

# IMPLEMENTATION OF TEN TYPES OF INNOVATION AND BUSINESS RETAIL STORE CANVAS MODEL FOR IMPROVEMENT BUSINESS INCOME ON THE GO. SUMBER PLASTIK THESIS

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**Abstract.** Go Sumber Plastik (Go-SP) is a modern retail business company that sells plastic products and similar materials in the Gresik and East Java areas. The retail business market coverage is expanding rapidly and continuously, so there is no worry if this business experiences development in Indonesia. How to implement the Go innovation strategy. Sumber Plastik can maintain its business in an era of intense competition. The subjects in this research were 1 Owner, 1 Personnel and 1 Go Shop Marketing. Sumber Plastik. Go. Sumber Plastik chose to shift its business model to focus on the innovation configuration category to increase business revenue in order to develop offerings (offerings) and experiences (experience). Opportunities from Go. Sumber Plastik is Toko Go. Sumber Plastik expands its market by becoming the main supplier shop in the Gresik area and expanding its branches and business partners. Innovations used by Go. Sumber Plastik has nine innovations used. Go Canvas Business Model. Sumber Plastik targets customers from resellers, MSMEs and communities in need. Go. Sumber Plastik sells directly and by telephone for partners to consult.

**Keywords:** Retail Stores, Increased Income, Ten Types of Innovation, Business Model Canvas

## 1 Introduction

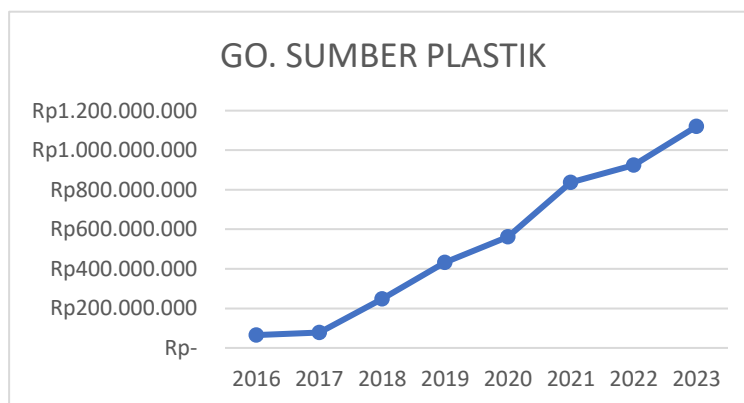
The scope of the retail business market is expanding rapidly and continuously, Therefore, it is not surprising that this business is experiencing growth in Indonesia. Despite its extraordinary growth, little research has been done found literature that focuses on the retail sector, specifically discussing consumer behavior patterns [1]. In making sales, a businessman is not only required to carry out the right strategy. However, it must also be able to provide added value of the products sold so that the price paid by consumers can be afforded provide benefits that can be felt [2]. MSMEs have a proportion of 99.99% of the total business actors in Indonesia or as many as 56.54 million units. Micro small and Medium Enterprises has been able to prove its existence in the Indonesian economy[3]. In general, people feel that the income they currently receive is still insufficient and is a problem that will never be resolved. In general, it can be stated that efforts to increase income can be used [4].

Retail business is a business that sells goods at retail to final consumers in various forms of outlets such as markets, kiosks, department stores and so on. Broadly speaking, there are two

types of retail in Indonesia, namely traditional retail and modern retail. The following examples of what is included in traditional retail are traditional markets and grocery stores. Meanwhile, modern retail includes supermarkets, department stores, boutiques, factory outlets, specialty stores, trade centers and malls (supermalls, plazas) [5]. In general, the characteristics of traditional retail are in good physical condition (some are good), have weak capital/subsidies, payment methods are characterized by a bargaining process, the network that has been built is not yet extensive (regional markets) while the characteristics of modern retail are characterized by good physical condition and luxurious, has strong capital, the payment method sets a fixed price, there are no financing subsidies, the network built is a corporate chain system [6]

Retail business is a business that involves selling goods or services to consumers in unit quantities or retail. Retail business doesn't just make things easier final consumers get their various needs ranging from food, clothing, household equipment and certain services. Retail business is also very important It is important for producers to market their products to the public. This year's retail shop business will increase according to needs the community, one of which is a plastic retail shop, also has many customers or perpetrators businesses that need plastic for daily needs. Go Sumber Plastik (Go-SP) is a retail business company that sells plastic goods and the like in the Gresik and East Java areas, starting from household needs, traders or Micro, Small and Medium Enterprises (MSMEs) to companies or restaurants. Go Shop. Sumber Plastik is a shop modern retail that sells and sells various types of plastic packaging complete range of needs. Competition in the business world is increasing competitors will definitely emerge in the same field, now in the Gresik area There are more and more competing shops because there are more people or businesses MSMEs need plastic packaging. Nevertheless, Toko Go Sumber Plastik is able to compete with the innovation methods carried out. This is reflected with income growth continuing to increase as in the table 1 below:

**Table 1.** Go Revenue Data. Sumber Plastik



The innovations carried out by Toko Go. Sumber Plastik are important to increase the competitiveness and growth of Micro, Small and Medium Enterprises (MSMEs) in the digital era. Digital transformation has had a significant impact on various industries, including MSMEs, and has encouraged the emergence of models and new business opportunities. E-commerce platforms can help MSMEs expand their market reach and increase their sales. A study in found that the majority of MSMEs accept e-commerce and recognizing the importance of e-commerce in business development [7]. Apart from innovation, the strategy carried out by

Toko Go. Sumber Plastik is as a means to achieve long-term goals together. Business strategies can be: geographic expansion, diversification, acquisition, product development, market entry, staff rationalization, divestment, liquidation, and joint ventures [8].

## **2 Research Method**

This type of hypothesis research is a case study qualitative research method, without making hypotheses or assumptions but rather explaining the phenomenon of retail business competition in practice by summarizing theories depending on the field conditions faced. Qualitative research is a research approach that aims to understand and explain social phenomena in depth through interpreting the context, experiences and perspectives of individuals involved in the phenomenon [9]. Qualitative research is aimed at gaining an in-depth understanding of the situation faced and creating a detailed research report [10]. The data source was obtained by conducting interviews with the owner or manager of Go. Sumber Plastik which is located on Jl. Usman Sadar No.36, Karangpoh, Kemuteran, Kec. Gresik, Gresik Regency, East Java 61118. literature study from related books and data from the internet to complete a more updated picture. The data obtained is combined with the results of observations at the Go Retail Store. Plastic Source. In this case, researchers can use four techniques, namely: a) increasing persistence, b) triangulation, c) peer discussion, d) using reference materials (Sugiyono, 2019)

## **3 Results and Discussion**

### **3.1 Analysis of Ten Types of Innovation in Go. Sumber Plastik**

Go. Sumber Plastik uses several tactics to be able to compete and maintain a current business. Go. Sumber Plastik choose shifting business model to focus on innovation categories configuration to increase business income so that it can develop to offering (offer) and experience (experience). Go. Sumber Plastik Doing a combination creates new product strengths and value offerings for consumers and provide easy and convenient solutions needed by tactical customers to be able to increase revenue by take advantage of cost and time efficiencies.

Opportunities from Go. Sumber Plastik is Toko Go. Sumber Plastik expanding the market by becoming the main supplier shop in the Gresik area and expand branches and business partners. Go. Sumber Plastik takes the grade the third level is Change the Game, Level Change The game uses five or more innovations for Go. Sumber Plastik . Innovations used by Go. Source There are nine innovations used in plastic.

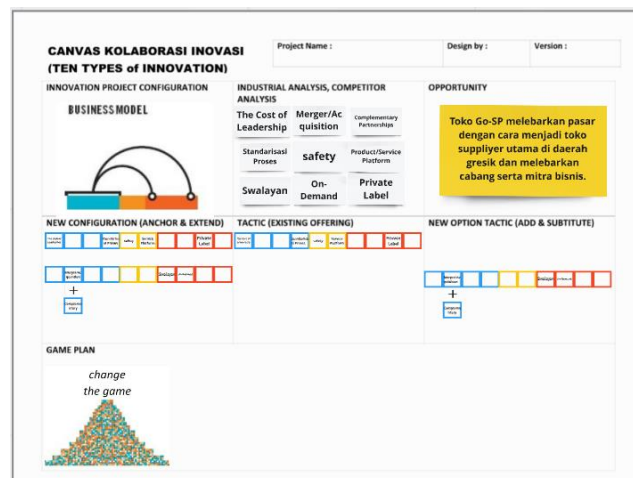


Fig 1. Analysis of Types of Innovation GO. Sumber Plastik

### 3.2 Plastic Retail Store Industry Analysis

The development of a business area in the Gresik area in the shop sector plastic retail, many similar businesses will emerge. This happened in the retail shop industry which has resulted in commercial development increasingly competitive. In increasingly fierce competition, entrepreneurs must have the power competitiveness strong enough to be able to continue to compete with other companies, especially similar businesses. Every company must have a strategy different ways to gain competitive advantage. Business analysis There are more and more plastic retail stores in the Gresik area emerge and have their own unique competitiveness, because they have a service or product offered to customers. In the Shop business Retail also relies on a profit model to reduce prices product sales (HPP) and networking to expand its market, networking that is built in the world of retail store business can expand a market by inviting many partners to collaborate on various things.

### 3.3 Competitor analysis

The Plastic Retail Business in the Gresik area has more and more competitors emerging, So a competitor analysis is needed to find out the advantages and disadvantages shortcomings in a business. Plastic retail shop competitors in the Gresik area are: The Yasin plastic retail store business was analyzed using tactics innovation, namely :

1. The Cost of Leadership, Toko Yasin Keep variable costs low and sell high volume.
2. Localization, Customize offers, processes, or experiences for target a culture or region.
3. Safety, increasing the level of customer trust and security.
4. Loyalty Program, loyal customers will get a discount.
5. On-Demans, Toko Yasin provides delivery services anywhere for partners which is out of stock.
6. Private Label, Provide goods made by other people with the company brand Alone.

The Putra Jaya plastic retail store business was analyzed using tactical analysis innovation, namely :

1. Disaggregate Pricing, Allow customers to buy appropriately and just what they want.
2. Localization, Customize offers, processes, or experiences for target a culture or region.

3. Go Direct, selling directly to customers.
4. Private Label, Provide goods made by other people with the company brand Alone.

### 3.4 Strategy Business Innovation Tactical Go. Sumber Plastik

There are ten stages of innovation types in the researchers' Ten Types of Innovation take nine innovations, because they are considered appropriate to the future business managed by researchers for Go development. Sources of plastic, namely :

1. The Cost Leadership, GO. Sumber Plastik reduces sales prices products by looking for goods that are good quality and cheap. Go. Sumber Plastik sells product prices at low prices, but GO. Source Plastic emphasizes the high quantity of product sales volume. "Prices at the GO Store. Sumber Plastik s are relatively low, bro, however We target sales with large quantities in each sale. This large quantity sales strategy is what makes GO. Sumber Plastik has many partners" – Imam Khoirudin Based on an interview with Mr. Imam, owner of GO. Sumber Plastik says that the strategy of reducing product sales prices (COGS) is a strategy to attract customers to buy in quantity many and can expand their wings by collaborating with customers to become a reseller partner for GO. Sumber Plastik
2. Marger/Acquisition  
GO. Sumber Plastik s increase a revenue by opening a company branches in the surrounding area to be able to control retail store sales plastic in the Gresik area. The following is GO branch data. Sumber Plastik :

**Table 2. GO Branch Data. Sumber Plastik**

NO	ALAMAT
1	GKB: Jl. Kalimantan No.180, Ponganganrejo, Yosowilangun, Gresik, Kabupaten Gresik, Jawa Timur 61151
2	Jaksa: Jl. Jaksa Agung Suprpto No.22, Tlogobendung, Sidokumpul, Kec. Gresik, Kabupaten Gresik, Jawa Timur 61111
3	Usman: Jl. Usman Sadar No.36, Karangpoh, Kemuteran, Kec. Gresik, Kabupaten Gresik, Jawa Timur 61118
4	PPS: Jl. Raya Permata Suci No.50, Suci, Kec. Manyar, Kabupaten Gresik, Jawa Timur 61151
5	Cerme: Jl Raya Cerme Lor No. 81 , Cerme, Cerme Lor, Gresik, Kabupaten Gresik, Jawa Timur 61171
6	Duduk: Jl. Pasar Raya Duduksampeyan No. 81, RW.RT7/RW4, Brakung, Duduk Sampeyan, Kec. Duduksampeyan, Kabupaten Gresik, Jawa Timur 61171
7	Lamongan: Jl. Basuki Rahmat No.2, Tumenggungan, Kec. Lamongan, Kabupaten Lamongan, Jawa Timur 62211
8	Sekapuk: Jl. Raya Latjen Suprpto, Doudo, Sekapuk, Kec. Ujungpangkah, Kabupaten Gresik, Jawa Timur 61154

3. Complementary Partnership  
GO. Sumber Plastik s increase an income by opening reseller partnership for customers who want it. a GO partner. Sumber Plastik can help spread its wings and introduce branding company. The following is GO partner data. Sumber Plastik :

**Table 3. Partner Data Go. Sumber Plastik**

NO	ALAMAT
1	GROBOGAN: Jengglong Selatan, Purwodadi, Kec. Purwodadi, Kabupaten Grobogan, Jawa Tengah
2	Blora: 2CHR+CPH, Jl. Nasional Blora - Cepu, Alugoro, Bangkle, Kec. Blora, Kabupaten Blora, Jawa Tengah 58218.
3	Lasem : Ruko Perumahan Griya, Jl. KH. Abdullah Umar, RT.1/RW.4, Pandeyan, Sumbergirang, Kec. Lasem, Kabupaten Rembang, Jawa Tengah 59271
4	Dukun Sawo: Jalan Raya Petiyin, RT.6/RW.2, Petiyin Kulon, Sawo, Kec. Dukun, Kabupaten Gresik, Jawa Timur 61156.
5	Domas: Jl. Raya Domas No.38, Kebondalem, Domas, Kec. Menganti, Kabupaten Gresik, Jawa Timur 61174.
6	Bungah: Jl. Raya Bungah No.26 A, Lemahdelik, Bungah, Kec. Bungah, Kabupaten Gresik, Jawa Timur 61152
7	Serembi: RJF6+PVF, Jl. Diponegoro, Sekarkurung, Srembi, Kabupaten Gresik, Jawa Timur 61124

4. Process Standardization, GO. Sumber Plastik creates an Operational Standard Procedures (SOP) to regulate all organizational activities and culture company on GO. Sumber Plastik. The importance of an SOP for a company is that the company can run with the regulations that have been made.
5. Safety, GO. Sumber Plastik increases product safety beforehand sold to customers, security improvements carried out by GO. Source Plastic is to carry out Quality Control to check first Before being sold, the goods were damaged or not. If there really is The damage will be sorted and returned to the plastic goods procurement place.
6. Product/Service Platform, GO. Sumber Plastik created a system to be able to control with branches and partners in the procurement of goods. GO. Sumber Plastik uses Google Sheet for sales reporting and procurement of goods so that they can be sent before stock runs out the one in the shop.
7. Self-service, GO. Sumber Plastik designs modern retail stores makes it easier for customers to choose the desired product. GO. Sumber Plastik provides a modern retail store service with Organize items clearly and neatly to make it easier for customers to find them required
8. On-Demand, GO. Sumber Plastik provides ready delivery anywhere at the right time required by customers or partners resellers. The delivery provided has mandatory terms and conditions obeyed. GO Delivery. lastic Sources in areas around Java province East and Central Java.
9. Private Label, GO plastic products. Sumber Plastik provides from the product other people who were given their own labels by GO. Sumber Plastik . Plastic products obtained from the Surabaya area.

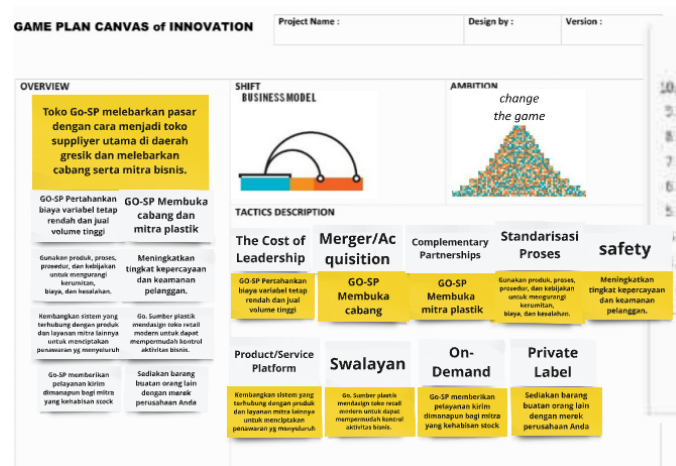


Fig 2. Game Plan Canvas Go. Sumber Plastik

### 3.5 Business Model Canvas Go. Sumber Plastik

In the previous stage, analyze a GO innovation. Sumber Plastik Next, proceed to the stage of determining the canvas business model The developments created can last a long time. This business model canvas ensure that business from upstream to downstream is as well managed as possible support the business running according to plan. Identify the Business Model Canvas on GO. Sumber Plastik s are as follows:

- Customer Segments:
  - Business Needs: Business partners or GO Resellers. Sumber Plastik
  - Individual needs: MSMEs, the general public who need themPlastic
- Value Proposition: Toko Go. Sumber Plastik offers low prices for customers and partners. GO. Sumber Plastik expands the market in a way become the main supplier shop in the Gresik area and expand its branches as well business partner.
- Channel: Direct sales in physical stores and acceptance of reseller orders by telephone.
- Customer Relationship: WhatsApp Business, Dedicated Follow up GO Partners. Sumber Plastik and Direct Sales.
- Revenue Streams: Sell assets for product stock in one payment sale
- Key Partners:
  - Collaborating with suppliers of plastic goods
  - GO Resellers. Sumber Plastik

## 4 Conclusions and Recommendations

### 4.1 Conclusion

From the results of this research using the Ten Types of Innovation method and the business model canvas in the GO Sumber Plastik business, there are several points to conclude the innovation applied by GO Sumber Plastik :

- The Cost of Leadership, GO Sumber Plastik Keep variable costs low and sell high volume.

2. Merger/Acquisition Go. Sumber Plastik expands its market by opening a plastic retail store branch
3. Complementary Partnerships, GO. Sumber Plastik offers collaboration to open business partners so they can share profits together
4. Standardize Processes, Use products, processes, procedures and policies to reduce complexity, costs and errors.
5. Safety, increasing the level of customer trust and security.
6. Product/Service Platform, Develop a system that connects with other partner products and services to create a comprehensive offering.
7. Self-Service, Go. Plastic sources form the basis of modern retail stores to make it easier to control business activities.
8. On-Demand, Go. Sumber Plastik provides delivery services anywhere for partners who run out of stock.
9. Private Label, Provide goods made by other people with the company brand.

Business Model Canvas Go. Sumber Plastik targets customers from resellers, MSMEs and communities in need. Go. Sumber Plastik sells directly and via telephone for partners to consult. Go. Sumber Plastik expands its income by focusing on the market by inviting many reseller partners. Go. Sumber Plastik supplies goods to meet Go's procurement needs. Plastic Source.

#### 4.2 Recommendations

1. Further research should take data from more businesses in the field of similar plastic retail stores. not just 1 and 2 retail store competitors. In order to obtain more valid research results in the form of innovation & tactics
2. Future researchers are expected to prepare themselves better in the research process, namely taking and collecting data so that they can obtain research results, so that the research can run smoothly and well so that this research can be used as reference material for future researchers.

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