VALUE CO CREATION STUDY ON VENDOR BUSINESS MODEL

Sultan Sholehuddin¹, Sudarmiatin², Agus Hermawan³

¹Student of the Doctoral Program in Management Science, Faculty of Economics and Business, Universitas Negeri Malang and Lecture of Universitas Islam Malang, Indonesia
²Faculty of Economics and Business, Universitas Negeri Malang, Indonesia

*Corresponding author: sulton.sholehuddin.2204139@students.um.ac.id

ABSTRACT
Researchers will further examine the process of creating co-creation in SMEs businesses with an analysis of strength, opportunity, aspiration, and results (SOAR). How a shared value creation strategy plays a role in the development of an entrepreneur's business strategy. SOAR analysis enables members of an organization to create their own desired future in the entire process by means of inquiry, imagination, innovation, and inspiration. SOAR's internal focus is organizational strength. This research will examine the business strategy of entertainment vendor service entrepreneurs, namely Backstage Production in this case event equipment service providers. As a result, Backstage Production has applied the SOAR concept very well to create corporate image and value. Although some things can be maximized again, each model makes a positive contribution and is believed to be able to contribute sustainably in strengthening the company, especially in the current era of society 5.0.

Keywords: Co-creation, SOAR Analysis, Marketing

INTRODUCTION

Competition in the business world is very tight, this is marked by the number of companies that try to seize market share and new markets through various ways and innovations displayed in the products or services they produce. A service provided in general and periodically is a form of ordinary service carried out by all business activities to consumers. This is a form of service business or service that is not complete, but if the service or service is presented with special services periodically and with a presentation that is different or unusual from the presentation that has been done by similar business actors before, then the service makes customers or consumers get something more than they expected before. This is a form of business strategy, the company must be able to determine the right marketing strategy so that its business can survive and the main goals of the company can be achieved. Moreover, Indonesia has now entered the era of society 5.0 and there will be many challenges as well as opportunities that will occur. Various lines of life and business sectors will race with increasing challenges. Including the micro, small and medium enterprises (SMEs) sector which in general has not been supported by optimal infrastructure and human resources. The worst impact of this situation is that SMEs are unable to take advantage of the benefits of this society 5.0 era. But on the other hand, strong and competitive SMEs will see this era of society as a great opportunity to expand networks and have unlimited access. Thus, value creation for all stakeholders is an absolute must for SMEs in the current era of society 5.0.

One of the most effective digital marketing strategies today is co-creation marketing (Setiawan &; Hermawan, 2022). Co-creation is an important paradigm in which the same set
of theoretical statements has been developed and applied to a diverse set of empirical contexts (Galvagno & Dalli, 2014). Cocreation places consumers as parties who actively share to create value or products (Ardiyanto Wiguna et al., 2021). The company must be a continuous learning organization, which must build closer relationships with consumers and communicate more intensely. The service-dominant logic perspective holds that consumers who have been passive can now become active players who together with companies can create co-creation value (Ginting, 2018). Co-creation as a ladder, where the higher the level of co-creation, the more valuable the results of co-creation created together (Ardiyanto Wiguna et al., 2021). The first ladder is described as customer engagement in assessing service products, reviewing service products, and discussing activities related to the company's service products. Then, the higher levels include the creation of ideas, products, brands, and advertisements. The highest level of co-creation is the creation of a co-product. With this strategy, it is expected to increase customer loyalty and establish active cooperation with customers so that it has a positive impact on business continuity.

The researcher will further examine the process of creating co-creation in SME businesses with SOAR analysis. How a shared value creation strategy plays a role in the development of an entrepreneur's business strategy. SOAR analysis enables members of an organization to create their own desired future in the entire process by means of inquiry, imagination, innovation, and inspiration. The internal focus of SOAR is organizational strength. This research will examine the business strategy of entertainment vendor service entrepreneurs in this case equipment events, namely with the reasons and considerations of this business is so promising and has great opportunities in times like now where people's patterns and lifestyles are increasingly busy and individualist so that entertainment vendors as a solution in handling event events.

LITERATURE REVIEW

1. Co-creation Value

Co-creation is an important view in which the same range of theoretical statements have been developed and applied to a diverse set of empirical contexts (Galvagno & Dalli, 2014). From the standpoint of innovation and technology management, the interaction between the customer and the company, which is often mediated by the technology platform, leads to innovation, customer participation, and better customer service (McManus & Ardley, 2019). From a marketing and consumer research perspective, this happens when consumers are perceived to meet their expectations in terms of engagement and satisfaction.

2. SOAR Analysis

SOAR (Strengths, Opportunities, Aspirations, and Results) is a highly effective framework for strategic thinking and analysis that enables a person, team, or organization to create strategic strategies and/or strategic plans to build the future of the business through collaboration, mutual understanding, and commitment to action (Watkins, Mohr, & Kelly, 2011). SOAR places a focus on strengths, opportunities, aspirations and results as considerations in shaping business development strategies. SOAR uses a whole system (stakeholders) approach for strategic thinking, planning, and leading (Suryadi, 2016).
RESEARCH METHODS

Qualitative approach is used as a means of achieving research objectives. In-depth interview method with Backstage Production owners who act as strategists and decision makers. To determine the right source, a purposive method is used where researchers deliberately choose key informants who have experienced the phenomenon under study (Radziwon & Bogers, 2019). In this study, researchers act as research tools (key instruments), collecting data purposively, analyzing, and describing. In addition, data collection is also carried out through documentation studies on publication media and Backstage Production marketing.

Data is analyzed using inductive techniques, where researchers allow problems to arise from the data or are left open for interpretation. Data were collected by careful observation, including detailed in-context descriptions with in-depth interview notes, as well as descriptive analysis results (Rizal et al., 2018). Data analysis was carried out using qualitative descriptive methods with SOAR (Strengths, Opportunities, Aspirations, Results) models to explore in more detail Backstage Production's strategy in making co-creation for its customers. SOAR analysis enables members of an organization to create their own desired future in the entire process by means of inquiry, imagination, innovation, and inspiration. SOAR's internal focus is organizational strength.

RESEARCH RESULTS AND DISCUSSION

In SOAR analysis, the elements of strength and aspirations are internal factors, while the elements of opportunities and results are external factors. Researchers use these four analysis factors as a medium in observing the value of Backstage Production co-creation. The concept of co-creation develops unique ideas with consumers who are directly involved in producing specific products and services using indicators of strengths, opportunities, aspirations and results. Each SOAR model reflects the effectiveness of Backstage Production business development strategies in building co-creation value, especially in marketing strategies. In the early stages, researchers identify internal and external factors in forming a Backstage Production strategy.

a. Internal Factors include Strengths and Aspirations

Table 1. Internal Factors of SOAR Analysis

<table>
<thead>
<tr>
<th>Strength</th>
<th>Aspiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Already reached the Java-Bali area</td>
<td>Can educate the public on the importance of entertainment support</td>
</tr>
<tr>
<td>Wide marketing reach</td>
<td>Improve the skills and expertise of young people in the field of event management</td>
</tr>
<tr>
<td>Using own capital</td>
<td>Working with various lines of organization</td>
</tr>
<tr>
<td>Strong relationships</td>
<td></td>
</tr>
<tr>
<td>Competitors as business associates</td>
<td></td>
</tr>
</tbody>
</table>

a. Faktor Eksternal meliputi Peluang dan Hasil

Tabel 2. Faktor Eksternal Analisis SOAR
Opportunity | Result
--- | ---
Special skills that not everyone has | Known as a provider of all event equipment needs
The need for event equipment increases along with the increasing entertainment needs of the community | Increased skills and expertise of young people
Demand increases closer to New Year | Increasing number of consumers
Good relationships with business partners and consumers | Expand your marketing reach
Supported by best-in-class event equipment | Establishing cooperation with all lines of organizations in society

After identifying each influential factor in the marketing strategy, the next step is to create a SOAR matrix as a step to compile strategic factors that describe the external strengths and opportunities faced can be adjusted to the aspirations and measurable results of Backstage Production.

Table 3. SOAR Matrix

<table>
<thead>
<tr>
<th>Internal</th>
<th>Strength</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aspiration</td>
<td>SA</td>
<td>OA</td>
</tr>
<tr>
<td>1. Create content that interests potential customers</td>
<td>1. Maximizing social media as a marketing medium</td>
<td></td>
</tr>
<tr>
<td>2. Providing education through visuals on social media</td>
<td>2. Strengthen marketing reach by establishing good relationships with customers and partners</td>
<td></td>
</tr>
<tr>
<td>3. Contribution to any event and/or festival</td>
<td>3. Always improve human resource capacity with various kinds of training</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Result</th>
<th>SR</th>
<th>OR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Improve service quality with periodic evaluations</td>
<td>1. Endowing influencers</td>
<td></td>
</tr>
<tr>
<td>2. Check the capacity and condition of the goods after each fund is used</td>
<td>2. Using offline and online media as promotional and information media.</td>
<td></td>
</tr>
<tr>
<td>3. Maximize marketing across platforms</td>
<td>3. Update goods with the latest version and follow market trends</td>
<td></td>
</tr>
</tbody>
</table>
The table above shows various alternative strategies that can be applied in increasing business value. The main objective of these approaches is to increase the value of co-creation in customers. Furthermore, Backstage Production has internally developed a risk management policy in realizing maximum service with minimal risk. Backstage Production always guarantees customer satisfaction and customer comfort by always evaluating the services provided continuously and continuously. Backstage Production has made good use of social media, one of which is by being open to customers and potential customers. All services and activities of the company are informed on social media. In addition, Backstage Production also collaborates with various government and private agencies with the same service information disclosure without discriminating customers, unless there is a special contract.

As an alternative to the first strategy, there is a digital era like today social media must be utilized as much as possible as a medium of information, publication and promotion online and utilize communication skills to market offline so that businesses can be better known to the wider community. It can be seen that Backstage Production has maximized the utilization of the website with a 5-star rating by more than 1,500 reviews. Proving that Backstage
Production has a positive value in terms of rating sellers. These seller ratings can help potential customers find businesses that offer quality service. Backstage Production with a 5-star performance rating can help advertisers improve ad performance and capture more qualified leads. Furthermore, because this type of business field is less common, it must be socialized in order to establish communication and wider marketing reach. In this case, students and university students need to be briefed related to event management and education about the importance of support in organizing events.

CONCLUSION

The co-creation value creation that has been carried out by Backstage Production resulted in 13 (thirteen) strategies from the total of each analysis. Alternative priorities include the use of social media as a means of strengthening customers and expanding. Backstage Production has applied the SOAR concept very well to create corporate image and value. Backstage Production has maximized the utilization of the website with a 5-star rating by more than 1,500 reviews. Proving that Backstage Production has a positive value in terms of rating sellers. These seller ratings can help potential customers find businesses that offer quality service. Backstage Production with a 5-star performance rating can help advertisers improve ad performance and capture more qualified leads. Although several things can be maximized again, each model makes a positive contribution and is believed to be able to contribute sustainably in strengthening management and production, especially in the current era of society 5.0.

REFERENCES


