

# CHAPTER I

## THE BACKGROUND

### 1.1. Background of Business

Indonesia consists of many provinces that are rich of traditional foods as the element of the culture. There are hundreds of various and unique Indonesian traditional foods (Husnul par. 7). One of them is *pempek*, a fish dumpling long known as a special delicacy of Palembang, South Sumatra. *Pempek* has now become a commodity that has spread in many cities across the country including Bandung. It is caused by the advantage earned from this culinary business. The business of *pempek* culinary can bring profit (Arifah par. 5). Therefore, people who sell *pempek* always intend to get advantages from the positive response of consumers by promoting their business, improving the taste and also by creating a new innovation of product.

Besides improving the product, many *pempek* restaurants in Bandung also add the value of the restaurant itself, such as by serving consumers with good services and setting a comfortable place in order that they will feel the nuance of the restaurant. However, based on my observation at

10 *pempek* restaurants in west Bandung, most of them do not use a concept that shows the traditional nuance of the restaurant. Many people like traditional restaurants that serve traditional nuance. This is shown from the survey that I did for 100 people in west part of Bandung, the result was 80% people agree that traditional restaurants should provide the traditional nuance.

Considering this condition, I am going to open a *pempek* restaurant whose concept is the traditional nuance of Palembang. The reason of opening this business is because of two factors. The main factor is that, culinary business is always needed by consumers. It is a long-lasting business because everyone needs food (Wilhem par.1). Besides, one key success in running a culinary business is the love of the food (Sudarmi par. 18). Based on the newly conducted survey that I did to 100 people in west Bandung, there are 86% of people who love *pempek* very much. In other words, it proves that many people like *pempek*.

The additional factor why I am very proud of *pempek* as Palembang traditional cuisine is because it is a must to promote Indonesian traditional food in order to introduce the characteristic of Indonesian culture (Aulia par.2). Therefore, by opening this business, there is a chance to introduce Palembang traditional cuisine and its nuance as part of Indonesian culture. In addition, I have the skill to make *pempek* and I have the knowledge in running this business because I had observed the process of running this business from production until selling process.

I am going to name my business Stasiun Pempek (henceforth, SP). *Stasiun* means station. Therefore, SP means a place where *pempek* is provided as its main menu. The reason of choosing this name is because the location of the business is across of the railway station namely Stasiun Bandung. I also consider this location as the most suitable place to open SP because it is strategic and is in the uptown of Bandung.

### 1.2. Unique Selling Proposition

There are many *pempek* sellers in Bandung who make new creation of *pempek*, such as *pempek sosis* and *keju*. It is because people like new creation of the food. New variations of food are created every year because Bandung people are interested in new, delicious and peculiar foods (Aprianti par.1). In order to satisfy the need of the consumers, SP also sells *pempek sosis* and *keju*. However, SP has specialties that will surpass the product from other competitors. One of them is the innovation of *pempek sapi* because the fillings are grinded beef and egg. Another innovation is *pempek sayur* which fillings are onions, cabbage and carrot.

I did a survey on 100 people in west part of Bandung in order to know people's interest about these new innovations of *pempek*. As a result, 89% of the respondents are quite interested to try *pempek sapi* and *pempek sayur*. SP also introduces some of the Palembang culture to make people who eat *pempek* feel the nuance of Palembang.

### 1.3. SWOT Analysis

In planning the business, SP needs to analyze the SWOT aspect. Kotler and Armstrong state that “the overall evaluation of a company’s strengths, weaknesses, opportunities, and threats is called SWOT analysis” (102). Referring to this theory, the analysis of strengths, weaknesses, opportunities, and threats as a strategic plan of SP will be discussed in the following paragraphs.

#### 1.3.1. Strengths

In opening the business, SP considers its strengths as the advantages. Based on Allan’s statements, strengths refer to “the competitive advantages and other distinctive competencies that a company can exert in the marketplace” (par. 1). One of the strengths is that, SP is a *pempek* restaurant that offers various fillings. SP considers that product, price and service quality are the most important things of the business. Therefore, SP intends to satisfy consumers by providing delicious and various *pempek* in low prices as well as serving them well.

The other specialties of SP are the comfortable dining room. SP plays Palembang traditional songs and decorates the wall by using *songket* Palembang and pictures of Palembang monument such as monument Pancasila, and miniature of Ampera Bridge. By providing these, consumers will feel the nuance of Palembang.

The other strength of SP is the location because this is one of the strategic places as it is located in the up town of Bandung. Furthermore,

most of public transportations pass through the station. This creates easy access for people who intend to buy *pempek* at SP.

### 1.3.2. Weakness

In running this business, there are some weaknesses of SP. According to Allan, weakness is “constraint that hinders movements in certain directions” (par. 2). One of the weaknesses is that, SP is a new restaurant that still has limited capital especially for its marketing communication. Kotler and Keller define marketing communication as “firm attempt to inform, persuade and remind consumer—directly or indirectly—about the products and brands they sell” (510). The limited marketing communication will cause consumers not to have trust to SP.

The next weakness is *pempek* is not the main food that makes people always consume it. People usually have it at snacking time or as substitution food. Therefore they prefer visiting other restaurants that provide main food.

Another weakness is that SP has minimum facility and capacity. The room size is small which is only 3 meter width and 12 meter length. The parking area is limited which is only for two cars.

Moreover, the distribution of the product is not maximum. It means the product has not scattered extensively because SP does not have any branch. People who live far from SP have to travel for a long distance when they want to visit SP.

### 1.3.3. Opportunity

Opportunity creates a chance to raise the income of SP. Opportunity is “an area of buyer need or potential interest which in a company can perform profitably” (Kotler and Armstrong 102). Learning from the theory, SP intends to get the beneficial opportunities that are available. The first is that SP has qualified product at the lowest price among the three competitors namely *Pempek Pak Raden*, *Pempek Rama* and *Pempek Bikinanku*. The good service that SP offers can invite people to buy *pempek* at SP. The next opportunity is the traditional nuance that can create the good brand positioning in the mind of the consumers. Moreover, the strategic location creates easy access to visit SP.

### 1.3.4. Threat

Kotler and Armstrong point out that 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” (104). According to the theory, threat is unfavorable condition that can affect the profit of the business. SP also has threats when running this business.

One of them is that the consumers have the tendency to be reluctant to visit the restaurant because of its limited capacity and facility. The next threat is that SP is a new business, which makes consumers have low trust and consumers’ awareness. The non-extensive distribution of the product can make consumers who are far from SP have to spend more time and energy to travel. There is a possibility, they prefer other *pempek*

restaurants rather than SP such as *Pempek Pak Raden*, *Pempek Rama*, also *Pempek Bikinanku*.

Another threat is that, *pempek* is not the main food. Based on the survey to 100 people, there are 71% of people who seldom eat *pempek*, this means not many people eat *pempek*.