

# Business Innovation: Magicbox for Fast Train in Southeast Asia

Abdurrahman Fathurrazzaq H<sup>1</sup>, Sri Utami Widyawati<sup>2</sup>, Msly Mia KP<sup>2</sup>, Liezel G. Cabanatan<sup>3</sup>, Lau Chun Jiang<sup>4</sup>, Raden Isma Anggraini<sup>2\*</sup>

<sup>1</sup>School of Business and Economics, University of North Sumatera, Indonesia

<sup>2</sup>School of Business, IPB University

<sup>3</sup>College of Business, Economics and Accountancy- Mariano Marcos State University, Philippines

<sup>4</sup>School of Technology and Logistics Management, Universiti Utara Malaysia

\*Corresponding author. Email: [isma.anggraini@apps.ipb.ac.id](mailto:isma.anggraini@apps.ipb.ac.id)

## ABSTRACT

With the increasing demands for mobility comfort, Magicbox offers the guaranteed safety and high quality of goods for storage and delivery. Guided by its 5-side value: Logistics, Advertisement, Easy Mobilization, New Experience, and Affordable Price, it is set to create a new platform for technologically-inclined safekeeping of goods. This research was conducted with Business Model Canvas (BMC) and a customer development approach. This research method used the customer delivery method.

**Keywords:** Business Model Canvas, Customers Delivery, Customer Development, Demands, Mobility Comfort

## 1. INTRODUCTION

As the country's population is constantly increasing, trains gradually become indispensable forms of transportation in people's everyday lives. According to research, Indonesia's total population ranks first in Southeast Asia, with a population of approximately 276,361,783 people. The second is Thailand, with a population of approximately 69,950,850 people. Myanmar's total population is the third-largest in Southeast Asia, with a population of approximately 54,806,012 people. It is followed by Malaysia, Cambodia, Laos, and Singapore with a population of approximately 32,776,194 people, 16,946,438 people, 7,379,358 people, and 5,896,686, respectively (Southeast Asian Countries, 2021). Trains are very common means of transportation for countries in Southeast Asia. In Southeast Asia, people can take various types of trains such as light rapid transit (LRT), mass rapid transit (MRT), monorails, and so on. In addition, the frequent movement of people also led to an increase in logistics activities in Southeast Asia. As a result, Magicbox is here to meet people's needs so they can easily ship and receive goods via the train station in Southeast Asia.

Magicbox is a start-up engaged in the storage and distribution of goods in the terminal environment. This start-up allows passengers to easily store or ship their goods when they want to travel. The lockers in use can be accessed through the Fast-Train's app, so when used, the locker ID and password will be sent through the Fast-Train app. By using a magic box, the goods can be stored in various forms, unique and aesthetic boxes. The Magicbox can be used not only to store goods but also to provide value to its users in the form of goods delivery services. It has a faster and more efficient delivery service, and can also guarantee the safety of express delivery.

Magicbox has several value propositions, which call the essence of its business value, termed as Magicbox 5-Side Value, which consists of logistics, advertisement, easy mobilization, new experience, and affordable price. This is quite handy for customers and guarantees that they are totally pleased with the quality offered. In addition, Magicbox provides Customer Service intended for complaints related to problems faced by customers when using Magicbox services. Customers can give any suggestions and criticize through this service. Next, Magicbox also provides a Referral Code for new customers. It will review that customers can share about

their experiences after using Magicbox services, and emails that will be sent to customers to provide the latest information on promotions and discounts especially during the new year, religious holidays, and other special occasions. The Magicbox can also be used as a medium to promote products or services at affordable prices. Magicbox is available for companies or businesses to advertise its products in boxes after paying. Advertisement is not the only income for Magicbox because it can also get income from locker rental fees and also shipping goods. For customers who want to register as members, an administration fee will be charged which makes this another income from Magicbox.

## 2. MATERIALS AND METHODS

This research was conducted with Business Model Canvas (BMC) and a customer development approach [2]. This research method used the customer delivery method. The customer delivery method is a process of identifying the product to market eligibility [1]. By using this process the vision of the owner will be tested in the field as well as the eligibility of the product itself. Start-up companies use these methods quite often due to the fact that they are knowledgeable about the vision of the product, who their main consumer market will be, and why those consumers are willing to buy those products [3]. The customer Discovery method allows the consumer to help shape the product itself. The early consumers are known as early vangelist. These consumers will be able to help shape the product as well as test the prototypes of the product allowing the company to be able to gain more reach in the market. The process of the customer discovery method is by (1) creating a hypothesis business model, (2) identifying the issue, (3) identifying the solutions, (4) business model verification, as shown in figure 1.



**Figure 1.** Business Model Innovation

## 3. RESULTS AND DISCUSSION

### 3.1. Benchmark

The initial idea of Magicbox come from startup similar that could support the Fast-Train's Jakarta ecosystem, namely POPBOX. POPBOX is an automatic locker system where service users can send, deposit and pick up their own shipments anytime and anywhere. For pick-up is done with a PIN code via SMS / Application.

This is a comparison Magicbox and POPBOX to use Business Model Innovation Analysis.

#### 3.1.1. What (*What is offered to customers?*)

POPBOX offers goods delivery services, affordable goods storage services, online shopping return services, drop/pick up laundry items (Laundry partners), as well as purchase of digital pulses and products. In contrast to our products that focus on customer satisfaction in our facilities, Magicbox is a startup that is engaged in storage and delivery of goods in a station environment that makes it easy for fast-train users who want to store or send their goods when they want to travel. The locker used can be accessed through the fast-train South East Asia (Indonesia, Malaysia, Japan, Poland and Cambodia) application, so that in its use, the password and locker ID will be sent/accessed through the fast-train South East Asia (Indonesia, Malaysia, Japan, Poland and Cambodia) application.

#### 3.1.2. Who (*Who is the target market?*)

The target customers of Magicbox are people who want to send, deposit, and pick up goods more flexibly and cheaply, while our target customers are residents who live/mobilize in South East Asia (Indonesia, Malaysia, Japan, Poland, and Cambodia) and users who want to get convenience in sending goods and companies who want to advertise their products in public places with high traction. This is in contrast to the target customer from POPBOX, which targets its customers more generally.

#### 3.1.3. Why (*How is the Value Proposition Created?*)

The value proposition is created from many people who have a high level of mobility, where there is difficulty in time when sending, receiving and picking up goods so that POPBOX makes it easier for customers when sending, receiving and picking up goods becomes more flexible. Magicbox has a value proposition of Logistics, Advertisement, Easy Mobilization, New Experience, & Affordable Price which we call Magicbox 5-Side Value which will fully facilitate customers so that customers are very satisfied with the services provided.

#### 3.1.4. How (*How can income be generated?*)

Magicbox creates revenue through the use of locker services by customers, advertisements, and partnerships with businesses (online shops and so on) or companies that need locker storage. from the rental box itself, besides that, the income comes from advertising for those who advertise then membership fees and the last one comes from customer referral code and of course at a more affordable price.

### 3.2. Product-Market Fit

Product-Market Fit is a business condition used in entering the market and selecting the right customer group according to the products offered. This is important to-do for a business when entering the market

so that it is capable of formulating its strategy to support the company's growth and increase its profits. With regards to the Magicbox business, we have seen several conditions in the ecosystem that our service products will encounter, starting from the environment, situation and technical aspects of Fast train South East Asia (Indonesia, Malaysia, Japan, Poland, and Cambodia).

### **3.3. Minimum Viable Product**

Minimum Viable Product is an important part in determining the company's strategy in Product-Market Fit. Minimum Viable Product is a product/design/prototype with features that are basic and unique enough to attract the attention of customers. In other words, companies can make products in features that are not very sophisticated, but have high functional value. This is Magicbox in strategy.

### **3.4. Customer Segments**

People who mobilize or live in Community & Business South East Asia countries. The target customers to enter our market are high-speed train users in Indonesia, Malaysia, Japan, Poland, and Cambodia who want to advertise at affordable prices.

Magic chooses the target market for commercialization/users, namely all residents who live in South East Asian countries or people who work in the neighborhood around the high-speed train station. The target market includes the community or business actors who are in the country or its surroundings. Looking at the ecosystem owned by the high-speed train, the service product from Magicbox is very suitable for use in its ecosystem, with one of the two target markets for the high-speed train, namely citizens or communities in Indonesia, Malaysia, Poland, Cambodia and Japan and communities or business people who want to advertise their products. and activities. This is a great opportunity and can be utilized by each party, namely the Magicbox and the fast train to jointly increase engagement with service products from both parties.

### **3.5. Value Propositions**

#### **3.5.1. Logistics, Advertisements, Easy Mobilization, New Experience and Affordable Price**

Magicbox has several value propositions. In short we call the essence of our business value as Magicbox 5-Side Value, which consists of logistics, advertisement, easy mobilization, new experience and affordable price. The five sides of the value that we offer are contained in the value proposition that we offer to customers. With a fairly dense activity in the South East Asia (Indonesia, Malaysia, Japan, Poland, and Cambodia) and fast train ecosystem, we want to support and facilitate every activity that exists with our service products.

### **3.6. Customer Relationship**

#### **3.6.1. Customer Care, Promotions and Integrated Channel Information System**

Magicbox, through its customer relationship role, strives to reflect and improve for every value, criticism, and suggestion given by the customer. so that it becomes a more beneficial platform for service development and system used. In relation to Fast train South East Asia (Indonesia, Malaysia, Japan, Poland, and Cambodia), the customer relationship role also serves as a form of survey and data collection related to users, in order to constantly develop and improve our products so that they can support services from the South East Asia (Indonesia, Malaysia, Japan, Poland, and Cambodia) Fast train ecosystem.

### **3.7. Channel**

#### **3.7.1. Omnichannel Marketing**

Channel used by Magicbox is Omnichannel or Universal Channel. The channel that we use to deliver value from Magicbox, apart from Magicbox service products, also include social media, adsense SEO, and online Ad-partners, while we make use of Public Advertising for offline. In connection with Fast train South East Asia (Indonesia, Malaysia, Japan, Poland, and Cambodia), Magicbox can support its brand and services through the channels we use.

### **3.8. Value Proposition Canvas (NABS)**

In building or creating a business, of course you need to really know your own product or service, besides that you also need to know what are the advantages of your own business compared to other people's businesses. The value proposition canvas is a tool that can help you know more about a product or service and what the market needs, so that it can create value for consumers according to their needs.

#### **3.8.1. Customer Profile**

- Gains: Can store goods in various forms, unique and aesthetic boxes, cashless payment system, freedom in providing feedback.
- Customer Job: Send, receive and store goods.
- Pains: Long waiting time for goods, fear of damaged and lost goods, high prices so they choose cheaper services, not having time to pick up goods, large/large goods, worrying about shipping or picking up goods in the post-pandemic period, difficult service processes and separate.

#### **3.8.2. Value Proposition**

- Gain Creators: Magicboxes are located at every Fast train station, eye-catching color boxes with varying sizes and hexagonal boxes, payment technology that supports cash and transactions non-cash, customer care 24-hour and a review column after service use for service evaluation materials.

- Product and Service: Box for sending, receiving, and storing goods.
- Pain Relievers: Faster and more efficient delivery of goods, high level of box and courier security, and equipped with storage and delivery guarantees, cheap box usage rates, providing storage space within a certain period of time (Regular 3 x 24 hours and Membership 5 x 24 hours), more storage units (About 50-75 storage boxes of various sizes), providing self-service, service, system and application easy, and integrated.

### **3.9. Value Proposition Canvas (NABS)**

#### **3.9.1. Customer Segments**

The main products of Magicbox are services that offer storage, delivery and retrieval of goods located in the high-speed train station area in South East Asia. The target customers who enter our market are high-speed train users in Indonesia, Malaysia, Japan, Poland, and Cambodia who want convenience in storing, shipping, and picking up their goods. Also, companies that want to advertise their products in public places with high attractiveness.

#### **Value propositions**

- Storage logistics & provide an easy mobilization. Not only can it be used to store goods, Magicbox also provides value in the form of goods delivery services for its users.
- Business Advertisement. The locker can also be used as a medium to advertise a product or service.
- Provides Magicbox users with an experience in storing, shipping, and retrieving items.
- Affordable prices. With the service of receiving, storing, and sending goods, Magicbox rates are still relatively affordable

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#### **3.9.3. Customer Relationship**

- Feedback

To find out whether the customer is satisfied or not with the services provided by Magicbox,

the customer can provide feedback in the form of criticism and suggestions or an assessment to Magicbox through the application

- Promo To make customers more loyal in using Magicbox services, Magicbox provides attractive promos such as during the new year, religious holidays, etc.
- Membership Loyal Magicbox users who want to get a discount can register as a membership.
- Customer Service Magicbox provides Customer Service that can be used for complaints related to problems faced by customers when using Magicbox services.
- In addition, Magicbox also provides a Referral Code for new customers, reviews that customers can share about their experiences after using Magicbox services, and emails that will be sent to customers to provide the latest information on promos and discounts.

#### **3.9.4. Channels**

- Social Media

Magicbox to introduce to the public, Magicbox utilize social media like instagram, twitter, and facebook.

- Public advertising

In addition through social media, Magicbox also utilize advertising media such as posters, billboards, etc.

- Ad-Partners

Through partners who work with Magicbox, it is hoped that they can also help Magicbox in promoting the services offered.

- Adsense SEO

#### **3.9.5. Revenue Stream**

- Box use. Magicbox's main income, of course, comes from locker rental fees and also shipping goods.
- Advertisement. Magicbox also provides advertising services for those who want to put an ad, this can be a source of income as well as for Magicbox
- Membership. For customers who want to register as a membership, of course, an administration fee will be charged which makes this another income from Magicbox.
- In addition, Magicbox's income also comes from referral codes customer

#### **3.9.6. Key Activities**

- Production

Production activities include making boxes, preparing systems used for Magicbox applications, Placing, and also Quality control.

- Distribution

Magicbox distribution activities are storing customer goods and then sending the goods to the destination address.

- Marketing

Introducing Magicbox either independently through social media owned by Magicbox or through advertising service providers.

- Finance

The activities include accounting and finance capital also.

- Human Resources

Magicbox conducts recruitment, training for its employees, and the last one is related to contracts.

### 3.9.7. Key Resources

Based on the key activities that have been mentioned above, the resources that support these activities, namely:

- Tangible Assets

Human Resources quality ranging from the leadership to employees' operator, Transport for Operations, and Other assets (warehouse, administration building, and maintenance tool).

- Intangible Assets

Product Patents include licensing and rights to manufactured products, Brand Magicbox, and Service Systems.

### 3.9.8. Key Partners

- Logistics

The party Includes the logistics party who helps the process of shipping and picking up goods.

- E-commerce

Covers a wide range of e-commerce to assist in the promotion of Magicbox.

- Advertising products

Various company and the products you want to advertise its products in boxes are available at each station location.

- The Insurance

Cooperate with the insurance of goods so that customers are assured of goods and increase trust.

- Raw material

Raw material vendors include Magicbox interior and exterior box raw materials.

### 3.9.9. Cost Structure

Based on the three previous points Magicbox have somecost cost component for the company to run, which includes:

- Fixed Cost

Fixed costs in the Magicbox business include box operational costs such as electricity costs, maintenance, etc., employee salaries, taxes,

production costs for example in the manufacture or purchase of ox, and insurance.

- Variable Costs

Meanwhile, the variable costs in the Magicbox business include the company's operational costs, which consist of water, electricity, wages, etc., recruitment, marketing, R&D and training costs.

## 4. CONCLUSION

With the increasing demands for mobility comfort, Magicbox offers the guaranteed safety and high quality of goods for storage and delivery. Guided by its 5-side value: Logistics, Advertisement, Easy mobilization, New experience, and Affordable price, it is set to create a new platform for technologically-inclined safekeeping of goods. High security features come in the form of mobile applications to which access is facilitated by a locker ID and password sent through the Fast train or LRT application. This solves the hassle and bustle of carrying many stuff along, as well as the struggle of delivering goods to other people. Not having to worry about the parcel being broken or lost, Magicbox's safety features and excellent technology keeps the products in the condition from when it was placed in the locker until it is taken out.

Its customer relations are not limited to its store and delivery function. It extends to customer care, promotions, and integrated channel information systems. With most of the people's business, whether personal or work-related, running around public transportation facilities, Magicbox in train stations will definitely surprise the market because of the convenience and best service quality at an affordable price.

Magicbox is a very versatile technology that never stops exploring possibilities and opportunities to improve its function. Its technological framework allows it to become dynamic and adaptable to changes in user preferences. The fast changing technological landscape results in many innovations becoming obsolete in just a short span of time, but not for Magicbox. Its adaptability to constant changes in consumer behavior allows it to thrive for as long as technology exists.

## 5. CONCLUSION

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A recommendation for Magic Box to become totally user-friendly is on widening the classification of goods which the locker can accommodate, such as perishable food products that need a particular temperature or storage condition. Since Magicbox has only considered dry goods and parcels, it can be a smart move to start studying the possibility of accommodating even perishable goods by programming it to adjust to the specific storing condition demanded by the product. Another recommendation, is establishing a classification criteria for the different customers or users. There should be a distinction between regular users and business users. There must be a slight increase in the rate for business users since they are utilizing Magicbox for their business, making it a logistics partner. On the other hand, a relatively less expensive price must be charged to regular users. Third recommendation, is conducting a trial or pilot run of Magicbox technology to other public commuting stations. Fourth recommendation, falls under the utilization of Magicbox for other purposes in other places such as schools, hospitals, public markets, airports, seaports, and other busy places. Last recommendation, is the application of either heightened security and access features or higher rate/price on highly valuable products entrusted to the custody of Magicbox. These products must be explicitly declared to the Magicbox and the program determines the valuability of the product and applies the necessary forms of security and rate.

All these recommendations will serve well to the changing customer demands and behavior. Once the market starts to appreciate the purpose of Magicbox, they will definitely demand more from it. These inevitable expectations must be coped by the Magicbox technology so it remains to be the partner of the public for keeping and delivery.

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