

FACTORS OF COMPETITIVE ADVANTAGE STRATEGY OF CAFE BUSINESS IN BANDAR LAMPUNG (STUDY ON DOESOEN CAFE BANDAR LAMPUNG)

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Abstract

The purpose of this study is to identify strategic factors that are strengths, weaknesses, opportunities, and threats owned by Café Doesoen in Bandar Lampung. This is used as a basis for formulating internal and external environment analysis to develop appropriate competitive advantage strategies, using SWOT (Strength, Weakness, Opportunities, Threats) analysis techniques. Through analysis using this strategy provides an overview of how Doesoen Cafe can improve its competitiveness in the market segment of Bandar Lampung City. This research contributes to enriching the literature on competitive advantage strategies in the café industry, especially in Bandar Lampung City. In addition, the findings from this study can also provide valuable insights for other café business owners to develop effective strategies in the face of increasingly competitive competition.

Keywords: Cafe Bandar Lampung, Internal Factors, External Factors, SWOT

1. Introduction

The growth of the café business, especially in Bandar Lampung, has experienced an increasing trend in recent years, even though this business had sunk during the Covid 19 pandemic. With the existence of the mushrooming café business, café business owners have to think more creatively and prepare the right business strategy in facing business competition with other cafes. The café business is growing, making cafes transform into part of the lifestyle of certain groups of people. In business circles, the café becomes a location to conduct a business meeting and for some young people (students and students) the café becomes a gathering place not only to eat the menu in the café, but also to enjoy the atmosphere around the café, listen to music or just get a free internet network provided by the café.

Strategy in its concept is a tactic to achieve the goals set by the company. In other words, competitive strategy is a tactic that is considered to bring the company ahead in market competition. Pearce and Robinson (in Marcelina et.al., 2017) mentioned that competitive strategy is the main plan of a business that reflects the company's understanding of when, where, and how it should compete in the face of competitors with certain goals in order to achieve victory in competition.

The advantage of Doesoen Café Bandar Lampung lies in its clean and green environment, giving visitors satisfaction with the atmosphere created. In addition, this café provides free wifi service. The attraction of Doesoen Café Bandar Lampung also lies in the natural atmosphere with a café design that adopts an old house typical of Lampung, creating a relaxed atmosphere to gather with friends while enjoying food and drinks in the café.

The selection of Doesoen Café Bandar Lampung as the object of research was based on physical observation, namely an attractive place and affordable food and beverage

prices, although the number of visitors was still lacking. The author aims to assist in implementing appropriate competitive advantage strategies as an alternative in developing the café business. The purpose of this study is to identify strengths and weaknesses, opportunities and threats, as well as to formulate appropriate competitive strategies for Doesoen Café Bandar Lampung.

2. Theoretical Background

2.1 Definition of Strategy Management

David (2012) creates the view that strategic management is not only an artistic skill, but also the knowledge involved in the formulation, implementation, and evaluation of cross-functional decisions that guide the achievement of an organization's goals. Redaputri & Barusman (2018) define strategy as a series of actions or activities carried out by individuals or companies to achieve predetermined goals. From this definition, it can be concluded that strategy involves planning and implementing processes to achieve the objectives that have been set through joint decisions.

Rangkuti (2016) emphasizes that business strategy, also known as functional strategy, leads to the functions of management activities such as marketing, production, distribution, organization, and finance. According to Hunger and Wheelen, the basic principles in the strategic management process include four key elements:

- a. Environmental observation: This first element focuses on crucial factors for the future of the organization. Environmental observation involves the application of the SWOT method, in which the organization analyzes internal and external aspects by considering strengths, weaknesses, opportunities, and threats. SWOT analysis stands for the internal environment of Strengths and Weaknesses, as well as the external environment of Opportunities and Threats faced in the business world.
- b. Strategy formulation: After conducting environmental observations with a SWOT analysis, the next step is to use the results to formulate a strategy. This process is especially important in long-term planning, so that the direction of the company's goals can be achieved through structured steps.
- c. Strategy implementation: Strategy formulation involves drafting mission statements, objectives, strategies, and policies. Furthermore, the organization implements this policy in its operational activities.
- d. Evaluation and control: The final stage in the strategic management process is strategy evaluation, where an assessment of the extent of results and feedback obtained by the organization is carried out.
- e. Business competition or business is often highlighted in literature. Competition occurs when organizations or individuals compete to achieve a specific goal, such as winning consumer trust, gaining market share, achieving the highest ranking in a survey, or obtaining needed resources. Rangkuti (2016: 153) states that the success of a strategy depends on the extent to which the strategy is in accordance with changes in the environment, competitors, and organizational situations. Competitive advantage, he argues, involves competitive strategies designed to be exploited by an organization, with a focus on value creation. Sustainable competitive advantage is achieved when companies implement value-creating strategies on an ongoing basis, while competitors are unable to replicate effectively.

2.2 Competitive Advantage

According to (Aprizal, 2018) Competitive advantage is an advantage over competitors obtained by offering more value to consumers, either through lower prices or by providing more benefits that support more expensive pricing. According to Saiman (2009), competitive advantage is a benefit that exists when a company has and produces a product or service that is seen from its target market better than the nearest competitors. Meanwhile, according to Porter in Arianty, et al (2016) Competitive advantage is the ability of companies obtained through their characteristics and resources to have higher performance than other companies in the same industry or market. According to Darmanto, et al (2015), competitive advantage is the capability possessed by a business or business in a strategy to get more profit than its competitors in similar industries.

2.3 Understanding the External Factor Evaluation (EFE) and Internal Factor Evaluation (IFE) Matrix

In the formulation of corporate strategy, the External Factor Evaluation (EFE) and Internal Factor Evaluation (IFE) matrices are used as tools to determine a company's position within an industry based on its internal and external factors. The IFE matrix serves as a strategy formulation instrument that summarizes and assesses key strengths and weaknesses in various functional areas of the business, becoming the basis for identifying and evaluating the relationships between these areas. Instead, the EFE Matrix acts as a tool that allows strategy planners to summarize and assess information on economic, socio-cultural, environmental, political, governmental, legal, technological, and competitive aspects. According to David (2012: 158), this matrix helps managers in organizing external strategic factors into general categories related to opportunities and threats.

The IFE matrix, on the other hand, is a strategy formulation tool that summarizes and evaluates key strengths and weaknesses in various functional areas of the business, and also forms the basis for identifying and evaluating relationships among those areas (David, 2012: 229).

2.4 SWOT Analysis

Is a strategic planning method used to assess strengths, weaknesses, opportunities, and threats in a project or business speculation. Analysis of these factors aims to identify the strengths possessed by the organization, find out the weaknesses that may exist, identify opportunities that can be exploited, and assess the threats faced by the organization. After understanding these elements, a plan or strategy can be designed in an organized manner to achieve the goals that have been set.

Rangkuti (2016: 19) explained that SWOT Analysis is a process of systematically identifying factors to formulate company strategies. This approach focuses on maximizing strengths and opportunities, while simultaneously minimizing weaknesses and threats. Pearce and Robinson (2014:156) consider SWOT Analysis as a well-known historical technique, through which managers can quickly create a general picture of a company's strategic situation.

The SWOT matrix becomes an important tool in compiling the company's strategic factors. This matrix provides a clear picture of how opportunities and threats from the external environment can be combined with the company's internal strengths and weaknesses. Using this matrix, four sets of strategic alternatives can be generated that can form the basis for further strategic planning.

Table 1. Internal and External Factor Matrix

IFE/EFE	STRENGTH (S) Determine 5-10 Internal Strength Factors	WEAKNESS (W) Determine 5-10 Internal Weakness Factors
OPPORTUNITY (O) Determine 5-10 External Opportunity Factors	STRATEGY (SO) Create a strategy that uses strengths to seize opportunities	STRATEGY (WO) Create strategies that minimize weaknesses to take advantage of opportunities
THREATS (T) Determine 5-10 External Threat Factors	STRATEGY (ST) Create strategies that use strengths to Address threats	STRATEGY (WT) Create strategies that minimize weaknesses and avoid threats

2.5 Previous Research

Several previous studies have been conducted to evaluate SWOT analysis, such as that conducted by Gisella Andari Wijaya Gifari (2017) in her research on Competitive Strategy Analysis in Cafe Competition in Malang City (Case Study on Vosco Coffee Malang). The purpose of this study is to identify the strengths, weaknesses, opportunities, and threats possessed by Vosco Coffee Malang. This is used as a basis for formulating internal and external environment analysis to develop suitable competitive strategies for Vosco Coffee Malang. The results showed that the condition of the café was quite good compared to competitors who had similar characteristics. The most appropriate strategy for Vosco Coffee Malang is market penetration by utilizing competitive advantages, namely the production of its own coffee beans, to be marketed to competing cafes as potential customers.

Pandu Putra Alam (2020) also conducted research on Strategy Analysis for Competitive Advantage of Kembang Malang Coffee Shop. This study aims to evaluate the strengths, weaknesses, opportunities, and threats possessed by Kedai Kopi Kembang. The information is used as a basis for formulating an analysis of the internal and external environment in order to develop appropriate competitive strategies. The results showed that Kedai Kopi Kembang was in a fairly good condition among similar competitors. In line with strategic decisions, product innovation is needed to maintain the competitive advantage of Kedai Kopi Kembang. This innovation requires various market research and feasibility tests before being integrated into the main menu, as one of the differentiating factors of Kedai Kopi Kembang from its competitors.

Another study by Akbar Riswandi and colleagues (2016) on Analysis of Restaurant Competitive Strategy (study on Darisa Cafe Campus Restaurant) showed that the chance factor of Darisa Cafe Campus Restaurant has a score of 1.26, while threats have a score of 2.10, resulting in a total score of 3.36. Based on these results, the SWOT diagram of Darisa Cafe Campus Restaurant is in quadrant 2 (Two), showing the ST strategy (strengths and threats).

2.6 Frame of Mind

The framework is a conceptual foundation that becomes the main guide in the formulation and implementation of research. In compiling the frame of mind, various concepts and theories have been integrated to provide a holistic understanding of the problem under study.

The preparation of this framework is carried out by considering various views and perspectives from the relevant literature. Through this process, it is hoped that a solid

foundation can be formed to explore deeper understanding related to research objectives. The following is the flow of thought in research:

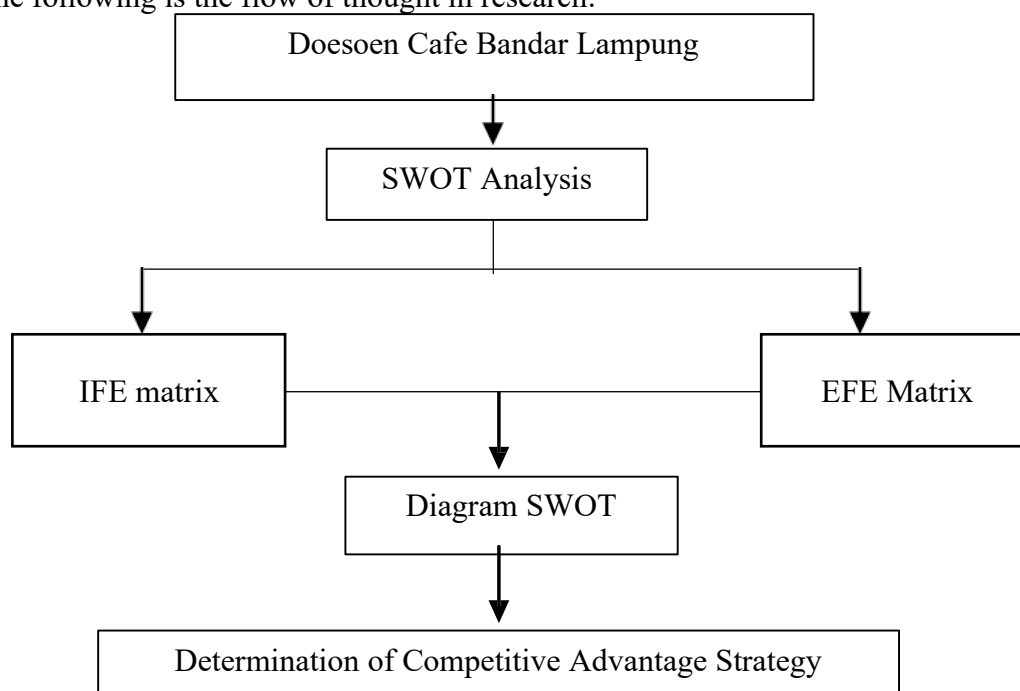


Figure 1. Frame of mind

3. Methods

The type of research applied in this study is qualitative research. A qualitative approach is used to investigate, discover, describe, and explain qualities or aspects that cannot be explained, measured, or elaborated through quantitative methods. Sugiyono (2017) describes qualitative research methods as a naturalistic approach because they are carried out in the context of natural circumstances, and the data obtained through analysis are qualitative. The location of the study was conducted at Café Doesoen Bandar Lampung City, located on Jln. Pagar Alam No.133, Tanjung Karang Barat District, Bandar Lampung City. The purpose of this analysis is to provide an accurate picture of the real condition of the company.

In this study, researchers used the SWOT analysis method. The process of data processing and analysis involves descriptive analysis and strategy formulation in three stages. To help formulate corporate strategies, the analytical tools used include IFE matrix, EFE matrix, and SWOT matrix (David, 2012: 324)

4. Results and Discussion

4.1 Internal Factor Analysis with Internal Factor Evaluation (IFE) and External Factors with External Factor Evaluation (EFE)

The stages in compiling the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) tables by determining the indicators that become Strength, Weakness and opportunities, threats Cafe doesoen Bandar Lampung, then give the weight of each indicator from the interview results, the results of the interview there are several indicators, indicators Internal there are eight divided into 5 strengths and 5 weaknesses, from 10 indicators will be given a total of 1.00 then divided between internal strong will be given a high to low weight given by the interview results, as well as external there are 10 indicators consisting of 5 opportunities and 5 threats. or use ratings in determining

weighting by giving high ratings to strong indicators of results from interviews. Calculate the rating based on the results of research provided by informants for each indicator by providing a scale ranging from 1 (very irrelevant) to 4 (very relevant). The values of Strength and Weakness are always opposite, as well as Opportunity and Threat. The results of the analysis of IFE and EFE can be seen in the following table:

Table 2. IFE Cafe Doesoen Bandar Lampung matrix

Internal Strategic Indicators	Rating	Weight	Score
Strengths (S): Strengths			
Has an atmosphere of a place that has natural nuances and typical of Lampung	4	0,11	0,37
Always clean environment	4	0,11	0,41
Café facilities are quite complete	3	0,10	0,35
Have distinctive and quality food products	4	0,11	0,39
Have competitive prices	4	0,11	0,39
		0,54	1,91
Weaknesses (W): Weaknesses			
The serving time of the product is quite long	3	0,10	0,35
Less parking space	4	0,11	0,41
Lack of skilled personnel	2	0,05	0,10
Difficulty obtaining raw materials	3	0,10	0,33
The products presented are less varied	3	0,10	0,31
		0,46	1,49
Total IFE		1,00	3,40

Source: Results of processed research, 2023

The results of the IFE analysis in table 2, the strength indicator has a total score of 1.91 while weakness has a total score of 1.49. The total IFE is 3.40. The difference in score between Strengths and weaknesses is 0.42.

As with IFE, EFE's external strategic indicators also identify the results in the following table:

Table 3. EFE Cafe Doesoen Bandar Lampung Matrix

Internal Strategic Indicators	Rating	Weight	Score
Opportunities (O) = Opportunities			
Relatively Wide Market Segment	4	0,12	0,44
Located near the Crowds and campus	3	0,10	0,33
Consumer Trust in Pruduk	3	0,11	0,37
A place that everyone loves	4	0,12	0,42
The need for catering services is increasing	3	0,10	0,33
		0,55	1,90
Threads (T) = Threat			
The number of newcomer competitor cafes	4	0,12	0,42
New product variety produced by competitors	4	0,12	0,44
Unstable raw material prices	3	0,09	0,24

Rising taxes	2	0,08	0,19
Consumers who are sensitive to price changes	1	0,05	0,06
		0,45	1,35
Total EFE		1,00	3,25

Source: Results of processed research, 2023

From the results of table 3 analysis on External Factor Evaluation (EFE), it can be seen that the score value for the opportunity indicator is 1.90 and the threat indicator is 1.35. The total EFE score is 3.25. Furthermore, the total score value of each factor can be broken down as follows:

- a. Strength indicator: 1.91
- b. Weaknesses indicator: 1.49
- c. Opportunities indicator: 1.90
- d. Threat indicator: 1.35

Thus, it can be seen that the difference between the Strengths and Weaknesses values is (+) 0.42, while the difference between the Opportunities and Threats values is (+) 0.55. The identification results of these indicators will be depicted in the SWOT Diagram, which can be seen in figure 2 below.

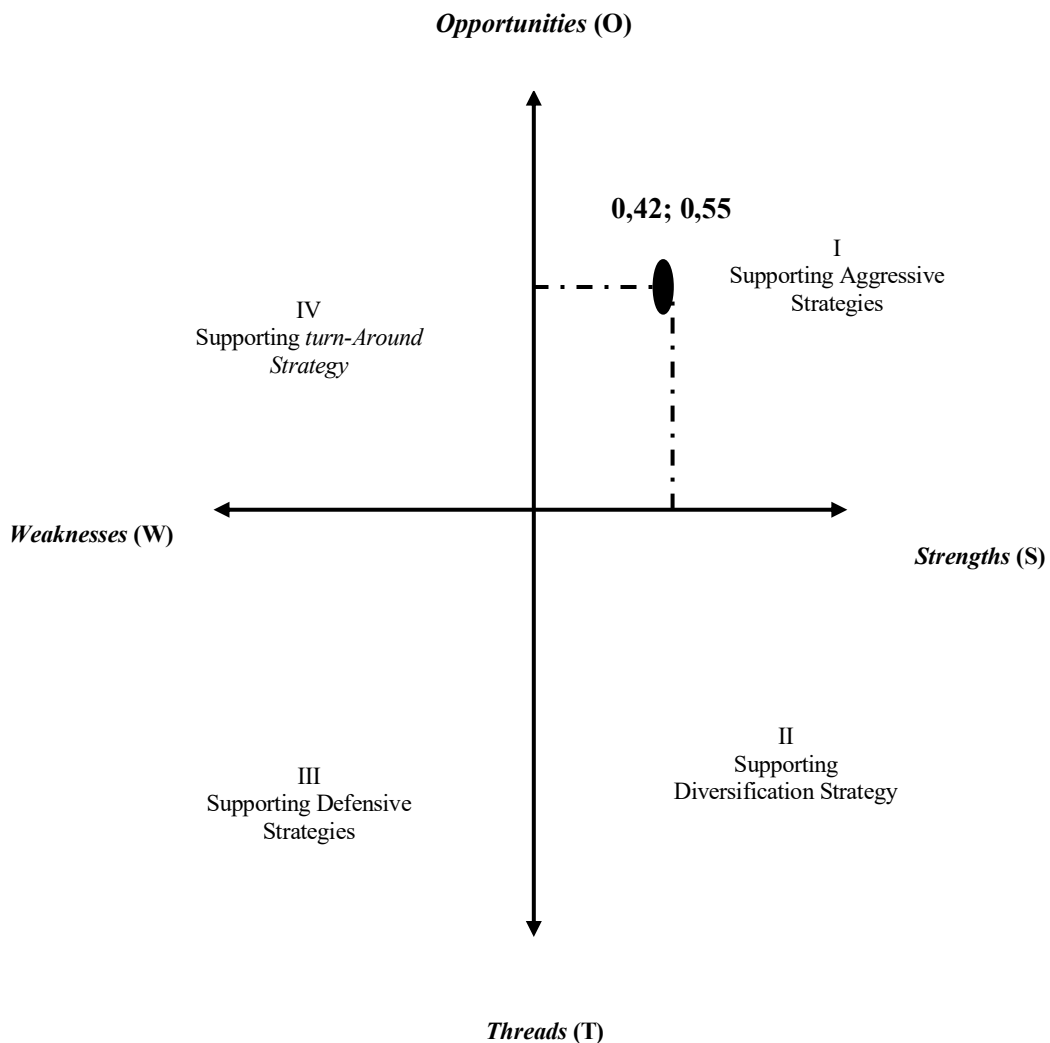


Figure 2. Diagram SWOT

4.2 Competitive Strategy Based on SWOT Analysis Results

Based on the SWOT Diagram Drawing on the results of the competitive advantage strategy analysis of Cafe Doesoen Bandar Lampung, the results of the SWOT Diagram evaluation are mapped to the SO quadrant (strengths & opportunity), then henceforth the strategy will focus on the SO strategy where the SO strategy that has been mentioned in the SWOT Matrix table will carry out a strategy using strength to Create an opportunity by means of an aggressive strategy by conducting a strategy program as follows:

No	Strengths (S): Strengths	Opportunities (O) = Opportunities
1	Has an atmosphere of a place that has natural nuances and typical of Lampung	Relatively Wide Market Segment
2	Always clean environment	Located near the Crowds and campus
3	Café facilities are quite complete	Consumer Trust in Product
4	Have distinctive and quality food products	A place that everyone loves
5	Has competitive prices	The need for catering services is increasing

1) Strategy S1,S2; O1,O2

Cafe doesoen Bandar Lampung already has strength in the atmosphere of a place that is not owned by competitors, with a comfortable place with natural nuances and has a typical view of Lampung customs and good environmental management processing by utilizing a location close to campus promoting the advantages of a comfortable place for young people to relax. Not only that, by still having a wide market segment, large-scale promotions can help increase visitors who will be interested in the natural nuances provided by Cafe doesoen Bandar Lampung.

2) S3, S4 Strategy; O3

The second strength and opportunity strategy is to take advantage of free wifi, green outdoor facilities and take advantage of the advantages of typical processed food with quality raw materials, of course, word of mouth information on customer loyalty or consumer trust that has felt the quality of the products offered is expected to attract interest from visitors. S3,S4 Strategy; O3 focuses on testimonials from customers who have high loyalty to product excellence at Cafe doesoen Bandar Lampung so that with this consumer experience it will attract new customers who will try the quality of the products offered.

3) S5 strategy; O2, O5

The third strength and opportunity strategy is the provision of competitive prices or competing with prices offered by competitors so that both students, students or the public can enjoy the products offered, besides that catring services have a big influence with the recognition of a food business, of course, this café, Cafe doesoen Bandar Lampung is also required to serve catering, delivery orders, Working with online courier services to deliver cathering on every sudden booking and other events so as to support the recognition of products, places, and other services provided so that more and more people know Cafe doesoen Bandar Lampung will add to the advantages of this business.

5. Conclusion

The conclusion of the competitive advantage strategy analysis is that the café has internal strengths that can be utilized to pursue existing external opportunities. Thus, the strategy to be taken will focus on the SO strategy, which is to use internal forces to create or pursue external opportunities. The strategies that have been identified in the SWOT Matrix will be focused on aggressive strategies. This means that Doesoen Cafe will take proactive and bold steps in leveraging its internal strengths to capitalize on opportunities in the external environment.

Based on the competitive advantage strategy analysis and SWOT evaluation for Doesoen Cafe in Bandar Lampung, here are some suggestions that can be considered to improve competitive advantage:

- 1) Take advantage of the distinctive atmosphere and broad market segmentation: use the natural atmosphere and distinctiveness of Lampung to attract a wide range of market segments. For example, you can hold thematic events that suit the uniqueness of the place, such as traditional music events or local art exhibitions, to attract interest from various circles.
- 2) Take Advantage of a Location Close to Crowds and Campuses: By being near the bustling center and campus, take advantage of this opportunity to attract students and other visitors looking for a place to relax or hang out. Hold special promotions or offer discounts for students, or partner with the campus to hold joint events.
- 3) Increase Consumer Confidence with Quality Products.
- 4) Consider expanding Doesoen Cafe's services by offering catering packages for events such as meetings, birthday parties, or weddings. Take advantage of the relationships that have been built with customers to market catering services.

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