

# CHAPTER I

## THE BACKGROUND

### 1.1. Background of the Business.

It has been known for a long time that people need to take care of their clothes. In the past, people washed their own clothes by jumping on them. Time passed by and washing clothes has become more complex by soaking, boiling, beating then rinsing and wringing the clothes. Then since electronic washing machine was found, washing clothes became a simpler activity, but not all people can have the machine (“The History of Washing” par. 53). The reasons are not only because the price of the machine is quite high, but also the space needed to place the machine can be a problem especially for those who stay in an apartment. Usually apartments have limited space which makes it almost impossible to place big house appliances such as electric washing machine inside an apartment. In the end, people who stay in an apartment delegate their task to wash clothes to someone else such as laundry service. This is why laundry business is a profitable business.

According to a survey that I did on 22 November 2010, with 100 people who use laundry service, there are several problems when the respondents

wash their clothes using laundry service. The major respondents are women (75%), and the rest are men. The survey's result is that 34% of the respondents state that the washing process is too long (2 days or more), 23% of the respondents state that the form of their clothes change, 10% of the respondents state that their clothes get accidentally exchanged with others, and 4% of the respondents state that they dislike the smell.

Based on the survey's result, I am going to fulfill the customers' needs and demands by building a laundry business that washes, dries and irons the customers' clothes in a couple of hours. The customers will be able to wash and dry their own clothes or delegate the job to an employee of my laundry business. I will also provide a café as a waiting room; thus the customers will not be bored while waiting for the process. Also, there will be a Wi-Fi facility in my place; therefore, the customers will be able to do activities on the Internet while waiting.

I am going to name my business Laundry Café Shop (henceforth, LCS). The name is chosen because it shows the business' uniqueness that can be effective to attract the customers to come. LCS will be established in The Jarrdin Apartment on Jalan Cihampelas Bandung. The Jarrdin Apartment is the best spot to open a laundry-café business. The reasons are because the management of The Jarrdin Apartment does not allow the occupants to have a washing machine. "If the occupants have washing machines, they can wash their clothes and dry them in the veranda, thus the apartment will look dirty," said one of The Jarrdin's marketing staff. The other reason is that its location

is on Jalan Cihampelas, which is one of well known streets in Bandung; thus, people are able to recognize the LCS' location easily. LCS' main customers are The Jarrdin Apartment's occupants.

The vision of my business is to be the first laundry-café franchise in Indonesia. The mission is to be the first laundry-café in Bandung.

## 1.2. USP (Unique Selling Proposition)

The business should have at least a single uniqueness. According to the article "Unique Selling proposition USP and Customer Value Proposition", "The Unique Selling Proposition or USP is a marketing concept where you differentiate your company or products from similar products of your competitors" (par. 1).

LCS' uniqueness is it is a laundry service where laundry can be done in hours, and it provides a café as a waiting room. To create fast laundry service, technology should definitely be involved. I have done a survey on several washing machine products to decide which one can do washing and drying in one machine and the processes are faster than the others. After I did a survey in one of electronic malls in Bandung, finally I choose the product that is able to wash and dry clothes for less than an hour (about 45 minutes). This machine will create fast service. Besides fast laundry service, LCS also provides a cozy café as a waiting room with tables and chairs where the customers can experience relaxing atmosphere. The interior and furniture will be design as comfortable as possible in tropical minimalist style;

more detailed information will be given in point 1.3.1, paragraph five. There, people can do light chat with their friends or browse the Internet while drinking coffee and eating homemade snack.

### 1.3. SWOT Analysis

SWOT stands for strengths, weaknesses, opportunities, and threats. “SWOT analysis is a powerful tool that can help decision makers achieve their goals and objectives.” (“SWOT Analysis: A Powerful Tool For Business Decision Making” par. 1). SWOT analysis helps a business owner to analyze all the factors within the business, both internal and external factors (which will be described in the paragraph below), in order to make a business strategy to face competitors and as the blue print of his or her company.

Internal factors, which include strengths and weaknesses, “give an organization certain advantages and disadvantages in meeting the needs of its target market” (“Internal and External Analysis” par. 6). While external factors “examine opportunities and threats that exist in the environment” (par.7).

The SWOT analysis of LCS will be described in paragraphs below.

#### 1.3.1 Strengths

It is very important to have strengths in a business. Strength is “capital, knowledge, skill, or other advantage that a firm has or can acquire over its

competitors in meeting the needs of its customers” (“Strength” par. 2). The strengths of a business must be maintained and even enhanced.

The first strength of LCS is the owner’s knowledge of laundering. Knowledge is the key of a business. The business owner is the one who must know the most about his or her product. The owner’s knowledge about laundering is applicable to the business such as to make the clothes fresh and smell good longer. The core priority of LCS is to maintain the quality of service through the application of knowledge.

The second strength is LCS offers two kinds of services, which are washing service and washing machine rent. Washing service is when the customers only drop their clothes, and then LCS will process the customers’ clothes until they are clean and tidy; afterwards, customers can pick up their clothes. Washing machine rent is a service for customers who want to rent a washing machine to wash their own clothes. Those two services are offered to fulfill customers’ need of easiness and cleanliness, while common laundries usually offer washing service only.

The third strength is LCS provides a café as a waiting room. Common laundry services in Bandung do not provide this kind of facility. For a beginning, it can raise the customers’ curiosity to try the service. After that, it can be a driving factor to create loyal customers.

The fourth strength is the interior which is comfortable. It will make the customers feels comfortable and be willing to wait patiently. The interior is designed in a tropical minimalist style. Minimalist style brings relaxing,

soothing, tranquil, modern, and simple atmosphere (“Minimalist Interior Design” par.1). Tropical feature is marked by natural colors like white, blue, green, and brown. The furniture uses natural materials like wood and bamboo.

The last strength is environment-friendly washing and drying machines. LCS uses eco-friendly washing and drying machines. The machines are able to manage water and electricity consumption based on how many kilograms of clothes to be washed. It can be an additional value for the business. The customers will see LCS as a laundry service that not only has good service, but also cares about the environment.

### 1.3.2 Weaknesses

Contrast with the strength, weakness is “flaws that increase the risk of failure” (“Weakness” par.1). It is important to know a business’ weaknesses. By knowing the weaknesses, business owner can make strategies or plans to overcome them immediately to reduce loss within the business.

The first weakness comes from the cash. It needs great investment to buy machines and rent a place for the business. Since the capital cash comes from the owner’s own money, there is no money left for a backup. That is why, the investment is significant.

The second weakness relates with the first weakness. Since the owner only has limited capital cash, at first LCS will only have three washing and

drying machines in the shop. Of course, if the business runs well, the owner will add the investment.

### 1.3.3. Opportunities

The advantage does not always come from inside a company; it can also come from outside of the company. “Opportunity is a condition in the general environment that help a company achieve strategic competitiveness” (Hitt, Ireland, and Hoskisson 41).

The first opportunity is LCS is the first laundry-café business in Bandung. Since laundry- café is still uncommon in Bandung, customers will be curious to wash their clothes at LCS.

The second opportunity is the location of LCS. The location is in The Jarrdin Apartment in Cihampelas Street, which is a well known street in Bandung. This gives a benefit for the business because it is easy for potential customers to find the location of LCS.

The third opportunity comes from The Jarrdin Apartment’s policy that occupants are not allowed to have washing machines in their room. Thus, the occupants will need to use a laundry service to take care of their clothes.

### 1.3.4 Threats

A threat is a disadvantage that comes from outside of the business. According to Hitt, Ireland, and Hoskisson, “threat is a condition in the general

environment that may hinder a company's efforts to achieve strategic competitiveness" (41).

The threat for LCS is groundwater quality and quantity at the site. Water is one of important elements to produce good service in a laundry business. In Cihampelas area, the groundwater contains too much iron; thus, it can leave yellow spots on the clothes. LCS will use groundwater filter to filter the iron; thus, there will be no more yellow spots on the clothes.