

BUSINESS ANALYSIS OF THE CANVAS MODEL IN THE BEAUTY BUSINESS: BELLBROW STUDIO

Maudy Arina Ivanda Jaya¹, Maya Malinda², Yu-Ting, Huang³

Magister Management, Maranatha Christian University, Bandung, Indonesia¹, Doctoral Management Science, Maranatha Christian University, Bandung, Indonesia², Bachelor's Program of Business, Feng Chia University, Taiwan³

2253029@bus.maranatha.edu¹, ytinghuang@o365.fcu.edu.tw³ maya.malinda@eco.maranatha.edu^{2*}

Abstract

This research investigates the rapid growth of Indonesia's beauty industry, specifically within the realm of semi-permanent makeup, using Bellbrow Studio as a case study. This study aims to comprehensively scrutinize Bellbrow Studio's operational facets, including customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure. Through qualitative methods and interviews with the studio owner, the research reveals key aspects of Bellbrow Studio's business model. Findings underscore the studio's effective customer relationship strategies, high-quality services, and strategic partnerships, while also identifying potential weaknesses related to pricing and customer age segmentation. The study concludes with a SWOT analysis and proposed strategies, affirming the Business Model Canvas as an invaluable tool for understanding and optimizing beauty industry business models. The implications of this research extend to both practitioners in the beauty industry and researchers seeking to enhance their understanding of business models in this dynamic sector.

Keywords: Business Model Canvas, Beauty, Industry, Strategic

INTRODUCTION

The beauty industry in Indonesia has been growing rapidly in recent years. According to CNBC Indonesia (2023), the Minister of Tourism and Creative Economy, Sandiaga Uno, revealed that the growth of the beauty industry in Indonesia increased by 8% each year, or the equivalent of 700 billion US dollars or 100 trillion Indonesia Rupiah. This is driven by various factors, such as increasing public awareness of the importance of appearance and lifestyle changes. As Kotler (2000) puts it, a lifestyle is a person's way of life that is reflected through activities, hobbies, and attitudes. A lifestyle describes a "whole human" who interacts with their environments. Lifestyle shows a person's behavior through their activities, interests, and opinions, especially those related to self-image, reflecting their social status (Paendong & Tielung, 2016).

One of the lifestyles that is experiencing complexity is in the field of appearance. This has led to rapid development in the beauty industry, including beauty services in semi-permanent makeup. Semi-permanent makeup is a beauty service starting with eyebrow embroidery, lips embroidery, eyeliner embroidery, and eyelash extension (Mecadinisa, 2022). This service offers a wide range of treatments that can make someone's appearance more attractive and charming without undergoing long and repeated treatments shortly.

Bellbrow Studio (2023) is a beauty business that offers semi-permanent makeup services. The business was founded in 2016 in Bandung, West Java. In addition to the semi-permanent makeup service, Bellbrow Studio also offers various other beauty services such as eyelash extension, eyelash lift/filler, manicure-pedicure, and waxing.

Although the beauty business of semi-permanent makeup continues to grow, many things can still be studied further, such as business analysis of business model canvas. Business model

canvas is an effective tool to learn how to add value, understand customer demands, take advantage of opportunities from outside, determine what resources are needed, generate revenue, and predict short-, medium-, and long-term returns (Murray & Scuotto, 2016). As presented by Murray & Scuotto (2016), the business model canvas is one of the analytical tools that could be used to understand how to run a business and understand an entrepreneur's failures and successes, as BMC tends to be increasingly reactive to market changes and responsive to stakeholder needs.

Business model canvas analysis can help Bellbrow Studio understand various essential aspects of their business, such as value propositions, customer segments, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure (Osterwalder & Pigneur, 2010).

The research conducted by Sukarno (2021) indicates that the elements of the business model canvas are quite effective in increasing company revenue. This is because with the business model canvas, companies can easily determine their target market.

Furthermore, research by Alfarisi (2019) shows that the business model canvas can inspire companies to innovate in the business field. In the era of business competition, innovation is necessary to sustain our business in the global competitive environment.

The application of business model canvas analysis to Bellbrow Studio can shed light on crucial aspects like value propositions, customer segments, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure (Osterwalder & Pigneur, 2010). Previous research by Sukarno (2021) emphasizes the effectiveness of the business model canvas in enhancing company revenue, while Alfarisi (2019) underscores its role in inspiring business innovation amidst global competition.

This research will provide new insights into the business model of semi-permanent makeup by looking at the business model canvas of Bellbrow Studio. Some of the purposes of this research are:

1. Analysing the nine business elements of the business model canvas of Bellbrow Studio.
2. Identifying the strengths and weaknesses of Bellbrow Studio's business model canvas.
3. Discover the opportunities to enhance the business of Bellbrow Studio.

This study is relevant to previous studies that have analyzed the business model canvas in the field of beauty business. This research is expected to provide new contributions to previous researchers by analyzing the business model canvas from the beauty field of semi-permanent makeup specifically.

METHOD

This research uses a qualitative method with an analysis business model canvas approach. Business model canvas analysis is an analytical tool that can help understand how a business creates, communicates, and captures value (Osterwalder & Pigneur, 2010).

The object of this study is the Bellbrow Studio, a beauty business that offers semi-permanent makeup, eyelash extension, eyelash lift/filler, manicure-pedicure, and waxing services (Bellbrow Studio, 2023). The research data was obtained from the owner of the Bellbrow Studio, Sonaya Febriany, and the internal documents of Bellbrow Studio to supplement the information from the interviews. The interviews will be conducted to dig information about the nine business elements of Bellbrow Studio, namely: value propositions, customer segments, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, cost structures.

The business model canvas analysis from Bellbrow Studio is done by analysing data from interviews and internal business documents that are then analysed to find patterns and relationships between the business model canvas's business elements. Data obtained from the business interview and internal documents are classified based on the nine business elements of the business model canvas. After that, the data is analysed to identify the strengths and weaknesses of the Bellbrow Studio business.

The data collected from the interviews and internal documents of Bellbrow Studio is then analysed with the following steps:

1. The data obtained is read and reviewed to be classified based on the nine business model canvas elements.
2. The data acquired is then analysed to identify the strengths and weaknesses of the Bellbrow Studio business.
3. The strengths and weaknesses of the Bellbrow Studio business are analysed to find opportunities to enhance it.

RESULTS AND DISCUSSION

Result

Based on the interview results with the owner of Bellbrow Studio, direct observation of Bellbrow Studio, and discussions regarding the Business Model Canvas (BMC), the following is the research findings on Bellbrow Studio's business model using the BMC concept:

Customer Segments

Bellbrow Studio's customer segments include women aged 16-60, specifically busy Individuals; people with hectic schedules and limited time for personal grooming who wish to avoid spending too much time on daily makeup or nail care; Career Professionals; people who work in a professional environment to maintain a polished and well-groomed appearance consistently, Beauty Enthusiast; people who are concerned about their appearance and beauty, often seeking for the latest innovations in the beauty industry, Active Individuals; physically active people, such as athletes or regular exercisers, for whom semi-permanent makeup services are a practical choice due to their resistance to smudging or fading during physical activities, Brides or Wedding Guests; people who are getting married or attending weddings, who may seek services for a long-lasting appearance during the event, Frequent Travelers; people who travel frequently and prefer not to carry a lot of beauty equipment during traveling, Time-Saving Individuals; people who want to save time in the morning and avoid spending a long time on daily makeup routines.

Value Propositions

Bellbrow Studio's value propositions include high-quality makeup services, certified makeup classes, professionalism and expertise in beauty services, the use of safe and quality products, and easy booking and scheduling.

Channels

Bellbrow Studio utilizes word of mouth, studio interactions, social media like Instagram for customer engagement, a website and WhatsApp number for convenient online booking.

Customer Relationships

Bellbrow Studio builds customer relationships through friendly and fast service, offering discounts or memberships to loyal customers, and providing a forum for feedback to monitor customer satisfaction.

Revenue Streams

Bellbrow Studio generates revenue through makeup services, affordable sales of skincare and body care products, membership programs, and makeup classes for beginners and experienced individuals.

Key Resources

Key resources for Bellbrow Studio include expert personnel in beauty services, quality beauty products and equipment, a strategically located studio, and a website and social media for easy online reservations.

Key Activities

Key activities of Bellbrow Studio include providing beauty services such as eyebrow embroidery, lip embroidery, eyeliner embroidery, eyelash extensions, lash lifts, waxing, manicures, and pedicures. They also provide training for employee skill development and promote services through social media ads and collaborations with various beauty businesses.

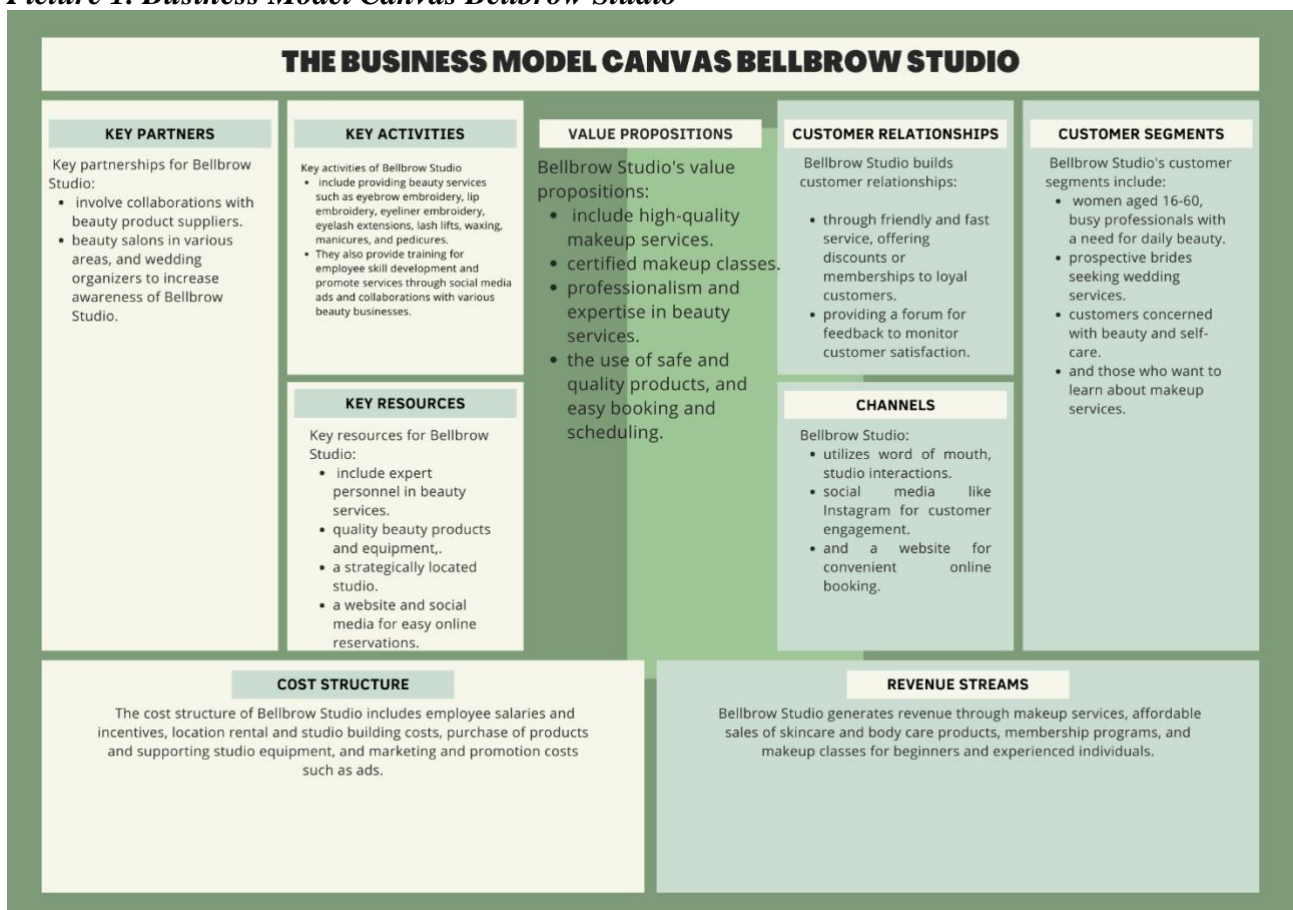
Key Partnerships

Key partnerships for Bellbrow Studio involve collaborations with beauty product suppliers, beauty salons in various areas, and wedding organizers to increase awareness of Bellbrow Studio.

Cost Structure

The cost structure of Bellbrow Studio includes employee salaries and incentives, location rental and studio building costs, purchase of products and supporting studio equipment, and marketing and promotion costs such as ads.

Picture 1. Business Model Canvas Bellbrow Studio



Discussion

Based on the above research results, the discussion in this study, according to Osterwalder and Pigneur (2012), suggests that the Business Model Canvas is a universal language for describing, visualizing, assessing, and modifying business models. This concept allows companies to simplify and depict their business models in a straightforward manner, enabling manipulation according to

the company's conditions and generating new strategic alternatives. Therefore, the Business Model Canvas concept is highly suitable for established businesses (Alfarisi, 2019). The business model canvas conducted by Bellbrow Studio is outlined as follows:

Customer Segments

Customers are a key element for a company to achieve its business goals, as without customers, the company may struggle to sustain itself and compete in the long term. Customer segments involve grouping customers with similar preferences, age, gender, and purchasing habits (Wayan 2020). Bellbrow Studio's customer segments include women aged 16-60, busy individuals, career professionals, beauty enthusiasts, active individuals, brides or wedding guests, frequent travelers, and time-saving individuals. However, a weakness in customer segments is identified: most Bellbrow Studio's customers are women aged 23 and above. Despite the high prices, customers choose Bellbrow Studio due to its renowned flawless makeup results. To improve business, it is suggested that Bellbrow Studio offer affordable makeup packages to reach a wider audience.

Value Propositions

In business, two main activities are value creation and value capture. A successful business is one that provides value to its customers. Value propositions are the benefits offered by an organization to its target market, crucial for building customer relationships and loyalty (Herawati et al., 2019). Bellbrow Studio's value propositions include high-quality makeup services, certified makeup classes, professionalism, expertise in beauty services, the use of quality and safe products, and easy booking and scheduling. Despite the high prices, the opportunity lies in Bellbrow Studio's reputation among affluent customers, and the suggestion for business improvement is to provide affordable services with 5-star quality to reach a broader audience.

Channels

Channels are essential for a company to reach a wider market and potential buyers. They are the means by which an organization communicates its value propositions to its target audience (Rinjany et al., 2022). Bellbrow Studio utilizes word of mouth, studio interactions, social media platforms like Instagram, and a website for convenient online booking.

Customer Relationships

Customer relationships depict how an organization builds connections with its customers. Bellbrow Studio maintains customer relationships by providing friendly and fast services, offering discounts or memberships to loyal customers, and creating a forum for feedback to monitor satisfaction.

Revenue Streams

Revenue streams are contributions to a company's cash flow, both directly and indirectly. Bellbrow Studio's revenue streams come from fees for makeup services, sales of affordable skincare and body care products, membership programs, and makeup classes for beginners and experienced individuals.

Key Resources

Key resources are essential assets used by an organization to achieve its value propositions. Bellbrow Studio's key resources include expert personnel in beauty services, quality beauty products and equipment, a strategically located studio, and a website and social media for easy online reservations.

Key Activities

Key activities encompass all business-related activities with a focus on creating value propositions. Bellbrow Studio's key activities include providing beauty services such as eyebrow embroidery, lip embroidery, eyeliner embroidery, eyelash extensions, lash lifts, waxing, manicures, and pedicures (Aliwinoto et al., 2022). They also provide training for employee skill development and promote services through social media ads and collaborations with various beauty businesses.

Key Partnerships

Key partnerships explain collaborations for a business model to function. Bellbrow Studio's key partnerships involve collaborations with beauty product suppliers, beauty salons in various areas, and wedding organizers, aiming to increase awareness of Bellbrow Studio.

Cost Structure

Cost structure comprises operational costs used by an organization to deliver value to customers. An effective and efficient cost structure supports maximizing profits (Aliwinoto et al., 2022). Bellbrow Studio's cost structure includes employee salaries and incentives, location rental and studio building costs, purchase of products and supporting studio equipment, and marketing and promotion costs such as ads.

SWOT Analysis and Strategy

SWOT analysis and strategy are conducted to determine the appropriate business strategy based on SWOT analysis results. SWOT analysis identifies strengths, weaknesses, opportunities, and threats to a business. The SWOT analysis for Bellbrow Studio leads to the following proposed business strategies:

- a. Value propositions formulate a strategy to create affordable makeup bundles.
- b. Cost/revenue, propose strategies to minimize costs and increase revenue, such as selling products and services online through social media and expanding sales channels with business-to-business transactions.

CONCLUSION

Based on the explanation above, it can be concluded that the Business Model Canvas concept provides a comprehensive and consistent framework for describing, visualizing, assessing, and modifying business models. Bellbrow Studio, as an example of a business implementing this concept, thoroughly utilizes the Business Model Canvas to analyze customer segments, value propositions, distribution channels, customer relationships, key resources, key activities, strategic partnerships, cost structures, and revenue streams. Despite Bellbrow Studio having advantages in high-quality makeup services, coaching, and professionalism, weaknesses related to high prices and customer age segmentation have been identified. A suggestion is given for Bellbrow Studio to adjust its prices to be more affordable while maintaining premium quality.

The distribution channels utilized, including word of mouth, the studio, Instagram, and the website, provide an overview of how Bellbrow Studio interacts with customers. Good customer relationships are built through friendly service, discount programs, and engagement through social media. In terms of key resources and key activities, Bellbrow Studio possesses expertise in skilled personnel, quality products, and effective promotion. Strategic partnerships with suppliers, collaborations with beauty salons, and wedding organizers contribute to supporting business growth. Cost structure, covering salaries, location rent, product purchases, and marketing costs, is an integral part of Bellbrow Studio's operations. SWOT analysis provides the basis for formulating strategies, such as creating affordable bundling packages and increasing the online and offline sales of service products. Thus, with the development of strategies in line with SWOT analysis and the principles of the Business Model Canvas, Bellbrow Studio has the potential to continually improve and expand its business in the beauty industry.

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