

BUSINESS STRATEGY FOR CAFE DEVELOPMENT (A Study on De Classe Gelato & Coffe Blitar City)

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ABSTRACT

This research was conducted with the aim of knowing and understanding the development strategies of the De Classe Gelato & Coffe Blitar-East Java Business. The business development strategy of De Classe Gelato & Coffe Cafe is related to the methods used by the company to gain competitive advantage in each of the company's main businesses. This research was conducted using data processing methods and data analysis consisting of qualitative data analysis. Qualitative analysis is used to determine the company's environment to determine the strengths, weaknesses, opportunities, and threats faced by cafes. The results of this research are De Classe Gelato & Coffe Blitar conducting intensive strategies (market penetration, market development, and product development). 1) Market penetration, the company needs to increase the market share of a product or service through larger marketing efforts. 2) Market development, it needs to add distribution channels such as opening branches. 3) Product development that is increasing sales by increasing or modifying existing products. In addition, it must improve the quality of employees.

Key Words: Business Strategy, SWOT, De Classe Gelato

I. INTRODUCTION

The culinary business is one of the most promising businesses at the moment, because it cannot be denied that food and drink become the first rank related to basic human needs. Along with the development of times and technological advances, people have a tendency to eat outside the home with a variety of reasons, starting from reasons that are more practical, more economical or just dignity. The concept offered to consumers by culinary businessmen also varies, one of which is the concept of food and beverage business in the form of a cafe that serves a variety of menus and fast food.

Now, the restaurant business is no longer just a business that sells food and drinks, but has come to the strategy of selling the atmosphere, selling the environment and services, selling interests, and to create partnerships. The focus of the business to look for real income now has changed into an effort to maintain customer loyalty, because it is a condition for maintaining the sustainability of a business (Astadipura, 2011).

The restaurant comes from the French "restaurer" which has a meaning as a place to provide food. According to Sugiarto (2004), "Basically the needs of consumers or the public for food and beverage service providers such as restaurants are related to three main things, namely physical products (in the form of food and beverages provided by the restaurant), psychological products that include sensual benefits (for washing eyes, comfortable atmosphere for visitors), sense of side (cleanliness, tidiness, and politeness of waiters in restaurants), sense of listening (for example music), and finally the need for customer service products (speed, reservations, and ease of transactions)".

Fauziah (2011), Sari (2011), and Rahman (2012) in their research said that the cafe, restaurant and restaurant businesses are very interesting and promising culinary businesses, but behind them all cafe businesses also have a very big risk. The risks that

are usually faced in the cafe, restaurant and restaurant businesses are in the production and increase of raw materials (Fauziah, 2011).

At this time, the number of cafes in various regions has increased, as well as in Blitar City. The business potential has caused many stands of various kinds of cafes that offer various types of food and drinks with many variants. One of them is De Classe Gelato & Coffe Blitar cafe, which is a food and beverage business that prioritizes coffee flavors.

The tight competition between similar businesses both those who have just started businesses and have already been known by consumers requires business managers actively look for opportunities that exist, as well as those conducted by De Classe Gelato & Coffe Blitar managers who can see and take advantage of existing opportunities. To be able to face competition, business people must be able to formulate strategies in competition to maintain the sustainability of the business. The strategy is important because it is part of the activities designed to carry out business activities. The better and more appropriate business strategy adopted, the business will be stronger in the face of competition and able to excel in competition (Sarjono, 2013).

According to Assauri (2013), "The SWOT matrix is an analysis framework that is integrated between the company's internal and the company's external environment, by building a SWOT approach". The SWOT matrix was chosen because it is fast, effective and efficient tool in finding possibilities related to development, decision making and expanding the organization's vision and mission. The SWOT matrix is based on logic that can maximize strengths and opportunities while simultaneously minimizing weaknesses and threats. By using SWOT analysis we will get several alternative strategies that have interrelations between alternatives, but the alternatives obtained need to be weighted because the level of importance of each alternative is different.

This study aims to identify and analyze the strengths, weaknesses, opportunities and threats as a step to formulate business development strategies in De Classe Gelato & Coffe Blitar, using SWOT analysis (Strength, Weakness, Opportunity, Threats), formulating alternative marketing strategies, and determine priority strategies that can be applied to cafes. Based on the background above, then the problem can be formulated as follows: What is the SWOT business strategy for De Classe Gelato & Coffe Blitar? What are the implications of the SWOT strategy for De Classe Gelato & Coffe Blitar in order to compete with its competitors?

2. RESEARCH METHOD

This research uses descriptive qualitative research method which is one of the types of research included in the type of qualitative research. According to Sugiyono (2005) The purpose of conducting this qualitative descriptive study is to reveal an event as well as facts, circumstances, phenomena, variables and circumstances that occurred during the research by presenting what actually happened. This study interprets and describes the data concerned with the situation that is happening, attitudes and views that occur in a society, the conflict between two or more conditions, the relationship between variables that arise, differences between existing facts and their influence on a condition, and so on .

De Classe Gelato and Coffe Blitar is one of the cafes which is being hits among young people and coffee lovers in Blitar City. This research was conducted at De Classe Gelato & Coffe Blitar which is located at Jalan S. Supriadi No. 56 Blitar, on the edge of the highway. De Classe Gelato & Coffe just opened in May 2016. The location of the research was determined with the consideration that the cafe had been established earlier than other cafes located in Blitar City. In addition, De Classe Gelato and Coffe Blitar cafes are located in the center of Blitar City whereas there are a lot of cafes and the competition between cafes is even higher, therefore a development strategy is needed so De Classe Gelato & Coffe Blitar cafes can survive in the competitive market.

The principle of SWOT analysis is how to determine the analysis of internal and external strategic factors, namely processing strategic factors in internal and external environmental conditions by assigning weights and ratings to each strategic factor. Strategic factors used in the SWOT analysis include strengths, weaknesses, opportunities and threats.

3. DISCUSSION

The History of De Classe Gelato & Coffe Blitar

De Classe Gelato and Coffe Blitar is one of the cafes that is being hits among young people and coffee lovers in Blitar City. The location of De Classe Gelato and Coffe Blitar is on Jalan S. Supriadi No. 56 Blitar, on the edge of the highway. De Classe Gelato & Coffe just opened in May 2016. This cafe was founded by a husband and wife who often travel abroad. They want to make a cafe which has a taste of typical Italian famous for its gelato and pizza.

The owner of De Classe Gelato and Coffe Blitar cafe is a husband and wife who work as veterinarians, they are certainly very experienced in the field of animal care. They understand about the quality of milk to the channel. That is the reason why this cafe can provide low prices with premium quality. Since before the cafe was established, the owner, a couple who was familiarly called Agus and Ms. Martha, was very serious in preparing everything, starting from the preparation of the place and the main menu in the restaurant, namely coffee. Mas Agus specifically studied coffee with someone who was an expert in the field; it was done by Agus seriously. Besides that, one of Agus's enthusiasms was to explore the good coffee-producing places to ensure that the source of coffee has excellent quality.

Mr. Agus and Mrs. Martha are very committed to service the customers. Not infrequently, or even almost every day these couples are always easily found in cafes just to simply listen to the wishes of the customer. Providing loyalty and good service to customers will give a distinct impression to customers who visit (Harmuli, 2016). Another commitment that is maintained by them is the De Classe Gelato and Coffe Blitar cafes provide natural flavor. One example of natural flavor is for vanilla flavored, De Classe Gelato and Coffe use natural vanilla which is quite expensive (the price of 2 kg for 5 million), not just essence. The colors used are also from natural ingredients, for example from spinach and dragon fruit. It can be seen from the vanilla flavor gelato, if we observed vanilla flavor gelato has black spots. The commitment that always honored by Mr. Agus and Mrs. Martha is the commitment to always maintain the quality of products and services.

The atmosphere presented by this cafe is comfortable wrapped with simple but cozy architecture. At night the atmosphere of front of the cafe always looks crowded and full of visitors. But at noon are not too full of visitors, except weekends. If you come to this café, visitors are free to choose a place that is indoor or outdoor. This cafe is open from 07.00-23.00. The location of this cafe is quite strategic because it is close to the town square of Blitar and the famous Bung Karno's grave in Blitar City. De Classe Gelato and Coffe cafe customers are not only local visitors, but also guests who are visiting Blitar. In fact, many foreigners come to this cafe, because the products here are according to their standards.

Beside a fun place for photos and hanging out, De Classe Gelato and Coffee also provides a variety of flavors of ice cream and coffee at affordable prices. In addition, related to it name there is coffee served in various ways. There are also other menus such as Pizza, Toast bread, Tea, french fries, waffles, fruit salad, and mozzarella stick. Complete menu for a cafe. Providing and serving a variety of coffee menus, making this cafe so spoil coffee lovers and connoisseurs. Given the standard of service provided in such a home, this cafe is included in the category of cafes that are very friendly in wallet.

From the results of a survey conducted at De Classe Gelato & Coffe Blitar, the strengths and weaknesses are as follows:

1. *Strenght*
 - a. Comfortable, clean and wide place
 - b. Provide WIFI and AC facilities
 - c. Varied product menus
 - d. Provide indoor outdoor (instagramable)
2. *Weakness*
 - a. Less parking space
 - b. The service is not fast enough
 - c. The service is not friendly
 - d. Rather expensive price

External Factors

From the results of a survey conducted at De Classe Gelato & Coffe Blitar, the opportunities and threats are as follows:

1. Opportunities
 - a. Many consumers like coffee
 - b. As a hangout for all people
 - c. Strategic and affordable location (near with the main road and tourism destination)
 - d. Almost all generation like photos
2. Threats
 - a. Consumers move to other cafes
 - b. The price of production materials rises
 - c. The appearance of new competitors of the same type
 - d. The appearance of similar products in other cafes

SWOT analysis quadrant

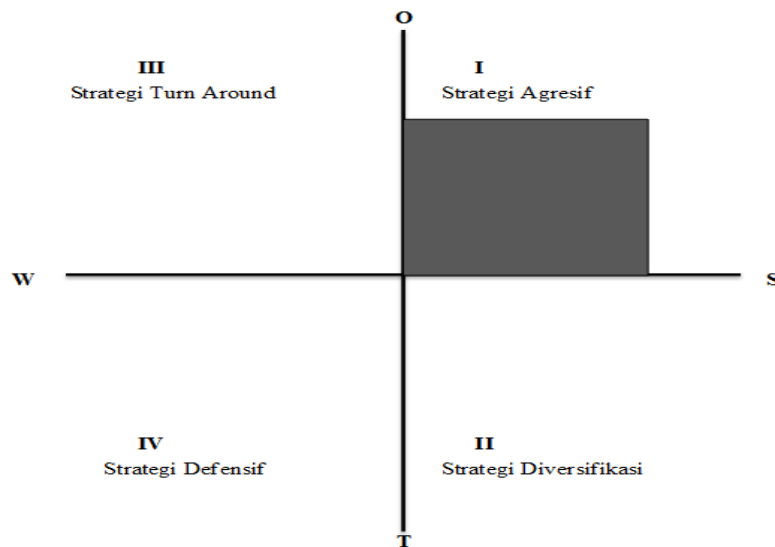
Based on the results obtained from internal and external analysis on the table above, the results can be described as follows:

Strength (S)	: 2.50	Opportunity (O)	: 2.40
Weakness (W)	: 1.15	Threats (T)	: 0.80

To find the coordinates, it can be searched as follow:

- Internal coordinate analysis
 $SW = S + W = 2.50 + 1.15 = 3.65$
- External coordinate analysis
 $OT = O + T = 2.40 + 0.80 = 3.20$

So, the coordinates are located at (3.65; 3.20)



Picture. 1 SWOT analysis Quadrant

Based on internal and external factors that have been known to De Classe Gelato & Coffe Blitar are in the position of quadrant I (3.65; 3.20) can be interpreted that the company is in very profitable situation, it has the opportunity and strength in developing the company so that the company can abuse the strengths and opportunities owned to increase sales in the future.

Discussion of SWOT Matrix Analysis

SWOT matariks are used to analyze strengths, weaknesses, opportunities and threats so they will produce alternative strategies which will be carried out by the cafe. SWOT analysis is the formulation of conventional strategies that underlie the formation of strategies that can be adapted to market conditions.

Table. 1 SWOT Matrix Analysis

		EXTERNAL	
		Opportunities (O)	Threats (T)
INTERNAL		Strategic and affordable location (near with the main road and tourism destination)	The appearance of similar products in other cafes
	Strength (S)	SO Strategy	ST Strategy
	Provide indoor and outdoor (instagramable)	Open branches in other places by increasing the nicer and more attractive decoration room	Add new menus or enhancenew type of flavor variants supported by the beauty of an attractive room
	Weakness (W)	WO Strategy	WT Strategy
	The service is not fast enough	Improving services by the 5S culture (smile, say hello, greetings, courtesy and polite) and adding employees according to expertise.	Improving the quality of employees by providing training and learning so that they are more skilled and faster in serving the service

It should be better De Classe Gelato & Coffe Blitar cafes perform intensive strategies (market penetration, market development, and product development). 1) Market penetration, the company needs to increase the market share of a product or service through larger marketing efforts. 2) Market development, need to add distribution channels such as opening branches. 3) Product development is increasing sales by modifying existing products. In addition, De Classe Gelato & Coffe Blitar cafes must improve the quality of employees so that the presentation can be increased and faster.

The results of the discussion above found the following business strategy implications:

The SO Strategy

The SO strategy in this research is used to capture and take advantage of existing industry opportunities by maximizing the internal strength of a company. The solution of the SO strategy is to open more branches in other places by increasing the nicer and more attractive room decoration. The SO strategy application is to expand the Gelato cafe branch to increase consumers and increase the income of the owner of Gelato cafe. In addition, the existence of a more instagramable decoration can attract the attention of consumers from various generations.

The ST Strategy

The ST Strategy in this research was designated to reduce or minimize the industrial threats that might befall a company by utilizing the internal strengths of a company. The solution of the ST strategy is adding a new menu or increases the type

of new flavor variant supported by the beauty of an attractive room. The implication of the ST strategy is adding a new menu or increases the type of new flavor variant to give consumers a sense of curiosity to try it so that the cafe still exists and hits.

The WO Strategy

The WO strategy in this research is aimed improving or fixing the weaknesses of a company so these weaknesses can take advantage or take advantage of opportunities in the industry. The solution of the WO strategy is to improve company services by implementing 5S culture (smile, say hello, greetings, courtesy and polite) and add employees according to expertise. The application of the WO strategy is to improve service with 5S culture can create consumers more loyalty to the Gelato cafe. Add employees by paying more attention to expertise and being more professional.

The WT Strategy

The WT strategy in this research was used to correct existing weaknesses in a company in order to minimize the threats that might occur. This strategy is a strategy to survive in the competition map. The solution of the WT strategy is to improve the quality of employees by providing training and learning so that they are more skilled and faster in serving the service

From the implications of the Strategy, the management responsibility is a Planning Process, and before to the next process the organization must fulfill this process first in starting a quality management system, then management establishes the documentation needed for the completion of this process. The management referred to in the discussion here is the top management of an organization / company such as the President Director, Director, General Manager, or functions that govern the organization in an integrated manner.

After the process is completed the next process which is also still a Planning Process is Resource Management, the organization determines the resources needed to implement a quality management system and meets customer requirements. These resources include:

1. Human resources (employee);
2. Resources in the form of infrastructure (building);
3. Resources in the form of process equipment;
4. Transportation;
5. Communication and work environment.

After the resource management process is completed, the organization must carry out the process of implementing (do) the plans set out in the Product Realization process. In this process, the organization does:

1. The organization defines all needs to make the process;
2. The organization carries out verification activities, followed by validation, then monitored, and finally inspection;
3. The organization carries out the tests required for product acceptance criteria;
4. Communication with customers, design and development activities, purchasing, production and service equipment control activities, measuring instrument control, and so on.

In other words, all operational activities of a company are part of the Product Realization process in ISO 9001: 2000. At this stage, Customer Requirements are input to the process while the output is Customer Satisfaction. After the implementation process (do) is carried out, the next process is to check the results obtained and determine the actions needed for improvement. In this process:

1. The organization takes action in the form of monitoring and measuring customer satisfaction;
2. The organization carries out an internal quality audit;
3. The organization monitors and measures processes and products;
4. The organization exercises control over nonconformities that occur;
5. The organization analyzes all data obtained, including trends in processes;
6. Then the last thing, the organization does to take corrective and preventive actions. T

The results of this process are used as input for the next planning process.

4. CONCLUSION

Based on the discussion above it can be concluded as follows:

1. Based on the total value of internal factors, it can be seen that De Classe Gelato & Coffe Blitar has been able to master the internal conditions that exist in the environment. Based on these results it can be concluded that the De Classe Gelato & Coffe Blitar can utilize the power to calm competition and minimize weaknesses because the assessment of strength is greater than weaknesses.

Based on the total value of external factors, it can be seen that the De Classe Gelato & Coffe Blitar has been able to master the external situation.

Based on these results it can be concluded that De Classe Gelato & Coffe Blitar can take advantage of the opportunities which they have to calm competition and minimize threats because the assessment of opportunities is greater than threats.

2. Based on internal factors and external factors that have been known to De Classe Gelato & Coffe Blitar the company is a very favorable situation, it has the opportunity and strength in developing the company so it take advantage of the strengths and opportunities to increase sales in the future.

5. SUGESTION

Based on the discussion above, there is a suggestion from the researchers. It is better that De Classe Gelato & Coffe Blitar carry out an intensive strategy (market penetration, market development, and product development). 1) Market penetration, the company needs to increase the market share of a product or service through larger marketing efforts. 2) Market development, it needs to add distribution channels such as opening branches. 3) Product development that is increasing sales by increasing or modifying existing products. In addition, De Classe Gelato & Coffe Blitar cafes must improve the quality of employees so that the presentation can be improved and faster and it is expected to be able to carry out integrative strategies (backward integration, forward integration and horizontal integration), namely maintaining good relations with intermediaries, suppliers, and even competitors to find out market information.

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