

CHAPTER I

INTRODUCTION

1.1. Overview of Research Object

1.1.1. PT. Berkah Citra Agro Profile

PT. Berkah Citra Agro was established in Bandung on August 12, 2012, located at Ciliwung No. 9 Bandung. PT. Berkah Citra Agro is a local and imported meat provider and processed meat products and has become a business partner of several well-known traders, supermarkets, star hotels, restaurants, cafes, catering, and wet markets. In addition to being a business partner of PT. Berkah Citra Agro also opened its own retail store called “Agro Meat Shop” (Company Profile PT. Berkah Citra Agro, 2019).

PT. Berkah Citra Agro has obtained the Halal MUI Certification and Certification of the Veterinary Control Number (NKV) of the West Java Provincial Livestock Service that guarantees quality, hygienic, halal and affordable products. PT. Berkah Citra Agro also complements good facilities ranging from production machinery, a cold storage capacity of 1,500 tons, operational standards that refer to the criteria of food safety and distribution facilities, namely by using refrigerated cars to maintain the quality of products sold and still have competitive prices (Company Profile PT. Berkah Citra Agro, 2019).

Since its establishment, the company has experienced a fairly good development, which is seen by the increase in the number of orders for beef and the number of sales from year to year increases until the profit gained increases and for the future the company plans to improve the quality of beef so that the company can be expected to receive orders from customers on a larger scale and increase company profits (Company Profile PT. Berkah Citra Agro, 2019).

1.1.2. Organization Structure

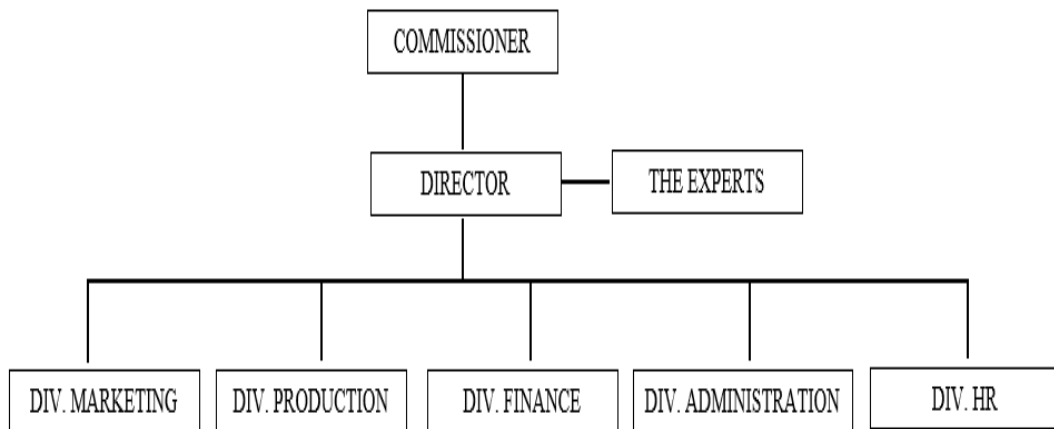


Figure 1.1 Organization Structure

Source: PT. Berkah Citra Agro

1.1.3. Company Logo

PT. Berkah Citra Agro has two logos where the first green logo of the committee is designated as the company's logo and the second is the logo with a red ax image that is intended as the company's retail store logo.



Figure 1.2 PT. Berkah Citra Agro Logo

Source: <http://agromeatshop.com>, Accessed on January 31, 2019



Figure 1.3 Agro Meatshop Logo

Source: <http://agromeatshop.com>, Accessed on January 31, 2019

1.2. Research Background

Retail is a popular industrial sector and has dominated the lives of Indonesian people since the past as well as the retail industry plays an important role in the economy of a country, especially related to the fulfillment of daily needs. This is marked by the spread of stalls and shops in almost every area from rural to big cities and one of these changes can be seen from the increasingly diverse and segmented store format. This industry continues to grow along with the rate of population growth. Even retail is claimed to be the industry that is most resistant to the wave of the crisis, considering that Indonesia's domestic consumption is quite large, which is 54.6% (BPS 2012 data) and will continue to grow around 10% -15% per year. Retail business in general can be divided into two major groups, namely traditional retail and modern retail.

In recent years there has been a shift in people's preferences in meeting their daily needs, where people tend to shop in modern markets (minimarkets, supermarkets and hypermarkets). According to Sujana (2012:30) there are several points that trigger the growth of modern retail, namely economic growth; large population and population growth; consumer shopping behavior; government policy; industry trends; technology; business competition; and the entry of foreign retailers. Modern retail has several advantages compared to traditional retail. This advantage is fully utilized by modern retailers to get the best agreement with their stakeholders.

Sujana (2012:37) reveals that the more consumers shop at modern retail outlets, especially those domiciled in urban areas and the following are some of the main reasons that encourage them to shop in modern retailers:

1. Strategic location
2. Services that refer to added value to create satisfaction
3. Physical facilities in the form of location, outlet design and layout that looks attractive
4. Prices that have been set
5. Promotions that attract consumer interest
6. A variety of sticky products

With the development of the retail business, endless efforts are made to always adjust to the needs of consumers, emerging various modern retail formats as the development of traditional retailing. These formats are based on a mix of elements used to provide customer satisfaction (Sujana, 2012:37).

Retailers are interested in market conditions in Indonesia. As reported in the Weekly Indo Perspective (2015), states that the retail sector in Indonesia continues to grow along with the development of the quantity and quality of society. The potential for modern retailers is still large along with the increasing lifestyle of people to shop in modern retail.



Figure 1.4 Sales Development in the Retail Sector in Indonesia

Source: Weekly Indo Perspective, 2015

Sales growth in the retail business in Indonesia over the past 10 years is higher than Indonesia's GDP growth. This means that the development of retail business in Indonesia is still very promising. As seen from the potential of Indonesia's relatively large retail market, even though the growth of national retail sales in 2014 to 2015 is expected to only slightly increase as economic growth slows.

Speaking of retail, a lot of changes have emerged. Bandung is one of the largest cities in Indonesia which has a large retail market share. This growing need can be seen from the increasing number of sales in the retail sector. Bank Indonesia Retail Sales Survey (2015) reported that retail RSI (Real Sales Index) in Bandung grew by 34.0%. This growth is the highest compared to other cities in Indonesia.

One of the retail businesses in Bandung is PT. Berkah Citra Agro. Based on the interview with Mr. Erwin Sunardi as the President Director and Mr. Triyogi Ganda Sukmatja as the Head of Marketing Division, PT. Berkah Citra Agro is the largest provider of beef both locally and imported in Bandung with the only one that displays all the products and the process of cutting the meat at the company's retail stores named Agro Meatshop, where currently Agro Meatshop is in the stage of additional development to show different concepts to customers. PT. Berkah Citra Agro presents the main menu of the most complete part of beef, and there is a choice of barbecue packages and also provides sales of mutton.

PT. Berkah Citra Agro is building a new development retail store with the café & restaurant concept so it can make customers more comfortable for shopping meat. That was the hallmark of PT. Berkah Citra Agro with Agro Meatshop where shopping for meat is no longer necessary for customers to feel and come to dirty places, smelly or not. Market segment of PT. Berkah Citra Agro is a Bandung society, housewives and business industries in Bandung that need beef. The retail stores capacity of PT. Berkah Citra Agro has more than enough space to shop with a simple and modern design makes shopping more comfortable.

In this study will be described, explained and analyzed in detail about the business model of Agro Meatshop which is under develop construction that owned by PT. Berkah Citra Agro uses the Business Model Canvas approach. The business model canvas is a business plan whose format is innovatively designed so that it is only one page. The business plan is divided into nine blocks which includes nine important elements in a business activity such as customer segments, value propositions, channels, customer relationships, revenue streams, key resources, keys partnership, key activities and cost structure. (Oscarius Y.A. Wijaya, 2016:97).

Based on the description of the background above, the researcher chose the research title "**ANALYSIS OF THE BUSINESS MODEL AT PT. BERKAH CITRA AGRO USING BUSINESS MODEL CANVAS APPROACH**".

The increasingly diverse needs, the shift in consumption trends and the changing shopping patterns are three important points that need to be observed for

a company, especially retail companies, which in fact interact directly with end consumers. Thus a strategy that is needed is not only to meet the needs, but also to provide convenience and comfort and provide more value to consumers when shopping.

1.3. Problem Statement

The increasingly diverse needs, shifting consumption trends and changes in spending patterns are three important points that need to be considered for a company, especially retail companies, which in fact interact directly with end consumers.

PT. Berkah Citra Agro sees an opportunity for that and wants to offer a new experience for customers when shopping for meat. Because the Agro Meatshop that offers by PT. Berkah Citra Agro with new concept is under develop construction, so a business model are required in achieving a value for the products and services that will offered to customers. Therefore the author requires to design the right business model for PT. Berkah Citra Agro which is expected to help the development of Agro Meatshop uses the business model canvas approach.

1.4. Research Question

This research was conducted to describe the business model of PT. Berkah Citra Agro with the Business Model Canvas approach. The following is the research question that want to be answered:

1. What is the appropriate business model for Agro Meatshop retail store of PT. Berkah Citra Agro?

1.5. Research Objective

The purpose of this study is to design and examine the business model of Agro Meatshop of PT. Berkah Citra Agro with the Business Model Canvas approach.

1.6. Significance of Study

1.6.1. Theoretical Aspect

This research is expected to provide knowledge for writers and readers to understand how service providers work for a reference for improvement.

The output of this research is expected to gain and enrich knowledge in the field of technology, especially in digital entrepreneurship and the implementation of business model canvas in analyzing a company's business model canvas.

1.6.2. Practical Aspect

This research is expected to be useful as information for the beef industry, especially for PT. Berkah Citra Agro, for feedback, criticism, or even to gain new insights. This is expected to be an additional reference for evaluating their business from a public perspective. Industry can learn about the business environment, such as customers, suppliers, society, demography, economics, or technology. And also this research is expected to provide an overview of the effect of service providers, so that it can be used as a reference to improve the quality of service to consumers. At the same time this research can be used as a reference for future researchers.

1.7. Writing Systematic

This research is presented into 5 (five) chapters, the systematics are as follows:

CHAPTER I: INTRODUCTION

This chapter briefly presents an overview of the research object, research background, research focus, problem identification, research objectives, the significance of the study, and writing systematics.

CHAPTER II: LITERATURE REVIEW

This chapter contains literature review and previous researches which are related to the topic and variables of the research.

CHAPTER III: RESEARCH METHODOLOGY

In this chapter describes the characteristic of the research, operational and variable measurement, steps, sample, resources, validity, and data analysis method.

CHAPTER IV: ANALYSIS AND DISCUSSION

This chapter provides results of the research systematically in order to be analyzed by using the methodology and also discussion.

CHAPTER V: CONCLUSION AND SUGGESTION

The last chapter of the research presents the conclusion which is derived from all the data processing and analysis and recommendation for further development field of the research.