

Business Strategy Development Pharmacy Canvas Model Based Medical Vehicle for Increase Trust Consumers and Turnover Sale

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Keywords

Canvas Business Model,
Business Strategy, Increase
Turnover, Customer
Satisfaction

Abstract. The Covid 19 pandemic has had a major impact on global businesses, especially the pharmaceutical business. Wahana Medika Bekasi Pharmacy has experienced a significant decrease in turnover since the pandemic. Tight competition and pandemic conditions have contributed to the decline in turnover. One of the factors that needs to be studied is the business strategy applied that relevant solutions can be found to increase turnover. This study aims to analyze the right business strategy using the Business Model Canvas approach and SWOT analysis. Data collection was carried out by survey and in-depth interviews. Respondents consisted of 80 customers and 40 non-customers, 20 pharmacists, and 12 informants consisting of pharmacy owners and pharmacists. Data analysis used SWOT analysis with 9 BMC element mapping. The results showed that there were 6 elements of BMC found in the business strategy applied by the Wahana Medika Bekasi Pharmacy during the period, namely: customer segmentation, channels, customer relations, value proposition, key activities, and cost structure. The obstacles experienced in increasing turnover are customer data that has not been specifically segmented, low brand awareness, and less innovative promotion. A new business strategy is recommended by implementing 3 new elements, namely Key Partnership, Key Resources, and Revenue Stream. It is recommended that the business strategy with 9 BMC elements be used as an action plan in company managerial and conducted periodic evaluations. It is necessary to develop human resources and the application of information technology to optimize sales and promotions.

1. INTRODUCTION

Business competition in the pharmaceutical sector is undergoing a major transformation. Not only because of the effects of the pandemic, but also as consequences from the era of the industrial revolution 4.0 which has hit all sectors and has had a significant impact on business processes in the health sector. Health system managers are under great pressure to ensure the quality of care for patients (Porter ME, 2013). Wahana Medika Pharmacy is a private pharmacy engaged in health services in Bekasi City, West Java Province and has been operating for 10 years with quite good performance. However, over the past 2 years (2019 - 2020), Wahana Pharmacy has experienced a significant decline in turnover. Even in 2020 there was a 40% decline in turnover.

Referring to the annual performance report data of Wahana Medika Bekasi Pharmacy during 2019 and from January to July 2020, Wahana Medika Bekasi Pharmacy experienced... decline turnover sales . If depicted in the form of a diagram, the average turnover per month of Wahana Medika Bekasi Pharmacy can be read in the graph below:



Figure 1. Wahana Medika Bekasi Pharmacy turnover graph 2019 – 2020
(Source : Report Wahana Medika Pharmacy Bekasi, 2020)

The decline in sales turnover in any industry is influenced by many things. According to Sukendar (2019), one of the factors in the decline in sales turnover in pharmacies is poor service provided to customers. Sukendar conducted a study on consumer dissatisfaction at the Senjaya Bandung Pharmacy and found that poor service quality caused a decline in pharmacy performance, especially a decline in sales turnover. The same thing also happened at the Perintis Banjarmasin Pharmacy which was studied by Ade Rahma Yanti (2016) where dissatisfaction customer to services provided manager pharmacy cause decline very significant turnover . Other findings found by Khudair (2013) showed that patient satisfaction was positively influenced by the accuracy of service, pharmacist attitude, medication counseling, pharmacy location and waiting room.

Another factor that influences the sales turnover of a product is consumer or customer trust. Trust is generally formed after going through a long-term relationship between the buyer and the service provider. Trust will be formed if the consumer experiences satisfaction while using the services of a company. Trust basically occurs when one party has confidence in the other party involved in the exchange and has reliability and integrity (Morgan and Hunt, 1994; Darsono and Dharmmesta, 2005). In the context of the decision to buy something, trust has a significant effect on consumer loyalty (Abdurrahman Adi Sukma, 2012). This means that the decline in sales turnover is also indirectly caused by the decline in consumer trust.

Wahana Medika Bekasi Pharmacy as one of the health service units that provides medicines has a commitment to participate in realizing the optimal level of public health. One of the basic principles in winning business competition in health service units is to implement the right business model for the company. If the business model applied is not right, the company will lose the competition. Implementing the right business model is how an organization can survive. The decline in turnover that occurred shows that the business model that has been running so far needs to be reviewed. In addition to the tight competition in the pharmaceutical business world, business strategy is one of the determining factors in increasing turnover. Therefore, it is very important to study the development of the Wahana Medika Bekasi Pharmacy business strategy based on the canvas model so that it can increase customer trust and turnover sale .

This study aims to analyze the right business strategy implemented at Apotek Wahana Medika Bekasi using the Business Model Canvas approach and SWOT analysis. Data collection was conducted by survey and in-depth interviews. Respondents consisted of 80 customers and 40 non-customers, 20 pharmacists, and 12 informants consisting of pharmacy owners and pharmacists. Data analysis used SWOT analysis with mapping of 9 elements of the Business Model Canvas.

Literature Review

Pharmaceutical Business Strategy

According to Barney (2002) a company experiences a competitive advantage when its actions in an industry or market create economic value and when rival companies engage in similar actions. Barney argues that competitive advantage is achieved when a company implements a value-creating strategy that is not simultaneously implemented by current or potential competitors. Sustained competitive advantage occurs when a company implements a value-creating strategy that is not simultaneously implemented by competitors and other companies cannot duplicate the benefits of this strategy. This applies to any business sector, including the pharmaceutical sector.

An organization will be able to compete in the industrial world if it has the competence to compete. Organizations are required to work professionally like private organizations (Keumala and Unik, 2008). An organization is required to have a clear mission (Drucker, 1993), and be able to survive changes in its environment (Armitage, 1992). Like other business ventures, the purpose of establishing a company is to increase sales, make a profit, and grow to improve its performance. A company's profit depends on the amount of sales, and the amount of sales depends on key factors in implementing its strategy or business model (Primandari, 2012).

According to David (2012), strategy is means together with objective term the length that will be want to achieved . Business strategy can in the form of expansion geographical , diversification , acquisition , development product , market penetration , rationalization employees , divestment , liquidation and business joint venture or joint venture. According to Barney and Hesterly (2008), strategy is explained as A theory about How method company to achieve advantages competitive (Competitive Advantages). According to Hitt (2011), strategy is A integrated and coordinated network from commitment and planned actions For exploit competence main and achieve superiority competitive . Giving strategy answer for party management about How method reach objective company and how The method For reach mission organization and vision strategic . Strategy making is about How looking for targets, how compete with competitors , how reach superiority prolonged competition , how make vision strategic .

Business Model Canvas

Business Model Canvas (BMC) is an effective, simple, and proven tool for understanding, improving, and implementing existing business models or creating new ones (Osterwalder and Pigneur 2010). There are 9 elements of the canvas business model and each has its own meaning and role. The explanation of the nine elements above is as follows:

1. *Customer Segments* (Segmentation) Consumers): determine segment which customers will become a business target .
2. *Value Proposition* (Consumer Value Proposition) : estimating need *customers* who have identified in *customer segments* .
3. *Channels* (Channels): paths between company with customers, how *delivery* from *value* given will capable reach *customer* with Good .
4. *Revenue Streams* (Source Income): r epresentation from track receipt of money to be accepted from every *customer segment* .
5. *Key Resource* (Resources): explains about asset the most important thing needed in create a business model Work .
6. *Customer Relationship* (Relationship) Consumers) : define connection between companies and *customers* , various type connection start from give individual personal assistance to every *customer* , with utilise community , or even in the form of ' selfservice ' , that is No relate direct with *customer* .

7. *Key Activities* (Activities Carried Out): activities the main one that explains matter most important that is company must create a business model .
8. *Key Partnership* (Kerjasama): key partnerships that describe the network of suppliers and partners that make the business model work.
9. *Cost Structure*: describes all costs incurred in operating the business model.

SWOT Analysis

SWOT is abbreviation from Strengths , Weaknesses , Opportunities and Threats . Rangkuti (2005) explains SWOT as following :

- a. *Strengths* (Strengths) can explained as side positive organization that can guide to direction more opportunities wide , so that can utilized For development .
- b. *Weaknesses* (Weaknesses) is every lack in matter expertise and resources
- c. company . Considerations need given on how matter This can treated , for example with takeover , merger or training or development .
- d. *Opportunities* (Opportunities) that is describe events in the environment outside that allows organization get benefits . This is arise from changes technology , markets and products , legislation and so on .
- e. *Threats* (Threats) is danger or problems that can destroy position
- f. organization . For example , the launch of product new by competitors , changes standard security, model changes or problems that arise with Supplier or customer .

The purpose of use SWOT matrix is For consider strengths , weaknesses , opportunities and threats in a way comprehensive , so that capable increase effectiveness service consumers and improve performance services provided . The SWOT matrix is important thing in draft management . The tool can help company For can to examine existing strengths and weaknesses , so company can compete and have view about market behavior to front . However SWOT matrix no suitable For assisting executives in finish problem company every day , or specifically For finish problem a year once . (Adam, 2005).

2. RESEARCH RESULTS AND DISCUSSION

Respondent/Informant Profile

Profile complete respondents and informants covers type gender , level education , work , duration Work as pharmacist , and the duration become customer for customer .

Table 1. Identity Complete Respondents / Informants

No	Identity	Information	Amount
1	Gender	Man	60 people
		Woman	92 people
		SENIOR HIGH SCHOOL	85 people
2	Education	S1	51 people
		S2	4 people
		civil servant	18 people
		Employee Private	35 people
3	Work	Businessman	26 people
		Housewife	30 people
		Retired	11 people
4	Length of work	< 2 years	13 years old
		> 2 years	7 years
5	Long Time To Be Customer	< 2 years	52 years old
		> 2 years	38 years old

(Source : Questionnaire Research , Processing Writer)

The number of respondents who filled out the questionnaire was 140 people, consisting of 20 pharmacists, 80 customers, and 40 non-customers. The non-customer group was considered necessary as a balance so that the data obtained was complete and objective. Meanwhile, qualitative data was

obtained by interviewing 12 informants consisting of pharmacists, pharmacy owners (*owners*) and TTK. The total number of respondents and research informants was 152 people.

Customer Satisfaction Survey Results

Respondents' answers to the five elements of customer satisfaction show that Wahana Medika Pharmacy customers are satisfied with the services and facilities provided by the Pharmacy management. The highest satisfaction is in the Assurance element, followed by Empathy, Reliability, Responsive, and Tangible.

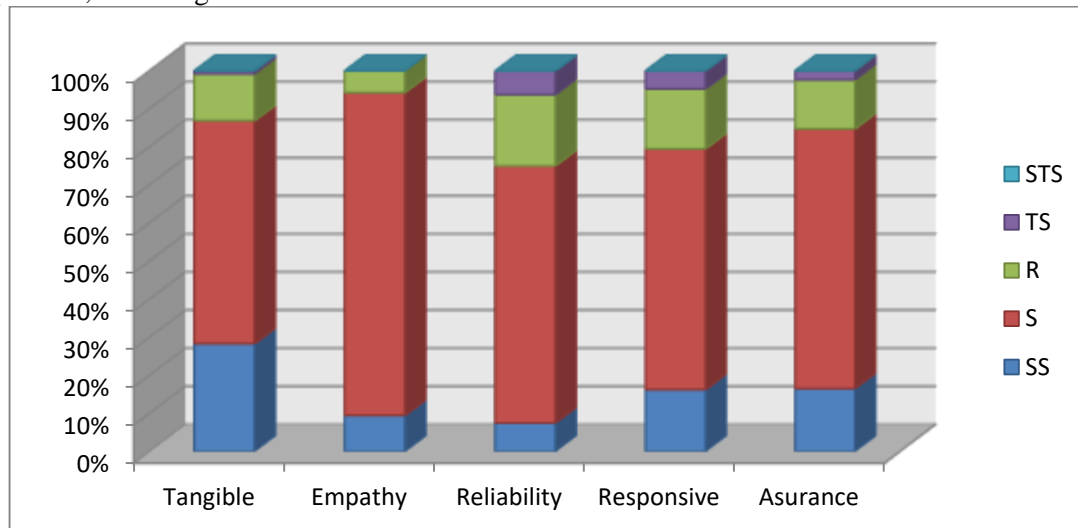


Figure 2. 5 Elements Chart Satisfaction Customer by Customer

Survey results from group No customer show that part big still in doubt about reliability service Wahana Medika Pharmacy , as well as element others . Only in the Tangible aspect (physical and facilities) respondents Agree . This is enter reason Because although No customer they can give answer objective For element physical , because can see Alone without must become customer .

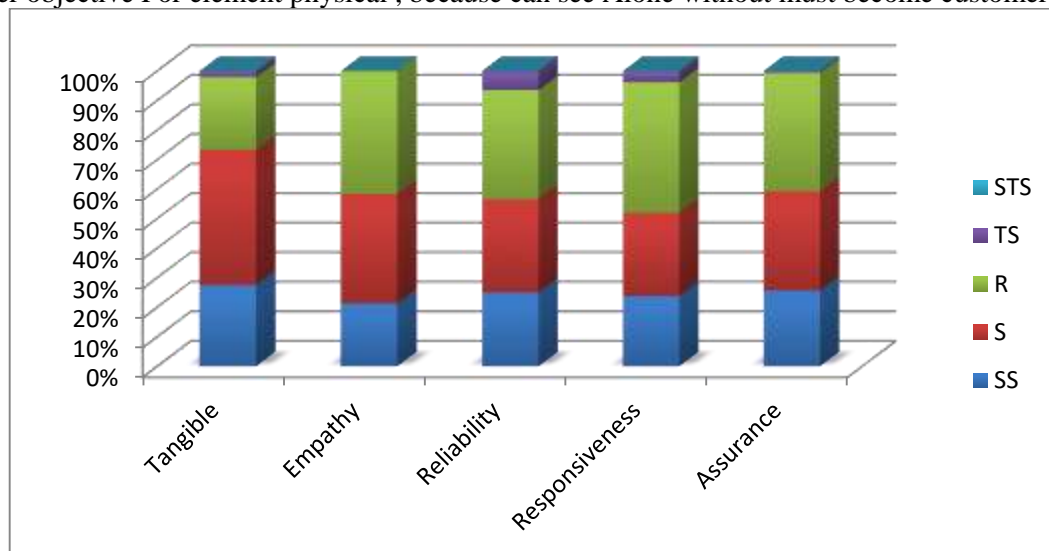


Figure 3. 5 Elements Chart Satisfaction Customers by Not Customer

Temporary That survey to Pharmacist related application of 9 elements of BMC in operate business in Pharmacy show that Pharmacist focused on the strongly agree and agree . The highest option is strongly agree for Key Partnership, followed by Revenue Streams, Cost Structure, Key Resources, Value Reposition, Customer Relations, Channels , Customer Segmentation , and Activities. While those who provide The answers to doubts are in the areas of Customer Relations, Key Resources, and Key Partnership.

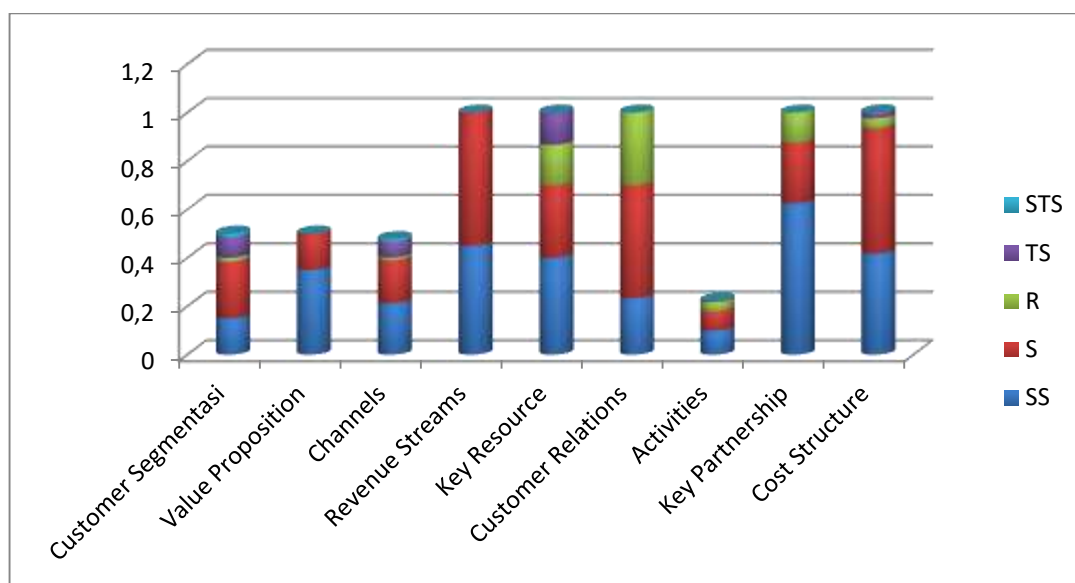


Figure 4. Results of the Survi Pharmacist about the 9 Elements of BMC

Analysis Qualitative Regarding the Interview Results

Interview to informant aiming For dig information more details regarding the business strategies implemented in the Pharmacy . The information obtained from results interview grouped become a number of Topic related with 9 Business Model Canvas indicators . Below This is grouping answer informant into the BMC indicator .

Table 2. Implementation of 9 BMC Elements in 7 Pharmacies

Pharmacy	BMC Elements								
	CS	VP	CR	Channel	KA	KR	KP	RS	Cost
Pharmacy The Great Gede Cottage	✓	✓	✓	✓	✓	X	✓	X	✓
Gita Farma Pharmacy	✓	✓	✓	✓	✓	X	✓	X	✓
Puri Farma Pharmacy	✓	✓	✓	✓	✓	X	X	X	X
Wahana Medika Pharmacy	✓	✓	✓	✓	✓	X	X	X	✓
Wijaya Platinum Pharmacy	✓	✓	✓	✓	✓	X	X	X	✓
Pharmacy Relof	✓	✓	✓	✓	✓	X	✓	X	✓
Pharmacy Medivita	✓	✓	✓	✓	X	X	X	X	✓

Of the 7 pharmacies , no there is something that has been running 9 inner BMC elements management business . There are 2 elements that are not found its implementation in pharmacies wherever , namely Key Resources and Revenue Stream elements . While Key Partnership elements only found in Pharmacy Pondok Gede Adung , Gita Farma Pharmacy , and Pharmacy Relof . And there is 1 element that is not found its implementation in Pharmacy Medivita .

Business Strategy Implemented Wahana Medika Pharmacy

Qualitative data analysis on the implementation of 9 BMC elements as a business strategy at Wahana Medika Pharmacy and several surrounding pharmacies shows a pattern as shown in the following image:

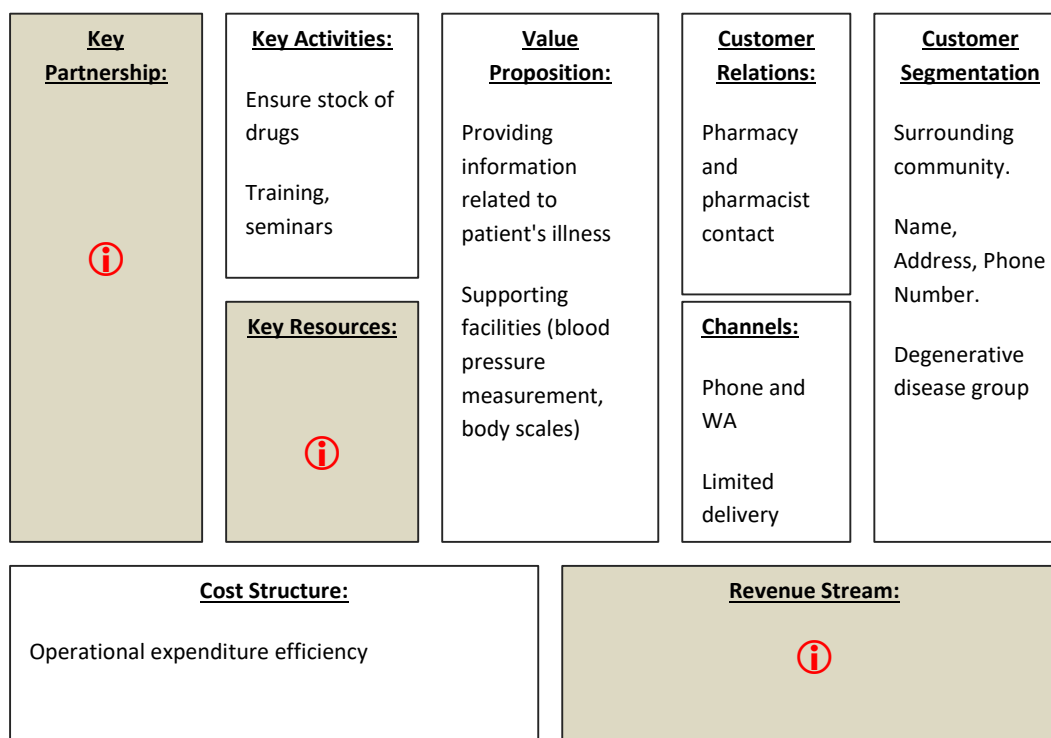


Figure 5 Initial Mapping of the Wahana Medika Pharmacy Canvas Business Model

Figure 5 explains that there are 6 elements that have been implemented by Apotek Wahana Medika Bekasi, namely: customer segmentation, channels, customer relations, value proposition, key activities, and cost structure. While 3 elements (key partnership, key resources, and revenue stream) have not been found. Even for the 7 pharmacies surveyed in this study, 2 BMC elements were not found, namely Revenue Stream and Key Resources.

Survey and interview results to a number of informant show that There is a number of obstacles faced by Wahana Medika Pharmacy that can it is said as reason the decline turnover sales . For more strengthen results analysis to Interview , the implementation of 9 elements of BMC at Wahana Medika Pharmacy , Bekasi is mapped use SWOT analysis . Based on results interview , SWOT analysis related strategy business Pharmacy Bekasi Medical Center can mapped as following :

Table 3. SWOT Analysis of the Wahana Medika Pharmacy Canvas Business Model

Aspect	Strengths	Weaknesses	Opportunities	Threats
Segmen Customer	Have a customer database	There isn't any yet target segmentation	Potential of Bekasi area Development product	Application service pharmacy digital based
Value Proposition	In accordance need customer	Services and facilities normal	Innovation technology information	Competitors more innovative
Revenue Stream	Purchase repetitive	Margin and scale economy small	Development current income	Selling prices and margins are under threat
Channel	Easy location reachable . Communication easy	Low brand awareness	Channel integration with partner new	Channel competitor more good and innovative
Connection Customer	Customer data special	Help special delivery Not yet	Connection community and	Competitors and parties third

Aspect	Strengths	Weaknesses	Opportunities	Threats
	Help special Promotion special	There is	personal	
Activity Key	Guaranteed stock	Lack of programs innovative	SOUP Use IT system	Easy imitated Influence partner business
Key Resources	Concept and facilities in accordance segment	Development source Power	Work The same partners . Optimization source Power	Source Power limited
Key Business Partners	Connection with fellow professional	Economies of scale small	Collaboration partner business . Benefits of channels partner business	Business partners collaborate with competitor
Structure Cost	Purchase goods in accordance	Structure cost No planned	Optimization purchase product . Efficiency cost operational .	Can not press cost
Referring to to analysis of the data obtained from surveys and interviews that have been described in the section results research , as well as mapping of 9 BMC elements using SWOT analysis , then the matrix offered For Pharmacy Medical Facilities in frame effort increase turnover sale is as following :				
	Internal	Strength (S) 1. Pharmacy location easy reachable 2. Evaluation physique buildings and services Good 3. Channel communication Enough 4. Draft pharmacy in accordance with segment customer	Weakness (W) 1. Types of services and channels Not yet give proposition optimal value . 2. Channels and services Not yet create brand awareness. 3. Don't have a post-graduation program yet sell to customer	
	External			
Opportunity (O) 1. Develop channels / partners new For more service Good 2. Channel integration (pharmacy , human resources) seller , communication media) with more Good . 3. Increase margins by expansion to the surrounding area		SO Strategy 1. Work The same with BPJS, Community Health Centers , and clinics around the business area . 2. Provide other related products with need customer	WO Strategy 1. Optimize social media with make account pharmacy For promotion . 2. Develop application possible sales customer Where have you been can order drug to pharmacy .	
Threat (T) 1. Competitors threaten owned channels . 2. Competitors own more channels good and complete . 3. Channel existing communication No relevant with behavior customer		ST Strategy 1. Establishing SOP 2. Human resource development through training certified	WT Strategy 1. Work The same with party third For sale online and message based between product utilise applications that have been common used customer .	

Figure 6. SWOT Matrix Using Pharmacy BMC

The SWOT matrix above is a reference in perfecting the BMC business model at Wahana Medika Pharmacy to be as below:

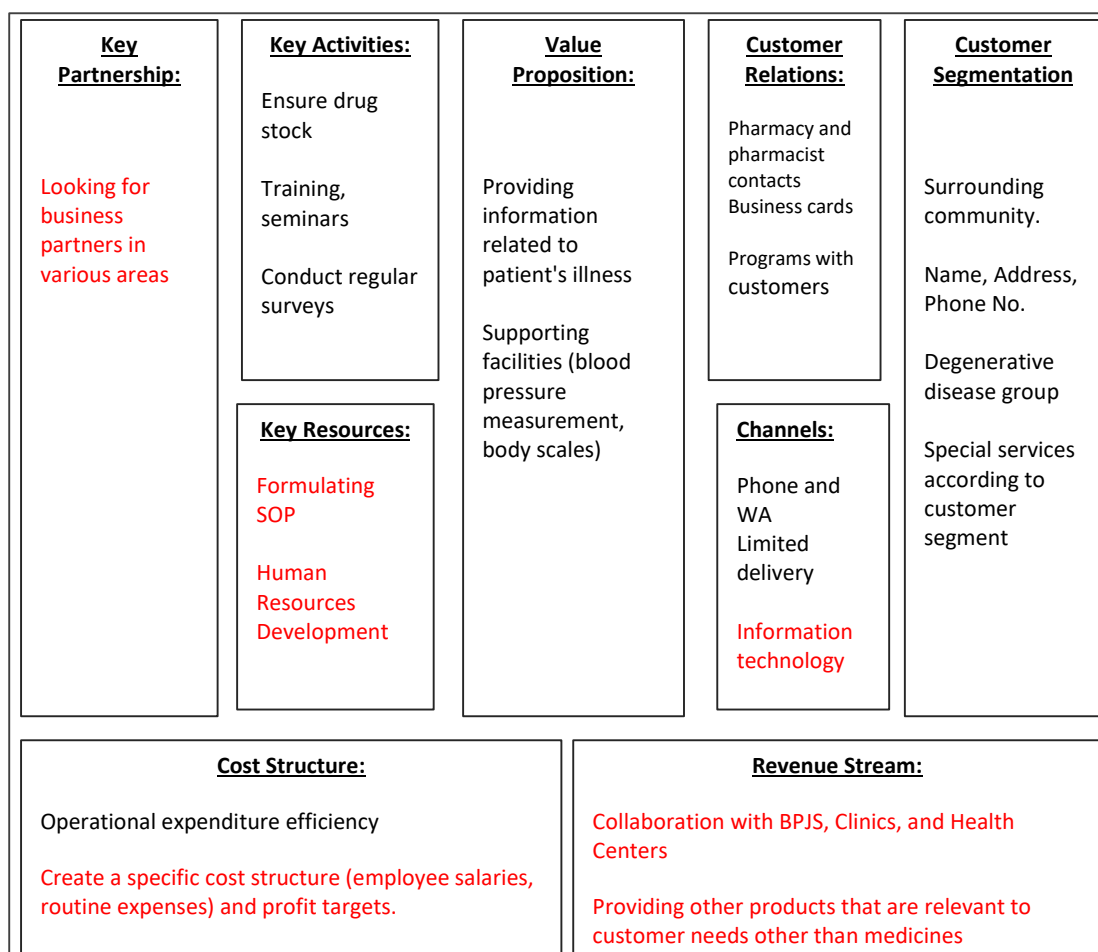


Figure 7. Improvement of the Wahana Medika Pharmacy Canvas Business Model

Referring to the proposed improvements to the BMC model in V.7, the Key Partnership, Key Resources, and Revenue Stream elements that were previously not found in the business strategy implemented by Apotek Wahana Medika are proposed as findings from this study. Key Partnership can be implemented by finding new partners in various areas, not only limited to the Bekasi area. In today's global era, business partners are possible from various regions or other business units that have the same concerns as our company.

Key Resources can be implemented by creating Standard Operational Procedures and creating HR development programs. SOP will help in controlling the quality of service, while HR development will help in creating value propositions. Revenue Stream can be achieved by initiating cooperation with BPJS, Clinics, and Community Health Centers and trying to provide other products that are relevant to customer needs other than medicines but that support the healing of diseases suffered by customers.

In addition to the three proposed new elements, several elements also need to be perfected in their implementation in the field. The proposed activity points in each BMC element above can be used as considerations to formulate a new business strategy for Apotek Medika Bekasi. With this formulation, it is expected that future sales turnover will increase. The thing to note is that the business strategy must be the company's action plan, and implemented in the management of the Pharmacy. The priority of the proposed strategy can be implemented together or in stages according to the conditions and policies of Apotek Wahan Medika Bekasi management.

3. CONCLUSION

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The business strategy implemented by Apotek Wahana Medika Bekasi is related to six elements of BMC, namely: customer segmentation, channels, customer relations, value proposition, key activities, and cost structure. Three elements (key partnership, key resources, and revenue stream) were not found to be implemented in the pharmacy. However, with these six elements, customers of Apotek Wahana Medika Bekasi feel satisfied with the services they receive. The highest value given by customers to the pharmacy service is the 'Empathy' element. Meanwhile, from the non-customer side, the Tangible value is given quite well, while the Assurance and Responsiveness elements are low. The refinement of the new business strategy for Apotek Wahana Medika Bekasi using BMC proposes to include 3 elements that did not previously exist, namely: Key Partnership, Key Resources, and Revenue Stream. These three elements can be used as part of managerial policies because they greatly influence the other 6 elements. The proposed activity points in each BMC element can be used as considerations to formulate a new business strategy for Apotek Medika Bekasi. Some suggestions to increase sales turnover of Wahana Medika Pharmacy are: implementing 9 elements of BMC as a new business strategy in a planned manner, namely including it as part of the managerial policy that must be executed in company management; improving HR competence in terms of customer service using information technology; developing a partnership system with other units and expanding communication networks; and evaluating company performance in terms of profit achievement each year.

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