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BUSINESS STRATEGY DEVELOPMENT IN COMPETITIVE CAFÉ INDUSTRY MARKET. A CASE STUDY: SLATAN COFFEE, TEA AND CHOCOLATE

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Abstract

The number of café in Jakarta is estimated to reach 1.500 and it keeps on growing at 10% and the competition for café industry is very intense. Slatan Coffee, Tea and Chocolate is a brand of Kolega Group that sells coffee, tea, chocolate drinks, small bite food located in Kemang Selatan, Jakarta since June 2017. The brand has a positioning of a quick meeting point. Slatan has a decline in sales by 20% in Q1 2018 onwards. To find the root cause of the issue, business situation analysis consisting of external environment and internal environment analysis are used; Strategy Diamond Framework is used to develop strategy alternatives and find business solution. Based on the business situation analysis, the decrease of sales is caused by several factors: high competition, poor brand awareness, low commitment from owners/directors and poor service, and store ambiance. The business strategy alternatives for Slatan are either to increase the market share or divest and quit from the market entirely. The authors propose several business solutions, which relates to written commitment document that is signed by all owners, business model canvas, marketing mix and training for senior barista.

Keywords: Business Model Canvas, Business Situation Analysis, Business Strategy Development, Café, Coffee.