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### CUSTOMER INSIGHT TOWARDS START-UP BUSINESS OF THE EARLY THREE MONTHS PERIOD WITH SWOT AND MARKETING MIX OF 4PS TOOLS: A CASE STUDY OF PIPPI PETITE COMPANY

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*Abstract - PIPPI PETITE is one of start-up business in F&B sector which sells panna cotta (dessert) that was established in 2014. To keep sustainable with its competitor, PIPPI PETITE needs to develop its business. PIPPI PETITE has to be able to perceive what the customer wants and also the problems being faced by customer regarding PIPPI PETITE, both are needed to boost the company performance and eventually to reach zero complaints from PIPPI PETITE customer. This research is also formed to know what kind of program development that suits PIPPI PETITE. To reach the conclusion of this research, SWOT (Strength, Weakness, Opportunity and Threat) of PIPPI PETITE is implemented based on the customer insight. Customer insight are being used to identify what they want and what they thought as a problem of PIPPI PETITE in order to increase the company performance. By giving appropriate solution to the problems that were being faced by PIPPI PETITE based on the customer insight, hopefully customer can feel satisfied towards the product and service that were being provided by PIPPI PETITE so that PIPPI PETITE could develop its business in a better way. This customer insight research resulted in operational problem. PIPPI PETITE was considered unable to reach the coverage area as promised. This was caused by the limited service capacity in the delivery service. Aside of that, customer also felt that the product availability of PIPPI PETITE is not yet stable so there comes complains from product availability. Product availability was caused by the limited production capability of the current kitchen owned by PIPPI PETITE. Based on the analysis conducted in both operational problems, can be concluded that PIPPI PETITE needs to add distribution channel (consignment) in area that is considered unreachable currently by the delivery service. Another solution for the operational management is to maximize the kitchen function and the product storing so that the number of production reaches the customer's desire.*

*Keyword: Marketing Research, Consumer Insight, Business Development*

#### Introduction

Growth of the Indonesian economy in the year 2012 has increased. It indicates that the business world in Indonesia has a promising potential and it is also profitable for the business perpetrators (Kristiani, 2013). One of the potential industry sector in Indonesia is food and beverage (Satria, 2013). The existence of economy crisis has resulted in many losses of businesses and even some of them had to shut down their businesses (Jaka Sriyana, 2010). This also has to be avoided, particularly in the beginning of business where all of the business activities had to be monitored, including target market, marketing activity, operational, to initial investment. One of the important thing to understand is what initial problem that the business will most likely face, what are the obstacle

possibilities that the business have, so the problem can be resolved as the form of early stage business growth.

Pippi Petite is one of the new food and beverage business focusing on selling dessert, namely panna cotta. The beginning of this business in 2014 was driven by witnessing the rapid growth of business opportunity especially in Jakarta, supported by the promising market size of food and beverage sector. Due to lots of competitors in this sector, it is important for Pippi Petite to stabilize the business until the market expands in order to sustain and develop amongst its competitors.

Maintaining the business growth is important in order to keep Pippi Petite sustained and developed well. With the tools of consumer insight that considered enough to reflect the customer needs an also considered good for business development program, customer's insight needs to be reviewed in more depth. By having a customer's view, hopefully Pippi Petite is able to identify the problem being felt by the customer so from the problem itself we can find a way to resolve it as the customer's demand and eventually will satisfy their needs. With that adjustment, it is expected for Pippi Petite's business to have developed and sustained in its own market so in the beginning process of its appearance, this thing can be a learning experience for Pippi Petite in order to implement it into the experience and knowledge in running a business. This aims to find out the current problem faced by PIPPI PETITE to improve company performance and to reach zero complain from customer. This Research also designated to define the form of development program that suitable for PIPPI PETITE.

### ***Literature Review***

#### *Consumer Insight in Developing Business Strategy*

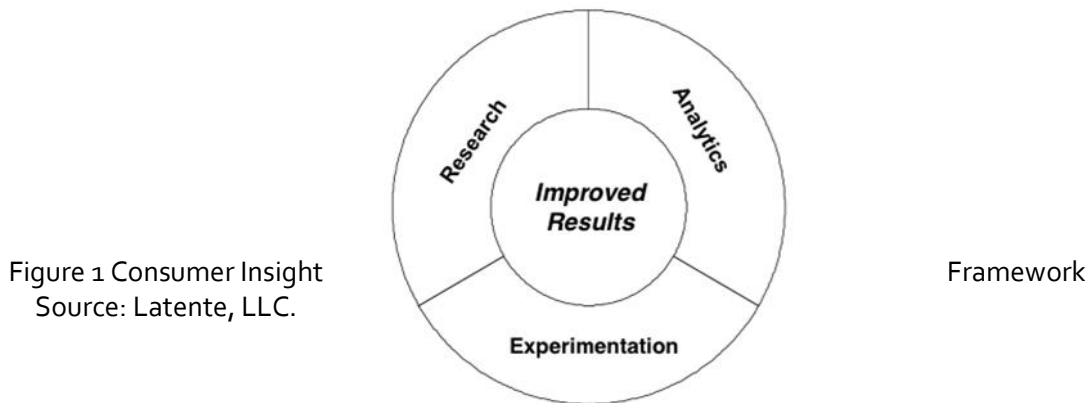
Indirectly, customer's insight can be a tool to develop business by identifying customer's need based on their perspective and experience. Consumer insight are especially valuable in developing markets. Consumer insight can provide an understanding of what consumer want – or future consumer – in terms of product channel or marketing which has its own main benefit (USAID, 2011). USAID also define three specific areas in which small medium enterprise can use consumer insight to identify market opportunities included:

- **Developing Business strategy**  
Consumer insight can be used to inform strategy in developing business program. In this term, can be define as company might have the opportunity to create something that consumer wants. Based on this strategy, the development of strategy can be used to keep consumer or even more engage new consumer.
- **Producing better products or services**  
By knowing what consumer wants, company might be able to improve their products and services even more creating new product in accordance with what consumer wants that have been entrusted to the company.
- **Creating appropriate marketing approaches**  
This consumer insight might also creating appropriate marketing approaches from company to consumer which have the possibility that consumer's desire feel filled by the company.

#### *Consumer Insight Framework*

That is important for company to know the advantage of customer insight which got by research so that the mapping of customer's perception based on product and service development of Pippi Petite. By identifying the exist problem, Pippi Petite is expected to find the problem solution.

According to method of customer insight by Latente 2009, below is customer insight framework that is used by Pippi Petite:



<https://potentialrevealed.wordpress.com/latente>

#### SWOT and 4P Analysis

- SWOT Based on Consumer Insight

Strengths, weaknesses, opportunities and threats (SWOT) analysis indicates a framework for helping the researchers or planners to identify and prioritize the business goals, and to further identify the strategies of achieving them (Ahmad Reza, 2011). SWOT analysis is a technique used to analyze the strengths, weaknesses, opportunities and threats of businesses. Once SWOT is completed, SWOT analysis determines what may assist the firm in accomplishing its objectives, and what obstacles must be overcome or minimized to achieve the desired result (Singh, 2010). SWOT of consumer insight is an analysis that conducted by using customer's perception.

Consumer insight can provide an understanding of what consumer want – or future consumer – in terms of product channel or marketing which has its own main benefit (USAID, 2011). SWOT analysis technique was used to indicate the current constraints and future possibilities of the farming system business management in rural areas of Shadervan district, Iran (Ommani, 2011). Based on that, SWOT analysis is expected to be applied to Pippi Petite's business condition by customer's insight. Because there is a same purpose which deeply understanding to the customer as future possibility of company development. By SWOT analysis, mapping of customers perception can help Pippi Petite to improve its business.

- Product, Price, Place and Promotion (4P)

The Marketing mix of 4Ps which are Product, Price, Place and Promotion is a marketing mix that a company should consider to help them formulating strategic decision necessary for competitive advantage (Meera Singh, 2012). After identifying the market and gathering basic information about it, the next step is the direction of market programming, is to decide upon the instruments and the strategy to meet the needs of customers and the challenge of the competitors (Meera Singh, 2012). Considered to that, it is important for Pippi Petite to map its consumer insight into form of 4Ps so that their competitive advantage strategy towards competitors is directly based on the needs of their consumer.

**Methodology**



Figure 2. Methodology used in This Research

Before conducting the interview, the researcher observed the customer through the statistic data of Pippi Petite’s supply and demand. After conducting the observation on the statistic data, this reserach was continued with in-depth interview to gain related information that is purposed to understand the problem faced by Pippi Petite based on the customer insight. In-depth interview was chosen to give discretion to the correspondents in order to interpret their problems regarding to Pippi Petite’s performance and also in order to derestrict the correspondent’s response.

**Data Analysis and Conclusion**

*Delivery Data Observation*

Observation in delivery service data conducted to identify the reason as to why Pippi Petite unable to deliver the product to its customer. Below is the delivery data table of Pippi Petite’s preliminary 3 months operation:

Table 1. Delivery data of demand and supply from September to December 2015

Month	Week	Quantity		Pencapaian
		Demand	Supply	
Sept	3	7	7	100%
	4	9	9	100%
Oct	1	14	14	100%
	2	23	21	91%
	3	32	32	100%
	4	14	13	93%
Nov	1	13	10	77%
	2	14	12	86%
	3	18	17	94%
	4	18	10	56%
Dec	1	13	4	31%
	2	11	6	55%

Based on the delivery data above, on the first and second week Pippi Petite operated, every delivery orders service was fulfilled. However in October, because of the marketing activity, there is a leverage of product demand. Based on order place in October, there is 8.7% unfulfilled order as there is a limited resource in order to deliver the products. On the fourth week of November it can be seen that 44.4% order unfulfilled because of the limited resource in delivering product. Thus on the first week of December, there is 69.23% unfulfilled order because of limited production capacity. The percentage of unfulfilled order is higher than delivered order. This thing can affect the income of Pippi Petite, moreover it can also affect the customer convenience in purchasing Pippi Petite's product. The review of production data has to be seen to check the observation.

#### *Production Data Observation*

Observation of production data conducted because there are lots of unfulfilled deliveries since the stock is limited. Limited stock shows the incapability of Pippi Petite in fulfilling its demands. Hereby is the list of Pippi Petite's production data:

Table . Production Data of Pippi Petite

Month	Week	Production Place	Production Quantity	
			Each Batch	Weekly
September	3	Kitchen 1	75	75
	4	Kitchen 2	100	164
		Kitchen 1	64	
Oktober	1	Kitchen 1	106	400
		Kitchen 1	96	
		Kitchen 2	198	
	2	Kitchen 2	223	223
	3	Kitchen 1	293	293
	4	Kitchen 1	213	423
		Kitchen 2	210	
November	1	Kitchen 2	247	406
		Kitchen 1	159	
	2	Kitchen 2	166	375
		Kitchen 1	209	
	3	Kitchen 2	227	438
		Kitchen 1	211	
	4	Kitchen 2	221	322
		Kitchen 1	101	
Desember	1	Kitchen 3	221	618
		Kitchen 4	91	
		Kitchen 1	108	
		Kitchen 2	198	
	2	Kitchen 1	152	396
		Kitchen 2	244	

Based on the table above, it can be seen that Pippi Petite has 4 kitchens as the workplace. After conducting further observation, the 4 kitchens were used because Pippi Petite did not have a fixed kitchen to conduct daily production so that it is still using the designated kitchen source based on

production schedule according to the availability of the kitchen. In last research, product of Pippi Petite had expired time 2-3 weeks after production at low temperature. Though in table above, there were few weeks that the production was held more than once even in different kitchen. It was caused by production capacity limit. In fact every kitchen that produced Pippi Petite can only produce about 100 products. If Pippi Petite have to produce more than 200 products, the production have to be done in 2 kitchen or more.

*Findings*

SWOT Analysis Driven by Consumer

SWOT analysis were made from consumer insights based on their experience with product and services by Pippi Petite. This SWOT can help Pippi Petite in developing its business. In this SWOT analysis, Pippi Petite can understand a better look of their strenght, weakness, opportunity, also thread of their product and business. By knowing their weakness, this research will comes up with solution to fix the problem from this SWOT analysis. Below is the SWOT analysis of Pippi Petite driven by consumer:

<p style="text-align: center;"><b>Strength</b></p> <p>Taste Product flavour variety Topping Brand Logo Product Differentiation of panna cotta to go Price Product Appearance</p>	<p style="text-align: center;"><b>Weakness</b></p> <p>Delivery service Packaging Stock Product Stability</p>
<p style="text-align: center;"><b>Opportunity</b></p> <p>Flavor Variant Topping</p>	<p style="text-align: center;"><b>Threat</b></p> <p>Competitor with coverage area of distribution larger than PIPPI PETITE</p>

Figure 3. SWOT analysis driven by consumer

Based on SWOT analysis driven by respondents above, PIPPI PETITE have severals strengths, weakness, opportunities and threats. But based on interveiw conducted, customer seems to repeat keywords that cut down several aspects in SWOT analysis. The strength of PIPPI PETITE based on consumer is that the product of PIPPI PETITE has a great taste, a lot of flavour variety and also uniqueness in additional topping. The weakness of PIPPI PETITE is that PIPPI PETITE cannot deliver its product evenly in Jabodetabek and also the product availability that not always consistent. The opportunity that PIPPI PETITE has is that this company can develop any other variant of flavour and topping because consumer seems to like the product texture and available flavour served by PIPPI PETITE. Last one, threat that PIPPI PETITE has is competitor with coverage area of distribution larger than PIPPI PETITE. Consumer might consider to subtitute the panna cotta with other brand because its easier to get.

- 4P Driven by Consumer

From the customer point of view, there are 4Ps (Product, Price, Place, Promotion). Interview result define that customer reflects Pippi Petite **has a good point of different (features) in the market**. It based on the Pippi Petite's strength regarding customer's insight. In other hand from pricing strategy, **Pippi Petite is considered as competitive price product** because there is no customer complaint about the price and said others panna cotta product which less expensive than Pippi Petite. It is proven with in-depth interview method that give authority to costumer to give suggest from every aspect. **The weakness of Pippi Petite came from place aspect**. Because Pippi Petite only has one distribution channel in South Jakarta and still operated by social media (online) caused customer outside South Jakarta is hard to get Pippi Petite. That can be a threat in future regarding customer who wants to buy Pippi Petite but limit of nearby store or delivery service of the product. The last aspect is promotion, which is running well as the increasing of product demand. But Pippi Petite has problem that it can not be able to fulfill customer's demand as demand is not equally with the supply.

- Problem Faced by Pippi Petite based on SWOT and 4P Marketing Mix

Based on SWOT Analysis, PIPPI PETITE has the weakness in delivery service, stock, and packaging, according to customer insight. Delivery service is the main problem experienced by customers. This is occurred since PIPPI PETITE has not had the permanent store and the distribution channel that not well divided all around Jakarta. That made customers not easy to get Pippi's product. The advantage of product from flavor and feature is able to attract customers, yet with the limited delivery service recovery, made the customer think this need to be done. The last thing is stock product problem, which oftenly hard to found because of unavailability of product. Customers need the availability of stock product has to be leverage so that in another experience, customers will not run out of product. From all of research conducted, hereby the mapping of problem faced by PIPPI PETITE (driven by customer):

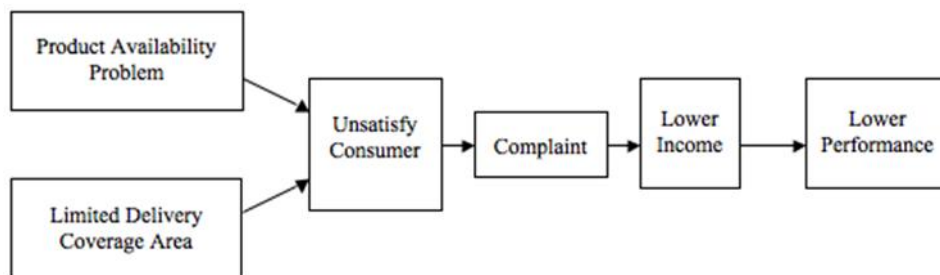


Figure 4. Problem Faced by Pippi Petite

Strengthen by 4P condition of PIPPI PETITE, based on customers insight that shows problem faced by PIPPI PETITE is from operational management where delivery service and stock product that unable to meet customers need, will be the resistant for PIPPI PETITE growth of business. With Point of differentiation in product and competitive price, limited of distribution channel and well of promotion tools, generating increasing of demand that made PIPPI PETITE faced operational management. In order to obtain better growth of

business, PIPPI PETITE has to be able solving problem faced based on customer insight internally as the problem faced direct to operation management problem. In this research, found out that PIPPI PETITE cannot meets its consumers' demand in delivery and product availability – stock for certain flavor. These are the map of problem solving based on research analysis:

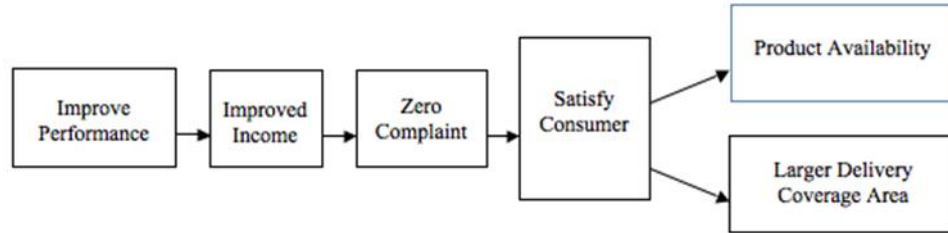


Figure 5. Problem Solving based on Analysis to improve PIPPI PETITE's Performance

Based on strategy mapping in problem solving above, if PIPPI PETITE want to improve their performance, PIPPI PETITE have to satisfy its customer with enlarging delivery coverage area and also creating strategy in production for its product availability. By doing this, PIPPI PETITE might reach its zero complaint that leads to improved income because they can fulfill all demands.

## Conclusion

This research concludes that the core of the problem that comes from complaints by the customer is caused by two primary factors that emphasizes in *operational management*. The first problem surfaced because of the inability of PIPPI PETITE in fulfilling the orders according to the promised coverage area, or in other words, there are some unfulfilled demands. Meanwhile, the second problem is stock availability where the disappointment from customer surfaced because the unavailability of product when the customer feels the desire to buy PIPPI PETITE product.

The delivery service improvements (vehicle and deliveryman service) can be adjusted in the number of current orders. Based on the delivery data there will be at least one order from the region of Jakarta Timur, Jakarta Barat, or Bogor. From that data, researcher suggests that PIPPI PETITE needs to provide routine delivery order batch to every area in a probable quantity. Researcher also suggests PIPPI PETITE to have a pick-up point in every needed region so it will make purchasement easier for the customer.

In production matters, Pippi Petite is still not able to do a large number of production. This happen because lack of utility that Pippi Petite have. Because the kitchen used to do the production is a home kitchen which is still temporary, the production system of Pippi Petite still cannot be controled well. On the delivery service, Pippi Petite cannot complete the demand on delivery service because the order came from location that cannot be reach or far from Pippi Petite production house – which located in South Jakarta. Because of this main problem, by adding distribution channel might be the best solution to fix operational problem that can be done.



Based on data of demand on delivery service, there are 7 demands from Bekasi, followed by 3 demands from Bogor, 2 demands from Jakarta Timur, Jakarta Barat and Tangerang each that all cannot be completed. The location of demand considered too far from production house of Pippi Petite. This can be a reference to make a working contract with relation or open recruitment to become Pippi Petite's distributor in local sites. Start from looking up for distributor for Bekasi, followed by Bogor, Jakarta Barat, Jakarta Timur and Tangerang. Planning for distributor in each location can be done step by step, but the selection of which location that have to become the main focus on adding distribution channel can be selected from delivery service data that cannot be completed. This solution objected to fix operation management faced by Pippi Petite driven by consumer insight because of by fixing this problem, Pippi Petite have a potential to grow and develop its business.

The system that can be used to add distributor of Pippi Petite in each location is with working contract where Pippi Petite can place their product in each distributor and distributor get a payment for becoming the distributor or profit sharing. Pippi Petite have to make sure that distributor have to maintain the quality of product so that the quality of Pippi Petite's pannacotta, for example always placing products in refrigerator etc. With this ditribution channel in several sites, and also a good arrangement of stock management in each distribution channel, might be able to fix Pippi Petite operation management.

### ***Recommendation***

Based on the opportunity that Pippi Petite has, consumer hope that Pippi Petite can develop its flavours and also the toppings of pannacotta that they have. This research sees an opportunity in Pippi Petite's market based on Opportunity SWOT analysis part. This opportunity can be seen from the number of respondent that stated to buy PIPPI PETITE because of the flavor variants From this fact, can be concluded that flavor variant can be one of the important factor as the reason to why customer chooses panna cotta. However, there are several variants that experience decrease in sales, so it will be replaced with new flavor variant. There will be 4 of renewed or added variants and it is based on respondent's statement and stock data.

Aside of that, the coverage are problem can be resolved in two ways, first is adding distribution channel in the unreachabele areas or adding delivery service vehicles. Both matters have their own advantages whereby in adding distribution channel will also help PIPPI PETITE in fulfilling the customer's demand in certain areas with consignment or in other words without additional funds but rather the profit will slightly decrease. Or another choice is to add the delivery service vehicle so the profit margin will be as supposed, however additional funding will be needed for delivery service asset purchasement and the annual salary additional for the deliveryman. In this case, researcher suggests for PIPPI PETITE to add distribution channel because eventhough it will decrease the profit margin but it will demolish the risk of unstable order in those areas so the burden is still in variable.

Aside from operational problem decrease, followed by the needs of increasing it sales, the development of new flavour or event product variation might help Pippi Petite in developing its business and market share. These are the targets of Pippi Pettie for its product within period of 2 years from now:

Table 2 PIPPI PETITE's Target for Business and Development

No	Target	How to Reach the Target	Market Opportunity
1	Develop 4 new flavors.	Further research about preferably new flavour by consumer.	Open Market
2	Develop it business with basic product of Pannacotta (ex: pannacotta drink, etc.)	Experimental product of Pippi Petite for development of product so that Pippi Petite could possibly enlarge its market share untill reach its vision to become the best dessert brand in Jakarta.	New target market

From the conclusion and recommendation above, researcher hopes that PIPPI PETITE could reaches the zero complaint number so that it could affect the sales activity and in the end will improve the company performance.

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