CHAPTER I

BACKGROUND

I.1. Background of The Study

We cannot deny that a book gives more advantages than solely as the source of knowledge. Atreya believes that there are twenty six (26) major advantages to reading books. Below are the eight (8) advantages out of the twenty six (26) advantages that are taken from his article. He believes that the habit of reading books can improve vocabulary, give a glimpse into other cultures and places, improve concentration and focus, build self-esteem, improve memory, improve creativity, decrease boredom, change one's life (par.4).

Unfortunately, there are obstacles that make people unable to enjoy those advantages, for example, the high price of books. This is supported by Salam's statement. He mentions that "the price of a book is very expensive while the economic condition is still bad. It makes people tend to buy primary needs rather than a book" (par.11).

The lack of reading facilities also becomes the obstacle for people to get those advantages. This is supported by Santoso's statement. He says that "nowadays, facilities such as books and library are truly needed to grow a reading habit" (par.3).

The facts above become the reason why a rental book business, namely KawaiiPhanda is feasible to pursue. Beside, during this time, a lot of people are looking for books to the founder of KawaiiPhanda. Therefore, the founder sees the opportunity that this business will become a promising one. Considering those opportunities, the founder initiates to do some improvement. It is expected that KawaiiPhanda will be a good alternative to facilitate books for people. Thus, they can read them with a low price, help to grow their reading habit, and they get a lot of advantages as what Atreya mentions.

Below is the SWOT analysis of KawaiiPhanda.

Strengths

- KawaiiPhanda does not rent a place in running the business. It helps to minimize the expense.

- The location of KawaiiPhanda is not on the road side; as a result KawaiiPhanda is far from the noisy atmosphere and this causes people to focus more in reading books.

- KawaiiPhanda provides many kinds of books. The majority is non-fiction books, such as self-development books, true story books, educational books or textbooks (psychology, economic, literature).

- There is free wi-fi access available.

- KawaiiPhanda has a cozy atmosphere. It is uniquely designed by using a Japanese theme. There is a gazebo and a fish pond. Furthermore, there will be music played. Therefore, the customers will feel relaxed and comfortable.

- The rental also has a café; thus, the customers can enjoy the meal while they are reading books.

- There is a catalogue service that facilitates the customers to look for a book easily by sorting it based on the title or the author.

- Every week there will be an announcement of a book review that is being recommended.

- There will be a service through *sms* to let the customers know if there are new books available in KawaiiPhanda.

- Once a year, there will be an event for the public, for example, manga competition and book review competition.

Weaknesses

- KawaiiPhanda accepts secondhand books for those who want to donate them. However, it is difficult to get free secondhand books because sometimes people want to sell their books instead of giving it for free.

- There will be many risks in opening this business. For example, it is possible that KawaiiPhanda will lose books or some books may become torn because they go from one hand to another.

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Opportunity

- There is no other kind of book rentals opened in this area.

- There are small numbers of this business which has a café and provides wi-fi access in it.

Threat

- The price of the books is expensive, especially on the education textbook.

- There is difficulty in looking for old books.

By spending money less than 100.000.000 (IDR) for the initial investment, KawaiiPhanda will become a profitable business because it has unique selling prepositions and also the Break Even Point can be achieved in less than 2 years.