

The Business Model Canvas Development with an Importance-Performance Mapping Analysis (A Case of Svarga Healthy Food)

Kresna Audito¹, Marine Novita², Andreas Chandra Santoso³, Ferdi Antonio⁴

^{1,2,3,4} Digital Marketing Program, Universitas Pelita Harapan, Jakarta, Indonesia

kresnaudito@gmail.com, marine.novita@gmail.com, andre.smartguy@gmail.com,

ferdi.antonio@lecturer.uph.edu

Abstract

In order to develop Business Model Canvas (BMC) (Osterwalder, et al., 2013) and test the value proposition to the potential customer, this study aimed to analyze the set of customer perceived values on purchase decision making in the context of healthy food. This study was carried out as quantitative with a survey and data were taken purposively according to criteria that meet the customer segmentation. Data were obtained from 102 samples who priorly have informed of the product and service provided by Swarga Healing Food one of the healthy food providers that are about to enter the market. Data was collected through an online questionnaire with a Likert scale of 1 to 6 points. Data is analyzed through the PLS-SEM method and use importance-performance mapping (IPMA) calculation to identify items that are most important from the customer perspective. The result of the study demonstrated a reliable and valid measurement to assess the effect on the purchase decision. The finding revealed that indicator from variety value is the most influential in the customer decisions followed by emotional value, food quality value, and healthy value. These findings were utilized to propose a new BMC with a more relevant value proposition.

Keywords

business model canvas, purchase decision; value proposition; healthy food.



I. Introduction

A healthy lifestyle is currently a trend that is widely loved by people in various strata of society and has increased during the Covid-19 pandemic in the last 2 years, ranging from sports activities to the choice to eat healthy food to being part of a healthy lifestyle. Choosing to eat healthy foods that are more than hygiene and fresh but come from natural ingredients, contain rich nutrients, and are without preservatives is certainly an important need in the community. This potential is an opportunity for the emergence of a healthy food business trend in Indonesia. The outbreak of this virus has an impact of a nation and Globally (Ningrum et al, 2020). The presence of Covid-19 as a pandemic certainly has an economic, social and psychological impact on society (Saleh and Mujahiddin, 2020). Covid 19 pandemic caused all efforts not to be as maximal as expected (Sihombing and Nasib, 2020).

Many people want to consume healthy food without having to make it difficult to make or obtain it. The types of healthy food needed by the community are increasingly diverse, but still, prioritize the quality of ingredients and nutrition. Currently, fans of healthy food are mostly millennials who really like a healthy lifestyle, so they also don't mind if they must pay more prices to buy ingredients or a healthy food dish provided by

restaurants or catering services. Millennials often even show off their activities when eating healthy food through their social media such as

Instagram, Twitter, and Facebook. Some healthy food companies even use celebrities as endorsers of healthy food products, to attract their consumers.

People's demands for the content, taste, and variants of healthy food menus are also increasingly diverse. In anticipation of this, the healthy food business began to include nutritional content in the menu of healthy foods that were sold and even complemented by the opinions of leading nutritionists. This will certainly be a different value and make buyers more confident to consume these foods. In addition, healthy food business trends, are also a step to providing environmentally friendly products. Healthy food ingredients mostly come from nature such as organic vegetables that use organic methods to grow them, and the processing also uses more natural fertilizer and fewer chemicals that can have a bad impact on nature.

Currently, many food businesses have emerged that provide healthy food, ranging from selling healthy food raw materials, and healthy food in the form of fast food such as burgers to healthy food menu providers that function not only to maintain health but also for healing or treatment. All these healthy food vendors certainly have their own themes and business strategies, but some are almost the same. The strategies implemented by each healthy food seller range from competitive prices, attractive and recyclable packaging, and high content of nutrients to a variety of unique flavors.

Among the healthy food provider, Svarga Healing Food is the one that is considered for a business case in this study. Svarga Healing Food (SHF) strives to provide a different offer from its competitors. As the name implies, svarga healing food offers healing food to its consumers, the concept of healing food itself is a diet that avoids or does not eat processed foods that are less beneficial to the body, including not consuming red meat, avoiding foods that contain unhealthy fats and not using refined sugar. As part of its business strategy, SHF tries to record the aspirations of its consumers so that it can provide the right value proposition. With the right value proposition, SHF expected can make products that are truly desired and liked by its consumers.

Svarga Healing Food has the initial Business Model Canvas (BMC) with high protein for energy, life-changing experience, healthy food for a vegan, organic products, premium ingredients, and nutritional composition on the menu as initial value propositions. These value propositions were developed based on the management view.

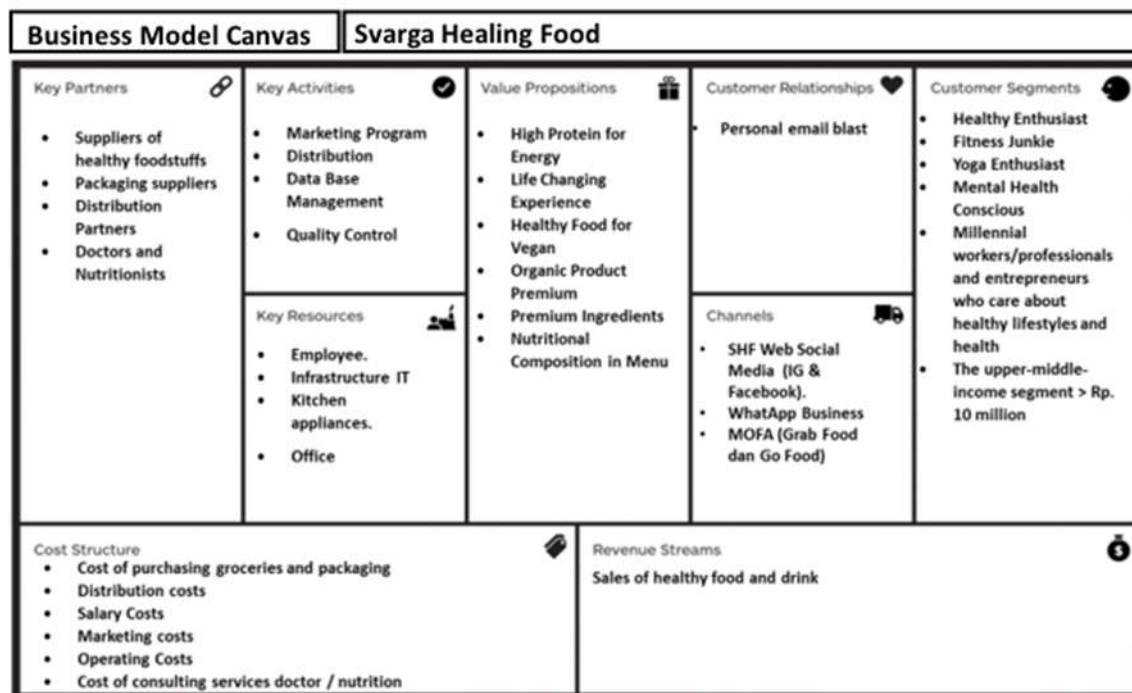


Figure 1. Business Model Canvas (BMC)

However, Svarga Healing Food is a new business that attempts to enter the market with its own value proposition written in Figure 1. Therefore, this BMC needs to be tested directly from the customer perspective in order to test whether the proposed value proposition fits with the targeted market. Therefore, this case study was conducted to explain how the BMC was tested through data analysis.

II. Review of Literature

The Theory of Consumption values explains why consumers choose to buy or not buy a particular product (or to use or not use a specific product), why consumers prefer one product type over another, and why consumers pick one brand over another. A consumer's decision is influenced by a variety of factors. When faced with an option, the various consumption values weigh indifferently. Functional, social, emotional, epistemic, and conditional values all play a role in determining consumer behavior when it comes to product selection (Jagdish N, et al., 1991).

Having the right value proposition will help businesses to succeed in terms of understanding patterns of value creation, further empowering team experience and marketing capabilities, and avoiding wasting time with ideas that won't work. The value proposition is about what customers really want, it is a never-ending process, and therefore needs continuous iterate so that it remains relevant to the customer (Osterwalder, et al., 2014).

In this study, the research model was drawn from the consumer perceived value theory. In particular, this study the multi-dimensional approach of perceived value as suggested (Osterwalder, et al., 2014) Based on the previous study there were Emotional Value, Quality Value, Energizing Value, Social Value, and Innovation Value that

correspond with the first value proposition in the BMC. This form of value was tested to confirm their direct effect on Purchase decisions. In the consumer choice approach, the decision could be a proxy to measure how much customers really want to purchase Svarga Healing Food.

Emotional Value is the value that is gained by using an alternative because of its ability to influence one's moods or affective states. When an alternative relates to a specific emotion, or if it causes or perpetuates that emotion, it gains emotional worth. An alternative's emotional value can be gauged by examining the range of emotions that go along with it. The first Value Proposition that Svarga Healing Food offers to their consumer is Emotional Value, in this case by living a healthy life by consuming Healthy Food we are giving a Life-Changing Experience to the consumers (Jagdish, at al., 1991).

The other Value Proposition that Svarga Healing Food give is Quality Value. Something's "quality value" can be defined as its "distinctive" or "excellent" property or characteristic. Svarga Healing Food provides its customers with Organic Products and Premium Ingredients in order to ensure that they receive the best possible value for their money.

It is important to eat Healthy Food in order to maintain good health and prevent future health issues. (Pilar Ester, et al., 2020) In Svarga healing Food, we are providing Healthy Value to our Consumers by consuming Healthy Food from Svarga, consumers will get more Protein for their Energy. Healthy Value is Understanding the link between food intake and health outcomes is essential to correcting unhealthy eating behavior (Diaz, at al., 2008)). There is a lot of uncertainty about what foods are considered nutritious, and the trade-offs between nutritional qualities and price or flavor can be tough (Mahele, at al., 2015)

Social Value is the value attributed to an option as a result of its connection to a particular social group. Associating with stereotyped demographic, socioeconomic, and cultural-ethnic groupings gives an alternative social worth. A profile of preferred imagery is used to assess social value. In Svarga Healing Food what we offer is Consumers can enjoy living a healthy life, by enjoying the healthy foods together with their family and friends and also feel proud because they can be seen as a person who have a healthy lifestyle (Jagdish, at al., 1991).

Variety Value is a Product or Service that offers a greater variety of options that appear compatible and require similar skills. (Jonah, at al., 2007) In Svarga Healing Food, we keep providing varieties of our Healthy Food and always try to provide a different menu from any other healthy food company. Convenience has become a strong demand from the consumer before making a purchase decision. Good Value Propositions will impact good Consumer Convenience. Svarga Healing Food provides all the Convenience needed so Consumers will be ready for Purchase decisions (Leonard L Berry, at al., 2002).

III. Research Method

This research was carried out as a quantitative survey study and conducted by developing a model that was tested with empirical data from samples of potential customers. Data were obtained from respondents through the distribution of online questionnaires in May 2022. Samples were taken purposively with certain criteria according to the Svarga Food market segment. A total of 102 respondents participated and met the requirement. The survey questions were adapted from previous research on the value of research with the Likert scale ranging from "strongly disagree"(1) to "strongly agree" (6).

To meet the objective of the study and gain insight into the value proposition. This model was tested with empirical data from samples of a potential customer. A Partial Least Square- Structural Equation Modeling (PLS-SEM) method was deployed for data analysis (Hair et al., 2019). PLS-SEM as the proper analytical approach was reasonable since it does not require large samples and enables the predictive study of the new model. After the outer model evaluation, IPMA (Importance and Performance Matrix Analysis) calculations were performed through SmartPLSTM. This approach will allow the researcher to determine which indicators are considered the most important by the respondent in order to influence to purchase decision of healthy food from Svarga.

IV. Result and Discussion

The respondents who were included in this study could be seen in Table 1, Of 102 respondents were dominated by males (81%), while the majority background were employees and followed by entrepreneurs. Around 80% of respondents were below 35 years. This may represent the millennial generation that is aware and looking for healthy food.

Table 1. Respondent Profile

Category	Frequency	Percentage (%)
Age		
21-25	4	3,9
26-30	16	15,7
31-35	62	60,8
>35	35	19,6
Occupation		
Student	2	2
Private Sector Employee	50	49
Entrepreneur	31	30,4
Government Employees	16	15,7
Other	3	2,9
Gender		
Male	83	81,4
Female	19	18,6

In the PLS-SEM method, the examination of the outer model is mandatory at the first stage of the model analysis. There were 21 indicators tested in the reflective model. The findings were shown in Table 2, where each indicator has an outer loading value greater than 0.708, which indicates that each indicator can be relied upon to accurately measure the respective construct. The next assessment was to establish the internal consistency reliability. Cronbach's alpha, and the composite reliability, were evaluated, and the outcome showed a value greater than 0.7 and below 0,95 for every variable. Hence, the construct reliability is acceptable. Construct validities evaluate by the average variance extracted (AVE), as also indicated in Table 2, this is to ensure the convergence validity of

this reflective model. The findings demonstrate AVE value is greater than 0,5 thus can be said the construct validity is satisfactory.

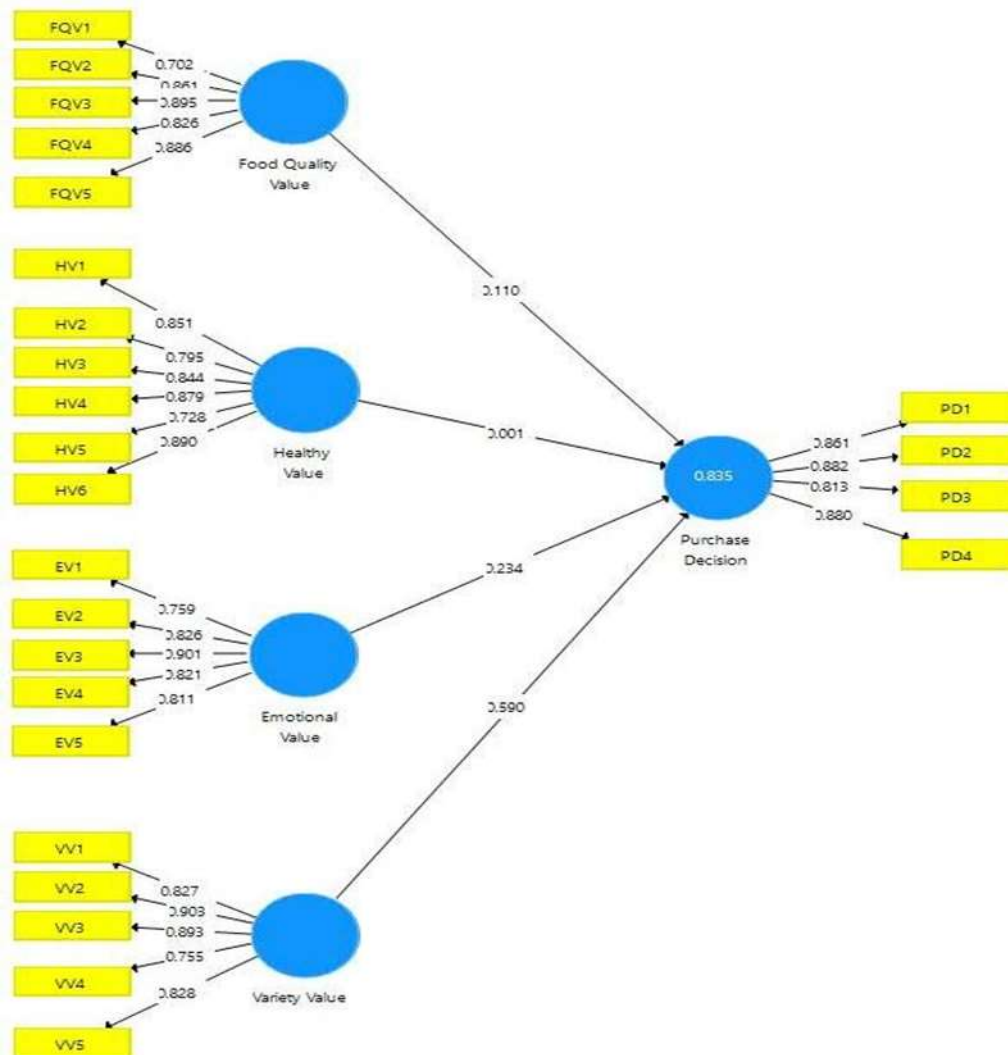


Figure 2. Outer Model

Table 2. Construct Reliability and Validity

Variable	Indicator	Outer Loading	CA	CR	AVE
Food Quality Value	FQV1: For me it is important that Svarga Healing Food is made from fresh ingredients	0.702	0.891	0.921	0.701
	FQV2: For me it is important that Svarga Healing Food is made from organic vegetables	0.861			
	FQV3: For me it is important that Svarga Healing Food is made with low preservatives	0.895			
	FQV4: For me, it is important that Svarga Healing Food is processed with a hygienic process	0.826			
	FQV5: For me, it is important that Svarga Healing Food is packaged with good ingredients and kept clean	0.886			

		86			
Healthy Value	HV1: I think it's important that Svarga Healing Food has a low-calorie content	0.851	0.911	0.931	0.694
	HV2: I think it's important if the food from Svarga Healing Food has a high protein content	0.795			
	HV3: I think it's important that Svarga Healing Food's servings have bad fats (low trans-fat and unsaturated fat)	0.844			
	HV4: I think it's important if the food from Svarga Healing Food has adequate fiber content	0.879			
	HV5: I think it's important if the food from Svarga Healing Food is processed without a lot of preservatives	0.728			
	HV6: I think it's important that the food and drinks from Svarga Healing Food are made from ingredients that are beneficial for health	0.759			
Emotional Value	EV1: I will feel happy if I can eat healthy food like Svarga Healing Food	0.826	0.883	0.914	0.681
	EV2: I will feel more confident and healthy when I consume food from Svarga Healing Food	0.901			
	EV3: When I consume Svarga Healing Food I will feel calm because I already have a healthy lifestyle	0.821			
	EV4: If I eat healthy food from Svarga Healing Food, I won't feel worried	0.811			
	EV5: I feel comfortable when I can buy Svarga Healing Food online	0.759			
Variety Value	VV1: Svarga Healing Food should serve a variety of innovative healthy food menus	0.827	0.897	0.924	0.710
	VV2: Svarga healing Food should have many choices of healthy food and drink packages	0.903			
	VV3: Svarga healing Food should have many choices of healthy food and drink packages	0.893			
	VV4: The Svarga Healing Food menu should have a choice of prices from medium to premium	0.755			
	VV5: The Svarga Healing Food menu should have a combination of both Asian and Western menus	0.828			
Purchase Decision	PD1: I will try to buy food from Svarga Healing Food soon	0.861	0.882	0.919	0.738
	PD2: I will try to buy food from Svarga Healing Food in the near future	0.882			
	PD3: The decision to buy healthy food from Svarga Healing Food is a wise choice.	0.813			
	PD4: I will look for an online application to buy food from svarga healing food online	0.880			

In addition, discriminant validity describes the requirement that the manifest variables associated with the various constructs should not have a high degree of connection with one another. The Heterotrait-Monotrait (HTMT) method is used to

determine the discriminant validity. It is suggested that a value is valid if it is below 0,85. (Henseler et al., 2015). As a result, the HTMT ratio calculation for all variables included is below 0,85 thus accepted as valid. Therefore, it can be concluded that the model has reliable and valid measurements.

SmartPLSTM computations were used to perform an Importance Performance Map Analysis (IPMA) in accordance with the suggestions (10). As a result of the findings, the IPMA table is obtained as seen in Table 3. To identify the most relevant indicator based on the total effect value, an IPMA analysis can be generated. Figure 3 depicts the result in this case. Variety Value

(VV) indications have been found to play an important role in an individual's purchase decision towards Svarga Healing Food, particularly VV2 and VV1 (see Table 3). As a result, Svarga Healing food should pay more attention to this type of value.

Table 3. IPMA Importance – Performance

Variable	Indicator	Indicator Importance for Purchase Decision	Indicator Performance for Purchase Decision
Food Quality Value	FQV1	0.010	82.424
	FQV2	0.013	94.949
	FQV3	0.013	95.152
	FQV4	0.012	92.121
	FQV5	0.012	92.929
Healthy Value	HV1	0.013	91.515
	HV2	0.016	84.242
	HV3	0.015	92.727
	HV4	0.015	94.747
	HV5	0.015	94.545
	HV6	0.013	88.636
Emotional Value	EV1	0.031	84.040
	EV2	0.035	93.737
	EV3	0.040	95.354
	EV4	0.036	92.172
	EV5	0.031	84.242
Variety Value	VV1	0.106	91.414
	VV2	0.123	93.687
	VV3	0.104	94.545
	VV4	0.083	83.232
	VV5	0.092	92.929
Purchase Decision	PD1	0.272	93.939
	PD2	0.235	90.404
	PD3	0.277	93.182
	PD4	0.216	89.646
Mean		0.06616	91.0604



Figure 3. IPMA Indicator of Purchase Decision

The following analysis may be carried out with the importance-performance map for the test (IPMA). IPMA indicators itself is a two-dimensional map that describes the location of the performance and importance of each indicator that is the basis for determining, which in this study is based on survey results of customers' desires to purchase food from Svarga Healing Food. When it comes to the reasons why respondents choose to buy food from Svarga Healing Food, the value of variety is on Quadrant I which is the most essential factor. As this study revealed a Variety Value as the most important factor. The indicators could be found in people who care about health stating that "Svarga Healing Food should serve a variety of innovative healthy food menus",

Few of the Emotional Value and the Food Quality indicators were found to underperform. This ensures that although that variable is important, it does suffer from perceived insufficient performance. It is possible to draw the insight that the four value propositions owned by Svarga Healing Food are indeed important even though there are differences in the perceived performance section and that Variety Value plays an essential role that needs to be put forward as a value proposition. This finding aligns with the theory of behavior motive that pointed out variety seeker as the prominent motive besides benefit sought (Ref; Solomon). Healthy value surprisingly has low importance, this finding may be related to the profile of the respondent that already has been a customer of the healthy products, thus currently they are more looking for the variety.

From the PLS-SEM result, it was found the R² value for purchase decision as a dependent variable was 0,835. According to Hair et al. (2019), this is categorized as substantial. The purchase decision could be explained by 83% by its four independent variables and the rest 17% by another variable outside the model. Therefore, it could be said that this model has strong predictive accuracy in the context of healthy food.

V. Conclusion

This study concludes that Variety Value dominantly affects the purchase decision, this is proven with the highest coefficient found (0,590) and therefore acts as a key for decisions when customers want to make Purchase Decisions. This value is followed by Emotional Value, Food Quality Value, and Healthy Value. According to this result, the new value proposition is incorporated into the new BMC of Svarga Healing Food using a Variety Value as a key factor in new value propositions. In this proposed BMC as in Figure 4, the value proposition displayed is different from the value proposition in the

initial BMC displayed in Figure 1. Through outer model analysis and IPMA, it was found that the variety value indicators were highly important for the customer purchase decision to buy Svarga Healing Food.

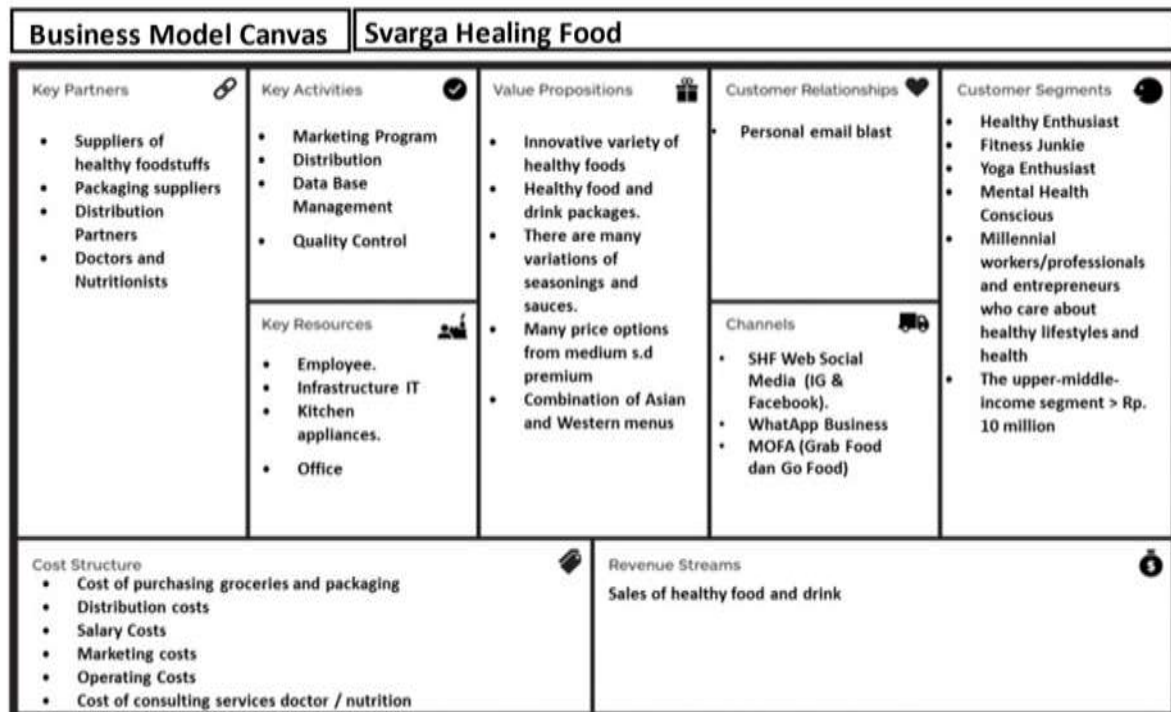


Figure 4. New Value Propositions BMC

The research can be concluded that to attract the attention of potential consumers who want to purchase Svarga Healing Food, people who care about health must pay attention to values which are an important part of what people who care about health in Indonesia are looking for and need., This finding can be a useful insight for management to make prioritization, in order to pursue a customer-centric strategy for Svarga Healing Food. Nevertheless, other values such as Healthy Value, Food Quality Value, and Emotional Value should not be ignored and remain important values for Svarga Healing Food.

This study contributes by providing the tested model with a set of questionnaire items that are reliable and valid, thus it can be used and replicated in other business cases that similar to this study. Entrepreneurs in the healthy food sector could benefit from the insights from this study. Lastly, this study needs to be followed up with larger and more homogenous samples to establish the finding.

References

- Chesbrough H. (2007). Business Model Innovation: It's not just technology anymore. *Journal Strategy & Leadership* 35 (6):12-17. <https://doi.org/10.1108/1087857071833714>.
- CHIN, W. (1998), Issues and Opinion on Structure Equation Modeling, *MIS Quarterly*, 22(1), 7-16.
- Christensen, C.M., Bartman. T., & Bever, D.V. (2016). The hard truth about business model innovation.

- Diaz-Mendez, C. and Gomez-Benito, C. (2008), *Alimentacion, Consumo Y Salud*, Coleccion Estudios Sociales No. 24, Fundacion La Caixa, Madrid.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European business review*. <https://doi.org/10.1108/EBR-11-2018-0203>
- Henseler, J.; Ringle, C.M.; Sarstedt, M. A New Criterion for Assessing Discriminant Validity in variance- based Structural Equation Modeling. *J. Acad. Mark. Sci.* 2015, 43, 115–135.
- Jagdish N. Sheth (1991), *Journal of Business Research*, Why we buy what we buy, a theory of Consumption Values.
- Jonah A. Berger, Michaela Draganska, Itamar Simonson (2007), *The Influence of Product Variety on Brand Perception and Choice*.
- Joung, H.-W. D., Choi, E. K., Ahn, J., & Kim, H.-S. (2014). Healthy Food Awareness, behavioral intention, and actual behavior toward healthy foods: Generation Y consumers at university food service. *Journal of the Korean Society of Food Culture*, 29(4), 336–341. <https://doi.org/10.7318/kjfc/2014.29.4.336>
- Ladd, T. (2018). Does the business model canvas drive venture success? *Journal of research in marketing and entrepreneurship*, 20 (1), 57-59. <https://doi.org/10.118/jrme-11-2016-00346>
- Leonard L. Berry, Kathleen Seiders, & Dhruv Grewal (2002), *Understanding Service Convenience*.
- Mahele, N., Inversen, N., Hem, L. and Otnes, C. (2015), “Exploring consumer preferences for hedonic and utilitarian food attributes”, *British Food Journal*, Vol. 12 No. 117, pp. 3039-3063.
- Ningrum, P. A., et al. (2020). The Potential of Poverty in the City of Palangka Raya: Study SMIs Affected Pandemic Covid 19. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal) Volume 3, No 3, Page: 1626-1634*
- Osterwalder, A, Pigner, Y., Bernarda, G., & Smith, A. (2014). *Value Proposition*. Wiley
- Osterwalder, A., & Pigneur, Y. (2013). *Business model generation; a handbook for visionaries, game- changers, and Challengers*. Wiley & Sons.
- Pilar Ester Arroyo, Javier Linan, Jorge Vera Martinez. (2020), *Emerald Journal*, who really values healthy food.
- Saleh, A., Mujahiddin. (2020). Challenges and Opportunities for Community Empowerment Practices in Indonesia during the Covid-19 Pandemic through Strengthening the Role of Higher Education. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal). Volume 3, No 2, Page: 1105-1113*.
- Sihombing, E. H., Nasib. (2020). The Decision of Choosing Course in the Era of Covid 19 through the Telemarketing Program, Personal Selling and College Image. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal) Volume 3, No. 4, Page: 2843-2850*.
- Teece, D.J. (2018). Business Models and dynamic capabilities. *Long Range Planning*, 51(1),40-49. <https://doi.org/10.1016/j.lrp.2017.06.007>