

CHAPTER I

THE BACKGROUND

1.1. Background of the Business

Sport is important for everyone. Lots of people do sports either to keep healthy or only for relaxing. According to an article entitled “Sport is Healthy”, “It is a well known fact that exercising is very good for our body and health. Any kind of sport that involves body movement stimulates our muscles and burns fat. Toxic waste is removed from our body through sweat” (par. 1). Besides for health, sport is an alternative to have fun. It is true as Tapsell says,

There is no excuse for looking down in sport because it's not your pursuit of choice. It provides many of the same benefits to its devotees as intellectual pursuits do, and is no less worthy. To those who might not have been fortunate enough to have been brought up in an environment conducive to educational excellence or intellectual development, it provides an essential outlet for competitive spirit and a good way to let off steam in what might be a depressing and frustrating environment (par.5).

There are many kinds of sport, and one of the famous sports is futsal. Futsal is a world-wide sport. People in many countries play futsal, as mentioned in an article entitled “What is Futsal?” that, “futsal is now played by over 12 million people in over 100 countries worldwide” (par. 3). Futsal is almost the same as soccer. There are some differences between futsal and soccer. Futsal requires small number of people to play, while soccer needs more than eleven people to play. Moreover, there are differences in the rules. In soccer, body contact, and tackling are allowed, but in futsal, body contact, and tackling are not allowed. Many people are interested in futsal because it can help them to improve their soccer skills. Lots of soccer stars develop their skills by playing futsal. It is true as Brown says, “Futsal is played world-wide, especially in Brazil, and many great soccer legends like Pele and the hot new stars, Ronaldinho (AC Milan), Cristiano Ronaldo (Real Madrid), and Lionel Messi (Barcelona) have grown up playing futsal” (par.4).

Nowadays, futsal is also one of the famous sports in Indonesia. It is proved by many new futsal centers which have been built from year to year, and there are lots of official tournaments of futsal in the year 2008 in Indonesia (such as Yamaha Futsal Cup 2008, AAUI Cup in 2008, Kodim Cup in 2008, and Bandung University Futsal Competition) and official tournaments of futsal in year 2009 (such as Darmajaya Futsal Tournament in March the 2009, Sang Timur Cup 2009, Liga Futsal Nasional 2009), as mentioned in an article entitled “Events Programme” (par. 1).

Bandung is one of the biggest cities in Indonesia, and people in Bandung are enthusiastic about futsal. Many people play futsal as their

main sport. It is proven by the growing number of futsal centers that have been built in 2008 and 2009, such as Star in Holis, Futsal 76 in Jl. Babakan Jeruk, Hiroz Futsal in Jl. Pahlawan, and SSC (Soekarno Hatta Sport Centre) in Jl. Soekarno Hatta. Until now, the total number of futsal centers in Bandung is more than 30. Based on my interview with the owner of some futsal centers in Bandung, the enthusiasm of people in Bandung to play futsal is seen in that many people play futsal every day at their futsal centers. According to the owners, sometimes they cannot handle booking requests because there are too many requests but not enough fields. Most futsal customers are university students. I did some interviews with some futsal centers in Bandung. I found out from the interview that almost 80% of futsal players in Bandung are university students. They play futsal in their leisure time, either to have fun, to maintain their health, or to improve their skills. They do not have to spend a lot of money to play futsal because futsal is cheaper (the average rate per hour is Rp 100,000 to Rp 250,000) than soccer (the average rate per two hours is around Rp 500,000 to Rp 1,100,000). Moreover, futsal also does not require many people to play. Futsal requires only 8 up to 10 persons in a match, while soccer needs minimum 22 persons in a match.

I have four reasons in choosing futsal for my business plan. First, some of the best soccer players develop their talents by playing futsal, and it can attract people to play futsal. They will see that some of their favorite soccer players also improve their skills in futsal. It can give an assumption that they also have a chance to be as good as their favorite soccer players. Second, I choose this business because futsal is my hobby. The

fact gives me a benefits which is I know the needs of the customers. Third, futsal is a fun and healthy sport where people can have benefits. Besides having fun, they can also maintain their health. Fourth, futsal is famous at campuses so this will give me benefits since my target market are university students. As Harsanto says, “Futsal is becoming more organized and structured in terms of its organization. It has also become popular on campuses because the sport requires a relatively smaller space (to play in) compared to soccer” (qtd. in The Jakarta Post par.6).

1.2. About the Business

My business is a service business which runs in sport sector by providing futsal fields for rent. The name of my business is **STREET FUTSAL**. The name **STREET FUTSAL** shows the identity of the company as one that provides futsal center with a different concept, which is street futsal. The concept of street futsal is a combination of street soccer and futsal. Street soccer is a kind of soccer game that is based on freestyle concept. In other words, street soccer is an unorganized soccer. Meanwhile, futsal is “a format of five-a-side football” (qtd. in “What is Futsal?” par. 1). Then, street futsal concept in a futsal center can be seen in the graffiti paintings which show the freestyle element.

Besides providing the place to play futsal, I would also like to support the creativity of graffiti artists. Graffiti “consists of inscriptions, slogans and drawings scratched, scribbled or painted on a wall or other public or private surface” (“What is Graffiti?” par. 1). I will provide a place where graffiti artists can feel free to decorate our wall or even our ground, and

the purpose is to create the street atmosphere at my futsal center. I will redecorate the graffiti in every six months, and the reason is to create a new atmosphere from time to time so that the consumers will not get bored with the decorations. Unlike the usual futsal centers which do not provide any decorations, graffiti decoration at my futsal center can be an attraction, and show the uniqueness of the center, which is the concept of street futsal. As a result, this would give an advantage to attract the customers from all levels of society who are interested in futsal with graffiti decorations.

In running a business, I need a logo to represent the identity of the company, and the logo is fire ball, as shown in Figure 1.1 below.



Figure 1.1

Company Logo of **STREET FUTSAL**

Source: Owner of **STREET FUTSAL**

The company logo above is a trade-mark of my business which is represented by the fire ball. The ball means that this is a place to play futsal. Then, I choose to use yellow and orange for the colors. According to Scott, yellow represents “happiness, warmth and awareness” (par. 6)

and orange displays “youthfulness and liveliness” (par. 7). The orange and yellow colors on the fire represent the warmth and liveliness that **STREET FUTSAL** will give to the consumers. The color of the letters “**STREET FUTSAL**” is orange which is also a trade-mark of **STREET FUTSAL**.

The legal aspect of my business is sole proprietorship. According to Snell and Bohlander (7-8),

1. Sole proprietorship is a cheap business to form and no formal charter is required.
2. A sole proprietorship pays no corporate income taxes. All profits of the business are taxed as individual income.
3. The sole proprietorship has unlimited liability for business debts and obligations. No distinction is made between personal and business assets.
4. The life of the sole proprietorship is limited by life of the sole proprietor.

These are the reasons for me to choose sole proprietorship as my legal aspect.

1.3. Vision Statement

Vision is the long-term purpose of a company, the expectation of the company for the future which can keep the employees to go on one direction. According to an article entitled “Vision Statement” at

BusinessDictionary.com, vision is an “aspirational description of what an organization would like to achieve or accomplish in the mid-term or long-term future. It is intended to serve as a clear guide for choosing current and future courses of action” (par. 1). The vision of my company is to be the coolest and the best futsal center in Bandung within 10 years.

1.4. Missions Statement

Mission is the short-term purpose in order to reach the vision.

According to an article entitled “Missions Statement” at BusinessDictionary.com, mission is “written declaration of a firm's core purpose and focus which normally remain unchanged, whereas business strategies and practices may frequently be altered to adapt to the changing circumstances” (par. 1). The missions of my company are:

- Always giving the best to the consumers in order to make them satisfied.
- Keeping the company as an innovative and creative company which is represented in the decoration.
- Providing the cleanest futsal centre in Bandung.

1.5. Values

According to an article entitled “Values” at BusinessDictionary.com, values are “important and enduring beliefs or ideals shared by the members of a culture about what is good or desirable and what is not.

Values exert major influence on the behavior of an individual and serve as broad guidelines in all situations” (par. 1). The values of my company are:

1. Team work.
 - Employees have to help each other in running the business.
2. Satisfaction.
 - Employees have to give the best services to consumers.
3. Responsibility.
 - Employees have to be responsible with their jobs.

1.6. SWOT Analysis

According to an article entitled “SWOT Analysis” at BusinessDictionary.com, SWOT is “situation analysis in which internal strengths and weaknesses of an organization, and external opportunities and threats faced by it are closely examined to chart a strategy” (par. 1). Then, in an article entitled “SWOT analysis” at Learn Marketing.com, it is mentioned that “strengths and weaknesses are internal factors which are controllable by the organization. Afterwards, opportunities and threats are included in external factors which are uncontrollable by the organization” (par.1). Hence, it is possible to evaluate internal conditions of the corporation, its strengths as well as weaknesses, and to compare them with opportunities and threats that come from external environment.

Therefore, doing an analysis of this type is an important way to better understand a business and its market. My business plan also has SWOT aspects in running **STREET FUTSAL**. The SWOT analysis of **STREET FUTSAL** is as follows.

1.6.1 Strength

The definition of strength, as stated in an article entitled “Strength” at BusinessDictionary.com, is “capital, knowledge, skill, or other advantage that a firm has or can acquire over its competitors in meeting the needs of its customers” (par. 2). The strengths of my business are:

- Provide the new atmosphere of playing futsal.

I will provide a place for people who are looking for a new challenge to play futsal and who are bored with the usual futsal field.

- Providing complete facilities.

I also provide facilities such as bathrooms, lockers, and plasma television in order to satisfy the consumers.

1.6.2. Weakness

The article entitled “Strength and Weakness” at BusinessDictionary.com, states that weakness is “...negative aspects of the external and internal environments that are under the direct control of a firm or a decision maker” (par. 1). The weakness of my business is the day hours. My business hour is from 9 a.m to 12 a.m. This is a weakness because based on my research, in the day hours not many people play futsal. The first reason is because people do their activities, such as working (for the employees) or studying (for students) mostly in the day hours. The second reason is because it is too hot to play futsal in the day hours.

1.6.3. Opportunities

According to Kotler and Armstrong, “A marketing opportunity is an area of buyer need or potential interest in which a company can perform profitably” (102). As a result, in running a business, people have to know their opportunities in performing their business. The opportunities of my business are:

- There is a small number of futsal centers in Bandung, compared to the needs.

It is difficult for people in Bandung to book futsal field. Many people in Bandung play futsal everyday. However, there are not enough futsal centers in the area compared to the number of people who want to play futsal.

- There are Insufficient facilities at futsal centers in Bandung.

Based on my observation at several futsal centers in Bandung, most of them do not provide facilities which are needed by consumers, such as bathrooms with hot and cold water, lockers, and T.V.

1.6.4. Threats

Kotler and Armstrong state 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” (104). Consequently, businessmen need to find the threats that can be the challenge for running their business. The threat of my business is the holiday season. When the holiday season such as Christmas,

Lebaran, etc comes, the business might not get the maximum profit because most of futsal consumers are students, and in holiday seasons, they go back to their hometown or go for vacation.

1.7. Competitors

In running the business we cannot pretend that we do not have competitors. According to an article entitled “Competitors” in BusinessDictionary.com, competitor is “any person or entity which is a rival against another. In business, a company in the same industry or a similar industry which offers a similar product or service” (par. 1). The competitors in futsal business are the other futsal centers that have already existed in Bandung. The major competitors are Meteor, Sampoerna, and SSC (Soekarno Hatta Sport Center). We have to compete with these futsal centers and many other futsal centers to attract consumers as many as possible. The competition itself actually is not too great. Based on my interview with some owners of futsal centers in Bandung, the competition among futsal centers is only in how the futsal center provides the facilities that can attract people to come to their places. The main points to be considered by consumers are the quality of the field, the cleanliness, and the access to the place which has to be easy. The futsal centers that can provide these elements are the winners.

1.8. Prospect of the Business

There are a number of futsal centers in Bandung nowadays, but all of the futsal fields in Bandung are just ordinary futsal fields without any

uniqueness. That is why I am planning to open a futsal field with a different concept, which is street futsal.

My futsal field has unique selling propositions. Based on 100 questionnaires that I spread at some universities, schools, futsal centers, and in the Kembar neighborhood from 11th until 25th April 2009, 70% of the respondents like futsal centers that have graffiti decoration. So, the first unique selling proposition of my business is the atmosphere of street futsal, which is a combination between futsal and street soccer. It will be created with graffiti paintings on the walls, gates, doors, and grounds. Second, I provide bathrooms and lockers. Not many futsal centers provide them. Third, I also provide a 20-inch-plasma television as an entertainment facility for consumers who are waiting for their turn to play. Fourth, I provide professional services, which means that all staffs will be friendly to the consumers, help consumers to book, and always try to satisfy the consumers by providing the consumers' needs. The last, I also offer low price. The price for using my futsal field with Teraflex ground are Rp90,000 per hour (day: 9a.m-3p.m) and Rp130,000 per hour (noon: 3p.m-12p.m), which is cheaper than other futsal centers with the average price of Rp150,000 per hour. The aspects above will support my business to become a futsal center which can exist in the competition.