

Capturing the Face of the Music Industry's Business Strategy

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Abstract

This research aims to Photograph the Face of Music Industry Business strategy by identifying external and internal factors that affect the music industry business model in Bali. And to find out the use of the Business Model Canvas (BMC) approach in the music industry in Bali. The method used in this research is descriptive-qualitative. The data collection used interviews and documentation. The results of the analysis show that the strengths of the music industry in running the business are quality equipment, a wide range of customers, and a diverse customer base. The weaknesses owned by the music industry in Bali are the rapid pace of audio technology, meaning that more and more people can make their own recordings with easily accessible applications. Related to the threats faced by the music industry in Bali are Affordable recording equipment and ease of use. In the development of the canvas business model from the value proposition point of view, the music industry in Bali can use remote services and advanced technology. This is done by the manager of the music industry in Bali so that it continues to exist to get through times of crisis such as the COVID pandemic.

Keywords: *Internal Factors, External Factors, Canvas Business Model.*

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A. INTRODUCTION

Music industry business people develop business models in the music industry by creating new fields that can bring benefits to musicians, ranging from live performances or concerts, to digital products such as *Ringback Tone*. Based on the source, the types of income that can be obtained by musicians in the music industry are: income from musical performances/concerts (*live performance*), income as an ad star and *product endorsement*, Income from *salessouvenir* or *merchandise*. Apart from royalties for sales of recorded music products (CDs, cassettes, VCDs, DVDs, RBT, etc.), musicians also receive income from performance fees (Dewantara, 2019).

The Covid-19 pandemic that occurred had an impact on the development of the Indonesian music industry. Impacts *social distancing* certainly felt by all the elements in it. Promoters, artists, labels, management to vendors, are all in a mess because of the revocation of permits for holding crowds and public events, which must be taken to reduce the spread of the COVID-19 virus and then have an impact on the sustainability of the music industry ecosystem itself, both on a local and global scale.

Before the Covid-19 pandemic, the music industry grew quite well in Bali. Many young people went to the studio to rent studios for hours on end for band practice. For those who are more *expert* can simultaneously record the results the exercise. Some of the music industries in Bali are as follows:

Table 1. Music Industry in Bali

No	Address
Harley Music Studio & Store	Jl. Hasanudin No. 22 Denpasar Barat
Nagatha, Home Recording	Jl. Yapen Island No. 11 22 Denpasar Barat
PXPX Music studio	Jl. Pulau Bangka Denpasar
Lucretia Studio Music	Jl. Mount Merapi No. 21 Denpasar
Fist Music Studio	Jl. Batanghari VA. No. 99 Denpasar
Antida Music	Jl. Waribang No. 32 Denpasar Timur
Rafara Music Studio	Jl. Tegalsari No.21 Kabupaten Badung
Devan Music Studio	Jl. Raya Sesetan Gg. Taman Remaja No. 8, Sesetan, Denpasar Selatan
DeBeat Music Studio	Jl. Bukitsari I/3/DV Denpasar-Bali

Source: Tribunbali.co (2023)

One of the music studios in Bali is Raffara *Recording studio* initially only used for private practice purposes and not rented out to the public. But seeing that his fellow musicians need a studio to practice music as well as good musical instruments and it's a shame if they don't use them, then in 2016 Raffara *Recording studio* opened and leased to the public. The Covid-19 pandemic situation has had a multi-aspect impact on workers in the music industry ecosystem. All workers in this industrial sector are shaken and over time they begin to adapt to the pandemic situation and then return to creative processes within this industrial ecosystem so that the company can continue to exist.

When dynamic conditions occur in the business environment, such as uncertainty, cannot be predicted, and there is no certainty, companies are required to run a business model that can adapt to existing environmental conditions. If the company makes innovation the cornerstone of its business model, the company will be able to improve performance and survive in these conditions (Jin, 2022).

Competitive strategies are strategic steps in order to have a competitive advantage so as to attract the attention of consumers, strengthen position in the market, and be able to withstand competitive pressures (Wilkstrom, 2020). Environmental factors, changes, and business models will affect the business performance of a company. The environment is considered as the company's initial way of gaining profits. A company is considered successful and successful if the company is able to read and fulfill the wants and needs of consumers. The pinnacle of a company's excellence will be achieved if the company is able to read and accommodate the needs of its environment at all levels of the market, be it the *level high-end, low-end, atau middle market*. The change factor is a threat to the company. Companies will be increasingly left behind if they are slow to respond to a change.

A business model is a formulation designed and executed by a company to describe a process that runs within the company in its efforts to create *value* for all company members. Know clearly and definitely how the process of creating,

delivering, and the presentation of value in a business process is important for company management, this can be seen by implementing a good business model. *Business-Model Canvas* is one of the innovations on how to review and improve a business model, besides that *Business Model Canvas* can also be used as a tool as an approach that can be implemented easily by companies. Application *BMC* carried out as a way of evaluating and improving or changing the company's business model or simply as a way to review the existing business model so that a new business model is formed that is more appropriate and appropriate for the company to run and implement (Carter, 2020).

The pandemic period is a challenge for music industry workers to be progressive towards the changes that are taking place. The choice to respond to conditions adaptively opens up opportunities for music workers to continue running the ecosystem amidst the limitations and dynamics of a pandemic situation occurs, therefore the title chosen in this study is "Photographing the Face of the Music Industry Business Strategy". The formulation of the problem in this study is how external and internal factors and the business model canvas approach *Business Model Canvas* (*BMC*) in the music industry in Bali.

The objectives to be achieved in this study are to identify external and internal factors that influence the business model of the music industry in Bali, and to know the use of the approach *Business Model Canvas* (*BMC*) in the music industry in Bali.

B. METHOD

The location of this research was conducted in three (3) music industries, namely W Bali Seminyak, Rock the Beat and Rafara Studio. The choice of W Bali Seminyak is because it is the only music studio with a modern style with sophisticated facilities and equipment that can be compared to professional studios.

In accordance with the formulation of the problem and research objectives, this research was conducted using a qualitative descriptive approach. The qualitative research method is a research method based on the philosophy of postpositivism. This method is used to research on natural object conditions, (as opposed to experiments) where the researcher is a key instrument, data collection techniques are carried out in a triangulation (combined) manner, data analysis is inductive/qualitative in nature and the results of qualitative research emphasize meaning and generalization (Sugiyono, 2017:9).

There are 2 data collection techniques in this research are interview and documentation. Informants in this study were selected using techniques *purposive sampling*. According to Sugiyono (2019:218) *purposive sampling* is a technique of collecting samples of data sources with certain considerations. These considerations, for example, are considered to know best about what is expected or as a ruler so that it will make it easier for researchers to explore the object or social situation under study.

Data analysis is a process of compiling, simplifying data to make it simpler and easier to read and easy to integrate. The analysis of the research data is

qualitative descriptive analysis, meaning that in analyzing the data, the researcher understands and interprets any data or facts obtained from interviews and literature reviews compiled into texts that have been analyzed through interpretation in order to obtain meaning. Qualitative data analysis can be described as follows:

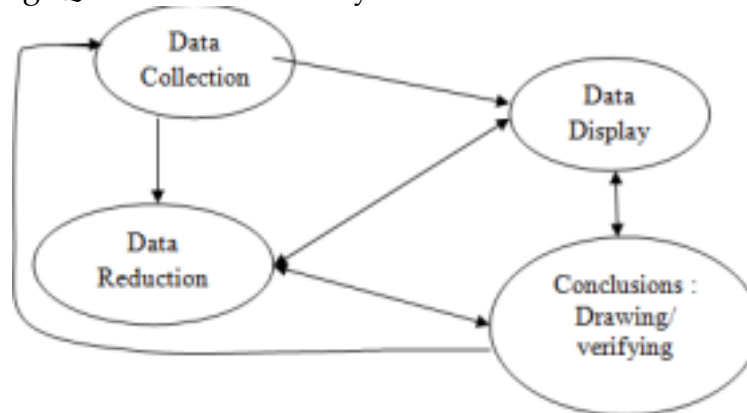


Figure 2. Components in Data Analysis

Source: Sugiyono (2019)

In this study using data analysis techniques with steps as shown in the picture above can be explained as data collection, data reduction, data display, and conclusion drawing/verifying .

C. RESULTS AND DISCUSSION

1. Music Industry Business

The music industry before the COVID-19 pandemic had a significant impact on social and economic aspects. Music has become a source of inspiration, entertainment and self-expression for people. Concerts, live performances and music festivals have become an integral part of cultural and recreational life. Additionally, the music industry creates jobs for thousands of individuals in a variety of roles, from musicians to stage technicians and event promoters. The growth of the music industry has also boosted related sectors such as tourism and marketing, resulting in a wider economic ecosystem.

Based on information obtained from an informant who is a music industry business player in Bali, with the label Raffara Music Studio, he explained the impact of the Covid-19 pandemic that hit his business, as follows:

"During the pandemic, our studio experienced a difficult time, this pandemic was unexpected and missed business planning, due to restrictions on operations and social distancing measures. Initially, the studio was unable to function until restrictions were relaxed. However, the studio adapted by renting equipment to customers so they can record at home. This has helped generate revenue during the pandemic. The studio also has other sources of income, such as online sales and merchandise" (Source: Interview, July 27, 2023).

The statement reflects how the music studio industry must face the challenges caused by the COVID-19 pandemic. Operational restrictions and social distancing measures are significantly impacting the studio's ability to operate as usual. In the

initial situation, when the restrictions were very strict, music studios even had to stop functioning completely.

Music studio business manager DeBeat Musik Studio describes the condition of the music studio business that he was running when Covid -19 took place: "Our music studio experienced several obstacles during the COVID-19 pandemic, such as a decrease in the number of clients and revenue, social restrictions which hampered the music production process, and difficulty sustaining their business" (Source: Interview 30 July 2023).

During the pandemic, music studios have faced unprecedented challenges due to operational restrictions and social distancing measures. But the music studio business trying to *stayfight* and rise from adversity. As revealed by the informant Raffara Recording Studio.

"Initially, this situation required studios to completely shut down their operations. However, the industry is not giving up easily. Music studios are quickly adapting to new ways of surviving. One of the steps taken is to lease equipment to musicians and customers. so that they can record at home". (Source: Interview, July 27, 2023).



Figure 3. Musical Instruments for Rent

Information obtained from informants indicates that studio business people want to remain productive during this difficult time, but are also looking for alternative sources of income for studio operational costs.

Information for music studios to survive during a pandemic was disclosed by an informant from deBeat Musik Studio as follows,

"We adapted to the situation by optimizing the use of technology to facilitate communication with clients, developing remote services to allow clients to record remotely" (Source: Interview 30 July 2023).

The music studies industry does not just give up in the face of uncertain situations. Music studios quickly adapted to new ways to exist and provide services to their customers. One smart move was to rent equipment to musicians and customers and have them record remotely. This move not only provides a practical solution for individuals looking to stay productive during this difficult time, but also provides a meaningful alternative source of revenue for the studio.

Despite all the limitations of the Covid pandemic at that time, of course there were still gaps that could be exploited by music studio businesses, as revealed in the following interview with Raffara Recording.

"Our customers are digital content creators, such as YouTubers, podcasters, and influencers, who actively use music studios to record podcasts, produce music for their videos, or do content specifically for their digital platforms"(Source: Interview, tgl July 27, 2023).

This statement underscores the important role of digital content creators in today's entertainment and media industry. Digital content creators have become an indispensable force, creating diverse experiences for their audiences through digital platforms such as YouTube, podcasts and social media.

Meanwhile, deBeat music studio describes the opportunities it has as follows:

"Our client is a production and advertising company, the production and advertising company still needs a music studio to make *jingle* advertising, background music or background sound for their digital marketing advertising and video projects and educational and training institutions hosting virtual music classes or recording student projects"(Source: Interview July 30, 2023).



Figure 4. DeBeat Studio Music

2. SWOT Matrix

SWOT matrix analysis is concrete steps that can be taken by the music industry, especially music studios, to maintain business. This SWOT matrix analysis is based on the development of the IE matrix. This analysis produces various alternative strategies. There are four main strategies that can be suggested, namely SO, ST, WO, and WT strategies. This analysis uses information obtained from informant interviews. The summary of the analysis results can be seen in Table 2 below:

Table 2. SWOT Analysis

	(Strength) 1. Quality equipment. 2. Wide range of customer. 3. Diverse customer base	(Weakness) Rapid audio technology.
(Opportunity) 1. Effective marketing through social-media	SO Strategy 1. Utilizing Quality Equipment for	WO Strategy 1. Embracing Technological

2. Adaptability	Effective Social-Media Marketing. 2. Leveraging Adaptability 3. Inspired Services	Advancements to Enhance Audio Quality. 2. Collaborative Innovation to Harness Technological Progress
Threat (Threat)	ST Strategy	WT Strategy
1. Affordable recording equipment 2. Easy to use	1. Providing Value-Added Services and Support 2. Seamless Integration of Quality and Usability	1. Enhancing Technical Proficiency, and Knowledge. 2. Collaboration with Technology Experts

Based on the results of the SWOT matrix analysis, 8 alternative strategies were obtained, as shown in Table 4.1. Each alternative strategy is described as follows:

1. SO Strategy

SO Strategy 1: Utilizing Quality Equipment for Effective Social Media Marketing

The strength of music studios in terms of the quality of audio and recording equipment is a great opportunity to increase marketing through social media. Studios can leverage these quality tools to create engaging, high-quality audiovisual content. Through social media platforms such as YouTube, Instagram and TikTok, studios can share footage of the recording process, interviews with artists or demonstrations on how to produce quality sound. With engaging content, studios can build larger audiences, create trust and showcase their skills to potential clients and partners.

SO Strategy 2: Leveraging Adaptability - Inspired Services

The adaptability power of music studios is a huge opportunity during and after the pandemic. Studios can leverage their expertise in renting out recording equipment to customers to record at home. In addition, studios can develop remote recording services involving technologies such as video calls and use of remote software. Studios can offer special packages for artists or content creators who want to stay productive even in different locations. By taking the initiative to respond to new needs emerging during the pandemic, studios can expand their market share and remain the top choice for individuals and companies seeking to work in changing circumstances.

These two strategies combine the power of music studios and the opportunities that exist in a changing environment. By taking advantage of quality equipment and flexibility, studios can gain greater competitive advantage and take proactive steps in response to changing market trends and needs.

2. WO Strategy

WO Strategy (*Weaknesses-Opportunities*) are steps that can be taken to overcome an entity's internal weaknesses (in this case, rapid audio technology) by

taking advantage of opportunities that exist in the external environment. Here are two WO strategies based on these weaknesses and opportunities:

WO Strategy 1: *Embracing Technological Advancements to Enhance Audio Quality*

Weaknesses in fast audio technology can be overcome by taking advantage of opportunities in the development of better technology. Music studios can invest in adopting the latest audio technologies which can improve the quality of recordings. They can work with leading audio equipment manufacturers to bring the latest recording equipment to the studio. With advanced technology, studios can overcome the limitations of previous audio technologies and ensure that they are still delivering high-quality recordings to clients. This will not only enhance the studio's reputation in terms of quality, but also help them attract more and more diverse clients.

WO Strategy 2: *Collaborative Innovation to Harness Technological Progress*

Weaknesses in facing advances in audio technology can be overcome by establishing innovative partnerships with parties engaged in audio technology. Music studios can partner with audio technology companies or recording equipment manufacturers to develop solutions that address these vulnerabilities. Studios can provide input on specific needs within the recording industry, while technology partners can develop relevant solutions. This could be the development of special recording equipment that utilizes the latest technology or the development of software that allows for better sound processing. In this way, the studio not only overcomes technological weaknesses, but also contributes to producing innovations that benefit the recording industry as a whole.

These two WO strategies propose a proactive and collaborative approach to address weaknesses in audio technology by exploiting existing opportunities. By adopting the latest technologies and working closely with others who are experts in audio technology, music studios can maintain their relevance in producing high-quality recordings and meeting client expectations in this rapidly evolving technology era.

3. ST Strategy (*Strengths-Threats*)

The threat of affordable, easy-to-use recording equipment can be countered by leveraging a studio's strengths in terms of high-quality equipment. The following are ST strategies that can be applied:

ST Strategy 1: *Providing Value-Added Services and Support*

With the development of affordable and easy-to-use recording equipment, music studios can take a focused approach on providing additional services and support to clients. Studios can offer recording packages that include not only the provision of high-quality recording facilities, but also training or assistance in the use of simpler recording equipment. Studios can provide short training sessions for

clients who wish to use their own recording equipment, providing guidance on technique effective recording, and provide advice in sound processing. In this way, the studio not only offers facilities, but also provides additional value by helping clients maximize their recording results with equipment that is more affordable, and easy to use.

In addition, studios can also offer remote technical support for clients using their own equipment. By leveraging digital communication technologies, such as video conferencing or written guides, studios can help clients overcome any technical challenges they may face while recording. In this way, studios can respond to threats from affordable and easy-to-use recording equipment by providing excellent service that ensures clients still get quality recordings, even when using simpler equipment.

ST's strategy allowed studios to maintain their advantage in terms of high-quality recording equipment, while also addressing the threat of more affordable and easy-to-use recording equipment. By providing additional services and support to clients, studios can ensure that the resulting recordings meet the high-quality standards expected by clients.

ST Strategy 2: *Seamless Integration of Quality and Usability*

Studios can take the approach of integrating high-quality recording equipment with an easy user experience. In an age of increasingly sophisticated technology, studios can choose equipment that not only delivers high-quality recordings, but also has a user-friendly interface. Studios can provide facilities that are equipped with modern equipment that has intuitive features and is easy to use. In doing so, the studio provides a recording experience that is not only superior in terms of sound quality, but also ensures that the client can easily adapt to the equipment without the need for in-depth technical knowledge. By integrating quality and ease of use, studios can meet the needs of clients who want high-quality recordings without excessive complexity.

4. WT Strategy

WT Strategy 1: *Enhancing Technical Proficiency and Knowledge* In the face of the drawbacks of rapidly evolving audio technologies, studios can adopt a strategy of focusing on increasing their technical expertise and knowledge in the use of more modern equipment. This strategy can do *Continuous Training and Skill Development*. Studios can launch ongoing training programs for their staff and technicians to increase their understanding of the latest audio technologies. This training may cover the use, maintenance and handling of modern recording equipment. By strengthening the team's technical expertise, studios can reduce the risk of operational errors, maximize the effectiveness of new equipment, and enhance their reputation for delivering high-quality recordings.

WT Strategy 2: Collaboration with Technology Experts

The threat of more affordable and easy-to-use recording equipment can be overcome by leveraging the know-how of technology experts. This strategy can do *Technology Partner Collaborations*. Studios can forge partnerships with audio technology companies that specialize in making equipment more-affordable, and easy to use. By collaborating with these experts, studios can gain insight into the latest technology trends and the development of equipment that can provide high quality recordings while remaining technologically appropriate. This kind of collaboration can also allow studios to access deeper technical knowledge and help them choose the most suitable equipment for their clients' needs. By forging strategic partnerships with technology experts, studios can overcome the threat of more affordable equipment and leverage the latest technology to stay at the forefront of the recording industry.

Internal and External Factors Music Industry Business Model

Based on the results of interviews with business people in the music industry in Bali, it can be seen that the strengths possessed in running the music studio business are *quality equipment, wide range of customer, and diverse customer base*. Both music studios provide high quality musical instrument equipment. The studio prides itself on having state-of-the-art equipment and skilled operators. as well as the expertise and skills of the operators that ensure the footage is of high quality and satisfies customer expectations. The condition of the pandemic has not discouraged music industry businessmen from doing activities, by having different types of backgrounds and accessible even though not offline, this music industry can still serve consumers from various segments, including individuals, groups, companies, and even government institutions, including music schools, professional bands.

The weakness of the music industry in Bali is the rapid presence of audio technology, meaning that more and more people can record themselves with easily accessible applications. Of course, this is an obstacle for the music studio business, because customers can try to record on their own without using the services of a studio.

Judging from the external factors which consist of opportunities and threats faced by the music industry in Bali. The opportunities that can be utilized by music industry businessmen in Bali are: *effective marketing through social media and adaptability. effective marketing through social media. Effective marketing through social media* i.e. music studios depend on social media platforms like facebook and instagram for marketing. By leveraging the influence of social media, the studio is able to promote its services, including studio rentals for podcasts, music rehearsals, *video conference*, and making jingles. Associated with opportunities *adaptability* meaning the studio was able to adapt to the needs of the consumer at the time. When people are prohibited from leaving their homes during a pandemic, this studio provides solutions to their needs related to music online.

Related to the threats faced by the music industry in Bali namely *Affordable recording equipment dan Easy to use*. *Affordable recording equipment* means equipment that can be purchased at a lower cost than professional equipment which may be more expensive. The importance of having affordable recording equipment is to enable musicians, producers, and other content creators to produce quality recordings without incurring exorbitant costs. Affordable recording equipment can still produce good results, especially when used properly and combined with adequate technical know-how.

Easy to use intended is that the user does not have to have in-depth technical knowledge or special experience in the field to be able to use the product smoothly. Products designed with this principle in mind are to make the user experience as comfortable as possible while minimizing difficulty or confusion. In the music industry, an example is digital audio workstation (DAW) software designed with a simple and intuitive interface. It allows musicians and music producers, including those without a technical background in recording, to quickly start recording projects, organize tracks, apply effects, and produce music without facing any significant obstacles. This simplicity in use also impacts productivity and creativity. The easier users can operate equipment or software, the quicker they can respond to creative ideas and turn them into music or other content.

Music Industry Business Model Development

At this analysis stage, the SWOT analysis results and interview findings were integrated into the elements *business model canvas*. The business model development analysis obtained from the results of the SWOT analysis and interview results is explained as follows:

1. Customer Segment (*Customer Segments*): Identify the desired target market, such as YouTubers, podcasts, jingles, angkringan. Based on the results of the interviews, it can be added that the target market that can be achieved is music classes for students majoring in art. Music studios can offer music classes to people who want to learn about musical instruments or learn to play a musical instrument.
2. Value Proposition (*Value Propositions*):
 - a. Describe the value that music companies offer customers, such as access to exclusive content, clear quality voice
 - b. Determine the unique factors that differentiate a music company from its competitors, such as exclusive artists or innovative technology.

Based on the SWOT results, a value proposition can be added for the music industry in Bali by providing different and innovative services, such as remote services and advanced technology to facilitate the music production process. By providing added value to consumers, music studios can increase their competitive advantage and expand their market share.

3. Distribution Channels (*Channels*):
 - a. Determine the ways in which music companies deliver their products or services to customers, such as online music stores.
 - b. Thinking of new ways to reach and interact with the audience, such as digital marketing campaigns or partnerships with social media platforms.
4. Relationship with Customers (*Customer Relationships*): Determine the type of relationship expected with customers, such as direct interaction with artists via *online*. Based on the results of the interviews, it can be added that establishing partnerships with other music service providers to expand the reach of promotions and improve service quality
5. Source of Income (*Revenue Streams*): Identify various possible sources of income, eg *recording*, rent a music studio for rehearsals, rent musical instruments.
6. Key Resources (*Key Resources*): Identify the key resources needed to operate a music business, such as streaming technology, talented artists, and high-quality musical instruments. Based on the results of the interviews, music classes and music project locations can be added.
7. Key Activities (*Key Activities*): Define the core activities that music companies need to perform to create and deliver value to customers, such as artist management, or collaboration.
8. Key Partners (*Key Partnerships*): Determine strategic partnerships that may be needed to optimize the music business, such as collaborations with artists, or sponsors.
9. Cost Structure (*Cost Structure*): Identify all costs involved in running a music business, such as maintenance costs for musical instruments, electricity costs, wifi fees, or application copyright license fees, transportation costs for shuttle musical instruments to tenants.

Table 4. Development of the Music Industry Business Model in Bali

<i>Key Partner</i>	<i>Key Activities</i>	<i>Value Proposition</i>	<i>Customer Relationship</i>	<i>Customer segment</i>
<ul style="list-style-type: none"> Cooperation with artist, or sponsors. 	<ul style="list-style-type: none"> Artist management, Collaboration 	<ul style="list-style-type: none"> Access to content Exclusive Clear quality voice Remote service Advanced technology 	<ul style="list-style-type: none"> Direct interaction with artist via <i>online</i>. Establish partnership with provider service other music 	<ul style="list-style-type: none"> Youtuber Podcast, Jingle Angkringan School/Campus art major music
	Key resources <ul style="list-style-type: none"> Technology streaming, artist talent, 		Channel <ul style="list-style-type: none"> Shop music <i>online</i>. 	
	Instrument music quality height. <ul style="list-style-type: none"> Open music class As music 		<ul style="list-style-type: none"> Platform media social. 	

	project site			
Cost structure <ul style="list-style-type: none"> • Musical instrument maintenance costs • Electricity costs • Wi-Fi fee • Application copyright license fee • Cost of shuttle transportation of musical instruments to consumers 		Revenue stream <ul style="list-style-type: none"> • Recording, • Rent a music studio • Musical instrument rental. 		

Based on the results of the development of the Canvas Business Model for the music industry in Bali, the findings of this research lead to *open innovation*. Where music studio managers in Bali are forced to find solutions and ways out to deal with the covid pandemic, so they can survive. The link between open innovation and the developed Canvas Business Model lies in how the two can mutually reinforce and support the innovation process and business model design.

Chesbrough (2003) reveals *open innovation* enabling companies to identify innovation opportunities from a variety of sources, including external partners, customers, or the community. Within the Canvas Business Model, the opportunity identification process can help the music industry define elements *Value Propositions* more innovative and in line with market needs.

According to Gassmann & Enkel (2004) with the approach *open innovation*, companies can combine multiple perspectives and knowledge to develop ideas and solutions that are more creative and different than ever before. The Business Model Canvas can help design how these innovative ideas can be integrated into *Value Propositions*, *Key Activities*, *Key Resources*, and *Value Propositions* in the company's business model.

According to Huizingh (2011) *open innovation* enabling companies to be more responsive to changes in the business environment and customer needs. The Canvas Business Model can be changed and adapted on the fly to reflect changes in innovation strategy and business ecosystem developments.

This research is in line with Huang & Rice (2012), suggesting that *open innovation* very useful for companies to seek innovation in processes and products or services. Research was also conducted by Fadhila and Sari (2008), found that the approach *open innovation* has an influence on innovation performance in Indonesian companies.

D. CONCLUSION

Based on the discussion above, it can be concluded that the strengths of the music industry in running a business are: *quality equipment, wide range of customer, and diverse customer base*. The weakness that is owned by the music industry in Bali is the presence of audio technology that is so rapid, meaning that more and more people can do their own recordings with applications easily accessible application. Related to the threats faced by the music industry in Bali namely *Affordable recording equipment dan Easy to use*. In developing the canvas business model from a value proposition point of view, the music industry in Bali can perform remote services and use advanced technology.

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