ABSTRACT

The fashion industry is a very important industry because the fashion industry is one of the largest contributors to GDP for Indonesia. In addition, the fashion industry is also growing all the time and always has new trends. To maintain existence, it is necessary to carry out new business strategies that are acceptable to the market. As a business actor in the fashion industry, Pola Lampau still lacks product variations and has not carried out product development. To improve business performance and be able to compete in the market, Pola Lampau wants to make updates in business strategies.

This research will discuss relevant business strategies for Pola Lampau engaged in the fashion industry, to be able to compete in the fashion industry. This research is the basis for the company to maintain competition with competitors by first analyzing the company's existing conditions internally and externally. Internal analysis uses several methods that refer to several literature studies such as, Value Proposition Canvas, VRIO Analysis, Business Model Canvas & 7P Analysis, Market Analysis, Porter's Five Force Model & Competitor Analysis. The entire Internal and External analysis is processed through a SWOT diagram to map where the company's position is located. By conducting an interview, it can be noticed that the company will have to make updates in the business strategy.

The final results of the analysis carried out show a proposed business strategy for the company using the Ansoff Matrix as a formulation method. The proposed strategy is categorized as Product Development & Diversification Strategy. These two strategies are aligned with action plans and an implementation schedule is made.

Keywords: Ansoff Matrix, Business Model Canvas, Fashion Industry, Strategy Business.

I. INTRODUCTION

A. Background

Because it adapts to changing societal and lifestyle demands, the fashion sector is important. In addition to producing items that cover and protect the body, the fashion business also develops images, traits, personalities, and even social standing. In addition to protecting and covering the body, clothing also has social and emotional implications. They must be in good physical shape while being stylish and artistically pleasant to be considered attractive (Anderson et al., 2003). Fashion is very important to someone because it becomes something that describes itself, it's important for someone to choose a costume that matches their identity. Many believe that fashion is essential and useful, for example, as when one is socializing with their peers, the way a person looks best dressed and fits the dress. Many references to a dress that one can wear, and it all depends on the body shape and user identity.

SME business owners have started to experiment with the fashion industry throughout time. This is due to the growth of the fashion industry in Indonesia, as we know that this sector of the economy contributes to Indonesia's GDP.

<table>
<thead>
<tr>
<th>No</th>
<th>Group 1</th>
<th>Group 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Food and Beverage</td>
<td>67.66%</td>
</tr>
<tr>
<td>2</td>
<td>Fashion</td>
<td>15.01%</td>
</tr>
<tr>
<td>3</td>
<td>Kriya</td>
<td>14.56%</td>
</tr>
</tbody>
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Source: Kemenparekraf (2018).

Fig. 1. Stages of activity in the apparel global value chain. Source: Bppp. Kemendag (2018).
The fashion industry is one of the economic subsections that contributes to GDP, which follows data of the creative economic subsector’s contribution to GDP of the fashion industry, contributing 15.01% to gross domestic revenues. The following are stages of activity in clothing’s global value chain.

Pre-production, production, and post-production are the steps from research and development to the service provided, as shown by the process trajectory in the above image. There are advantages and disadvantages to the contemporary rise of fashion, which is accelerating to meet societal, and lifestyle demands. The benefit is that as people age, their appearance will become more stylish. There are certain obstacles to overcome in order to succeed in business. Competition within the corporate sphere is both natural and inevitable as business becomes increasingly cutthroat. Business executives will encounter numerous opportunities as well as threats as competition increases. Thus, business leaders are always required to know what the customer wants and what is going on in the market and to see how the business environment changes so that they can compete with the competitors. It is incumbent on business agents to elevate the weakness within the business and be able to maximize its strength. Thus, the effort could be made to select what type of strategy to use against the competition in the market.

Fashion has a significant impact on the economy, society, and individuals in Indonesia. Choosing to dress in a particular way can reveal the personal interests about the wearer. This offers an opportunity for businessmen to satisfy client wants. The same is true of Pola Lampau which produced oversized clothes with the convenience of time used and the design of a vintage. So, Pola Lampau want to do a competition in existing markets by product development to increase the improvement of business. Based on the business issues that have been explained, the purpose of this study is to formulate relevant research on business strategies that are categorized as improving company performance and have a positive impact on customers.

The results of this research will discuss product development & diversification and create new business strategies using the business model canvas.

II. LITERATURE REVIEW

In business planning, most often, different visual tools are needed to make it more transparent and better understand all parties. The use of visual thinking will help to understand the complexity and dependence of various factors better, making the Business Model Canvas more concrete. Visual tools make it easier for the Business Model Canvas to create, explore, change, and define with other people (Osterwalder & Pigneur, 2010, p. 148).

A business's value creation, delivery, and capture processes are described by a business model canvas. Because it serves as a forum for discussion, the business model canvas should be simple to comprehend and pertinent. The Business Model Canvas notion was created to assist businesses in evaluating their overall business models that are intended to support tactical thinking.

Business Model Canvas is a design that is business-oriented and more concerned with orientation to customers, allowing entrepreneurs to continue to innovate and develop ideas and ideas. Business Model Canvas includes 9 basic models that show how companies operate until they can make money.

A. Value Propositions Canvas

The phrase “value” is interpreted according to its context, or more simply put, “eye of the beholder.” In other words, it is a nebulous term whose meaning varies depending on the situation. Similar to this, the value proposition is frequently employed haphazardly and has no real significance (Camlek, 2010). The numerous sorts of value propositions are explained in this part, starting with a value proposition and its applications, ensuring that readers grasp the significance and appropriate application of the word value proposition.

A value proposition is an approach to help product definition. The unique value that your product or your company offers encourages your customers to buy it.” The value proposition summarizes what the product is and who the target customers are. This differentiates what is being offered to the market. It is also closely related to the way the product aims to be seen by customers (Schmitz et al., 2018).

Two blocks — value proposition and customer segment — are presented in Osterwalder et al. (2014) explanation of the value proposition canvas process. According to Fig. 2, each block has three components that can be handled by including workers from different departments; often, this is done through workshops. The corresponding blocks in the workshop are to be filled up, for instance, with sticky notes and ranked accordingly. Prioritizing the crucial tasks that affect consumers the most should be the session's final result. Additionally, the components in the customer segment block should be able to be addressed by the components in the value proposition block. Two blocks, or the aerial view of what the company offers that matches to their customer needs. Finally, a proper fit between the value proposition and customer segment should be achieved that encompasses the overall process framework for value proposition.

1) Client profile
- Gains: Providing the benefits desired by customers.
- Pains: Negative experiences or risks experienced by customers when completing work.
- Customer Jobs: Are the functional, social, and emotional tasks performed by customers, the problems that customers are trying to solve and the needs they want to fulfill.

2) Value proposition
- Gain Creators: Describe the benefits that products and services can offer consumers. Gains on the Customer Profile must be completed by Gain Creators. Explain how the product or service can help clients who have had bad experiences or risks.
- Pain Relievers should be able to lessen or even completely remove Pains in the Customer Profile.
- Product & Service: Describes the goods and services we provide that can assist clients in achieving their functional, interpersonal, and emotional goals (customer job).
Suppliers, Tailors, Expeditions and Tailors. These suppliers are important because they provide packaging boxes for our products. In addition, there are expeditions that are important to ensure the purchased products can be delivered in a timely manner. We also work with tailors to sew the materials of the clothes to be sold.

2) **Key activities**

Key Activities are the main activities in business processes such as selling products to earn income then making designs for clothes to be produced and designs for posts on social media. Doing branding to communicate a business product that is sold. Furthermore, there are production activities carried out to produce products to meet the needs of customers.

3) **Key resources**

Key Resources are the primary resource that is the most important asset for creating an ongoing business model. This activity allows the company to realize the proportion of value provided to customers well.

4) **Value proposition**

The Value Proposition can estimate the needs of customers who have been identified in the customer segment. This Value Proposition provides offers to solve customer problems or meet customer wishes. This uniqueness definitely has something that stands out from competitors.

5) **Customer relationships**

Customer Relationships are relationships between business companies and customers that are defined as relationships that build relationships with customers and aim to acquire new customers (acquisitions), retain old customers (retention), and offer old and new products or services to customers. In BMC customer relationship describes the type of relationship with the customer. Pola Lampau creates customer relationships through social media such as creating interactive content that can make customers interested in the content.

6) **Channels**

Channels are a way to reach a customer. Communication channels and distribution to sales are factors that allow the company to communicate with customers. This channel explains how the interactions that the company interacts with customers and becomes an important role to convey information about a product. Pola Lampau sells and markets products through e-commerce and websites. So that customers can get information through the marketplace page and our website besides that customers can also ask via WhatsApp and text messages.

7) **Customer segment**

This Customer Segment is part of determining who our target is from several sides. A customer segment is a group of people or organizations that are the target of the company to be served. This customer segment is very important for the progress of the business. This segment of Pola Lampau is men and women aged 18-35 years who live in cities in Indonesia (Jakarta and Bandung), who have middle-class incomes, and like to shop for clothes.
8) Cost structure

The cost structure is all costs that arise as a result of the operation on this business model. All activities carried out cost money, and the cost of this structure is influenced by what strategy the company chooses, either prioritizing low costs or prioritizing special benefits. Pola Lampau has costs in terms of production, marketing, shooting costs, and utility costs.

9) Revenue Streams

Revenue streams are a representation of the path of receiving money received, these revenue streams allow the company to continue to be able to run its company. The revenue stream in Pola Lampau comes from product sales and resellers.

C. VRIO Analysis

The VRIO framework is an internal analysis that assists companies in discovering the benefits and assets that offer them a competitive edge. The acronym for the many success metrics that apply to your organization is the VRIO framework. Value, rarity, capability, and organization are all included. Data research can assist you in determining the long-term advantages of your firm. These four categories are indicative of your organization’s distinctive worth and resources.

While according to Antonio and Cardael (2012) the VRIO framework is a tool to analyze the company’s internal resources and capabilities to find out whether the company can be a source of sustainable competitive advantage.

D. 7P Analysis

7P is a tactical marketing tool consisting of: Products, Prices, Places, Promotions, People, and Processes. Here’s an explanation of each of the 7P marketing mix points:

1) Product

We make products by following market trends and meeting customer needs. The challenge of making this product that we’re making is acceptable to the customer. Think outside the actual product itself. Try to increase your offer, create a new version of an existing product, or launch a new product.

2) Prices

It’s important to set a price and set a margin of sales. Before setting a price, companies need to research information on what customers want to pay and gain insight into the market’s products/services demand.

3) Promotion

It’s important to set a price and set a margin of sales. Before setting a price, companies need to research information on what customers want to pay and gain insight into the market’s products/services demand.

4) Place

Some business units own both physical and online stores to serve customers. These four are meant to be locations for both goods and services. The concept is crucial primarily to conventional enterprises. Companies with conventional businesses should know exactly where strategic locations are

5) People

Those in a company have jobs and assignments to advance the company. But all human resources are involved, including workers to business teams. Especially for this aspect, it is important to note.

6) Process

Companies should create a smooth, efficient and customer-friendly journey and this can’t be achieved without the right processes behind the scenes to make that happen. Understanding the steps of the customer journey from making an inquiry online to requesting information and making a purchase. These steps help us to consider what processes need to be in place to ensure the customer has a positive experience.

7) Physical Evidence

Physical evidence is evidence that can be seen by the naked eye both in terms of the company or the product itself. Some examples included in this element are the existence of offices, websites, logos, to the packaging and content of the products offered.

E. Market Analysis

Trends in the world’s fashion industry rotate over time dynamically. Fashion is one of the industries that is considered capable of increasing economic growth. Data in the first edition of the Indonesian Industrial Development Analysis in 2018 noted that in 2016 the textile and apparel industry experienced a growth contraction of 0.09%, and in 2017 this industry recorded a growth of 3.83%, then in 2018 the textile and apparel industry reached a growth of 8.73%. The greatest growth occurred in the industry Apparel which reached 11.02% from a growth of 4.48% in 2017 (Ministry of Industry of the Republic of Indonesia, 2019a). Online shopping has become a habit for some people because of the convenience provided, many people think that online shopping is one of the means to find the items needed.

This market analysis shows that there is an opportunity to be able to compete in the fashion industry. Due to the growth of the fashion industry has a fairly rapid increase. In the fashion industry there are several types of sales of clothes, pants etc. With the increase in market demand this creates an opportunity for Pola Lampau to enter this market. These market opportunities are explored through observations and interviews that show market preferences and sensitivities. The results can be concluded to formulate a new business strategy for Pola Lampau.

F. Porter’s Five Force Model

1) Bargaining Power of Buyers

According to Table III, Pola Lampau has 4 yes votes and 2 no votes. Customers can choose from a wide variety of fashion brands, both domestic and foreign, in the Indonesian fashion industry. Any product could be substituted by customers for a variety of reasons, including lower costs, superior quality, good services, suitability for style every day, and many more.

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2) Bargaining Power of Supplier

According to Table V, Pola Lampau receives 5 yes votes and 1 no vote. There are numerous suppliers who provide the materials to the business or contract manufacturing facility in the fashion industry. Since there are many options for suppliers, the business may switch suppliers if a better option becomes available that offers high-quality commodities at lower or more affordable prices. As a result, the risks in this situation are low because the company has a wide range of suppliers to choose from with a variety of product quality and price.

3) Threat of New Entrants

According to Table VI, Pola Lampau receives 5 yes votes and 3 no votes. In this situation, Pola Lampau might pose a threat to other fashion brand who have just lately entered the market with an identical offer for fashionable people. However, Pola Lampau has few risks from new competitors, and their market is already well established with a unique product and brand image. This situation is not a significant concern for the company's growth.
Additionally, Pola Lampau offers comfortable materials and makes vintage designs for clothes, in addition to attaching importance to the design of Pola Lampau also focuses on comfort. Pola Lampau also offers storytelling in its packaging.

4) Threat of Substitutes

According to Table VII, Pola Lampau receives two yes and one no vote. As Pola Lampau is in fashion brand, there are a lot of oversized products from Indonesia and international brands. It is also feasible to substitute a product because customers are free to decide which products from which brands they will purchase.

5) Industry Rivalry

According to Table VIII, Pola Lampau receives 7 yes votes and 2 no votes. There are numerous rivals in Indonesia's expanding fashion brand. Each brand/competitor, however, has a unique set of values, target audiences, and goods to offer customers. There are still just a few oversized products from Pola Lampau. So, the market for oversized products is still very substantial.

G. Competitor Analysis

Competitor analysis (CA) Conducting a competitor analysis, also known as competitive analysis, entails locating rival companies in the market and learning about their various marketing strategies. By comparing itself to its rivals and identifying its advantages and disadvantages, the company can utilize this data to evaluate itself.

Competition is one of the most inevitable elements in the modern economy. Any business, no matter how big or little, faces competition in the market, and the strategies of these rivals have an impact on how strategic plans are created. Competition is a well-known feature of business life for companies that prioritize making a profit.

Fig. 4 explains Pola Lampau’s position among competitor’s.

H. SWOT Analysis

SWOT Analysis is a strategic planning method used to evaluate the Strengths (excess), Weaknesses (deficiency), Opportunities (opportunity), and Threats (obstacles) involved in a project or in a business venture. It involves specifying the objective business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective. This technique was created by Albert Humphrey, who led a research project at Stanford University in the 1960s and 1970s using data from Fortune 500 corporations (Gunawan, 2011).

1. Strengths: Creating vintage designs
2. Weaknesses: Limited human resources for large quantities of production, new promotions through online, and have not reached offline promotions and just selling t-shirts only.
3. Opportunities: The trend of oversized fashion that has increased in recent years
4. Threats: There are so many competitors, that every month a new business will appear that is engaged in selling oversized fashion.

III. RESEARCH METHODOLOGY

A. Research Methodology

Qualitative research methodology is the main approach. A research methodology called the qualitative method is used to ascertain the state of natural objects. The researcher, however, serves as a crucial instrument in this method, which also uses triangulation as a method of data gathering and inductive analysis as a method of data processing. The data is derived from both primary and secondary sources.

The research method used is mainly qualitative. The data is based on both primary and secondary data. The qualitative primary data is obtained through observation and in-depth interviews, while the qualitative secondary data will be collected through study literature with journals, reliable websites, and books. The data collection method used in this research is purposive sampling.

The qualitative primary data will be acquired by observation and in-depth interviews, whilst the qualitative secondary data will be gained through literature research using trustworthy websites, books, and journals. When conducting research, a variety of techniques can be used to gather data. The primary data collection methodology in this study is the qualitative approach. A technique that enables in-depth analysis of people’s experiences is qualitative research. (Hennink et al., 2011, p. 8).
B. Research Framework

A researcher's explanation of how the research problem would be studied is provided in the conceptual framework, which is a structured guideline utilized to achieve the study objectives (Adom et al., 2018). It provides a picture or visual display of how ideas in a study relate to one another and presents an integrated approach to looking at a problem under investigation (Liehr & Smith, 1999; Grant & Osanloo, 2016).

IV. RESULT AND DISCUSSION

The Ansoff matrix tools are used by determining the company's current position in the market in order to choose the most suitable strategy for the company. These are several highlights of analysis results done in the previous chapter, to be considered in determining Pola Lampau position on the Ansoff matrix:

1. Based on the VRIO Analysis shows that Pola Lampau have deficiencies in limited resources. This needs to be explored by finding new team members and making product development to improve business performance.
2. Porter's Fives Forces shows that this industry has high competition.
3. Based on the market analysis, fashion oversized market is still full of opportunities. The market demands are rising, and the possibilities are plenty.

The following are the proposed new strategies for Pola Lampau:

A. Product Development

1) Optimize social media, advertising and branding

Based on the discussion in the market analysis, sales trends in the fashion industry have increased a lot. Seeing this opportunity, Pola Lampau continues to make efforts to increase advertising & branding, which is useful for increasing awareness of a brand, directing potential customers to the products being sold and promoting the sale of new products and services to the market. From the results of market analysis and competitor analysis, several ways competitors have also been discussed. This study provides insight into how the methodology that sales should be able to do. Pola Lampau is suggested to improve online services aimed at increasing business conversions.

2) Development of technology in clothing materials

Fashion is one of the most developed industries, market demand will always increase to meet the clothing needs of customers. Pola Lampau proposes to give a new technology that exists in their products. This new technology needs to be provided in order to add to the convenience of the product when used by customers. Pola Lampau is conducting research on silver tech technology, which is useful for adding value to this business because this technology can provide anti-odor fabrics.

3) Collaboration with digital marketing agency

As previously explained, Pola Lampau wants to make efforts to improve advertising and branding. Therefore, Pola Lampau wants to collaborate with digital marketing agencies to reach a wider target market because of the unlimited geographical location. In addition, you can also determine what kind of target customers you want to target as a promotion target, both from profession, age, location, hobbies, and so on.

4) Collaboration with vendor / fashion brands

To improve the existence of Pola Lampau, it is necessary to cooperate with other parties to create a product. By doing this collaboration, it will greatly help Pola Lampau to develop creativity and business strategy by creating a product with other fashion brands.

B. Diversification Strategy

1) Joining business expo

There are many advantages when Pola Lampau participated in the business expo, participating in exhibition events can be a great way to advertice, introduce and sell products to the target market and also by participating in this business expo, Pola Lampau can increase brand awareness.

2) After sales service

To improve services to customers, Pola Past is not only focused on promoting and introducing products, but Pola Lampau also focuses on after-sales services. This after sales can ensure that customers are satisfied with the products sold. This principle is carried out so that customers feel satisfied and indirectly want to recommend products from The Pola Lampau.

V. RECOMMENDATION AND IMPLEMENTATION PLAN

There are a number of new business strategies added as a result of the study that was done and the use of the ansoff matrix. Several innovative business strategies categorised as product development are included in a business model canvas that has also been developed.

A percentage of innovative business plans developed for Pola Lampau were discussed in the preceding chapter. This study divides each strategy according to and based on planning time: long term (less than four month’s time), mid-term (less than eight month’s time), and in a long-term. In order for the business strategy to be successful, therefore, an implementation plan is then established (more than eight month’s time). This classification is made while taking into account a number of factors, including capital, resources, and the level of complexity. The starting timeframe for each of the six strategies is depicted in the table below. Product development tactics are shown by the yellow boxes, whilst diversification plans are indicated by the grey boxes.

Based on the picture above, there are three techniques that may be used right away: social media optimization, working with a digital marketing agency, and after-sales support. These three strategies can be started because there is no need to wait a long time to find a digital marketing partner and work on advertising & branding and Pola Lampau does not need to require large capital to carry out cooperation with digital marketing agencies. After-sales service can be started quickly because Pola Lampau will open up advice services and criticism of products that have been purchased.

Fig. 6 explains how the plan will be carried out by Pola Lampau in the short term, midterm, and long term.
Further, the mid-term section (less than eight months) can be started because you have to approach stakeholders first to be able to carry out business cooperation and collaboration. Meanwhile, participating in the business expo requires new products that have been created in the collaboration section to increase brand awareness when participating in the business expo.

The last long-term (more than eight month’s time) can be started when the company already has more capital to buy the desired silver tech materials, moreover, Pola Lampau must research to customers how important this technology is applied to Pola Lampau products.

VI. Conclusion

In order to improve performance, maintain relevance, and compete in the fashion sector, Pola Lampau, an up-and-coming fashion brand, must create new business strategies. These new strategies are developed based on both internal and external analyses of the business’s current state and external environment.

External analysis is carried out by means of market analysis, industry analysis, and competitor analysis. The market analysis carried out is to look at the phenomenon of fashion trends now. The market analysis highlights the ever-increasing preferences of market demand.

Competitor analysis studies the position of Pola Lampau when compared to competitors, competitors with a different segment, competitors with a different price, competitors with a different customer, competitors with a different problem and competitors with a different solution. There are three competitors that are compared in this study, each competitor has a competitive advantage and a Pola Lampau challenge to determine a new business strategy.

Industry analysis is conducted using Porter’s Five Forces theory; it shows that the non-formal education industry is low in competitive rivalry. On the other hand, it has a high threat of new entrants, high bargaining power of suppliers, the medium threat of substitute, and medium bargaining power of customers.

Internal analysis was carried out using the theory of value proposition canvas, VRIO analysis, business model canvas and 7p analysis. The value proposition canvas is useful for explaining the product, to find out the needs of customers so that they can create value to customers according to what they need. VRIO analysis is useful for analyzing existing resources in the company and as a tool to find out whether the company can become a source of sustainable competitive advantage. The business model canvas describes all existing business processes. This 7p analysis is useful for informing customers and potential customers about a product being produced.

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