



Proposed Marketing Strategy to Increase Sales of F&B Business (Case Study: Kapau Anak Sultan)

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ABSTRACT: Kapau Anak Sultan is a quick-service restaurant chain specializing in Nasi Kapau, a mixed rice dish from Nagari Kapau, West Sumatra. Established in early 2021, Kapau Anak Sultan currently has over 20 outlets all over the Jabodetabek area and other cities in Indonesia. According to the external analysis, the constant rise of GDP mostly due to F&B businesses and the increase in monthly expenditure for food and beverage has made the outlook for the F&B businesses in Indonesia promising. However, the sales of Kapau Anak Sultan are declining, and brand awareness is still considered low compared to competitors. Thus, this research was conducted to provide Kapau Anak Sultan with marketing strategies aligned with the business strategy. This research used primary and secondary data. To obtain the primary data, both qualitative and quantitative methods were used in this research. To determine the current customer and internal conditions, an in-depth interview with the CEO and management was carried out. Furthermore, an online survey was conducted for the customer analysis, in which 224 respondents were obtained. Meanwhile, the secondary data, for instance, textbooks and previous research journals were used to determine the external conditions. This research affords the new segmentation, targeting, and positioning for Kapau Anak Sultan and provides the new marketing mix (4Ps), such as product, price, place, and promotion. In summary, Kapau Anak Sultan needs to re-assess its resources and capabilities to deliver excellent marketing strategies and be able to survive in the strict competition in the F&B industry.

KEYWORDS: Brand Awareness, F&B Industry, Marketing Strategy, Nasi Kapau, Secondary Brand Associations, Sales.

INTRODUCTION

The F&B industry is one of the most significant business areas in any country (Upe & Aswan, 2022). As Indonesia's F&B sector contributes about 12.4% of GDP from production and about 2.4% from food-related services (Statista, 2022), businesses in this sector are popular and established at an increasing rate (Wiratama et al., 2022). Due to the increase in monthly food expenditure of up to 13% in 2022 and population growth, the F&B industry in Indonesia saw an increase in demand (BPS statistics). Additionally, shifts in people's behavior have occurred as a result of globalization and the current information era, particularly regarding lifestyle and purchasing patterns (Mazwan et al., 2022), which has made fast food become more and more popular, especially with younger generations (Briawan et al., 2023). The rising demand for local fast food delivered via online food delivery services has required Indonesian quick-service restaurants (QSRs) to enhance both their customer base and delivery (Indonesia Foodservice Market Insights). Padang restaurant chains, which adopt the QSR concept, are one of the major players in Indonesia's traditional fast food industry (Trinanda & Sari, 2020). Other than Nasi Padang, there is also Nasi Kapau, another type of cuisine popular outside West Sumatra. The difference between these Minangkabau cuisines is the origin of the cuisine, in which Nasi Padang comes from Padang City, meanwhile Nasi Kapau originally comes from Bukittinggi.

There are currently new Padang restaurants with innovative dishes in addition to well-known brands such as "Pagi Sore" and "Sederhana". Since Padang restaurants became popular and loved by many people, Nasi Kapau on the other hand has gained public attention outside West Sumatra as well. Furthermore, Nasi Kapau restaurants are currently innovating with their creative ideas for menu dishes. According to Wiratama et al., the growing number of food and beverage businesses, especially in Jakarta has increased the rivalry which makes it difficult for business owners to succeed in the market (Wiratama et al., 2022).

Kapau Anak Sultan is a start-up F&B restaurant business specializing in Nasi Kapau. Since its establishment in 2021, Kapau Anak Sultan has been expanding its restaurant business with a total of 38 outlets all over Jabodetabek and other big cities in Indonesia until mid-2023. However, according to an interview with the CEO and the management, from mid-2023 further, 11 of its outlets stopped operating, due to the decline in sales. Furthermore, based on the customer survey conducted in this research, Kapau Anak Sultan was



mentioned not frequently by the respondents, when asked about top-of-mind brands for Minangkabau restaurants. The root causes of this issue are inaccurate place strategy and lack of promotional activities.

The business issues for Kapau Anak Sultan are low brand awareness and declining sales. Therefore, with the rise of quick-service restaurants and the promising business in the F&B sector, there is an opportunity to increase sales and brand awareness by proposing new marketing strategies.

METHODOLOGY

This research uses both primary and secondary data to gain more insight into business issues and support the creation of business solutions. Moreover, to obtain the primary data, qualitative and quantitative methods were implemented. An in-depth interview with the internal stakeholder served as the method to obtain information regarding the internal analysis. Meanwhile, a customer survey was conducted to gain insight into the external environment of the company. A gap analysis of product and service quality was also conducted to obtain information regarding the customer's expectations and the restaurant's performance. Attributes for product quality such as performance, aesthetics, and quality of performance were measured. Meanwhile, the service quality dimensions such as reliability, responsiveness, assurance, empathy, and tangible were assessed. Secondary data such as passages from textbooks, journal articles, and netnography were used to learn more about the external environment. The sample size of respondents was calculated using the Slovin Model equation. The equation formula for the Slovin Model is as follows.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = Number of samples

N = Total population

E = Error tolerance (significance level 10%)

Due to the number of Kapau Anak Sultan outlets concentrated in the Jabodetabek area, the author used the sample population surrounding only Jabodetabek area. The population of residents in the Jabodetabek area with age over 15 years old in 2022 is calculated at 13,930,786. Based on the Slovin method calculation with a significance level of 10% or 0.1, the minimum number of sample respondents in this research will be 100.

RESULTS AND DISCUSSION

A. Current Business-Level Strategy

The business level strategy is an approach in business, where the company positions itself in the industry, satisfying customers and providing them with competitive advantages. Two factors determining the competitive advantages are the types of target market, either broad or narrow, and the purpose to achieve lower cost or differentiation (Thompson et al., 2020). Based on the internal stakeholder interview, Kapau Anak Sultan is currently adopting the cost-leadership business-level strategy, where the company aims to outperform the competitors in overall costs by offering lower product prices than competitors.

B. Customer Analysis

Current Segmentation, Targeting, and Positioning (STP)

A multifaceted approach referred to as segmentation, targeting, and positioning involves segmenting the customer base into target segments, establishing target segments, and using marketing efforts to improve a company's standing within the segments (Palmatier & Sridhar, 2021). First, the company divides the market into customer categories which are called clusters. Next, the company chooses one or more of these clusters to become its new target segment, which will be the customer segments to focus on (Kotler et al., 2020). In this research, the current segmentation for Kapau Anak Sultan is males and females with age over 15 years old. The current targeting of Kapau Anak Sultan is described in more detail in Table 1 below.

Table I. Kapau Anak Sultan’s Targeting

Characteristics	Description
Geographic	Indonesia
Gender	Male and Female
Age	15 – 60 years old
Occupation	High school and university student, employees, housewife, businessman
Personality	Socially active, tech savvy, simple, efficient
Lifestyle	Food enthusiast, Indonesian food lovers
Benefit Sought	High quality food and tasty food, affordable price

Source: Author based on Interview with Stakeholders

Positioning involves determining the company’s position in the market compared to competitors with the help of positioning maps. Before placing itself on the map, the company must first identify its value proposition that stands out from competitors. The current positioning for Kapau Anak Sultan is as follows, with quality and price as its key features. Following the positioning map, the company can start to focus on the creation of positioning statements with its competitive advantage as product offerings.



Figure I. Positioning Map Kapau Anak Sultan

Source: Constructed by Author based on Interview

As seen in Figure 1, Kapau Anak Sultan offers its products with quality above average and affordable prices. The positioning statement of Kapau Anak Sultan is currently, “Minangkabau cuisine with modern-mix culture with affordable price.”, which indicates that Kapau Anak Sultan offers Minangkabau cuisine with a twist of modern-day cooking but at an affordable price.

Current Marketing Mix

The marketing mix is a company’s combination of marketing methods of 4Ps which consists of product, price, place, and promotion to provide value for the target customers (Kotler et al., 2020). The current main products of Kapau Anak Sultan are assorted mixed rice dishes with one main topping as the highlight of the menu. The portion is about 180g of cooked rice, one main dish of either animal protein or egg, the mixed rice is then completed with steamed cassava leaves and curry gravy or other condiments. Kapau Anak Sultan uses thick wax paper that is environmentally friendly and uniquely wrapped unlike the usual wrapping form when delivered via food delivery services. The pricing for the mixed rice is varied ranging from Rp18,000 – Rp35,000. Currently, 27 the restaurant business is operating throughout Indonesia, including the Jabodetabek region, West Java, East Java, Sumatra, Sulawesi, Bali, and Papua. The promotion strategy that Kapau Anak Sultan utilizes is digital marketing through its only social media platform, Instagram with followers over 8,500 and 308 posts in total.



Gap Analysis

The gap analysis refers to the measure of expectations of customers with the brand performance in terms of product and service quality (Heizer & Render, 2004 in Restiana, 2020). According to the customer survey, product quality attributes such as portion, price, and price-to-portion ratio resulted in negative gap scores. Meanwhile, for service quality, all attributes have a positive gap. Negative gap scores indicate that Kapau Anak Sultan still needs to re-assess and improve its product offerings. In terms of service quality, the majority of customers find that it already exceeds their expectations.

C. Internal Analysis

Resource-Based Value (RBV) Analysis

The RBV approach is used to determine the company’s internal resources, tangible and intangible resources (David, 2011). Moreover, the resources of the company can provide a variety of information about the capabilities of the company. Tangible resources are those that can be seen or touched, whereas intangible resources are things that cannot be seen or touched (Thompson, et al., 2020). According to the stakeholder interview, the tangible resources of Kapau Anak Sultan are buildings of the main office in Alam Sutera and each respective outlet needs to be at least 70 m². Types of equipment such as kitchen stoves and exhausts are also a part of tangible resources. Moreover, Kapau Anak Sultan adopts payment forms with digital transaction platforms to enhance customer experience. Currently, there are 11 employees including the CEO are working in the management. Inventory-wise, Kapau Anak Sultan outlets consist of ingredients and raw materials with an average of 10.75% of total assets. Intangible resources include the brand image with the tagline “Kapau Kekinian” and the fixed recipe developed by food consultants. Based on the interview, Kapau Anak Sultan is also actively doing research and development for its menu and core businesses, indicating that the company has the knowledge and capabilities to innovate.

VRIO Analysis

VRIO is used to measure the company’s internal resources and capabilities from the RBV analysis, which evaluates whether the company has sustainable competitive advantages. The elements of VRIO are Valuable, Rarity, Imitability, and Organization (Sultan, 2023). Valuable relates to resources and capabilities that are considered valuable to the company (Thompson et al., 2020). Rarity describes the uniqueness of a company’s resources and capabilities. The next is inimitable, which refers to resources and capabilities that are costly to duplicate by competitors (Hitt et al., 2019). The last is the organization which refers to the implementation of organizational processes to make the products efficient (Cardeal & Antonio, 2012). Following the RBV analysis, the VRIO analysis for Kapau Anak Sultan is described in Table 2 below.

Table 2. VRIO Analysis of Kapau Anak Sultan

<i>Resources and Capabilities</i>	<i>V</i>	<i>R</i>	<i>I</i>	<i>O</i>	<i>Competitiveness</i>
Land and Building	YES	NO	NO	NO	Competitive Disadvantage
Equipment	YES	NO	NO	NO	Competitive Disadvantage
Technology	YES	NO	NO	NO	Competitive Disadvantage
Organizational	YES	NO	NO	NO	Competitive Disadvantage
Supplies	YES	NO	NO	NO	Competitive Disadvantage
Products	YES	YES	YES	YES	Sustainable Competitive Advantage
Brand Image	YES	YES	YES	YES	Sustainable Competitive Advantage
Recipes	YES	YES	YES	YES	Sustainable Competitive Advantage

Source: Author based on Interview with Stakeholders

The sustainable competitive advantage of Kapau Anak Sultan is its products which consist of innovative and unique product variations. Further, the brand image of “modern-mix culture” has also been embedded into the company, making it one of the sustainable competitive advantages. Last is the fixed recipe, which is not typically implemented in local restaurants, especially in Minangkabau cuisine.



Porter's Value Chain Analysis

The company's primary and secondary activities are outlined by Porter's value chain analysis, which describes an ecosystem (Thompson et al., 2020). Primary activities include inbound logistics, that concentrate on activities regarding receiving materials. Next is operations, which refers to processing the raw materials into the end product. Outbound logistics are associated with packaging, shipping, and physical distribution. Marketing and sales involve market research and marketing strategies. Next is after-sales services which focus on post-purchase services for customers such as maintenance, repair, feedback, and complaints (Stobierski, 2020). Following the primary activities, secondary activities are procurement which enhances the manufacturing processes such as sourcing for raw materials, technological developments that encourage product research and development, and human resource management which involves staffing, training, and employee-related programs. Another secondary activity is the infrastructure which involves management-related things that are necessary to complete the value chain (Thompson et al., 2020).

The inbound logistics in Kapau Anak Sultan include receiving raw materials needed to produce the products, such as oil, chicken, vegetables, and drinking water. Operations involved in Kapau Anak Sultan are producing the raw materials into the final product according to the customer's order. Next is the outbound logistics which is carried out according to the type of orders such as dine-in, take away, or online order. Marketing and sales in Kapau Anak Sultan that include pricing strategy are described as the cost-plus and competitor-based pricing strategy. Marketing activities that are implemented by Kapau Anak Sultan are digital marketing efforts through Instagram which represents all its outlet locations. The after-sales services of Kapau Anak Sultan are receiving complaints and feedback from customers through Instagram and Google Reviews.

To support the primary activities, secondary activities in Kapau Anak Sultan are carried out. Procurement activities involve outsourcing raw materials from local suppliers in a maximum radius of 4 km. Moreover, preserving a close relationship with third-party maintenance companies is also included to ensure regular checks and cleaning of kitchen equipment. Technological developments are implemented such as installments of digital wallets to improve customer experience in payment processes. Currently, digital marketing efforts are being handled by just one employee, and the management has not organized any training for new onboarding employees. The last of secondary activity is infrastructure, for the operation to run smoothly, the kitchen is a priority. The majority of Kapau Anak Sultan outlets are renting buildings with yearly payments to cut costs and hinder the depreciation in economic bookkeeping.

D. External Analysis

General Environment Analysis

To determine the general environment condition of a company, PESTEL framework which consists of political, economic, sociocultural, technological, environmental, and legal factors, is used. Political factors include policies and political challenges such as the political stability index. GDP growth is one of the factors to identify from an economic perspective. Sociocultural factors include demographics, consumer behaviors, trends, and purchasing behavior. Technological factors involve technical advancement that influences society. From the environmental perspective, all matters regarding sustainable business will be identified. Lastly, legal includes regulations and laws regarding health and safety (Thompson et al., 2020).

A political stability index value of 2.5 implies great political stability, whereas a value of -2.5 indicates weak political stability. The political stability index in Indonesia remains stagnant and above -2.5 (The Global Economy, 2021). This means, that the political environment in Indonesia is stable and it can be an opportunity for Kapau Anak Sultan to continue its business. From the economic perspective, the F&B businesses provide job opportunities in addition to GDP growth (InCorp, 2023). This indicates that the F&B business seems to remain promising and attractive in terms of profit. However, other issues might arise as well, for instance, the commodity prices for food raw materials could increase due to inflation or global economic problems (The Jakarta Post, 2022).

Based on the BPS survey, the monthly expenditure for food and beverages per capita is constantly rising despite the aftereffects of COVID-19 (InCorp, 2023). This means this can be an opportunity for Kapau Anak Sultan due to the high purchasing power of customers as seen from the monthly expenditures. Further, the utilization of technology including delivery apps has become an important aspect of doing F&B business, as the demand for online food delivery keeps increasing (Google et al., 2021). For Kapau Anak Sultan this is also an opportunity, as with the support of Industry 4.0, the business will keep reaching wider customers by using the food delivery services. Next is environmental factors, which are a global concern for businesses in any sector. In the F&B sector, food packaging is often made from plastic and Indonesia is one of the countries with the most plastic waste (Budianto, 2023). Kapau Anak Sultan has been committed to contributing to the prevention of the further emergence of plastic waste especially in



Indonesia with the use of environmentally friendly packaging from thick wax paper. From legal factors, the F&B businesses are strictly monitored under BPOM concerning food safety (BPOM, 2020). Another aspect of the legal factor is Halal certification, as the majority of Indonesians are Muslims. However, Kapau Anak Sultan has not yet gained both certifications, which in the end can be a threat to the business.

Industry Environment Analysis

The industry environment often known as companies that produce similar products and engage in competition with one another, is the second external environment. Industry rivalry and sector profit potential are influenced by five forces of competition which are the bargaining power of suppliers, the bargaining power of buyers, the threat of substitutes, rivalry among existing competitors, and the threat of new entrants (Hitt et al., 2019). The industry environment analysis for Kapau Anak Sultan is summarized in Table 2 below. The classification level describes how impactful a certain element is from the company’s perspective in the industry competition, high is described as more influential, and low is less influential.

Table 2. Industry Environment Analysis Summary

<i>Elements</i>	<i>Classification Level</i>	<i>Description</i>
Threat of New Entrants	High	Less capital to start an F&B business
Bargaining Power of Suppliers	Low	Kapau Anak Sultan can easily outsource from different suppliers if price fluctuates
Threat of Substitutes	High	Indonesia’s abundance of food choices making the switching cost is low
Bargaining Power of Buyers	High	Customers have many choices of food type from Asian, Western and other Indonesian food, switching cost is low
Industry Rivalry	High	Many competitors in the Minangkabau cuisine sector, from the less to the expensive prices range are all available

Source: Constructed by Author based on Primary and Secondary Data

Competitor Analysis

The competitive environment is the third element of the external environment which focuses on companies that have direct competition with the business (Hitt et al., 2019). By determining the competitor’s moves, the business can get helpful clues to the rival’s strategies (Thompson et al., 2020). In the F&B sector especially Minangkabau cuisine, several brands are considered as the competitors of Kapau Anak Sultan. According to the CEO, Pagi Sore, Sederhana, and Nasi Kapau Juragan are strong competitors of Kapau Anak Sultan.

All three competitors offer traditional Minangkabau dishes, various beverages, and catering services. The only competitor that offers fusion Indonesian food is Pagi Sore. Both Sederhana and Nasi Kapau Juragan offer their menu dishes in frozen form. Sederhana also offers assorted Melayu snacks such as Martabak and Roti Cane. Moreover, it sells seasonings for rendang and other Minangkabau dishes for travelers. The pricing for a portion of mixed rice in Pagi Sore ranged from Rp50,000 – Rp100,000/ person. Sederhana and Nasi Kapau Juragan offer mixed rice dishes under Rp50,000/ person. Customers can buy products from the three brands through online delivery, dine-in, and take-away. All three competitors are actively promoting their products and engaging with customers through Instagram. These competitors also have their own websites. Only Sederhana does not have a TikTok account, and Nasi Kapau Juragan is also actively participating in offline events.

E. SWOT Analysis

The most fundamental and widely used method for conducting this kind of research is the SWOT analysis, which stands for a company’s internal Strengths and Weaknesses, market Opportunities, and external Threats. An effective SWOT analysis serves as the foundation for creating a strategy that utilizes the company’s strengths, adjusts its weaknesses, and targets its objectives to secure the best possible business opportunities and to protect the business from external threats (Thompson et al., 2020). The internal



analysis serves as the data for strengths and weaknesses, meanwhile the external analysis describes the opportunities and threats. Table 3 summarizes the SWOT Analysis of Kapau Anak Sultan.

Table 3. SWOT Analysis of Kapau Anak Sultan

<i>Strengths</i>	<i>Weaknesses</i>
<ol style="list-style-type: none"> 1. Product Variations 2. Fix recipe system 3. Knowledge and capabilities to innovate products 4. Multiple outlets in various locations all over Indonesia 	<ol style="list-style-type: none"> 1. Lack of promotion, only through Instagram and rarely post content 2. Lack of employees in marketing area 3. Lack of employee-related programs such as training new onboarding outlet staffs 4. Low brand awareness 5. Insufficient quality control due to massive amount of outlets 6. Portion do not correspond with price due to inconsistent quality control
<i>Opportunities</i>	<i>Threats</i>
<ol style="list-style-type: none"> 1. Stagnant political stability index 2. Increase of GDP trendline due to contribution from the F&B sector 3. Increase monthly expenditure and a high purchasing power from customers 4. Digitalization through implementation of technology 	<ol style="list-style-type: none"> 1. Increase in food raw material prices 2. Rising numbers of competitors 3. Delay of BPOM and Halal registrations 4. Strong and massive promotional activities from competitors 5. Bad customer feedback through reviews

Source: Constructed by Author based on Primary and Secondary Data

F. Proposed Resources and Activities

Based on the customer analysis, the majority of respondents prefer to dine in rather than order food online. This indicates that Kapau Anak Sultan should be more focused on the dining experience. To enhance the service quality especially, staffing and training of outlet staff should be organized by the management. Further, re-assessing its quality control sheet and adjusting the Standard Operating Procedures for food preparation, presentation, and customer interaction are also priorities. Based on the internal analysis, the initial cost-leadership strategy should gradually diluted and start to implement the broad differentiation strategy. Kapau Anak Sultan should embrace its name “Sultan” by offering an extra service that no competitors have implemented before, such as superior service. For instance, installing a free-flow condiment in each outlet. Furthermore, with the enhancement of service quality as the differentiation point from competitors, the pricing strategy needs to be adjusted as well. Kapau Anak Sultan can implement higher prices than competitors to support the added differentiation. As a result, Kapau Anak Sultan should be improving the staff performance, quality control, and customer dining experience by implementing a broad differentiation business-level strategy rather than cost leadership.

G. Proposed Segmentation, Targeting, Positioning (STP)

After conducting the customer surveys with 224 respondents in total and analyzing the data by using the IBM SPSS program, three clusters were determined with characteristics as Table 4 below.



Table 4. Proposed Segmenting of Kapau Anak Sultan

<i>Variables</i>	<i>Cluster 1 (Nasi Kapau Newbies)</i>	<i>Cluster 2 (The Value-Seeking Foodies)</i>	<i>Cluster 3 (The Kapau Fanatics)</i>
Age	25 – 34 years old	25 – 34 years old	25 – 34 years old
Gender	Almost balance between males and females	Dominated by females	Dominated by females
Domicile	Bekasi	East Jakarta and West Jakarta	South Jakarta
Occupation	Students and private/ state-owned companies employees	Private/ state-owned companies employees	Private/ state-owned companies employees
Monthly Salary	< Rp2,500,000	Rp4,500,000 – Rp6,000,000	Rp4,500,000 – Rp6,000,000
Monthly Food Spending	<Rp1,000,000	Rp1,000,000 – Rp2,000,000	<Rp1,000,000
Behavior	Know information about Nasi Kapau, dine in Kapau Anak Sultan 1 – 2 times/month	Do not aware about Kapau Anak Sultan outlets near their home, visit Kapau Anak Sultan outlet 2 – 4 times/month	Either know or do not know information about Nasi Kapau, visit Kapau Anak Sultan outlet 3 – 4 times/month, likes to try and explore new menu dishes
Important Aspect	Good taste, portion, variety of dishes, price, promotion and discount	Good taste, portion, affordable price	Good taste, portion, affordable price, promotion and discount
Product	Mixed rice with variety of toppings and various mixed rice package menu	Portion of mixed rice with variety of toppings	Mixed rice with variety of toppings and various mixed rice package menu
Price	Willing to spend up to Rp40,000 for mixed rice	Willing to spend up to Rp30,000 for mixed rice	Willing to spend up to Rp40,000 for mixed rice
Place	Online delivery, dine-in	Dine-in	Dine-in
Promotion	Highly influential through relatives and family, balance influence by digital marketing channels (Instagram, YouTube) and offline events	Mostly influenced through digital marketing channels (Instagram, YouTube, TikTok), and search engines, less influenced by relatives and family	Mostly influenced by digital marketing channels (Instagram, TikTok, Twitter/ X), moderate influenced by relatives and family

Source: Constructed by Author based on Primary and Secondary Data

After segmenting into three clusters and adjusting management resources and capabilities, the combination of Cluster 2 and Cluster 3 was chosen as the new target segment. The summary of the new target segment is described in Table 5 below.

Table 5. Proposed Targeting for Kapau Anak Sultan

<i>Elements</i>	<i>Classification Level</i>
Age	Dominated between 25 – 34 years old
Gender	Dominated by females
Domicile	Jabodetabek area, especially in East Jakarta, West Jakarta, and South Jakarta
Occupation	Private or state-owned companies employees
Income Level	Lower – middle income
Monthly Food Spending	Rp1,000,000 – Rp2,000,000



Behavior	Dine-in, regularly purchase Minangkabau cuisine between 2 – 5 times/month, visit Kapau Anak Sultan outlets between 2 – 4 times/month
Important Aspect	Taste, Portion, Price and Discount
Product	Mixed rice with variety of toppings, satisfying portion
Price	Willing to spend up to Rp30,000 for mixed rice
Place	Dine-in directly in respective outlets
Promotion	Influenced by digital marketing (Instagram and TikTok), relatives and family

Source: Constructed by Author based on Primary and Secondary Data

The next step is to define the proposed positioning statement for Kapau Anak Sultan, which can be as follows “Home of Modern-Mix Minangkabau Cuisine: A Delicious Escape, Kapau Anak Sultan is the destination point for those who appreciate delicious and modern-mix Minangkabau cuisine in a comfortable and welcoming environment. Kapau Anak Sultan offers a satisfying escape from the daily routine, providing value for money and exceeding expectations through outstanding service and free-flow condiments options”.

H. Proposed Marketing Mix

Following the results of external, internal, and customer analysis, the new target segment prefers to have mixed rice with a variety of toppings and a satisfying portion. Kapau Anak Sultan should add more toppings to the mixed rice, it could be either an additional 20 g portion of rice or a small portion of protein, vegetables, or crunchy condiments such as dried potato chips, etc. For the pricing strategy, the pricing for mixed rice, ala carte dishes, and package meals are still within expectations for the new target segments. However, with the small additional portion, Kapau Anak Sultan can adjust the pricing accordingly. With both product and pricing strategies, the customers will get the value they seek from the meal they purchase.

Based on customer preference to dine in rather than online delivery, Kapau Anak Sultan should enhance the dining experience in the restaurant, by leveraging staff skills, maintaining outlet hygiene and cozy ambiance, and offering free-flow condiments, which other competitors have not yet implemented. For promotional activities, due to a lack of brand awareness, Kapau Anak Sultan can start to connect with other brands by implementing secondary brand associations with another company, a food influencer, or sponsoring an event. Furthermore, to support co-branding, Kapau Anak Sultan can start opening a TikTok account, as all competitors have TikTok accounts. Thus, it must be more active in posting content on all its social media channels. Moreover, following the enhanced dining experience, Kapau Anak Sultan should offer discounts for dine-in as well, not only in the food delivery app.

CONCLUSION

Kapau Anak Sultan is a start-up F&B business specializing in Minangkabau cuisine that was established in 2021. With its massive expansion until mid-2023, Kapau Anak Sultan has been opening its restaurants in cities all over Indonesia. However, since mid-2023, eleven outlets have stopped operating, from 38 to 27 outlets. Thus, Kapau Anak Sultan has been facing business issues such as declining sales and a lack of brand awareness compared to competitors. This research used primary and secondary data which were gathered through both qualitative and quantitative methods to identify the internal and external conditions of the company. Internal conditions of Kapau Anak Sultan showed, that the company has various product offerings with a trendy twist, a fixed recipe system without dependency on a certain employee like normal Minangkabau restaurants are, and the knowledge and capabilities to always innovate. However, Kapau Anak Sultan has not been focusing on the dining experience and has low promotional efforts. Due to inconsistent quality control, Kapau Anak Sultan has received bad reviews. Although the F&B business still looks promising and profitable, with the rising of competitors it can be a threat for Kapau Anak Sultan to maintain business in such tight competition. For business solutions, Kapau Anak Sultan has conducted market research with new findings in customer segments and behaviors. The new target market, Kapau Anak Sultan will be focusing on private/ state-owned companies employees aged 25 – 34 years old who primarily live in East Jakarta, West Jakarta, and South Jakarta. The new marketing mix of Kapau Anak Sultan includes additional portions/ toppings, enhancing the dining experience in the outlets, and leveraging the promotional activities through co-branding and digital marketing, and implementing sales promotion not only in the food delivery app but also for dine-in.



RECOMMENDATION

This research only focuses on the outlets in Jabodetabek area and explores more on the lack of brand awareness due to poor promotional strategies. However, based on the findings of this research, the gap in product and service quality is also a concern for Kapau Anak Sultan. For future research, it is encouraged to conduct more comprehensive studies on product and service quality as the main topic. By using the qualitative method for instance conducting in-depth interviews with not only customers but also internal stakeholders such as employees is recommended. Moreover, the author will also suggest the distribution of online questionnaires for further research on product and service quality to be implemented as well in future research.

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