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EXECUTIVE SUMMARY

Rona.Co is a Malaysian apparel retailer based in Kuala Lumpur. This company was founded to provide people with middle and low incomes with the opportunity to experience and use products that only the wealthy have significant exposure to. Fast fashion is the company's specialty, and it sells clothing, accessories, shoes, handbags, beauty products, and perfumes.

The Business Capital Canvas, or BMC, is a tool for visualizing business concepts and ideas. Rona.Co uses BMC to get a quick overview of the business, such as what Rona.Co's value proposition is, who Rona.Co's target customers are, and many other concerns. BMC is important in ensuring that a business has a relevant direction and easy-to-understand visualization. Key partners, key activities, key resources, value propositions, customer relationships, distribution channels, customer segments, revenue streams, and cost structure are the nine boxes that BMC has. All of these BMC components are critical to comprehending the business model.

In addition to BMC, Rona.Co performs SWOT analysis, which is used to evaluate Rona.Co based on facts and data obtained from Rona.Co business's strengths, weaknesses, opportunities, and threats. Rona.Co is a start-up business that is becoming more dominant and well-known around the world, particularly in Asia, because it provides a wide range of options at reasonable prices. Nonetheless, Rona.Co has some weaknesses and threats that could threaten the company if effective and efficient initiatives are not implemented. As a result, the Uniqlo and H&M businesses are regarded as Rona.Co's main competitors in the industry, and Rona.Co is accustomed to making constant improvements in terms of products and services.

Though, of course, every business has its own set of issues. We have a problem in this business because of the young people who want a high-quality product at a low price. This is our issue because our target market is a young generation, and of course they want a low-cost product because they want to save as much money as possible while still getting a nice, stylish, and high-quality product.

After all needless to say, there is always a solution to a problem. Rona.Co as well tries to find a solution to this problem, and we find a solution in which Rona.Co tries to reduce the cost of our product, worker wages, and raw material costs in our company. Though, in general, we can

say that our company will try to expand our target market as well as the market in other countries so that no other people on a mid and low wage will be able to buy and use what the rich people get to buy and use.



INTRODUCTION

3.1 Company Background



Rona.Co is a Malaysian apparel retailer based in Kuala Lumpur. The company specializes in fast fashion and sells clothing, accessories, shoes, handbags, beauty products, and perfumes. Rona.Co was founded in 2019 by a group of fresh graduates, all of whom now hold key positions within the Rona.Co organization. Rona.Co is a clothing retailer with well-known brands, primarily in Asia, that offers products and services at lower prices while maintaining quality comparable to leading international brands. Rona.Co's mission and vision is to ensure that everyone is able to be stylish and improve their social status which indirectly leads to an improvement in living standards. Rona.Co has 900 stores in 25 countries including Malaysia.

Rona.Co stores have men's and women's clothing as well as children's clothing (Rona's Kids). Rona.Co's products are supplied based on consumer trends. The majority of Rona.Co customers range from 18- mid 30s. years old. Its highly responsive supply chain ships new products to stores twice a week. After products are designed, they take 7 to 14 days to reach the stores. All of the clothing is processed through the distribution center in Vietnam. New items are inspected, sorted, tagged, and loaded into trucks. In most cases, the clothing is delivered within 48 hours. Rona.Co produces over 200 million items per year. In addition to clothing and accessories, Rona.Co has also launched its first beauty line, Rona's Beauty in early 2020.

3.2 Purpose of BMC Preparation

The Business Model Canvas is a strategic management template for creating new business models as well as documenting existing ones. It provides a visual chart with elements that describe a company's or product's value proposition, infrastructure, customers, and finances, assisting businesses in aligning their activities by illustrating potential trade-offs. The BMC provides a comprehensive overview of our business concept from every angle. Thus, controlling the strategy department, or management, for example, receive precisely the information that is important to them. Startups can use the BMC to present their business ~~idea~~. The BMC can also be used by corporations for new projects.

3.3 Problem Statement

Rona.Co target market is the young and those who are highly sensitive to the latest fashion trends but the problem is they demand a low price and good product quality. These people demand the latest fashion trend and a good quality with an affordable price. They love to mingle around with trendy outfits but their life is a low living. People these days are more to take care of their appearance but at the same time, they want to take care of their ~~pockets~~ too.

3.4 Opportunity Recognition

As a specialist in this fashion industry, Rona.Co takes part to solve the problem of young people who want trendy outfits with an affordable price. Rona.Co produces a variety of clothing, accessories, shoes, handbags, beauty products, and perfumes with a good quality but at the same time with a low price. We manufacture our product in Vietnam to cut the cost of operation because in Vietnam the employee wage rate is lower than Malaysia. We also take care of our quality and always monitor the quality of our product. Rona.Co also buys the raw materials in bulk to reduce the cost of raw materials. The more we buy, the cheaper we ~~can~~ get. The cheaper the cost of production, the cheaper we can sell our product to our customer.

3.5 SWOT Analysis (two competitors)

Strength

Rona.Co main strength is the reasonable price with the good quality of all the products. This is a pricing strategy that Rona.Co uses to get and attract more customers. Rona.Co products are available from moderate to low rate of price. The reasonable prices and unique design are mainly targeting the target market which is youth with a low living. These target markets demand fashionable outfits with the affordable price and Rona.Co successfully produces the product that can match with their demand. This kind of pricing strategy has led Rona.Co to the huge loyal customer. The youth can buy Rona.Co products without worrying about the price and they can shop regularly without worrying about spending too much money and just get one cloth.

Compared with H&M and Uniqlo. Rona.Co is way better. H&M definitely is popular with their affordable price but the quality of their product is bad. They do not take care of the quality of materials that they use. A lot of feedback says that their product super easily falls apart and destroys and cannot be worn frequently. It is different from Uniqlo, Uniqlo and Rona.Co have a minimal difference about price and the quality of materials. Uniqlo uses a higher materials quality but is able to sell it at an affordable price. For example, Rona.Co sells knitwear at the price of RM60 but Uniqlo is able to sell it at RM58.

The next strength of Rona.Co is its strong supply chain. Rona.Co has a very strong connection with the supplier in Vietnam. Rona.Co are using IT technology to simplify the flow and data communication. This can make the sharing information and interaction between Rona.Co and suppliers easy. The raw materials flow is more flexible and faster by using the technology. The good flow of communication with the suppliers can make Rona.Co able to release the new design in only 14 days and directly send the stock to the retail store. Rona.Co also reaches 900 retail stores in 25 countries around the globe.

Compared with the two competitors which are H & M and Uniqlo. Uniqlo has a problem with the supply chain even though they are operating its business in more than 17 countries. Uniqlo is a little slow in adapting to the latest trends which is online shopping. They have issues where they have a problem with expanding Uniqlo in the global market. While H&M has very low control

of their production. H&M very depends on third party suppliers which lead to company order commitments.

Weakness

As the other clothing brand, Rona.Co also has weaknesses. There are a few areas that Rona.Co need to improve to remain relevant in the industry. The weakness is Rona.Co has fewer stores in a few markets. The businesses have covered Asian countries but Rona.Co have less stores in Australia, United Kingdom, Russia, Spain, Canada and more. Rona.Co needed to widen their market and opened a lot of stores in European, American and Africa countries.

Compared to the Uniqlo brand. Their brand already goes worldwide. They have opened more than 2252 stores in more than 17 countries. They have entered the west countries such as Spain, Germany, the United Kingdom, France and many more. H&M also has expanded their brand across the globe and more than 60 countries have H&M stores. H&M is a strong brand that has a presence in a lot of countries and this is a plus point for them to reduce the business risk.

Opportunities

There are a lot of opportunities that can give the business an advantage to expand the business. Rona.Co sees a huge opportunity in e-commerce that can give the company advantage and huge profit. Nowadays, people tend to buy everything online. Everyone stays at home during this pandemic. This opportunity can give a big impact to the brand. Rona.Co needs to start producing a variety of products for e-commerce. People nowadays rarely shop at the physical store and love to do online shopping.

Compared to H&M and Uniqlo, both of the competitors also have the same opportunity, H&M have their own ecommerce platform in a lot of countries. They just need to expand the e-commerce platform to reach their larger market. Uniqlo brands, they are also striving and taking this opportunity to expand their brands to all over the world using e-commerce.

Threat

There are a lot of factors that can happen to give the business a harm and potential to drop down. The clear threat to all of the business is competitors. Rona.Co is facing great competition from the fashion industry including H&M, Uniqlo, Zara, Padini and many more. Rona.Co and the competitors have a great competition to give their best in marketing and sales. Even though Rona.Co has established a great quality brand and has a strong supply chain, it does not mean Rona.Co did not have the challenge towards the competitors.

Uniqlo is also having a threat on competition. The Uniqlo brand has less presence compared to the other brands. It makes Uniqlo more difficult to compete with the other brands that already have a strong presence in the global market. H&M also has intense competition in the fashion industry either global or local. Producing clothing after trends from the other brands also can make H&M competing with others who are starting the trends first. Every brand is aware about their competition and they are trying their best to survive in this industry.

BUSINESS PROPOSAL

4.1 Business Model Canvas (BMC)

Unique Value Proposition

Unique value proposition is what customers are really looking for and as entrepreneurs, we will meet their needs and solve their problems. A unique value proposition is a concise statement that describes the benefit of your offer, how you meet the needs of your customers, and what sets you apart from the competition. Your unique value proposition should be prominently displayed on your landing page and throughout your marketing campaigns. Furthermore, the Unique value proposition indicates how an entrepreneur created a product or service that is similar to a competitor but emphasizes the uniqueness of the product or service with improvements based on customer needs.

Customer Relationship

Customer relationship is a key building block in the Business Model Canvas that defines the relationship created between customer segments. Customer relationships that you build will have a significant impact on your customer experience, which will lead to increased revenue and customer loyalty. It is up to the entrepreneur to establish a customer relationship that will provide the best possible experience for your customer. In a customer relationship, the entrepreneur must think how to get, grow, and keep customers in order to ensure customer loyalty.

Channels

The Channel building block describes how a company communicates with and reaches out to their customer segments in order to deliver value propositions. It is important to understand and identify which channel is best and most effective for the company to use to reach the customer. The channel chosen must be capable of increasing customer awareness of the company's products and services, as well as assisting customers in evaluating a company's value proposition. Furthermore, the chosen channel should allow customers to purchase the specific products and services. Channel is also one of the platforms used to connect with customers in order to obtain feedback and online reviews as physical evidence of a company.

Customer Segments

Customer segments are communities or groups of people to whom a company aims to sell its products or services. Customer segments can be divided into several groups based on their common needs, behavior, and other characteristics. Customer segments can also be defined by demographics such as age, ethnicity, and gender, as well as psychographics such as spending habits, motivation, and interests. Based on the suitability of their products and services, businesses can choose to target one or more groups. When a company has chosen customers in an indirect way, it can create value propositions and create a better business model to meet the needs of the customers.

Revenue Streams

Revenue streams are the different ways in which a company makes money via the selling of goods or the supply of services. The sorts of income that a company records on its books are determined by the activities that the company performs. In general, the revenue accounts of retail companies are more diversified than those of service businesses.

Cost Structure

The term "cost structure" refers to all of the fees and expenses that your firm will spend while running your business model. This is the most crucial stage in the process since it will assist your team determine whether to pivot or continue. Cost structure is classified into two types which are value-driven and cost-driven. The goal of value-driven cost structures is to add more value to the product rather than to provide it at the lowest feasible cost. Cost-driven cost structures, on the other hand, are concerned with lowering the expenses of the product or service as much as feasible.

Key Activities

These are the most crucial tasks that a firm must complete in order to achieve its business goals. A firm must carry out essential activities that are largely determined by its business model in order to be successful. Key activities are similarly important in an organization's fulfillment of its value offer, reaching its customer segments, maintaining customer connections, and eventually creating long-term income streams.

Key Resources

The term "Key Resources" refers to the most significant assets needed to make a business model operate. These are the resources that enable an organization to develop and deliver a Value Proposition, enter markets, maintain connections with Customer Segments, and generate income. Consider the first four blocks while constructing the Key Resources section. Any acceptable hypotheses that have been accepted thus far will have to be fully accounted for in terms of resources. Many resources will be evident and may not require any discussion.

Key Partner

Key Partners are connections that a firm has with other entities that aid in the operation of the business model (for instance, suppliers, manufacturers or advisors). These collaborations provide the assistance required to succeed in areas that would be inefficient for the firm to handle on its own. The key partner works with the network of partners who implement the Business Model. A partnership is formed when two business entities create a relationship. This connection can be more liberating when each side of the alliance is free to create new partnerships, or it can be exclusive, with each side confined to a single partnership and no other concurrent relationships.

4.2. Explanation of BMC

Unique Value Proposition

In this era of globalization, society attaches great importance to a lifestyle, one of which is self-appearance by enriching branded clothes, wearing handbags from well-known brands and wearing accessories in line with fashion trends. People now believe that wearing branded clothing, accessories, and handbags reflects their socioeconomic status. However, most branded goods are expensive, and their customer segmentation is more towards the rich and not everyone can afford it. Therefore, Rona.Co, a Malaysian apparel retailer that is now known as one of the top ten popular brands in Asia and one of the strongest brands in the world, offers clothes, accessories, shoes, handbags, beauty, and perfumes under the brand Rona.Co, a brand that is well-known and offers a fresh, trendy and unique product offered at medium to lower price with comparable quality to competitors. Rona.Co offers clothing and accessories that are in line with current fashion trends. Furthermore, Rona.Co provides gift wrapping services to customers who purchase clothing or

accessories from Rona.Co. This differentiates Rona.Co from its competitors. With Rona.Co, anyone can be stylish in line with the latest fashion trends at an affordable price. Rona.Co was created specifically to meet the needs of people who want to improve their lifestyle by wearing branded clothing and accessories at affordable prices.

Customer Relationship

In terms of customer relationships, Rona.Co employs a global customer feedback system to quickly change and improve its existing clothing lines. Rona.Co is able to make improvements and respond to customer comments at a rapid pace by utilising this system, which eliminates the need for customers to wait for long periods of time. Furthermore, Rona.Co approaches customers through customer impulse, which is a customer's proclivity to purchase products and services without advance planning. In other words, Rona.Co frequently runs sales and promotions that influence customers to buy now or may lose it. In addition, Rona.Co pays a premium to locate stores as close to and sometimes adjacent to luxury brands as possible. Rona.Co also provides a variety of additional services, such as free gift wrapping for all products purchased from Rona.Co. Customers can buy not only at Rona.Co stores, but also at Rona.Co's official websites, and Rona.Co offers free shipping on orders over RM200, as well as free returns.

Channels

Rona.Co is one of the world's strongest brands, particularly in Asia. As a result, Rona.Co has numerous channels through which to reach Rona.Co customer segments and deliver value propositions. Among the channels used by Rona.Co is store, where the company has 900 stores in 25 countries where customers can come in person to purchase products and enjoy the services provided. Furthermore, Rona.Co has an official website where customers can access the clothing and accessories available and make a purchase. Customers can also provide feedback or make a complaint through these websites, and they will be responded to within 24 hours. Furthermore, Rona.Co has social media accounts on Twitter, Instagram, and Facebook, which allow the company to communicate with customers and spread awareness about the Rona.Co brand. Rona.Co has an average of 200 thousand followers across all social media platforms, allowing Rona.Co to spread and convey information about Rona.Co to a wider public.



Customer Segments

Rona.Co was established to meet the needs of customers in order to improve their living and social standards. Despite being a well-known brand, Rona.Co offers quality products at lower prices. Rona.Co, on the other hand, still has customer segments where Rona.Co's target market is the young and those who are highly sensitive to the latest fashion trends, as Rona.Co is very sensitive to changes in fashion and current trends. Rona.Co always creates apparel that are fresh, trendy, and unique for young customers who are fashion-conscious. Rona.Co has an advantage over traditional retailers because they do not define their target segmentation based on ages and lifestyles, allowing them to reach a much broader market.

Revenue Streams

Revenue streams are the earnings generated by a company as a result of certain pricing methods and channels. Simply put, Rona.Co can take the shape of these income models which are transaction-based revenue, service revenue and project revenue. For transaction-based revenue, Rona.Co can proceed from the sale of products that are often one-time payments from customers. The product's pricing includes the manufacturing expenses and profit. By increasing the margin, the company may make more revenue from sales. Besides that, Rona.Co also can use service revenue for the revenue stream. Service revenue is created as a result of delivering services to customers and is calculated on a time basis. For example, the amount of consulting hours offered. Last but not least is project revenue. Project revenue is one-time initiatives with existing or new customers to generate revenue for example deployment of new buildings. After examining submissions from several parties, these types of projects are awarded to one or a few individuals.

Cost Structure

The cost structure example startup relates to the many sorts of company cost structures that might affect a startup's success. Some may believe that as long as a company generates the same amount of profit as another company with identical activities, the cost structure it employs is irrelevant. However, an examination of what happens to a company's break-even point when its cost structure changes expose the distinction. For example, Rona.Co's fixed cost structure is significant since the firm intends to begin operations by spending extensively in production equipment, machinery, and facilities for producing and selling its own product. Although this

option results in a reduced variable cost, it has a significantly greater fixed cost.

Key Activities

A firm's key activities indicate what the company must accomplish in order for the business model to succeed. In this situation, Rona.Co can focus on three or five key activities that are going to keep the business going well. Rona.Co can focus more on business development, market research, sales and marketing. For business development, Rona.Co can build relationships with partners. These might be supply chain management partners or a single person who may refer business to Rona.Co in the future. Besides that, Rona.Co can discover customer motives, issues, and possible rivals in order to improve market research. It can also assist Rona.Co in determining if the firm and industry are expected to progress in an upward or decreasing trend over the following several years. For marketing activities, Rona.Co have to generate interest in their brand and product through content production, paid advertising, or other distribution channels.

Key Resources

The resources are required to provide value to customers. They are seen as assets and are required to sustain and support the business. These resources are divided into four major groups which are physical resource, human resource, intellectual resource and financial resource. Physical resources are tangible items that are used in the operation of the business such as raw material, buildings, vehicles, transportation, storage facilities, machines and factories. Meanwhile, human resources are the individuals who make up an organization's, business sector's, industry's, or economy's workforce. For example, staff, talented engineers or marketing experts. These resources are particularly valuable in firms that operate in the knowledge-intensive and creative industries. Intellectual resource refers to the economic worth of a company's combined knowledge and resources such as the Rona.Co brand, patents, copyrights, strategic alliances, and consumer databases. Lastly, financial resources. Financial resource is the amount of money available for spending by the firm such as cash or credit.

Key Partner

Key partner is an important requirement to fulfil before manufacturing a product, a key partner is one of the most important parts of starting a business. For example, companies like Rona.Co who sell clothing need to have fabric itself, design and other fashion tools. The buyer-supplier collaboration is supported by important partners by collaborating with JAKEL, Malaysia's top textile importer and retail outlets, Rona.Co is able to manufacture its own leading brands of clothes that fit every viewpoint of modesty in each individual. JAKEL and Rona.Co would gain from each other as a result of this. This collaboration was reached when both the buyer and the supplier met with the buyer's quotation.

CONCLUSION

In conclusion, Rona.Co specializes in fast fashion and sells clothing, accessories, shoes, handbags, beauty products and perfumes that offer these products at a lower price while maintaining the quality. It is because our target market is the young and those who are highly follow up to fashion trends. But most of the customers are from low-cost living so they need to budget their money in spending to their wants. To deliver a high quality for the products, we always take care and monitor the quality of the products during the process.

Through SWOT analysis, Rona.Co main strength is the reasonable price with the good quality for all of the products, meanwhile our weakness is we had fewer stores in a few markets. We need to cover more areas in a few countries so that we can reach everyone that needs to buy a low price with high quality products. Besides, one of Rona.Co opportunities is selling the products in e-commerce since people nowadays stay at home during the pandemic and that leads them to buy everything online. But Rona.Co is facing great competition in the fashion industry including H&M, Uniqlo, Zara, Padini and others. It is quite challenging to strengthen our stores in this industry but one day we surely want to exceed all of them and be a strong competitor in the future.

After that, we are using the Business Model Canvas (BMC) to define our business idea effectively. In a unique value proposition, Rona.Co offers clothes, accessories, shoes and many more that are always in line with current fashion trends with a good quality and affordable price so that everyone can be stylish in their own ways. In terms of customer relationship, Rona.Co is able to catch up by using a global customer feedback system. Rona.Co also has numerous channels including 900 stores in 25 countries and an official website so that everyone can access any platform to purchase the products. For customer segments, Rona.Co was established to meet the needs of customers in order to improve their style in fashion with the latest fashion trends.

Furthermore, the various methods in which a company makes money through the sale of goods, or the provision of services are referred to as revenue streams. Next, cost structure is the most crucial stage in this process since it will determine whether to pivot or continue. The key activities of a company highlight what it must accomplish in order for the business model to flourish. For key resources, it is the most significant asset needed to make a business model operate. Lastly, key partners are connections that a company has with other entities that help the

business model run smoothly.

To sum up, we hope that through this business we can help people in satisfying their wants in buying high quality products but at lower prices than any other stores.



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APPENDICES





TURNITIN REPORT

