

CHAPTER I

BACKGROUND

1.1 Background of The Business

Culinary business is very profitable because people consume food every day. Culinary business is a long lasting business because people have to eat (Wilhelm par.1). This statement emphasizes that culinary business keeps on developing and becomes a long lasting business.

One of culinary businesses is the fast food business. Alamsyah, in her book, Bisnis Fast Food a La Indonesia, mentions that fast food has been very popular in Indonesia since the 1990s (5). Fast food business is a potential business in Indonesia because there are an increasing number of female workers who do not have much time to provide food at their homes and also a huge number of teenagers and children who are the potential market for fast food (9). Because of those reasons, I am interested to start a business which provides homemade fast food for people.

People might think that fast food is any food that is served in a short time. In an article, "Fast food facts: A Guide for Teens", it is stated that

“Fast food is any food that is quick, convenient and usually inexpensive” (par.1). The word quick refers to the method of serving and eating. It does not need much time to serve or produce food (Alamsyah 14). The word convenient refers to two things, that is, the taste of the fast food and the consumer’s feeling about the advantages of choosing fast food. Beside that, she also says that fast food has a good taste so that people in general like it and it is not complicated to serve, cook and eat. The word inexpensive means economical. Allamsyah also says that buying fast food is considered cheaper than buying the food ingredients and cooking the food at home. Fast food is said to be practical (11). The word practical means anybody can serve it easily. Moreover, she states that fast food is also easy to get. People can find it at strategic places easily such as malls and shopping centres. In addition, fast food can be a solution for housewives who do not have much time to provide and cook food at home (12). From the explanation above, I choose to run a fast food business which can be a good solution for people who do not have much time to buy tasty food.

1.2 About the Business

My business is a micro-scale restaurant or *warung* that serves and provides homemade fast foods and drinks. My fast food restaurant’s name is *Warung Sosis*, abbreviated as WS. Based on the questionnaire distributed to 100 respondents (teenagers and adults) who visit and live near Jl. Kebon Kelapa Raya, 76% of the middle-low teenagers and adults said that they like sausages. From that information, I can decide that

sausage is a good ingredient for my main menu. I also choose *warung* to represent the cozy and friendly atmosphere of my place. The name refers to a fast food restaurant which is not expensive and provides varieties of home made cookings, which is mostly made of sausages.

WS is located at Jl. Kebon Kelapa Raya No. 5 Kayumanis, Kelurahan Utan Kayu Selatan, Kecamatan Matraman, East Jakarta. The target markets of WS are middle-low people, above 12 years old, who visit, work, and live near Jl. Kebon Kelapa Raya. I choose middle-low class because based on my interview with T. Budiyanto as the secretary of Kelurahan Utan Kayu Selatan, it is revealed that for several years in Kelurahan Utan Kayu Selatan, the number of middle and low class people is larger than upper class people in that area. Moreover, he adds that there is a business area which is near Jl. Kebon Kelapa Raya and Jl. Kayu Manis VIII. It can be concluded that middle-low class has to be WS's major target market.

In this market, people can find various kinds of fast food in the restaurants. I have a plan to make fast food from frozen food. Alamsyah mentions that frozen food is one kind of fast food. The reason is because frozen food is easy to get or to prepare, and is affordable (17). From this information, I decide to use frozen food as one of my food ingredients.

To get good frozen food, I have to choose high quality frozen food and buy that frozen food from its company regularly. It means that I have to cooperate with a good frozen food company to deliver my main food ingredient. Alamsyah states that there are several big frozen food

industries in Indonesia. These industries run business diversification through partnership and open fast food outlets (37). From this information, I plan to run a fast food business through partnership with one of the big frozen food industries in this country. From my interview result with Ir. Denny Gumulya, a Marketing Director of PT. JAPFA, which is one of the largest and most integrated food companies, it can be concluded that PT. JAPFA gives an opportunity for micro-scale entrepreneurs to have a partnership with PT. JAPFA in the restaurant business. It is an opportunity to make my plan comes true.

Furthermore, almost all WS products are made from PT. JAPFA products. The products are served with a variation or creation which may attract people to try and buy. Based on the questionnaire distributed to 100 respondents (teenagers and adults) and 50 children who live near Jl. Kebon Kelapa Raya, 75% of the respondents and more than 58% of the children have already known PT. JAPFA products such as “So Good”, “So Nice” and “Real Good”. Moreover, 64% of respondents say that if there is a restaurant that offers various foods using PT. JAPFA products, they want to buy them. Therefore, opening the WS restaurant can be a good opportunity to get customers.

WS has a logo that represents the restaurant. WS logo is shown in Figure 1.1 on the next page.



Figure 1.1 WS Logo

The picture of the *warung* itself is made from sausages. The purpose is to give an impression of a homemade fast food restaurant that provides various kinds of food made from sausages and has a friendly atmosphere, with an affordable price.

The logo of WS uses orange, brown, green and yellow colors. Orange denotes energy, warmth, good health and stimulates the appetite (“Orange Color Meaning” par.1). Brown is a warm neutral color that can stimulate the appetite, and it also represents friendliness and dependability (“Brown Color Meaning” par.2). Green signifies growth, renewal, health, environment (“Green Color Meaning” par.1) and denotes balance and harmony (“Green Color Meaning” par.4). Yellow denotes happiness, joy and cheerfulness (“Yellow Color Meaning” par.1). The combination of those colors can represent WS characteristics and affect the customers psychologically. In addition, in the logo there is a WS positioning statement, “Healthy Homemade Cooking” which can remind customers about WS.

WS is a place that has both a closed and open area. The reason for choosing this is because, based on the questionnaire, 27% of the respondents like a closed area. Based on that information, I can conclude

that most of the respondents prefer a place which has an open area inside the restaurant. A closed and open area can be a pleasant place for my customers. Moreover, a place that has an open area gives some benefits, such as saving the use of electricity and having good ventilation, which can make customers feel more comfortable.

Nowadays, many people like to choose a restaurant for gathering together. Alamsyah states that the function of a fast food restaurant is not only for selling food and drink but also for social gatherings, which can preserve continuance of purchasing (8). WS will be a pleasure place for gatherings such as birthday parties or *arisan* and it can give benefits both to the customers and to WS.

1.3 Unique Selling Proposition

There are many fast food businesses in East Jakarta. They try to compete with other products by creating and improving their products. In order to compete with and to be different from the competitors, WS tries to create a unique fast food that the consumers will be interested in.

WS is a new concept of micro-scale restaurant in Kelurahan Utan Kayu Selatan. It will be the first micro-scale homemade fast food restaurant in that particular area that has various kinds of food on the menu with high quality ingredients and at an affordable price.

Unfortunately, people usually consider fast food as being junk food, but not all kinds of fast food is junk food. According to Alamsyah, junk food is any food that does not have a balance in nutrition (17). Some fast foods

do have balance nutrition: they also consist of fresh ingredients. WS has balanced nutrition in its food.

1.4 Vision and Mission

Every business must have a good purpose to reach. A good concept and good preparation are not enough; a business needs a goal to achieve. WS has a vision statement, that WS will be a popular fast food restaurant that provides quick, convenient, affordable and healthy food and drinks. To reach that vision, WS needs a mission. WS's mission statements are to serve healthy fast food at an affordable price; to meet customers' needs by providing various kinds of high quality foods and drinks; to give satisfactory service; and to build a good relationship among customers, employees and employer. To reach my business vision and mission, I also need motivation as the trigger. Personally, I have a passion in the culinary arts. I like experimenting with food, I like creating food and I also like trying new food. My self motivation will be the energy which may make this restaurant keep on developing.

1.5 SWOT Analysis

SWOT analysis is needed in building and running this business. By analyzing strengths, weaknesses, opportunities and threats, I know how to enhance my business, minimize my failure in running this business, achieve strategic competitiveness and prevent or eliminate my action in order to achieve strategic competitiveness.

1.5.1 Strength

WS business has several strengths. Faizmh explains that “Strength is defined as the strength of an organization that leads to a beneficial condition for the organization” (par.4). The first strength is what WS offers to customers. WS offers various kinds of home made fast food that has balanced nutrition with good services and an affordable price. People like to get good products and good services at a good price. Second, WS is located in a strategic place (Jl. Kebon Kelapa Raya No. 5). Jl. Kebon Kelapa Raya has been growing in the past few years. WS is near Pusat Kesehatan Masyarakat dan Rumah Bersalin Pembina Matraman, Furthermore, Jl. Kebon Kelapa Raya is close to Jl. Kayumanis VIII, that has a big mosque, post office and bank. There is public transportation, namely, *Mikrolet 21* (M21), which passes these two streets. As a result, the area along this street is alive. The third strength is WS has innovation in creating products and processes. For example, by evaluating WS’s products and services; listening to customers and staffs’ complaints about the products and services; and adding to or changing the menu several times in a year, WS will always meet customers’ expectations.

1.5.2 Weakness

There is a weakness of the WS business. Weakness itself is defined as a condition that can cause loss for an organization (Faizmh par. 4). The weakness of WS is WS has a small parking area. The parking area cannot accommodate all customers’ motor cycles or cars for big gatherings. If the parking area is full, the customers need to park their vehicles near the

pedestrians or other parking areas (inside Puskesmas or Alfamidi parking area), and unfortunately they have to pay.

1.5.3 Opportunity

WS is a promising business because it has several opportunities. Kotler states that a marketing opportunity is “an area of buyer need or potential interest in which a company can perform profitably” (102). The first opportunity is WS is the first restaurant that has various kinds of high quality homemade fast food with a cozy atmosphere and at an affordable price for the middle-low market in Kelurahan Utan Kayu Selatan. The second opportunity is the gathering service. In Jl. Kebon Kelapa Raya, there is another micro-scale fast food restaurant, Illena Fried Chicken, abbreviated as IFC, but it does not provide gathering service or an occasional menu like WS. By providing this service and menu, WS can serve customers who need a place for gathering and can also preserve continuance of purchasing. The third opportunity is the population growth in Kelurahan Utan Kayu Selatan. The population growth in Kelurahan Utan Kayu Selatan is increasing. As the secretary of Kelurahan Utan Kayu Selatan, T. Budiyanto, says, from 2009-2010, the population in Kelurahan Utan Kayu Selatan has increased to more than 100 people, it means that WS has a chance to get more customers every year.

1.5.4 Threat

Besides opportunities, WS also has threats. Kotler states that an environmental threat is “a challenge posed by an unfavorable trend or development that would lead, in the absence of defensive marketing

action, to deterioration in sales or profit” (51). The first threat of WS is the relationship with PT. JAPFA. If PT. JAPFA stops the business partnership, it can bring problems to WS’s performance. First, WS’s operation will be stopped temporarily because it needs to provide the same equipment. WS needs to buy things that are subsidized by PT. JAPFA. Second, the price of the products may change because WS should buy some new equipment and, as a result, the image of WS may change too, although the menu will not be too different. The second threat is WS’s idea may be copied by others. A new concept can be copied by others. There is always a possibility that people may want to copy the idea of WS, especially when WS is successful. This situation is unavoidable. To deal with this situation WS has to keep its uniqueness, improve its products and services continuously, and maintain its relationship with its business partner and customers so that WS can be unique and so that the customers will always come back to buy at WS.