

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Bandung is known as the city with a million of culinary. In the article entitled “Vizata Culinary”, it is said that, “Bandung is known as the city with a million culinary charm, various delicious dishes are available all over the city” (par.1). Bandung offers many kind of food starting from traditional to international cuisine. Each consumer has their own favorite food. Accordingly, culinary business in Bandung will never die. Day by day this kind of business cultivates and runs smoothly even though there are many competitors (Harianto 1). It means that there are many of devotee culinary products. Many culinary businesses try to compete their products with those of their competitors by developing or improving their products. However, the essential thing to make the products better than the competitor’s is making differences or even unprecedented products that the consumers will be interested in.

Culinary business can also give a big profit in a short time, but the important things are our products have to be unique and different from

others and also have a good taste (Willhelm par.4). Considering this opportunity, I will open a culinary business, which is Cupcake's House. I choose cupcakes as my business plan because I like it and healthy food, moreover, based on the result of the questionnaire B (Appendix 2) given to thirty respondents, it is shown that all of them like cupcake's product. On top of that, the result of the questionnaire A (Appendix 1) given to 50 respondents states that in Bandung there is no stores which only sells cupcakes; therefore, I want to make a breakthrough by opening a cupcakes stand. In the article entitled "All about Cupcakes" it is stated that "The cupcake evolved in the United States in the 19th century. A cupcake is a small cake designed to serve one person, frequently baked in a small, thin paper or aluminum cup. As with larger cakes, frosting and other cake decorations, such as sprinkles, are common on cupcakes" (par.2).

The named of my business is Cupcake's House (henceforth, CH). The specialty of Cupcake's House is carrot cupcakes. There are two reasons of choosing carrots as the new flavor of cupcake. First of all, carrot is one of the vegetables that is possible to be one of the cupcake's ingredients. Second, based on the questionnaire that I gave to 30 respondents, it is shown that in terms of the new flavor of cupcakes, 17 respondents choose carrot, 6 respondents choose corn, 5 respondents choose red bean, and 2 respondents choose spinach. It means that people prefer carrot than the other vegetables. I feel challenged to make different taste of cupcakes using carrot as the additional ingredient which have delicious taste. The

other specialty of the CH is that the consumers can garnish their own cupcakes with icing (frozen sugar).

Nowadays, it would be easy for the competitors to imitate producing carrot cupcakes. Therefore, in order to anticipate the existence of competitors who imitate carrot cupcake, once every six months CH will do innovation by making new flavors of cupcake such as apple cupcakes, green tea cupcakes, and et cetera.

The location of CH will be in Paskal Hyper Square, because many people go there to spend their time, besides, it has comfortable area and various facilities. In the article “Hyper Square for Your Hyper Business”, it is stated that Paskal Hyper Square is the right location for people to develop their business, supported with the comfort and high security also the various facilities available in it such as spacious parking facilities and various other facilities (par.2). It means that Paskal Hyper Square is a suitable place to run the business. The target market of my business is people at Paskal Hyper Square; children, young people, and adults. The vision of the company is to make CH the only cupcake store in Bandung, which has various flavors and provides healthy ingredients of cupcakes. The mission of the company is to serve, give better quality of cupcake to the consumers and always do innovation by offering new flavors of cupcake.

1.2 UNIQUE SELLING PREPOSITION

Rosser states that Unique Selling Proposition is “a marketing concept that was first proposed as a theory to explain a pattern among successful advertising campaigns of the early 1940s” (par.1). The uniqueness of CH is the use of carrot as the ingredient to make the cupcakes. Carrot is one of the healthy vegetables, which is not only healthy for eyes but also for skin. Carrots contain Beta Carotene in the form of vitamin A. It can help skin issues such as premature wrinkling and dry scaly skin (qtd. in “Why are Carrots Good for Skin” par.2). Besides the carrot variant, there are also other variant flavors of cupcakes, which are vanilla and chocolate. The price for a cupcake is quite affordable for the consumers. There are two types of cupcake, which are plain (without garnish) and garnished one. For a plain cupcake the price is 9,000 IDR per piece; for a garnished the price is 15,000 IDR per piece. If the consumers want to garnish their own cupcakes, they have to pay for the icing (frozen sugar) and a tube of icing which cost about 2,000 IDR.

1.3 SWOT Analysis

SWOT is Strength, Weaknesses, Opportunities, and Threats. According to Pearce and Robinson, SWOT is “an acronym for the internal Strength and Weaknesses of a firm and the environmental Opportunities and Threats facing that firms” (166). In the next paragraphs, I will explain the strengths, the weaknesses, the opportunities, and the threats as a part of strategic planning of the CH’s business.

1.3.1 Strengths

Pearce and Robinson state that strength means, “a resource advantage relative to competitors and the needs of the markets a firms serves or expects to serve” (167). There are several strengths of CH. First of all, based on my research there is no cupcake house in Bandung which only sells cupcakes; also in my CH, the consumers can garnish their own cupcakes. Second, the CH is located in a strategic place, Paskal Hyper Square. It provides a comfortable place to eat or hang out, and it is supported by many stores like factory outlets, a karaoke place, a playground for children and many more. Third, is about the ingredients of the cupcakes; the cupcakes contain healthy ingredients like carrot and honey. Forth, it offers affordable prices compared with the competitors. The last but not the least, the waiters or waitresses will serve the consumers in a friendly manner.

1.3.2 Weaknesses

Pearce and Robinson explain that “a weakness is a limitation or deficiency in one or more resources or competencies relative to competitors that impedes a firm’s effective performance” (167). The weakness of this business is that my business does not have any reputation yet and I have not had any experience; therefore, it is quite hard to make consumers believe in our product. Second, CH only has three variants of flavor in the first of six month, which are chocolate, vanilla, and carrot; meanwhile the other bakery which also sells cupcakes (Cherish

and Kriste bakery) offer many variants of flavor. Third, the consumers may not want to try carrot cupcake because it is different and new, they may doubt about it; besides, not all consumers like carrot.

1.3.3 Opportunities

According to Pearce and Robinson, opportunities mean “a major favorable situation in a firm’s environment” (166). The external condition as the reasons to build CH at Paskal Hyper Square is because there is just one competitor which is Cherish Bakery. In addition, this bakery sells cupcakes which are more expensive than the ones at CH. Besides, CH offers healthy ingredients and try to create new cupcake’s industry.

1.3.4 Threats

Pearce and Robinson state, “a threat is a major unfavorable situation in a firm’s environment” (166). In Bandung, there are many big bakeries such as J.CO, Prima Rasa, Kartika Sari, Bread Talk, and Kriste Bakery. All of them are strong and dominant competitors, they are a big threat for my business. Those companies have many branches in Bandung and even in other cities outside Bandung. Moreover, they have already existed before my business does. At Paskal Hyper Square, there is also a competitor, which is Cherish bakery that sells cupcakes. However, I believe that CH will become a bigger and promising one.