

DESIGNING A COMPETITIVE STRATEGY DEVELOPMENT USING THE BUSINESS MODEL CANVAS (BMC): A CASE STUDY ON CV. AJ

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Abstract: This study aims to evaluate and design a competitive strategy using the Business Model Canvas (BMC) in the context of a poultry feed distribution company, CV. AJ, operating in South Kalimantan. The research employs a qualitative case study approach, with data collected through in-depth semi-structured interviews and document analysis involving internal management, customers, suppliers, and strategy experts. The BMC framework is used as an analytical tool to assess the alignment between business model elements and the company's competitive strategy. The findings reveal that the expansion of the product portfolio through the introduction of a new feed brand (brand B) represents a viable and sustainable competitive strategy when supported by an appropriate configuration of the business model. Competitive advantage is primarily derived from a differentiated value proposition that emphasizes acceptable feed quality combined with financial support mechanisms, such as competitive pricing and deferred payment schemes. The results further indicate that the addition of brand B does not require significant changes in CV. AJ's key activities as a feed distributor, highlighting the importance of operational efficiency, customer prioritization, and cash flow management rather than operational expansion. This study provides practical recommendations across all elements of the Business Model Canvas that can be directly implemented by CV. AJ to address intensified competition in the duck feed distribution market. From a theoretical perspective, the findings extend the application of the BMC framework to distribution-based SMEs in the agricultural input sector, where competition is driven largely by financial flexibility and relational proximity rather than innovation-led differentiation.

Keywords: *Competitive Strategy, Business Model Canvas, Value Proposition, Feed Distribution, South Kalimantan.*

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1. Introduction

The increasingly dynamic and competitive market environment compels firms to continuously reassess and refine their competitive strategies in order to sustain their market position. In industries characterized by price sensitivity and low product differentiation, such as poultry feed distribution, the ability to align internal business models with external market conditions becomes a critical determinant of long-term competitiveness. However, many small and medium-sized enterprises (SMEs) struggle to systematically evaluate whether their existing strategies remain effective amid intensifying competition and fluctuating input prices.

This challenge is evident in CV. AJ, a poultry feed distributor operating in South Kalimantan, particularly in the duck layer feed market. The company operates in an environment marked by increasing competition among feed brands, frequent price adjustments, and highly price-sensitive customers, namely poultry farmers. Although CV. AJ has attempted to respond to competitive pressures by expanding its product portfolio through the addition of similar feed brands, the effectiveness of this strategy in strengthening its competitive position has not been systematically evaluated. As a result, the company faces uncertainty regarding whether its current business model is capable of sustaining competitive advantage in the long term.

South Kalimantan Province represents a strategically important market for duck layer feed distribution due to its relatively high duck egg production. Data from Statistics Indonesia (BPS) show that during the 2021–2023 period, South Kalimantan consistently ranked among the top five provinces in duck egg production in Indonesia (Direktorat Jenderal Peternakan dan Kesehatan Hewan, 2025). This production potential is further reinforced by strong local demand for duck eggs, which are widely consumed as part of traditional cuisine (Yasinta, 2024). Consequently, the province has attracted numerous feed brands competing for market share, thereby intensifying competition among distributors and suppliers.

In such conditions, feed price volatility becomes a critical competitive factor. Increases in feed prices often prompt poultry farmers to switch to alternative brands offering lower prices, regardless of marginal differences in quality. This market behavior places pressure on distributors such as CV. AJ to not only compete on price but also to manage relationships with suppliers, optimize cost structures, and deliver value propositions that are perceived as attractive by customers. However, without a structured framework to analyze these interrelated elements, strategic decisions risk being reactive rather than strategic.

Previous studies suggest that the Business Model Canvas (BMC) is an effective tool for evaluating and redesigning business strategies, as it enables firms to holistically analyze key components such as value propositions, customer segments, revenue streams, and cost structures (Akbar & Rossietta, 2024; Harianto & Soenardi, 2022). Existing BMC-based research has predominantly focused on manufacturing companies, startups, or MSMEs engaged in production-oriented activities. Limited attention has been given to trading and distribution-based firms, particularly in the agricultural input sector, where competition is driven largely by price dynamics and distribution efficiency rather than product innovation.

This study addresses this gap by applying the Business Model Canvas to evaluate the competitive strategy of CV. AJ as a duck layer feed distributor. By systematically analyzing the current business model and identifying misalignments between internal strategic components and external market conditions, this research aims to provide strategic insights that can support the development of a more sustainable and competitive business model. In doing so, the study contributes to the literature by extending the application of the BMC framework to the context of poultry feed distribution, while offering practical implications for SMEs facing similar competitive pressures.

2. Research Method

This study aims to examine the design of competitive strategies at CV. AJ by applying the Business Model Canvas (BMC) as an analytical framework. The research employs a qualitative approach with a case study design to gain an in-depth understanding of how CV. AJ develops and adapts its competitive strategies, particularly through the expansion of its feed brand portfolio within a highly competitive market environment.

The case study approach was selected to capture the complexity of strategic decision-making within a real organizational context. A total of seven informants were purposively selected based on their direct and indirect involvement in the formulation and implementation of competitive strategies at CV. AJ. These informants consisted of internal management representatives, operational staff, customers, and suppliers who possess relevant knowledge of the company's business processes and strategic practices.

Primary data were collected through semi-structured, in-depth interviews, allowing the researcher to explore informants' perspectives on the company's competitive strategy and the rationale behind the addition of new feed brands. The interview guide was structured around the nine building blocks of the Business Model Canvas: customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure. Secondary data were obtained from company documents, sales records, partnership agreements, and other relevant archival materials to support and validate the interview findings.

The Business Model Canvas served as the primary analytical tool in this study. Data analysis was conducted through several systematic stages. First, interview transcripts and supporting documents were coded and categorized according to the nine elements of the BMC. This process enabled the researcher to map CV. AJ's existing business model by identifying key strategic attributes within each BMC component.

Second, the mapped business model was evaluated to assess the coherence and alignment among BMC elements, particularly in relation to the company's competitive strategy and market conditions. Special attention was given to the impact of expanding the feed brand portfolio on value propositions, cost structure, key partnerships, and revenue streams. This evaluative process allowed the researcher to identify strengths, weaknesses, and potential strategic gaps within the current business model.

Third, insights obtained from the evaluation were synthesized to formulate strategic implications and recommendations for improving CV. AJ's competitive strategy. This synthesis focused on how the BMC elements could be refined or reconfigured to enhance the company's ability to compete sustainably in the duck layer feed market.

To enhance the credibility and validity of the findings, data triangulation was conducted in two stages. The first stage involved triangulation across different groups of informants, including internal stakeholders, customers, and suppliers, to ensure consistency of information. The second stage involved consultation with strategy experts, whose perspectives were used to validate the interpretation of the BMC analysis and strengthen the robustness of the conclusions. By integrating multiple data sources and analytical perspectives, this study minimized potential bias and improved the reliability of the research findings.

3. Results and Discussion

The research was conducted in January 2025 within the distribution area of CV.AJ in South Kalimantan. Data collection was carried out through interviews with key informants and supported by relevant documents. In this study, seven informants were interviewed to obtain diverse perspectives for the design of CV.AJ's competitive strategy development.

First, perspectives were obtained from company leaders, employees, and feed suppliers to identify and evaluate CV.AJ's current business model. Second, interviews with three customers were conducted to assess and evaluate CV.AJ's business model, particularly concerning the sales of the newly introduced feed brand. Third, a strategy expert was consulted to provide

insights into the design of CV.AJ's competitive strategy in relation to the addition of the new feed brand.

Data triangulation was performed in two stages. The first stage involved informants related to customers, CV.AJ's internal stakeholders, and suppliers. This process included data reduction, open coding to generate categories from each informant's statements, and axial coding to establish relationships between categories, which led to the identification of thematic findings regarding CV.AJ's business model. The second stage involved data analysis with the strategy expert, aimed at refining thematic findings and developing recommendations for the design of competitive strategy improvements in CV.AJ's business model. The analysis of CV.AJ's business model focuses on the portfolio expansion strategy through the sales of a new feed brand, which forms part of the company's competitive strategy development. The analysis results are presented as follows:

1. Expansion of Customer Segments Through the Sales of Feeds A, B, and C

The expansion of customer segments through the sales of feeds A, B, and C illustrates the categorization of customers formed from the sales of the three duck feed brands, which in turn influences the brand identity of each product. This condition can be analogized to well-known cases such as Indomie as a first brand and Supermie as a second brand, or Wardah for the low-price segment and Makeover for the premium-price segment. In the context of duck feed distribution, the expansion of customer segments may be categorized based on customer type, marketing area, selling price, feed quality, and feed texture—each of which is tailored to feeds A, B, and C. Consequently, CV.AJ can highlight the distinct identity of each brand to address diverse market needs, thereby strengthening its competitive strategy development.

2. CV.AJ's Business Model Offers High-Quality Feed and Financial Support

Based on the identification and evaluation of CV.AJ's internal operations and customer perspectives, the business model is able to address customer problems and fulfill customer needs, which can be understood as its value proposition. The value offered by CV.AJ's business model derives from both feed quality and financial aspects. Feed products that are of good quality and offered at relatively affordable prices are generally sought after by customers.

The quality of brand B feed can be demonstrated by its impact on the resulting egg yolk color, its non-disruptive effect on ducks' feeding patterns, the proper granule size of the feed, and the absence of customer complaints. In addition, brand B feed also provides financial value, as its price is relatively lower compared to other duck layer feed brands. Moreover, additional financial value can be exchanged within the distributor's business model under a business-to-business (B2B) context, particularly through deferred payment services. Such services constitute an exchangeable value that supports CV.AJ's business activities.

Therefore, the development of a competitive strategy through the introduction of the new product—brand B feed—offers significant value in terms of both quality and financial support, enabling CV. AJ to effectively compete with other feed brands.

3. Retaining Customers Through Financial Approaches

Based on the identification and evaluation of how CV.AJ's business model manages customer relationships, it is evident that customer services are primarily driven by the motivation to retain existing customers and attract new ones. A financial approach is applied, considering that each customer generally already has a preferred supplier (other agents or distributors). Customer relationships are managed in a relatively personal manner,

aiming to support customers' businesses in a way that ensures satisfaction and strengthens loyalty. Therefore, within the development of competitive strategies, a financial approach is employed to maintain customer retention through deferred payment schemes, product discounts, and relatively lower feed prices.

4. Marketing Strategy for the New Feed Brand

CV.AJ's business model communicates and reaches customers for the sales of brand B, a newly introduced feed product, through direct interaction with existing customers of duck layer feed, without involving third parties. The new brand is marketed at a relatively lower price, which encourages customers to try the product, thereby increasing awareness of brand B among duck feed customers in South Kalimantan. In addition, the marketing of brand B is supported by customer evaluations of feed quality, including its impact on egg production, attractive feed color, and favorable texture. As a new brand, feed B also requires after-sales services such as providing compensation and managing customer complaints promptly, ensuring that issues can be addressed by the feed manufacturer in a timely manner.

5. Appropriate Pricing Strategy for CV.AJ's Business Model

The revenue stream of this business model is generated from customer segments and is closely related to the pricing strategy for each feed brand. Considering the contribution of each brand to total sales turnover can serve as a reference for setting the selling prices of feeds A, B, and C to support CV.AJ's revenue stream. This condition provides a recommendation for CV.AJ's business model to determine appropriate pricing strategies for the three brands by taking into account the targeted customer segment categories, the contribution of each brand to overall sales, and the management of stock that must be sold within a limited timeframe.

6. Strong Financial Resources

The primary resource required by this business model is strong financial capacity to support the sales of the new feed brand and to maintain customer relationships. Robust financial resources are essential for purchasing new feed stock on a cash basis and for building trust with suppliers, particularly in efforts to secure a role as the sole distributor. With the addition of a new feed brand, strong financial support is also necessary to cover the expenses incurred in selling the new product so as not to disrupt the sales performance of the existing feed brands.

7. Focus on Distribution and Customer Activities

The addition of a new feed brand does not significantly alter the core activities of CV.AJ's business model. This is because the customer base remains the same, although the range of feed products has diversified and stock management has become more extensive. Although there are no major changes in terms of activities, the effectiveness and efficiency of company performance must be carefully managed to achieve organizational goals. CV.AJ's business model can apply the Pareto 80/20 principle to its main activities as a distributor, focusing on customers who contribute most to sales and revenue. Furthermore, the company must consider the provision of deferred payment services to ensure financial stability while maintaining strong customer relationships.

8. Optimization of Resource Allocation and Activities Between CV.AJ and Suppliers

Business partnerships with suppliers are established for various reasons and motivations. In this business model, the optimization of resources and activities between CV.AJ and its suppliers serves as the main motivation behind the collaboration. Suppliers are expected to optimize feed quality and maintain strong relationships with buyers. As the buyer, CV.AJ optimizes distribution channels for duck layer feed across South Kalimantan

by engaging directly with farmers and poultry shop owners. Optimization with suppliers also requires regular evaluation of feed availability to ensure supply stability. The relationship, designed to optimize resource allocation and activities, is non-binding in nature. The addition of a new feed brand has not disrupted the existing cooperation with the two prior feed brands.

9. Feed Procurement Costs as the Most Critical Expense

Since the addition of the new feed brand, the most critical operational expense in CV.AJ's business model has been feed procurement, which requires cash payments. For the older feed brands A and C, procurement costs could be managed through deferred payment schemes. However, the procurement of the new brand B feed requires cash payment, while customers generally purchase on credit. This condition necessitates careful management of cash flow and customer receivables to ensure timely payments to suppliers or feed manufacturers. Consequently, feed procurement costs have become larger than before. Under this condition, CV.AJ must also pay attention to other operating costs and avoid unnecessary expenses, such as purchasing feed beyond the company's capacity or investing prematurely in digital marketing, which could lead to excessive costs if not yet required.

Given the increasing intensity of competition among feed brands and the recurring rise in feed prices in the future, CV.AJ must design and develop competitive strategies to ensure the sustainability of the company. The results of the data analysis indicate that the portfolio expansion strategy through the sales of a new feed brand can be sustained and further developed as part of the company's competitive strategy. This strategic direction is illustrated through the elements of CV.AJ's Business Model Canvas, as presented in Figure 1.

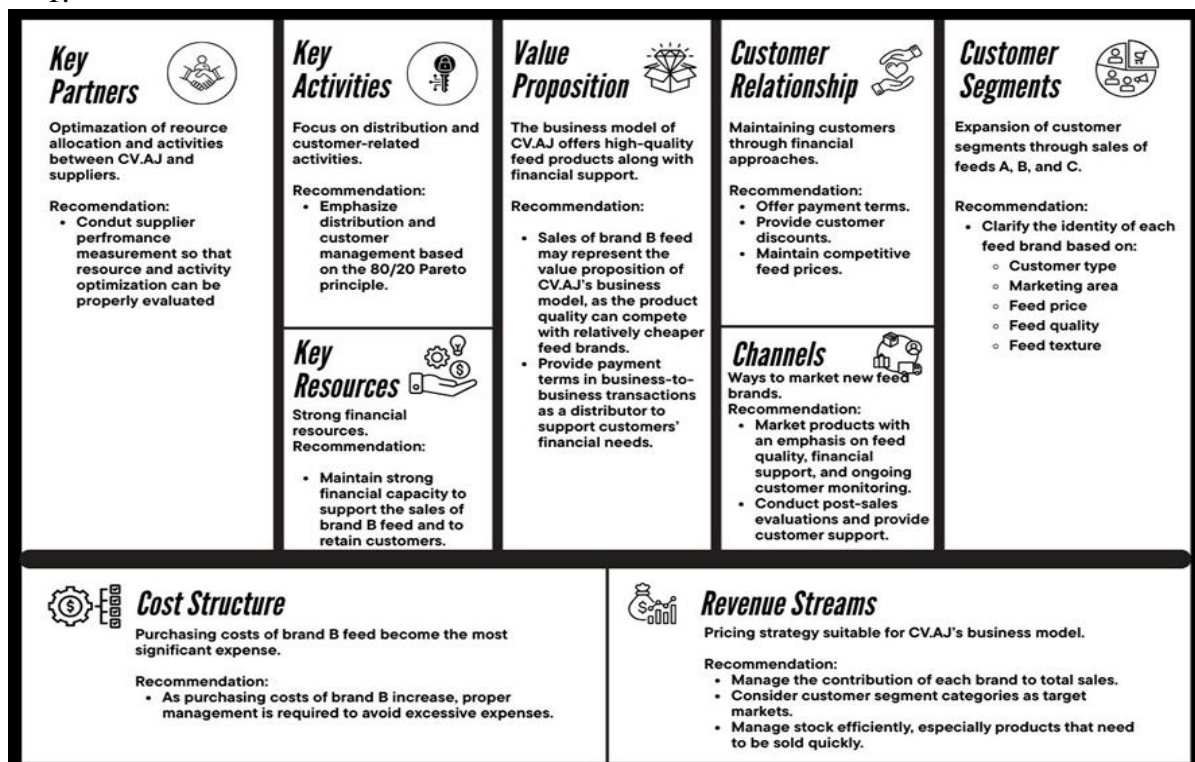


Figure 1. Business Model Canvas CV.AJ

Source: Processed Data (2025)

The findings indicate that the integration of all elements within CV. AJ's Business Model Canvas collectively supports the company's competitive strategy in the duck layer feed distribution market. Rather than functioning independently, the nine BMC elements demonstrate strategic interdependence, particularly in responding to price-sensitive market conditions and intensified brand competition. This reinforces the notion that competitive advantage in distribution-based businesses is not derived from product differentiation alone, but from the alignment between value propositions, financial mechanisms, and relationship management.

Within the customer segments element, the expansion of the feed brand portfolio (brands A, B, and C) enables CV. AJ to address heterogeneous customer needs across different market areas. Consistent with Saputri et al. (2024), portfolio expansion can enhance market reach when aligned with customer characteristics. However, this study highlights a contextual distinction: unlike lifestyle industries where segmentation is strongly influenced by brand image, segmentation in livestock feed distribution is driven primarily by functional and technical considerations, such as feed texture, quality, and price. This finding extends existing literature by emphasizing that portfolio strategies in agricultural input distribution are shaped more by production-oriented outcomes than symbolic brand attributes.

In terms of value proposition, CV. AJ emphasizes feed quality combined with financial flexibility through competitive pricing and deferred payment schemes. This supports Osterwalder and Pigneur's (2017) argument that cost-related value propositions play a crucial role in helping customers reduce operational burdens. While Sadikin et al. (2023) emphasize value innovation for SME growth, this study demonstrates that in the context of livestock feed distribution, value creation is less centered on innovation and more on financial support mechanisms that directly address farmers' liquidity constraints. Consequently, brand B's competitive potential lies in its ability to balance acceptable feed quality with financial accessibility rather than product novelty.

Customer relationship strategies further reinforce this financial orientation. CV. AJ maintains customer loyalty primarily through personalized financial arrangements, including discounts and deferred payments. This finding aligns with Nanga et al. (2023), who argue that customer retention strategies are more effective when aligned with customers' economic conditions. Moreover, the dominance of direct selling channels strengthens relational proximity between the company and its customers. This contrasts with Widjajanti et al. (2022), who highlight the importance of channel diversification through digital platforms. The present study suggests that in livestock feed distribution, close interpersonal interaction and continuous customer evaluation remain more critical than channel diversification, particularly in maintaining trust and long-term transactions.

From a revenue streams perspective, pricing strategy emerges as a dynamic challenge due to varying margin contributions across feed brands. Consistent with Dewi et al. (2023), adaptive pricing strategies are essential for sustaining competitiveness. The findings indicate that pricing decisions at CV. AJ are closely linked to stock availability and customers' payment capacity, reinforcing the need for flexible revenue management rather than standardized pricing mechanisms. This adaptive approach is further constrained by the company's financial resources, which represent the most critical key resource within the BMC framework.

Financial resources are particularly vital because the procurement of brand B requires cash payments, while sales are predominantly conducted on credit. This supports Hambali and Andarini's (2021) argument that working capital is a key determinant of business model sustainability. In this context, CV. AJ's competitive strategy is heavily dependent on effective

cash flow management to prevent liquidity risks. Similarly, the cost structure analysis reveals that procurement costs for brand B significantly increase operational expenses. Unlike service-based industries that emphasize operational efficiency (Widiyanti, 2021), CV. AJ must absorb higher procurement costs as an unavoidable requirement to remain competitive in the feed distribution market.

Interestingly, the addition of brand B does not substantially alter CV. AJ's key activities, which remain centered on feed distribution and customer management. This finding contrasts with prior studies suggesting that product diversification often leads to changes in core activities (Hambali & Andarini, 2021; Widjajanti et al., 2022). The persistence of core activities indicates that portfolio expansion in distribution-based businesses does not necessarily require operational transformation, but rather improved efficiency and prioritization. The application of the Pareto 80/20 principle further illustrates this point, as CV. AJ focuses its resources on high-contributing customers to maximize sales effectiveness.

Finally, key partnerships, particularly with suppliers, play a strategic role in ensuring feed quality and availability. Consistent with Harianto and Soenardi (2022), strong supplier relationships enhance business sustainability. Although CV. AJ's partnerships are informal and non-binding, mutual trust and ongoing supplier performance evaluation contribute to supply stability. This finding suggests that relational governance, rather than formal contractual arrangements, can effectively support competitiveness in SME distribution networks.

Overall, this study contributes to the Business Model Canvas literature by demonstrating that in poultry feed distribution, competitive strategy is shaped by financial flexibility, relational proximity, and cash flow discipline rather than innovation-driven differentiation. These findings extend prior BMC studies by highlighting the contextual specificity of business model configurations in distribution-oriented SMEs operating in price-sensitive agricultural markets.

4. Conclusion

This study was conducted to address the strategic uncertainty faced by CV. AJ in sustaining its competitiveness amid intensifying competition and price sensitivity in the duck layer feed distribution market. Specifically, the company lacked a systematic evaluation of whether the expansion of its feed brand portfolio—through the introduction of brand B—effectively strengthened its competitive position and supported long-term business sustainability.

The findings demonstrate that the introduction of brand B constitutes a viable competitive strategy when supported by an appropriate business model configuration. By applying the Business Model Canvas as an analytical tool, this study reveals that CV. AJ's competitive strength does not lie in product differentiation alone, but in the alignment between value propositions, financial flexibility, customer relationship management, and cash flow control. The strategy of offering acceptable feed quality combined with financial support mechanisms, such as competitive pricing and deferred payment schemes, directly addresses the core market problem of price-sensitive and liquidity-constrained customers. Furthermore, the addition of brand B does not necessitate fundamental changes in the company's key activities, indicating that efficiency and customer prioritization—rather than operational expansion—are central to sustaining competitiveness in feed distribution businesses.

From a practical perspective, this study provides actionable strategic guidance across all elements of CV. AJ's business model, enabling the company to respond more effectively to competition in the duck feed distribution sector in South Kalimantan. These insights assist CV. AJ in resolving its initial problem of strategic ambiguity by offering a structured framework

for evaluating and refining its competitive strategy. From a theoretical standpoint, the study contributes to the Business Model Canvas literature by demonstrating its applicability in a distribution-based SME context within the agricultural input sector, where competition is driven primarily by financial and relational factors rather than innovation-led differentiation.

This study is subject to several limitations. It focuses on a single poultry feed distributor and examines competitive strategy solely through the lens of portfolio expansion via the introduction of a new feed brand. As such, the findings may not fully capture broader structural challenges within the livestock feed industry or alternative strategic responses available to distributors. Future research may extend this study by applying the BMC framework across multiple firms or regions, integrating it with external business environment analyses such as SWOT or industry analysis, or combining it with strategic approaches such as Blue Ocean Strategy to explore alternative paths to competitive advantage.

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