CHAPTER I

BACKGROUND

1.1. Background of the Business

As the popularity of the Internet continues to grow at an exponential rate, easy and affordable access is quickly becoming a necessity of life. *Dunia Internet* provides communities with the ability to access the Internet, enjoy a cup of coffee, and share Internet experiences in a comfortable environment. Customers will come to enjoy the unique, educational, and creative environment that *Dunia Inter*net provides. Beside that, I want to make a business that I am really interested in. I want to make this business plan to be a real business not just a business plan on the paper.

The definition of Internet according to www.whatis.com is "a computer network consisting of a worldwide network that uses Internet Protocol to facilitate data transmission" (par.1). Today, the Internet is a public, cooperative, and self-sustaining facility accessible to hundreds of millions of people worldwide. For many Internet users, electronic mail (e-mail) has practically replaced the Postal Service for short written transactions. Chatting is also one of the Internet applications. You can make live "conversations" with other computer users. More recently, Internet telephony hardware and

software allows real-time audio-visual conversations. The most popular Internet activity is web browsing; you can open millions of pages of information. Nowadays Internet becomes more popular since there are many social-networks established, for example Friendster, Twitter, and Facebook.

With the Internet, all the information needed can be retrieved anytime, fast and practical. The media before Internet, for example newspaper, are considered not actual enough. We cannot get the latest news until the following morning. Therefore, the presence of Internet can cover all the minus points from previous media. However, not everybody can have the access to the Internet from their home. Until now Internet access is still expensive for some people. From my observation, the rate to access the Internet in an Internet café located on the main street, for example on Jalan Buah Batu, is around 5,000 IDR/hour. This becomes the reason and opportunity to open an Internet café. This Internet café project is one of my efforts to give the solution to the society especially for the students who want to get fast, practical and actual information without spending much money.

Therefore, this project is built on Jalan Buahbatu 276 where there are many schools around. Although many students have computers, many of them still have no access to Internet. Many assignments make them search for information from the Internet. Meanwhile the access is still expensive for them, and it is for that reason this project is seen as the best solution.

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1.2. About the Business

My business is an Internet café which provides a place for people to access the Internet. The name of this business is **"*Dunia Internet*".** The services of this business are:

1. Internet access - The customers can access the Internet that suits their need, for example chatting, browsing, e-mail, social networking and or just renting the computer to do their tasks.

2. Print out service - My place is also provides print out service, both B/W and colored, at the operator desk so the customers can print everything they want to print out.

3. Scanner service – this place is also equipped with a scanner, so customers do not have to worry if they want to scan their photographs or anything they want to scan.

4. We are open 24 hours a day, except on Friday, because I would like to give the employees some time to pray at the mosque. There will be quite a long break from 11.00 am to 2.00 pm, so we decide to close from 7.00 am to 2.00 pm. We take this time to do the maintenance of all computers.

5. We also provide simple foods (instant noodle and fried rice) and drinks (coffee, tea, various kinds of soft drinks, etc), so the customers do not have to worry if they are hungry or thirsty.

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The facilities are:

1. All computers with good specification, which are Intel Pentium 4 – 2, 4 GHz, 512 RAM, 60 GB Hard Disk with 17 inch LCD Monitor and webcam. This specification is more than enough to browse the Internet, thus the customers will enjoy the convenient facilities while browsing the Internet.

2. If the customers want to enjoy music while they are using Internet, we also provide headset for every computer. They can listen to their favorite music without disturbing people next to them.

3. If the customers want to save their project in a CD or DVD format, we also provide DVD ReWritable in every computer.

4. The room is also facilitated with air conditioner. The customers will feel relax while using the Internet.

5. To make it more comfortable for the customers, we provide comfortable chairs for them. They can sit back and relax while browsing the Internet.

6. Clean toilet.

7. Spacious parking lot. It can accommodate six cars and 30 motorcycles.

1.3. Vision Statement

According to Prof. Dr. Sondang P. Siagian, MPA in his book, <u>Manajemen</u> <u>Stratejik</u>, vision is the future goal which exists in the mind of the founder of the organization or company *(27).* As for my business project, the vision statement is as follows.

"To become students' destination for the Internet needs."

1.4. Mission Statement

To reach the vision above I need some actions which I call mission statements. Dunia Internet's mission statements are as follows.

- To provide a cheap Internet café for students.
- To provide a comfortable place where students will enjoy browsing the Internet or doing other activities, like making an assignment.
- To make this Internet café become a healthy environment for students.
- To help the students be familiar with the Internet.

1.5. Unique Selling Preposition

Nowadays many Internet cafés are established. Even so, there are still a lot of fish to fry out there, which means the market for Internet business is still

promising. I have to make our business different or in other words, unique, so that our customers will be satisfied.

The unique selling preposition of my business is described below:

- Excellent service

  Before the customers use the Internet, the booth will be cleaned up and our staff will close the websites which were opened by the previous customer so it will save time for the next customer to browse since it will be faster. Our staff will welcome the customers and say thanks when they leave the building.

- No Privacy

  According to my observation, every Internet café has similar lay-outs. The computer's monitors face the wall with cubical format in order to give the users privacy. However, in my Internet café, there is no privacy. I will put the monitors against the wall and I will not put partition so other users can see the other computer next to them. The reason I make this lay-out is because my target market is students, and I want to prevent them from opening useless websites, for example pornography websites. With this lay-out, hopefully they will be embarrassed to open the sites because people next to them are able to see it. I want to make business with good intention.

- Cozy

  This place is air-conditioned, nice and provided with comfortable chairs so the customers will enjoy browsing the Internet.

- Educative

  My staff is very competent with computer and Internet, and they will be very happy to assist the customers so the customers will have no difficulty using the Internet. Beside I would like to emphasize the importance of using the Internet wisely to the students by having the no-privacy policy; in this way students will not dare to open pornography websites or others that are not beneficial for their lives. Moral-wise, I believe to have taken part in educating them to use the Internet properly.

- Affordable price

  I will offer affordable price for students. Student's rate is 4,000IDR/hour, public rate is 5,000IDR/hour, that price is for using the Internet from 6.00 am to 10.00 pm. After that time all rate is 3,000IDR/hour. Every one hour of using the Internet, users will get a ticket. If they have 5 tickets they will have one hour free.

- Non-smoking policy

  In *Dunia Internet*, smoking is prohibited. I notice in other Internet cafés, although the room is air-conditioned but they still provide

an ashtray in the computer booth. I want to make *Dunia Internet*

to be a healthy place so that the customers will feel comfortable

while using the Internet.

1.6. SWOT Analysis

   SWOT analysis is a strategic planning method to evaluate strengths,

weaknesses, opportunities and threats in making a business. Doing this

analysis is very important to make the business successful. SWOT analyses

of this project are as follows:

1.6.1. Strengths

- Location

  The location of my business, Jalan Buahbatu 276, is one of the

  strengths. Jalan Buahbatu is one of the busiest streets in

  Bandung. There are many schools or educational institutions

  around this area, among others: SMPN 28, SMPN 13, SMAN

  22, SMAN 8, ASMI, SMA Taman Siswa, SMAN 7, Bandung

  Business School, and LIA.

- Fast Internet Connection

  Dunia Internet provides a fast Internet connection with proper

  computer units.

- Staff

  My staff is very competent in handling computers and Internet.

- Facilities

  Good computer specification and comfortable atmosphere.

1.6.2. Weakness

- Limited Computer unit

  Dunia Internet only provides 10 units of computers while the

  competitors have more than that.

- New Place

  Because *Dunia Internet* is new player in this business so people

  might not trust *Dunia Internet*. Since I replace the previous

  Internet Café which was located on this site, people might think

  that Dunia Internet is the same but only changes the name.

1.6.3. Opportunities

- Internet access is still limited

  The Internet access is still limited and expensive for some

  people.

- Computer is expensive

  PC (personal computer) as the main access to Internet is also

  still expensive for many people.

- Promising market share

  From my observation at the competitors' place, for example at the Internetarium, I often find that there are many customers who are waiting to use the Internet because all computers are occupied. Therefore, I am sure that the demand of this business is still high.

1.6.4. Threats

- Competitors

  Competitors can be one of the threats in running this business. Many Internet cafés are established these days with various service and facilities.

  There are many competitors in this business; below are the top four of my competitors.

Table 1.6.4. Competitors

No.	Name	Address	Facilities
1.	Internetarium	Jln. Situ Patenggang	- 30 computers - Smoking room
2.	Belova	Jln. Buahbatu	- 20 computers
3.	Gudang Net	Jln.Karawitan	- 20 computers
4.	Rumah Internet	Jln. Palasari	- 25 computers

Internetarium is my main competitor because this Internet café is the first Internet café around Buahbatu area, and the location is the nearest among the other competitors. They have a two-storey building with 30 computer units. The first floor is for smoking area, and the second floor is for non-smoking area. Belova Net is located on Jalan Buahbatu. They have 20 computer units. Gudang Net has 20 computer units, but recently they change their service mostly for games online. Rumah Internet is the sister company of Internetarium. Both places have the same owner. Rumah Internet is located in a three-storey building with 25 computer units.

- Hotspot area

    Nowadays many hotspot facilities are installed in public area. Some schools and universities are equipped with hotspot.

1.7. Prospect of the Business

Internet is a very promising business nowadays. The need of the Internet is increasing from time to time. In the future, Internet may become one of the most important needs. Students can learn many things from the Internet. Besides, this business is financially profitable. Based on my calculation in the fifth chapter, I can make good profit and it does not take too long to reach the break-even point. So the prospect of this business is good because the market is still very big. This business is worth doing.