

# Evaluation of Business Model Development through Customer Development Approach (Case Study of PT Hijup.com)

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## Abstract

**Objective** - e-commerce of Islamic fashion grows rapidly in Indonesia. Hijup.com is a pioneer and the biggest player in the industry. In order to thrive in fiercer competition, Hijup.com needs to improve its business model. The study aims to seek a more suitable business model for Hijup.com using customer development approach.

**Method** - The research used action research strategy. Starting by mapping current business model, the research tested the model to customer, revised the business model, and tested back to the customer. The data was collected through an in-depth interview to 60 customers.

**Results** - The results found that the customers had problems with the user-friendliness of website, product variation, uninformative private shopping, payment methods, and pricing. These problems were not answered yet by the available product and services offered. It was also found that there was neglected customer segment: university students. As response to the problems, the solutions were designed by improving the web with mobile application store, chat online, layout hot items, adding product variations, credit card promotion, adding new stocks for student segments.

**Conclusion** - The existing business model was able to be evaluated using customer development approach. By finding users' problems, the current business model was evaluated and the new solutions was offered. The solutions was also tested to customers and the majority of them accepted them, although there were still some minor improvements needed. Based on the new solutions, the new business model for Hijup.com was created.

Keywords: Business model canvas, customer development, Islamic fashion, e-commerce

## Abstrak

**Tujuan** – E-commerce fesyen Syariah tumbuh cepat di Indonesia. Hijup.com adalah pionir dan pemain terbesar di industri ini. Agar dapat berkembang di tengah persaingan yang ketat, Hijup.com perlu meningkatkan model bisnisnya. Penelitian ini bertujuan untuk mencari model bisnis yang lebih sesuai untuk Hijup.com dengan menggunakan pendekatan *customer development*.

**Metode** – penelitian ini menggunakan strategi *action research*. Diawali dengan memetakan model bisnis yang dijalankan saat ini, kemudian mengetes model tersebut kepada pelanggan, lalu merevisi model bisnis, dan dites kembali kepada pelanggan. Data diambil melalui wawancara mendalam kepada 60 pelanggan.

**Hasil** – Hasilnya menemukan bahwa pelanggan memiliki permasalahan dengan website yang tidak ramah bagi pengguna, variasi produk, belanja pribadi yang tidak diinformasikan, metode pembayaran dan penentuan harga. Berbagai permasalahan tersebut belum terjawab solusinya oleh produk dan jasa yang tersedia. Selain itu, ditemukan juga ada segmen pelanggan yang terabaikan, yakni mahasiswa. Sebagai respon terhadap permasalahan tersebut, sejumlah solusi disusun untuk meningkatkan *web* dengan aplikasi *mobile*, chat online, menata barang-barang yang menarik, menambah variasi produk, promosi kartu kredit, menambah pasokan untuk segmen mahasiswa.

**Kesimpulan** – Model bisnis yang ada dapat dievaluasi dengan pendekatan *customer development*. Dengan menemukan permasalahan pengguna, model bisnis dievaluasi dan diberikan sejumlah solusi baru. Solusi tersebut diuji kepada pelanggan. Mayoritas pelanggan menerima solusi tersebut, meski masih ada beberapa perbaikan minor yang diperlukan. Berdasarkan solusi baru tersebut, model bisnis Hijup.com yang baru telah disusun.

Kata Kunci : Business model canvas, customer development, Fesyen Syariah, e-commerce

## **1. Background**

Muslim population in Indonesia is about 12.7 percent of the world's population. The number is around 205 million, which is 88.1 percent of Indonesian population (The Pew Forum on Religion & Public Life in 2010). Temporal (2011: 50) stated in his book that the Muslim population in the world will reach one third of the world's population in 2050. Therefore, Indonesia is a big market that can be easily accessed by all businessmen.

The increased level of awareness of Muslim women in dressing became one indicator of the development of Muslim fashion in Indonesia. Another indicator is the growing trend of hijab brought by the Hijabers community of Muslim designers and Indonesian Muslim bloggers. The emergence of these Muslim designers proved to influence the trend of Muslim fashion in Indonesia as well as the international world. Indonesia and Malaysia are estimated to have a great influence on this hijab trend.

The potential of human resources in the field of fashion that began to grow and develop can attract the interest of Muslim Indonesian community to follow the Islamic fashion trends created by Hijabers community. This shows that they succeeded in influencing the preference of Indonesian society in terms of Muslim fashion. This is strengthened by the emergence of influencers of top artists who participated in this, by starting using hijab and became the Ambassador for some Muslim fashion brand. The image of Muslim fashion can really be felt by each one of the innovation creator in the field of fashion.

The enormous potential of Muslim populations, skilled human resources, and high public interest can create enormous markets that can provide benefits, indicating the enormous share of Muslim markets. The big market has not been served maximally (Temporal, 2011: 50).

In addition to the potential population and public interest, the market potential through e-commerce in Indonesia began to grow. E-commerce is an online trade, covering business transactions electronically by many parties involved. *Dailysocial.net* and *Veritrans.co.id* suggest that E-commerce is a sale of goods and services where purchasers, price buyers, and sales regulations are all negotiated on the internet.

E-commerce can also be defined as a process of doing business by using electronic technology that connects between companies, consumers, and society in the form of electronic transactions and the exchange or sale of goods, services and information electronically (Munir Fuady, 2005: 407). In short e-commerce is a trade over the internet.

The classification of e-commerce is generally done based on the nature of the transaction. Laudon & Traver (2010) classified e-commerce into 5 types, namely: Business to Consumer (B2C) is an online business that sells to individual customers, Business to Business (B2B) is an online business that sells to other businesses, Consumer to Consumer (C2C) is a business model where consumers sell to other consumers, Peer to Peer (P2P), and Mobile commerce (m-commerce), defined as the use of wireless digital devices to enable transactions on the web.

The e-commerce referred to in this study belongs to the Business to Consumer (B2C) class, which includes sale, purchase and marketing transactions to individual buyers with internet media through e-commerce service providers, such as *Kaskus*, *Toko Bagus*, and *berniaga.com*. In the process of e-commerce transactions, whether B2B or B2C, involves banking institutions as the organization that handles the transfer of transaction payments.

Meanwhile, according to David Baum (in Onno W. Purbo, 2000: 2), the definition of e-commerce is: "E-Commerce is a dynamic set of technologies, applications, and business processes that link enterprise, consumers, and communities through electronic transactions and The electronic exchange of goods, services, and information ".

E-commerce activities also have legal certainty, so that the implementation has legal regulations, under the provisions of Article 1 number 10 of the Law on Information and Electronic Transactions (UU Informasi dan Transaksi Elektronik/UU ITE), it is mentioned that electronic transactions are legal acts committed by using computers, computer networks or other electronic media. B2C E-commerce Sales Worldwide 2011-2016 (eMarketer, 2013) shows a very significant increase in the forecast year-to-year towards the sales of each e-commerce in the world. It is described in Table 1 below:

**Table 1. International Sales**

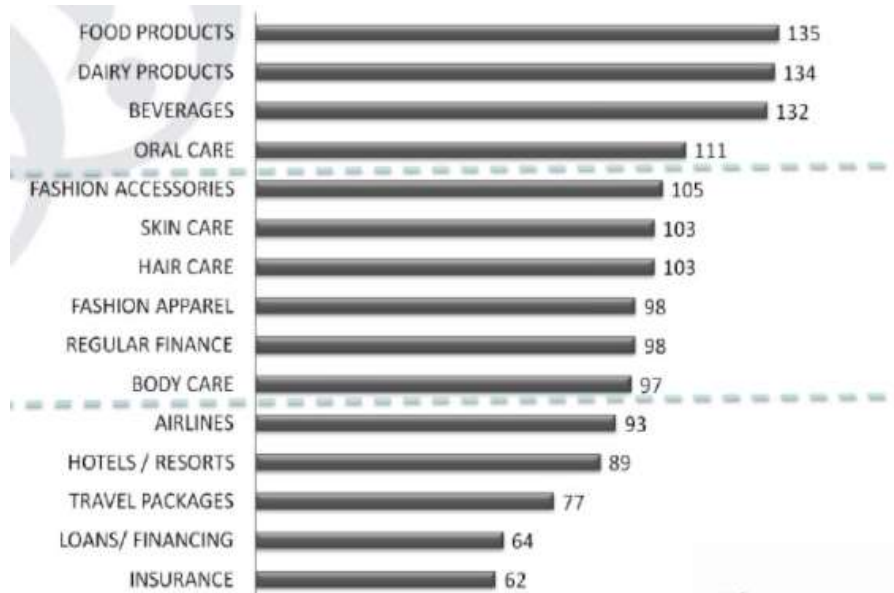
	2011	2012	2013	2014	2015	2016
North America	\$327,77	\$373,03	\$419,53	\$469,49	\$523,09	\$580,24
Asia-Pacific	\$237,86	\$315,91	\$388,75	\$501,68	\$606,54	\$707,60
Western Europe	\$218,27	\$255,59	\$291,47	\$326,13	\$358,31	\$387,94
Central & Eastern Europe	\$ 30,89	\$ 40,17	\$ 48,56	\$ 57,96	\$ 64,35	\$ 68,88
Latin America	\$ 28,33	\$ 37,66	\$ 45,98	\$ 55,95	\$ 63,03	\$ 69,60
Middle East & Africa	\$ 14,41	\$ 20,61	\$ 27,00	\$ 33,75	\$ 39,56	\$ 45,49

Source: *E-marketer (2013)*

Based on the above table, it appears that market is the entire world that uses the Internet as a medium for shopping, especially in the Asia-Pacific region that shows the most intense increase

occurred and in 2015, it is expected to increase very high. While based on the Noor Category Index as stated by Goodman (2012), fashion products ranked 5<sup>th</sup> most sought after on the internet or online shopping sites with e-commerce system, as can be seen in the following Table 2.

**Table 2. The Noor Category Index**

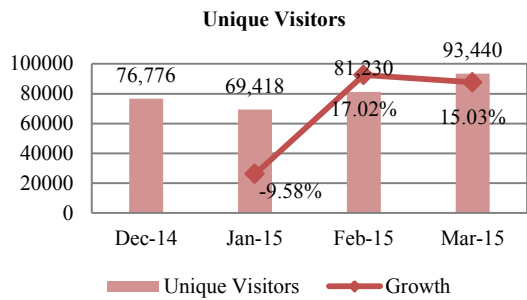


One of the companies engaged in Muslim fashion and as a pioneer through the e-commerce marketing channels is PT. Hijup.com, which dedicated its webstore to accommodate local Indonesian Muslim brands created by designers and promote to Southeast Asia.

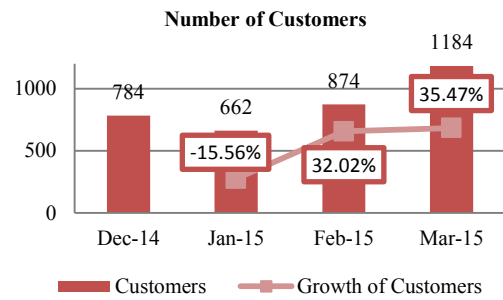
Indonesia is a big market that can be entered by PT Hijup.com. Based on the type of e-Commerce, Hijup.com included in the class of B2C e-commerce, because it sells a variety of famous Muslim fashion brand directly to consumers. Where almost all e-commerce fashion in Indonesia also classify the company as a B2C e-commerce company.

Hijup.com development is considered very rapid. It can be seen in the development of Hijup.com visitors and customers every year. Although the progress is quite significant, the comparison between the number of visitors and the number of Hijup.com consumers become a constraint that must be immediately sought solution. The growth gap in Hijup.com visitors and customers can be illustrated in the following table:

**Table 3.a. Visitors Hijup.com**



**Table 3.b. Customer Hijup.com**



Source: File Hijup.com

Based on the image data above visitors in March 2015 reached 93,440 visitors, but this figure is very different to the number of consumers who buy fashion products on Hijup.com that is as many as 1184 consumers in the same month. In other words, only about 1% of the total visitors who decide to become consumers of Hijup.com. With the existence of a very significant gap above it is necessary to do a research that emphasizes customer development process. The purpose of this study is to evaluate the Hijup.com business model through customer development approach in order to create a better business model as needed. Customer development is done through four stages: customer discovery, customer validation, customer creation, and customer building (Blank and Dorf, 2012), and this research more focus on the early stages, which is customer discovery.

## 2. Research Methodology

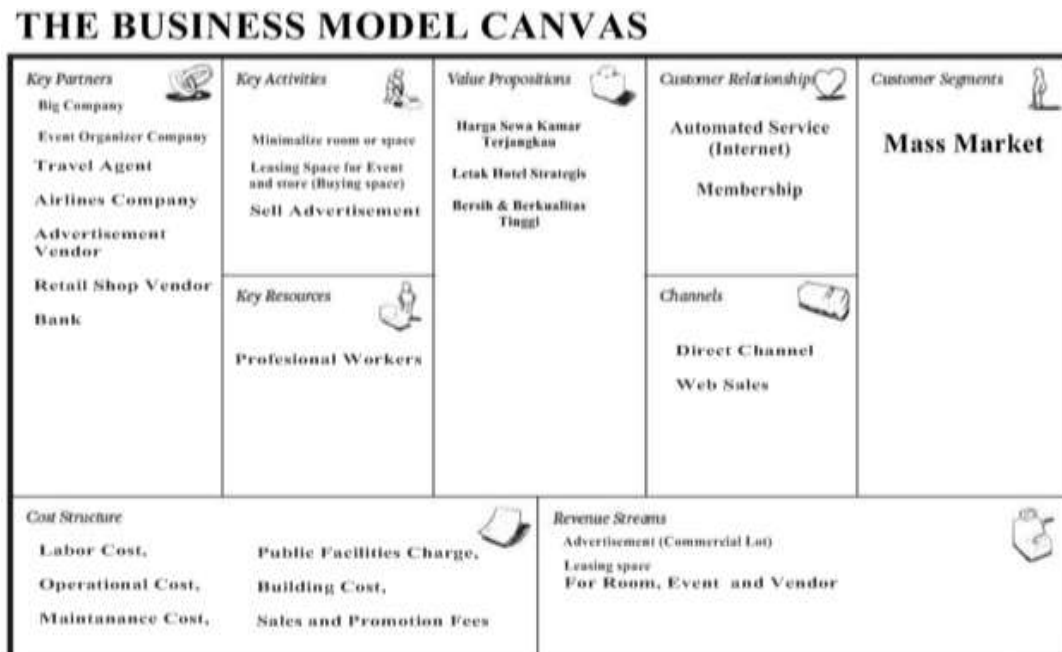
This study uses a business model canvas introduced by Alexander Osterwalder in his book Business Model Generation. Business Model Canvas is an illustration of a business model that is presented in a visual form of painted canvas, composed of nine interconnected blocks and contains an important element that illustrates how the organization creates benefits for and benefits from its customers (PPM Management Team, 2012). This business model is really helpful in business strategy as its flexibility that enables creative thinking and user-friendly interaction. It also treats consumers as partners. (Oliviera & Ferreira, 2011).

In Business Model Canvas there are nine buildings/blocks that are presented by Osterwalder (2013a) to describe the framework of the business to be run or developed. The nine buildings/blocks are:

1. Customer Segment is a target group of consumers who will or are entrepreneurs aim to become customers. The thing that must be considered by the entrepreneur is to be able to specify specifically the target to be targeted. Targeted segment can is distinguished by the economic, age, community, and specific behavior of the target consumers.

2. Value Proposition is the value that combines products and services that create value for a more specific customer segment or in other words the value proposition is the promise that the company provides to the consumer before or after consuming the product.
3. Channel is a marketing path used to sell products to target consumers. This can be done in a variety of ways depending on the targeted target audience.
4. Customer Relationship is the type of relationship built by the company with its specific customer segment.
5. Revenue Stream is the most vital component, that is the inflows from the customer into the indirect income of the entrepreneur or not the income obtained from the difference between all business incomes minus all costs required.
6. Key Resource is the most important assets that must be built by the company to perform its function.
7. Key Activities are the main activities performed in the business in order for the business to work.
8. Key Partners are the main partners who are associates in the organization to be run. Key partner can be said also as a partner of cooperation.
9. Cost Structure is the cost components that need to be issued so that the organization can run to generate the offer.

If illustrated by an image, business model canvas can be seen as the figure below.



**Figure 1. The Business Model Canvas**  
Source: Osterwalder and Pigneur, 2010

The validation process only focuses on customer segments and value proposition elements in the business model canvas. Furthermore, good information system is needed by company to get the substance of strategic planning, including sound business model (Osterwalder & Pigneur, 2013b).

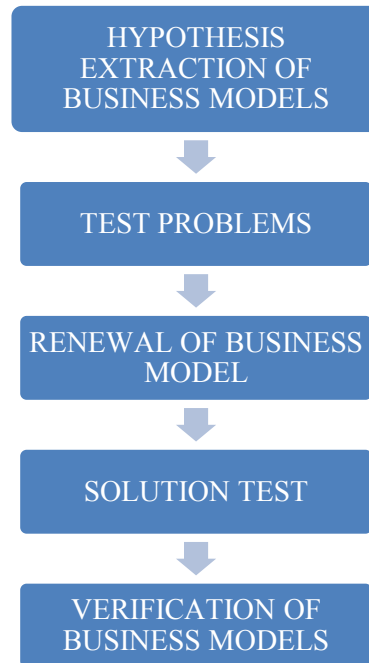
### *2.1. Action Research*

The method used is action research with the approach of Customer Development. Action research is a method developed so that researchers who use this method can directly know the problems that occur and try to find a solution according to the characteristics of the problem.

According to Peter Reason and Hilary Bradbury (2001), action research is a process of participation and democracy in developing a practical understanding to meet research objectives, which are based on environmental observations and are believed to carry out execution and reflection, theory and practice, and other related thing such as practical solutions to the problems that are happening in the community. The Customer Development Approach emphasizes the customer discovery phase (customer segment and value proposition elements) that refer to nine business elements, customer segment, customer relationship, value propotion, channel, cost structure, key activity, key reasourch, key partnership, revenue streams.

The customer discovery phase is performed with four stages, which is creating hypothetical extraction (initial BMC), test the problem, test the solution, and business model verification. Data collection is done through in-depth interviews to 60 respondents who have been determined, then processed qualitatively. Stages of research methodology model can be seen in Figure below.





**Figure 2. Model of Research Methodology**

Source: Guide to writing entrepreneurial thesis STEI TAZKIA, 2015

### **3. Results and Analysis**

The concept of online-mall Hijup.com provides a wide range of best products by Indonesian Muslim fashion designer. Hijup.com acts as an intermediary between designers with potential buyers around the world. With the tagline "Be Fabulous with Hijup", Hijup.com wants Muslim women to explore maximally in the aspects of appearance, moral, and spirit.

To date, more than 125 (one hundred and twenty five) brands have joined Hijup.com. Muslim fashion brand incorporated in Hijup.com is a brand that has been through the curation process and meet the 3K criteria of creative (kreatif), quality (kualitas), and character (karakter). Hijup.com customers and consumers come from countries such as Malaysia, Brunei Darussalaam, Singapore, Asia, Middle East and even Europe.

The product sales process is classified into 2 classes, namely Premium Brand and Regular Brand. Premium Brand has characteristic design, often involved in fashion show, excellent product quality, and its activities has been recognized by the general public (i.e. Jenahara, Dian Pelangi, Ria Miranda, Anemone By Hannie Hananto, Aprilia, We Idea, L'mira Ethnique, Restu Anggraini, Rani Hatta and Treimee) while Regular Brand is a local brand over 1 to 2 years. The types of products that Hijup.com sells are: Basic (Hijab base, cuff, shirt), Bottom (Jumpsuit, pants, skirt), Outwear (Blazer, Cape, Cardigan, Coat, Jacket, Sweater and Vest), Scarf, Top and

Dress, Accessories (Belt, Bracelet, Brooch, Headband, Necklace, Pin and Ring), Prayer Garment, Bag and Shoes.

To communicate with customers, Hijup.com also uses social media such as Twitter, Instagram, Facebook and also Youtube which has 93,440 users and as many as 1,184 users have been actively shopping.

### 3.1. Hypothetical Extraction of Business Model PT Hijup.com

Hypothetical extraction of this business model is a description of the business design that is currently executed in the form of a business model canvas. Of the overall elements in this canvas, what we want to prove in this stage is whether the existing customer segment is in accordance with its value proposition. Description of Hijup.com business model canvas can be seen in Figure as follows:

<b>Key Patner</b> Tenant IT Freelance Merchandiser Suppliers Influencer	<b>Key Activity</b> Search Potential tenant Curation Design & Photography Influencer Marketing	<b>Value Proposition</b> The First and The largest Curated Online Mall Muslim Local Brand Doing Busniness with Soul Private Shopping	<b>Costumer Relationship</b> Event Gift Costumer Service Social Media Public relation	<b>Costumer Segment</b> Women 24-34 y.o. Muslim (Hijabers) Woking women Middle Upper Class
	<b>Key Resource</b> Capital Investors HR & Tools for team (IT, Marketing, finance, Storage admin, D.I photographer, cs, model)		<b>Channel</b> Webstore Tenant Influnecer Media Social Hijabers & Designer Comm	
<b>Cost Structure</b> Photographer (Model fee), Marketing (Event, Brochure, Gift, Ads) fee, Packing, Transportation fee, Employee Salary, Electricity, Water, Telephone			<b>Revenue Streams</b> Profits from consignment 35% of each product sold, Profit from each event held, Proposal Cooperation, Profit from making video	

**Figure 3. Busniness Model Canvas**  
Source: PT. Hijup.com

## **Problem Testing**

Problem testing is done to test whether the customer segments have problems that match the solution offered in the value proposition. Of the 60 respondents interviewed, 52 or 86.66% of respondents had shopped at Hijup.com and repeated the purchase. They are potential consumers with vary backgrounds from housewives, female employees, and female students who all wear headscarves. Meanwhile, based on the testing of value propositions problems, there are two elements of the problem that is on the quality (web display, product variants, private shopping, payment method), and price (pricing on new segment).

The first and foremost problem that consumers complain about is the websites that often errors and hangs that interfere with product search and order processing. Second, the problem of access via smartphone is not simple and does not facilitate the consumer. Third, the product explanation is not informative, such as the height of the model, arm circumference, the obvious name of the material type, and the way the product is used. Here is the test results of website problems:

**Table 4. Elements of quality (Website/user friendly)**

<b>No.</b>	<b>Types of Problems</b>	<b>Frequency</b>
<b>1</b>	Web. Error	23
<b>2</b>	User Friendly (Already)	16
<b>3</b>	Not Informative	9
<b>4</b>	Complicated, etc.	12

The product variant problem, 67% of the respondents considered that the product is less varied making it difficult to find alternatives from existing products. In addition 28% of respondents felt that stock availability should be considered to be added.

The next problem is the private shopping and payment methods. The difficulty of ordering the product is due to customer service response when the consumer chooses to use private shopping. Private shopping is an application provided by Hijup.com to order products through customer service via Line, Whatsapp, BBM and phone. It is caused by customer service slow response factor, long ordering process, hangs Add to chart menu, and lack of information about the private shopping.

For payment problems, the most frequently used payment method is through ATM transfers (57%), 38% credit cards, and the remaining 5% for m-banking. Problems that often occur in the

payment process are credit card errors, slow response from customer service, and a slow respond for verification after payment.

Price issues are found in new segments at the age of approximately 20 - 40 years old with the majority of student categories. The interest in Hijup.com products is motivated only to visit the website page to find style inspiration and see the updated models of the Muslim fashion world. While to make a purchase, the price offered felt less appropriate or too expensive.

Based on the characteristics of the consumer segment, both identified and estimated, it is known that the most potential age ranges from 21 to 30 years old as much as 40%, 31-40 years by 30%, below 20 years by 25% and 5% over 40 years. While the largest profession of 34% are students, 33% are homestay mother, 23% private employees, 5% model, 3% freelance, and the remaining 2% is civil servants. Based on characteristic data of consumer segment above then Hijup.com can become e-commerce accepted in many circles.

### *3.2. Business Model Canvas Improvement*

Based on the above test problem, then business model canvas revision can be done to get business model that more suitable with Hijup.com consumer needs. These alterations include the addition of customer segments and the revision of value propositions to address customer issues. Improvement solutions are made as follows:

**Table 5. Summary of Total Problems and Solutions Plan**

No.	The Initial Business Model Component	Problem	Solution
1	Value proposition	Web Error	Mobile appstore
		Not Informative	Layout hot items, detail
		Complicated, etc.	Online Chatting
		Not varied	Add variants
		Lack of stocks	Add stocks
		Difficult to order	Online Chatting
		Credit cards payment	Confirmation from Hijup.com
		Incompatibility price with students budget	Discounts for students
2	Customer Segment	Addition of segment	Add segment

The above solutions are used to transform the business model canvas on customer segment elements and value proposition. Changes to these two components can be seen in the following table:

**Table 6. Business Model Canvas Component Improvement after Testing Problems**

No.	The Initial Business Model Component	Business Model Improvement
1	Customer Segment - Women - 24 – 34 years old - Muslim women (hijabers) - Working women - Middle Upper Class	Women - 20 – 40 years old - Muslim women (hijabers) - Working women - Middle Upper Class - Students - Homestay Mother
2.	Value proposition - The First and The largest - Curated Online Mall - Muslim Local Brand - Private Shopping	- The First and The largest - Curated Online Mall - Muslim Local Brand - More user friendly Website - Completed variants products & full stocks - Improved service from customer service - Increased payment method - Provide products for all circles & occupation (Pricing for new segment)

### 3.3. Testing Solutions

After the first business model is improved, the next step is to test the solution, which is to test whether the solution offered is appropriate for the customer segment problem.

**Table 7. Solution Test Results**

No	Problem	Solution	Persentage	Information
1	Web Error	Mobile appstore	Agree 58% Doubtful 35% Disagree 7%	- Simplify opening the image with low resolution. - Added server capacity for the Web.
2	Not Informative	Layout hot item	Agree 55% Doubtful 45%	Make it easy to provide trend product info, editors happening
3	Complicated, etc.	Online Chatting	Agree 75% Doubtful 8% Disagree 17%	Adding personnel
4	Not Varied	Add variants	Agree 75% Doubtful 25%	Classified variants by group
5	Difficult to order	Online Chatting	Agree 75% Doubtful 8% Disagree 17%	Building Customer Relationship and socialization

6	Credit cards payment	Resolved by Hijup.com	Agree 58% Doubtful 35% Disagree 7%	Update and development
7	Incompatibility price with students budget	Availability of goods $\leq$ Rp. 200.000 (special promo)	Agree 100%	Provide products under Rp. 200.000. As well as adding segment groups for under-20 students.

Based on the above table there is a match between the problems with the solution offered. Although this solution is generally acceptable but some improvements still needed by Hijup.com to further facilitate consumers.

Table 8 depicts the new Business Model Canvas of Hijup.com that has been validated after having tested the problems and the solutions to two important elements in customer discovery namely customer segments and value proposition. While other elements are only complementary for improvement, though not validated, but it will take effect if there is a change of validation result through testing the problems and the solutions.

**Table 8. Business Model Verification**

<b>Key Patner</b> Tenant IT Freelance Merchandiser Suppliers Influencer	<b>Key Activity</b> Search Potential tenant Curation Design Photography Influencer Marketing	<b>Value Proposition</b> The First and The largest Curated Online Mall Muslim Local Brand Doing Busniness with Soul Maximalization of Private Shopping (Online Chatting) User friendly website (Mobile appstore, online chatting, layout hot items) Variative Easy way of payment	<b>Costumer Relationship</b> Event Gift Costumer Service - Private shopping - Online Chatting Social Media Promotion (lookbook, sale) Public relation	<b>Costumer Segment</b> Women 20-40 y.o. Muslim (Hijabers) Woking women Students Homestay Mother Middle Upper Class
	<b>Key Resource</b> Capital Investors HR & Tools for team (IT, Marketing, finance, Storage admin, D.I photographer, cs, model)		<b>Channel</b> Webstore Mobile Appstore Tenant Influnecer Media Social Hijabers & Designer Comm	
<b>Cost Structure</b> <ul style="list-style-type: none"><li>Photographer (Model Fee)</li><li>Marketing (event, Brosur, Gift, ads) fee</li><li>Packing</li><li>Transportation fee</li><li>Employee Salary</li><li>Electricitv. Water. Telephone</li></ul>		<b>Revenue Streams</b> <ul style="list-style-type: none"><li>Profits from consignment of 35% of each product sold</li><li>Profit from each event</li><li>Proposal Cooperation</li><li>Advantages of making videos</li></ul>		

### 3.4. Business Model Verification

Business model verification is done to get definite results on the accuracy of the business model after testing the problem and testing the solution. With the verification, the business model can precisely target a much larger and wider scale. The precision is divided into three things, namely the compatibility of the product with the market, customer segment and how to achieve it, as well as the ability of business models in making money (Blank and Dorf, 2012).

#### 1. Compatibility of The Product With The Market

The compatibility of the product with the market can be seen from the suitability between the value proposition and the customer segment. Blank and Dorf (2012) said that the match parameters consist of three components, that is, whether the problem or consumer needs are solved is an urgent matter or very important for most consumers, whether the product meets or resolves the needs of consumers, and whether there are enough customers to be a business opportunity.

The first parameter is whether the problem or needs that have been resolved is something that is urgent or very important for the majority of consumers. Based on the test results there are three problems in addressing the website that is not user friendly. These three problems are websites that frequently error both when visited via computer or smartphone, website display with a very complicated process and less informative website.

Of the three less user friendly problems on the web Hijup.com, a solution that can be given is with the mobile application appstore to cope with the error on the web when consumers visit via smartphone, besides that what Hijup.com can do is to add server capacity on the Hijup.com domain.

In addition the latest business model canvas offer an online chat application either for product ordering or to inquire about product information at Hijup.com. The existence of these services can reduce the difficulty in the process of purchasing products at Hijup.com, and consumers can easily get information from customer service about what products they are looking for without having to search through the website first. The existence of hot items layouts also provide solutions for better information about the latest products, and updated best selling products at Hijup.com, since many consumers feel the information about products at Hijup.com is too minimum.

Other problems include the lack of variants, the difficulty of ordering procedures through add to charts, private shopping (customer service), difficulty paying by credit cards, and determining price ranges for new segments found, namely students. Of the four other issues, the latest business model canvas offer complete variants on the type of product that most sought after by many consumers, bringing online chat application to facilitate the ordering procedure through customer service so its much easier and faster, pricing ranges of Rp. 200.000 became an addition to the student segment. Payment using credit cards is a special note that has been submitted to Hijup.com where they have solved this problem with a third party who specifically handles transactions on each credit card used to shop at Hijup.com. Efforts that can be done is re-assured or re-informed through promotions that the credit card can be used at Hijup.com for payment transactions. All of the above issues are important in the process of shopping



transactions at Hijup.com, as they relate to the convenience of transacting and the availability of goods.

The second parameter is whether the product meets or resolves the needs of the consumer. Based on the test of the solution, some respondents are already Hijup.com consumers and some are Hijup.com fans, in that they follow the development of Hijup.com but not the consumers due to price constraints. In contrast to some respondents who have become consumers of Hijup.com, they have problems with the convenience of transacting and the availability of goods on Hijup.com. So there are many obstacle that affect their decision to shopping at Hijup.com.

In the end all solutions offered are expected to solve the problem. Based on the results of interviews, consumers only want maximum system and service at Hijup.com. The last Component parameter is whether there are big enough customers to be a business opportunity. Based on the result of all test, all respondents are customer segment from Hijup.com. Although some of them have not reached the stage of product shopping at Hijup.com, but they have the knowledge and appreceate the existence of Hijup.com and is considered as a reference of their updated clothes.

Therefore it will be very easy to lure them to look for fashion products at Hijup.com, especially after the alterations of the solutions that have been given about the convenience of transacting and the availability of goods in accordance with their needs. Based on data from Hijup.com every month visitors and number of customers continues to grow, this is marked by the growth by the beginning of year average around 33,74% from number of customers and average growth of 16,02% from visitors.

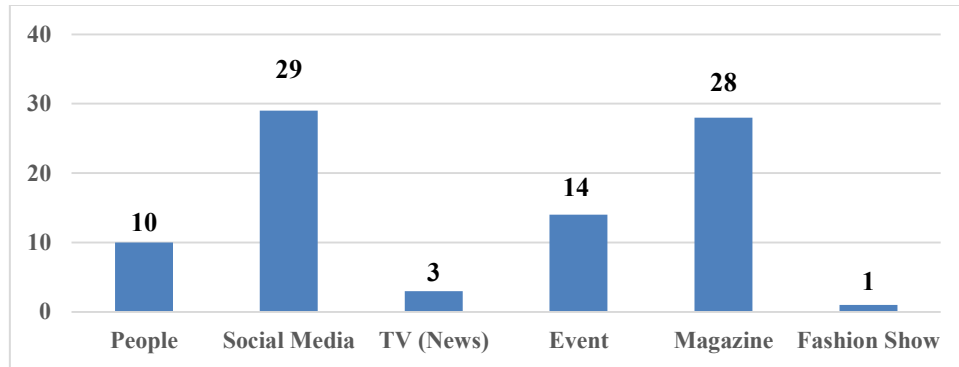
Given the still little e-commerce that provides good muslimah fashion products and in accordance with good quality, showing good and growing market potential for Hijup.com to maximize the achievement of the target market. So that Hijup.com consumers will increasingly make an opportunity for Hijup.com to expand their market. In this case, the overall market that will be targeted is 92,256 users who have become Hijup.com visitors. Therefore, it can be concluded that Hijup.com is a great business opportunity.

## 2. Customer Segments and How to Achieve Them

Implementation of strategies on Hijup.com is through events, social media, and promotion via advertisement either on the internet or magazines. Promotion such as lookbook and discount promo, and through public relations approach. This is proven from the results of testing the

problem. The average consumer of Hijup.com know the brand from social media, events and magazines as presented in the table below.

**Table 9. Average Customer of Hijup.com**



Source: Hijup.com company data

Public relations approach is needed for promotional support for consumers who are members of a community, such as hijabers community, Islamic study gathering, regular social gathering (arisan), or the designer community. The promotions that will be planned from the results of this research is to organize a variety of promo activities, ranging from promoting that the use of credit cards can be re-done, promo will be available in some recent applications as well as other promotions such as lookbook for students and sale segments. With such integrated marketing communications, Hijup.com is expected to be able to maximize their performance in the community, especially internet users who shop online.

The distribution of Hijup.com is only through Webstore and will be through mobile appstore only, so that consumers will only be able to order and shop through online course, with the expectation of minimum discomfort in transactions and the availability of goods in Hijup.com. In addition, the distribution will be assisted by designers and tenants who join Hijup.com primarily in terms of marketing, as they will participate in promoting their products sold on Hijup.com with their existing consumer segments.

In relation to many communities where some members are influencers or popular people of Instagram (selebgram) amongst the hijabers, it is also considered capable of influencing the smoothness of Hijup.com information distribution through their free promotion. So with the establishment of distribution channels, Hijup.com can be reached by the community with ease and informative.

### *3.5. The Capability of a Business Model to Make Money*

To determine the ability of business models to earn money or not, market size becomes an important benchmark in analyzing corporate earnings. Based on the AC Nielsen survey, the internet users in Indonesia was 82 million users and 7% of them were online shoppers. Of the online shoppers 37% bought clothings, which mean the potential market is mmore than 2 million customers.

Based on Hjup.com data, in March 2015 there were 93,440 users visiting Hijiup.com and 1,184 users had already become customers (buyers). Hijiup.com targeted 20.000 customers which mean only 1% of total clothing online shopper, and around 20% of already users who become its members. The target market is achievable, given the company's strong position in the market and the market also fastly grows. Assuming the average sales per customer is Rp 500.000 (one clothing per year), the estimated sales is Rp 10 billion per year.

### **3. Conclusions**

This study has illustrated the Hijiup.com business model in a business model canvas. The evaluation of this business model by customers shows that there are many problems on the website, namely less user-friendly, lack of variants, lack of information about the private shopping, unfree payment methods, and prices that too high for certain segments. In terms of customer segment, there is a potential customer segment that need to be added which is student segment.

The solutions offered to solve the problems are complementing the mobile appstore, online chat, hot item layouts, credit card promo, adding variants, and increasing stocks on variants that fit with the student budget. Those solutions are acceptable to most customers with the addition of relatively minor improvements. Based on these proven solutions, the new Hijiup.com business model was generated.

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