



# The Strategy of Development for Bakso Restaurant xxx in the Post-Covid-19 Pandemic Through the Business Model Canvas (BMC) Approach

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**Abstract.** The research purpose is to evaluate the business model of the traditional restaurant in Bakso xxx, Surakarta, Indonesia post-pandemic COVID-19. Business Model Canvas (BMC) consists of customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure. The research method used qualitative description with ethnography adapt. The data was collected using interviews and observation. Analysis SWOT is to evaluate the business model of Bakso xxx and formulate a business development strategy that will be carried out by Bakso xxx based on the refinement of the business model. The result is that there is a novelty found in this study regarding SO, WO, ST, and WT strategies in Bakso Restaurant xxx.

**Keywords:** BMC · SWOT · COVID-19

## 1 Introduction

Coronavirus disease 2019 (COVID-19) has become a terrible pandemic all over the world. This disease outbreak spread in a short time and has caused a lot of impact throughout the world, especially in Indonesia. Many sectors are affected by this pandemic, ranging from the health sector, and tourism to the food industry sector. The COVID-19 pandemic has resulted in a significant decline in GDP for Indonesia, which was seen at the beginning of 2020. According to the International Monetary Fund (IMF), Indonesia had a GDP value of around 2.9% in 2019 and will continue to increase to 5.4% in the second quarter of 2022.

The culinary business is also one of the economic sectors affected by the COVID-19 pandemic. One of them is the meatball business xxx in Surakarta. Bakso xxx is under the auspices of the dapur solo group located in Surakarta, which already has many branches in Central Java and West Java. xxx meatballs sell meatballs with selected meats that are processed and mixed with other spices.

Bakso xxx requires a transformative, inspiring business model and strategy to solve problems in the development of his business. The business model becomes an important

structure for creating value from raw materials to ready-to-use materials for distribution to consumers. The canvas business model is important for Bakso xxx because it is useful for viewing the business from a complete and comprehensive perspective. As a reference for business actors to develop strategies in developing business and in making decisions. The manufacture of products is also a reaction to the market and strengthens competitiveness against competitors. The business model allows for improving business performance. Implementing the wrong business model can affect financial risks, opportunities from outside the business, loss of the right business model.

The intention of this research is to identify the business that has been applied by meatball xxx, with a business analysis model canvas with nine elements divided into Customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure are all important factors to consider.

## **2 Literature Review**

### **2.1 Customer Segments**

A business model, relative to Osterwalder and Pigneur (2010), is a method with nine elements which describe or demonstrate the rationale for how organizations create, capture, and deliver value. There are 5 types of segment variations, namely (1) Mass Market is a business model with a capital market without discriminating against customers, (2) Niche Market is a business model with special market segments according to company criteria, (3) Segmented business model that distinguishes between market segments with needs or problems, (4) Diversified business models that serve two customer segments, namely customers who are not related to needs and customers with different problems.

### **2.2 Value Propositions**

The relationship between products and services provided to consumers to create value for certain customer segments several elements Newness, Performance, Customization, Getting the Job Done, Design, Status or Brand, Price, Cost reduction, Risk reduction, Accessibility, and Convenience/Usability all contribute to value creation.

### **2.3 Channels**

Channels are a way for companies to communicate to certain customer segments to convey their promotional value. There are distinct stages and each phase relates to some or all of the phases, directly and indirectly.

### **2.4 Customer Relationship**

Osterwalder & Pigneur (2010) said that the type of relationship between the company and certain customer segments that are harmoniously interwoven will have a good impact on the company. Personal assistance, Dedicated personal assistance, self-service, Automated Services, Communities, and Co-Creation are the Customer Relationship categories.

## **2.5 Revenue Streams**

Income from customers who make purchases in cash. Pricing mechanisms in revenue streams are different such as fixed pricing, bidding, auctions, volume dependent, market dependent, and yield management. There are two types of revenue streams, one-time income, and recurring income.

## **2.6 Key Resources**

The most important assets needed by companies, whether tangible or intangible, are aimed at running the business model well. It could be physical, financial, intellectual, or human in nature. The company may own or lease key resources, or it may acquire them from partners.

## **2.7 Key Activities**

Activities carried out by the company from the process of purchasing raw materials to distributing them to customers. Reaching the market, creating and offering value propositions, maintaining customer relationships, and gaining customers are all critical activities. Production, problem-solving, and platform/network activities are examples of key activities.

## **2.8 Key Partnership**

The network of cooperation is carried out by the company to optimize the company's goals. Network with raw material suppliers and business partners. Alliances, coopetition, joint ventures, and supplier-buyer relationships are the four types of collaboration.

## **2.9 Cost Structure**

The cost structure includes all of the expenses incurred by the company in order to run the business model. Grouped into two classes (1) Cost-driven is a cost focus to minimize costs in any sector. Aim to create and maintain the leanest possible cost. (2) Value-driven is a company's cost focus on cost implications in designing business models.

# **3 Research Method**

The method used in this research is descriptive qualitative research that shows the business model canvas on Bakso xxx. By evaluating using SWOT elements. In-depth data collection comes from interviews with marketing managers about the nine important business model canvas elements. The research method uses the ethnography method where observations are based on the results of the main informant by observing the restaurant's work environment. Steps The steps taken in data collection are analyzing data indicators and then reducing the data obtained from interviews with resource persons. The next step is data with brief information about the canvas business model on meatballs xxx.

SWOT analysis (strengths, weaknesses, opportunities, and threats) emphasizes the concept of principles that exist in today's businesses. Strengths and weaknesses are used to forecast future opportunities and threats in order to avoid them and achieve corporate goals. This SWOT analysis can also be beneficial for corporate decision-making and can lead to the development of an innovative business model. Ostwalder and Pigneur (2010).

The results of the nine BMC elements are then identified with a SWOT analysis to determine strategies based on Strengths, Weaknesses, Opportunities, and Threats. After identifying SWOT, then the data results are compiled and summarized in a SWOT matrix which can then be used as an alternative strategy. Information data was obtained from the Bakso xxx environment by conducting observations and interviews with operational management, marketing management, general managers, and heads of restaurant.

## **4 Results and Discussion**

### **4.1 Mapping Business Model Canvas Bakso xxx**

Bakso xxx describes that the business model canvas is used to determine the strategy needed by the company with a business model canvas picture as follows:

#### **4.1.1 Customer Segments**

Xxx meatballs have become one of the icons of restaurants in the city of Surakarta, not only providing meatballs, but xxx meatball restaurants also provide homemade Javanese dishes. Bakso xxx targets customers in the family circle. The head of the operational management of xxx meatballs said that the target market segment for xxx meatballs did not change, the family segment consumers included from young to old, from all professions, it was known that the average age of customers was 10–20 (30%), age 20–40 (40%), age 40–80 (30%) with female predominance. If categorized based on consumer income, the target market segment for xxx meatballs is from the middle to upper class. After the COVID-19 pandemic, the consumer segmentation of xxx meatballs did not change.

#### **4.1.2 Value Proposition**

The city of Surakarta has the slogan "solo the spirit of java" capable of elevating Javanese culture, this is an opportunity to develop a business with a Javanese concept as offered by xxx meatballs with the feel of a classy restaurant, the concept of modern Javanese nuances provides more value in the eyes of consumers. The unique taste and traditional recipes are the keys to distinguish the xxx meatball restaurant from other restaurants. During the COVID-19 pandemic, xxx meatballs followed government regulations to limit visitors to a capacity of 50%, and eliminate the tester service that was previously available. However, after the COVID-19 pandemic subsided, restaurants continued to comply with the Health protocols implemented by the government and reopened dine-in or takeaway services, food testers, and services that did not change.

### **4.1.3 Channels**

Customers are a valuable asset for businesses to do marketing. Customers can also be a boomerang for businesses. The main key for the business to move forward is the existence of excellent service and the quality of taste that is maintained. xxx meatballs use customers as one of the most powerful marketing agents to bring in consumers. In addition to word-of-mouth marketing, xxx meatballs also promote online by visiting the website or WhatsApp number.

The COVID-19 pandemic has made the management of xxx meatballs innovate in marketing their products, xxx meatballs intensify marketing through Instagram and by sending short messages via SMS. After COVID-19, xxx's meatballs continue to promote with the same method as before the pandemic. The familial relationship that is formed from the service of xxx Meatballs to consumers is the main key to marketing xxx's Meatballs.

### **4.1.4 Customer Relationship**

The key to the success of a business is a good relationship with customers. Bakso xxx considers consumers to be family. Building good relationships with customers is used to attract, retain and increase sales. Xxx meatballs provide discounts and promos to customers who are loyal to xxx meatballs.

In addition, providing discounts on certain events is considered to be one way to attract consumers to come. After COVID-19 Bakso xxx maintains the same method and develops strategies to attract more consumers. Responding to consumer messages quickly and responsively on WhatsApp or social media meatball xxx makes consumers feel comfortable and noticed by meatball xxx.

### **4.1.5 Revenue Streams**

Revenue streams are one of the elements in the working model canvas business. Revenue streams are a source of income for companies that come from customer segmentation of the value offered by the company. Bakso xxx gets a source of income from the sale of meatballs, investment capital, sales of complementary foods, and ship sponsorship cooperation. After the COVID-19 pandemic, the biggest source of revenue for xxx Meatballs came from sales to consumers in restaurants.

### **4.1.6 Key Resources**

After the COVID-19 pandemic, the resources for Bakso xxx have not changed. Bakso xxx considers employees to be an important asset. This is shown by the high employee loyalty and the family principle promoted by Bakso xxx. A strategic location is the main resource for a business. Bakso xxx is located between offices and directly opposite the hospital, which supports this restaurant's resources.

Adequate and complete kitchen equipment is a must and a valuable asset for a culinary business. Meatball xxx has adequate and complete kitchen equipment and is supported by clearly recorded company SOPs making Meatball xxx ready and able to compete with competitors.

#### **4.1.7 Key Activities**

The main activity in the culinary business is starting with the purchase of raw materials and then proceeds with processing until it is accepted by consumers. Bakso xxx purchases one-time materials based on a shopping list by the company's SOP. Maintaining the quality of food ingredients is the key to restaurant production.

The existence of the COVID-19 pandemic has not changed the provisions for purchasing one-time ingredients for xxx meatballs. The chicken is selected of prime quality, and spices with selected quality are used to maintain the quality of the dish's taste.

#### **4.1.8 Key Partnership**

Businesses cannot run alone, collaboration with other parties makes the business grow. Osterwalder & Pigneur (2010) revealed that several reasons encourage partnerships in business. The key to cooperation is trust, besides that, a consistent central market supports good cooperation.

xxx meatballs have been in partnership since its establishment until after the COVID-19 pandemic. Suppliers of once-finished raw materials travel drivers, public transportation modes, and even travel bureaus outside Surabaya have become partners for xxx's meatballs.

#### **4.1.9 Cost Structure**

Bakso xxx conducts shopping planning to avoid operational cost overruns. Appropriate spending will reduce production costs systematically. The strategies used by Bakso xxx in making purchases that follow the spending plan are: Investing in locations and tools, filling in stock of raw materials, and preparing a cost budget. Shopping activities following the Bakso xxx spending plan have not changed much after COVID-19, the changes that appear in the budget are operational costs and cooperation costs. Based on the identification, it can be described in the column containing entries from BMC (Table 1).

## **5 SWOT Analysis on BMC**

After identifying the business model applied by Bakso xxx, the next step is to analyze the SWOT. The following are the result of the SWOT analysis of nine elements (Table 2).

**Table 1.** Mapping BMC of Bakso xxx

<p><i>Key Partners</i></p> <ul style="list-style-type: none"> <li>- Raw material suppliers are becoming more selective due to COVID-19</li> <li>- Maintain and improve communication with partners</li> <li>- Central market consistency post-COVID-19</li> </ul>	<p><i>Key activities</i></p> <ul style="list-style-type: none"> <li>- Standard health procedures based on the rules of the minister of health COVID-19</li> <li>- The restaurant area has a clean and hygienic condition</li> <li>- Increase delivery purchases to meet customer demand</li> </ul>	<p><i>Value proposition</i></p> <ul style="list-style-type: none"> <li>- Customers who come from outside the area or tourists who want to taste traditional Javanese cuisine</li> <li>- Parents who want to introduce Javanese cuisine to their children. The atmosphere and atmosphere with the strains of Javanese keroncong music</li> </ul>	<p>Customer relationship</p> <ul style="list-style-type: none"> <li>- Marketing by collaborating with communities, hobbies, and families.</li> <li>- Service workers show a good and cooperative attitude</li> <li>- Greet customers when entering a restaurant with a marketing concept.</li> </ul>	<p>Customer segments</p> <ul style="list-style-type: none"> <li>- People who want to relax together with family</li> <li>- Mostly women who influence friends and family.</li> <li>- The restaurant can be used for certain occasions.</li> <li>- The market segment targets families, social communities, and hobbies</li> </ul>
<p><i>Cost structure</i></p> <ul style="list-style-type: none"> <li>- Using an effective and efficient budget</li> <li>- reduce overbearing costs purchase contracts to reduce fluctuations in raw material costs</li> </ul>	<p><i>Key resources</i></p> <ul style="list-style-type: none"> <li>- Food recipes and employees are valuable assets</li> <li>- Toyyiban halal-certified food</li> <li>- The price offered is stable</li> </ul>	<p><i>Revenue streams</i></p> <ul style="list-style-type: none"> <li>- provide opportunities for vendors to place advertisements in restaurants become event vendors.</li> </ul>	<p>Channels</p> <ul style="list-style-type: none"> <li>- After COVID-19, xxx meatballs provide offline and online services</li> <li>- The use of trends on social media is becoming more attractive and more up-to-date</li> </ul>	

**Table 2.** The result of the SWOT analysis on the key elements of BMC Bakso Kasipoloty

Element	Strength	Weakness	Opportunity	Threat
	S	w	o	t
Customer segments	<ul style="list-style-type: none"> <li>• Taste is easily accepted by all walks of life and ages.</li> <li>• Affordable prices</li> <li>• Visitors know from recommendations</li> </ul>	The outlet doesn't have any branches yet	<ul style="list-style-type: none"> <li>• It's easy to open a new branch because the taste is easy to accept</li> <li>• Pioneer in Javanese cuisine in the city of Surakarta</li> </ul>	<ul style="list-style-type: none"> <li>• Many similar competitors</li> <li>• Changing market trends</li> <li>• The arrival of a new competitor</li> </ul>
Value proposition	<ul style="list-style-type: none"> <li>• Provide dine-in/take away</li> <li>• Testers available</li> <li>• Excellent service</li> <li>• Halal and Toyyiban</li> </ul>	<ul style="list-style-type: none"> <li>• Narrow parking space</li> <li>• The restaurant is not spacious</li> <li>• No smoking area</li> </ul>	Have the opportunity to add a variety of cuisines with typical Surakarta values	Competitors provide a lot of value to customers such as atmosphere, location, and taste
Channels	<ul style="list-style-type: none"> <li>• Ordering via online and offline</li> </ul>	Promotion through social media is not optimal	Digital marketing development can open up new markets	Broader and more open use of social media by competitors
customer relationship	<ul style="list-style-type: none"> <li>• There is a promo event</li> <li>• Special Voucher</li> </ul>	Customer service is done just like any other	Technology makes it easy to communicate and order with customers	Competitors build harmonious relationships with consumers
Revenue streams	<ul style="list-style-type: none"> <li>• Capital investment</li> <li>• Sales results</li> <li>• Sponsorship</li> <li>• Sales of side dishes</li> </ul>	Increased purchases of raw materials can reduce the level of profit	Food with a homely taste and a supportive atmosphere to increase sales	COVID-19 puts market conditions on hold
Key resources	<ul style="list-style-type: none"> <li>• Strategically located outlet</li> <li>• Trusted supplier</li> <li>• Adequate kitchen utensils</li> </ul>	• Restaurant team is sometimes not solid	The existence of technology makes the activity process run more efficiently	There is a change in employees

(continued)

**Table 2.** (continued)

Element	Strength	Weakness	Opportunity	Threat
	S	w	o	t
Key activities	<ul style="list-style-type: none"> <li>• Prime quality of raw materials</li> <li>• Seasoning with selected quality</li> <li>• Maintain taste quality</li> </ul>	<ul style="list-style-type: none"> <li>• Scarcity of raw materials</li> <li>• Fluctuating prices of basic commodities</li> </ul>	Promotion is easy to do by using technology adaptation	The emergence of market price fluctuations from suppliers
Key partnership	<ul style="list-style-type: none"> <li>• Trusted supplier</li> <li>• Consistent central market</li> <li>• Guaranteed and famous supplier</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier delay</li> </ul>	<ul style="list-style-type: none"> <li>• Organization network</li> <li>• Travel agency network</li> <li>• Bureaucrats and offices</li> </ul>	<ul style="list-style-type: none"> <li>• There are political issues</li> <li>• government policy</li> </ul>
Cost structure	<ul style="list-style-type: none"> <li>• Availability of raw material stock</li> <li>• Appropriate budget plan</li> <li>• Location and equipment investment</li> </ul>	Difficult to make cost production formula	Low cost of production with high sales	An increase in maintenance, processing, and construction costs

## 6 Formulation of SWOT Matrix

SWOT identification aims to obtain strategic issues, which are then compiled into a SWOT matrix as shown in Table 3 to produce alternative SO, WO, ST, and WT strategies.

Based on the SWOT matrix that has been carried out, several alternative strategies are produced, namely the SO, WO, ST, and WT strategies that can be adapted to be applied by Bakso xxx in formulating its business development strategy in the future. By adopting the COVID-19 Health protocol.

**Table 3.** Formulation of SWOT matrix

<p>IFAS EFAS</p>	<p>Strength (S) - Halalan toyyiban - The taste can be accepted by all Indonesian people - affordable prices - strategic location</p>	<p>Weakness (W) - the restaurant is not spacious - many suppliers are hampered or difficult materials - less parking space - promotion is not maximized</p>
<p>Opportunity (O) - easy to remember the name - everyone can enjoy the taste - have a network of travel and travel agencies - have a network of bureaucrats and offices</p>	<p>Strength opportunity (SO) - the name can be easily remembered because it is halal - can open a branch elsewhere with tightened health regulations - create a package service cooperation with a travel agency - provide fast and responsive service</p>	<p>Weakness Opportunity (WO) - make changes to the layout so it can be easily remembered - improve the raw material system so that everyone can still taste it with tightened health regulations - cooperate with local parties for coordination regarding alternative parking spaces - carry out promotions by giving discounts to loyal consumers</p>
<p>Threat (T) - tougher competition with similar competitors - fluctuations in the price of raw materials in the market and suppliers - political issues - employee hijacking</p>	<p>Strength threat (ST) - highlight the unique taste of the product - stocking products to maintain a balance between selling prices and production prices - no contact with politics - provide training and use of family principles</p>	<p>Weakness Threat (WT) - open a new branch with a unique and broad concept - make trade agreements with suppliers - not involved in politics, but still receiving orders on a large party scale - provide skills training to employees with the latest technology</p>

## 7 Conclusion

Based on the research results above, Bakso xxx has fulfilled nine elements in the Business Model Canvas: value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure. The use of the canvas business model in the xxx Meatball business after the COVID-19 pandemic did not see a significant difference. However, differences were found in the health safety rules that were adjusted to the regulations of the minister of health. The use of the SWOT matrix can be used in xxx Meatballs in the future. In addition, the use of more massive technology can be one of the new ways to improve customer relationships and key partnerships.

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