

Business Model Development With The Approach Of Business Model Canvas At Hs Rent Cars

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Abstract

The car rental industry is a sector that continues to grow along with the increasing need for flexible and practical transportation mobility in society. Nationally, the development of car rental businesses in Indonesia shows a positive trend. However, car rental business actors face obstacles in dealing with the dynamics of the growth of the car rental market. HS Rent Cars faces various problems that affect its competitiveness in the competitive car rental market. The main obstacles include the limited fleet of vehicles, which prevents it from meeting the increase in customer demand. The lack of diverse vehicle variations limits the ability to serve a wider customer segment. The high operational and maintenance costs of vehicles are a significant financial burden, especially since the addition of the fleet is done independently. The combination of these problems makes it difficult for the company to maintain market share and increase profitability. This study aims to identify, analyze and design new business models and strategy landscapes through identification of strengths and weaknesses, as well as external opportunities and threats using the BMC and SWOT framework. The aspects studied include: Value Propositions, Customer Segments, Customer Relationships, Channels, Key Resources, Key Activities, Key Partnerships, Cost Structure, And Revenue Streams. The phenomenon in this study is explored using a case study method. The data collection technique used in this study was through interviews and secondary data collection to obtain a preliminary study related to an in-depth and comprehensive understanding of the business model and utilizing strengths, reducing weaknesses, utilizing opportunities, and countering threats identified through the research process. This study is expected to contribute to knowledge by offering practical insights and recommendations for the latest business models needed by HS Rent Cars to thrive in the car rental business market. By integrating the BMC and SWOT frameworks, this study provides a holistic approach to strategic analysis and formulation as a work plan for HS Rent Cars.

Keywords: Car Rental, Business Model, Business Sustainability

INTRODUCTION

Transportation is one of the fundamental elements in economic development, the flow of movement of people and goods, the flow of information (flow of information). financial flow (flow of finance) and the growth of the industrialization sector (Yuliani, 2014). Transportation services are also known as derived demand, where the demand for transportation services increases to serve growth in various economic and development activities. Along with economic growth and increasing social mobility in Indonesia, this phenomenon also has a significant impact on companies operating in the transportation sector (Majeedah, 2022). Based on data from the Economic, Financial, & Fiscal Review Edition II, one of the drivers of national economic growth recovery is the transportation sector, with the highest GDP growth of 19.9 percent in 2022 and 14.0 percent in 2023. This shows that the transportation sector has the highest GDP growth compared to other sectors (Ministry of Finance, 2024). Car rental is a transportation sub-sector that plays an important role in meeting the needs of the community by offering transportation solutions through a bond or agreement system that provides access to vehicle services according to needs (Fitriani, 2023). Car rental is a type of vehicle rental transportation service business for a certain period of time aimed at mobility with a predetermined cost agreement between the vehicle rental service provider and the client (Ridwan et al., 2024). The high potential of the car rental market can be seen from its demand which continues to grow sustainably (Indonesia Economic Outlook, Q3-2024). The car rental industry is one sector that continues to grow along with the increasing need for flexible and practical transportation mobility in society (Muhammad et al., 2023). According to (Subhan, 2020) the growth of the car rental industry is due to the increasing need for people's mobility for tourism, business, work and daily needs.

Nationally, the development of the car rental business in Indonesia shows a positive trend from 2019 to 2024 with a market size of USD 0.67 billion and is projected to experience significant growth to USD 1.42 billion in 2029 with a CAGR of 16.09% (Mordol Intelligence, 2024). Regionally in Lampung Province, the transportation sector is one of the supporting factors for the economy. Based on the Gross Regional Domestic Product (PPDB) in 2024, the economy of Lampung Province in the third quarter of 2024 compared to the third quarter of 2023 experienced a growth of 4.8%. In terms of production, the business sector with the highest growth in terms of year-on-year is Transportation & Warehousing at 10.97% which is driven by increased community mobility (Central Bureau of Statistics, 2024). Furthermore, after the Covid-19 pandemic and the revocation of the Community Activity Restrictions (PPKM) policy, there was a significant increase in car rental orders, reaching 60-70% of car rental orders on Java Island. This is in line with the increasing trend of car rental orders at HS Rent Cars in Lampung Province which has increased from 2021 to 2023 as in Graph 1 below:



Figure 1. Car Rental Booking Data at HS Rent Cars
(Source: Author, 2024)

Based on Figure 1 above, in 2021 the average car rental booking at HS Rent Cars was 95 bookings per month. In 2022, there was an increase in car rental bookings of more than 60%. Where in 2022 the average car rental booking at HS Rent Cars reached 154 bookings per month and the growth trend in car rental bookings continued until 2023, reaching an average car rental booking of 175 bookings per month. However, the growth of car rental bookings at HS Rent Cars cannot be fully met by HS Rent Cars due to the limited number of vehicle fleets owned by HS Rent Cars. This was also stated by (Shaheen Susan, 2018) in his research, where one of the challenges in the car rental business is the limited number of vehicles owned by car rental entrepreneurs to meet the demand for car rental booking needs. The number of car fleet ownership at HS Rent Cars in 2021 was 5 units of car fleet. Then, in 2022 it was 7 units of car fleet and in 2023 it was 10 units. Thus, because the number of car fleets owned is not enough to meet the potential demand which continues to increase. This condition has a direct impact on the limited income that can be generated by HS Rent Cars, considering that fleet limitations limit the number of customers that can be served at one time. Thus, revenue optimization cannot be fully achieved amidst the increasingly competitive growth in demand for the car rental market. Gap of Car Rental Orders Successfully Fulfilled and Unfulfilled by HS Rent Cars where in 2021 an average of 21% of incoming orders could not be fulfilled, in 2022 it was 38% and in 2023 51% of car rental orders received by HS Rent Cars could not be fulfilled. Thus, this shows that HS Rent Cars has limited fleet to meet the demand for car rental orders by prospective clients which results in the Company's profit. Next, the author identifies the income report data at HS Rent Cars, where HS Rent Cars' income depends on the number of vehicle orders that are successfully fulfilled by the company. Therefore, the percentage of unfulfilled orders in Graph 2 above can be an opportunity to increase HS Rent Cars' income in the future, along with the growth of the car rental industry. According to Susan Shaheen (2018), the challenges that occur in the car rental business are lack of vehicle variety, operational and maintenance costs of vehicles. The development of a partnership-based car rental business is the concern of strategic partners regarding the security of their vehicle assets. According to (Subhan, 2020) individual strategic partners have reservations about renting their vehicles to individuals they do not know due to the potential for misuse of the vehicle and the risk of damage by the renter.

The main problem that is the reason for the use of the framework Business Model Canvas (BMC) in this study is because BMC provides a structured framework to analyze and develop the HS Rent Cars business model which faces various challenges by mapping the main elements of the business and is needed to evaluate the interconnections between business elements to create a more effective and competitive strategy. Limited key resources, such as vehicle fleets and high operational and maintenance costs, are also significant obstacles in supporting business growth. The absence of a structured customer relationship strategy and the lack of strategic partnerships also weaken the company's competitiveness. HS Rent Cars faces challenges in the lack of strategic partnerships to support operations and expand the network, high operational costs that suppress profit margins, and dependence on traditional revenue models without diversification. Based on the research background above, this study aims to explore the development of the car rental business model at HS Rent Cars using Business Model Canvas. Where to ensure business sustainability, HS Rent Cars needs to implement the right strategy and routinely evaluate the business model to remain relevant to market developments, especially in dealing with customer demand.

RESEARCH METHODS

Research has an important role in various fields as the main means to understand, solve, and anticipate problems based on data obtained from research (Sugiyono, 2019). The type of research method used in this study is a qualitative research method. Qualitative research methods are research methods that emphasize more on aspects of in-depth understanding of a problem rather than looking at problems for generalization research. Approach was used in this study to collect data at a specific point in time from various sources in this study. Thus, it allows the collection of diverse and representative information from various stakeholders to support the identification of general patterns and key factors that influence the experience (Creswell & J. David Creswell, 2018). In this study, the researcher selected informants to be interviewed who were considered to understand the social situation in this study. The determination of the source of the informants to be interviewed was done randomly purposive by researchers based on job descriptions according to the organizational structure of HS Rent Cars for the internal category and strategic partners with good reputation for the external category. Data collection techniques in this study were observation, interviews and literature studies. Data analysis techniques in this study were data presentation, data reduction and concluding.

DISCUSSION

Internal Factor Evaluation Matrix

The process of compiling IFE Matrix conducted together with internal sources by identifying the strengths and weaknesses that affect the business based on management function analysis. Each external factor is given a weight between 0.0 - 1.0 according to its level of importance or influence on HS Rent Cars. Furthermore, each factor is given a rating between 1 - 4, which indicates how well HS Rent Cars responds to the factor. The following is Table 1, which is the result of the compilation IFE Matrix for HS Rent Cars:

Table 1. IFE Matrix

No	Key Internal Factors	Weight ¹⁾	Rating ²⁾	Weight Score ³⁾
Strengths				
1	CEO leverages digital reputation on Google Reviews for quality control	0.09	3	0.27
2	HS Rent Cars' clear and flexible organizational structure	0.09	3	0.27
3	The entire team is focused on responsive and personal customer service.	0.11	4	0.44

4	Ensure the vehicle fleet is in prime condition and regularly maintained	0.12	4	0.48
5	Have strategic partnership relationships with workshops, dealers and leasing companies	0.09	3	0.27
Weakness				
1	Limitations of internal digital monitoring systems	0.10	2	0.20
2	The HR team's capacity is limited to handle the surge in demand.	0.10	2	0.20
3	Operation of rental vehicles with minimal variation in vehicle types	0.10	2	0.20
4	Reliance on leasing for financing	0.10	2	0.20
5	Revenue only from individual segments	0.10	2	0.20
Total				2.73

Based on the table above, the IFE Matrix above, a total score of 2.73 was obtained. According to (David, 2011), this score is at range average 2.0 to 2.99 and is above the average of 2.50, indicating that HS Rent Cars has relatively dominant internal strengths compared to its weaknesses, but there are still important areas that need to be improved to support sustainable business growth. The main strengths of HS Rent Cars include:

1. Responsive and personal customer service by the entire team (weighted score 0.44).
2. Fleet of vehicles in prime condition and regular maintenance (0.48).
3. Flexible organizational structure and strategic partnerships with workshops and vehicle dealers.

On the other hand, several significant weaknesses must be addressed immediately, including:

1. Limited digital monitoring systems to support more efficient operations,
2. Lack of variety of rental vehicles to reach wider market needs,
3. Reliance on leasing in fleet financing,
4. Sources of income that are still focused on the individual segment.

External Factor Evaluation Matrix

The process of compiling the EFE Matrix is carried out together with internal sources by identifying the main opportunities and threats that affect the business based on analysis PESTEL And Five Forces. Each external factor is given a weight between 0.0 - 1.0 according to its level of importance or influence on HS Rent Cars. Furthermore, each factor is given a rating between 1 - 4, indicating how well HS Rent Cars responds to that factor. The following are the results of the compilation EFE Matrix for HS Rent Cars based on opportunities and threats from the analysis PESTEL and Five Forces.

Table 2. EFE Matrix

No	Key External Factors	Weight ¹⁾	Rating ²⁾	Weight Score ³⁾
Opportunities				
1	Growth of tourism and travel sector in Lampung	0.13	4	0.52
2	Eco-friendly vehicle trends	0.09	3	0.27
3	Need for personal and fast service	0.12	4	0.48
4	Advances in easy reservation technology and vehicle tracking	0.14	4	0.56
5	Potential for cooperation with hotels, EO and companies	0.14	3	0.42
Threats				
1	High competition with local rentals and online	0.10	2	0.20

2	Threats from services ride-hailing and car-sharing	0.05	2	0.10
3	Dependence on suppliers	0.07	2	0.14
4	Fluctuations in purchasing power due to economic conditions	0.07	2	0.14
5	Fleet limitations in the face of surging demand	0.09	2	0.18
Total				3.01

Based on Table 2 EFE Matrix above, the total score obtained is 3.01. According to (David, 2011), this score is at range high 3.0 to 4.0 and is above the average figure of 2.50 which shows that HS Rent Cars has excellent capabilities in responding to external opportunities and minimizing existing threats. The biggest opportunities that HS Rent Cars can take advantage of include:

1. Advances in vehicle reservation and tracking technology (0.56) are driving the transformation of services towards digital and efficiency.
2. The growth of the tourism sector in Lampung (0.52) was able to create increased demand for vehicle rental services.
3. The need for personal and fast service (0.48) is a differentiating force in competing in the market.
4. The potential for collaboration with hotels, event organizers, and companies (0.42) can open up new revenue channels from B2B and corporations.

On the other hand, there are threats to HS Rent Cars that must be anticipated, including:

1. Competition with local rentals and online (0.20) and ride-hailing services (0.10), which require companies to have unique value.
2. Fleet limitations and dependence on suppliers pose risks to vehicle availability during times of high demand.
3. Fluctuations in people's purchasing power can also affect vehicle occupancy rates.

Internal External Matrix

Based on the IFE Matrix in Table 1, a score of 2.73 was obtained, and based on the EFE Matrix in Table 2, a score of 3.00 was obtained. Therefore, Figure 2 below presents the Internal-External Matrix of HS Rent Cars:

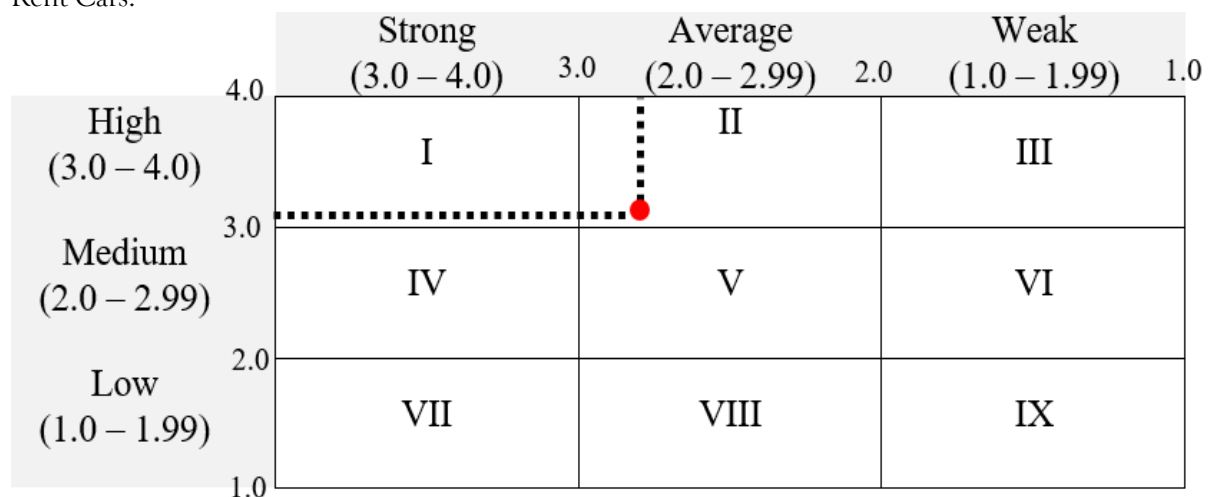


Figure 2. Internal-External Matrix

HS Rent Cars is positioned in Quadrant II, within the Grow and Build zone, which includes intensive strategies such as market penetration, market development, and product development.

Latest Proposals Business Model Canvas

The image below is the latest proposal business model canvas for HS Rent Cars which has been updated in Figure 2.

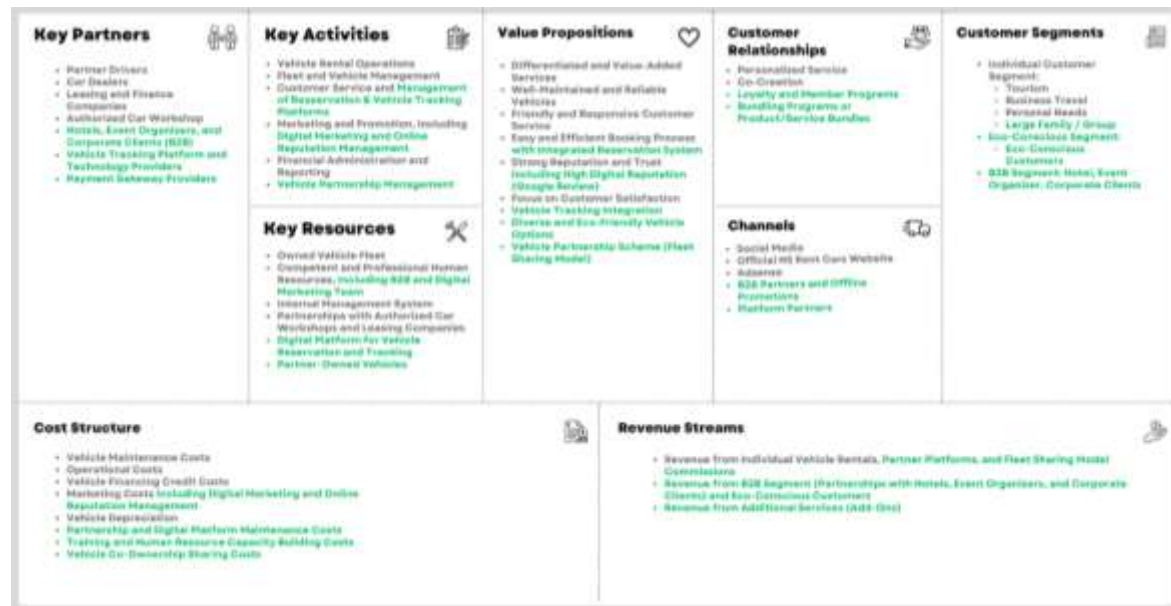


Figure 2. HS Rent Cars Latest Business Model Canvas Proposal

Based on Figure 2 above, the following is an interpretation of the development business model canvas Latest HS Rent Cars:

1. Key Partners

Strategic partner development in Key Partners at BMC HS Rent Cars aims to form a collaborative ecosystem, reduce the burden of direct investment and strengthen market synergies.

a. B2B segment (Hotel, EO, and Company).

Role:

1. Hotel: Provides direct customer access through hotel guest reservations (shuttle service, city tour).
2. Event Organizer and Company: Need a fleet for event transportation, guests, or logistics.

Benefit:

1. Income stability and expanding distribution channels from B2B segment.
2. Fleet utilization is increasing consistently.
3. Increase brand credibility through association with professional institutions.

b. Vehicle tracking technology and platform partners.

Role:

1. Providing GPS systems for HS Rent Cars vehicles and those owned by partners.
2. Integrated into an existing travel and ticketing service platform.

Benefit:

1. For HS Rent Cars operational vehicles and fleet partner vehicles, thereby increasing security, efficiency and transparency of services.
2. Expanding the reach of orders without building your own channels. ADAS.

c. Partner Payment Gateway

Role: Facilitate customer payments online seamlessly (ex: Midtrans, Xendit, E-Wallet).

Benefit:

1. Provide payment facilities with multiple methods, increase conversion and customer satisfaction.
2. Reduce internal technology development costs for transaction systems.

2. Key Activities

Here are the development activities in the proposal business model canvas Latest from HS Rent Cars:

a. Digital Reservation and Tracking Platform Management.

Role:

1. Manage reservation systems integrated with platforms, vehicle tracking (GPS), and payment system integration.
2. Ensure the system runs stably, responsively, and is integrated with customer needs.

Benefit:

1. Providing a modern and practical user experience.
2. Become a differentiator from main competitors or providers offline.
- b. B2B Marketing Management and Online Reputation.

Role:

1. Conduct strategic approaches and negotiations with business segments such as hotels, event organizers (EO) and companies.
2. Prepare cooperation proposals, corporate bundling offers, and ensure the quality of B2B-specific services.
3. Monitor and respond to reviews on Google, social media, and other digital platforms.
4. Manage loyalty programs, customer feedback, and after-service communications.

Benefit:

1. Strengthening branding of the company as a professional vehicle rental service provider.
2. Make B2B as an additional distribution channel to support long-term growth.
3. Maintain and improve digital reputation as a business asset.
4. Push repeat booking and improve customer lifetime value (CLV).

c. Vehicle Partnership Management

Role:

1. Manage relationships and onboarding processes of vehicle owner partners.
2. Developing profit-sharing schemes, arranging schedules, vehicle verification, and reporting partner income.

Benefit:

1. Increase fleet capacity without direct investment costs.
2. Increase partner trust and loyalty through transparency and professional management.
3. Key Resources

Here is the key development key resources in the proposal business model canvas Latest from HS Rent Cars:

a. Vehicle Fleet (Internal and Mitra/Fleet Partner)

Role:

1. Used as a primary service asset to meet individual and B2B customer demands.
2. Including self-owned vehicles and those from partners in a fleet sharing scheme.

Benefit:

1. Providing flexibility and scalability of vehicle provision
2. Lowering the burden of asset investment through partner participation.
3. Responding to unit variation needs and seasonal demand.

b. Competent and Professional HR with B2B and Digital Marketing Team

Role:

1. The operational team serves customers with high standards.
2. The digital marketing team manages online promotions, social media, and reputation management.
3. The B2B team builds strategic partnerships with hotels, EOs, and corporations.

Benefit:

1. Improve customer service response and personalization.
2. Drive new customer acquisition and B2B channel expansion.
3. Supporting the company's strategic and sustainable growth.

c. Digital Vehicle Reservation and Tracking Platform

Role: Integration of online reservation system into partner platform, vehicle tracking, payment integration, and customer transaction management.

Benefit:

1. Supporting service modernization and operational efficiency.
2. Providing a modern and customer experience in real-time.
3. Become a differentiator, the mainstay of conventional rental businesses.

4. Value Propositions

Here is the development value propositions in the proposal business model canvas, Latest from HS Rent Cars:

a. Integrated Easy and Efficient Ordering Process

Role:

1. Providing an integrated vehicle reservation system with platform transportation and ticketing which can be accessed online in real-time.
2. Allows customers to quickly make reservations, view unit availability, select additional services, and make payments in one platform.

Benefit:

1. Give ease of access and speed in the ordering process.
2. Increase customer comfort and satisfaction since the beginning of the interaction.
3. Reduce operational burden and minimize human error.

b. High and Verified Digital Reputation (Google Review and Social Media)

Role:

1. Becoming social proof (social proof) which reinforces the perception of service quality based on actual customer reviews on platforms like Google Review, Instagram, TikTok, and marketplace.
2. Serves as an external validation channel to build trust with new customers and strengthen loyalty with existing customers.

Benefit:

1. Increase conversion rates from potential customers to active bookers, especially new customers who rely on reviews as a decision factor.
2. Strengthening brand positioning as a trusted and professional service among local competitors and ride-hailing.
3. Become a customer acquisition tool.
4. Improve SEO performance and digital visibility in online searches.

c. Vehicle Tracking Integration

Role:

1. Vehicle owner partners and customers can track the status and location of vehicles online real time.

Benefit:

1. Providing transparency and control to partners and customers.
2. Increase trust in services.

d. Wide Range of Environmentally Friendly Vehicle Options

Role:

1. Providing various types of vehicles (MPV, city car, SUV, and electric vehicles).

Benefit:

1. Answering the various needs of individual and corporate customers.
2. Supporting the growing eco-conscious segment.

e. Vehicle Partnership Scheme (Fleet-Sharing)

Role:

1. Providing access to vehicle owners to rent out their units through the platform.

Benefit:

1. Reduce the need for asset investment.
 2. Increase fleet variety and capacity.
- #### 5. Customer Relationships

Here is the development of customer relationships in the proposal business model canvas Latest from HS Rent Cars:

a. Loyalty Program and Membership

Role:

1. Provide incentives to loyal customers through points, discounts, or exclusive benefits in the form of loyalty or membership programs.

Benefit:

1. Push repeat booking and extend customer lifetime value.
2. Reducing new customer acquisition costs through strong retention.
3. Growing an actively engaged customer community.

b. Bundling of Programs and Additional Services

Role:

1. Offering flexible packaged services (car and driver, car and transfer, or car with tour package).
2. Providing convenience for customers to enjoy services in a more complete and planned manner.

Benefit:

1. Providing added value convenience in one order.
2. Increase revenue per customer (average revenue per user).

6. Channels

Here is the development channels in the proposal business model canvas. Latest from HS Rent Cars:

a. B2B Distribution Channels and Offline

Role:

1. Reservation and collaboration channels at strategic partner locations such as hotels, event organizers (EO), and corporate institutions.

Benefit:

1. Reach customers who place orders directly (walk-in or via partner recommendations).
2. Increase service exposure in B2B and business user segments.

b. Partner Platform and Marketplace

Role:

1. Providing HS Rent Cars services through travel and mobility service aggregators that already have a large user base.

Benefit:

1. Expand market coverage instantly without high promotion costs.
2. Increase trust through affiliation with well-known platforms.

7. Customer Segments

Here is the development customer segments in the proposal business model canvas Latest from HS Rent Cars:

a. Individual Customer Sector: Large Family or Group

Role:

1. Customers who need large capacity vehicles for shared purposes such as family vacations, pilgrimage trips, group recreation, large family events (weddings, reunions).

Benefit:

1. Pushing additional services (bundling program).
2. Increase seasonal loyalty and referrals.
3. Enhancing the image of HS Rent Cars can meet collective needs.

b. Eco-Conscious Customer

Role:

1. Customer segments that prefer environmentally friendly vehicles (EV or low-emission) as a form of lifestyle and concern for sustainability.

Benefit:

1. Expanding HS Rent Cars' image as a modern and sustainable service provider.
2. Potential for Collaboration with Government Agencies, Private Sector, or Green Communities
3. Targeting individual, community, or corporate segments that implement ESG as environmentally friendly transportation partners.

2. B2B Segment: Hotel, EO and Company.

Role:

1. Business customers who require small or medium-scale transportation services for guests, employees, event logistics, or daily operations.

Benefit:

1. Consistently Increase Fleet Utilization.
2. Establish medium-long-term cooperation, which provides more stable cash flow compared to seasonal individual customers.
3. HS Rent Cars which is trusted by formal institutions has reputation leverage to be used in promotions and other customer acquisitions.

8. Cost Structures

Here is the development cost structures in the proposal business model canvas Latest from HS Rent Cars:

a. Marketing Costs including Digital Marketing and Online Reputation

Role:

1. Covers digital advertising costs, social media management, SEO, and promotion Google Review.

Benefit:

1. Increase brand awareness, acquiring new customers, and building a professional image online.

b. Partnership Fees and Digital Platform Maintenance

Role:

1. Costs for development, application partnerships and reservation systems through the platform and marketplace, as well as integration with vehicle tracking technology partners and payment gateway.

Benefit:

1. Supporting efficiency, speed of service, and digital differentiation. It is the main foundation of HS Rent Cars' business model transformation.

c. HR Training and Capacity Building Costs

Role:

1. Operational and technical staff training, including skills enhancement for digital marketing and partner management.

Benefit:

1. Improving the professionalism and quality of customer service as well as the company's internal competitiveness.

d. Cost Sharing Vehicle Ownership (Fleet Sharing)

Role:

1. Incentive fees or profit sharing (revenue sharing) to vehicle owner partners in the fleet sharing scheme.

Benefit:

1. Reduce the burden of own vehicle investment and accelerate fleet expansion in a flexible and variable cost manner.

9. Revenue Streams

Here is the development revenue streams in the proposal business model canvas Latest from HS Rent Cars:

a. Vehicle Rental Income Through Platform, Marketplace Commission Fleet Sharing Model

Role:

1. Source of vehicle rental income through channels which are managed independently or through platform partners (such as Traveloka, local marketplaces), as well as commissions from partner vehicles (fleet sharing).

Benefit:

1. Supporting market expansion digitally and efficiently, through a partner marketplace, helps reach new customers without having to open physical branches.
2. Increasing transaction volume and fleet utilization through multiple distribution channels, customers can make orders more flexibly.

b. B2B segment (Hotels Event Organizer, and Company)

Role:

1. It is a source of income that comes from institutional customers through formal cooperation, either in the form of short-term contracts (event) and medium term (companies).

Benefit:

1. Increase stable and predictable income due to cooperation contracts with hotels, event organizers (EO), and the company generates recurring and scheduled revenue.
2. Reduces dependence on individual customers, which tend to be volatile.
3. B2B uses vehicles more regularly and over longer periods, thereby reducing idle time vehicles.
- c. Revenue from additional services (add-ons)

Role:

1. Revenue from additional services (add-ons) comes from options provided outside of vehicle rental such as vehicle shuttle to customer location, daily tour services or packages shuttle, additional insurance, and baby seat.

Benefit:

1. Increase average revenue per booking (ARPB).
2. Services add-ons can be used as a feature upsell at the time of booking or given seasonal pricing (peak season), thus opening up space for adaptive pricing strategies.

CONCLUSION

Based on the research results, the researcher successfully identified nine existing Business Model Canvas (BMC) blocks of HS Rent Cars, then conducted a SWOT analysis to assess the company's internal and external conditions. Internal analysis using a functional management approach and the preparation of the IFE Matrix resulted in a total score of 2.73 which is in the average category. Meanwhile, for external analysis, the researcher used the PESTEL and Five Forces methods, then compiled the EFE Matrix with a score of 3.01 which is in the high category. Based on the results of the two matrices, HS Rent Cars is in quadrant II in the IE Matrix which indicates the position of the Grow and Build strategy. To support this development strategy, the researcher formulated 13 alternative strategies through the TOWS Matrix, which were then evaluated using QSPM to determine the priority of strategy implementation. The top five strategies based on TAS values are SO3, SO1, WT1, WT1 (duplication), and WO2. As a final part, the researcher developed a proposal for updating the Business Model Canvas for HS Rent Cars that includes significant changes to nine elements, such as strengthening B2B partnerships, integrating vehicle tracking technology, digital marketing, and innovation in value offerings, distribution channels, and customer segments. This update aims to improve operational efficiency, expand market share, and create sustainable competitive advantage.

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