

decoration <ul style="list-style-type: none"> <li>• High-quality products and services</li> <li>• Original taste of food</li> <li>• Have an attractive website</li> <li>• Have an up-to-date website and social media</li> <li>• Attractive buffet set</li> <li>• Has an occasional menu package</li> </ul>	<ul style="list-style-type: none"> <li>• Above average price</li> </ul>
---	---

Table 9 Strength and Weaknesses

Karunia Catering is obviously categorized as product and service focus company. Unlike the other competitors, they are strongly promoting their augmented service instead of the products to earn customers' awareness. However, there are some weaknesses that, as a mature company, Karunia has to solve. Firstly, they have to provide English option on their website to attract foreigners. This strategy can be done by hiring a new employee who is able to maintain their website or simply cooperate with an advertising company. Second, they need to consider about loyalty program to increase customer turnover. The researcher proposes an idea to send an electronic card during public celebration days, birthdays, etc. The aim of this strategy is to increase customer awareness. The last is to consider about having augmented services such as wedding organizing. Wedding organizers are very beneficial to customers. In this case, Karunia can build a cooperation with some wedding organizers to be the part of them by providing the foods.

## 5. Macro Analysis

Macro analysis is the analysis of market condition where the industry lives at and uncontrollable. There are several factors that need to be considered since it affects directly to the management of the company, which otherwise can harm the business (Frue, 2017). In this research, to analyse the macro environment of the catering business in Special Region of Yogyakarta Province, the researcher will use some factors which are Political, Economic, Social and Technology.

## 5.1. Political Factors

Mr. Prof. Dr. H. Amien Rais, MA is one of Indonesia's popular political figures. He was the chairman of People Consultative Assembly (MPR), the chairman of one of Indonesia's political party (PAN) and the chairman of Muhammadiyah (Indonesia's biggest Muslim community). He also currently lived in Yogyakarta. On March 2017, he celebrated the wedding of his youngest son. He chose Vidi catering as the catering vendor (Vidicateringjogja, 2017). With his image as an influencer in Indonesia especially Yogyakarta, in this case, people will be influenced by his testimonials. People will tend to choose Vidi catering as their catering vendor because of the word of mouth power from him.

## 5.2. Economic Factors

The economic condition in Yogyakarta is affected by Indonesian and global economic conditions. In 2017, the economic growth in Yogyakarta is predicted to increase higher than 2016 which is 6,05%. The representative of Bank Indonesia stated that the factors that could increase the economic growth of the trade, tourism, and creative industries. Creative industries include art, culture, fashion, culinary, household consumption, etc. (Purwata, 2017). Household consumption in the first three months of 2017 was increased by 5.04%, indicated by increasing consumer's purchasing power (CPI).



Figure 3 Consumer Confidence Index. Source: Bank Indonesia

Based on Consumer Survey conducted by Central Bank of Indonesia, the Consumer Confidence Index is in the optimistic level which is 133.4, higher than 2016. Back in May 2017, household income and economic activity are predicted to increase since there was Ramadan and Ied Al-Fitr day. The Consumer Expectation Index is also increasing and in the optimistic level means the

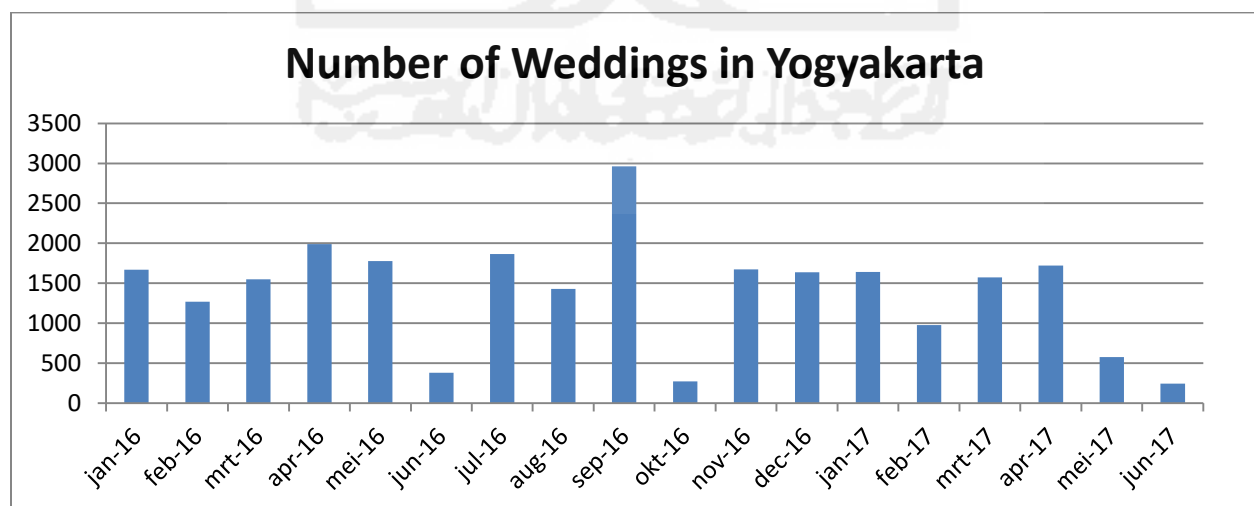
customer purchasing power is positive. On April 2017, The Consumer Expectation Index is indicated at 137.17. However, there are still threats that can affect the growth which are the administered price inflation (gasoline and electricity) and volatile food inflation during the Ramadan month (Economic and Finance Advisory Team, 2017).

### 5.3. Social - Demographic Factors

As briefly described in the introduction, marriage is an event which most of the family will get involved in for the preparation. In Indonesia, the suggested age for marriage is 20 – 25 years old for a woman and 25 – 30 for man (Republika, 2017). Here below is the table of population projection in Special Region of Yogyakarta Province by Statistic Bureau of Indonesia (BPS, 2017),

Number of Population Projection (x000)						
Age Group	2015		2016		2017	
	Male	Female	Male	Female	Male	Female
20 – 24	148.7	133.8	143.4	127.9	137.0	122.3
25 – 29	180.4	151.4	173.4	147.4	167.2	144.2
30 – 34	200.0	170.5	196.4	167.1	191.3	163.0
35 – 39	175.6	159.2	182.9	163.3	189.3	167.3
40 – 44	130.9	132.7	137.4	137.4	146.6	142.1
45 – 49	116.0	125.7	116.9	126.5	119.0	126.3
50 – 54	108.5	118.7	109.6	120.5	110.7	122.4
Total	1,802.9	1,777.4	1,915.5	1,789.4	1,828.5	1,822.2

Table 10 Total Population in Special Region of Yogyakarta Province



Graph 3 Number of Weddings. Source: <http://simkah.kemenag.go.id/>

The graph above shows the number of weddings in Yogyakarta Province from 2016 to June 2017. The number of weddings can be related to the demand for catering companies. As shown, the demands are fluctuating with some general increases. In 2017, the demands significantly increase during February, March, and April. However, it slightly decreases on May and June due to the Ramadan month when fewer people held weddings.

As some of the family is involved, it will affect the decision-making of wedding needs, in this case, catering. Many traditions nowadays still agreed that the bride's family is the one responsible for most of the bills (Frankort, 2014). It is generally accepted in Indonesia, especially in Javanese traditions where the bride's family will manage and are responsible for the wedding ceremony and party. After that, the Groom's family is welcomed to hold the second celebration based on their needs and wants. However, there are a lot of financially independent couples in Indonesia who pays for the wedding ceremony themselves, which indicated the role of parents is only for a recommendation. A survey conducted by Bridestory on December 2016 stated that there are 56.1% brides and grooms who will be responsible for the finances, 18.7 % bride's parents, 14.1% groom's parent, and the rest is from others (Bridestory, 2017).

Wedding discussion will always be connected to the food and beverages available to satisfy the visitors. Traditional and modern cake, ice cream, pudding, and chips will always satisfy children, so they will not be bored during the event when the parents are enjoying the moment with their friends. Indonesian special dish such as rawon rice, opor rice, meatball soup, sulung soto soup, are also favorites. The most favorite food booths are siomay, pempek, meatball soup, etc. (Wahyuni, 2015). Aside from Indonesian food, nowadays, non-Indonesian food like churros, cupcake, milkshakes, sushi, and candy bars are getting popular (Harpaz, 2016). The biggest challenge for catering companies is to provide an attractive food decoration or presentation to satisfy the visitors in the first place.

#### **5.4. Technological Factors**

The Internet is one of the technologies that might affect the business condition of Karunia Catering. As explained in the social factor, the clients of Karunia are the couple or parents. It means the average age group will range between 20 until 55. According to Suparmo, the highest

percentage of internet user in Indonesia is between age 35 – 44 with 29.2%, followed by age 25 – 34 with 24.4%. 54% of the respondents use Facebook in their daily activities, and 67.8% users are using a smartphone to use the internet (Isparmo, 2016).

## 5.5. Conclusion

Political	One of Indonesia's political figures can successfully apply word of mouth to Karunia Catering's competitor.
Economic Factors	The Economic condition in the province is growing, economic activities are increasing, creating opportunities for Karunia Catering to gain more sales. However, there is a possibility for a big decline after Ramadan and Eid Al-Fitr moment.
Social – Demographic Factors	For Karunia Catering who provides catering for a wedding, the decision makers are between the couple or the parents; Depends on the financial sources.
Technological Factors	Internet usage in Yogyakarta is indicated as high. Moreover, the two highest internet user is the target market of Karunia Catering. There is a big possibility that Karunia Catering can target the market via internet marketing.

Opportunities	Threats
<ul style="list-style-type: none"> <li>• Target Market is easily reachable</li> <li>• Positive Economic Condition</li> <li>• Wedding Catering demand is high</li> <li>• International Events from Universities are increasing</li> </ul>	<ul style="list-style-type: none"> <li>• CV based business could be dangerous for financial problems</li> <li>• High competition in the market</li> <li>• Natural Disaster</li> <li>• Rapidly change in food preferences</li> <li>• Big decline in economic condition after Eid Mubarak moment</li> </ul>

## 6. SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• 47 years existed</li> <li>• Strategic location</li> <li>• Focus on catering services and decoration</li> <li>• High-quality products and services</li> <li>• Original taste of food</li> <li>• Have an attractive website</li> <li>• Have an up-to-date website and social media</li> <li>• Attractive buffet set</li> <li>• Has an occasional menu package</li> </ul>	<ul style="list-style-type: none"> <li>• No English option on website</li> <li>• Do not have loyalty program</li> <li>• Do not have an augmented product</li> <li>• Above average price</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Target Market is easily reachable</li> <li>• Positive Economic Condition</li> <li>• Wedding Catering demand is high</li> <li>• International Events from Universities are increasing</li> </ul>	<ul style="list-style-type: none"> <li>• CV based business could be dangerous for financial problems</li> <li>• High competition in the market</li> <li>• Natural Disaster</li> <li>• Rapidly change in food preferences</li> <li>• Big decline in economic condition after Eid Mubarak moment</li> </ul>

### 6.1. SWOT and Possible Strategies

	<p>Strengths</p> <ol style="list-style-type: none"> <li>1. Existed for 47 years</li> <li>2. Strategic location</li> <li>3. Focus on catering services and decoration</li> <li>4. High-quality products and</li> </ol>	<p>Weaknesses</p> <ol style="list-style-type: none"> <li>1. No English option on the website</li> <li>2. Do not have a loyalty program</li> <li>3. Do not have an augmented</li> </ol>
--	---	--

	<p>services</p> <ol style="list-style-type: none"> <li>5. Original taste of food</li> <li>6. Have an attractive website</li> <li>7. Have an up-to-date website and social media</li> <li>8. Attractive buffet set</li> <li>9. Has an occasional menu package</li> </ol>	<p>product</p> <ol style="list-style-type: none"> <li>4. Above average price</li> </ol>
<p>Opportunities</p> <ol style="list-style-type: none"> <li>1. Target Market is easily reachable</li> <li>2. Positive Economic Condition</li> <li>3. Wedding Catering demand is high</li> <li>4. International Events from Universities are increasing</li> </ol>	<p>S4O2: Maintaining high-quality products and service to attract the customer.</p> <p>S5O4: Use the USP to promote the company to International events.</p> <p>S7O3: Increase the social media promotions about wedding catering and decoration.</p>	<p>W1O1: Add an English option on websites to attract more possible customer.</p> <p>W3O3: Start a partnership with wedding organizers or venue/hall providers</p>
<p>Threats</p> <ol style="list-style-type: none"> <li>1. CV based business could be dangerous for financial problem</li> <li>2. High competition in the market</li> <li>3. Natural Disaster</li> <li>4. Rapidly change in food preferences</li> <li>5. Big decline in economic condition after Eid Mubarak moment</li> </ol>	<p>S4T2: Keep going with providing high-quality products and service to maintain its market share.</p> <p>S7T4: Use social media as communication tools with the possible customers to have their food preferences updated over time.</p>	<p>W1T2: Upgrade to English since based on the competitive analysis no one of the competitors uses English yet.</p> <p>W3T2: Promote the USP as positioning in the market</p>

## 7. Audit Plan Analysis

The problem that Karunia Catering currently face is the decreasing of their number of sales. It explained clearly in Chapter 2.5 about products information. However, as informed by Mr. Krisniantara, their sales revenue remained positive. To identify a catering business, there are 3 aspects that will affect the business; first, a number of orders. For example, there are 10 customers with 300 portions each, so in total there will be 3000 portions ordered. Second, a number of portions ordered, as it is possible that only 5 customers order 700 portions each. Third,



there is also a possibility that the customer who ordered 300 portions orders products with a price of IDR 70,000, while the other customer who ordered 700 portions only ordered products with price IDR 15,000 (Hadikesuma, 2017). In this research, Karunia's financial condition is indicated positive but they lose a lot of orders. Therefore, the possible strategies and improvements the company has to consider will be discussed in this chapter.

To increase their number of orders, Karunia has to expand their marketing strategy to reach more client possibilities. The main difference of Karunia Catering compared to their competitors is that Karunia does not have augmented products and services such as wedding organizer, venue or convention hall, etc. Moreover, most of the wedding couples in Indonesia are between 24 – 35 years old, which can also be categorized as productive age. It means people will tend to hire a wedding planner who will make sure everything is running well, rather than arranging everything by themselves. It is also explained clearly that Karunia's target markets include foreigners, which means it is essential to upgrade their marketing strategy to be international level.

### **7.1. Marketing Improvement**

There are few marketing instruments that the company needs to improve to gain more sales; which are,

#### **a. House-style marketing**

Karunia Catering is highly recommended to put logo, contact person, and address in every marketing tools they have. For example, newspaper, brochure, website, Facebook, TV advertising, etc. this strategy is very practical to increase customer's brand awareness and recognition.

#### **b. Website**

Since it is mentioned before that started from June 2017 that Karunia had already improved their website, there are several other elements the company needs to apply; first, English option. Adding a new language option can increase their target market so that foreigners can understand what their products and services are; moreover their USP is dealing about the originality of taste. Second, testimonials; Testimonial is a powerful advertising tool since it is what the recent customers' comments are about their experience, making it more actual and trustable than advertising (Griffiths, 2016).



c. Facebook

As explained in the company analysis, there are three Facebook accounts named Karunia Catering. However, one Facebook account “Karunia Bu Sayid” is currently maintained very well through posting photos every day. The researcher highly recommends the company to delete the other Facebook accounts to centralize the information and reduce confusion from possible customers.

d. Magazine and Newspaper Advertising

Karunia already applied this advertising strategy. The researcher’s advice is to keep going with these elements since it could potentially increase possible customers.

## 7.2. New Marketing Instrument

1. TV Commercials.

TV commercial is one of the possible ways to reach the target market. There are two most popular TV channels in Yogyakarta, which are JogjaTV and RBTv (Hafiz, 2015).

2. Wedding Exhibition.

As a catering service for wedding events, Wedding Exhibition could be an option to advertise the company. It usually held by some event organizer or hotels. The Information about when and where could be accessed from Shopping Mall’s events calendar.

3. After-sales relation.

This element is essential for increasing the possibilities of positive word-of-mouth marketing. It also creates an impression in customer’s point of view that choosing them for their event was the right choice, and there is a possibility to have a good relationship with the customer. This strategy can be done by sending the customers an email, telephone, and letter.

4. Gain a partnership with wedding organizers, exhibition halls or hotels

The marketing division of Karunia Catering can conduct a research about which wedding organizers, exhibition halls and hotels that are possible to gain a partnership with. The

partnership has to benefit two parties, for example offer a special partnership price and joint advertising.

## 8. Budget Allocation

After discussing the improvements that the company can consider, this chapter will inform how much budget the company has to spend to apply the proposed marketing strategies.

No.	Instrument	Description	Budget Estimation
1.	Facebook, Instagram, and Website	Hire a web designer or digital agency to handle the online marketing instruments.	IDR 2,000,000 (€ 127.22)
2.	TV Commercials	30 seconds advertisement video during prime-time (20.00 – 21.59) in JogjaTV (Armando, 2011)	IDR 7,347,000 (€ 467.37)
3.	Magazine Advertising	½ page vertical/horizontal space, with format: Corel Draw, Free Hand, Adobe Illustrator, PDF or bitmap Tiff 350 DPI-CYMK (Atma Jaya University, 2011)	IDR 7,200,000 (€458.03)
4.	Advertisement line in Tribun Jogja Newspaper	8 lines paragraph advertisement published 30 times (Comma Advertising, 2017).	IDR 635,000 (€ 40.39)
5.	Wedding exhibition	1 counter / stand during wedding exhibition event (usually 3 days on weekend)	IDR 3,000,000 (€190.84)
Total			IDR 18,378,000 (€ 1,169.10)

Table 11 Budget Allocation

## 9. Conclusion and Recommendation

Karunia catering is a catering company that has existed for 47 years. This company categorized itself as an exclusive company which provides high-quality food and services. The competition

increased since a lot of competitors offers similar products with an augmented service such as wedding organizing and venues. It affects Karunia's sales decline.

Based on an audit research conducted to analyse the cause of the problem, the researcher concluded that Karunia has to improve their marketing strategies. Besides improving their quality to become the best catering service in Yogyakarta, Karunia has to realize that promotions especially online advertising is essential for the business. These strategies will increase their possibilities to catch the target market.

In this research, the researcher recommended improvements and new strategies to answer the central research question which is "What marketing improvement can CV Karunia Katering apply, in order to resolve their current uncompetitive marketing performance and improve sales?"

Based on the research, the improvements possibilities are:

1. Upgrade their online advertising instrument.
2. TV Commercials.
3. Magazine and Newspaper Advertising.
4. Wedding Exhibition.
5. Gain partnerships with wedding vendors.

## **10. Limitation**

There are several limitations encountered in this research. First, based on what is written in the methodology, the researcher needs to gather data about the competitor's people, process and physical evidence for a comparison to Karunia Catering, but unfortunately, during the data-gathering process, the competitors did not give a response to the researcher's email and phone call. Second, the researcher should try to compare every company's products (food), for the actual and accurate comparison, but the researcher's colleague could not proceed it because those companies are wedding catering and they only provide food test for the potential clients, moreover, they apply for a minimum order. The main reason why the researcher could not get the information is because of the researcher's location during the research was in The Netherlands, while the companies researched are situated in Indonesia. The researcher hopes that future researchers can further develop this research with more actual information to deliver more relevant results.