



## Analysis of the Canvas Business Model in the Sustainability of the Lampit MSME Business in the Wetland Area of North Hulu Sungai Regency

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### Abstract

*The aim of this research is to analyze Customer Segment, Customer Relationship, Channel, Revenue Structure, Value Proposition, Key Activities, Key Resources, Cost Structure and Key Partners which influence the Sustainability of Lampit MSME Businesses in the Wetland Area of Hulu Sungai Utara Regency. The research method using the research approach used is a quantitative approach which can be interpreted as a research method based on the philosophy of positivism, used to research certain populations or samples with sampling techniques which can generally be classified, data collection using research instruments, data analysis is quantitative/ statistics with the aim of testing predetermined hypotheses. The collected data is then analyzed using the PLS (Partial Least Square) analysis model using the SmartPLS package computer program. The results of data processing using the PLS (Partial Least Square) analysis model using the SmartPLS package computer program, the results were that Customer Segment was proven to have a significant influence on Business Sustainability, Customer Relationship was proven to have a significant influence on Business Sustainability, Channel was proven to have a significant influence on Business Sustainability, Revenue Structure is proven to have a significant influence on Business Sustainability, Value Proposition is proven to have a significant influence on Business Sustainability, Key Activities are proven to have a significant influence on Business Sustainability, Key Resources are proven to have a significant influence on Business Sustainability, Cost Structure is proven to have a significant influence on Business Sustainability, and Key Partners are proven to be influential significant impact on the Sustainability of the Lampit MSME Business in the Wetland Area of Hulu Sungai Utara Regency*





**Keywords: Business Model Canvas, Business Sustainability**

## 1. INTRODUCTION

Hulu Sungai Utara Regency is a swamp area where the people's livelihood is farming. However, in their spare time the residents also do craft businesses such as mats and furniture. This is also supported by the availability of abundant raw materials and expertise passed down from generation to generation. Crafts are community activities that have been developed for generations, especially by utilizing materials that are abundantly available in the area, such as wood, rattan and purun. These handicraft products are generally sold, either at the local market (in Amuntai), or sent to Java. The community groups involved in the home industry sector in the swamp area of HSU Regency are mostly housewives and women. In one of the craft centers there is also an institution that accommodates this productive activity, in the form of a craftsmen's group, which is managed by young people, including young women.

Rattan crafts that produce rattan mats, or what are known as lampit, are a home industry activity in this swamp area. Apart from being marketed to meet local and regional market demand, the rattan lampit production has also succeeded in penetrating the export market. For regional areas, rattan lampit is marketed to South Kalimantan (Banjarmasin), Central Kalimantan Province, to Java and Bali. Meanwhile, lampit is also marketed to Singapore, Malaysia, Japan, Taiwan and Korea. Apart from functioning as mats, lampit, whose raw materials are mostly supplied from Central Kalimantan, is also used as decoration/wall covering in Japan.

Due to the large export potential that can increase regional income, craft centers are strategic areas for improving the economy. According to data, there are 18,000 craftsmen in HSU with 63 units of rattan lampit, 872 units of bamboo, 812 units of rattan or lupu, 9 units of rattan furniture, 289 units of wooden furniture, two units of bamboo furniture, 70 units of water hyacinth, 158 units of thatch and carving. wood 12 units. Measured in terms of business value, it is IDR 144.87 billion. Rattan lampit is a typical handicraft of the people of South Kalimantan which is made by processing intertwined rattan sticks into a mat. Rattan lampit is made homemade in people's homes in HSU Regency and the craftsmen are residents of the city itself. HSU Regency is known as a center for the rattan craft industry such as lampit. The lampit craft has become a tradition of the people of HSU Regency which is passed down from generation to generation to each generation. In the capital of North Hulu Sungai Regency, there are many lampit craftsmen who are groups and individuals, involving many mothers and women as well as school children.





Lampit is the main source of income and a side source of income to meet the economic needs of the local population. As a home industry, lampit also opens up many job opportunities by absorbing a lot of workers. Apart from that, lampit is a source of foreign exchange for the country, namely as an export commodity. Lampit has an ethnic design with a traditional, minimalist nuance and a warm impression, so it is much sought after by foreign consumers from Asian countries such as Japan, China, Hong Kong and Korea. This lampit export activity is supported by the government. Even though there is exemption for exporting raw or semi-finished rattan raw materials, due to the provisions regarding export tax of 30%, entrepreneurs' interest in exporting it is no longer competitive. This is because the added value of finished goods received is greater than exporting in the form of raw or semi-finished rattan.

There are many problems faced by SMEs in carrying out business processes, including weak organization, marketing that is not extensive or difficult, low entrepreneurial spirit and poor service (Sukirman, 2017). The amount of business competition in this era of progress is something that cannot be avoided. Often many SMEs (Small and Medium Enterprises) experience bankruptcy or go out of business due to losing competition. SMEs are a supporting economy for the Indonesian state (Triandini, 2014), this is due to a lack of understanding of consumer demand and their business competition strategies. SMEs must be able to know their strengths and weaknesses, by maximizing their strengths and minimizing their weaknesses. It is appropriate for SMEs to be required to have a strong strategy and choose the right strategy for business sustainability

Business sustainability is the condition and condition of a business, which relates to ways to maintain, develop and protect resources and meet needs associated with a business (Handayani, 2007). According to (Alshehhi, et al; 2018) in (Isyaroh, Lailiyatul, 2020) explains that business sustainability is a capability organization to manage effectively and efficiently its vast resources limited in terms of meeting long-term needs. Business sustainability is the ongoing process of a business that includes development and growth and ways to maintain sustainability and development an effort. The sustainability of MSME businesses is supported by going concern theory. Going concern theory is the condition of a business entity, where it is estimated that in the future the business will continue indefinitely (Ginting, 2017). Going concern is an important concept in conventional accounting, which in reporting its annual report, will determine whether in the future the business will continue operation or not

Behind the explosion in demand for exports to Asian countries, it turns out that there are still many Indonesian people, even the people of Kalimantan, who do not know about the existence, origin and method of managing rattan lampit. Many Banjar migrants or Banjar





people from South Kalimantan are no longer familiar with the cultural arts and crafts typical of their ancestral region. Business competition is getting tougher and tougher, every company is always required to develop. One way that companies or business actors use to be able to compete and develop is to create new strategies. However, the strategy itself is not enough, the company must have a strong, good and appropriate business model for its company. The business model canvas (BMC) has advantages in business model analysis, namely being able to describe in a simple and comprehensive manner the current condition of a company based on consumer segments, value offered, value offering channels, relationships with customers, income streams, vital assets, cooperation partners, as well as the cost structure (Rainaldo M, et al, 2017)

A business model is a method used by a company to make money in the business environment where the company operates (Wheelen, 2010). Meanwhile, Rappa (2000) in (Management, 2012) states that the business model is the method used by companies to survive. According to (Osterwalder, 2010) the business model describes the basic idea of how an organization creates, delivers and captures Business Model Generation value to be able to provide a quick response to customer desires by providing the best values that exist within the company.

According to research conducted by (Amalia, 2010), the Business Model Canvas (BMC) has nine elements that are important in helping identify business models and helping to identify elements that require improvement to help business sustainability in the future. The business model canvas (BMC) can also be used as a tool to provide proposals for new business model designs that will be implemented by one of CV's new business units. OAG produces spinach chips (Rukka, 2018). According to (Permadi, 2016) reported that through BCM (business model canvas) analysis on CV. Kandura Keramik Bandung has 7 recommended improvement programs including establishing segmentation, collaborating with companies and art activists to form a contemporary ceramic community, forming a personal website, collaborating with supplier partners, couriers, investors and competent experts, registering products, forming subdivisions quality control and coloring techniques, as well as recruiting potential human resources. The business model canvas (BMC) is a business model that is a logical description of how an organization creates, delivers and captures value (Osterwalder, 2010).

## 2. LITERATURE REVIEW

### 2.1 Micro, Small and Medium Enterprises (MSMEs)

The link between empowerment and economic financing can develop community businesses that have not yet developed and as a holding company to meet the needs for





capital, raw materials and access to marketing networks as well as promote all types of community businesses so that community empowerment requires economic institutions to strengthen the local economy. Increasing institutional capacity shows efforts to increase the role and develop institutional arrangements at the community level that are able to accommodate every idea, proposal and aspiration from the community for progress in their community. Various strategies to empower MSMEs include intensifying MSME participation, linking MSMEs with education, marketing local resources, and incorporating MSMEs into broader politics. Marketing local resources can encourage higher economic empowerment in the field of conservation, while disseminating information with the support of integrated education programs that utilize local conditions to improve MSMEs.

Obstacles faced in community empowerment include limited supporting factors such as production facilities, business capital/working capital, and structural arrangements and institutional systems. Other factors that cause less than optimal results in microeconomic business development are caused by the lack of business capital assistance provided to business actors as well as limited skilled personnel, as well as less than optimal training and work guidance. Empowerment carried out through the distribution of business capital can drive the growth of the people's economic sector. This is indicated by the emergence of new business actors, both in the field of household crafts, food and drink shops, beauty salons, shops and transportation (Theresia, 2014).

## 2.2 Business Model Canvas

According to (Osterwalder, 2010) explains that the Business Model Canvas consists of nine business building blocks. This building block contains important parts that explain how the organization creates benefits and also benefits from its customers. The benefits of the Business Model Canvas are being able to describe, analyze and design creatively and innovatively in an effort to shape, provide and capture market dimensions and increase demand by innovating value. This Business Model Canvas is presented visually in the form of a canvas/image so that it helps make it easier for the reader to understand. Company stakeholders can adapt this Business Model Canvas form according to their business needs.

According to (Management, 2012) a business model when viewed from its components is product, benefits and income, or consumers, assets and knowledge, there is also content, structure and governance. According to (Management, 2012) the definition of a business model when linked to business strategy is a description of the relationship between the advantages and resources owned by the company as well as the activities carried out to acquire and create value that makes the company able to generate profits (Management, 2012). The Business Model Canvas is like a blueprint for the strategy



implemented within the organizational structure, processes and systems. According to (Osterwalder, 2010) this business model changes the business concept which was initially complicated to do into simple to do. According to (Osterwalder, 2010) divides into nine elements, namely Customer Segment, Value Proposition, Channel, Customer Relationship, Revenue Stream, Key Resources, Key Activities, Key Partners



Gambar 1. Business Model Canvas

Source: (Osterwalder, 2010)

1. *Customer Segment: which describes the market segmentation of Lampit MSMEs in Wetland Areas.*
2. *Value Proposition: is an added value proposition provided by the company to consumers, which is the reason why customers choose Lampit products over others.*
3. *Channels: which describes the channels used by companies to distribute their products to consumers.*
4. *Customer Relationships: which describes the relationships built by Lampit MSMEs in Wetland Areas with selected customer segments (customers).*
5. *Revenue Streams: namely the flow of income generated by the company from each customer segment.*
6. *Key Resources: main resources or important assets needed for a business model to function.*
7. *Key Activities: the main activities that the company must carry out so that the business model can work.*
8. *Key Partnerships: the network of suppliers and partners that make the business model work.*
9. *Cost Structure: describes the overall costs used to operate the lampit processing home industry business model*



### 2.3 Business Sustainability

Business sustainability is a condition when a company has sufficient funds to run and develop its business. Business sustainability is always related to bankruptcy. In general, every company always pays more attention to conditions that have the potential to harm the company, such as bankruptcy. According to Foster in (Ashari, 2010), bankruptcy is a financial difficulty that indicates a serious liquidation problem that cannot be resolved without massive rescheduling of the company's operations and structure. Bankruptcy is usually defined as the failure of a company to carry out company operations to generate profits. Bankruptcy is also often called company liquidation or company closure or insolvency.

According to Narayana (2018) Business Sustainability is a business. A business formed to prevent negative environmental and social effects so that future generations can experience adequate resources to meet their needs. Success in the global market with good quality can make Business Sustainability safe for the environment. Based on the definition above, it can be concluded that business sustainability is a business that can maintain its existence from time to time and from generation to generation over a long period of time with the same leadership techniques, so that it can maintain the products produced by business actors by not only feeling that they are enough to have knowledge related to company financial management, but can also apply and understand the management knowledge that the company already has. Good financial management knowledge is expected to be able to make appropriate decisions so that Business Sustainability can maintain the results of products produced by business actors by not only feeling sufficient to have knowledge related to company financial management, but also being able to apply and understand the management knowledge that the company already has. . Good financial management knowledge is expected to be able to make appropriate decisions so that Business Sustainability can continue to be sustainable (Bruwer, 2018).

According to (Widayanti, 2017) business sustainability is a stability of the business condition, where sustainability is a business continuity system that includes increase, continuation and approaches to protect business continuity and business expansion. In order for its survival to survive, the superiority of competitors in the company must also continue or be sustainable because in reality the company will perpetuate its survival. Sustainable competitive advantage is a business strategy to achieve the ultimate goal, namely sustainability which can produce increased profits. This means that sustainable competitive advantage is not the final goal, but rather a path to achieving the company's final goals. According to (Panggabean, 2018), the business sustainability indicators are as follows:

1. Sustainability of economic efforts

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On the economic side, there is still debate because it is not known whether economic activities so far have or have not met the sustainability criteria. As we know, the dimensions of sustainable economics themselves are quite complex, so often the sustainability aspect from the economic side is only limited to measuring intergenerational welfare.

2. Sustainability of social enterprises

The social dimension is largely a continuation of millennium development with the main goal of improving human quality but adding several new goals. The social dimension includes poverty alleviation, improving the quality of health and education and gender equality, plus several new goal groups which are actually sufficient but have been reduced to their own goal groups.

3. Environmental business sustainability

It is hoped that the concept of long-lasting or sustainable development can facilitate the environmental problems that occur. Sustainable development is a development paradigm that is directly related to the balance of nature or the environment

### 3. RESEARCH METHOD

This research was conducted to analyze the Business Model Canvas in the Sustainability of Lampit MSME Businesses in the Wetland Area of North Hulu Sungai Regency. The research method used in this research is a quantitative approach, namely research on a certain population or sample, emphasizing collection using research instruments, quantitative/statistical data analysis, with the aim of testing predetermined hypotheses. This type of research is descriptive and verification research. Through this type of descriptive research, an overview of the respondents' views on the canvas business model can be obtained in analyzing strategies for the sustainability of the Lampit MSME business. Meanwhile, verification research is testing the truth of a hypothesis which is carried out through field data collection. Through this type of verification research, the business model canvas for Lampit MSME Business Sustainability can be analyzed

Population is a generalized area consisting of objects and subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn (Sugiyono, 2019). The population unit in this study is 47 MSME entrepreneurs. The sampling technique used in this research is a non-probability sampling technique. One part of the non-probability sampling technique used in this research is saturated and total sampling. Another term for saturated sampling is census. Where all members of the population are sampled. Because the number in this study was relatively small, the sample taken was the entire population or 47 Lampit MSME entrepreneurs.







The data collection technique that will be used in this research is a questionnaire. The data analysis technique in this research uses descriptive statistical analysis and inferential statistics. Descriptive statistics are statistics that are used to analyze data by describing or illustrating the data that has been collected as it is without the intention of making general conclusions or generalizations (Sugiyono, 2019). Meanwhile, inferential statistics is a statistical technique used to analyze sample data and the results are applied to the population. This statistic will be suitable for use if the sample is taken from a clear population and the sampling technique from that population is carried out randomly (Sugiyono, 2019). Inferential statistics are used to test several proposed hypotheses. The data analysis technique uses the Partial Least Squares (PLS) structural equation model

#### 4. RESULT AND DISCUSSION

Testing the inner model or structural model in principle tests the influence between one latent variable and other latent variables, both exogenous and endogenous. It can also be said to test a hypothesis between one latent variable and another latent variable. The test was carried out by looking at the percentage of variance explained, namely:  $R^2$  for the dependent latent variable which was modeled to get the influence of the independent latent variable using the stone-geisser  $Q$  square test measure, as well as looking at the magnitude of the structural path coefficient. The stability of this estimate was tested using  $t$ -statistics obtained through a bootstrapping procedure. (Wiyono, 2011:402).

##### 4.1 Structural Model Evaluation

Hypothesis testing in this research was carried out after going through three (3) stages of outer model testing (validity and reliability). The third structural model has fulfilled all the outer model requirements so that it can proceed to inner model testing or hypothesis testing of the influence between variables. In SEM PLS, hypothesis testing (inner model) is to determine the influence between variables which is marked by the direction of the arrow from the variable to another variable (blue round shape). Path coefficients are the path coefficient values or the magnitude of the influence of latent variables. In the PLS structural model, the magnitude of the influence (path coefficients) is written on each arrow from one latent variable to another latent variable. The greater the value of the path coefficients, the greater the influence and vice versa



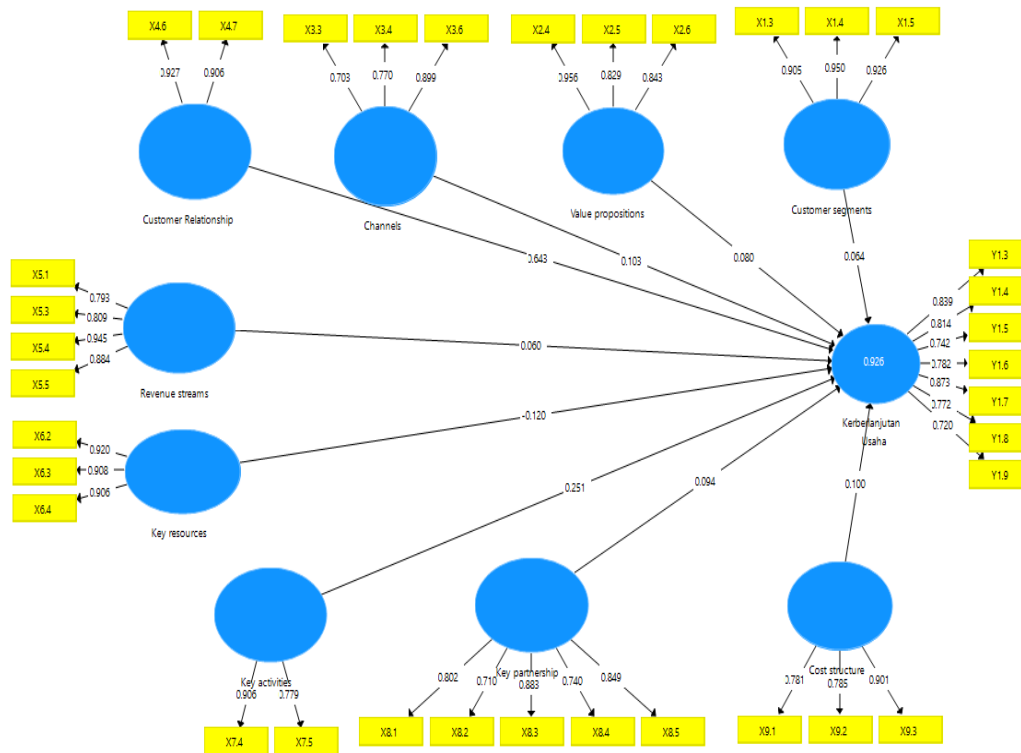


Figure 2. Structural model path coefficients  
Source: smartPLS output (2023)

The path coefficient values as in Figure 2 are presented again in the form of table 1 below.

Table 1. Structural model path coefficients

Konstruk	Channels	Cost structure	Customer Relationship	Customer segments	Keberlanjutan Usaha	Key activities	Key partnership	Key resources	Revenue streams	Value propositions
Channels	0,794									
Cost structure	-0,216	0,824								
Customer Relationship	-0,221	0,760	0,916							
Customer segments	0,114	0,146	0,177	0,927						
Kerberlanjutan Usaha	-0,191	0,846	0,898	0,190	0,793					
Key activities	-0,199	0,510	0,210	-0,104	0,491	0,845				
Key partnership	-0,195	0,744	0,821	0,231	0,826	0,315	0,799			
Key resources	0,720	-0,117	-0,144	0,048	-0,194	-0,267	-0,206	0,911		
Revenue streams	0,627	-0,150	-0,186	-0,189	-0,219	-0,213	-0,303	0,845	0,860	
Value propositions	-0,246	0,837	0,680	0,095	0,745	0,397	0,619	-0,130	-0,171	0,878

Source: smartPLS output (2023)

Path Coefficients only show the magnitude of the influence between variables and do not provide evidence whether the influence between variables is significant or not. Testing whether significant or not significant between variables in PLS was carried out by comparing the statistical t value with a 5% t significance of 1.96. (Chin, 1998 and 2010), Hair. et.al (2011

and 2012) in Latan and Ghazali (2012). The inner T count of the PLS structural model was obtained using the bootstrapping method. The results of the t statistical calculation are shown in Figure 3.

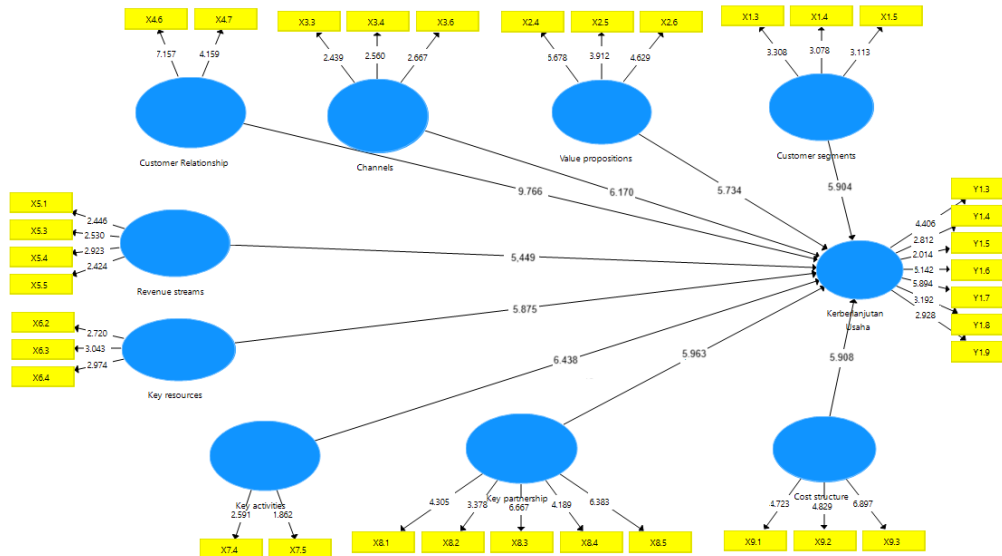


Figure 3. T-statistical value of the structural model

Source: smartPLS output (2023)

Testing whether the partial influence of each exogenous variable is significant on the endogenous variable is tested by comparing the calculated t statistical value with t significance. If the T-statistic is higher than the significance T value, it means the hypothesis is supported or accepted. This research uses a confidence level of 95 percent or significant level = 5%, so the significance T value for the two-tailed hypothesis is 1.96. (Chin, 1998 and 2010), Hair. et.al (2011 and 2012) in Latan and Ghazali (2012)

Table 2. Path coefficients and t-statistics: inner structural model

No	Influence between variables	Koefisien	t	P values	Decision
1	Customer segments -> Business Sustainability	0,064	5,904	0,000	Significant
2	Customer Relationship -> Business Sustainability	0,643	9,766	0,000	Significant
3	Channels -> Business Sustainability	0,103	6,170	0,000	Significant

No	Influence between variables	Koefisien	t	P values	Decision
4	Revenue streams -> Business Sustainability	0,060	5,449	0,000	Significant
5	Value propositions -> Business Sustainability	0,080	5,734	0,000	Significant
6	Key activities -> Business Sustainability	0,251	6,438	0,000	Significant
7	Key resources -> Business Sustainability	0,120	5,875	0,000	Significant
8	Cost structure -> Business Sustainability	0,100	5,908	0,000	Significant
9	Key partnership -> Business Sustainability	0,094	5,963	0,000	Significant

Source: smartPLS output (2023)

The data presented in the table above can be interpreted by looking at the path coefficient values which indicate the coefficient of influence between variables. Next, to find out the level of significance of the relationship between variables, namely by looking at the statistical values. If the t-statistic value > t – table then the results are significant (Chin, 1998 and 2010), Hair. et.al (2011 and 2012) in Latan and Ghazali (2012). The t-table value can be determined by calculating the degree of suitability formula. Based on the calculation of the degree of conformity formula which has been carried out using a significant level of 5% (one-tailed) or a confidence level of 95%, it can be seen that the t-table is 1.96.

The first hypothesis testing was carried out to test the influence of Customer Segments on Lampit MSME Business Sustainability. Proving whether there is a significant influence is carried out by comparing the t-statistical value resulting from bootstrapping with a t-significance of 5%. Based on the test results, it is known that the calculated t value > t statistic is: 5.904 > 1.96 or the sig value. 0.000 < 0.05. It can be concluded that Customer Segments have proven to have a significant influence on the Sustainability of Lampit MSME Businesses. Thus, the first hypothesis is accepted as true.

The second hypothesis testing was carried out to test the influence of Customer Relationship on the Sustainability of the Lampit MSME Business. Proving whether there is a significant influence is carried out by comparing the t-statistical value resulting from bootstrapping with a t-significance of 5%. Based on the test results, it is known that the



calculated t value > t statistic is:  $9.766 > 1.96$  or the sig value.  $0.000 < 0.05$ . It can be concluded that Customer Relationship has proven to have a significant influence on the Sustainability of the Lampit MSME Business. Thus, the second hypothesis is accepted as true

The third hypothesis testing was carried out to test the influence of Channels on Lampit MSME Business Sustainability. Proving whether there is a significant influence is carried out by comparing the t-statistical value resulting from bootstrapping with a t-significance of 5%. Based on the test results, it is known that the calculated t value > t statistic is:  $6.170 > 1.96$  or the sig value.  $0.000 < 0.05$ . It can be concluded that Channels have proven to have a significant influence on the Sustainability of Lampit MSME Businesses. Thus, the third hypothesis is accepted as true.

The fourth hypothesis testing was carried out to test the influence of Revenue Streams on the Sustainability of Lampit MSME Businesses. Proving whether there is a significant influence is carried out by comparing the t-statistical value resulting from bootstrapping with a t-significance of 5%. Based on the test results, it is known that the calculated t value > t statistic is:  $5.449 > 1.96$  or the sig value.  $0.000 < 0.05$ . It can be concluded that Revenue Streams have proven to have a significant effect on the Sustainability of Lampit MSME Businesses. Thus, the fourth hypothesis is accepted as true.

The fifth hypothesis testing was carried out to test the influence of Value Propositions on Lampit MSME Business Sustainability. Proving whether there is a significant influence is carried out by comparing the t-statistical value resulting from bootstrapping with a t-significance of 5%. Based on the test results, it is known that the calculated t value > t statistic is:  $5.734 > 1.96$  or the sig value.  $0.000 < 0.05$ . It can be concluded that Value Propositions have proven to have a significant effect on the Sustainability of Lampit MSME Businesses. Thus, the fifth hypothesis is accepted as true.

The sixth hypothesis testing was carried out to test the influence of Key Activities on the Sustainability of the Lampit MSME Business. Proving whether there is a significant influence is carried out by comparing the t-statistical value resulting from bootstrapping with a t-significance of 5%. Based on the test results, it is known that the calculated t value > t statistic is:  $6.438 > 1.96$  or the sig value.  $0.000 < 0.05$ . It can be concluded that Key Activities have proven to have a significant effect on the Sustainability of the Lampit MSME Business. Thus, the sixth hypothesis is accepted as true.

The seventh hypothesis testing was carried out to test the influence of Key Resources on the Sustainability of Lampit MSME Businesses. Proving whether there is a significant influence is carried out by comparing the t-statistical value resulting from bootstrapping with a t-significance of 5%. Based on the test results, it is known that the calculated t value > t statistic is:  $5.875 > 1.96$  or the sig value.  $0.000 < 0.05$ . It can be concluded that Key



Resources have proven to have a significant influence on the Sustainability of Lampit MSME Businesses. Thus, the seventh hypothesis is accepted as true.

The eighth hypothesis testing was carried out to test the influence of Cost Structure on the Sustainability of the Lampit MSME Business. Proving whether there is a significant influence is carried out by comparing the t-statistical value resulting from bootstrapping with a t-significance of 5%. Based on the test results, it is known that the calculated t value > t statistic is:  $5.908 > 1.96$  or the sig value.  $0.000 < 0.05$ . It can be concluded that Cost Structure has proven to have a significant effect on the Sustainability of Lampit MSME Businesses. Thus, the eighth hypothesis is accepted as true.

The ninth hypothesis test was carried out to test the influence of Key Partnership on the Sustainability of Lampit MSME Businesses. Proving whether there is a significant influence is carried out by comparing the t-statistical value resulting from bootstrapping with a t-significance of 5%. Based on the test results, it is known that the calculated t value > t statistic is:  $5.963 > 1.96$  or the sig value.  $0.000 < 0.05$ . It can be concluded that the Key Partnership has proven to have a significant influence on the Sustainability of the Lampit MSME Business. Thus, the ninth hypothesis is accepted as true.

#### 4.2 Evaluation of Goodness of Fit structural model

Testing the inner model or structural model in principle tests the goodness of fit of the structural model and continues with testing the influence between one latent variable and other latent variables, both exogenous and endogenous. The structural model must meet the goodness of model criteria of various commonly used measures

##### 1. Coefficient of determination (R-Square)

The predictive power of the structural model can be measured using R Square (R<sup>2</sup>). The use of R Square (R<sup>2</sup>) to explain the influence of certain exogenous latent variables on whether endogenous latent variables have a certain influence. The R Square (R<sup>2</sup>) values with scores of 0.67, 0.33 and 0.19 indicate that the model is strong, moderate and weak (Chin et al, 1998 in Ghazali and Latan, 2015). The R Square (R<sup>2</sup>) value is contained in table 3.

**Table 3. R-Square and Adjusted R-Square models**

No	Variable	R Square	Adjusted R Square
1	Business Sustainability	0,926	0,908

Source: smartPLS output (2023)

From the results of the R Square analysis, it shows that the Sustainability of the Lampit MSME Business in the Wetland Area of Hulu Sungai Utara Regency (HSU) varies depending on Customer Segment, Customer Relationship, Channel, Revenue Structure, Value Proposition, Key Activities, Key Resources, Cost Structure and Key Partners. amounting to 90.8%, the remaining 9.2% was varied by other variables not included in this research model. The contribution of Customer Segment, Customer Relationship, Channel, Revenue Structure, Value Proposition, Key Activities, Key Resources, Cost Structure and Key Partners to the Sustainability of the Lampit MSME Business in the Wetland Area of North Hulu Sungai Regency (HSU) is in the substantial (strong) category

2. Goodness of Fit (GoF)

PLS Path Modeling can identify global optimization criteria to determine the Goodness of Fit index. The Goodness of Fit or GoF index developed by Tenenhaus et al (2004) is used to evaluate measurement models and structural models and in addition provides a simple measure of the overall model predictions. The GoF value criteria are 0.10, 0.25 and 0.36 which indicate that GoF is small, GoF Medium and GoF Large (Ghozali and Latan, 2015). The GoF value can be seen in table 4. Below

**Table 4. R Square and Communality Index Model**

No	Variable	R Square	Communality
1	Business Sustainability	0,926	0,840

Source: smartPLS output (2022)

Next, to determine the goodness of fit (GoF), the structural model of digital marketing variables is calculated using the square root of the average communality index and average R Square values, as follows:

$$\begin{aligned}
 \text{GoF} &= \sqrt{0.926 * 0.840} \\
 &= \sqrt{0.778} \\
 &= 0,882
 \end{aligned}$$

The greater the GoF value, the more appropriate the model depiction. The GoF value category according to Wiyono, (2011:403) is divided into three, namely 0.1 (weak), 0.25 (moderate), and 0.36 (large). A GoF value of 0.739 is interpreted as a large GoF, meaning that the measurement model (outer model) with the structural model (inner model) is feasible or valid

## 5. CONCLUSION

Based on the results, analysis and discussion, the conclusions of this research are as follows:

1. Customer Segment is proven to have a significant influence on the Sustainability of Lampit MSME Businesses in the Wetland Area of North Hulu Sungai Regency
2. Customer Relationship is proven to have a significant influence on the Sustainability of Lampit MSME Businesses in the Wetland Area of North Hulu Sungai Regency
3. 3. Channels are proven to have a significant influence on the sustainability of Lampit MSME businesses in the Wetland Area of Hulu Sungai Utara Regency
4. 4. Revenue Structure is proven to have a significant influence on the Sustainability of Lampit MSME Businesses in the Wetland Area of Hulu Sungai Utara Regency
5. 5. Value Proposition is proven to have a significant influence on the Sustainability of Lampit MSME Businesses in the Wetland Area of Hulu Sungai Utara Regency
6. 6. Key Activities are proven to have a significant influence on the Sustainability of Lampit MSME Businesses in the Wetland Area of Hulu Sungai Utara Regency
7. 7. Key Resources are proven to have a significant influence on the Sustainability of Lampit MSME Businesses in the Wetland Area of North Hulu Sungai Regency
8. 8. Cost Structure is proven to have a significant effect on the Sustainability of Lampit MSME Businesses in the Wetland Area of North Hulu Sungai Regency
9. 9. Key Partners are proven to have a significant influence on the Sustainability of Lampit MSME Businesses in the Wetland Area of Hulu Sungai Utara Regency

Suggestions that can be given for further research are:

1. Lampit MSMEs can consider diversifying their product and service portfolio. This helps in dealing with the risks of dependence on a single product or service, as well as opening up opportunities to reach different market segments.
2. Lampit MSMEs need to identify risks that could affect their business, such as market changes, increased competition, or changes in regulations. After identifying risks, they must plan mitigation actions to reduce their impact
3. Lampit MSMEs can also measure the social impact produced by their business. This could involve a positive impact on local communities, job creation, or support of social initiatives.
4. Lampit MSMEs must understand their competitors well. This not only involves understanding the products and services they offer, but also their marketing strategies, pricing, and unique features. This helps MSMEs to identify untapped opportunities.





5. The industry and market continue to develop. Lampit MSMEs need to stay up-to-date with the latest trends and innovations in their industry. This helps them stay relevant and attractive to customers

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