



Proposed Strategy to Increase the Number of Subscription of Thudio Using Freemium Model

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ABSTRACT: Nowadays, almost all aspects of our daily life intersect with design and creativity, and design is no longer an exclusive thing; it's a part of lifestyle. People become aware about interior design. Ever since Covid-19 pandemic, people mostly spend their time at home. It cause increasing furniture demand. From the data shows that the number of construction company in Indonesia is growing every year. This create opportunities and potential for business market. Thudio is a new innovation for designers to make their work easier. It connects a lot of stakeholders, from designers and architects to customers and suppliers, to help consumer deliver the best result for interior design projects. Thudio is a variation on the word "studio," which refers to a place where designers, artists, and innovators work, collaborate, and innovate. Thudio aspires to become a venue for innovation and collaboration in the home living market. With the marketing activities that have been implemented, Thudio should develop so that the consumer subscription target can be achieved.

The research strategy data collection method chosen for this research is questionnaires which is going to be administered through electronic and online questionnaires. This will be considered as the effective, and efficient way in capturing the information. Research with surveys by distributing questionnaires to interior designers that aim at describing and explaining business issues and seeks the answers by the user of the quantitative data. Research limitation; questioner only for Interior designer who works freelance, in-house, and as a student. The proposed questioner is designed to determine customer awareness of the Thudio brand and the services it provides. Also, to investigate whether factors influence users' willingness to subscribe to a service.

The framework used in this research to analyse the result using 4V (Value proportion, value creation, value capture, and value delivery) to asses the freemium business strategy. As proposed solution to be implemented, researcher using business model canvas (BMC). Based on the analysis, Thudio must create marketing initiatives to increase the number of Thudio service consumers. Furthermore, the aspect that makes individuals want to subscribe to a service is differentiated distribution, which is influenced by the benefits supplied and the service's goal. As a result, Thudio employs a freemium strategy in order to increase the number of Thudio service subscriptions.

KEYWORDS: 4V analysis, Business Model Canvas, Freemium model, Subscription.

INTRODUCTION

The creative economy creates value based on ideas generated by human ingenuity and knowledge, including cultural and technical legacy. Based on Ministry of tourism and economy creative, creative industry is divided into 17 creative economic subsector one of them is architecture and interior design sector. Primarily, design was a way of thinking that was divided into two main processes: (1) the study process, which included statement of the problem, exploration and analysis, and conclusions; and (2) the decision-making process, which is the final stage of the design process and is a combination of objective and subjective elements such as visual appeal, market trends, and user factors. Almost all aspects of our daily life intersect with design and creativity, and design is no longer an exclusive thing; it's a part of lifestyle. People become aware about interior design. Ever since Covid-19 pandemic, people mostly spend their time at home. It cause increasing furniture demand. From the data shows that the number of construction company in Indonesia is growing every year. This create opportunities and potential for business market.

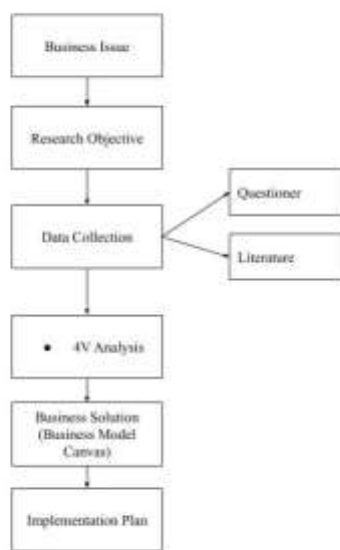
Thudio is a new innovation for designers to make their work easier. It connects a lot of stakeholders, from designers and architects to customers and suppliers, to help consumer deliver the best result for interior design projects. Thudio is a variation on the word "studio," which refers to a place where designers, artists, and innovators work, collaborate, and innovate. Thudio aspires to become a venue for innovation and collaboration in the home living market. It will continue to look into additional difficulties that designers confront, such as project management, supply chain, and procurement, following starting with the Sketchup plugin to assist in the



design process. Thudio encourages home living industry players to collaborate in order to simplify challenges that are now complex. Since the software is a breakthrough in the interior design industry, there is a lack of knowledge of the service, despite the fact that it is extremely beneficial to designers in terms of reducing their working time. Thudio expects to increase subscribers by 70% this year. The company effort in order to increase number of subscription by soft-selling to their target market (interior designer).

METHODOLOGY

The research was carried out by distributing questionnaires to targeted respondents, specifically interior designers. Throughout a two-week period, the survey is distributed using Google Form. 199 questionnaires were returned as a result of distribution. Among 199 respondents, 151 (76%) knew and had used Thudio, while 48 (24%) did not know Thudio. Hypothesis factors relating to the freemium model and satisfaction with online service subscriptions informed the researchers' inquiries to the respondents. The results of the hypothesis and responses from respondents are influential and will be incorporated into the solution suggestion. The collected data is analyzed using the Analysis of Variance (ANOVA) technique. The limitation of this research is specifically enhancing the branding strategy to interior designer as the target market in order to recognize the service. The data collection will obtain by interview to Thudio's employee and distribute questioner to interior designers. In addition, the analysis employs 4V, namely value proportion, value capture, value creation, and value delivery, to assess the freemium business strategy to be executed. As a proposed solution for Thudio, with a business model that has been studied using the Business Model Canvas (BMC).



RESULT AND DISCUSSION

The collected data is analyzed using the Analysis of Variance (ANOVA) technique. Observed variables in this study include:

a. Dependent Variable (Y):

The respondent's interest in subscribing to an online service as seen from the hassle (Y1), benefits offered (Y2), and the intention to use Thudio service (Y3).

b. Independent Variable (X):

Is a variable that affects the value of Y. This variable is a type of freemium which consists of:

1. Feature limitation
2. Quantity differentiation
3. Value of the cost
4. Time differentiation

A. ANOVA Analysis

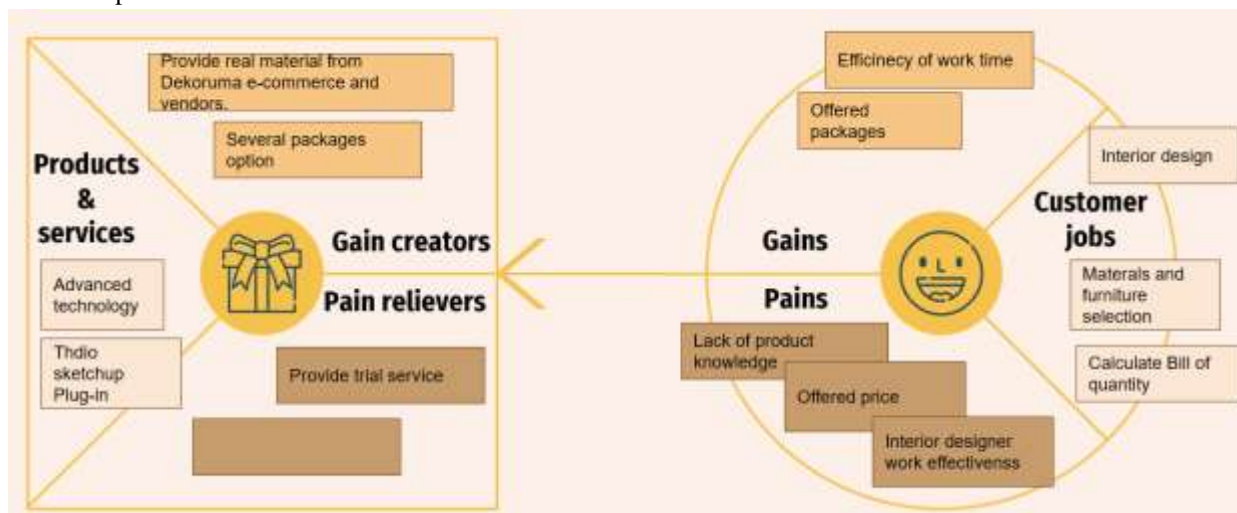
Based on the results of the analysis, it can be concluded that the variables that significantly affect hassle, benefit, and intention can be seen in the following table:

	Y1 (Hassle)	Y2 (Benefit)	Y3 (Intention)
Feature Limitation	Significant	Not significant	Not significant
Quantity Differentiation	Not significant	Significant	Not significant
Differentiated distribution	Significant	Significant	Significant
Time differentiation	Not significant	Significant	Significant

Based on the table, the hassle variable is affected by the feature limitation and time differentiation variables, whereas the benefit variable is affected by the quantity differentiation, Differentiated distribution, and time differentiation variables. The variable value of the cost and time distinction influences the variable value of the intention variable. From the four independent variables, it is evident that the value of the cost variable has a significant effect on the three dependent variables; therefore, the value of the cost variable is the most significant variable for the Thudio’s service.

B. 4V Analysis

- Value Proportion



The customer jobs are the activities that customers perform in an effort to satisfy their needs. The business responds to the issue by defining product and service. According to the respondent, the customer's roles are as listed above. On the basis of the aforementioned value proposition canvas, it is obvious that consumers are interior designers whose work scope can be satisfied by the services provided by Thudio, specifically the sketchup plugin, which is a new variety in the sector of interior design.

In the process of resolving a customer's problem, pains are the customers' previous negative experiences. Consequently, the pain reliever is the explanation of how the company relieves the pains of its customers. With this pain, the customer expects the company to take action to alleviate the pain. For the above- mentioned customer pains, the offered pain relievers provide trials and tutorials for new users. This is intended to make it simpler and less confusing for users. And users can fully utilize the service.

Gain is the benefits expected by the customer in order to meet their needs. The company is an offer Gain creator in order to generate customer gain through offering enhancements. By utilizing the firm's offering and service to satisfy their needs, the target market can benefit from the gain creator's efforts. The firm support it by providing real interior materials from vendor. It is also available via Dekoruma's e-commerce platform.

- Value Creation

Arrangements of resources, competencies, activities, and processes, as well as partnerships with other companies, for the creation and delivery of the value offering. Creating value for customers facilitates the sale of goods and services. Thudio has delivered a



service by offering loose furniture and home electronics that can be incorporated into SketchUp designs. These items are available for direct purchase. Consequently, Thudio has collaborated with vendors to incorporate their products into the application.

How much is an acceptable budget plan for subscribing to Thudio's service, given the results of the questionnaire and the questions posed to the respondent 52% People with a budget between IDR 30,000 and IDR 50,000 will most likely subscribe to the service. However, because the Thudio plug-in is a recent innovation in the interior design industry, this service cannot be compared to it. This has the potential to help Thudio advance its product line. 48% of respondents selected three-month payment terms. And the selection of available packages is 40% individual. With a cost that is proportional to the offered benefits and intentions. This indicates that the customer is concerned with the offered price and benefits.

- Value Delivery

Segments of customers to whom the firm offers the value offering, the various means and channels to reach the segments, and the firm establishes relationships with the segments. Thudio's target market consists specifically of interior designers. Where interior designers can indeed be employed in-house, as entrepreneurs, or as freelancers. Consequently, the subscription packages that can be offered range based on the needs of the users, whether they are individuals or groups. Delivering value delivered to customers in an economy characterized by a scarcity of goods and consumers who are unconcerned with quality, features, and style, businesses that share this perspective have the best chance of success. By maintaining a positive rapport with users, you can provide excellent and informative customer service.

As a provider, Thudio provides its own platform. This service was previously available only to Dekoruma's interior designer, but it has now been made available to the general public. This plug-in for Thudio contains interior and interior furnishing materials from multiple vendors. Together, they enter the items they sell to Thudio. Later, these items can be directly purchased via Dekoruma's e-commerce. However, the available goods and materials are outdated and insufficient. Thudio must continue to collaborate with vendors so that their inventory can be updated whenever they release new items or categories. Thus, Thudio must collaborate with internal vendors to provide more comprehensive services. Consequently, delivery of value creation from Thudio Delivery via its own channels (web and applications) and multiple partner channels.

- Value Capture

Value capture is, Monetisation – the way the company makes money from the value offering through a variety of revenue flows and their overall profitability (i.e., revenue model and cost structure).

Currently, Thudio relies on commissions from vendors whose products are integrated into Thudio plug-ins. This business plan, which relies solely on a single source of revenue, is extremely risky. The application of the freemium business model to Thudio, requiring users to pay for the service. According to the results of the ANOVA analysis, users have a strong interest in Thudio's cost-effectiveness and will be interested in its benefits and intentions.

C. Business Model Canvas (BMC)

- Customer segments

Thudio has a specific consumer because their products and services are plug-ins for sketchup apps. Customer segment consists of interior workers. Based on the results of the questioner's open-ended question, the client has also discovered that the services provided by Thudio are incredibly useful for accelerating the designer's work. However, the buyer is really concerned with the benefits provided by Thudio and the price supplied. In other words, the advantages provided to subscribers must be proportional to the amount they have paid.

- Value proposition

The offering of this service leads to a value ratio. Which can increase the interior designer's efficiency. As stated in the value proportion above, this service was solely provided to the interior designer of Dekoruma. Making it difficult for all interior designers to resolve design issues. It integrates several uses with the Dekoruma e-commerce platform. It indicates that designers are able to identify the precise materials used in their designs. According to this study, this service is new and has not yet been deployed by any competitors, particularly in Indonesia. Therefore, it became a wonderful opportunity for Thudio's growth.

- Customer relationship

Tutorials that are straightforward and comprehensive aid customers in maximizing their utilization of Thudio's services. To increase client interest and satisfaction when utilizing the product. Customers' feedback or testimonials can be mapped to facilitate product or customer relationship growth. In addition, the company offers a community channel on social media, particularly Instagram, for



the dissemination of information, which may help boost public awareness of Thudio. This robust community may generate a customer base, an indicator of the company's growth. Thudio's program also provides product information from interior vendors, which is an additional advantage. Consequently, it may also be advantageous for vendors.

- *Channels*

The client relationship will be ineffective unless effective distribution channels are established. Several channels are provided to facilitate the market's connection with the company's products in order to facilitate client access. The channels are social media, seminar or workshop participation, and exhibition attendance. A digital platform, such as Instagram or TikTok, is also highly recommended for testing product channels. There is also pitching, in which the Thudio team gives a presentation to an interior design firm in order to promote and secure a partnership for the use of Thudio.

- *Revenue streams*

With the clients and firm network established, the revenue stream may be developed. The company can get revenue from the subscription and vendor's charge associated with the Thudio product they submit.

- *Key partners*

The impact of a Potential and Well-Known Interior Vendor on the development of this application is substantial. Customers are increasingly interested in well-known and varied vendors.

- *Key activities*

Thudio is a newly introduced product from Dekoruma and the interior design sector. Consequently, there are still numerous issues with the application. Thudio needed to build a freemium model approach for this reason. Additionally, a marketing strategy must be implemented to boost the number of users. It is necessary to introduce products and services to customers in order to raise awareness. The approach taken for B2B and B2C target markets is also distinct. By pitching directly to these companies, the B2B approach was used to reach interior designers in businesses. Furthermore, social media is being used to promote the Thudio brand.

- *Key resources*

Thudio, as a new product service, is still developing the services it provides to customers. Thudio's improved and more advanced services are implemented in the freemium model. As a result, technology specialists are required in order to maximize the development of the Thudio service. After all course, costs are required to develop the service. As a result, it relies on investor funds for funding. Whereas Dekoruma is a startup that still requires funding from investors.

However, in order to improve its services, Thudio needs to work with more interior designers. Until now, Thudio's vendors have consisted of loose furniture, home appliances, and materials. Even so, there are only a few existing brands. Thudio will now offer vendors from a variety of well-known brands.

- *Cost structure*

The cost structure part is needed to be described to analyze the cost component. The operational cost come from product and service development cost, product innovation, and marketing cost. Companies must identify a niche market to sell their products to implement successfully. This necessitates a thorough knowledge of the market, as well as its suppliers, buyers, and competitors.

CONCLUSION

Delivering Thudio's services to the interior design sector is the challenge. We conclude from the root cause analysis that Thudio lacks customer awareness. Thudio offers technology that is relatively new to the interior design business. This makes Thudio's service an example of emerging technology. Since no one in Indonesia has this service until now. The benefit of Thudio is that it can improve the interior designer's work efficiency. So the service is a Sketch-Up plug-in that collaborates with interior providers. However, the service is currently limited, and there are few providers that collaborate. In marketing activities, Thudio must become increasingly engaged. Users can begin by promoting the offered services on social media platforms.

This can boost Thudio's service awareness and brand recognition. With services that boost the efficiency of designers' work, Thudio must overcome the lack of brand and service recognition it provides. Increasing their efforts and the quality of the content so that the content introduced would be more appealing and effective to their audience, hence generating brand awareness for Thudio. In other words, these were the obstacles Thudio experienced, but the company has excellent growth prospects in the future because it provides innovative technologies to the interior design sector.



Thudio offers a freemium approach for subscription so that the service's content is more comprehensive. Additionally, consumers can test the service through Thudio before subscribing. Thudio clients are more concerned about Differentiated distribution in relation to the supplied benefits and intentions, based on the findings of a survey administered to a specific target market. In addition, the analysis employs 4V, namely value proportion, value capture, value creation, and value delivery, to assess the freemium business strategy to be executed. As a proposed solution for Thudio, with a business model that has been studied using the Business Model Canvas (BMC). Based on the research, this solution was required to improve the number of Thudio service subscriptions.

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