

## **CHAPTER II**

### **FORMATION OF BUSINESS IDEAS**

#### **2.1 Business Idea Validation**

According to Ahmad et al. (2022) crucial considerations within business idea development includes experience, skills, prior knowledge, as well as sensitivity towards social or environmental problems. These considerations highlight the possible urgencies and problems faced by certain audiences, where a solution (a business idea) can be proposed to fit their needs, wants, frustrations, and pain points whilst also generating revenue to sustain the solution. After brainstorming ideas that could fit such urgencies or problems, validation is needed to confirm whether the proposed solution actually aligns with customer needs and market demands (Bezhovski et al., 2024). As such, the author and team conducted business idea validation through pairing supporting data within stages of business idea development, whilst conducting consultations with the author and team's academic advisor and business supervisor.

##### **2.1.1 Business Idea Development Flow**

The author and team decided to explore the growing potential of Indonesia's creative economy, particularly towards Indonesian-based Intellectual Property (IP) namely Communal Intellectual Property (KIK). KIK comprises of traditional culture expressions, potential geographical indication, traditional knowledge, genetic resources, and indication of origin (DJKI, 2025). This specific market was chosen due to the team's brainstorming and discussion regarding business prospects surrounding the creative industry, in which it resulted in a locally-inspired IP with modernized storytelling.

To measure the feasibility of a locally-inspired IP, the author and team digitally observed other existing Indonesian IP such as Tahilalats, Si Juki, and Bandits of Batavia. Through close inspection of each chosen IP, the author and team came to the evaluation that an IP incorporating Indonesian culture representation or values (such as Bandits of Batavia) is underpublicized,

meanwhile those who contain highly relatable scenarios or situations encountered through day-to-day life (such as Tahilalats and Si Juki) gained high attraction, especially through social media where content is easily shared. This revealed a potential market interruption point where the author and team decided to combine the two spectrums of having Indonesian culture representation wrapped in a narration that has high familiarity and relatability towards younger generations.

In searching for further references and competitive analysis of such IP, the author and team encountered an obstacle where it was difficult in attaining a similar product reference that could help sharpen the IP development process. As such, the author and team decided to look for external IPs for references of narrative-based storytelling AMV such as Alien Stage (released on the YouTube channel: VIVINOS) and K-Pop Demon Hunters (released on Netflix).

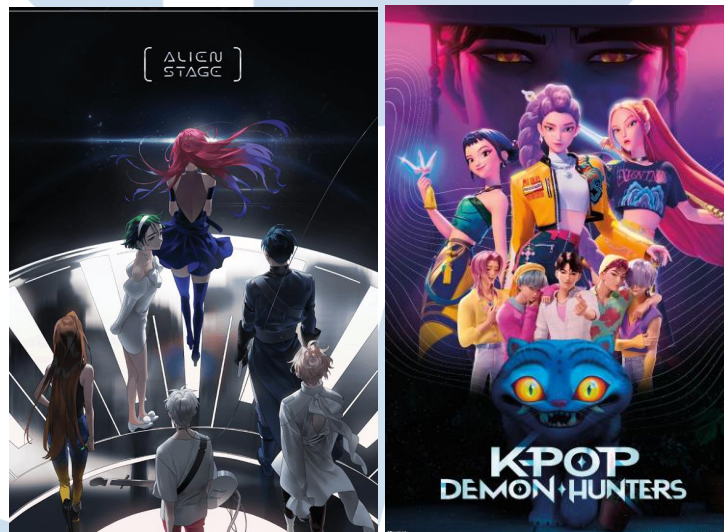


Figure 2.1 *Alien Stage & K-Pop Demon Hunters* Promotional Posters  
Source: HARUMIO (2024) and Amazon (2025)

*Alien Stage* is a digital TV series uploaded on the YouTube channel VIVINOS depicting a sci-fi post-apocalyptic world where “aliens run a brutal signing contest for abducted humans” (IMDb, 2022). Meanwhile, *K-Pop Demon Hunter* is an animated film produced by Sony Pictures Animation Inc. with the premise of Huntrix as a girl K-pop group having to balance their idol life with

demon-hunting missions (Fan & Supalakwatchana, 2025). These IPs have gained massive attraction, with *Alien Stage*'s serial storytelling AMVs accumulating over 200 million views on YouTube (YouTube, n.d.), and K-Pop Demon Hunters hitting 236 million views on Netflix (Hatchett, 2025). Both IPs inherently contain cultural aspects of South Korea, such as *Alien Stage* concerning the rapidly evolving idol and reality show culture and K-Pop Demon Hunters about K-pop and traditional South Korean cultural heritages. The cultural representation of the two IPs is carefully wrapped inside fictional narratives that pushes the boundaries of topics regarding humanity and social phenomenon; and it worked in favour of gaining massive attention and interest amongst younger generations. This can also be applied in Indonesia, where IDN's Millennial and Gen Z Report of 2025 revealed "humanity" as the most resonant topic within a nation-wide survey regarding their media consumption (IDN Research Institute, 2024). Therefore, the author and team recognize the potential of an IP development business surrounding the increasing interest of emotional storytelling of humanity related topics within younger generations.



Figure 2.2 IDN's Indonesia Millennial and Gen Z Report 2025 Cover  
Source: IDN Research Institute (2024)

As previously mentioned, the proposed IP by the author and team will have AMV as the main delivery media for storytelling. In its preparation, the author and team consulted with external parties to gain a better understanding of the production pipeline for an animated work. After multiple

discussions, the final pipeline of the AMV production are segmented into three phases: (1) Pre-Production, which covers the conceptualization of the IP content comprising character design, environment design, worldbuilding, storytelling, and start of music design, (2) Production, which involves the animation process following storyboarding, creating key shots, animatic, sound design, music mastering, and the animation itself, (3) Post Production which contains compositing, editing, sound mastering, and the final render of the animation. While an AMV is effective in addressing the previously mentioned problems of Indonesia's IP industry with correlation of the target audience's relevancy, supporting media is still needed to invite the market customers' attention towards the IP itself. As such the author and the team decided to also incorporate merchandise and social media marketing as supporting platforms to boost the AMV performance in gaining traction within mass platforms (i.e. YouTube, Instagram, TikTok, X, etc).

### **2.1.2 Business Idea Finalization**

From the previously researched business potential and idea development, the finalization of the business idea is to create a creative communal IP inspired from Indonesian culture that will be delivered through modernization and emotionally relevant storytelling. The IP will be publicized as an AMV in mass media with merchandise and social media marketing as supporting media. The IP will be called "Prayers of Jiva" developed under the creative studio "JIVVA GROUP", which highlights the social nature of humanity within a future fictional setting based on Indonesia's socio-political current situation. The worldbuilding of Prayers of Jiva will incorporate cultural heritages and aspects of Betawi, which highlights diversity with its mixtures of cultures, traditions, and beliefs of various other customs such as Arab, Java, Sundanese, Europe, Chinese, Malay, and many more (Mulia, 2023). The IP is proposed as a solution to combat the diminishing cultural depth and authenticity of Indonesian culture due to globalization within modern media.

## 2.2 Business Model Canvas

Business Model Canvas (BMC) was introduced by Osterwalder et al. as a foundational framework for developing business models. The canvas allows businesses to describe, design, challenge, invent, and pivot their business models (Strategyzer, 2026). Inside a BMC, there are 9 different segments including: (a) Value Proposition, (b) Customer Relationships, (c) Channels, (d) Key Activities, (e) Key Resources, (f) Cost Structure, (g) Revenue Stream, and (h) Key Partners. In order to analyse and solidify the business model of JIVVA GROUP in its IP product Prayers of Jiva, below is the created BMC by the author and the team.

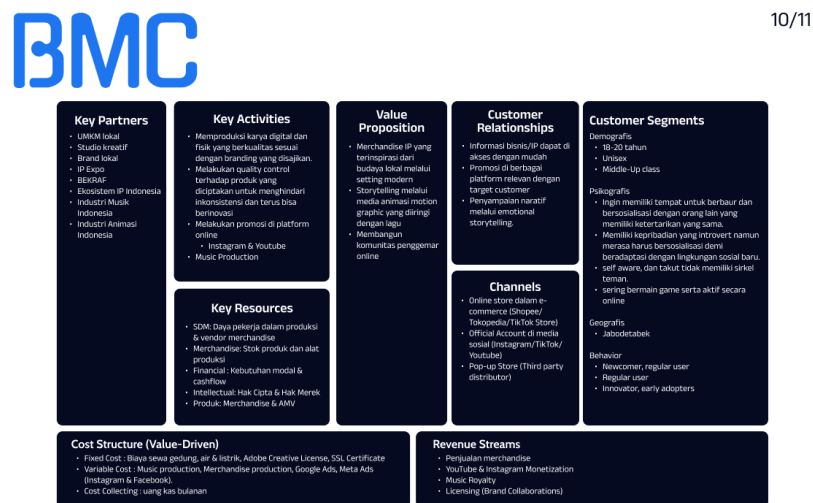


Figure 2.3 Prayers of Jiva Business Model Canvas

### 2.2.1 Value Proposition

The value JIVVA GROUP brings with Prayers of Jiva IP to its customers are Unique Selling Point(s) (USP) that's present in the Value Proposition segment. It includes locally-inspired IP merchandise, an engaging storytelling media through animation, motion graphic, and music, and lastly creating and moderating an online community that supports the interest of its customers. These USP were chosen on considerations of the current JIVVA GROUP available resources (i.e. manpower, budget, time) as well as Prayers of Jiva IP segmentation, where it's mostly influenced by its psychographic behaviours of being actively online inside communities with their interests.

Additionally, an engaging storytelling media in the form of an Animation Music Video (AMV) was chosen due to the rise of animation and music centred entertainment in recent years such as K-Pop Demon Hunter, Spider-Man: Into the Spideverse, Spider-Man: Across the Spideverse, and many more.



Figure 2.4 Animation and Music Centred Entertainment Popular Franchises

Source: Amazon (2025), IMDB (2023), Rotten Tomatoes (2017)

Lastly, locally-inspired merchandise is also included as an USP due to the premise of Prayers of Jiva IP including Betawi customs and cultural representations. By mixing popular merchandise variants (e.g. acrylic keychain, acrylic standee, die cut stickers, crochet plushie, posters) with locally-inspired designs, it imbues a communal and cultural sentiment across all the main media for Prayers of Jiva IP, which could bring interest towards the targeted customers.

### 2.2.2 Customer Relationship and Channels

Establishing a desired customer relationship helps define the brand awareness Prayers of Jiva will have towards the targeted customers and beyond it. In the BMC, Prayers of Jiva sought to establish an accessible and relevant associations within the targeted customers. JIVVA GROUP will publish digital content regarding Prayers of Jiva through multiple social media platforms such as TikTok, Instagram, and YouTube. This selection of platforms was based on the number of users, their online participation frequency, as well as interest

topics that is relevant towards the established target market. Other than digital platforms, Prayers of Jiva also has the potential to spread unto offline platforms such as exhibitions, expo's, art markets, etc.

Accessibility within the currently available platforms will be accomplished through complete information delivery such as providing a Linktree link with the relevant information the target market will search for and equal distribution of informational content across all available social media platforms for any updates or announcements. Aside from making sure all content is accessible in the available platforms, relevancy will also affect the engagement and perceptions audiences will have towards the brand. As such, Prayers of Jiva will also engage with the online community through interactable social media content (e.g. Instagram polling, Instagram Quizzes, giveaways, offline events), participating in social media trends, as well as maximizing the opportunity to attract people's interest in the IP through content regarding emotional storytelling via animation music, and narratives.

### **2.2.3 Key Activities & Key Resources**

In order to create Prayers of Jiva's main contents (AMV and social media content), the processes examined further are the production, quality control, and promotions. Production refers towards the creation of the AMV itself, which comprises music production, character design, environment design, sound design, script, storyboard, and other additional processes that completes the production pipeline. Production could also cater towards the process of merchandise making which will require further quality controls to make sure manufacturing are regularly producing the desired quality of products that's been specified by the author and the team. Promotions are equally as important to make sure the produced content reaches the correct targeted customers. This requires proper brand positioning paired with accurate customer segmentation and targeting to efficiently reach the desired target customers.

To execute said processes above, the necessary resources include human manpower that specializes in the relevant fields of the product development such as concept artists, animators, editors, producers, directors, social media specialist, and many more. In regards of the PRO-STEP Entrepreneurship and Innovation program, JIVVA GROUP experiences a shortage of manpower which prompts for job description stackings of its members depending on their availability. In the future, considerations of expanding human resources may be considered essential in continuing the business to avoid potential blockages such as burnouts and low-quality assurance.

#### **2.2.4 Cost Structure and Revenue Streams**

The quantity of resources that can be acquired for product developments are tightly interconnected with the available budget that can be spent. As such, the author and team have broken down the cost structure of Prayers of Jiva development. In the context of a BMC, there are two primary types of cost structure which are value-driven and cost-driven. Prayers of Jiva takes up the value-driven cost structure which prioritizes value over cost (Sharma, 2023). In the BMC above (Figure 2.3), cost structure was broken down into three types of cost which are fixed cost, variable cost, and cost collecting. Fixed cost includes rent, water, electricity, and Adobe Creative License for the creative software. Variable cost includes outsourcing cost for music production, merchandise manufacturing, and digital platform ads services. Lastly, cost collecting includes monthly cash flow from each member of JIVVA GROUP.

#### **2.2.5 Key Partners**

While Indonesia's creative IP industry is now currently growing, its ecosystem is still lagging behind as mentioned by Pusparisa (2025) due to obstacles such as a fragmented industry, monetization values, and weak law enforcements. Nevertheless, Indonesian creative IP industry has its potential

to grow for the next years to come. In order to sustain itself, JIVVA GROUP also opens its doors in collaborating with other existing businesses such as local brands, Micro, Small, and Medium Enterprises (MSMEs), and other creative industry players such as creative studios, the Creative Economy Agency (BEKRAF) or The Ministry of Creative Economy (Kemenekraf).

### **2.3 Company Description**

JIVVA GROUP is a creative studio specializing in interactive media storytelling that was built by 4 undergraduate students of Universitas Multimedia Nusantara majoring in Visual Communication Design (VCD). This studio was created to facilitate the making of its original product, a creative communal IP called “Prayers of Jiva”. Prayers of Jiva is created to seize the opportunity within Indonesia’s growing creative IP industry, whilst also catering towards the lack of a modernized representation that accurately portray Indonesian culture in an engaging way for younger generations.

#### **2.3.1 Company Vision Mission**

##### **A. Vision**

JIVVA GROUP’s vision can be summarized into the sentence: “*Berjiwa gila dalam berkisah*”, which portrays a creative studio that conveys stories passionately and meaningfully through soulful visual works that pushes the creative boundaries.

##### **B. Mission**

4. *Leaving No Story Untold*: Delivering stories/narration until it’s publicized to the public.
5. *Staying Passionate in The Game*: Ensuring works are developed properly and prioritizing quality over quantity.
6. *Going Out of Bounds*: Constantly experimenting, stretching the line between creative boundaries and implementations, not scared to go into uncharted territories, reaching more than just a group, rather a population.

7. *Piercing People's Hearts (in a good way)*: Researching people's desire to connect, to understand, and to empathize.

### 2.3.2 Company Logo

As stated in the previous chapter, JIVVA GROUP requires a visual identity to differentiate itself from the existing market, which includes a logo as a representation of the company. JIVVA GROUP's logo is categorized as a logotype with two main components, the word "Jivva" and "Group". There are a few visual aspects to be observed in the JIVVA GROUP logo to conclude its meaning, such as: (1) The replaced title of "i" in the word "Jivva", (2) the double "v" from "Jivva", (3) the colour split within the logotype, and (4) the arc shape of the logotype.



Figure 2.6 JIVVA GROUP Company Logo

In the word "Jivva", the title of the "i" letter is replaced with a four-pointed star. The four-pointed star of the "i" title represents the ever-burning flames in space as it lights the dark nights from earth. The burning connotation is correlated towards the meaning of the "Jivva" word itself, which is inspired from the Sanskrit word "Jiva" (Sanskrit: जीव) that means "living substance" (Britannica Editors, 2011) interpreted as a "soul". The author and team took the Sanskrit language as inspiration due to its heavy correlation within human connectivity through culture and time, especially in Indonesian history.

The logo seeks to capture the essence of human lives such as the human passion and desire that's been passed down for centuries, which is captured by the irregular, dynamic, and slightly playful shapes present

in its visual. Additionally, the double “v” inside the “Jivva” word is meant to resemble the letter “w”, which would create the word *Jiwa* in Bahasa Indonesia that means “the spirit; the non-physical part of a person” (Cambridge Dictionary, n.d.).

Aside from shapes, colour solidifies the instigated meaning of the logo. JIVVA GROUP’s logo mainly uses two colours, which are pink and yellow. According to Chapman (2021), yellow are often associated with energy and happiness, meanwhile pink represents passion, love, and youth (Ackerman, 2023). The combination of such colours paints the tone associated with JIVVA GROUP’s tones, which are: Unserious-ly Serious, Passionately Crazy, and Emphatically Sound; as discussed by the author and team.

## 2.4 Company Organizational Structure

According to J.D. and Holzniekemper (2025), organizational structures are the foundations of how a company operates including its culture and processes. In accordance to establish an operational company, JIVVA GROUP has also created it’s on organization structure that best fits the needs of its members.

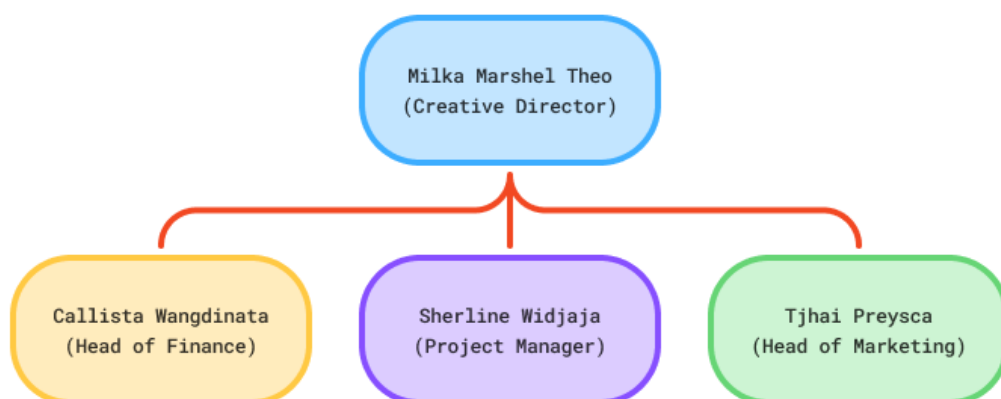


Figure 2.6 JIVVA GROUP Company Structure

JIVVA GROUP consists of 4 members with each member in charge of different departments that are essential in running a creative studio focusing on its current

original IP development. The following are the names, position, and job descriptions of each member within JIVVA GROUP.

1. **Callista Wangdinata, Head of Finance:** Determine, calculate, and strategize on how to get maximum income from available resources and budgets. Collaborate with the Head of Business & Marketing to create budgeting ideas regarding mandatory products to be manufactured, and coordinate with the rest of the team to ensure the financial transactions of the company runs smoothly. Additionally, oversees all financial activities, including accounting, reporting, budgeting, and driving the company's financial growth.
2. **Milka Marshel Theo, Creative Director:** Responsible for creative direction, ensuring compliance with established concepts as supervision of design outputs, quality controller, maintaining collaboration between departments and delivering high quality solutions, ensuring the brand vision is perfectly expressed in the final product. Ensure the team understands the concept and is on the same page about the design that will be created, and leads team meetings.
3. **Sherline Widjaja, Head & Project Manager:** Identify and support product development to suit target market needs, develop business' Unique-Selling-Points (USP), conduct social research on phenomena relevant to the industry, handle administrative matters, and supervise team processes to run transparently and regularly.
4. **Tjhai Preysca, Head of Business & Marketing:** Responsible for marketing strategy development, ensuring products reach the right target audience through matching their interests, ensuring supply and demands are met through market analysis, developing sales and lead generation strategies, conducting market tests, and establishing connections with external parties.

## 2.5 Company Workflow

In accordance to the PRO-STEP Entrepreneurship & Innovation program, each enrolled business team has two guides that was provided by the UMN's VCD major and Skystar Ventures. The guide from UMN's VCD major is called an advisor, which is in charge of guiding the academic aspect such as report writing and project development of the growing business, meanwhile supervisor is assigned from Skystar Ventures which are responsible in directing the author and team to create a plausible and sustainable business. Additionally, Skystar Ventures also provided the opportunity to connect with an external mentor that caters to the business team's specific industry.

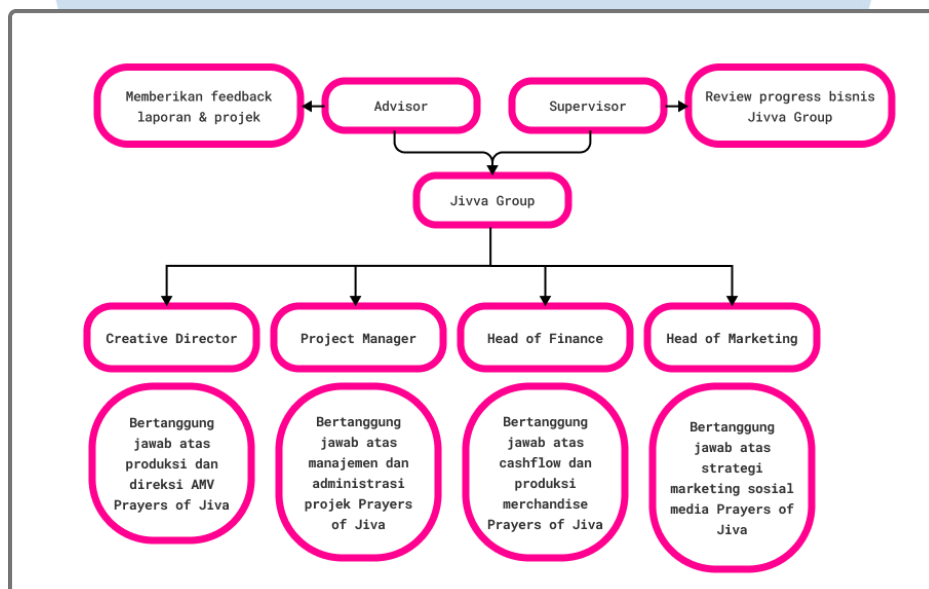


Figure 2.7 Prayers of Jiva Company Workflow Process

In creating the organizational structure of JIVVA GROUP, workflow is simultaneously catered towards the members needs and business development needs. The communication channel used to organize JIVVA GROUP's agenda is WhatsApp and Discord, in which WhatsApp is used as the main communication platform while Discord serves towards online meetings and organizing agenda note-takings. Other tools such as Google Drive, Google Sheets, and Google Docs are used to carry out the business development agendas such as project management, brainstorming, and other administrative responsibilities.

## 2.6 Business Feasibility Study

By establishing and analysing the business goals of JIVVA GROUP, the author and team realize the importance of conducting a business feasibility study to proceed with the potential risks and opportunities of the finalized business idea. As defined by Queensland Government (2022), feasibility study is an estimation of a business's potential in achievability through investigation and analysis in various factors. This process includes factors such as initial capital, operational costs, and other possible variable costs. The following is the feasibility analysis carried by first estimating the total costs of operating JIVVA GROUP, which encompasses initial capital investment and Cost of Goods Manufactured (COGM) up until a year in developing the IP product: Prayers of Jiva.

Table 2.1 Business Feasibility Study for Total Costs

<b>Initial Capital Investment</b>			
Items	Cost	Qty	Total Cost
Digital Marketing	Rp 4.500.000	1	Rp 4.500.000
Website domain registration	Rp 300.000	1	Rp 300.000
Website domain extension	Rp 400.000	1 x 12 Months	Rp 4.800.000
Copyright registration	Rp 500.000	1	Rp 500.000
Trademark registration	Rp 500.000	1	Rp 500.000
Initial Capital Investment Total			Rp 10.600.000
<b>Cost of Goods Manufactured (COGM)</b>			
<b>Variable Cost</b>			
Music production	Rp 2.000.000	1	Rp 2.000.000
Merchandise production	Rp 10.000.000	1	Rp 10.000.000
<i>Google Ads</i>	Rp 9.000.000	1	Rp 9.000.000
<i>Meta Ads (Instagram, Facebook)</i>	Rp 1.000.000	1 x 5 times	Rp 5.000.000

<b>Variable Cost Total</b>			<b>Rp 26.000.000</b>
<b>Fixed Cost</b>			
Rent for building floor	Rp 2.000.000	1 x 12 months	Rp 24.000.000
Water & electricity	Rp 1.500.000	1 x 12 months	Rp18.000.000
<i>Adobe Creative License</i>	Rp 800.000	1 x 12 months	Rp 9.600.000
<i>SSL Certificate</i>	Rp 100.000	1 x 12 months	Rp 1.200.000
<b>Fixed Cost Total</b>			<b>Rp 52.800.000</b>
<b>Final Total Cost</b>			<b>Rp 89.400.000</b>

The table above (Table 2.1) detailed down the various costs it would take to keep JIVVA GROUP facilitated whilst developing the Prayers of Jiva IP, including the main platforms of social media for marketing outreach, and a website for JIVVA GROUP's main portfolio and as well as e-commerce capabilities for merchandise-selling. Based on said table, the total needed for JIVVA GROUP to be operable is Rp 89.400.00,00 which comprises various components such as website development needs, marketing costs, software needs, music production outsourcing, copyright and trademark registrations, as well as water and electricity for the rented office space. The author and team further went into discussion regarding the targeted merchandise sales in order to plausibly operate JIVVA GROUP, which totalled in 250 merchandises (encompassing all types of available planned merchandise) yearly. The author and team did not include content monetization as a targeted income due to the early stages of IP development and the unpredictability nature of revenues throughout multiple digital platforms (i.e. YouTube, TikTok, Instagram). However, if the business has developed from the ideation program, the author and team consider content monetization as a significant part in revenue generation for the future.

To get an accurate estimation of revenue needed to cover the final costs as established in table above (Table 2.1), the Break-Even Point (BEP) calculation needed as it's crucial in discovering the potential of a business idea in generating profit. As mentioned by U.S. Small Business Administration (2023), the BEP formula for determining both minimum sales and minimum revenue are as follows.

$$BEP (Unit) = \frac{Total\ Fixed\ Costs}{(Selling\ Price\ per\ Unit - Variable\ Costs\ per\ Unit)}$$

$$BEP (Rupiah) = Selling\ Price\ per\ Unit \times BEP (Unit)$$

As the formula above, the author and team must first determine the Price per Unit. This can be achieved by first determining the COGM of each unit (unit refers to merchandise pieces). To determine that, the formula below can be used with the available data the author has stated in Table 2.1 regarding total costs.

$$COGM (per\ unit) = \frac{Total\ Costs}{Targeted\ Unit\ Manufactured}$$

$$COGM (per\ unit) = \frac{Rp\ 89.400.000}{250\ units}$$

$$COGM (per\ unit) = Rp\ 357.000$$

The gained value of COGM per unit is Rp 357.000. This value will be used to calculate the Selling Price per Unit, which also contains the markup percentage the author and team has decided upon that is 50%. The following formula is used to determine the Selling Price per Unit by using a defined markup percentage.

$$Selling\ Price\ per\ Unit = COGM (per\ unit) \times (1 + Markup\ Percentage)$$

$$Selling\ Price\ per\ Unit = Rp\ 357.000 \times (1 + 50\%)$$

$$Selling\ Price\ per\ Unit = Rp\ 536.400$$

According to the complete calculations above, Selling Price per Unit can be established as Rp536.400. Continuing on, there needs to be a BEP calculation as to decide the minimum number of units needs to be sold to cover the operational costs of JIVVA GROUP. The following is the BEP Per Unit formula for JIVVA GROUP.

$$BEP (Unit) = \frac{\text{Total Fixed Costs}}{(\text{Selling Price per Unit} - \text{Variable Costs per Unit})}$$

$$BEP (Unit) = \frac{\text{Total Fixed Costs}}{(\text{Selling Price per Unit} - \frac{\text{Variable Cost Total}}{\text{Targeted Unit Manufactured}})}$$

$$BEP (Unit) = \frac{Rp\ 52.800.000}{(Rp\ 536.400 - \frac{Rp\ 26.000.000}{250\ Units})}$$

$$BEP (Unit) = \frac{Rp\ 52.800.000}{(Rp\ 536.400 - Rp\ 104.000)}$$

$$BEP (Unit) = \frac{Rp\ 52.800.000}{Rp\ 432.400}$$

$$BEP (Unit) = 122,109158$$

$$BEP (Unit) \approx 122\ Units$$

According to the calculation above, it would take a minimum of 122 units to cover the total costs listed on Table 2.1 for operating JIVVA GROUP. Next, the monetary value of the BEP must be decided using the following formula.

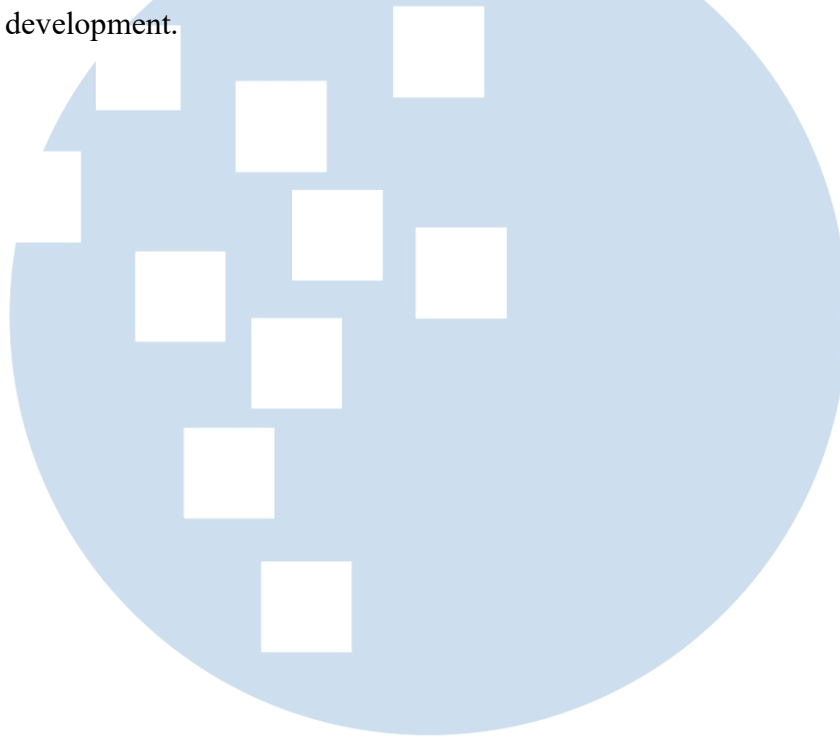
$$BEP (Rupiah) = \text{Selling Price per Unit} \times BEP (Unit)$$

$$BEP (Rupiah) = Rp536.400 \times 122\ Units$$

$$BEP (Rupiah) = Rp65.440.800$$

According to the BEP calculation above, it can be concluded that JIVVA GROUP must reach a minimum revenue of Rp 65.440.800 yearly in order to cover the total

costs of developing and running the business. With the established selling price, the most amount of revenue that can be gained from merchandise sales is Rp 134.100.000 yearly for JIVVA GROUP, condemning the business plausible for further development.



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