

Social Media Branding Agency Business Concept for MSMEs Branding Development.

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ABSTRACT

The rapidly growing MSMEs sector in Indonesia, with its significant contribution to GDP and immense creativity, is facing a crucial challenge: brand awareness in a competitive market. Digital branding, supported by agencies like Vamana Social Media Branding Agency, offers a solution. Vamana, established in July 2023, assists SMEs in building and managing their social media presence. However, early client growth slowed in October 2023, highlighting the need for a refined business model. This study uses Design Thinking and Business Model Canvas (BMC) to design a relevant and effective model business. By understanding user needs, we propose three branches of services offering the first One-Stop Service Digital Branding: Vamana becomes a comprehensive partner, handling all digital branding needs. Second is Responsive, Transparent, and Solution-Oriented Customer Service: Building trust and loyalty through open communication and proactive problem-solving. And third is Tailored Pricing and Service Packages: Flexible options based on MSME size and budget, ensuring affordability and value. This model focuses on cost, time, and energy efficiency, targeting MSMEs seeking reliable and effective partners for their digital branding journey. By using this design-driven model, Vamana can help MSMEs create strong brand awareness, attract new customers, and grow in the constantly changing digital world.

KEYWORDS: Business Model Canvas, Design Thinking, Digital Branding Agency.

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1. INTRODUCTION

Indonesia's MSMEs play a crucial role in the country's economy, contributing significantly to the GDP and employing a large workforce. With 64.2 million MSMEs, they account for 61.07% of the GDP at Rp8,573.89 trillion and employ 117 million workers, representing 97% of the total workforce (Junaidi, 2023). Businesses need efficient marketing strategies to reach their target audience, especially in a competitive market. Increased consumer reach leads to faster brand awareness, influencing consumer perceptions and choices. In a competitive environment, branding helps businesses stand out, making their products or services easily recognizable. Entrepreneurs should consider effective marketing strategies to build a strong brand image. Creativity in using social media enables MSMEs to promote and sell their products effectively without high costs. Social media supports consumer decision-making and shopping behavior, serving as a digital branding strategy to promote brands and enhance consumer engagement (Watajdid et al., 2021). Vamana Social Media Branding Agency, based in Surabaya since July 2023, specializes in helping brands manage their social media presence. They offer services like Branding & Design, providing Content Productions (Content Strategy, Creative Writing, Motion Graphics, Video Productions, and Social Media Design). The agency has served four clients as of October 2023, with its service sales visually represented in Figure 1.

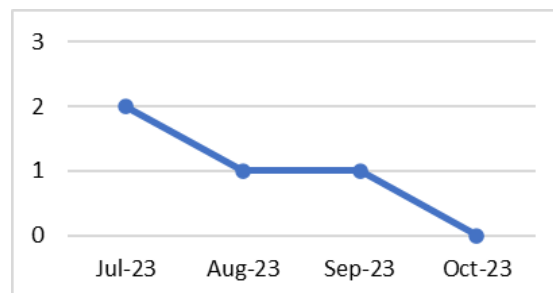


FIGURE 1. The sales of Vamana's services

A company's business model affects its service sales. An inappropriate model can make it hard to identify the right products, target markets, and costs, impacting competitiveness, marketing effectiveness, innovation, and market exploitation. This can hinder Vamana Social Media Branding Agency's service sales. Therefore, a relevant business model is crucial for its success and continuity, enabling it to profit from the right products and customer base. Developing the BMC can be enhanced with Design Thinking, which delves into user needs to create innovative solutions. Design Thinking emphasizes understanding users deeply, including their needs, desires, and challenges. This study at Vamana aims to identify customer requirements and technical characteristics to meet those needs, exploring strategic concepts and alternative solutions for a new business model.

2. LITERATURE REVIEW

Digital Branding Agency

A digital branding agency provides strategic direction, creative design, and technical development for digital products or services. Clients consulting with a digital branding agency receive comprehensive services to develop marketing strategies aligned with creative direction for a project (Prabowo, 2020). The agency's role is to enhance website design and functionality, improve search engine rankings, implement social media marketing, and create engaging content. By partnering with a digital branding agency, businesses can achieve their branding goals and stay competitive (Baldwin, 2023).

Design Thinking

Design Thinking is a creative problem-solving approach that draws from a designer's perspective, focusing on principles, benefits, and tools (Brown, 2009). In a managerial context, it emphasizes human-centered problem-solving through observation, rapid learning, idea visualization, and prototyping. It involves systematic collaboration processes that result in behavioral and condition changes aligned with expectations. What distinguishes Design Thinking is its iterative movement through five phases: empathize, define, ideate, prototype, and testing.

Empathy Map

The empathy map aids researchers in quickly understanding the target group in all aspects (Osterwalder & Pigneur, 2013), guiding the development of accurate and suitable concepts, seen as an initial step in innovation. It involves placing oneself in someone else's shoes to understand them as best as possible.

User Persona

User Persona is a conceptual model of a targeted user group used to gain a deep understanding of their needs and preferences through interviews or direct observation. It aids in creating or developing a product and facilitates communication between users and design thinkers. Users are complex and inconsistent, while personas aim to define them clearly (Johansson & Messeter, 2005).

Value Proposition Design

Value Proposition Design (VPD) is a tool that helps create value for customers and integrates seamlessly with BMC. The VPD includes the customer profile (jobs, pains, and gains) and the value map (products and services, pain relievers, and gain creators). Aligning the customer profile with the intended value results in a value proposition, reflecting the benefits customers expect from the offered products and services (Osterwalder, et al., 2014).

Business Model

A business model is vital for companies, providing a framework for value creation, revenue generation, and logistics. Business models can be adapted for contexts like e-business and innovation, with new ventures often seeking established models while

adapting to changes, especially in the digital context. The Digital Branding Agency uses the Business-to-Business (B2B) model, focusing on a small number of customers with significant needs and involving close relationships with providers that influence purchasing decisions (Kotler & Keller, 2016). By using the Business Model Canvas method, the agency can identify and develop each element within the B2B model.

Business Model Canvas (BMC)

The BMC framework guides companies in developing business guidelines and analyzing their essential characteristics for development. It helps companies identify their added value, manage activities and resources for revenue generation. According to Osterwalder and Pigneur (2013), business model innovation can stem from various sources, categorized into resource-driven and customer-driven each impacting different aspects of the business model.

3. METHODS

The research that will be conducted will employ design-thinking methodology to investigate problems and propose various potential solutions. The stages of the research as depicted in the following flowchart.

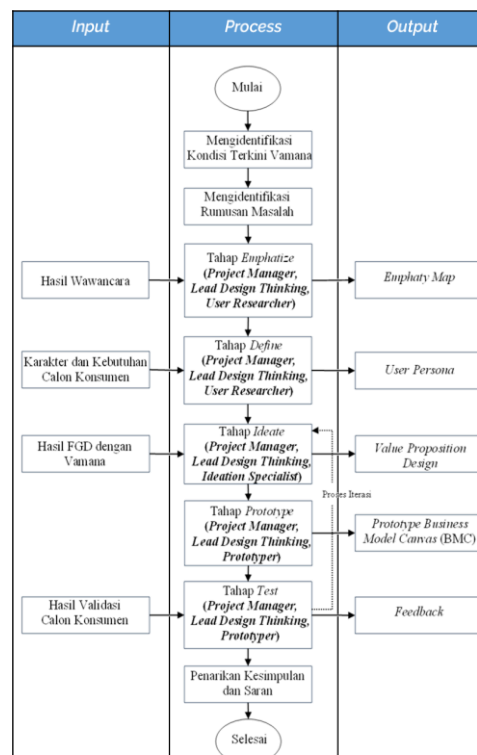


FIGURE 2. Research Flowchart

Problem Identification and Literature Review Stage

This stage involves gathering information to identify issues at Vamana Social Media Branding Agency. The problem addressed is the absence of a business model that aligns with customer needs. Methods include interviews and observations with the CEO and manager. Support from the design team is essential in this phase. In this stage, the research will review literature to aid its objectives. This will involve studying journals,

books, and prior research to understand the issues and establish concepts and theories for support. The output will identify the current state of the company based and outline the issues in designing a business model.

Data Collection and Processing Stage

The data collection phase involves conducting online Forum Group Discussions (FGD) outside working hours using the Zoom Meetings platform. Three stakeholders will be interviewed. Next, the gathered data will be processed using Design Thinking. It starts with Empathize, where the author will categorize data into Empathy Maps. Then, Define will group users' goals and obstacles into User Personas. Ideate will follow, where ideas and solutions will be summarized in the BMC. Finally, Prototype will visually represent the business idea, and Test will validate it with the agency's target consumers to ensure it meets their needs and can be implemented effectively.

4. RESULTS

Problem Identification (Empathize)

In this phase, interviews with users or potential customers of Vamana Social Media Branding Agency seek to understand their perspectives during the business process, identifying stakeholder characteristics and potential issues faced when using similar services. By mapping these insights into Empathy Maps, the agency can analyze consumer needs and create User Personas and Points of View, ultimately improving its services compared to competitors.

Empathy Mapping

User interviews were conducted online via Zoom Meetings with four potential customers of Vamana Social Media Branding Agency, comprising two females and two males, aged between 24 and 27. Two were private employees, and the other two were young entrepreneurs. The semi-structured interviews, lasting 30-45 minutes, aimed to understand users' experiences and needs when using services from Social Media Branding Agencies. Interviews revealed the issues and preferences of users of the Social Media Branding Agency, then mapped into Empathy Maps to understand consumer needs better. From the 4 respondents, various issues regarding the environment, service, and products were identified, along with specific preferences that influenced their satisfaction with the agency. Figure 4.3 illustrates this empathy mapping based on the interview results.

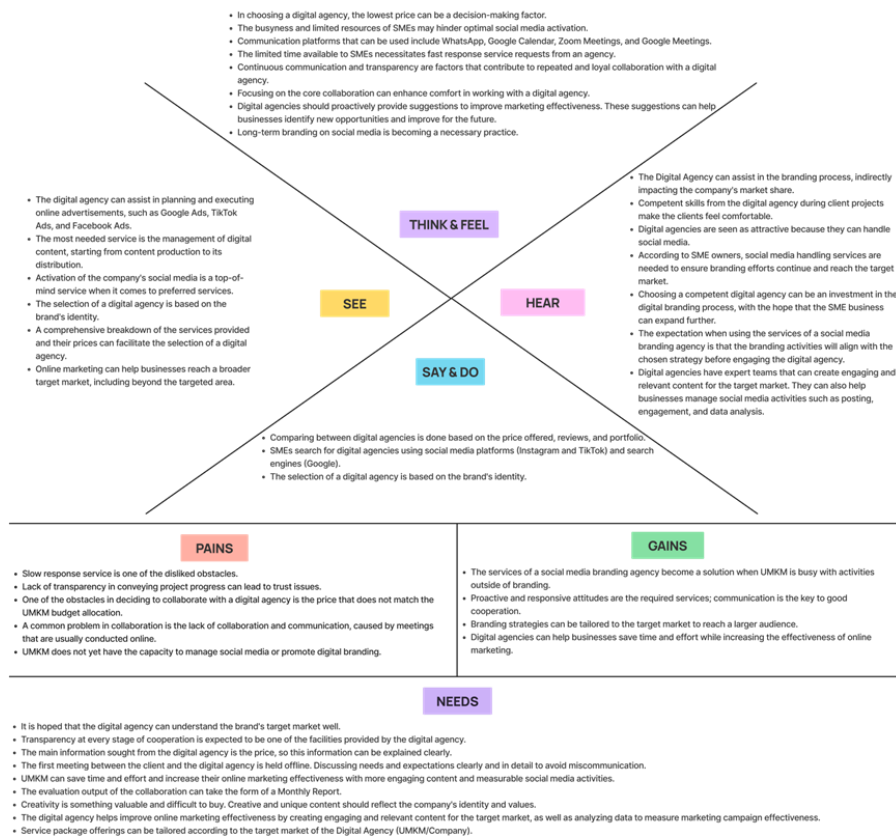


FIGURE 3. Empathy Maps User

Identifying Customer Characteristics and Needs (Define)

Next step involves identifying connections and issues among users in different segments to understand their needs, goals, and potential obstacles. This synthesis of user characteristics and then translated into user personas, competitor analysis, and points of view.

User Persona Design

Insights from interviews, especially on consumer behavior and needs, will be used to create a User Persona. This design reflects consumer characteristics and preferences towards a Social Media Branding Agency. The User Persona for potential consumers of Vamana Social Media Branding Agency is shown in Figure 4.

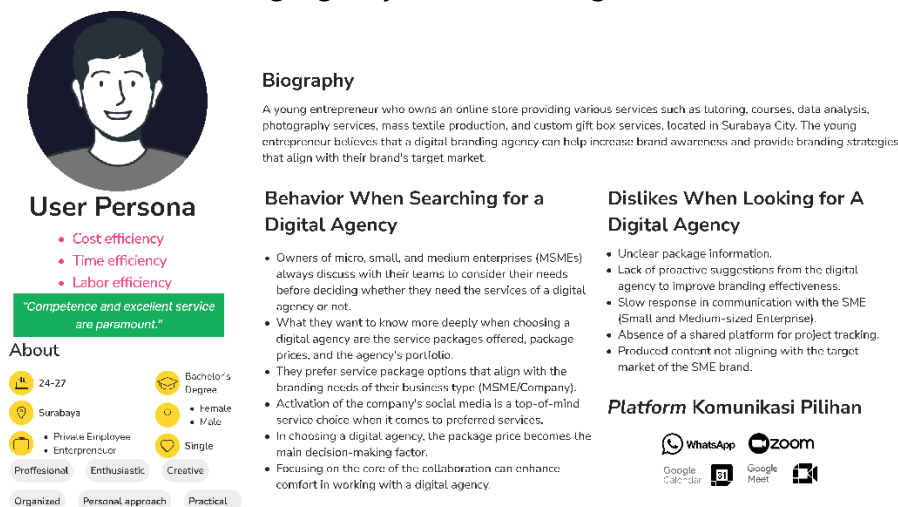


FIGURE 4. User Persona

Competitor Analysis

A Competitor Map was created to analyze competitors, based on customer activities and characteristics related to digital branding services (Baldwin, 2023). Direct competitors were categorized within the digital marketing and advertising sector, while identifying indirect competitors was complex due to overlapping services. Examples of potential indirect competitors include design agencies, web development firms, photography and video services, and social media management platforms.

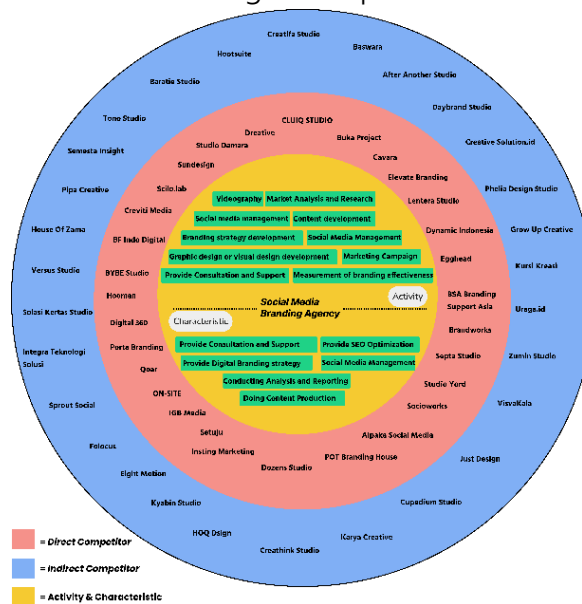


FIGURE 5. Competitor Map

Concept Development of Ideas and Solutions (Ideate)

The method used for developing conceptual ideas and solutions is a Forum Group Discussion with three participants: Jeremy Christian (CEO and Social Media & Content Specialist), Akmal Naufal (Creative Manager), and Musthafa M. (Account Executive Manager). They were chosen aiming to support the development of ideas and solutions for Vamana Social Media Branding Agency's business model.

Information Gathering

The FGD is based on outputs from the empathy stage, including empathy maps, user personas, and points of view. It was concluded that potential consumers of Vamana Social Media Branding Agency seek mutually beneficial cooperation with a digital agency. In this ideation stage, three main steps were identified: cost efficiency, time efficiency, and labor efficiency.

Value Proposition Design

Based on the three main aspects of value that will be provided to customers and the foundation of Vamana, there are various value developments for customers. To ensure the alignment of the value offered with the customer profile, researchers use the Value Proposition Design (VPD) tool to categorize the various services provided.

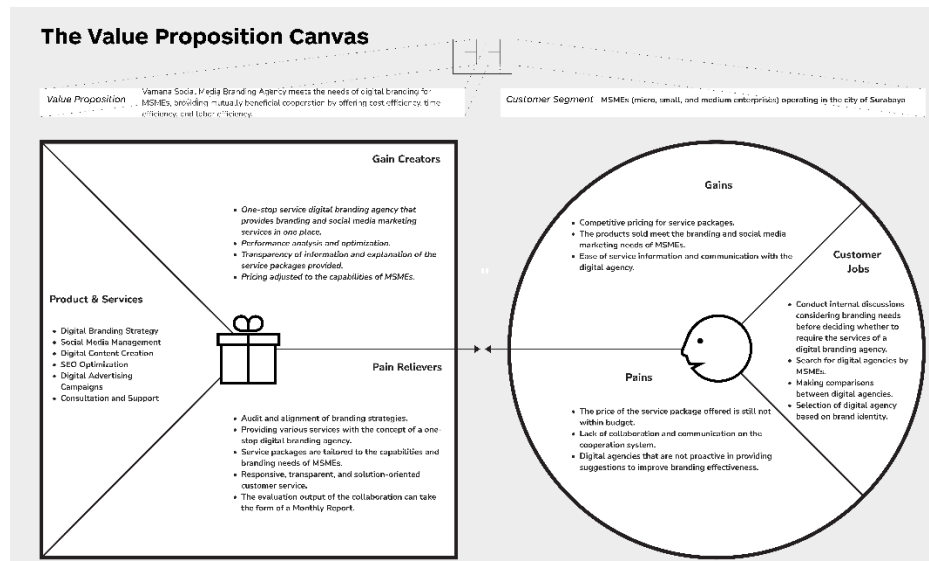


FIGURE 6. Value Proposition Design

Prototyping Vamana Social Media Branding Agency Business Model Canvas

After ideation and using the VPD output, a prototype for a new business model for Vamana Social Media Branding Agency is created in the form of a BMC. This model serves as a guideline for the company's direction. The following explains the BMC elements in detail.

Business Model Canvas

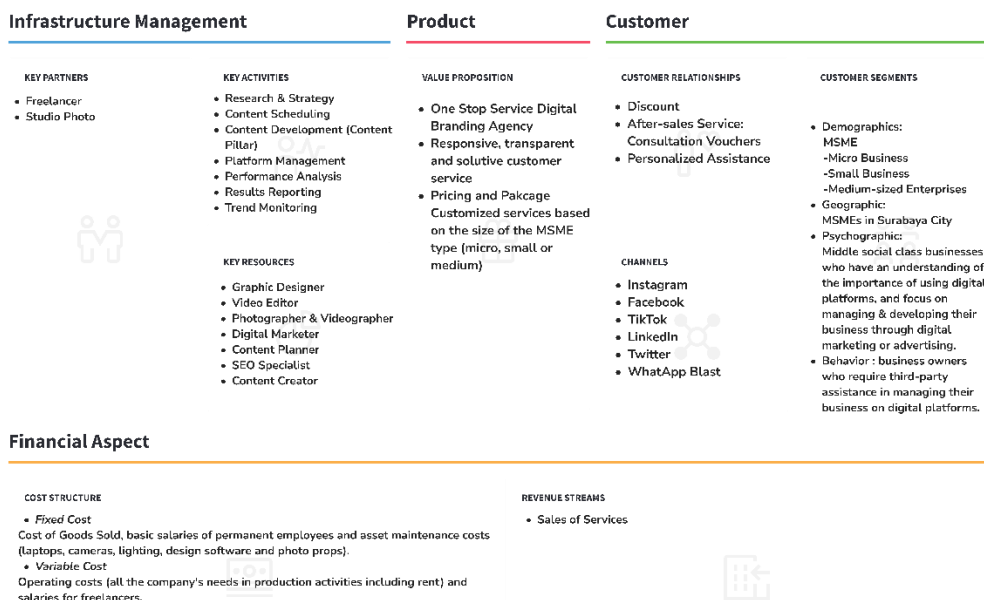


FIGURE 7. BMC Proposal

Prototype Testing (User Testing)

This stage involves an online presentation using the Zoom Meeting platform, lasting about 30 to 45 minutes. The presentation includes the examiner explaining the Business

Model recommendations for Vamana. This documentation is summarized based on the views of the respondents, particularly the Position Holder of Vamana.

Feedback-Capture Grid	
Like • Users like the additional service in the form of After Sales Services. • Consultation Vouchers are considered by users to be very useful and can be used to discuss future branding strategies for MSMEs. • The discounts offered are very useful for users, especially for those who pay attention to prices. • Users really appreciate the one-stop service concept that is implemented because it provides convenience. • Users like the additional features offered in the service product with the pricing of the service package which is adjusted based on the size of the MSME type.	Wishes • When customers ask questions or complaints, it is expected that Vamana Social Media Branding Agency must provide the right solution to solve the problem. • Users expect that personal assistants will be able to provide effective and efficient support to users. • Customers expect there to be more customization options in our value proposition to better suit their individual preferences. • It is expected that internally Vamana Social Media Branding Agency can integrate roles for performance improvement.
Questions • Will the personal assistant service provided last for the duration of the project? • Does the consultation voucher provided in the after sales service have an expiration date? • How does Vamana Social Media Branding Agency measure the effectiveness of personal assistance in supporting productivity and customer satisfaction? • According to Vamana Social Media Branding Agency, what are the benefits that MSMEs can get from the one stop service provided? Will the service be maximized? • Later, will Vamana Social Media Branding Agency evaluate the success of responsive, transparent, and solutive customer service provided? • Why is the Freelancer sub-Key Partner point not just described one by one, what functions will require employee assistance?	Ideas • Emphasis on developing strong and sustainable internal resources should be a priority conveyed to key resources. • To strengthen team performance and increase focus on customer experience, the creation of an organigram is proposed. • In the sub-Key Partner, the Freelancer point can be explained in more depth. • Conduct long-term collaboration with photo studios so that it is expected to get lower prices.

FIGURE 8. Feedback Capture Grid

Prototype Improvements

After receiving feedback on the initial prototype from interviewed users during the testing phase, several changes were suggested for the Business Model Canvas (BMC). These changes include adding an organizational chart and refining the roles and functions of freelancers under Key Partners. Additionally, there was a focus on prioritizing key internal resources like Customer Support, Project Manager, Digital Marketing & Social Media Lead, and Content Lead over the role of freelancers in supporting Vamana Social Media Branding Agency's operations. As a result, the prototype of the BMC was improved. Figure 8 illustrates these changes after the testing phase.

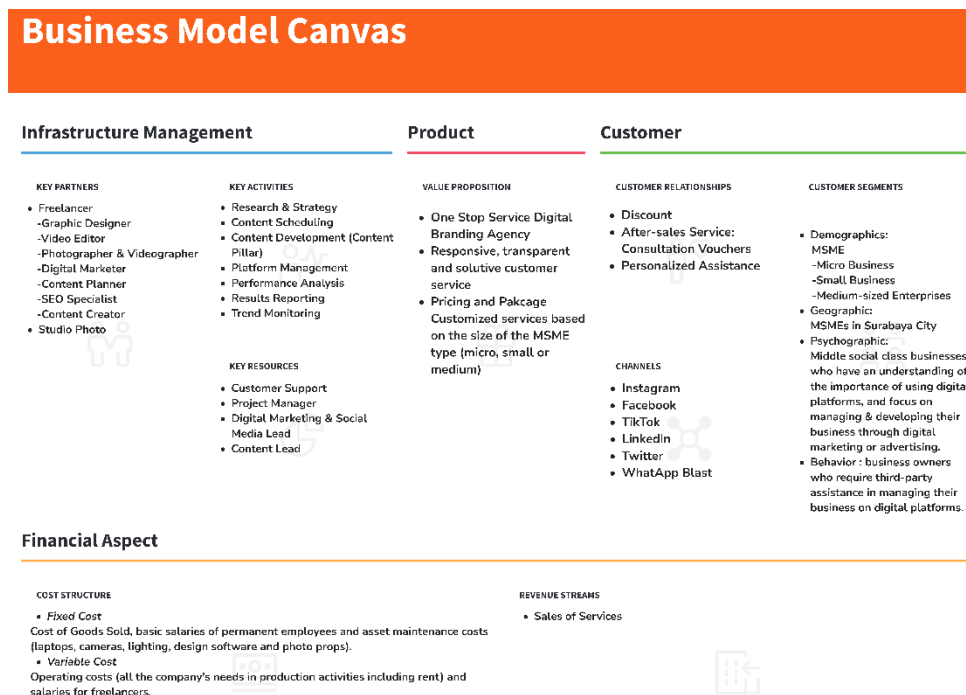


FIGURE 9. Vamana Business Model Improvement Results

5. CONCLUSIONS

In the Empathize stage, it's evident that digital agencies are vital for MSMEs, enabling them to reach a wider market and boost sales. Using social media management services can save time and effort, enhancing branding effectiveness and trust between MSMEs and digital agencies. In the Define stage, potential clients include private employees with side businesses and young entrepreneurs seeking professionalism with a personal touch. However, MSME owners often express dissatisfaction with digital agencies due to issues like unclear package details and slow communication. The Ideate stage identified three key advantages for potential clients: cost efficiency, time efficiency, and labor efficiency. In the Prototype stage, the Business Model Canvas (BMC) was developed based on these insights, showing a deep understanding of customer needs and innovative solutions. The Testing stage aims to evaluate whether the prototype meets requirements and remains relevant using the Feedback Capture Grid. In the Prototype Improvement stage, two adjustments were made: modifications to the sub-Key Partners and changes in Key Resources, replacing freelancer roles with key internal positions.

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