

CHAPTER 2

VALUE PROPOSITION

To thoroughly prepare the foundation of this business idea, we use several theories and analyses in this chapter to consider the advantages and disadvantages that lie around this business idea, as well as to then further develop suitable strategies accordingly. For studies in terms of larger scope that include macro-environmental factors, Aguilar's PESTLE analysis is used. Porter's Five Forces analysis is also included in this paper, particularly to analyze the attractiveness and likelihood of the profitability of the edutainment industry (Koeali Ketjil) by deeply studying what Koeali Ketjil can offer as value propositions. From then on, we will lay down the Value Proposition Canvas that explains the values that fit the customer profile. Customer Experience framework is also included to conceptualize the detailed customer journey that Koeali Ketjil wants to focus on. With that, we will close off with our strategy plan explained in brief using the Strategy Diamond, before going further in detail on chapter four.

2.1 MARKET AND INDUSTRY ANALYSIS

2.1.1 MARKET ANALYSIS

We believe that PESTLE analysis is an important and relevant consideration to be taken into the development of our business idea because it covers an overview of what kind of changes that might be happening within the external business environment,

which is beyond control but can influence the decision-making process. It is a simple and widely used tool that helps to analyze the Political, Economic, Social, Technological, Legal and Environmental changes in business environment. This helps to understand the "big" forces of change that the business is exposed to. From there, the business can take advantage of the opportunities that conditions present and also prevent itself from possibility of failure for reasons beyond their control. Additionally, all these 6 factors may be linked and connected to each other.

2.1.1.1 POLITICAL

Indonesia will hold the Presidential and Legislative election in April 2019 with two Presidential candidates, namely Joko Widodo as the incumbent and Prabowo Subianto as the challenger. All participating candidates kicked off their campaigns on Sunday (23/09/2018) with a peace promise aimed at fighting the fake news and hate speech. All Indonesian expect the best result for Indonesia, to resolve the issues faced by the people and to achieve victory for the nation without losing our identity and unity.

Development of public infrastructures is one of the most important strategies implemented by the Government. This strategic intent is very crucial to improve productivity, effectiveness, and efficiency. Another Government's important agenda is to provide an environment with ease and simplicity to start a business. One way is through deregulation process to provide flexibility to startup owners in developing their new businesses. In January 2015 the Government has already initiated the 'one-stop' licensing process called OSS (One Single Submission) for new start-up businesses. This is a long-awaited policy by the business community, as it will decrease the high-cost

economy of Indonesia. The President Jokowi stated that there are currently too many rules in Indonesia. "This will make us end up being entangled by our own laws," he said in the opening speech of Indonesia Business and Development Expo 2017 at Jakarta Convention Center in September 2017 (Nathalia, 2017).

In April 2018, the Ministry of Finance issued a regulation on decreasing the Corporate Income Tax rate for micro, small and medium-sized companies (SME) from 1% become 0.5% for three years (Nasirudin, 2018). This new regulation certainly provides many benefits such as:

- Help start-up businesses during their early periods and to encourage the increase of people contribution in formal economy activities. According to Indonesia Tax Authority (ITA), most of small and medium enterprises (SME) in Indonesia are classified as informal economy business and they are undetected despite the relevance of their existence in supporting Indonesia economy.
- Provide easiness in fulfilling taxation obligations with the deletion of obligation on the submission of monthly taxation report. The base is monthly NET income. In other words, we don't have to pay tax in loss position.
- Provide fairness to start-up businesses or SMEs
- It also create additional jobs in case more new companies are established.

After the next presidential election completed, we expect no changes in this policy. Then Koeali Ketjil will benefit from the ease of doing start-up business as what the current policy has already been giving. Not only it would be easy for Koeali Ketjil to

start, but also on its earlier stages, Koeali Ketjil would benefit from the lower income tax rate, hence allowing the business to earn more and grow larger.

2.1.1.2 ECONOMIC

Indonesia maintained strong economic growth in 2017 and the outlook continues to be positive. Stronger growth was driven by higher domestic demand, especially investment. BPS (*Badan Pusat Statistik*) Q1 - 2018 reported that the Indonesian economy is growing slower than the previous quarter but slightly faster than Q1 of 2017. More stable inflation at 3 - 4% range is seen in the past 3 years. Inflation has been controlled up to the level of lower than 4% in 2016 – 2017. Economic growth remains robust and is projected to be higher in 2018 and 2019 at the rate of 5.3 – 5.4%. Stronger consumer confidence and real income growth will lift private consumption. Inflation has been controlled up to the level of lower than 4% in 2016 – 2017.

Direct Investment in Indonesia's Food & Beverage Industry:

TOTAL INVESTMENT (IN IDR TRILLION)	
2014	46.36
2015	39.34
2016	58.59
2017	59.17
2018 ¹	63.25
2019 ¹	68.41

¹ target of Indonesia's Industry Ministry

Figure 2.1. Direct Investment in Indonesia's Food & Beverage Industry Target.
(Indonesia Investments, 2018)

In the context of food and beverage industry, Indonesia's Industry Minister projected an increase in total investment value by private sector. According to Adhi Lukman, the chairman of *Gabungan Pengusaha Makanan dan Minuman Indonesia* or GAPMMI (Indonesian Food and Beverage Association), the F&B industry is still an attractive market due to the huge population in Indonesia. The government also makes it easier for the businesses in this industry by implementing some deregulation measures.

2.1.1.3 SOCIAL

Gathering, entertaining and socialization in restaurants is a growing appetite in Indonesia. It becomes a common activity across all socio-economic groups to eat out,

especially on weekends. Eating out is not just for special occasions; it is a way of life for nearly half of global respondents, and according to the report by Nielsen (2016), Indonesia is one of the countries that exceed the global average (9%) with the rate of 11%. The number or percentage of dining out activity accounts for people “eating away from home once a day or more frequently.”

Majority of Indonesian population living in urban areas are also found to be eating healthier and are more involved in exercises or sport activities. According to World Health Organization, as mentioned in their official website, healthy food must include less salt, less sugar and less saturated fats. Jakarta Globe reported that 41% of Indonesians living in urban areas stay away from refined sugar, which is one of the main contributors to unhealthy diet.

2.1.1.4 TECHNOLOGICAL

The Association of Internet Service Providers in Indonesia (APJII) announced that Internet penetration in Indonesia has reached 60% of the population or 105 million Internet users. As shown in Figure 2.2 below, they spend more time on social media and the Internet, using both actively to gain access to new and trending products, activities and lifestyles. Generally, they are technology savvy. This figure is projected to grow to 133.39 million in 2021. With over 104 million internet users, Indonesia is one of the biggest online markets worldwide. As of March 2017, online penetration stood at only slightly over 50%. Popular online activities include mobile messaging and social media. Indonesia is also one of the strongest markets for LINE's chat app, holding the number 3 position of biggest number of users in 2015 after Japan and Thailand (2018, Dogtiev).

Mobile internet usage is undergoing double-digit growth rates and currently stands at close to 30% of the population. Many startup businesses heavily rely on social media and the internet to explore new ways of doing business and promoting their products and services. They realize the importance of technology to drive growth and increase customer engagement.

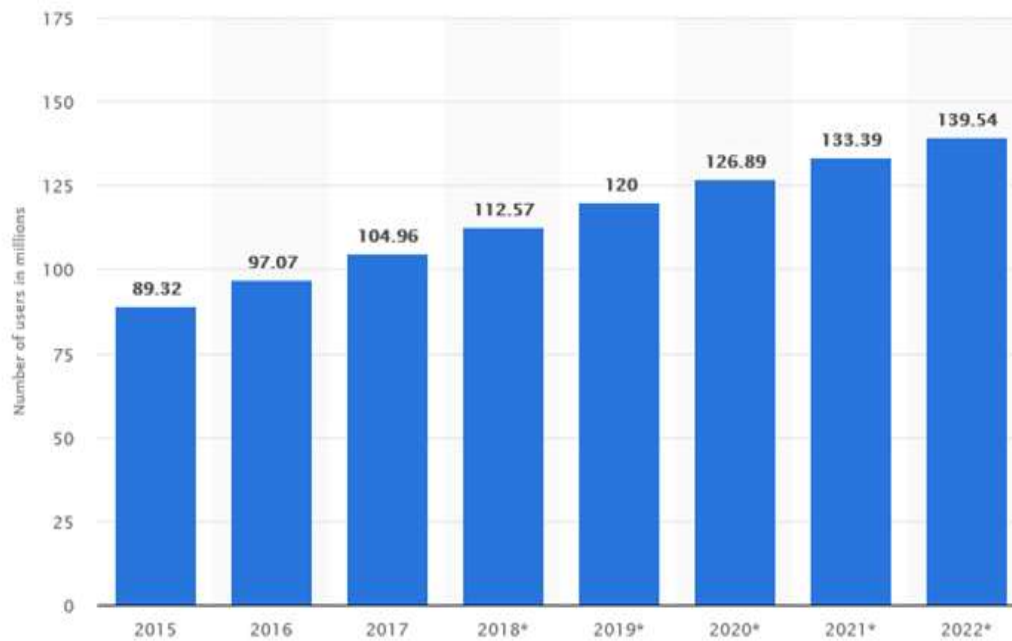


Figure 2.2. Number of Internet Users in Indonesia (2015 – 2022). (Statista, 2018)

2.1.1.5 LEGAL

The Indonesian government has started to target the small and medium business as a tax object. To reduce the shadow economy (business that is not declared for tax), the government implemented the regulation that business owners with business transactions over IDR 100 million should become taxpayer with NPWP and NIK

(Kompas, 30 January 2015). The small and medium size business owners need to have transaction databases in order to easily track and record their business.

Other regulation that impacts to Koeali Ketjil is the importance of having Halal certification. As the country with the biggest Moslem population in the world, the government issued the Halal Bill in October 2014. According to the Indonesian Law No. 33/2014, Halal certification is mandatory in Indonesia for all food, beverage, drugs, cosmetics, chemicals (used for human consumption), organic and genetically modified products sold in Indonesia. All products that use animal ingredients and derivatives circulating in Indonesia whether local or import, should be Halal-certified. The implementation grace period is until October 2019. Koeali Ketjil needs to ensure that the rental kitchen facility follows HAS (Halal Assurance System) issued by MUI or *Halal Product Assurance Agency (Badan Penyelenggaran Jaminan Produk Halal in Bahasa Indonesia)*, including the use and choice of halal packaged ingredients (Majelis Ulama Indonesia, 2008).

2.1.1.6 ENVIRONMENT

Indonesia is home to some of the world's richest biodiversity, tropical forest, and marine ecosystems, yet it has been known worldwide. Additionally, it is one of the best spice-producing countries in the world. Spices are the important materials in most of Indonesian daily life. They are used not only for food, but also drinks, drugs and even for body scents. Having abundance of spices domestically indirectly supports Koeali Ketjil in its ability to continuously promote Indonesian food, which feature rich-in-spices traditional menus.

Indonesia also supports Sustainable Development Goals (SDGs), which was signed by President Jokowi back in July 2017. One of the 17 aspects (a variety of social, environmental and economic issues ranging from gender equality to accessible and affordable clean energy) covered by SDG is responsible consumption and production, which stresses on the reduction of ecological footprint in manufacturing or production activities as well as the consumptions of products and resources. This issue would need to be taken into consideration when Koeali Ketjil plans and designs its social cooking facility, taking into consideration of implementing eco-friendly and sustainable interior design. This includes the choice of environment-friendly and rapidly renewable materials (bamboo and cork instead of hardwood). Electronic appliances and other electrical or lighting devices should also be energy-efficient certified. Wastewater management is also another important factor to pay attention to.

2.1.1.7 CONCLUSION OF PESTLE ANALYSIS

As clarified above, the PESTLE analysis has shown some positive factors that would support the business of Koeali Ketjil, and some other factors would need to be taken into consideration in refining the business model. The political and economic factors are in favor for our business idea, in the way that the government has set a number of new regulations that accommodate the start-up process of making new businesses. The economy in general is also favorable, with low rate of inflation and an increase in food & beverage industry is projected in the coming years. The social and technology factors are also favorable for the creation of Koeali Ketjil since there is a rising trend of dining out (eating meals outside of home) amongst Indonesian population.

The increasing number of population who are capable and fluent in using the internet technology is also highest than ever in Indonesia, hence, marketing and advertising of Koeali Ketjil can be much more penetrative and effective. In terms of legal and environment factors, however, Koeali Ketjil must pay attention to and make sure some regulations are properly implemented, such as the halal certification and the eco-friendly design approach of the kitchen facility as a support towards SDG.

2.1.2 INDUSTRY ANALYSIS

2.1.2.1 PORTER'S FIVE FORCES MODEL

This framework was introduced by Michael Porter to analyze an industry's attractiveness and likelihood of its profitability. Since its publication in 1979, it has become one of the most popular business strategic tools. Porter recognized that organizations need to keep a close watch on their rivals, but he encouraged them to also look beyond the actions of their competitors and examine what other factors could impact the business environment. He identified five forces that complete the competitive environment that may also harm the profitability. According to Porter, these five forces are the key sources of competitive pressure within an industry. In other words, assess the balance of power in a business situation, understanding the strength of current competition and the potential of the future situation.

In order to further analyze the feasibility of Koeali Ketjil as a business, we lay down the framework of Michael E. Porter's Five Forces Model. From this framework, we will be able to see the competitive intensity and attractiveness of the business. It elaborates the five driving factors that build the industry competition as shown below:

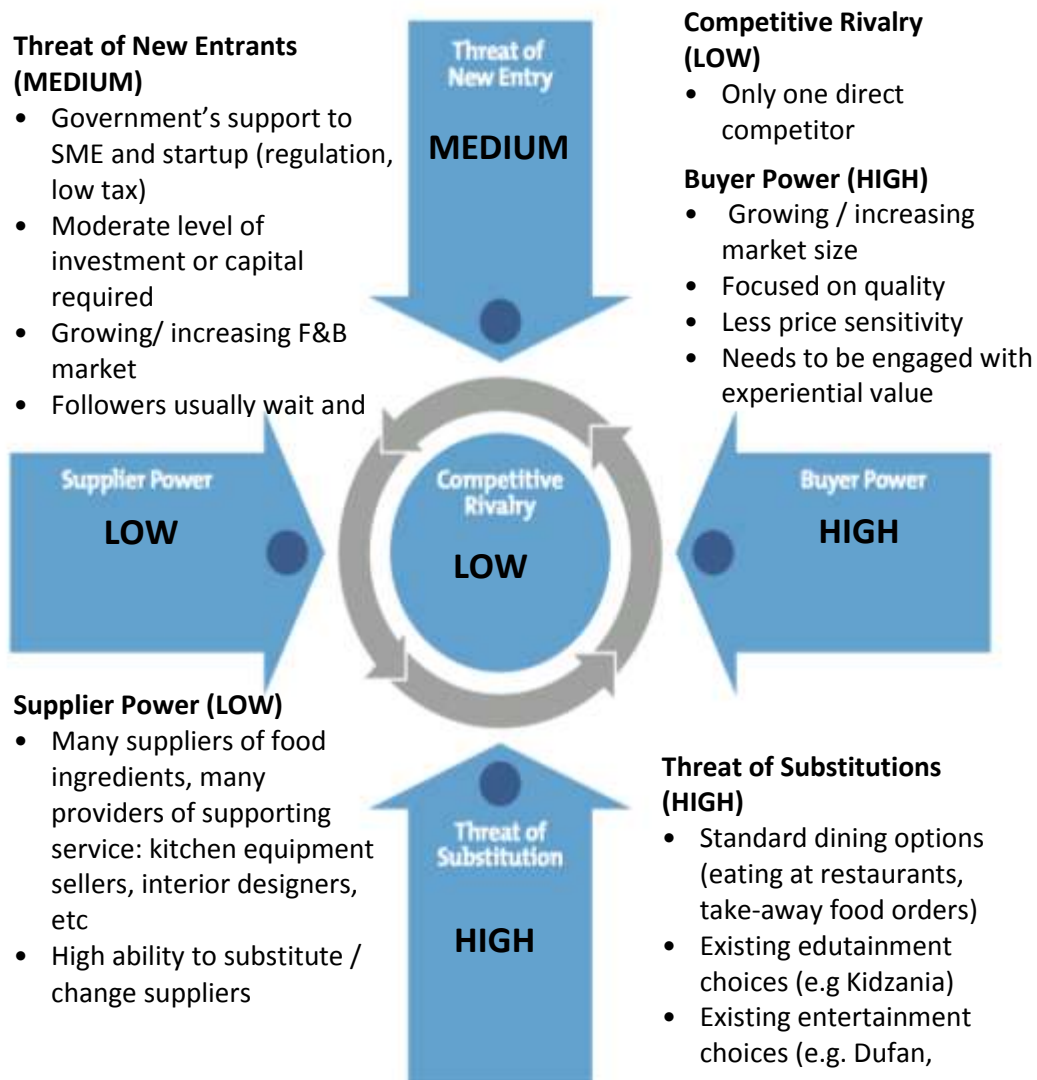


Figure 2.3. Porter's Five Forces Analysis of food & edutainment industry in Indonesia. (Mind Tools)

2.1.2.1.1 Threat of New Entrants (MEDIUM)

The government has shown its support to ease and encourage more small to medium enterprises (SME) and startup companies to grow. The F&B sector is one of the industries that has benefited from this. This industry requires somewhat low to moderate investment, depends on which market segment as the target. Compared to F&B, edutainment industry basically requires higher capital or investment. There are limited edutainment choices in Jakarta and so far not many new comers which focus on the customer experiences. Additionally the new players usually will wait and see, also tend to follow trends instead of making a daring move on completely new ideas. All these information concludes the medium level of threats of new entry for this business.

2.1.2.1.2 Threat of Substitutes (HIGH)

In terms of food combined with edutainment concept, the competition has not yet fully been in existence in Indonesia, especially in Jakarta. The idea itself is still new; despite there is one place, which mainly focuses on people development or the field of human capital. Market needs to be educated on this new business idea. Therefore, threat of substitution is considered high. The market can easily switch back to ordinary or standard dining options, such as eating out at the restaurants, ordering food from mobile services, or as simple as coking at home. If the interactive edutainment is what they are looking for, realistic role-play indoor theme park is available in Jakarta (KidZania) or other types of entertainment such as karaoke or watching movies.

2.1.2.1.3 Bargaining Power of Suppliers (LOW)

For food related industry, the bargaining power of suppliers is low. The supplies of raw food ingredients are abundantly available in local market. Choices are not only from local producers, but also from overseas, making the range of quality of raw materials quite wide. Number of suppliers is also large, giving us the ability to choose from or negotiate on price and also terms of payments and deliveries. Specialists required in planning and designing a restaurant, café or shops, such as interior designers, graphic designers and branding strategists, are some of the creative professions mostly trending in Jakarta. This also makes it fairly easier for emerging F&B businesses to find their desired and best-suited branding and design concept. Cooking-related equipment and technology are also widely available from many suppliers, also both locally and from international players, which means with of supply options available, the F&B industry players are exposed to the best possible choices with competitive prices.

2.1.2.1.4 Bargaining Power of Buyers (HIGH)

The percentage of population in Jakarta that has the ability or power to purchase products and services, are increasing with time. As said in earlier chapter, the portion of population that now falls to the upper middle income and higher income household categories are getting higher. The population demography reflects the purchasing power, in which they are less price-sensitive especially those who are professionals (have working agreement), and with the

ability to buy wider range of products, they now also focus on quality as a consideration for buying products or services. With today's consumers purchasing highly driven by experience factor, it is important that they stay engaged to the product's offering. When customer's experience level drops or gets boring, they will quickly move on to other competitors.

2.1.2.1.5 Competitive Rivalry (LOW)

We have found no exactly similar business model to that of Koeali Ketjil currently existing in Jakarta. However, there is only one "almost" direct competitor called Almond Zucchini located in Southern part of Jakarta. There are many competitors offering substitutes such as restaurant business or cooking class business, but not the combination of the two features. Therefore, competitive rivalry may not be considered low or even very low

After going through each of the Porter's Five Forces, we can conclude that the industry profile is looking fairly attractive, with a medium competitiveness. The threat of new entrants, threat of substitutes and the power of buyers may reduce our proposed business' profitability, therefore Koeali Ketjil's ability to manage these forces will be a key success factor that we need to pay attention to.

2.2 SURVEY RESULTS

2.2.1 PRELIMINARY SURVEY RESULT

We have conducted a survey as a preliminary stage in order to learn whether there is a window of opportunity for the business idea of Koeali Ketjil in general. We handed out this first round of survey from 19 – 22 June 2018 and obtained a total of 214 responses from respondents in Greater Jakarta. From this survey we can highlight some findings that help us develop programs or make sound decisions, and finally confirm the feasibility of our business idea. We hereby highlight few important insights taken from the survey's result that support our further analysis and development of Business Model Creation (BMC). Please refer to the appendix for the complete survey results.

Market Interest in Cooking Activity

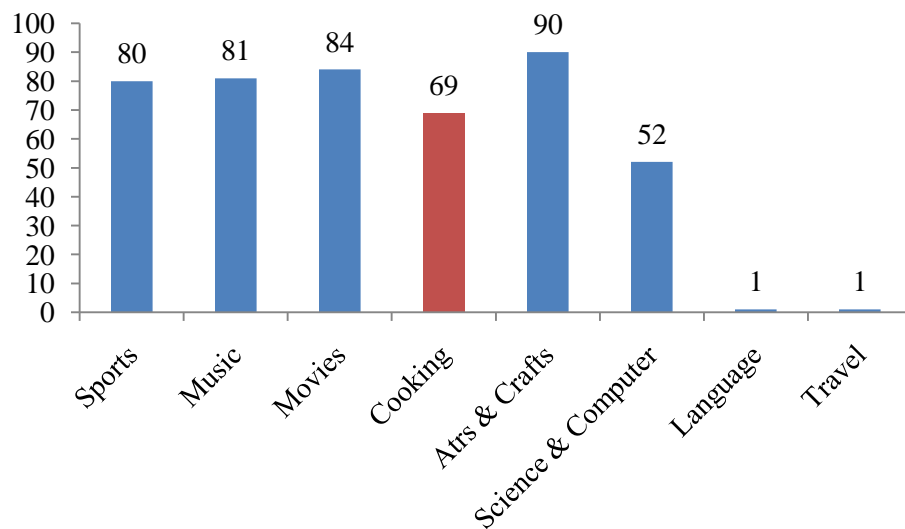


Figure 2.4. Interest in cooking activity as entertainment

From all the respondents, we found out that cooking is within intermediate preference of entertainment and skill or knowledge enrichment. The most popular choice of entertainment that enriches skills is arts and crafts, followed closely by movies, music and sports. This survey finding tells us that there is a room for growth in creating or generating interest for cooking activities. Koali Ketjil can make use of this situation to come up with a way or a business that creates new demand for cooking-themed entertainment and skill-enrichment.

Market Interest in Possible Co-Cooking Facility

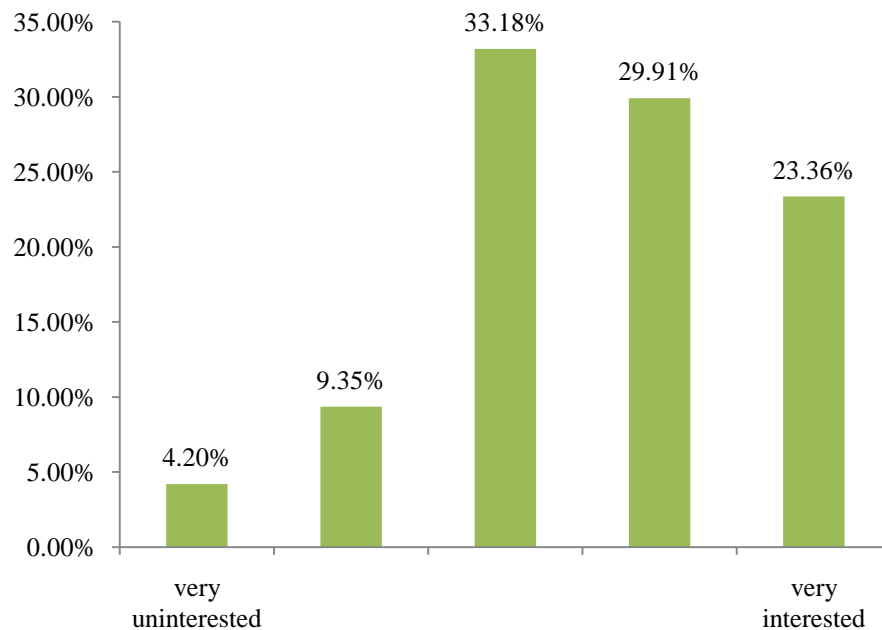


Figure 2.5. Interest in Co-Cooking Facility

When asked in words whether they would be interested in trying an entertainment facility in the form of modern kitchen where they could cook and have a

meal with their friends or family, generally the respondents showed positivity. Using the Likert scale from 1 to 5, the total percentage of answers that fall to the category of “interested” (scale 4 and 5) is 53.27%, which is more than half of the total response. Hence, we can say that largely the market is interested in trying such entertainment cooking facility.

Important Attributes In Culinary-Related Places (Restaurants, Cafes)

We listed down several attributes that we think might be affecting customers’ preferences in restaurants or cafes. We gathered data on which attributes are considered more or most important to customers. This will help us fine-tune our value propositions by paying attention more to the important attributes.

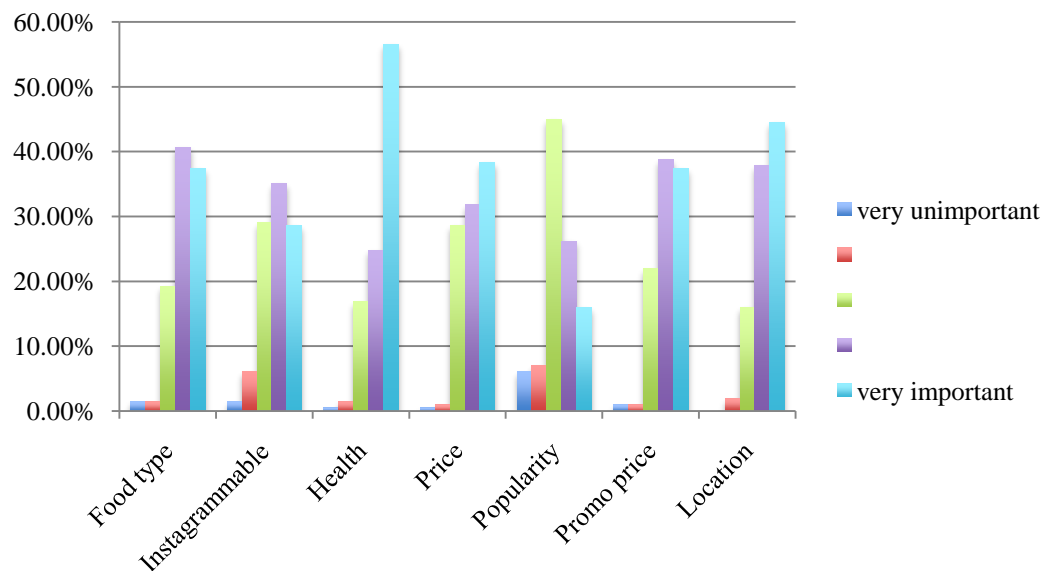


Figure 2.6. Importance of attributes of restaurants

From the graph above, we can see that according to customers, health is the most important factor in choosing restaurants, followed by location, and availability of

promotional price. From this data we will try focus more in offering healthy food and food ingredients in Koeali Ketjil. A base of what defines healthy food will be established later in Chapter 3, and we will work from there to develop the value proposition of Koeali Ketjil offering healthy food. The location attribute will steer us to determine which location Koeali Ketjil will choose in order to maximize its customer attraction. Promotional price must also be included in the program and pricing and financial planning, since it is also one of the top most important factors affecting customers' preferences.

2.2.2 MAIN SURVEY RESULT

Upon getting the report and analysis of preliminary survey result, we develop the main survey questions to further gain deeper insights from our target customers. The questions were more focused and included some specific example based on Koeali Ketjil's business idea. The data collection period was from 13 to 17 September 2018. Altogether we received 236 responses. We have particularly categorized or divided the groups of respondents based on their age. The grouping of age was made according to our target segments, which are the Gen Zs (up to 24 years old), the millennials and older (25 years old and older). We had a total of nine questions on this survey, and all but one question have zero error rate. Each question had all-valid responses, except one question, which only had 136 valid answers.

In this second round of survey or questionnaire, we ask more particular questions according to possible value offerings of Koeali Ketjil. We dig deeper information

related to customers' behavior and reconfirm the response regarding customers' or market's interest in Koeali Ketjil's service.

Preference of Companionship During Weekend

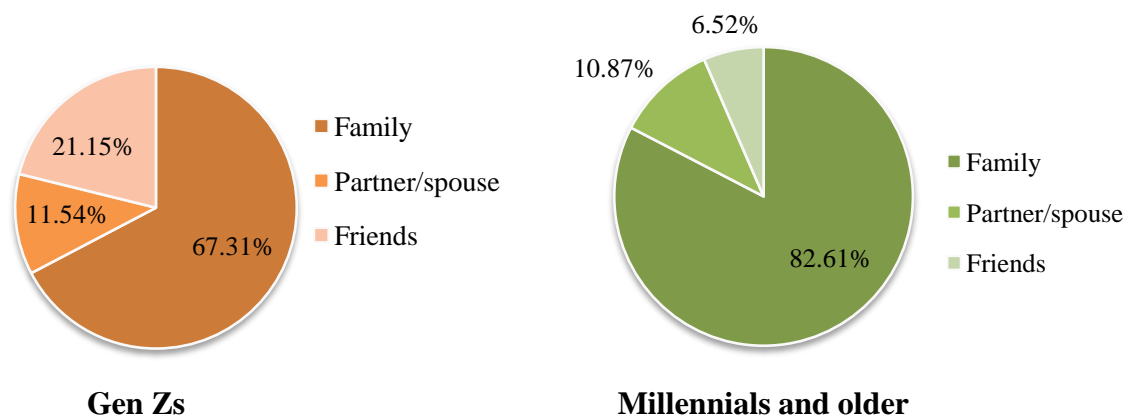


Figure 2.7. Preference of companionship during the weekend

We asked the respondents to choose their preferred companionship to spend time with in the weekends. Both the Gen Zs and the millennials mostly answered family as their best choice. The next preferred answers were different, however, between the Gen Zs and the millennials. The Gen Zs would choose to spend time with their friends after family, while the millennials and older would choose to spend time with their spouses better than with their friends.

This particular question will help Koeali Ketjil design events and programs. The fact that family is the number one choice, Koeali Ketjil should focus more on hosting events that include family members to join. More specific examples are like family-

themed cooking contests, special events on Mother’s Day and Father’s Day, junior chef competition, where family members participation is required.

Enjoyment in Cooking with Friends and Family

When asked whether they would like or enjoy cooking with their friends, family or spouses, both the Gen Zs and millennials show dominance of being interested. It shows a positive prospect for the idea of cooking activity done with another person or within a group.

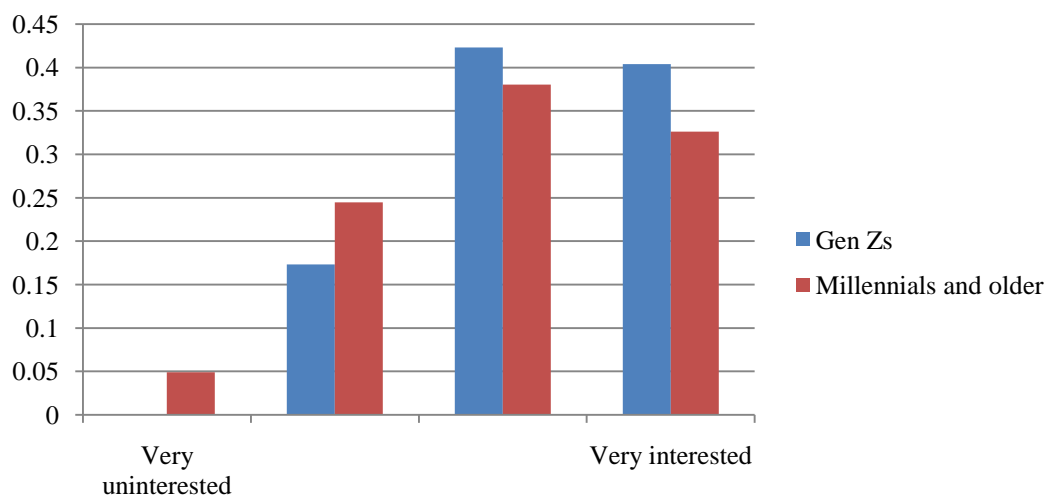


Figure 2.8. Enjoyment in cooking with friends and family

Special Events

In order to keep up the excitement, Koeali Ketjil should have a variety of programs to offer other than standard cooking and dining activity. These special programs would be designed and determined under the marketing division to retain customer engagement. We asked our respondents to arrange 4 choices of special

programs according to their highest preferences. We have choices of doing a cooking contest, hosting a cooking class, having periodical themes, and the appearance of celebrity guest star or chef in Koeali Ketjil kitchen.

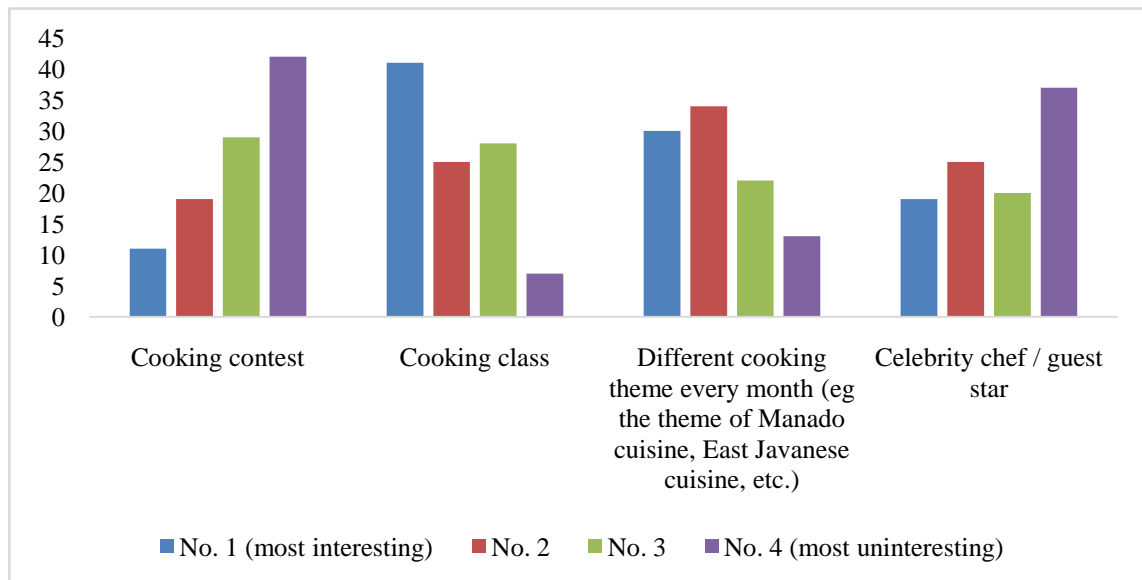


Figure 2.9. Preference on Special Events

From the graph, we derive to a conclusion that cooking class programs as well as variety of themes are the most interesting to the respondents. Although the other two program ideas have their own bunch of likers, Koeali Ketjil could focus way more to hosting cooking class events and plan on a periodical change of themes as part of its marketing strategy. Responding or aligning the marketing strategy to this survey result may help capturing and retaining more customers.

Interest in Co-cooking Facility

We repeated the question that we have asked in the preliminary survey, which is whether respondents are interested in co-cooking activity concept. However, this time we reconfirm by showing them a graphic pointing out some of the key features planned for Koeali Ketjil.



Figure 2.10. Image Describing Co-Cooking Concept

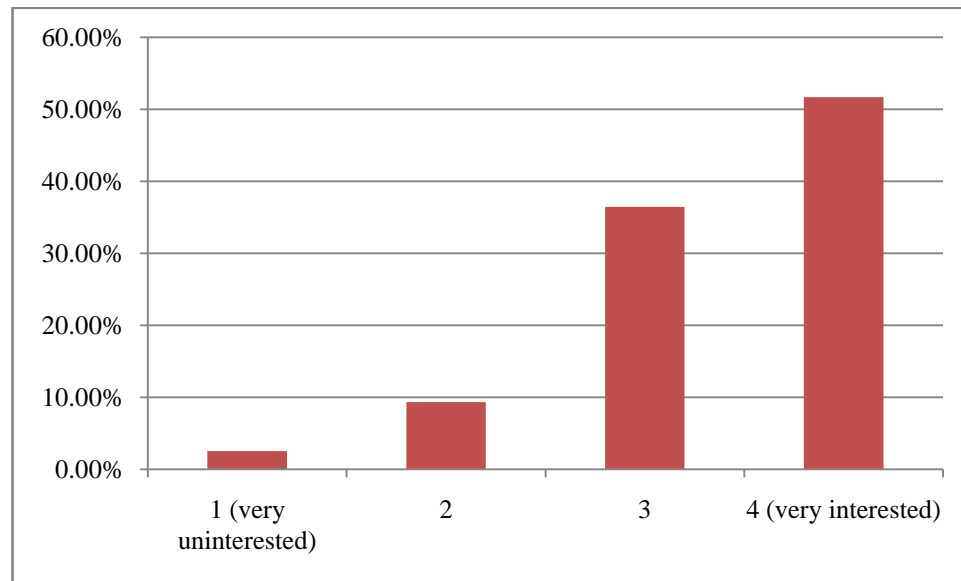


Figure 2.11. Interest Towards Co-Cooking Concept Based on Image

We have asked a similar question in the preliminary survey, gaining a total of 53.27% positive answers (showing interests). In this main survey's question, the interest rate has shown tremendous increase, which is 88.13%. This improvement or increase in interest was confirmed through clearer visualization of what Koali Ketjil's co-cooking concept is all about. Hence, we conclude this survey by having positive result.

2.3 VALUE PROPOSITION CANVAS

To truly understand what values the customers need from our business and how we can design our service to cater those needs, we construct the value proposition canvas. The Value Proposition Canvas helps us create value for our customers (Osterwalder, 2014). The framework is consisted of two (2) parts, each concentrating on different perspectives, which are the customers' profile and business' value offerings. Customer Profile is where we clarify our understanding about our customers. Value Map is where we describe how we want to create value to our customers with understanding their pains and gains (Van der Pijl, 2016).

In the customers' profile, we list down the jobs-to-be-done by the customers and the pains or problems arising from those jobs-to-be-done. We also added a list of the gains or advantages that the customers desire.

In the value map, we change the perspective to ours, the business creators. In the map we list down products and services that we possibly can create. Of these products, we then list down how they can relieve or lessen the pains of customers, and how they can create even higher value / gains.

Once the two maps are finished, we try to connect and relate them both together by identifying common items. It means that from what we have put down in the value map, we must eliminate those items that do not relieve the pains of customers mentioned in the customers' profile. The same thing goes with the gain creators; we shall only choose those items that fulfill the gains desired by the customers in the customer profile. By doing this, we are only left with customers' problems and needs that we can

work/deal with, and vice versa, the values that the business will create are only specifically designed only to fulfill or solve the said needs or problems. In other words, this canvas helps us to create a fit and relevant solution.

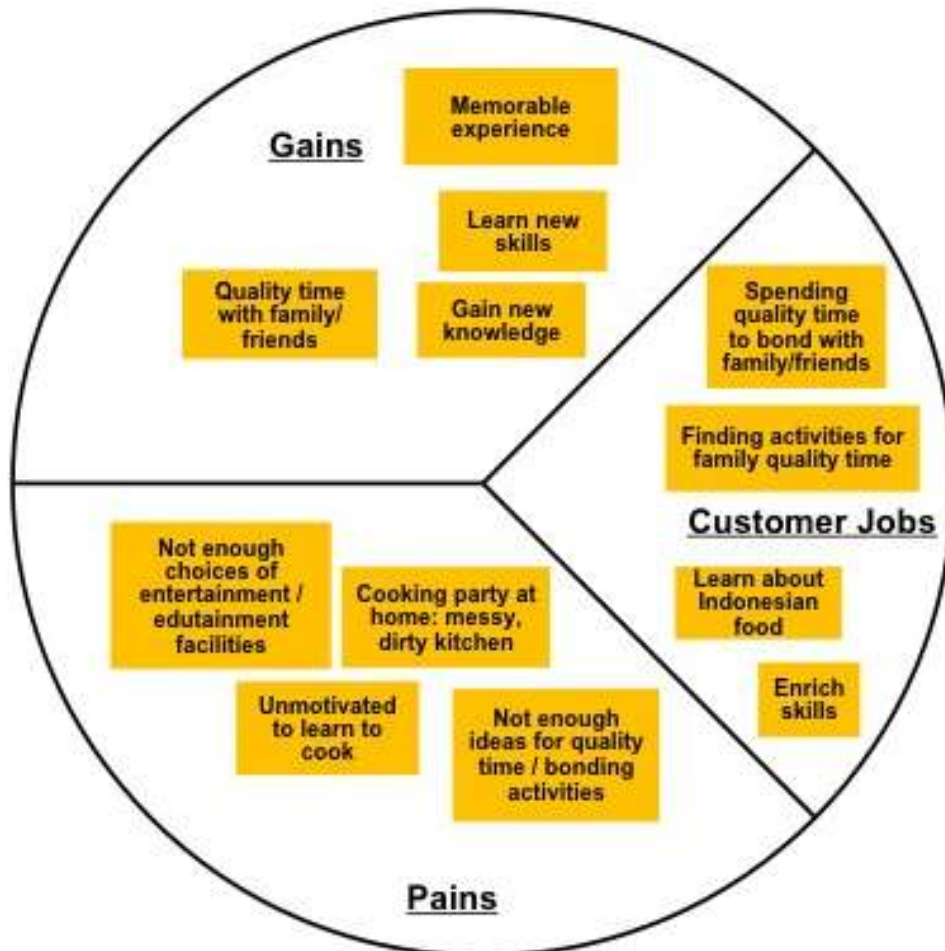


Figure 2.12. Customer Profile Map of Koeali Ketjil

In the customer profile, we have listed down the jobs that have to be done by the target customers, including the children/teenagers, the young millennials and parents. The jobs-to-be-done include them having to spend quality time to bond with their either their family members or friends, finding the activities to do so, to enrich themselves

with new skills and to learn more about Indonesian food. These jobs cause some pains such as the difficulties in finding what such bonding activities to do and where to do them. If they were to host a cooking activity or social party at home, it would cause great mess and more work for them. The children and teenagers are also unmotivated to learn to cook (Figure 2.4). The gains that the customers would like to achieve are being able to spend quality time with friends/family while at the same time learning new skills and gaining new knowledge, but most of all, customers are getting a memorable experience to talk about for a long time. Aside from that, when dealing with cooking and culinary activities, both older and younger customers always look towards having healthy and safely cooked meals.

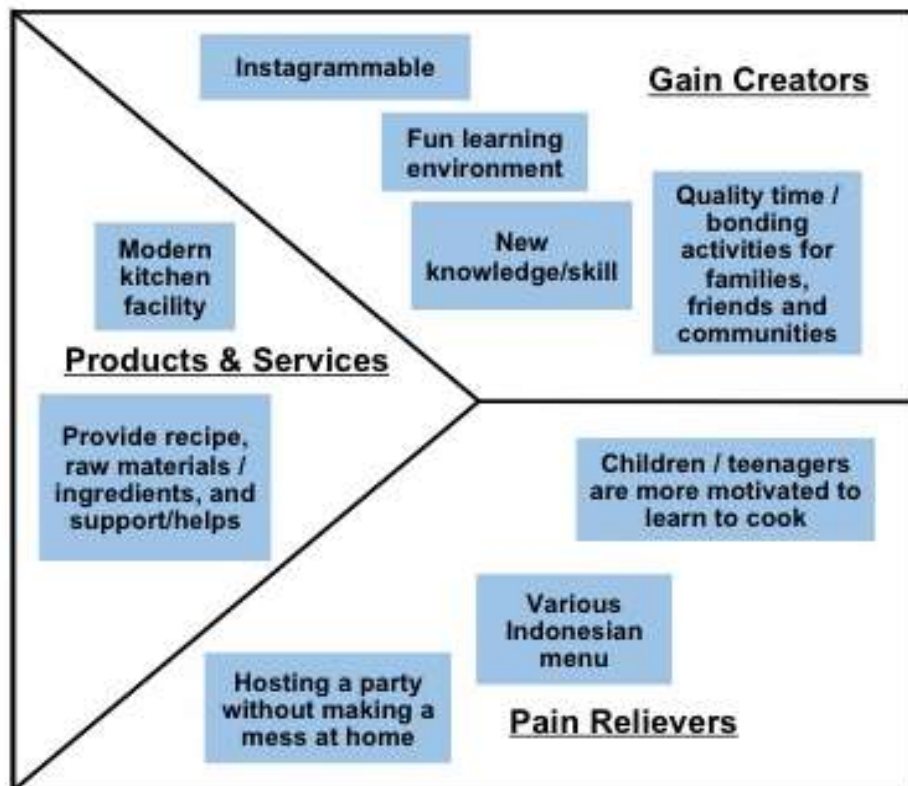


Figure 2.13. Value Map of Koeali Ketjil

Based on those data, we plot down our value map, listing down our offerings that best fit the customer profile. It includes offerings that create gains and relieve the pains of our customers. The values of Koeali Ketjil answer the problems that our customers are having.

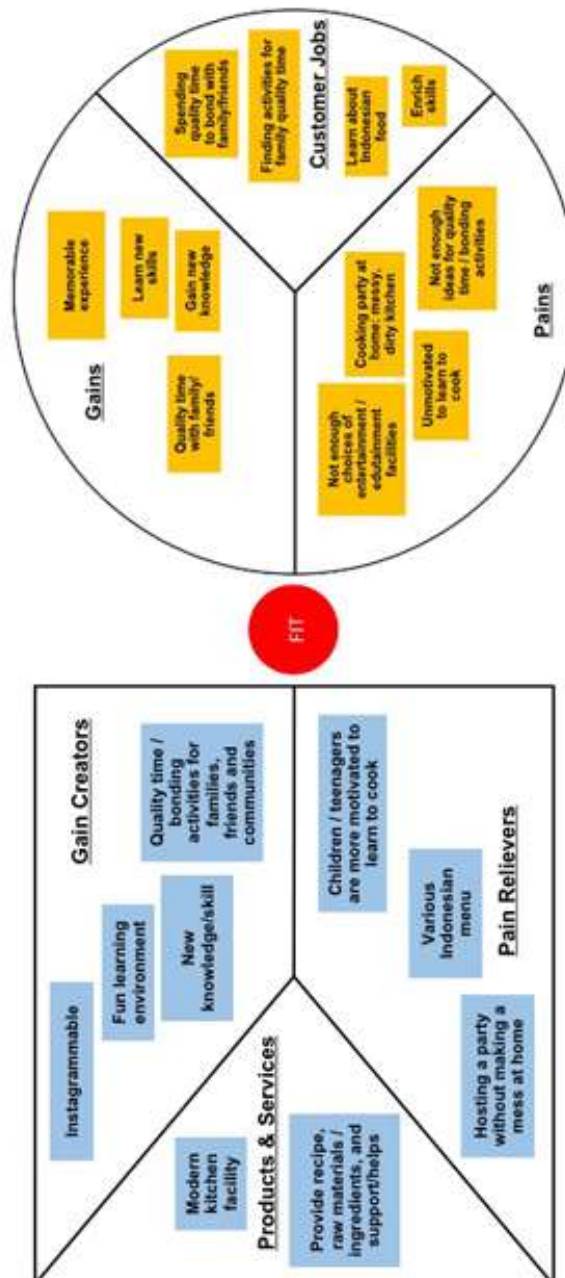


Figure 2.14. Value Proposition Canvas of Koeali Ketjil. (Osterwalder, 2014)

2.4 CUSTOMER EXPERIENCE

With the advance of technology and changes in social culture, modern day customers expect more than just products and services from providers. McKinsey (2016) stated in its publication “Customer Experience, Creating Value through transforming customer journeys”:

“Most organizations still tend to underestimate the importance of the internal cultural changes needed to achieve and sustain a new approach to the customer experience. Moreover, companies offering an exceptional customer experience can exceed the gross margins of their competitors by more than 26 percent while they make their employees happier and simplify their end-to-end operations...Research shows that 25 percent of customers will defect after just one bad experience”.

It has become an important element for businesses to make sure that they deliver their values to the customers in an interactive and personal/individual approach. Customers are increasingly demanding a “now” service where the time tolerance has become lower than ever. The steps they take and the minutes they spend when trying to make an online purchase are some examples of critical-to-customer element that defines satisfaction of customer experience. This customer experience then becomes “social” experience, where recommendations and appraisals through various online social media platforms are becoming highly trusted by other customers or potential customers.

The key to creating valuable customer experience is through mastering the customer journey that spans in a series of processes or touch-points. Perfecting this journey is hard, but when done right, customers will come back for more. For the

company, a successful customer experience value not only creates more satisfied customers, but also satisfied employees, higher incomes and improved collaborations within the organization.

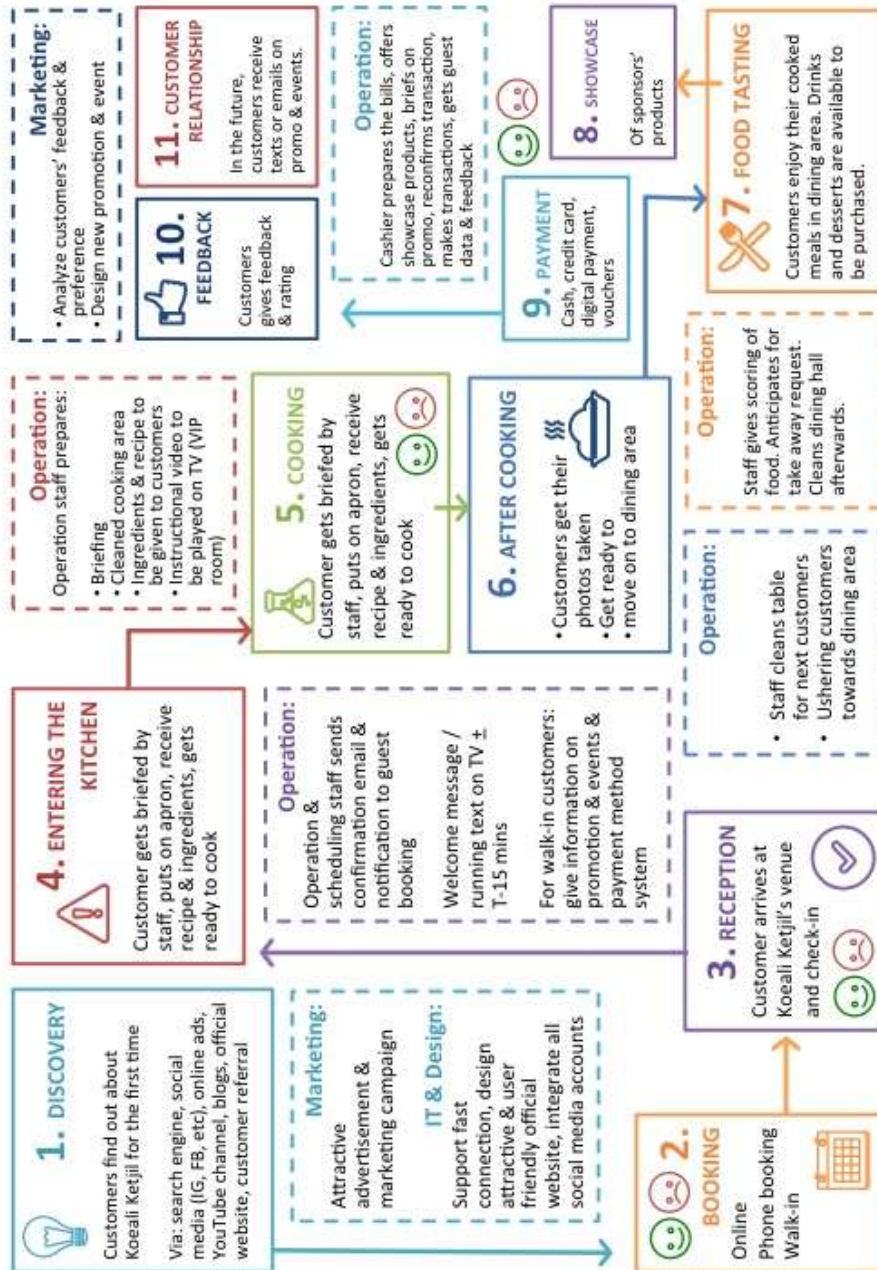


Figure 2.15. Customer Experience at Koeali Ketjil co-cooking kitchen facility.
(Modified from McKinsey, 2016)

The customer experience diagram above shows the journey that customers experience when using Koeali Ketjil's co-cooking kitchen facility. The journey includes the processes prior and after getting the product or service itself. For example, the customer journey starts from the activity of a customer finding out information about Koeali Ketjil through the internet. It then goes to the process of booking through online or offline methods. When arriving at the venue, a customer also goes through a series of touch points that include the reception by a staff, a short introduction or briefing session, and the waiting to be seated. All of these steps would need to be done in a minimum time frame to make sure the customers' satisfaction level is kept high. After the main

activity of cooking, Koeali Ketjil also makes sure to add other value-added activities that would increase customers' engagement level, as well as getting customers' information for future retention program. During this process, too, customers are indirectly encouraged to share some reviews or recommendations to other internet users about the service they have just experienced. The customer journey does not end there, in fact, it continues to after-sales approach where customer retention programs are conducted through sending more information about promotions and special events.

2.4.1 Memorable Experience

Koeali Ketjil does not merely focus on food, but more importantly in creating a memorable experience. We aim to create a moment that customers would talk about long after they are done using our service, sharing the details of what they have gone through to other friends and family members.

We define memorable experience by four factors, according to Don Enright (2016). Firstly, memorable experience must fulfill customer's expectations. After thorough research and customer profiling, Koeali Ketjil is able to design a value proposition that fulfills the needs of market. In terms of marketing, Koeali Ketjil needs to be as honest as possible in communicating these value propositions to the customers so as to avoid misconceptions and confusion of what the customers can expect from our service. From there, Koeali Ketjil then can go above and deliver beyond what is expected from the customers, so as to ensure highest customer experience and satisfaction level.

Secondly, to create memorable experience, Koeali Ketjil needs to have the element of surprise, and novelty. It was suggested through research, that the quality that defines memorable includes the element of something new and unexpected. The rush and excitements of trying something for the first time sticks longer than most of any other memories. The quality of spontaneity and the unplanned encounters will make great moments to remember for long.

The third quality is the affect or emotion of the experience. Studies suggest that memories are the product or result of emotions and feelings. Koeali Ketjil will make sure customers feel the passion and pride towards Indonesian food, and the joy and fun of cooking activities instead of making them feel pressured and stressed to finish their cooking. The emotions can also come from the companions they share the cooking activity with as well, through interactions and communications.

The last bit that makes a memorable experience whole and complete is the quality of revisit. By asking our customers to take photographs and share them on social media, we are not only doing marketing campaign, but we also make sure that customers can revisit their experience through telling stories, writing about it on Facebook, or posting photos on Instagram. Our printed photo souvenir will also be cherished and become a touchstone to relay them back to the memorable experience.

2.5 COMPETITOR ANALYSIS

Now that we have already formulated the value proposition canvas of Koeali Ketjil, we now need to look around at other competitors and do some comparisons in order to ensure that we possess some key features that are unique and unavailable in others. The aim is not for Koeali Ketjil to have all different and all new features, but to make sure that Koeali Ketjil has one or two key differentiation features that will make it stand out from the rest of competitors.

We determine who our direct and indirect competitors are, and we learn about how similar or how different they are to Koeali Ketjil in terms of product/service features, strengths and weaknesses as well as the pricing. We have identified a number of indirect competitors and only one direct competitor. There are a number of indirect competitors that would significantly affect our business. These indirect competitors may not have the exact similar offerings and features, but may share the same target market with us. The indirect competitors' offerings, although might be different, are able to replace or substitute Koeali Ketjil's offerings. The indirect competitors of Koeali Ketjil include edutainment businesses, as well as entertainment in general, for example theme parks, karaoke, and children edutainment facility. Our direct competitor, Almond Zucchini, is a cooking studio that focuses on delivering people development services through cooking activities.

Affordable Pricing (below Rp. 250,000 / pax)	●	●	●			●	
Family Time or Quality Time		●	●		●	●	
Teamwork	●				●	●	
Strategic, friendly location	●	●	●	●		●	
Trainer / Facilitator	●			●	●	●	
Safety	●	●				●	
Indonesian Culture						●	
Customer Experience	◐			◐	◐	●	
Education	●			●	●	●	
Entertainment	●	●	●		●	●	
Features	Competitors	Edutainment (Kidzania)	Theme Park (Dufan)	Family Karaoke (Happy Puppy)	Cooking Class (ABC Cooking Studio)	Almond Zucchini	Koeali Ketjil

1

entertaining experience to promote Indonesian food to younger generation.

All but one of our competitors offer the value of entertainment: ABC Cooking Studio, which is focused slightly towards to the enrichment and academic value rather than entertainment.

2. Education

Our competitors Kidzania, ABC Cooking Studio, Almond Zucchini and Koeali Ketjil itself have educational values in the value offerings. Kidzania, which is an edutainment park for children, is clearly also highlighting the value of knowledge for their customers. As mentioned earlier, ABC Cooking Studio also offers strong educational value as they focus on training their customers to become skillful bakers and pastry chefs through a series of classes with time span of several months. Our direct competitor, Almond Zucchini, has similar approach to Koeali Ketjil, offering casual educational value by sharing light skills of cooking and knowledge on various cooking ingredients. At Koeali Ketjil, we also intend to pass on the knowledge and background history off various Indonesian food.

3. Customer Experience

Customer experience refers to comprehensive interactions between the business and customer throughout the customer's journey, which usually covers the steps as early as the booking or purchasing stages all the way to customer feedback or even customer retention stages. We analyse this differentiation feature by trying out or benchmarking the integrated system of

our competitors'. We learned that two competitors, Dufan and Happy Puppy Family Karaoke do not pay special attention on the customer experience journey, relying their sales from either external ticketing services or on the spot ticket sales. Kidzania, ABC Cooking Studio, Almond Zucchini, on the other hand, have user-friendly and informative websites where customers' journey actually starts through making enquiries and making online bookings or purchases. Koeali Ketjil is also paying special attention to customer experience, not only by having integrated online service for customers' discoveries, enquiries and bookings, but also by carefully planning the service blueprint of what customer goes through when using our service. This service blueprint will not only ensure the continuous flow of customers' journey but also highlight the important stages or stations which are critical to customers. These critical stages can affect the overall customer satisfaction level, hence Koeali Ketjil applies the touchpoints for feedbacks in these stages to ensure the best customer experience quality.

4. Indonesian Culture

Among all the competitors, we found that none in particular is highlighting Indonesian cultural value in any of their service or offerings. Kidzania offers a wide variety of activities for children but none in particular is dedicated to convey the value of Indonesian culture. The case is also similar with Dufan and Happy Puppy Family Karaoke. ABC Cooking Studio teaches cooking

and baking classes for international pastry and some Japanese-based menus and not one Indonesian menu. Almod Zucchini, our direct competitor also teaches wide variety of international and fusion menu. They do have Indonesian menu to teach as well, but it is not a highlight feature or a must in their program. Koeali Ketjil then becomes the only one in this differentiation analysis to fulfill the feature of highlighting Indonesian culture. Koeali Ketjil particularly puts Indonesian menu on the spot light. All recipes or menus are of Indonesian food, and we do not have any single menu of international delicacies.

5. Safety

In this part we analyse whether competitor have specific actions or measures to ensure safety due to the nature of the activity of the service that have some risks of incidents. Kidzania, which is dealing with children as their customers or service users have specific safety measures and precautions in their service, such as making it compulsory for children below a certain age to be accompanied by an adult while using their facility. The equipment and tools they use in their facilities are also children-compatible. Dufan, which includes the use a lot of automated mechanical rides in their facility also have specific safety measures in their operation strategy which involves frequent maintenance and evacuation planning in the case of emergency. Family karaoke (Happy Puppy), ABC Cooking Studio and Almond Zucchini does not include special safety measures in their offerings, unlike Koeali

Ketjil. Koeali Ketjil includes safety measures by having included personal injury insurance in the final pricing.

6. Trainer / Facilitator

Only Dufan and Happy Puppy Family Karaoke do not have specially-dedicated trainer or facilitator to help out customers. This is probably due to the nature of the services or activities which do not involve a final goal or result. Kidzania, ABC Cooking Studio, Almond Zucchini, as well as Koeali Ketjil have trainers and facilitators who will help customers with their skills in order to be able to obtain the final result of what the customers are encouraged to achieve.

7. Strategic Location

All of the listed competitors have chosen a rather strategic, easily-accessible location with supporting public amenities, except for Almond Zucchini, who has chosen an old house building as its venue. Other competitors including Koeali Ketjil are located in either shopping malls or commercial district areas with ample parking facility.

8. Value of Teamwork

Two competitors' do not promote teamwork in their activities, which are Dufan and Happy Puppy Family Karaoke, where customers usually perform or play individually. ABC Cooking Studio, which is a cooking academy aiming to produce individual graduates of skillful bakers, does not promote teamwork either. Kidzania, Almond Zucchini as well as Koeali Ketjil highly encourage teamwork. In fact, Almond Zucchini and Koeali Ketjil have special program for team-building activities.

9. Quality Time or Family / Friends Bonding Time

ABC Cooking Studio, as it has been mentioned earlier, while aiming to create individual skillful bakers, are more focused as a cooking academy rather than as a casual facility for friends and family to hang out in. The other competitors such as Happy Puppy Family Karaoke, Almond Zucchini and Koeali Ketjil as well, allow customers to make use of the activity or service as the opportunity or medium to bond and socialize with others.

10. Affordable Pricing (below Rp. 250,000 per person per visit)

Of all the competitors listed, Almond Zucchini and ABC Cooking studio do not have affordable pricing strategy. In fact, ABC Cooking Studio even has a much more premium pricing which includes a package of multiple visits/classes to attend.

We found out that our indirect competitors can fill only half of key features that Koeali Ketjil wants to offer. This is because our indirect competitors are mostly only entertainment services in general, except for Kidzania, which is a pure edutainment service for children. Our direct competitor, Almond Zucchini, has the most similar key features to Koeali Ketjil, only a little less.

From the analysis, we can identify three main differentiators of Koeali Ketjil against Almond Zucchini. The first is the pricing, where Koeali Ketjil will be more affordable, targeting the price to be IDR 250,000 and below (per person), while Almond Zucchini charges for IDR 750,000 (Galikano, 2016). Secondly, Koeali Ketjil looks to locate its facility in a commercially strategic, customer-friendly location for bigger exposure, while Almond Zucchini's kitchen is built in an old house located in a housing area. Another key feature we can point out from the analysis is the difference of focus where Koeali Ketjil stresses on promoting Indonesian culture through the choices of Indonesian-menu only, while Almond Zucchini provides choices of international menu.

Although not included in the differentiator analysis, there is one more key difference that will make Koeali Ketjil stands out from Almond Zucchini, which is the target market. While Almond Zucchini is focused on people development and corporate training events through cooking activity, Koeali Ketjil aims to provide services to wider market, which includes casual customers up to as young as children. Although Koeali Ketjil has programs for corporate training events, birthday parties, and other event for larger groups, we also allow casual walk-in customers who come only in pairs or smaller group sizes. Hence, we intent to cater for larger market than Almond Zucchini's.

2.6 IN-DEPTH INTERVIEW RESULT

After developing and exploring the value propositions of Koeali Ketjil, we are now able to see a clearer visual of what details we must further work on, in order to be able to further process our value propositions into business plan. We conducted a series of in-depth interview with several representatives of prospective Koeali Ketjil's stakeholders, including related parties that might be interested in using the services of Koeali Ketjil. These interviews will help Koeali Ketjil define its detailed business plan.

The samples we chose to interview were teenagers that fall into the generation-Z category to represent prospective customers, (HR managers of) corporations that might be interested to host a team-building event, local food / culinary community that might be interested to host a workshop or seminar, raw meat suppliers to represent other food suppliers in general that Koeali Ketjil might need to work with for the raw materials procurement, and lastly a representative of branded food product which we think might be interested in sponsorship program for Koeali Ketjil.

2.6.1 REPRESENTATIVE OF GEN-Z (CUSTOMER)

To gain insights from prospective customers, we interviewed five teenagers that represent the Gen Zs (15 – 24 yrs old). Of the five respondents, all are aged 18 years old, except one who is 15 years old. All respondents are located and living in Jakarta.

The five respondents agreed on the uniqueness of Koeali Ketjil and how they have not known any other similar business existing around Jakarta or Indonesia. However, when asked their interest towards using the service of Koeali Ketjil, the majority of them were hesitant. They stated that they like practical things, and cooking

is not their favorite activity. This confirmed our preliminary survey result that mentioned cooking is not a favorite activity amongst the Gen Zs.

They would consider visiting and trying Koeali Ketjil experience only if the price is affordable, which is, according to them should not be more than IDR 100,000 in the weekend, and not more than IDR 50,000 in the weekdays. They would prefer to go with friends, with whom they can freely enjoy the experience. To that reason, they would prefer to occupy an enclosed or private cooking room where they can be as loud as they wish, instead of occupying an open kitchen next to many other customers. Having music in the kitchen area, according to them, is also an important attribute to add more fun ambience.

The interview with Gen Zs has highlighted a few important points. Special pricing for students should be available since they are price-sensitive and would not go for higher prices. Since it has been established from the survey as well as this interview that Gen Zs do not generally enjoy cooking, it would be best for Koeali Ketjil to align its pricing (for this particular segment) to the suggested range or to come up with other value propositions that cater to Gen Zs preferences.

2.6.2 REPRESENTATIVE OF CORPORATIONS (CUSTOMER)

One of Koeali Ketjil's revenue streams is from hosting team-building events for corporations. We interviewed two Human Resource managers from two different well-known companies, asked for their opinions on Koeali Ketjil's value propositions and how their companies might be able to make use of our service to fulfill their needs in corporate events.

According to Rosalia Wahyu Ika, HR Senior Manager at PT Merck Indonesia, Koeali Ketjil has a relatively high compatibility to her company's team building program requirement. The company even has hosted a cooking-themed team-building event a few years back. She stated that it had similar impact as other form of activities done collectively with friends or colleagues. In making decisions on what to do or where to go for corporate events, inputs from labor union are taken and called for by the directors of the company. For team-building programs, the total participants are roughly about twenty up to forty people and it usually takes up a whole day. The company conducts this up to twice a year for each division or department with a budget of IDR 500,000 per person for each event. Towards the end of the interview, Rosalia gave additional inputs for Koeali Ketjil to pay attention to having sufficient parking space, as well as additional small bites for customers to purchase.

Another interview was conducted with Vera Indarwati, HR Country Head of PT Novo Nordisk Indonesia. Different from the previous respond, Vera's company usually holds employees gathering events under the help of event organizer. The budget is usually up to IDR 700,000 per person. According to her, Koeali Ketjil's value propositions are interesting and unique, however, she stressed that it the coking activities should be combined with a concept of competition between different departments to make it much more interesting. PT Novo Nordisk Indonesia has usually held gatherings in larger facilities that offered varieties of different activities within one place. According to Vera, with the scope of activity and the physical space area of Koeali Ketjil, it might not be a straightforward corporate event alternative to be

considered seriously. She suggested Koeali Ketjil also provides other choices of physical activities in a larger compound area.

The two respondents have given somewhat different views towards the feasibility of their companies hosting employee events at Koeali Ketjil. The positive response given by Rosalia was largely due to her agreement that cooking activities are suitable to be used as team-building program, and the number of participants which is within Koeali Ketjil's ability to accommodate. Indarwati's suggestion for Koeali Ketjil, on the other hand, is not very appropriate and within the context of what Koeali Ketjil has to offer. Hence, in this case, we would take into consideration the feedbacks given by Rosalia.

From Rosalia's interview, Koeali Ketjil can sharpen the partnership program with corporates to host team-building events, presumably in a competition context. Since corporates are willing to pay for as high as IDR 500,000 per person, Koeali Ketjil can use a higher pricing set especially for corporate events by adding the scope of services or products that the customers get. Her other suggestions can also be taken into consideration, including finding location which has sufficient parking facility and also the choice of small bites available for sale at Koeali Ketjil's café or dining area.

2.6.3 REPRESENTATIVE OF FOOD COMMUNITY (PARTNER)

We also conducted an in-depth interview with a culinary event organizer, Farah Mauludynna (affiliated with Balik Lagi Ke Dapur and Masak Akhir Pekan). She frequently hosts workshops and seminars on clean eating in various restaurants and cafes, which we think can and will be more appropriately organized in venues like

Koeali Ketjil's kitchen facility. We asked her in details on how her food-related workshops work and tried to figure out if Koeali Ketjil's kitchen is interesting and attractive enough to host such events.

According to Farah, a short event usually lasts only 2 hours, while longer and heavier workshops last up to 4 hours, which include lunch session. In the events, equipment such as stove, electric blender or juicer and basic cutleries are used, mostly shared within a group of three people. Each workshop session is usually attended by maximum of twenty people and at most two coaches or speakers. For a shorter workshop, the fee charged for one person is about IDR 250,000 up to IDR 350,000, while the longer workshops can go for as much as IDR 500,000 per person. For the amount of money spent, customers receive coaching from qualified and experienced chefs of other practitioner, a package of food ingredients to cook, and a goodie bag containing some cooking-related merchandise, and some items from sponsors. To her, it is very possible that in the future her events can be held in Koeali Ketjil. She believes that the kitchen facility is perfect to host such an event. However, for most of the events that she has organized in Jakarta, Bali, Bandung, and Makassar, she made no payment to the venue provider. Instead she applied a system of value barter in heavy promotion where she included the venue's logo and information in all of the events' official posts, updates and publications.

The information we received from this interview will affect the way Koeali Ketjil sets target frequency in hosting workshop and seminar events especially after knowing that one session can go for as long as four hours. This means when such event is taking place, the rest of the kitchen area might need to be closed from public or walk-

in customers. Koeali Ketjil would also likely be using the pricing for workshop events based on the information shared in this interview, which is up to IDR 500,000. There are two possibilities of partnership terms with food workshop organizers: (a) Koeali Ketjil is to receive monetary payment for allowing the organizer to use the kitchen space, or (b) Koeali Ketjil does not receive a dime for renting the kitchen space but instead gets exposure through promotion and publications done the by organizers.

2.6.4 REPRESENTATIVE OF FOOD SUPPLIERS (PARTNER)

One of the key partners in our business would be a supplier of raw food materials. We interviewed Mr. Sugiman, the B2B-Channel Marketing Manager of Japfa Santori, which is an integrated beef fattening industry, with slaughterhouse, meat processing, cold storage facility and chain distributor for all their meat products. Japfa Santori has already held certification of food safety standard and MUI Halal.

Through this interview, we have received some very detailed information regarding the possibility of partnership with Japfa Santori as Koeali Ketjil's main supplier. According to Mr. Sugiman, their meat products can be stored in good condition for up to 4 months in the freezer (with temperature of -40 degrees Celcius). The first few rounds of transactions with Japfa Santori would be a very strict, as-written terms, which is cash payment upon delivery. Only after two months, they would be willing to extend the payment term up to 30 days period. Their pricing includes standard packaging, delivery service (for minimum order quantity), certified products (food safety and Halal).

2.6.5 REPRESENTATIVE OF BRAND SPONSORS (PARTNER)

Koeali Ketjil also might partner up with established local food brands. These brands might support Koeali Ketjil through sponsorship programs. We interviewed Ms. Silvia Kurnia of PT Sinar Sosro, the GM of marketing division, responsible for national and international market.

According to her, in order for established brand such as Sosro to be willing to sponsor start-up F&B businesses like Koeali Ketjil, there must be clear, justified benefits for the brand. The business must be able to show evident of great growth rate, possibly even “booming” growth in the market. Sosro will learn about the brand awareness of the sponsored business (i.e Koeali Ketjil) through evaluation of sales and revenues as well social media profiles and traffic (number of followers, tagging and hash-tags). Forms of sponsorship that Sosro has done before in the past include advertising placement, profit-sharing system, as well as free products giveaway. According to Ms. Kurnia, the most likely approach that Sosro would take to sponsor Koeali Ketjil is by renting a small space / corner to sell Sosro’s beverage products, or popularly known as the “gondola rent” system.

2.6.6 SUMMARY OF INTERVIEW RESULTS

The gathered information from in-depth interview sessions with different stakeholders of Koeali Ketjil is useful in helping us to shape and design the physical attribute as well as the program content of Koeali Ketjil co-cooking space. Using the key insights from the in-depth interview will take us closer to meet the needs and expectations of all stakeholders.

The summary of the interview results is as such:

1. Gen Zs do not generally like cooking, therefore Koeali Ketjil needs to work on more exciting programs to attract the younger customers. They would try Koeali Ketjil's service only if the price is below IDR 100,000 and they can cook in a private room with music.
2. Corporate team-building events is very likely be able to be done in Koeali Ketjil. An event for particular division or department can be joined by up to forty people, which Koeali Ketjil should be able to accommodate at one go. The pricing can be set up to IDR 500,000 per person with additional offerings of service or products. Ample parking facility is important, as well as having small bites available for purchase at the café.
3. Food community events such as cooking workshops and coachings are also feasible to be held in Koeali Ketjil. The basic equipments needed are stove, electric blender and/or juicer, as well as basic cutleries. The pricing for one participant can go as high as IDR 500,000, and each participant bring home a goodie bag containing a bunch of cooking-related merchandises.
4. Established food brand would be willing to sponsor Koeali Ketjil using the "gondola rent" system where they would pay a sum of amount as space rental fee for them to display their products to be purchased by customers. Criteria for businesses to be sponsored by established brands include the brand awareness, the sales and revenues, as well as the social media account profiles. All of those factors must show high and speedy growth, assuring the

sponsors that our business have enough exposure to benefit the sponsors even further.

2.7 THEORY OF BUSINESS MODEL CANVAS

Now that we have covered different analysis on market and industry as well as strategizing on the business of Koeali Ketjil, we now start developing Business Model Canvas (BMC). First introduced by Alexander Osterwalder and Yves Pigneur, BMC is an essential tool in new business development process, covering nine elements to develop and determine:

1. Customer segments – the targeted market in terms of income levels, age, and geographical location
2. Value proposition – what the customers get from Koeali Ketjil that makes them choose our business rather than competitors’
3. Channel – how the value propositions are marketed and sold to the customers. This might include communications and distributions.
4. Customer relationship – how Koeali Ketjil engage its customers and make sure the consumption by customers stays on continuously
5. Revenue stream – how Koali Ketjil earn its revenue, which can be from several sources of activities and product offerings
6. Key activities – the critical or essential tasks that enable the business to deliver its value proposition

7. Key resources – assets and properties that the business must have in order to be able to deliver its value propositions to the customers, which can be in physical, intellectual or monetary forms.
8. Key partnerships – what important aspects that the Koeali Ketjil cannot do on its own (that affect the key activities) and therefore need to join or work with external parties
9. Cost structure – the expenses or cost driven by the business activities

In chapter 3, we are going to lay out these essential elements in the form of Nine Building Blocks of Business Model, carefully elaborating each of the aspect needed to be determined to ensure a proper and feasible business creation of Koeali Ketjil.