

EFFECTIVENESS OF PRODUCT PROMOTION IN BUSINESS PLAN CANVAS MODEL IN FRUIT JELLY BUSINESS IN MEDAN CITY

Nanda Safira Sinaga¹, Era Duha Kaida Tama², Mazidatul Muti'ah³, Isra Hayati^{4*}

^{1,2,3,4}Universitas Muhammadiyah Sumatera Utara

^{*1}*email: safiranda0502@gmail.com*

Abstract: This study aims to analyze the effectiveness of product promotion within the framework of the Business Model Canvas for the fruit jelly business in Medan. The study involved three respondents, all of whom are fruit jelly business owners in Medan. This research employs a descriptive qualitative approach through interviews and surveys with consumers and business owners in the fruit jelly industry in Medan. The findings indicate that promotional elements in the Business Model Canvas, such as distribution channels, customer segmentation, and value propositions, have a significant impact on consumers' purchasing decisions. Understanding the effectiveness of each promotional element helps business owners design more targeted strategies to attract consumer interest in the local market.

Keywords: Business Planning, Canvas Model, Products Promotion

Introduction

One of the driving factors of Indonesia's economic growth is the local economic sector driven by entrepreneurs. Many business actors feel the increasingly rapid and tight business development, especially small and medium enterprises (SMEs), which require their ability to allocate and manage all resources efficiently (Panggabean et al., 2018).

In an increasingly competitive business world, an effective promotional strategy is one of the main keys to attracting consumer attention and increasing sales. Well-planned promotions not only help introduce products but also strengthen brand positions amidst market competition. On the other hand, the use of planning tools such as the Business Model Canvas (BMC) has become one of the popular approaches to designing a structured business strategy.

Marketing communication, also known as promotion, is the process of conveying useful information about a company or product with the aim of influencing potential buyers (Mulyana, 2019). Promotion is an activity in the field of marketing that involves communication between business people and consumers. This activity aims to convey information, persuade, and influence perceptions about the products and services offered.

The main goal of promotion is to influence consumers in decision making, so that it can increase sales volume. In the promotion process, we not only focus on conveying information, but also try to create an atmosphere that arouses consumer interest, so that they are encouraged to choose and have the products offered (Syahputra, 2019). Promotion should not stop at the stage of introducing the product to consumers. The next important step is to make efforts to influence them, so that consumers not only feel happy, but are also encouraged to buy the product (Tarudin, 2015).

Business Model Canvas, developed by Alexander Osterwalder and Yves Pigneur, is a business model that is visualized like a painting canvas. Currently, many business people are

trying to use it further. Indeed, of the various business models that exist, this is the most unique (Pravitasi, 2013) .

Business Model Canvas is a business model creation tool that is now very popular in the world of entrepreneurship because of its ability to more easily draw important components of a business model on one canvas sheet. One of the advantages of BMC is its ease of changing business models quickly and seeing the implications of changing an element on other business elements (Jingga, 2020) .

Fruit jelly business in Medan City has a large market potential due to the high public interest in healthy fruit-based snacks. However, to be able to compete in an increasingly dynamic market, business actors need to continue to innovate, both in terms of products and marketing strategies. In addition to offering a delicious and refreshing taste, fruit jelly also needs to have other added values, such as high nutritional content, attractive packaging, or a unique product concept.

The challenge of designing the right and effective promotion is often an obstacle for small business actors. Promotion is not only about conveying product information, but also must be able to differentiate products from competitors and create engagement with consumers. Therefore, this article aims to analyze the effectiveness of product promotion within the Business Model Canvas framework in fruit jelly businesses in Medan City, with a focus on the aspects of innovation and creativity. This study is expected to provide a way to implement innovative promotional strategies using the business model canvas framework.

The purpose of the literature in this study is to understand the basic concept of Business Model Canvas as a framework in designing product promotion strategies in micro, small and medium enterprises (MSMEs). In addition, this study aims to identify innovative promotion strategies implemented by fruit jelly businesses in Medan City, especially in the context of utilizing Business Model Canvas elements.

This study also analyzes the effectiveness of the implementation of promotional strategies designed using the Business Model Canvas to increase sales and brand awareness of fruit jelly products. Furthermore, this study is expected to provide insight into how a qualitative approach can be used in evaluating the implementation of business strategies in the MSME sector.

Literature Review

Research on the effectiveness of product promotion has been a topic of interest to many academics and business practitioners over the past few decades. Previous studies have highlighted the importance of promotion as one of the main elements in the marketing mix that plays a significant role in building brand awareness, influencing consumer purchasing decisions, and increasing sales. (Kotler, P., & Keller, 2016) explained that an effective promotional strategy can create strong communication between companies and consumers, which ultimately strengthens customer loyalty and encourages repeat purchases. However, with the ever-evolving market dynamics, companies are faced with the challenge of designing promotional strategies that are relevant to modern consumer behavior that is increasingly influenced by digital technology.

The Business Model Canvas (BMC) approach has become a popular strategic tool in designing, analyzing, and developing business models. BMC allows business actors to visualize nine important elements of a business, such as value proposition, customer segments, distribution channels, and customer relationships, thereby creating a holistic understanding of business operations (Osterwalder, A., & Pigneur, 2010) . Several studies have shown that the application of BMC can increase efficiency and innovation in business strategy. Timmons, Spinelli, and Bygrave (2011) suggest that BMC helps companies

identify new opportunities in the market, create competitive advantages, and develop more sustainable business strategies.

In the food and beverage business world, this approach is increasingly relevant because it helps business actors to understand the various needs of different consumers. A study by (Zott, C., & Amit, 2010) revealed that BMC is very effective in helping small and medium enterprises (SMEs) to adapt their strategies to changing market trends, including the use of digital technology in operations and marketing.

In the food and beverage industry, especially small businesses such as fruit jelly products, consumer preferences are a very important factor. Research by (Lee, JH, & Hwang, 2015) shows that elements such as taste, texture, nutritional content, and price have a significant influence on consumer purchasing decisions. In addition, strong branding and promotional strategies can increase the appeal of products in a competitive market.

The role of social media in promoting food products has been widely highlighted in research. (Chaffey, 2017) highlighted that digital marketing through platforms such as Instagram and Whatsapp can increase consumer reach, especially among the younger generation. The use of attractive visual content, customer testimonials, and interactive promotional campaigns are the keys to success in utilizing social media for marketing.

Although many studies have discussed the effectiveness of digital promotion and BMC approaches in general, there is still a gap in the literature regarding the implementation of innovative promotional strategies in the context of local businesses, such as fruit jelly businesses in Medan. Previous studies tend to focus on global or national perspectives without considering local factors, such as organizational culture, local consumer preferences, and specific market dynamics.

This study aims to fill this gap by exploring how a fruit jelly business in Medan implements innovative promotional strategies using the BMC framework. The main focus is on how BMC elements, such as distribution channels and customer relationships, are integrated with digital promotional approaches to achieve success in the local market. By paying special attention to the cultural, social, and economic dynamics of Medan, this study is expected to provide significant contributions to understanding the influence of local context on strategic decision making in business.

Through this approach, this study not only provides insight into promotional practices in small businesses, but also enriches the literature on the application of BMC on a local scale. The results of the study are expected to be a reference for small business actors in the food and beverage sector, especially in Indonesia, in developing more effective and innovative business strategies according to local market characteristics. This study can also be a basis for further studies that examine more deeply the integration between the BMC approach, digital technology, and product promotion in small businesses in various other regions.

Method

In this study, the methodology applied is a descriptive qualitative approach, which aims to examine the effectiveness of product promotion in the context of Business Model Canvas on fruit jelly businesses in Medan City. Fruit jelly business owners in the area became the main respondents in this study. Data were obtained through in-depth interviews with business owners, to explore understanding related to the promotional strategies implemented, the challenges they face, and the opportunities that exist according to the elements in the Business Model Canvas.

In addition to interviews, additional documentation such as social media content analysis, sales records, and promotional activity reports were also used as supporting data. The collected data was then analyzed using a thematic analysis approach, where key themes

such as distribution channels, customer segmentation, and product value were identified. The results of the analysis were then linked to the elements in the Business Model Canvas, in order to explore the interactions between elements that can strengthen the effectiveness of the business promotion.

Results and Discussion

The fruit jelly business studied is one of the MSMEs located in Medan City, with a focus on offering fresh and healthy natural products. Based on interviews with the business owner, this MSME started its operations with the aim of providing alternative snacks made from natural fruit without preservatives. The main market segments targeted are the younger generation and families, especially those who have a high awareness of a healthy lifestyle.

To reach the target market more effectively, business owners use the Business Model Canvas framework as a strategic guide, especially in terms of promotion. This framework facilitates business owners in understanding market needs and designing strategies that are in line with the values their products want to offer.

The results of the study revealed that two key elements in the Business Model Canvas, namely Customer Segment and Value Proposition, have a significant role in the effectiveness of this business's promotional strategy. In terms of Customer Segment, this business targets consumers who are active on social media such as Instagram and Whatsapp. Social media was chosen as the main channel because of its high ability to attract the attention of the younger generation who are highly engaged with digital platforms. The promotional content that was prepared, including photos of the fruit jelly making process and reviews from customers, was designed with creativity to attract the audience.

This approach has proven to be successful in increasing engagement and building brand awareness among the target market. Because In today's era, increasingly tight competition encourages entrepreneurs to be more creative and innovative in marketing their products. One effective way is through the use of social media, which offers great opportunities to reach more consumers (Oetama et al., 2023) . The use of technology brings major changes in many areas of human life, including business (Afandi et al., 2022) . Below are some pictures of Medan City Fruit Jelly products.



Gambar 1. Proses pembuatan dan pemasaran jelly buah

In marketing communications, there are various complementary elements, one of which is promotion. The main purpose of promotional activities is to increase public knowledge about the products offered. The more people know about the product, the greater the potential for increasing sales. A key element in promotion is creating an effective persuasive message, so that it can attract the attention of consumers. An effective message will be able to convey the purpose of the promotion clearly and attract the interest of the audience (Puspitarini & Nuraeni, 2019) .

On the other hand, the Value Propositions element is the main foundation in building product appeal. This fruit jelly product offers uniqueness in the form of using fresh fruit without preservatives and environmentally friendly packaging. In its promotional strategy, this business emphasizes the main message of health, freshness, and concern for the environment.

This is an added value that differentiates their products from other competitors in the market. This message not only attracts customers' attention but also creates a deep emotional bond between the brand and consumers, especially amidst the increasing public awareness of sustainability issues and healthy lifestyles.

Promotion is done through a combination of channels, namely social media and word of mouth. Social media is used to reach a wider audience, while word of mouth serves to introduce products directly to people in the local community. Word of mouth is a form of communication between individuals, where information about a product, service, or brand is conveyed non-commercially between the message source and the recipient (Paputungan et al., 2018).

Almost all communication between humans takes place through oral interaction. This process involves conversation, exchange of ideas, and the delivery of information that is done directly. In the context of word of mouth communication, consumers' search for information about products or services also occurs very often (Hermawan, 2017).

With such promotions, the business is able to build a more personal relationship with customers while providing a direct experience of trying the product. Additional strategies such as offering discounts on first purchases or promotions for savings packages are also effective ways to attract new consumers.

However, behind the success of this promotional strategy, there are several challenges faced by the fruit jelly business. The main challenge is consistency in producing creative content on social media. With so many competitors in the same industry, this business must continue to innovate in creating interesting content to stay relevant and competitive.

In addition, limited promotional budget is an obstacle to conducting wider marketing. To overcome this, business owners utilize a collaboration strategy with local influencers who have similar audiences. This collaboration not only increases product exposure but also strengthens the brand image in the eyes of customers. In addition, photo and video contests on social media are also held to encourage customer engagement, which indirectly becomes part of a community-based marketing strategy.

Overall, the implementation of the Business Model Canvas has proven to help this business in developing a more targeted and effective promotional strategy. Through this approach, business owners are able to better understand customer needs and preferences, so they can design appropriate promotions. The results of this study also strengthen the findings of previous studies which show that the Business Model Canvas is a very useful tool for MSMEs in increasing business competitiveness and sustainability. The implementation of this framework not only has a positive impact on increasing sales, but also helps this fruit jelly business build long-term relationships with their customers.

Conclusion

This study shows that the application of the Business Model Canvas (BMC) framework can be an effective tool in designing innovative promotional strategies for small and medium enterprises (SMEs), especially in a local context such as the fruit jelly business in Medan City. By utilizing BMC elements, such as Customer Segments and Value Propositions, this fruit jelly business is able to understand market needs while creating relevant value for their consumers.

The research results highlight the importance of utilizing social media as a primary channel in reaching consumers, especially the younger generation who are digitally active. Creative promotional content, such as customer reviews and engaging visual campaigns, can increase brand awareness while building emotional connections with consumers. In addition, the added value of the product in the form of the use of natural ingredients, environmentally friendly packaging, and promotion of health messages are differentiating factors that strengthen the product's appeal in a competitive market.

Although this strategy has proven to be effective, challenges such as limited promotional budget and consistency in creating creative content remain obstacles that must be overcome. To overcome these obstacles, collaboration with local influencers and community-based promotional strategies, such as social media contests, are solutions that help these businesses stay relevant and competitive.

Overall, this study confirms that BMC is a very useful framework for SMEs in developing targeted and sustainable promotional strategies. In addition to supporting increased sales, this approach also helps small businesses build long-term relationships with customers. These findings are expected to be a reference for other business actors in implementing innovative promotional strategies that are in accordance with the characteristics of their local markets.

Bibliography

- Afandi, A., Amsari, S., Hayati, I., Devi, S., & Lubis, FR (2022). Affiliate marketing business model education in promoting keloria products. *Community Empowerment* , 7 (11), 2009–2014. <https://doi.org/10.31603/ce.8268>
- Chaffey, D. (2017). *Digital Marketing: Strategy, Implementation, and Practice*. Pearson Education.
- Hermawan, A. (2017). The Influence of Word of Mouth on the Interest of Visitors to Visit the Salatiga Regional Library. *Lentera Pustaka: Journal of Library, Information and Archival Science Studies* , 3 (1), 59. <https://doi.org/10.14710/lenpust.v3i1.16071>
- Jingga, DP (2020). Analysis of Print Media Business Opportunities Through the Business Model Canvas Approach to Determine New Business Strategies. *Exacta Factors* , 6 (4), 309–319. https://journal.lppmunindra.ac.id/index.php/Faktor_Exacta/article/view/242
- Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). Pearson Education.
- Lee, J. H., & Hwang, J. H. (2015). Consumer Preferences for Jelly Products: A Sensory and Market Analysis. *Journal of Food Science and Technology* , 52 (10), 6483–6491.
- Mulyana, M. (2019). Initiation VIII Promotion and Communication Strategy. *Online Tutorial Material Ekma 4216 Marketing Management* , 57–63.
- Oetama, S., Irsyad, AF, Yono, EH, & ... (2023). Assistance of MSMEs in Strategies to Increase Sales Through Promotional Strategies in the Kelakai Chips Production Business "Uma" in Sampit. *Profit: Journal* , 2 (2), 78–83. <https://stie-sampit.ac.id/pkm/index.php/profit/article/view/52>
- Osterwalder, A., & Pigneur, Y. (2010). *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*. Wiley .
- Panggabean, FY, Dalimunthe, MB, Aprinawati, A., & Napitupulu, B. (2018). Analysis of Financial Literacy on the Sustainability of Culinary Businesses in Medan City. *Journal of Management and Finance* , 7 (2), 139. <https://doi.org/10.33059/jmk.v7i2.872>
- Paputungan, PR, Soegoto, AS, & Roring, F. (2018). The Influence of Promotion and Word of Mouth on Purchasing Decisions at Oriflame Manado. *EMBA Journal: Journal of Economic, Management, Business and Accounting Research* , 6 (4), 3703 – 3712.

- Pravitasi, AH and RJ (2013). Business Model Canvas (Kassandra Model Bisnis). Akselerasi.Id , 1–23.
- Puspitarini, DS, & Nuraeni, R. (2019). Utilization of Social Media as a Promotional Media. Common Journal , 3 (1), 71–80. <https://doi.org/10.34010/common.v3i1.1950>
- Syahputra, R. (2019). Marketing Strategy in the Qur'an Regarding Sales Promotion. Ecobisma (Journal of Economics, Business and Management) , 6 (2), 83–88. <https://doi.org/10.36987/ecobi.v6i2.8>
- Tarudin, R. (2015). Effective promotional strategies f. Effective Advertising Promotion Strategies , II (Vol. 2 No. 1 (2015): Al Kitabah Journal), 107–116.
- Zott, C., & Amit, R. (2010). Business Model Design: An Activity System Perspective. Long Range Planning , 43 (2–3), 216–226.