

CHAPTER I

THE BACKGROUND

This chapter discusses the background of this business plan. It consists of the background of the business, unique selling proposition, and the SWOT analysis of the business.

1.1 Background of the Business

I distributed a questionnaire to fifty people whom I considered to be a prospective target market, asking about their preference of clothing stores. 53% of the respondents state that they prefer boutique to another kinds of clothing store. Boutique is “a shop, especially a small one selling fashionable clothes and other items” (“Boutique” 1).

I choose to open this boutique in Bandung because Bandung is famous for its fashion (“Bandung Lautan FO dan Kafe” par.4). Therefore, the fashion business in Bandung is promising.

The business plan idea to open a Korean style boutique is chosen based on my passion and interest in fashion, especially Korean fashion style. Besides, nowadays Korean style plays an important role in the

world's fashion industry. Korean designers make more and more impact on style ("The Asian Fashion Industry Is Coming of Age" par. 1). Even more, South-East Asian countries have now been smitten by Korean wave ("Korean Drama Makes Waves" 1). According to these statements and the result of the questionnaire I distributed, I believe that it will be promising to run a business of Korean style boutique. I distributed a questionnaire to fifty teenage girls of 13 to 19 years of age and young woman of 20 to 25 years of age. 64% of them answered that they liked Korean style. Also, 66% of them said that if they wanted to buy clothes, they would go to BTC. Therefore, I choose to open the Korean style boutique at Bandung Trade Center (BTC).

I plan to name my Korean style boutique "K-ustomized". "K" stands for Korean. "Ustomized" comes from the word "customized". When the word is read, the brand "K-ustomized" will be pronounced as /kʌstəmaɪzd/.

K-ustomized boutique will be selling products such as clothes, shoes, bags, wallets, and accessories. The clothes offered will not all be Korean brands, but there will also be Chinese brands which will be modified to match Korean style. To modify the clothes, two tailors will be hired. The shop will also have two sewing machines for the tailors to work with. The shop will provide accessories which can be attached to the clothes. Other accessories such as bracelets, necklaces, ties, belts, and earrings will also be provided.

Some couches will be provided inside the shop for customers to sit on while waiting for sewing process, for example attaching some buttons,

which does not take too much time. A television and some magazines will also be provided. A Korean television channel will be played. The magazines will be related to Korea.

1.2 Unique Selling Proposition

This business plan will be made unique by providing customers with a fashion advisor, which other competitors do not have. A fashion advisor is “someone who advises you about fashionable clothing” (“Fashion Consultant” 1). Unlike the other competitors who make shopkeepers or the shop owner a fashion advisor, the fashion advisor hired by “K-customized” will be a professional one who has good knowledge about Korean fashion style. Korean fashion style is the fashion style which is used by the actors and actresses in Korean dramas and movies (“Roll Over Godzilla: Korea Rules” par.1). The advisor will assist customers in choosing which products suit them well. If customers want to customize the products, the fashion advisor will help them choose which products that are going to be mixed and matched and how.

The boutique’s uniqueness will also be shown by the existence of two tailors. The tailors will help customers to customize products by sewing, cutting, or attaching accessories. They will work under the fashion advisor’s supervision and instruction.

1.3 SWOT Analysis

In planning this business, I have done a SWOT analysis. SWOT is an

abbreviation for strengths, weaknesses, opportunities, and threats. Pearce states that “SWOT is an acronym for the internal strengths and weaknesses of a firm and the environmental opportunities and threats facing the firm (166). Therefore, it is important to have a SWOT analysis before bringing this business plan into reality. By analyzing the strengths, weaknesses, opportunities, and threats, I can make some strategies in doing this business plan. In the next few paragraphs, the SWOT analysis of my business plan will be explained.

1.3.1 Strengths

The first element of SWOT analysis is strengths. According to Pearce and Robinson strengths are special qualities that a company has which are also suitable with the needs of the markets (167). Based on this statement, I have analyzed three strengths of my business plan which, will be explained in the following paragraphs.

The first strength of my business plan is the product’s uniqueness. According to American Heritage Dictionary, unique is “being the only one of its kind” (“Unique” 1). On 4 May 2011, I conducted a survey of four boutique owners in Bandung whose boutiques have Korean style products. All of them state there is no boutique in Bandung which has the same style of service with “K-ustomized”. There is no other boutique that provides a fashion advisor along with tailors customizing the products. Besides, there is no other boutique that provide customers with a waiting room which has couches, a television, magazines, and mineral water.

Therefore, I conclude that K-customized boutique, along with its products, is unique.

The second strength of my business plan is customized products. They are made according to the customers' wish. Fashion changes constantly ("Fashion and the Process of Change" 1). Therefore, since my products are customized, there will be no worry when the trend changes. The process of customizing can follow the trend easily.

The third strength of my business plan is the shop's attractive interior design. I will hire an interior designer to design the shop. The shop will be Korean style designed. Therefore, when customers enter the shop, they would feel as if they were in a Korean house. Frederick A. Babb states that by placing emphasis on design, it increases "the influence impulse" and "mood-related purchasing". He further states that "the shop design will differentiate the image and nature of the retailer and, ultimately, his or her overall success" (par. 1). According to his statements, I believe that making attractive interior design in the boutique will make customer curious to enter the shop.

1.3.2 Weaknesses

The second element of SWOT analysis is weaknesses. "Weaknesses are the qualities that prevent us from accomplishing our mission and achieving our full potential" ("SWOT Analysis" par. 4). According to that statement, my business has two weaknesses, which are the possibility of customers complaining about the service and customers' waiting time.

I will explain about the first weakness of “K-ustomized” first. Since I plan to have tailors and fashion advisor service, there is a possibility that some customers do not feel satisfied with the service. For example, the dress customized is different from what a customer has imagined it to be. This problem may occur because the fashion advisor and tailors’ imagination is different from the customer’s.

The second weakness of my business plan is customers’ waiting time. How long the process of customizing will take depends on the level of difficulty to work on the design. In working on some simple designs, for example, attaching accessories, the process will take about ten to fifteen minutes. However, in working on a complicated design that needs a more complicated customizing process, the tailors need a few days. The problem occurs when some customers need the product to be completed as quickly as possible or they are not patient enough to wait.

1.3.3 Opportunities

Pearce and Robinson state that opportunities are “a major favorable situation in a firm’s environment” (166). According to this statement, opportunities are helpful external conditions. I have analyzed that there are two opportunities of my business plan. The first one is Korean wave, and the second one is there is no competitor having the same service as “K-ustomized”.

The first opportunity of my business plan idea is Korean wave. Korean wave, which is also called “hallyu”, is the “wave of Korean feature films

and dramas”. As mentioned before, South-East Asian countries have now been smitten by this (“Korean Drama Makes Waves” 1). It is also stated that Korea has ‘attacked’ Indonesia not only by its drama but also fashion (“Basic House, Gaya Kasual Ala Korea” par.1). Therefore, I believe that by the existence of Korean wave, my business plan idea to open “K-ustomized” is profitable.

The second opportunity is that there is no competitor having the same service as “K-ustomized”. I held a survey on 4 May 2011 at four boutique owners in Bandung to know if there are any boutiques having the same style of service with “K-ustomized”. From the survey, I found that 100% of them state there is no boutique in Bandung which has the same style of service with “K-ustomized”. Therefore, I conclude that this condition is an opportunity for my business plan.

1.3.4 Threats

According to Pearce and Robinson, “a threat is a major unfavorable situation in a firm’s environment” (166). Based on this statement, I found two threats for my business plan, which are four Korean style boutiques in BTC and online Korean style fashion shops.

In this paragraph, I am going to explain about the first threat of my business plan idea, which is four Korean style boutiques in BTC. BTC will be the location of “K-ustomized”. From the research that I had conducted on 26 September 2010, there are four Korean style boutiques in BTC, and they can be a threat. They are *Ching-Ching*, *Tanoshii*, *Coco Korea*, and

White Angel. They are potential threats because the style of clothes they sell is almost the same as my boutique's style, which is Korean style.

The second threat is online Korean style fashion shops. I have conducted a survey on 4 May 2011 to four boutique owners in Bandung. 75% of them state that online fashion shops has now become a threat, especially those with Korean brands.

This chapter has discussed the background of this business plan. In the following chapter, the marketing aspect of K-customized will be explained.