

The Use of Business Model Canvas to Formulate Business Model on Game Online Store “Asuna Store”

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ABSTRACT

This study is aimed to formulate the business model of Asuna Store using canvas model business. Currently, the phenomenon of online games has been greatly popular in Indonesia. This phenomenon encourages entrepreneurs to establish online game business. Asuna Store is aware of this online game business opportunity. Asuna Store is an Online Game Store operating in Yogyakarta since 2017. The services offered by Asuna Store include the sales of game items, rank jockey services, and tournament. The research method used in this research is descriptive method with a case study approach. The object of the case study in this research is the Asuna store. The sampling technique used to determine the respondents in this study was a non-probability sampling technique, namely purposive sampling. The object of this case study is Asuna Store. The primary data is taken through deep interview. The easiest way to find business model is by using business model canvas. The use of business model canvas will make it easier to see how the replica of the business in Asuna Store is running. The values offered by Asuna Store is to give friendly services, fast responses, and stable and competitive prices for the convenience of consumers of Asuna Store. Asuna Store is an online game store so it does not need physical store. The use of online information media such as Instagram, Snapgram, and Line Official really helps in the business operational of Asuna Store. Keywords: Business Model Canvas, Online Game, Online Game Store

INTRODUCTION

Business model is an attraction representing a business not on the operational level but on the conceptual level, illustrating business model of a company that fulfill two interrelated goals (Cavalcante et al., 2011). A business without good business model will likely find troubles in operation A business model is an analysis technique that is very applicable and it can be applied in various types or forms of business, organizations, and various types of business environments (Leschke, 2013).

Nowadays, the phenomenon of online game in Indonesia is popular. Games such as Dota 2, Mobile Legend, PUBG Mobile, Free Fire, are currently preferred by the game lovers. This phenomenon encourages entrepreneurs to establish online game business. Online game business usually serves in-game purchase such as virtual money, diamond,

skins, and other attributes that can be purchased in game. Even rank jockey services are also offered by online game businesses.

Asuna Store is aware of this online game business opportunity. Asuna Store is an Online Game Store operating in Yogyakarta since 2017. The owner and the founder of this business is Armendra Assegraf Lahide, S.H. This business started from the owner's hobby in playing game. After that, Armendra became a reseller of an online game business. From that experience, Armendra decided to build his own business. The services offered by Asuna Store include the sales of game items, rank jockey services, and tournament. Asuna Store can earn 50 million rupiah per month.

According to Teece (2010), business model defines how a company produces values and how it grabs some of these values as profit. Business model is a representation of a reality so that business model is only a replica of a real business. The easiest way to find business model is by using business model canvas. Business model canvas is an instrument that provides a clear interpretation of what companies need to achieve and focus on the strategic elements that are most important and will have the greatest impact on business (Amanullah et al. 2015). Business model canvas was created by Osterwalder on his study in 2008. The canvas consists of nine blocks that can help to formulate how a business is running.

This study is aimed to formulate the business model of Asuna Store using canvas model business. The use of business model canvas will make it easier to see how the replica of the business in Asuna Store is running. This business model canvas has the advantage of being able to successfully change complicated business model concepts into the simple ones (Muller et al. 2011). The formulation of the business model canvas at Asuna Store will also adjust to the conditions of the online game market in Indonesia and internationally.

THEORETICAL BASIS

Online Game Store

Online store is a website that provides products both goods and services (Chen and Teng, 2013). According to *Kamus Besar Bahasa Indonesia*, online store is a place to sell goods that are connected in the internet network. Based on those definition, it can be concluded that online store is a place where sellers and buyers meet online to do transactions. The differences between a physical store and an online store can be seen in table 1.1.

Table 1.1. Comparison of Physical and Online Stores

Feature	Physical Store	Online Store
Product Physical Form	Can be seen and held directly	Only seen from the photos and product descriptions
Sales promotion	Given when inside or outside the store such as shopping vouchers	Special offers given through certain media

Service and provide information when purchasing	Information provided by customer service in person	Information provided by customer service by phone, e-mail
Scope of the store	Floor area	Hierarchical level
Product placement	Products placed in shelves according to the characteristics, level of need, shopping habits	Products arranged according to the product category in websites
Checking of shopping cost before payment	Checked by cashier	Checking done according to the shopping cart

Source: Lohse, G.L. & Spiller, P (1999)

Online game is a game played by individual or some players, and is connected in internet (Adams, E. 2014). According to Kim (2002), online game is a game played by some people at the same time through internet. The location of the players could be same and different. As long as the game is connected in internet, the player can play with other players from various location. According to Kuss (2013), there are three types of online games: Massively Multiplayer Online Role Playing Game (MMORPG), Massively Multiplayer Online Real Time Strategy (MMORTS), Massively Multiplayer Online First Person Shooter (MMOFPS).

Based on the previous definition, it can be concluded that online game store is a store that sells online game products via online. Practically, the seller promotes their products via online website and social media such as Instagram, Facebook, Twitter, and others. If the buyers are interested to buy the products, they can contact the sellers through the contact number to proceed the transaction. After the transaction is fulfilled, the products will be shipped by the sellers to the address that has been agreed before.

Business Model Canvas

A business model that represents the basic thought about how an organization create, give, and grab values (Osterwalder dan Pigneur, 2012). According to Amit and Zott (2001), a business model represents content, structure, and transaction management designed in such a way so that it can create values through the exploitation of business opportunities. Business model can be explained through nine blocks that show how a business is running. Those nine blocks become one part that are interrelated on a business model canvas. Business model canvas is also used to describe, visualize, evaluate, and change the existing business model.

The following is the explanation of the nine blocks of business model canvas based on Osterwalder and Pigneur (2012):

1. Customer Segment

The block of customer segment represents a group of individual or business unit that want to be reachable and served by business. According to Royan (2014), customer segment is a party that gives contribution to a company in making profit through products purchase.

2. Value Proposition

The block of value proposition represents the combination between products and service that create values for certain customer segment. Value proposition can resolve

customer problems or satisfy customer needs. Kotler and Keller (2016) stated that value proposition consists of the entire group advantages given by company exceeding the core positioning of the offer.

3. Channels

The block of channels represents how a business communicate with its customer segment and reach them to give value proposition. Wladyslaw and Szopa (2012) defines channels as a group of an organization that has a function to connect a company and the customers through the process of the delivery of products or services.

4. Customer Relationships

The block of customer relationships represents various kinds of relationships build by businesses with certain customer segment. Royan (2014) explained that customer relationships are to create a new relationship with new customers, to maintain old customers, and to offer old and new products or services to the old and new customers.

5. Revenue Streams

The block of revenue streams shows cash produced by each customer segment. A business model involves two kinds of revenue streams, including the revenue of transactions produced from one customer's payment and the revenue from continuing payments to either provide a value proposition to customers or to give support to customers past purchases

6. Key Resources

The block of key resources represents the most important asset needed for a business model to work. Each business model needs key resources. The resources enable a company to create and offer value proposition, reach the market, maintain the relationship with customer segment, and get revenue. Primary resources can be physical, financial, intellectual, or human beings.

7. Key Activities

The block of key activities shows the most important things that must be carried out by a company to make the business model work. Each business model needs a number of main activities that are the most important actions that must be carried out by a business so that it can operate successfully. Main activities are also needed to create and give value proposition, reach the market, maintain the customer relationships, and get revenue.

8. Key Partnerships

The block of key partnerships represents supplier network and partners that make the business model is working. A partner is a business entity which has a role in advantages and disadvantages of a business (Horton et al, 2009). A business arranges a partnership for some reasons and a partnership forms basic from various business model.

9. Cost Structure

The block of cost shows all cost needed o operate a business model. This block explains the most important cost in operating certain business model. Osterwalder and Pigneur (2012) divides two kinds of cost structure: cost reduction and value development.

RESEARCH METHODS

The level of analysis used to arrange the business model of Asuna Store was the level of the company that will run it. This study discussed the overall factors associated with how to run this business from the side of the organization or company that will run it.

Primary data are the data obtained directly from researchers and then are analyzed to find solutions to problems in a research (Sekaran and Bougie, 2013). The primary data obtained directly in this study came from the respondents' answer through deep interview. Secondary data are the data obtained indirectly through resources such as notes or company documentations, government publication, industrial analysis by media, websites, etc. (Sekaran and Bougie. 2013). The secondary data used in this study were books, internet, literature study and articles.

The research method used in this research was descriptive method with a case study approach. The object of the case study in this research was Asuna store. The sampling technique used to determine the respondents in this study was a non-probability sampling technique, namely purposive sampling. Purposive sampling is a form of non-random sampling where the determination of the sample is carried out and determined by the researcher himself or based on considerations that are considered experts in research (Sekaran and Bougie, 2013). For triangulation purposes, the respondents came from the Asuna Store, Consumers, and Academics/Online Game Business Observers.

RESULTS AND DISCUSSION

The formulation of the business model canvas of Asuna Store was determined from the results of data processing on respondents' answers. Based on the results of data processing, the business model canvas of Asuna Store is formulated as follows:

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> • Supplier balance from China • Supplier balance from Russia 	<ul style="list-style-type: none"> • Business operationa • Promotion and marketing • Finance 	Providing friendly services, fast responses, and stable and competitive prices for the convenience of consumers in ordering services in Asuna Store.	<ul style="list-style-type: none"> • Direct Message on Instagram and Snapgram • Chat via Line Official 	<ul style="list-style-type: none"> • Age 12-35 • National and International
	Key Resources <ul style="list-style-type: none"> • Technology such as smartphone and Wi-Fi • Human Resource • Game Knowledge 		Channels	

Cost Structure <ul style="list-style-type: none"> • Smartphone purchase and maintenance costs • Balance purchase • HR salary cost • Marketing cost • Wi-Fi cost 		Revenue Streams <ul style="list-style-type: none"> • Sale of in-game items • Rank jockey services • Tournament administration 		

Figure 1. Business Model Canvas of Asuna Store

1. Customer Segment

The customer segment is a customer grouping according to customer needs and wants. Asuna Store's customer segment is consumers aged 12-35 years. Most consumers come from junior and senior high schools. The customer segment is people who like online games. This segment is the Asuna Store's main target in selling items in games.

In addition to national consumers, Asuna Store also has international consumers who came from Malaysia and India. This is supported by the existence of an online network, so that consumers can access various kinds of information they want. Consumers can access through websites and social media by entering the keywords they want to search. The result of interviews obtained by the researcher regarding the customer segment of Asuna Store is as follows:

"Junior High School ages, to age 35. It is various. I often participated in tournaments in Jogja so that I know they came from Bali, Malaysia, and India."

2. Value Proposition

Asuna Store has the value of providing friendly service, fast responses, and stable and competitive prices for the convenience of consumers in ordering Asuna Store services. The value that becomes the priority of Asuna Store is price stability. This is because similar businesses have started to emerge and YouTubers gaming are also running similar businesses. Therefore, Asuna Store always prioritizes prices so that they are always able to provide lower prices than competitors.

Friendly service and fast response are also being concerns for Asuna Store to maintain and improve. Not all online game stores respond quickly and friendly to consumer inquiries. Therefore, some customers prefer to switch to other online game stores that provide better service with similar prices compared to competitors. The result of the interviews obtained by the researcher regarding the customer value of Asuna Store is as follows:

"Friendliness is our priority from the beginning. We also look for fastness. Consumers always look for fast responses. Therefore, we offer friendly services, fast responses, and stable prices as well."

3. Channels

In accordance with the business description of Asuna Store, the channel used by Asuna Store to reach customers is online. The results of the interview stated that the majority of customers prefer to find information through social media so that Asuna Store does not need to have a physical store. Simply by using Instagram, Snapgram, and Line Official, Asuna Store can reach customers.

Asuna Store's social media provides information in the form of Asuna Store profiles, products and services offered, prices, contact numbers, product documentation, and customer reviews. In addition, Asuna Store will also present information in the form of events/competitions related to online games. So that customers do not only get information about products but things related to online games are also presented by Asuna Store.

4. Customer Relationships

To maintain relationships with customers, Asuna Store continues to use online channels, such as Direct Message (DM) Instagram, Snapgram, and chat via Line Official. Consumers can contact Asuna Store via the application and vice versa. Social media can help customers to discuss information about Asuna Store products and services, between customers and also discuss with Asuna Store directly. Customers can also give critics and suggestions through the contact numbers listed or social media direct messages.

Asuna Store prioritizes a consumer approach, such as friendly and fast responses. So that consumers feel satisfied and noticed if the information provided is as desired. Asuna Store hopes that this consumers approach can make good and loyal relationship between Asuna Store and consumers. The result of the interviews obtained by the researcher regarding how Asuna Store contact and serve consumers is as follows:

“In online transaction, we have Line Official and Instagram. We post on Instagram feed and stories, and we do broadcasting via Line Official so that consumers can look up the new and previous broadcasts. They can ask questions. The security also matters. The same thing goes to the friendliness. We prioritize our process and responses and we also maintain the prices so the prices are always stable and competitive.”

5. Revenue Streams

The main revenue of Asuna Store comes from the sales of in-game items such as diamonds, skins, battle points, etc. Consumers usually buy at Asuna Store because they have relatively more affordable prices compared to competitors. In addition, Asuna Store also earns income from rank jockey services and tournaments. In one month, the revenue of Asuna Store is from 20-50 million. The result of interviews obtained by the researcher regarding the source of revenue of Asuna Store is as follows:

“We have our own process. The services include purchase, diamond filling services, rank jockey, tournament management. However, we are not yet as big as other stores such as Kodak that has its own official store.”

6. Key Resources

Asuna Store is a business engaged in online game services. Therefore, resources are an important part of operational activities. Asuna Store has several key resources to run the business. The first resource is human resources. The human resources used by Asuna Store are the owner's friends while studying. In addition, this human resource must have knowledge of online games and be able to play them very well.

Each person has a role according to the type of work. The task of the owner is to ensure that operational activities run smoothly, and manage the staff to work effectively. The admin's job is to receive phone calls, receive e-mail, receive chat, post content on social media. Other resources include smartphones with high specifications and a smooth internet network. The result of interviews obtained by the researcher regarding the resources of Asuna Store is as follows:

“My friends, actually, my close friends and my college friends. It definitely needs game knowledge because we must follow and up to date dealing with everything in games. We must also know what hype is literally going right now, and what event exist in games.”

7. Key Activities

The key activity carried out by Asuna Store is of course business operations. Asuna Store serves sales, jockey services, holds tournaments, and participates in organized tournaments. All of these activities are the key of Asuna Store business activities. Besides, Asuna Store also does online marketing every month. Financial activities are also carried out to see the financial flows of Asuna Store. The result of interviews obtained by the resesarcher regarding the key activities of Asuna Store is as follows:

“Surely, we do marketing to famous people via instagram and they have official account. We also work with other stores and youtubers. Usually, we serve jockey services and hold a tournament.”

8. Key Partnerships

In doing the business, Asuna Store has several business partners. The business partners used by Asuna Store are balance suppliers. Balance suppliers associating with Asuna Store come from China and Russia. Selection of supplier balances from abroad because the price is lower if converted into Rupiah. This is why Asuna Store wins in prices. It is important to choose the right partner in order to get bigger, more efficient and effective profits. The result of interviews obtained by the researcher regarding the partners of Asuna Store is as follows:

“We still take balances from abroad and we follow the dollar rate. We do not ask how they are working because it is impossible to ask. We take balances from Moskow, Russia, and right now we take the balances from China. Indeed, we take from abroad.”

9. Cost Structures

The cost structure in Asuna Store mostly consists of variable costs such as the cost of purchasing and maintaining smartphones, purchasing balances, and employee salaries. Fixed costs in Asuna Store usually include marketing costs and

Wi-Fi fees. The result of interviews obtained by the researcher regarding the cost structure of Asuna Store are as follows:

“Yes, promotion is important but last month we tried to not do any promotion. Balance transaction is still going and salary is assuredly given, sometimes smartphones, smartphones for the admin.”

CONCLUSION

The phenomenon of online game that is growing rapidly among the public can become a business opportunity, like what Asuna Store did. Starting from the owner's hobby became a business that earns up to 50 million rupiah per month. The values offered by Asuna Store included providing friendly service, fast responses, and stable and competitive prices for the convenience of consumers in ordering Asuna Store services. Asuna Store is an online game store so it does not need a physical store. The use of online information media such as Instagram, Snapgram, and Line Official is very helpful in the business operations of Asuna Store. The business model of the Asuna Store can be explained through the business model canvas. Using a business model canvas makes it easy to define the business model of Asuna Store.

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