sales and capital partners. These partners significantly aid UD. Mentari Jaya Putra in managing and developing a substantial enterprise. The study recommends that UD. Mentari Jaya Putra expanded its partnerships to include stores or organizations that supply tools and machinery utilized in the production and packaging of snack products, such as sealing machines. Consequently, should any tools or machines sustain damage and fail to operate effectively, UD. Mentari Jaya Putra can reach out to these partners to acquire the company's requisite manufacturing tools and machines. The researcher advises UD. Mentari Jaya Putra will prioritize partnerships with companies that provide equipment and machinery for packaging, given that the predominant activity in this industry is the packaging of snack products. This is beneficial for manufacturing and packing operations when machine or production tool malfunctions occur, consistent with the findings by Suwarni and Handayani (2021).

#### 9. Financial Frameworks

Cost Structures denote all types of expenditures incurred by a corporation in the operation and management of its business. UD. Mentari Jaya Putra's expenditures comprise fixed and variable costs. Modifications in the above eight elements influence the cost structure of UD. Mentari Jaya Putra will incur. This aspect has experienced a modification in the cost structure, namely with promotional expenses and the acquisition costs of sealing machines. By incorporating this cost structure, UD. Mentari Jaya Putra may enhance sales and expand product accessibility to consumers; furthermore, it can optimize the production process, consistent with the research completed by Warnaningtyas (2020).

### CONCLUSION

Alternative strategies or enhancements are to be implemented when developing the snack business at UD. Mentari Jaya Putra utilizing a Business Model Canvas methodology are as follows:

- a. Customer Segments: individuals who prefer online shopping
- b. Value Proposition: simplicity in purchasing and payment processes, available online and offline, complemented by excellent and amicable service Channels: utilization of social media and online marketplaces
- c. Customer Relationships: offering membership cards and discounts to customers with a minimum purchase, alongside prompt responses to consumer inquiries.

- d. Revenue Streams: shipping fees for snack products.
  - e. Key Resources: production equipment, specifically sealing machines.
  - f. Key Activities: administrative functions
  - g. Key Partners: suppliers of equipment and machinery for snack manufacture
- Cost Structure: marketing expenses and expenditures associated with acquiring sealing machines.

Enhance the advertising and sales framework via online platforms, including social media and marketplaces, since this may augment sales volume and improve post-sale engagement with clients, fostering a sense of appreciation. This can aid in retaining consumers and fostering client loyalty. The corporation might adopt this alternative strategy as a business model for developing snack enterprises at UD. Mentari Jaya Putra.

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