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Implementation of Marketing Strategy Innovation and Business Model Development: Study of SMEs in Tourism Village

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ABSTRACT

This research aims to formulate marketing strategies and develop business models for SMEs in Tourism Village, that is Ngargogondo Village. This research was conducted based on a qualitative descriptive approach for exploratory purposes. Primary data was obtained based on interviews and observations, secondary data was obtained from literature and government documents. Data was analyzed based on SWOT analysis and Business Model Canvas (BMC). The research results show that SMEs in Ngargogondo Village need to improve product aspects, marketing communication aspects and distribution aspects. The products offered require increased innovation and diversification to support the value proposition. In marketing, social media influencers are needed to increase audience awareness of these SME products and to improve distribution channels. The research results provide managerial implications for SME owners to implement innovative marketing strategies. By implementing the proposed strategy related to marketing aspects, SMEs in Ngargogondo Village are expected to develop and be sustainable to support Borobudur as a national tourism strategic area. The research results also provide theoretical implications in the form of methods that can be used to formulate marketing strategies and develop SME business models. Future research can replicate the method or combine it with other strategy formulation tools.

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Introduction

Small and Medium Enterprises (SMEs) are part of Indonesian economy's pillars. SMEs come from a small community economic sector with a local scale, local resources, and simple production processes the products sold locally. The role of SMEs in the economy includes supporting national economic growth, distributing development results and creating jobs, reducing unemployment and alleviating poverty (Sokoto & Abdullahi, 2013; Syahputra & Chandra, 2018). SMEs also play a role in analyzing business opportunities, influencing consumers in making decisions, and being able to seize market share and new markets (Tjiptono & Chandra, 2017). This is what makes SMEs a vital engine driving the economy.

Data published by the Ministry of Cooperatives and SMEs of the Republic of Indonesia (Ministry of Cooperatives and SMEs, 2022) stated that Central Java Province is ranked first in total SMEs for 2010-2022. Based on this data, it can be seen that Central Java province has the largest number of SMEs, thus the development of SMEs in Central Java needs to be increased to create a positive impact on the Indonesian economy. This can be seen in Figure 1 regarding the total SMEs in Indonesia until 2022.

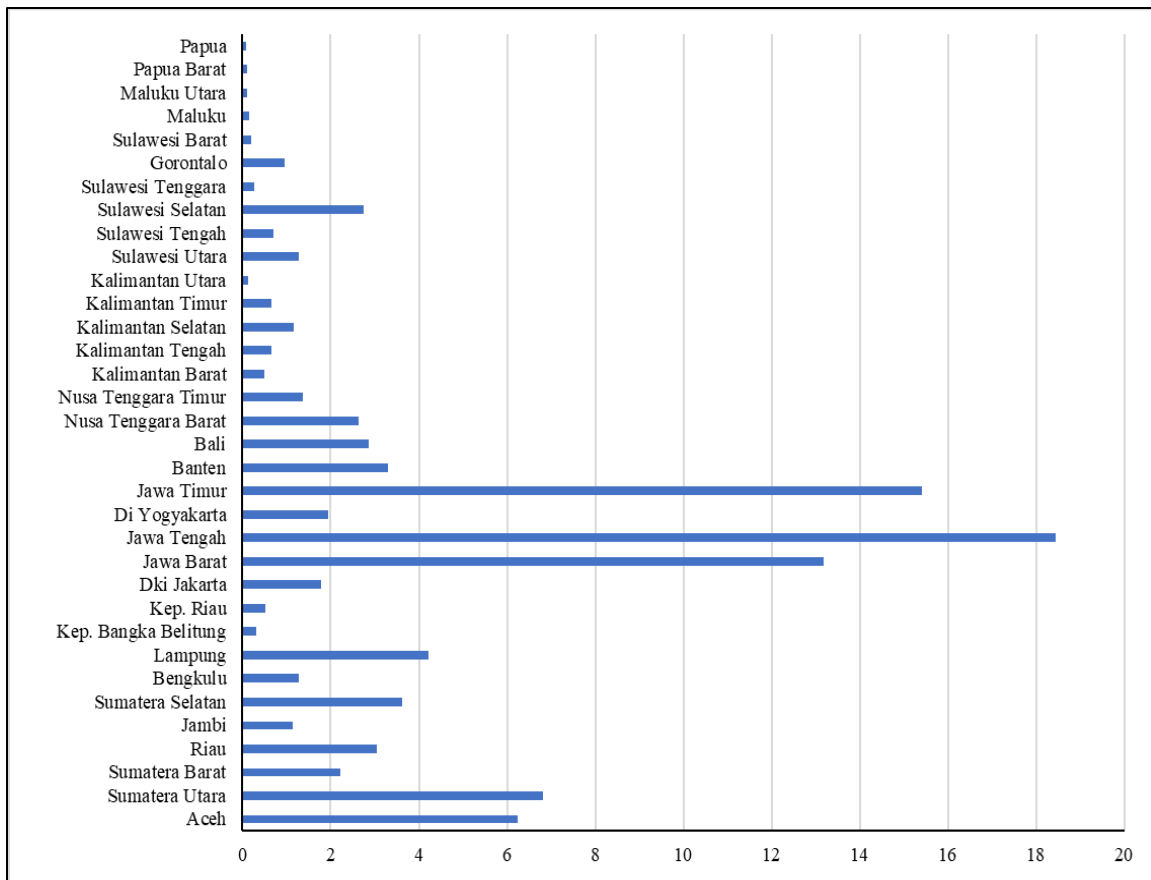


Figure 1. Total SMEs in Indonesia until 2022 based on the Province

Source : Ministry of Cooperatives and SMEs, 2022

Currently, the Borobudur area is included in the National Tourism Strategic Area as stated in the 2010-2025 National Tourism Development Master Plan. The previous study states that cultural heritage tourism could contribute to the economy of a country (Sasana et al., 2019). Based on this, Borobudur and the surrounding area have tourism potential to be developed and are expected to have a positive influence

on economic, socio-cultural and environmental growth. This condition certainly requires support from SMEs developed by the surrounding community to support tourism activities. Therefore, a business development strategy is needed for SMEs to become developed and sustainable. Thus, SMEs can have a positive impact on society such as job creation, local economic empowerment, increasing income, and encouraging local innovation.

Magelang Regency is one of the regencies in Central Java which has many SMEs. One of the villages included in the developing village category, with potential and local wisdom dominated by SMEs is Ngargogondo Village. Ngargogondo Village is a village in Borobudur District, Magelang Regency which is included in the government's development program to become a tourism support area around Borobudur Temple. This has led to the growth of a number of SMEs both in the field of artistic crafts and in the field of snacks and souvenirs such as slondok (traditional snack), chips, dream catchers, shells, cups and others. In this research, the case study focuses on phenomena that occur related to the development of SMEs in terms of marketing mix as the internal aspects and business models in Ngargogondo Village.

Previous research related to development strategies using descriptive analysis was carried out by Djabbar & Baso (2019) and Permana (2017), they discovered the phenomenon that in terms of guidance for SMEs it is still not on target and adequate supporting facilities are not yet available, but in the current process of developing SMEs it is necessary to utilize technological advances in the marketing process as well as efforts to foster an entrepreneurial spirit through an integrated curriculum from primary education to tertiary education. Apart from that, similar research has been carried out using the SWOT and Quantitative Strategic Planning Matrix (QSPM) tools, Pasaribu, Inzaghi, & Sutjipto (2022) and Rusdiono, Asmara, & Kirbrandoko (2019) found the phenomenon that development strategies should prioritize business digitalization, systematic and sustainable human resource training in order to improve excellence and service to consumers as well as merging with similar businesses to increase production volume.

Previous research has used SWOT analysis to formulate strategies for SMEs. Rahardjo et al., (2019) use SWOT analysis to formulate strategies for coffee SMEs. Andryana et al., (2019) use SWOT analysis to formulate strategies for ornamental plant business. Azizah, (2020) use SWOT analysis to formulate strategies for horticultural farming business. Novitaningtyas et al., (2020) also formulate a strategy based on SWOT for tourism villages in order to compete and become independent category tourism villages. SWOT analysis can help strategy formulators and researchers to identify internal and external conditions in determining appropriate strategies (Qanita, 2020).

In addition, Business Model Canvas (BMC) is a method that is used to see the condition of a business venture and provide an overview of the next business plan. Business managers can see developments in conditions business through mapping on a single canvas. This is an advantage of this method compared to other methods. The BMC consists of several elements, such as (1) Customer Segment, (2) Value Proposition, (3) Channel, (4) Customer Relationship, (5) Revenue Stream, (6) Key Resources, (7) Key Activity, (8) Key Partnership, and (9) Cost Structure (Koswaraputra et al., 2019). Previous researchers used the BMC approach to describe the current business model and then used the strategy results from SWOT to develop a new business model (Andryana et al., 2019; Novitaningtyas et al., 2020; Rahardjo et al., 2019). The results of developing a new business model displayed on the canvas will make it easier for SME to implement the proposed strategy.

Even though the strategy formulation methods used by previous researchers are not much different, empirically there are still differences in the results of the proposed strategies. Besides that, research that focuses on developing emphasis on marketing aspects and combining SWOT analysis with BMC has not been carried out much on SMEs in Ngargogondo. Based on these empirical gaps and practical gaps, it is

hoped that this research can fill the gaps in previous research. This research focuses on the marketing conditions of SMEs by using the marketing mix as a basis for identifying internal conditions. By using a marketing mix perspective, it is hoped that the proposed strategy formulation can also focus on overcoming marketing problems faced by SMEs. Furthermore, this research also uses a PEST perspective (political, economic, social, and technological) to identify the external conditions of SMEs. Then, the results of the SWOT analysis are used to develop the business model of SMEs. By focusing on developing marketing strategies and business models for SMEs, it is hoped that the results of this research will provide benefits for Ngargogondo SMEs to develop their business processes. Thus, Ngargogondo SMEs can support tourism development around Borobudur Temple.

Literature Review

Strategy is the coordinated means by which an organization pursues its goals and objectives. Strategy is an integrated set of choices and decisions intended to support and advance the company's vision and objectives (Rangkuti, 2014). Formulating a marketing strategy requires analysis of internal and external conditions. Analysis of the external and internal environment is needed to identify aspects that are relevant and can influence the company's position compared to competitors. In marketing, the external environment consists of demographics, economics, socio-cultural, natural, technological, political-legal, while the internal environment consists of financial resources that support marketing, HR skills (in this case marketing managers, salesman), production operational capacity, relationships with customers, and marketing mix (Kotler & Keller, 2018). Analysis of the external environment is carried out by identifying opportunities that can be exploited by the company, and possible threats that should be avoided, meanwhile internal environmental analysis is carried out by identifying the strengths and weaknesses within the company (David, 2011). This analysis is also known as SWOT analysis.

Several previous studies have used a combination of SWOT analysis and BMC analysis to develop business strategies. Yuanita et al., (2018) use SWOT analysis using SWOT to formulate strategies for increasing business scale in SMEs. Rahardjo et al., (2019) use SWOT analysis to formulate strategies for coffee SMEs. The results show that optimizing the main resources to create a new value proposition in designing future business models in the form of socio-entrepreneurship programs and business inspiration books influences every element of the business model canvas, such as an increase of carried out in key activities, key partners, channels, segments consumers and incoming revenue streams. Moreover, this study also highlights the marketing aspect of the consumer relationship part. This part needs to be improved in an effort to maintain customer segments. The results of previous research are different from the results of Andryana et al., (2019) who use SWOT analysis to formulate strategies for ornamental plant business. The results produce strategies for all elements in BMC (Andryana et al., 2019). Moreover, Novitaningtyas et al., (2020) also formulate a strategy based on SWOT for tourism villages in order to compete and become independent category tourism villages. Novitaningtyas et al., (2020) focus on developing marketing strategies, thus they analyze internal conditions based on a marketing mix perspective. Munawaroh et al., (2021) also use SWOT analysis to formulate strategies to achieve competitive advantage for SMEs. The research results highlight the marketing aspects of the BMC element and formulate proposed strategies for tourist villages, such as developing tourism products according to trends in tourist interest, collaborating with role models as a means of promotion through social media, and improving the quality and quantity of tourist facilities.

Previous research only focused on researching one research object, the Klinik Kopi (SME Coffee) (Rahardjo et al., 2019), Jakarta Pos Digital (Koswaraputra et al., 2019), PT Monfori Nusantara that produces ornamental plant (Andryana et al., 2019), and Brajan Tourism Village (Novitaningtyas et al., 2020). This research is different from previous research, because this research integrates several SMEs in Ngargogondo Village for further analysis. This research tries to fill the gap in methods from previous research where previous research only used one object of analysis, whereas this research uses more than one object of analysis. However, this research uses the same analytical tool, the combination of SWOT analysis and BMC analysis. Moreover, this research focuses on the marketing conditions of SMEs by using the marketing mix as a basis for identifying internal conditions, and also uses a PEST perspective (Political, Economic, Social, and Technological) to identify the external conditions of SMEs.

Methodology

The research was conducted in Ngargogondo Village, Magelang Regency. Research was conducted on SMEs. Research activities were carried out for 4 months (May-August 2023). The research location was determined purposively with the consideration that Ngargogondo Village is one of the villages in Magelang Regency which is located close to Borobudur Temple and has several potentials for SMEs to be developed. The types of data used in this research are primary data and secondary data. Primary data was obtained directly from sources through interviews. The person interviewed is the Ngargogondo SME coordinator, 10 SME owners, 10 SME employees, and the Ngargogondo Village Government Village head, village secretary and hamlet head. Apart from that, primary data is also obtained through observations to see conditions directly at the research object. As for secondary data obtained from literature such as journals, books, and village government reports.

This research is exploratory research. Exploratory research can help identify and provide an initial overview of the strengths, weaknesses, opportunities, and threats that may be related to the phenomenon being researched. Business Model Canvas and SWOT are applied to explore and describe the condition of the research object and formulate appropriate strategies. The data that has been collected is identified based on 9 elements of the Business Model Canvas to analyze current conditions (value proposition, key activities, key resources, key partners, customer relationship, channels, customer segment, cost structure, and revenue stream). Next, a SWOT analysis is carried out to produce a suitable strategy to be applied to the development of a new business model for SME. This research focuses on the marketing conditions of SMEs by using the marketing mix as a basis for identifying internal conditions (strengths and weaknesses), and also uses a PEST perspective (Political, Economic, Social, and Technological) to identify the external conditions of SMEs (opportunities and threats). The research framework can be seen in Figure 2.

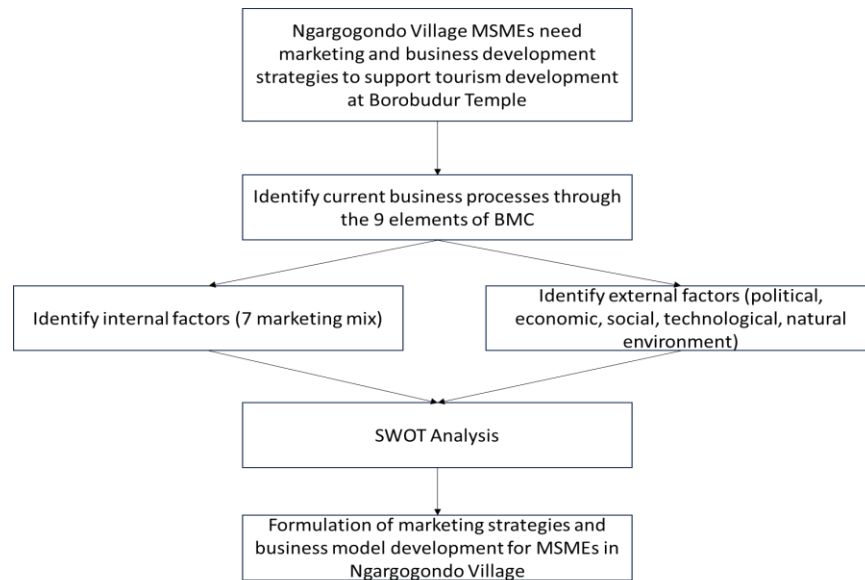


Figure 2. Research Framework

Results and Discussion

Current Business Model Canvas

Figure 3 shows the business conditions visualized through the BMC matrix. The Ngargogondo Village SME business process is currently being analyzed based on 9 BMC elements. The elements identified are customer segments, value propositions, channels, customers relationships, revenue streams, key activities, key resources, key partnerships, and cost structure. The identification results are described as follows:

<i>Business Model Canvas</i>		<i>MSMEs Ngargogondo Village</i>		
<u>KEY PARTNERS:</u> <ul style="list-style-type: none"> Suppliers MSMEs Community Ngargogondo Villages Government 	<u>KEY ACTIVITIES:</u> <ul style="list-style-type: none"> Mushroom cultivation Orchid cultivation Crickets cultivation Producing Javanese sugar producing traditional snacks (melinjo chips & corn chips) Producing soy milk Producing handicrafts Producing processed soybeans 	<u>VALUE PROPOSITION:</u> <ul style="list-style-type: none"> Superior and quality products Affordable prices Good service 	<u>CUSTOMER RELATIONSHIPS:</u> <ul style="list-style-type: none"> Social Media Discount for customer 	<u>CUSTOMER SEGMENTS:</u> <ul style="list-style-type: none"> Communities around Borobudur Traveler/Tourist
	<u>KEY RESOURCES:</u> <ul style="list-style-type: none"> Natural resources Human Resources Physical and Financial Resources 		<u>CHANNELS:</u> <ul style="list-style-type: none"> Distributor Tourism villages Tour and travel agencies 	
<u>COST STRUCTURE:</u> <ul style="list-style-type: none"> Operational costs (raw materials, infrastructure, electricity, water) Promotion costs Employee salary costs 		<u>REVENUE STREAMS:</u> <ul style="list-style-type: none"> Sales of raw products Sales of finished products Sales of educational tourism packages 		

Figure 3. Current Business Model Canvas

Source: Data Processed, 2023

The value propositions offered by Ngargogondo Village SMEs are superior and quality products. The products produced by SMEs in Ngargogondo Village have distinctive characteristics, especially handicraft products such as dream catchers and udeng (headdresses). The products offered are comparable in quality so they provide better customer value because prices tend to be affordable and in accordance with the benefits received by customers. Furthermore, employees and sales force also provide quality service so that this becomes the value proposition of Ngargogondo Village SMEs. In order to fulfill the value proposition offered, Ngargogondo Village SMEs have several key resources such as natural resources (agriculture, livestock), human resources (managers, employees), physical resources (equipment, facilities, infrastructure, transportation), and also capital financial resources to support business processes. Some of the key activities carried out are agriculture (cultivating mushrooms and orchids), and animal husbandry (cultivating crickets). Apart from that, Ngargogondo Village SMEs also produce javanese sugar or palm sugar, and processed soybeans such as soy milk and *tempe*/tofu. Furthermore, another activity is producing traditional chips made from *melinjo* and corn. Apart from agricultural, livestock, or food and beverage production activities, Ngargogondo Village SMEs also produce handicrafts. Typical handicrafts are dream catchers and headdresses which are usually called *udeng*.

In its business process, Ngargogondo Village SMEs collaborate with several partners. Partners who have made an alliance with Ngargogondo Village SMEs consist of suppliers and other SME communities. Besides, Ngargogondo Village MMSEs also receive support from the local Village Government. Furthermore, the routine cost structure consists of operational costs such as raw material costs, infrastructure costs, and production costs. Promotion costs and employee salary costs are also routine expenses. Meanwhile, the revenue stream received consists of sales of several products, both raw agricultural and livestock products, as well as processed food and beverage products. Other revenue comes from tourism activities, such as selling educational tour packages

Furthermore, from the marketing side there are 3 aspects identified consisting of customer relationships, channels and customer segments. The segments targeted by Ngargogondo Village SMEs are the local community and tourists who visit Borobudur Temple. This SME has not yet targeted geographic segments outside Magelang Regency, or other market segments. These SMEs have used social media such as Facebook, WhatsApp, Instagram and TikTok to build relationships with customers and audiences. Apart from social media, this SME also periodically provides discounts for customers who buy in large quantities. Furthermore, this SME also has several distribution channels for the products it sells. Besides that, from the tourism side, this SME is also collaborating with the Ngargogondo Tourism Village and several travel agencies to bring in tourists who have the potential to buy SME products.

Overall, the business processes carried out by the Ngargogondo Village SMEs have run well. However, innovation and diversification are needed to increase the value proposition. Market segment development is also needed through expanding the segment area geographically. Furthermore, it is necessary to carry out deeper identification regarding strengths and weaknesses, as well as opportunities and threats that may have an impact on business processes. Thus, it is necessary to adapt strategies and develop business models for SMEs in Ngargogondo Village so that they can maximize their marketing potential.

SWOT Analysis

The SWOT matrix of Ngargogondo Villages SMEs can be seen in Figure 4. SWOT analysis is used to analyze the external and internal factors of Ngargogondo Villages SMEs. Internal factors consist of strengths and weaknesses which are analyzed based on the 7 elements of the marketing mix (product, price,

place, promotion, people, physical evidence, and process). External factors consist of opportunities and threats which are analyzed based on economic, political, social, environmental, and technological conditions. The results of the strategy formulation are then implemented on the Business Model Canvas.

Internal	Strengths: <ol style="list-style-type: none"> 1. Product diversity 2. Offer product with quality 3. Affordable price 4. Strategic location 	Weaknesses: <ol style="list-style-type: none"> 1. The use of social media as communication and promotional tools is not optimal 2. Infrastructure facilities are inadequate 3. Human resources are less competent 4. Does not yet have a standard operating procedure (SOP)
Eksternal	Opportunities: <ol style="list-style-type: none"> 1. Village government support 2. Easy access to capital funding 3. Potential for developing the Borobudur tourist area 4. Potential technological developments 	SO: <ol style="list-style-type: none"> 1. Innovation and product diversification (S1,S2,S3,S4 & O1,O3,O4) 2. Alliance with tourism businesses around Borobudur (S4 & O1,O3)
	Threats: <ol style="list-style-type: none"> 1. Competitor 2. Changes in consumer interests 3. Changes in consumer behavior 4. Natural disasters 	WO: <ol style="list-style-type: none"> 1. Maximize the use of social media (W1 & O3,O4) 2. Utilizing technology to support business processes (financial recording, production machines) (W2 & T2,T4) 3. Create standard operating procedure (SOP) (W4, & O1,O4) 4. Providing training for HR (W3 & O1,O3,O4)
	ST: <ol style="list-style-type: none"> 1. Develop products according to consumer interest trends (S1,S2& T1,T2,T3) 	WT: <ol style="list-style-type: none"> 1. Collaborate with social media influencers to attract audience interest on social media (W1 & T1,T2,T3)

Figure 4. SWOT Analysis

Source: Data Processed, 2023

Internally and based on a marketing mix perspective, the strengths possessed by Ngargogondo Village SMEs consist of product aspects, price aspects and location aspects. The products offered are diverse. One SME group consists of several producers whose products are diverse. The product variations include agriculture (orchids, mushrooms), livestock (crickets), food and beverage products (jaggery, traditional snacks, processed soybeans), and handicraft products (dream catchers, headdresses). The location of Ngargogondo is also easily accessible using private and public transportation. The aspect of an easily accessible location can be used as a point of strength, as has been done in previous research which states that an accessible location is a point of strength (Sasana et al., 2019).

Meanwhile, aspects that are classified as weaknesses consist of promotion or marketing communication aspects, physical evidence (facility) aspects, people aspects and process aspects. Even though they already have social media such as Facebook, WhatsApp, Instagram and TikTok, the use as a communication medium is not optimal. Social media admins rarely post and update content. Apart from that, some business activities are still carried out manually and are not supported by technology. For example, bookkeeping or financial recording is still manual. These results are in accordance with previous research which also found that the weakness of SMEs is the use of social media and digital marketing which is not yet optimal (Hastutik & Novitaningtyas, 2021). The people or human resources aspect also tends to be less competent because they have not been able to take full advantage of technological developments. Based on the process aspect, Ngargogondo Village SMEs do not yet have clear standard operating

procedures (SOP). Even though SOPs are needed to facilitate the implementation and management of business.

Next, external aspects are identified based on Political, Economic, Social, and Technological (PEST) and the natural environment.

1. Political aspect: Political conditions or policies in this case are support from policy makers such as the Ngargogondo Village Government (opportunity). Apart from that, the Government has also designated the Borobudur area as a strategic tourism area so that this condition also provides opportunities for SMEs to support the development of Borobudur.
2. Economic aspect: In the economic aspect, there is an opportunity for easy access to funding because in Magelang Regency there are several Savings and Loans Cooperatives and Banks. These results are in accordance with previous research which also found that credit loans as an alternative financing can be used as an opportunity for SME businesses (Novitaningtyas et al., 2020).
3. Social aspect: Changes in social and cultural conditions are also a threat. For example, the Covid-19 pandemic has changed how consumers behave. Therefore, this condition certainly also has an impact on changes in consumer interest and behavior towards SME products. Thus, SMEs should be able to respond and adapt to meet consumer needs, desires and expectations. Besides that, the environment of Ngargogondo Village is classified as disaster-prone (volcano eruptions) because it is surrounded by mountains and an active volcano, such as Mount Merapi. Disaster-prone conditions also pose a threat to business processes. Previous research also states that natural factors and disaster-prone areas are a threat (Novitaningtyas et al., 2020; Sasana et al., 2019).
4. Technology aspect: Technological developments ease of obtaining information, availability of applications that support business processes are also opportunities that SMEs in Ngargogondo Village should be able to take advantage of the external threat comes from competitors.

Based on internal and external conditions, several strategies were formulated for Ngargogondo SMEs.

1. Strength-Opportunity (SO) Strategy
SO's strategy consists of innovation and product diversification, as well as alliances with tourism businesses around Borobudur. This SME already has diverse and quality products at affordable prices. On the opportunity side, there is potential for developing the Borobudur tourism area. Therefore, these SMEs need to determine the characteristics of the product compared to competitors, what are the points of differentiation and unique selling points compared to other SMEs. Ngargogondo Village SMEs can also develop alliance cooperation with tourism businesses around Borobudur, such as opening a showroom for Ngargogondo specialty handicrafts in an alliance hotel so that guests staying at the hotel are interested in buying Ngargogondo Village SME products.
2. Weakness-Opportunity (WO)
The WO strategy produces several strategies. The first strategy is to maximize the use of social media. Even though they already have social media, their use is not optimal. Therefore, it is necessary to create content planning so that social media can be used as a means of reaching consumers. Moreover, hiring young people who are currently using social media, conducting training on creating content and design that suits the target market can be a solution. Advanced technological opportunities can also be used to minimize weaknesses, for example by using financial recording applications and production machines that can increase production efficiency. Village government support in the form of training can also be utilized by proposing training for human resources and training in making SOPs.
3. Strength-Threat (ST) Strategy

To respond to the threat of changes in consumer interests and behavior, Ngargogondo Village SMEs must be able to be responsive (ST strategy). The way to do this is by developing products that suit consumer interests so that they can meet their needs. If consumer needs are met with quality products, they will be satisfied and loyal. Collaboration with social media influencers is also needed to increase consumer interest (WT strategy). Thus, it is hoped that Ngargogondo Village SMEs can maximize the use of social media to respond to consumer and audience behavior.

Business Model Canvas Development

Business Model Canvas MSMEs Ngargogondo Village **Bold:** enhanced
Underline: created

<p><u>KEY PARTNERS:</u></p> <ul style="list-style-type: none"> • Suppliers • MSMEs Community • Ngargogondo Villages Government • <u>Social Media Influencer</u> • <u>Tourism businesses</u> 	<p><u>KEY ACTIVITIES:</u></p> <ul style="list-style-type: none"> • Mushroom cultivation • Orchid cultivation • Crickets cultivation • Producing Javanese sugar • producing traditional snacks (melinjo chips & corn chips) • Producing soy milk • Producing handicrafts • Producing processed soybeans • <u>Strategic alliance</u> <p><u>KEY RESOURCES:</u></p> <ul style="list-style-type: none"> • <u>Natural resources</u> • <u>Human Resources</u> • <u>Physical and Financial Resources</u> 	<p><u>VALUE PROPOSITION:</u></p> <ul style="list-style-type: none"> • Superior and quality products • Affordable prices • Good service • <u>Innovation and product diversification</u> 	<p><u>CUSTOMER RELATIONSHIPS:</u></p> <ul style="list-style-type: none"> • Social Media • Discount for customer <p><u>CHANNELS:</u></p> <ul style="list-style-type: none"> • Distributor • Tourism villages • Tour and travel agencies • <u>Exhibition, MICE, showroom</u> 	<p><u>CUSTOMER SEGMENTS:</u></p> <ul style="list-style-type: none"> • Communities around Borobudur • Traveler/Tourist • <u>Other geographic segment</u>
<p><u>COST STRUCTURE:</u></p> <ul style="list-style-type: none"> • Operational costs (raw materials, infrastructure, electricity, water) • Promotion costs • Employee salary costs 		<p><u>REVENUE STREAMS:</u></p> <ul style="list-style-type: none"> • Sales of raw products • Sales of finished products • Sales of educational tourism packages 		

Figure 5. Business Model Canvas Development

Source: Data Processed, 2023

The strategy formulation based on SWOT was then implemented in the new BMC. This integration will make it easier for Ngargogondo Village SMEs to understand what strategies need to be implemented, what needs to be improved, and what needs to be created through a BMC. Figure 5 shows several points that need to be improved (points in bold) such as Ngargogondo Villages Government as a key partner, social media as a customer relationship, and sales of educational tourism packages as a revenue stream. As well as what points must be created (points underlined) such as social media influencers and tourism business on key partners, strategic alliances on key activities, innovation and product diversification on value proposition, MICE on channels, and other geographic segments on customer segments.

In the new BMC, it is shown that based on product aspects, Ngargogondo Village SMEs must innovate and diversify. Innovative and quality products have been proven to influence consumer buying interest and ultimately have an impact on consumer satisfaction (Ahmadi et al., 2018). Kotler & Keller (2018) also explain that the point of differentiation should be good enough to attract consumer interest. If Ngargogondo Village SMEs can offer quality products and have a point of differentiation, it is hoped that consumer buying interest will increase. For example, by creating a storytelling that integrates all products from members of the Ngargogondo Village SME community into one tour package. If consumer buying interest increases, the revenue stream from selling tour packages will also increase.

Furthermore, based on marketing communication and promotional aspects, the social media admin of Ngargogondo Village SMEs needs to collaborate with social media influencers as key partners to support the promotion of SME products via social media. If this is done, the social media will be more functional and its usefulness will be increased. Moreover, previous research results have stated that the use of influencers and social media can increase consumer buying interest (Mubarak et al., 2018). If purchasing interest increases and subsequently influences consumer purchasing decisions, it is hoped that the revenue stream will also increase. Besides that, the use of social media can also be useful in reaching consumers outside Magelang Regency. In this way, Ngargogondo Village SMEs can have market segments from other geographical areas outside Magelang Regency.

Furthermore, Ngargogondo Village SMEs must create strategic alliances (from the aspect of key activities) with several key partners such as the Ngargogondo Village Government and tourism businesses. Through alliance collaboration with several tourism businesses such as hotels or homestays, SMEs can entrust their products to be sold by tourism businesses. Another way is to open a showroom in a hotel that has an alliance with SMEs, or take part in exhibitions organized by the government. This way you can increase distribution channels for SME products. Distribution channels are also considered as one of the factors that will influence consumer buying interest (Heryanto, 2015). If distribution channels function optimally, this will also support an increase in revenue streams.

Conclusion

The Ngargogondo Village SME business process tends to be good based on the current business model canvas. However, to support the development of the national tourism area in Borobudur, Ngargogondo Village SMEs need to improve their marketing aspect. Therefore, the identification of internal conditions through a marketing mix perspective and external conditions through a PEST perspective and the natural environment is necessary to formulate a marketing strategy for these SMEs. The results of marketing strategy formulation based on SWOT analysis are used to develop the new business model canvas. The research results show that SMEs in Ngargogondo Village need to implement innovative and diversified product development strategies to increase the value proposition offered. In the marketing communications aspect, Ngargogondo Village SMEs need to collaborate with social media influencers to communicate their products. Furthermore, strategic alliance cooperation is also needed to increase product distribution channels. The improvement in product aspects, promotions, marketing communications and distribution aspects, are expected to increase consumer buying and revenue streams Ngargogondo Village SMEs can increase. The development and sustainability of Ngargogondo Village SMEs could support the development of tourism potential in the Borobudur area as a strategic national tourism area in Indonesia.

Author's Contribution

All authors have contributed to the final manuscript. The contributions of each author are as follows, Andhatu Achsa: drafting key conceptual ideas, collecting data, drafting manuscripts; Dian Marlina Verawati: collecting data, data input, drafting manuscripts; and Ivo Novitaningtyas: drafting key conceptual ideas, collecting data, drafting manuscripts, revise manuscripts, corresponding author. All authors discussed the results and contributed to the final manuscript.

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Declaration of Competing Interest

The author declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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