

# CHAPTER I

## INTRODUCTION

### 1.1. Background of Study

Bandung culinary industry is famous especially for its cake and bakery. As it is stated by Muhammad Sufyan (par 1,2), a contributor for Bisnis Jabar newspaper, that Bandung has been known as the trusted producer of cake and bakery in culinary tourism. ...Its products are also known as innovative and has good quality. This statement shows that Bandung food industry especially cake and bakery is developing, supported by some success brands such as Ny. Liem, Kartika Sari, Amanda, Prima Rasa, and many more.

Based on this fact, Business Plan of Keiku Cake is made, not only because there is a business opportunity, but also because of the personal interest and knowledge in homemade cake and cupcakes. The name “Keiku Cake” is taken from Bahasa Indonesia and English. The ‘Keik-’ is taken from the English pronunciation of the word ‘cake’, written in Bahasa Indonesia. Furthermore, ‘-ku’ in Bahasa Indonesia has similar meaning with “my” in English. The name of “Keiku” means “my cake”. As I did research to 50 people in Bandung, the name is categorized as unique, ear-catching, and also gain people’s curiosity.

In order to make a business run effectively and efficiently, one of the key needed is vision and mission setting. The vision of KC is to become a leader in cakes and cupcakes shop business. The mission is to be known for its delicious cakes and cupcakes using best ingredients with affordable price in Bandung.

KC presents cakes and cupcakes. The various cakes offered; Tiramisu, Fruit Cake, Sponge Cake, *Lapis* Surabaya, Velvet Chocolate, Chocolate Mousse, Green Tea Opera, Blueberry Cheese Cake, Strawberry Cheese Cake and Strawberry Jelly Cream Cake; are ready to be loved by the consumers for every occasion especially for birthday, wedding, Baby-One-Month-Celebration. They are also available for gifts, public holidays such as Idul Fitri, Christmas and Chinese New Year. Moreover, Sponge Cake, *Lapis* Surabaya and cupcake are able to be categorized as novelty cakes, which means can be decorated not only round or square with figures or scenes on top, but also 2-D or 3-D shaped cake. The pictures below shows novelty cakes.

Figure 1.1.

3-D CAKE AND CUPCAKES



Figure 1.2.

2-D CAKE AND CUPCAKES



KC plans to rent Marvello Photoworks' Ruko. It is located on Ruko Paskal Hyper Square A-47, 1<sup>st</sup> and 4<sup>th</sup> floor, Paskal Hyper Square Jl. Pasirkaliki No. 25-27 Bandung. For display shop, KC will use the 1<sup>st</sup> floor, meanwhile the production will use the 4<sup>th</sup> floor.

1.2. SWOT Analysis

Analyzing SWOT in a business plan or even for an existing company is crucial for taking an objective look at the business itself. According to

Pearce and Robinson, “SWOT is an acronym for the internal Strengths and Weaknesses of a firm and the environmental Opportunities and Threats facing that firms” (166). This step is simple to follow yet gives powerful insight or potential issues that may affect KC. Below are the table showing SWOT of KC. The explanation will be on the next paragraph.

Tabel 1.1  
KC SWOT

<p><u>Strengths:</u></p> <ul style="list-style-type: none"> <li>• Good networking</li> <li>• No preservative</li> <li>• Negotiable price</li> <li>• Unique products shape (novelty cake)</li> <li>• Strategic location</li> <li>• Experienced baker</li> </ul>	<p><u>Weaknesses:</u></p> <ul style="list-style-type: none"> <li>• Lack of human resources</li> <li>• New cake shop in Bandung</li> <li>• Limited expiry date (novelty cake)</li> </ul>
<p><u>Opportunities:</u></p> <ul style="list-style-type: none"> <li>• Special events which need cake/cupcakes: wedding, birthday, and Baby-One-Month celebration</li> <li>• Effective and efficient promotion tool: Internet</li> </ul>	<p><u>Threats:</u></p> <ul style="list-style-type: none"> <li>• Limited delivery service</li> <li>• Competitors</li> </ul>

The table above shows the SWOT of KC. Although KC has weaknesses and threats, it is surely covered by its strengths and opportunities.

### 1.2.1 Strengths

Pearce and Robinson state that strength means “a resource advantage relative to competitors and the needs of the markets a firm serves or expects to serve” (167). Below are the seven strengths of KC.

- Good networking. KC, which offers sweet 17<sup>th</sup> and wedding cakes and cupcakes, joins with some organizations, such as Marvello Photoworks, Unlimited Catering, Authera Organizer, and FRONTLIN3 Event Organizer.
- No preservative. One of the strengths of KC is that it concerns about health. That’s why KC makes sure that the ingredients used is health-friendly. It does not use preservative and uses less food additives. Furthermore, it also provides cakes and cupcakes for diabetic by request.
- Negotiable price. KC understands that each consumer’s needs are different. In order to fulfill it, KC accepts adjustment such as model, color, and size. The price can be different depends on the adjustment.
- Unique products shape. KC provides novelty cakes whose decorations are innovative, according to consumer needs.

- Strategic location. KC plans to be located in the centre of Bandung city which makes it easy to be found by consumers.
- Experienced baker. KC is supported by a baker who has been very familiar with bakery industry for ten years, which is one of the qualifications required for KC's baker.

### 1.2.2 Weaknesses

There are some areas of KC which I want to improve. Pearce and Robinson maintain 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 weaknesses of KC are:

- Lack of human resources. KC will hold recruitment for positions such as: operational manager, bakers, administrator, cashier, waiter and drivers.
- New comers of cake shop in Bandung. As a new comer, at first KC needs to do promotion in order to inform and to gain consumers of Bandung citizen.
- Limited expiry date (novelty cakes). Novelty cakes which use fondant icing as the decoration have shorter expiry date than the other products since it does not use preservatives and cannot be put into the refrigerator otherwise it will melt. Therefore it should be put in room temperature. The other products such as Tiramisu, Cheesecake, Lapis Surabaya and others last until four days.

### 1.2.3 Opportunities

In a business, there are external factors which can make the business become more prosperous and well-known. According to Philip Kotler, “Opportunity includes a growing market, increased consumer spending, selling internationally, and changes in society beneficial to your company” (20). Based on my observation, the following are KC’s opportunities:

- Special events which need cakes or cupcakes such as birthday, wedding, and Baby-One-Month celebration. Based on my observation, Bandung people still like to celebrate these events with cakes and cupcakes. Hopefully, Bandung citizen will contact KC and order its cakes and cupcakes for their special events.
- Effective and efficient promotion tool: Internet. Social media such as Blog, Twitter and Facebook nowadays is one of the most reliable communication tools. Since it is now used by many people throughout the world, using these tools to inform people about KC will be easier and faster. Also, it can be known by people who live out of the city or Indonesia, so that when they come to Bandung or someone they know needs a cake, they will find and contact us more easily.

### 1.2.4 Threats

There are two external factors which can make KC at risk. Related to Pearce and Robinson, “a threat is a major unfavorable situation in a firm’s environment” (166). Here are two situations which threaten KC:

- Limited delivery service. Since cakes are fragile and KC cakes do not use preservatives, they can only be delivered to Bandung, Lembang, and Cimahi.
- Competitors. There are some competitors which have become Bandung's cake and bakery icon. They have been known by people inside and outside Bandung.

### 1.3. Key To Success

In order to make KC achieve its vision and mission; it has three keys to success. They are: good quality, negotiable price, and unique product shape. I believe these three points will make KC achieve its best position.