

Analysis of Entrepreneurial Marketing Canvas on Small-Scale Business

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Abstract— This research aimed to analyze the entrepreneurship and marketing model adopted from the newest model of Entrepreneurial Marketing Canvas (EMC). This marketing model was combination of marketing strategy, financial strategy, and organization. The subject of this research is one of muslim fashion industries in Bandung, West Java, El-Zatta. This research used qualitative method and literature study. The result was expected to analyze the small scale business, El-Zatta, and know the current situation of the business including entrepreneurship, marketing, and organization aspect. Moreover, the analysis of the EMC was based on internal and external analysis (SWOT analysis). Then, The EMC would contribute more effective management to anticipate unpredictable Era and become inside-out market orientation to develop El-Zatta's specific competency-based on entrepreneurship to serve future demands. Thus, El-Zatta would focus on innovation and ideas development that related to market changes.

Keywords— Entrepreneurial Marketing Canvas (EMC), SWOT Analysis, small scale business

I. INTRODUCTION

A successful organization depends on marketing role play, especially in a small scale business. Likewise, the Entrepreneurial Marketing (EM). The entrepreneurial marketing can be understood as marketing with an entrepreneurial mindset because it is the organizational function of marketing taking into account innovativeness, risk-taking, pro-activeness, and the pursuit of opportunities without regard for the resources currently controlled [1]. Accordingly, entrepreneurial marketing requires the marketer to display an underlying entrepreneurial orientation [2]. The Entrepreneurial Marketing Canvas (EMC) as a new concept of entrepreneurial marketing that consists of marketing, finance, and organization based on entrepreneurial activities. The micro and small scale business have to carry out this concept in facing changes in business environment. As known, today's business environment is changing and the business is more competitive. The compatible and right strategies become an indicator of successful business. The disruption phenomenon occurs in the Indonesian business environment [3]. That situation is caused by a change that affects market conditions shaped by Volatility, Uncertainty, Complexity, and Ambiguity (VUCA) or unpredictable situations. Because of that, entrepreneurs have to adapt with

the right business strategy such as marketing and the entrepreneurial activities. Moreover, it is to develop performances. The small and medium business performances will be developed by entrepreneurial marketing [4].

The previous researches was focused on entrepreneurial marketing and its implication toward social media, such as Facebook's innovative performance [6], performance measurement [7], entrepreneurial performance [4], and its application by the international new ventures [8]. Besides, the study of entrepreneurship focused only on one entrepreneurial aspect at a time. Those aspects are entrepreneurship in motivational factors [9], entrepreneurship education [10] and family entrepreneurship [11].

This study will focus on analysis of Entrepreneurial Marketing Canvas (EMC) in the small scale business that consist of marketing, financing and organization/entrepreneurial activities in El-Zatta Bandung. The fashion business is one of the small scale business sector that still exist and spread widely in Indonesia, especially muslim fashion. It is caused by fashion trends that rise rapidly following the Era (up to date). So that, this industry is very dynamic and competitive. Entrepreneurs in the fashion industry must a lot of entrepreneurship knowledges and skills to support the business, how to plan the business and to create an opportunity, how to solve the problem/ risk that will happen in the unexpected time, to manage process and resources. Besides, the marketing knowledge is important too to gain the market share, to succeed the business activities, especially in branding, selling, promotion and so on. Moreover, there are entrepreneurs in a micro and small enterprises who are bankrupt, they fail to follow the fashion trend. Therefore, small and micro entrepreneurs, in an entrepreneurial perspective, need market in a way that suits a small and/or growing firm that does not have the resources or operational structure of a large company [12]. To initiate the problem of the importance of entrepreneurship and marketing aspect in small and micro enterprises, the entrepreneurial marketing (EM) will develop the performance [13-15]. While marketing plays a significant role in successful organizations [12], it can be argued that marketing is becoming more critical for small scale business performance, for which the loss can often determine firm survival. Thus, entrepreneurial marketing aims to overcome challenges in uncertain economic times [16].

Small and medium business lack resources as finance, knowledge, information, time, and opportunities compared with larger firms and integrate marketing with innovativeness, which is central to entrepreneurship. Thus, entrepreneurial marketing helps to understanding how small and medium size firms that do not have the resources or operational structure of a large company compete and need an entrepreneurial perspective of marketing. [12].

The entrepreneurial marketing as marketing for small or new business can be interpreted by emphasizing the quantitative aspect of the business/ company, and the entrepreneurial marketing as marketing with an entrepreneurial spirit (marketing by entrepreneurs) by highlighting the qualitative aspect of entrepreneurial marketing. But in this study, the author adopted the entrepreneurial Marketing Canvas (EMC) model by Hermawan Kartajaya (2018) including marketing, financial and organizational aspects. Entrepreneurial marketing describes the marketing enterprises of micro, small and medium sized entrepreneurs [17]. So that the entrepreneurial marketing can develop the business performance. Marketing and entrepreneurship have been examined to have a significant interrelationship, which means that they influence one another's effect on performance [14].

One of the muslim fashion company in Bandung is El-Zatta. It is one of Muslim fashion hijab brand in Indonesia since 2012, with stylist "Muslimah" fashion trend that inspired by modern and traditional model. The author was interested to analyze El-Zatta and tried to apply the EMC model on it. This study aimed to analyze entrepreneurial marketing canvas on small scale business. So that the research was conducted by case study in El-Zatta Hijab in Bandung.

Entrepreneurial Marketing Canvas (EMC) consist of three aspects, marketing, finance and organization [3]. This model of marketing and entrepreneurial activities turned up from the disruption that caused by Volatility, Uncertainty, Complexity, and Ambiguity (VUCA). This EMC model ia a platform that organization can be "resilient" and aim to be Entrepreneurial Marketing Organization (EMO) [3].

Entrepreneurial Marketing is a organizational function and process to create, communicate, and give a value to the customer and to organize customer relationship that is beneficial to the organization and stakeholder, that is consist of innovativeness, risk-taking, proactiveness [17]. Entrepreneurial Marketing is not about relationship between conventional marketing and entrepreneurial but including the Administrative Marketing and Entrepreneurship [17].

II. METHOD

The research used qualitative method to analyze the enrepreneurial marketing canvas (EMC) in El-Zatta-Bandung. In this case, all problems involving a social phenomenon and social interaction required a deep analysis using several techniques to get data like interviews, case studies, surveys, and observations. The focus of the research was to find out how the current condition of El Zatta with the Entrepreneurial Marketing Canvas analysis.

The main source of data collection on qualitative research and activity was obtained through interviews. While other data obtained through the physical data in the form of archives, documents, or other images. For this type of data in this study were collected from primary data (interviews with informants who was directly involved in the company. Either the owner of El-Zatta, or employees) and the secondary data applied from the earlier research, reference, documentation, either physical or literature relevant to the research). The analysis included all dimentions of the EMC. Besides, the SWOT analysis was needed. SWOT (strength, weak, opportunities, threats) focus to find out the company's current situation/ environments [14].

III. RESULTS AND DISCUSSION

A. SWOT Analysis

1) Strength

Strength is the characteristic that adds value to something and makes it more special than others. It means that something is more advantageous when compared to something else. In this sense, strength refers to a positive, favourable and creative characteristic [18]. These El-Zatta's strengths were products that was various and compatible with the Era, especially in muslim style trends. Besides, the product was segmented to the all customer's elements. Thus, the strengths analysis of El-Zatta indicated that El-Zatta's brand was familiar brand name in Indonesia, had brand ambassadors such as celebrity and influencer as endorsers. Besides, El-Zatta was following the trend fashion of muslim in Indonesia which indirectly, it was a competitive advantage that would be a way to gain the market share. In other advantages, El-Zatta employed professionals in supporting the production, selling, marketing, administration and other business process. Moreover, El-Zatta had good relationship with the customer and its business partner.

2) Weakness

Weakness refers to not having the form and competency necessary for something. It means that something is more disadvantageous when compared to something else. In addition, weakness is a characteristic that is negative and unfavourable [18]. The weakness analysis of El-Zatta was in a marketing process, such as website or social media that was easy to immitate. The result of this analysis indicated that El-Zatta's product was easy to immitate, less in promotion and competitor's product was similar in material and motif.

3) Opportunities

Opportunities is a valuable/profitable situation in the company. If the segment identification, regulation, and competitive change has significant value, it means the company has an opportunity [19]. The opportunities analysis of El-Zatta indicated that it was sustainable design of technology. That condition was dynamic, change, and the Muslim fashion trend was rising significantly. In the other sides, it became an opportunity to El-Zatta in gaining Muslim hijab market share in Indonesia. This opportunities were advantages and driving force for an activity to strengthen the positioning.

4) Threats

Threat is a situation or condition that jeopardizes the actualization of an activity. It refers to a disadvantageous situation. For this reason, it has a negative characteristic that should be avoided [18]. The threat analysis of El-Zatta indicated that regulation and market changes, new competitor, and imitation of the product (such as design, material etc) were becoming serious threats of El-Zatta.

B. Entrepreneurial Marketing Canvas

After SWOT Analysis, the next step was fulfilling the EMC Framework in figure 1 below:

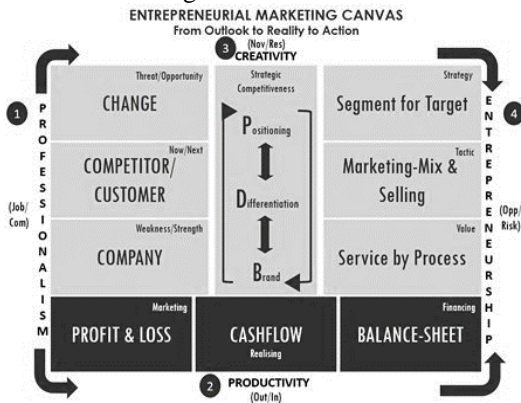


Fig 1: El-Zatta’s EMC Framework

1) Marketing Analysis

Analysis of marketing in this Entrepreneurial Marketing Canvas by Hermawan Kartajaya (2018) consist of nine canvases. There are change, competitor/ customer, company, positioning, differentiation, brand, segment for target, marketing mix and selling, and service by process.

The business environment was constantly changing. These changes affected all organizations. The environment that changed, was including threats and opportunities. The threats of El-Zatta were regulation (new laws and regulations to comply with), Economic conditions and market changes. While opportunities in form of a new competitor, Sustainable design of technology and Muslim fashion trends also change rapidly. This changes had not only increased competition but also had allowed companies to operate in markets previously considered forbidden. Thus, El-Zatta had to optimize the opportunities and anticipate all the threats;

Competitor and customer. The two factors of this canvas became a vital aspect. The competitor would be a serious threat, especially in gaining a larger market share. Moreover, competition required companies to become more efficient in order to reduce costs. In other sides, customer would give a benefit to the company as a profit. This canvas analyzed current situation of competitor and future customer. The analysis found that The El-Zatta had competitor which offered similar product with its advantage, and in the future (long term), El-Zatta had to gain competition then make the customer satisfaction that caused loyalty;

El-Zatta as the creative industry in Muslim fashion hijab had an internal environment that consisted of strength and weakness. El-Zatta had familiar brand name in Indonesia, the brand ambassador such as celebrity and influencer as endorsers, following the trend of world muslim fashion, Had

professional resources, good in relationship with the customer and its business partner. These was a strength of the company. Besides, El-Zatta’s products was easy to immitate (such as design, materials, and so on), and less in promotion (marketing pattern). These was becoming a weakness that had to be evaluated and developed;

Competitive strategic must be applied to gain competitive advantages. It consists of positioning, differentiation, and brand. Positioning is a core of marketing strategy that refers to the position of the product in the minds of the customers and how it is distinguished from the competitor’s product. The El-Zatta was a Muslim fashion retailer, offering variety of muslim fashions to all segments of Muslimah. Differentiation means the company carry out product differentiation. The El-Zatta had modern and traditional style, variety of hijabs, and its function (classical and exclusive style) that discribed the muslimah identity. Brand is a name that represent a company’s advantage. In addition, the El-Zatta was a name of the product that was a fashion hijab which was easily communicated and marketed. It was distinguished from other products of muslim hijab fashion. In this canvas, the company introduces the brand until the brand awardness created. El-Zatta was a reputable modern muslim fashion hijab brand especially in Indonesia.

Marketing analysis based on MMC also considers kind of business strategies, such as company’s strategy that makes a customer’s segment as a target. It is company’s way to gain its goal in a short and long term. The El-Zatta’s strategy was could fulfill what customers need and want. Besides, El-Zatta focussed on the segments and used it as a strategy and target to gain customer attention. El-Zatta had exclusive and traditional muslim hijab, described muslimah identity, focus on Muslimah, involving in the muslim events. The strategy used by El-Zatta was not working well without a tactic and value that would become an advantage.

Tactic is an action aiming at the achievement of a goal that can be applied as one or more specific tasks. The term is commonly used in a business. The El-Zatta used a tactic that was adopted from marketing mix elements such as product, price, promotion, and place. It could be an advantage to the company because of customers could introduce, recommend El-Zatta’s product to others by their way. Besides, El-Zatta had priceless without cutting down the quality and tried to serve customer with total quality services.

Moreover, creating value, a benefit offered by company to its customer, has to created through a process. The El-Zatta’s value was impactable in store experience, the product was available in e-commerce, had single brand system with the exclusive and modern fashion hijab style for muslimah.

2) Finance Analysis

The financial analysis consists of financing through the balancesheet, operating the profit and loss, actualizing by cashflow, and capitalizing the Market. Financing through the balancesheet, means all business costs must be refered to the equation ($Asset = Liabilities + Equity$). Balancesheet is one of the financial administrations that will illustrate company’s financial condition. The purpose are to manage financial activities efectively. Hence, El-Zatta was recommended to

assess financial productivity. Furthermore, The El-Zatta's financial activities was not depending on credit or debt.

Operating the profit and loss, means El-Zatta must illustrate business's financial condition. It could be referred as an indicator to identify whether the business condition in a loss or profit. The El-Zatta's volume of sales was increase significantly year by year, so that the el-zatta was in a profit. Actualizing by cashflow, means that whether the business almost have difficultness in getting cash money which was needed to pay cost, both fixed cost and variable cost. A Cashflow was a real or virtual movement of money in the business. El-Zatta Had free cash flow to support business activities and investment;

Capitalizing the Market. Market capitalization represented capitalization- a financial term used for indicating the size of the company. The market cap is calculated by multiplying a company outstanding shares by the current market price of one share. The market cap of the El-Zatta was still good but it was looked stagnan.

3) Organization

The organizational analysis consists of professionalism, creativity, productivity, and entrepreneurship. Professionalism in El-Zatta could be indicated by suggesting the employees to be professional in working hours, motivating them to be owner of the business (sense of belonging) and introducing and applying Corporate Social Responsibility (CSR) for the ethic strategy. Besides, company had to be professional in facing challenges and be able to come up from the crisis

El-Zatta's creativity meanted the company could produce limited sources in realizing new idea, such as innovation to hold the company process and creating new business value. Created innovation and product line depelovement such as getting partnership with the suplier, designer, and public figure as celebrity endorser.

El-Zatta's productivity was illustrated in production center. It meanted in production process, El-Zatta must be able to illustrate how the cost could be minimalized, controlled and developed the quality with the optimalization of the asset to gain the profit. It can be seen in utilization of machine. Besides, El-Zatta had business model which focused on quality assurance that consisted of planning, production, and sales.

The Entrepreneurship, Entrepreneurship Engine, were opportunity seeking, risk taking, and collaborative. The El-Zatta must own sense of curiosity and try to be open minded toward new ideas. So that, the entrepreneur can find the opportunities. Risk Taking, meanted the El-Zatta had bravery in taking a risk and tried to solve it. Collaborative, this process was needed because not all the sector could be carried out by company, and sometimes needs other company's. Supporting from other sectors in the company was important too. The founder of El-Zatta applied the entrepreneurial principle in a business, it was very welcome to collaborate with others.

Based on the the analysis of Entrepreneurial Marketing Canvas (EMC) in El-Zatta Bandung, The author remarked important points that needed to improve. The top line of

marketing strategy (changes aspect) caused business environment more complicated and would influence the structure, content and disposition of the El-Zatta's document. In addition, The El-Zatta management had to anticipate unpredictable market changes and tried to manage risks. As known, the regulation, especially the economic and trade policy adjusted the global change. It was becoming a serious challenge to all micro and small enterprises. This business environment was changing and market conditions were shaped by chaos, fragmentation, unsureness, complexity, and ambiguity instead of using a planned linear and rational response that is conventional marketing approach, also a new entrepreneurially creative alternative was introduced [20].

The El-Zatta's management had to understand how the business environment was changing and the impact of it on the business, such as business culture, knowledge, and skill of El-Zatta's workplace. In the other sides, those changes had important part of business life. The El-Zatta forced to adapt to its environment and to improve its market position, especially in domestic market. Those changes must be managed, implemented, and executed in such as optimizing risk management and applying marketing strategies to make the changes become the advantage. Nowadays, marketing is no longer seen as a function in a firm, but as a broader activity that can be applied not only to products, but also to other offerings, such as services, places, persons, ideas, and causes [21].

Because of those business changes, the trend of the muslim fashion also rose significantly. The youth muslim entrepreneurs exactly tried to be enrolled on it and made it as a good opportunity to built a business. In the other hands, The El-Zatta had new competitors and became a serious threats. The new competitor had similarity in product (product imitation) and also the marketing pattern. Thus, the El-Zatta had to anticipate and keep the quality of product by applying the best material, variety of designs, and marketing pattern that were difficult to immitate. The Market capitalization also was looked stagnant. The El-Zatta had to invade the market and determine the long term strategy to avoid the declining phase of "product life cycle". The innovation and differentiation also needed to hold out declining phase. One of the interface of entrepreneurial lead and marketing is that where Innovation was passed on to market. Marketing part being developed, instruments and establishment to satisfy the gap between innovation and market requirement to achieve sensibly engaged points of interest [22].

To be trend setter of muslim fashion in Indonesia, The El-Zatta needs to expand its product (hijab) to other muslim's apparel. Product differentiation was distinguished a product from competitors to make it more attractive to a particular market target in gaining competitive advantages. The differentiation is essential in today's business environment. It allows the El-Zatta to contrast its product with others and emphasize the unique aspects that make EL-Zatta's product superior.

The financial canvases analyzed, was in a good condition. The financial analysis through the balancesheet was carried out well by the skilled accountant and managed well. Every transaction was recorded in to journal with the

standard of accountancy. Based on the annual financial report of El-Zatta, the business was in the profit condition. The actualizing of costs was by free cashflow to support business activities without using external funding, such as credit. Moreover, El-Zatta had market capitalization that represented capitalization- a financial term used for indicating the size of the company and market share. The financial leverage had to be assessed to know whether the assets enough productive or not [3].

The entrepreneurial elements, such as professionalism, creativity, productivity and entrepreneurship were applied well. Nevertheless, the El-Zatta company had to improve it all to anticipate the unpredictable situation and to win business global competition.

IV. CONCLUSION

The results of this research was analyzing of the El-Zatta's Entrepreneurial Marketing Canvas model and provided recommendations as solution to be existed in the VUCA Era. Besides, El-Zatta needed a lot of innovation to develop the business. This gives implications to the company's performances and to be enrolled in global business competition. Entrepreneurial Marketing Canvas that was already applied to El-Zatta Hijab could be applied as a right Entrepreneurial Marketing model in other small scale business because it applied based on SWOT analysis too.

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