BUSINESS STRATEGY RECOMMENDATION FOR QUE RICO HAMBURQUESA RESTAURANT

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Abstract — Food and beverage industry in Indonesia is growing rapidly. Burger is one kind of food growing and popular on the market. Number of restaurants and burger outlets are increasing. They offer a burger at a low price even expensive, but did not consider the quality of the burger itself. By looking at these opportunities, Que Rico Hamburguesa established as the pioneer of unique and healthy burger at affordable prices. As a restaurant that has not been in business long enough, Que Rico Hamburguesa faces some problems and challenges. The emergence of competitors in the area makes the competition within industry really tight, Que Rico Hamburguesa does not have appropriate business model and concept yet to be able to survive and win the competition in this industry. This study methodology using qualitative approach by conducting interview with the owner, observation the business activities, and spreading questionnaires to 150 people of Que Rico Hamburguesa’s customers. All those things are done to obtain information to support this research. The data combined with the external and internal factors are analyzed in order to find the solution of the problems and challenges being faced by Que Rico Restaurant Hamburguesa. This research is focused on the making of business strategy for Que Rico Restaurant Hamburguesa using three business strategies to solve the problems and to prepare development strategy for the future. First is Diamond Strategy, which giving the company direction to achieve their vision, implementation strategy, and increase its brand awareness. Second is Generic Competitive Strategies that define the concept of Que Rico Hamburguesa Restaurant. Que Rico Hamburguesa should focus on differentiation. The last one is Business Model that can determine the identity of Que Rico Hamburguesa business itself by using nine elements of the business model canvas. Those strategies as the solutions must be implement properly and systematically execute. Divided into short term and long term plan with several important aspects that should be considered in order to continue to survive in this industry and develop its business.

Keywords: Fast Food, Business Model, Business Strategy

1. Introduction

In 2012 the number of restaurants in Jakarta has reached 2742 restaurants. One type of restaurant business that is likely to develop in Jakarta today is Burger restaurant. Burger restaurants in Jakarta is currently experiencing a rapid growth. It can be seen from the crowds of visitors to the burger restaurant in the capital. Over the years, the trend of food industry is also constantly changing, the higher purchasing power and knowledge level of community group results into the higher levels of food requirements itself. Nutrient content, quality, creativity and uniqueness of food consumed will take into account as well as the service as its complement. According to the new trend, a lot of innovative food creation presented but until now only a few Indonesia’s entrepreuner enter innovative food creation from burger product. It makes the opportunity to implement this business become more bigger. It is recognized by one of the food entrepreneur, Que Rico Hamburguesa. Que Rico Hamburguesa is established as a fast way served restaurant which offers the first healthy burger comes in variety bun colors, filling and sauce variant to choose. The colors are made vegetables and cook using olive oil. The ingredients are all organic and fresh.
Que Rico Hamburguesa Restaurant vision is to be the leading quick service restaurant scattered around the world which consistently serves fresh, healthy, and tasty food with family-friendly dining experiences. The organizational structure is a simple structure which is owners who directly supervise the head chef, while other employees are under the head chef. Simple structure usually called entrepreneurial structures. Total of Que Rico Hamburguesa employees are eight persons consist of a head chef, two people in cook division, two baristas, a cashier, and two helper. With a total staff of eight persons, operating hours of Que Rico Hamburguesa divided into two shifts, so the operating time becomes longer. Noon shift from 11.00 – 18.00 and night shift from 16.00 – 23.00. The Que Rico Hamburguesa’s restaurant interior concept is simple and minimalist. The material used dominated by wood. Brown and yellow dominated the wall colors. Air conditioner, big screen LCD TV make the atmosphere suitable for socialize.

The main business processes in Que Rico Hamburguesa is process related direct customers from menu ordering into the consumer return and delivery order around Jakarta area. The company business process flow can be seen in the picture:

![Figure 2. Que Rico Hamburguesa’s Business Process](image)

With a strong value product, Que Rico Hamburguesa is expected to continue growing in Jakarta as this area has an enormous potential. Que Rico Hamburguesa has to develop a proper business model and strategy to win the competition. By exploring business issues, analyzing external and internal factors in Que Rico Hamburguesa and formulate the process of strengthening brand awareness, make strategy to develop the business for the future, and create business model as direction for business concept, all of those have been adjusted with current situation of the company. With a clear solution for the
current situation followed by developing and implementing business model and strategy, Que Rico Hamburguesa could increase brand awareness of the consumers throughout Jakarta and become the market leadership in this industry along with the increase of their sales revenue. Hopefully, Que Rico Hamburguesa will be able to move forward its business to the next level in Indonesia.

The study is limited to providing business strategy based Generic Competitive Strategy and Components of Business Strategy Diamond (Arenas, Vehicles, Differentiators, Staging, Economic Logic. Providing appropriate strategy based Components of Business Model Canvas (Customer Segment, Key Partnership, Key Activities, Value Preposition, Customer Relationship, Revenue Streams, Key Resources, Channels).

2. Business Issue Exploration

The main objective of this paper is to analyze Que Rico Hamburguesa business in Jakarta. Que Rico Hamburguesa saw the huge market potential in Jakarta but they are also huge competition in this industry. Que Rico Hamburguesa should analyze their business and develop the most appropriate business strategy for the market. Initial stage to explore this business problem is starting with the business internal and external observation. Both analysis are expected to direct to the basis determining the appropriate solution and develop business strategy for Que Rico Hamburguesa.

A. Conceptual Framework
Environmental scanning is the monitoring, evaluating, and disseminating of information from the external and internal environments to the key people within corporation. Its purpose is to identify strategic factors those external and internal elements that will determine the future of corporation. Strategy formulation is the development of long range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weakness. This phase includes defining the corporate mission, specifying achievable objectives, developing strategies, and setting policy guidelines. Strategy implementation is a process by which strategies and policies are put into action through the development of programs, budgets, and procedures. Evaluation and control is a process in which corporate activities and performance results are monitored so that actual performance can be compared with desired performance.
B. Method of Data Collection and Analysis

Method that used to analyze external factor are PEST analysis and Five Forces Porter’s analysis. The analysis was conducted by interview with company’s owner and review from some company internal documents. Method that used to analyze internal factor are Value Chain analysis, VRINE analysis, and Financial analysis. The internal situation analysis was conducted by interview with company’s owner and employee, also review from some company internal documents.

There are also primary data gathered in form of questionnaire. Research used questionnaires and observation in order to get data and information about issues and feedback from the customers. It takes 150 people who come to Que Rico Hamburguesa as the respondents. Questionnaires distributed to customers since October to December 2012. It consists of general information, including gender, occupation, living place, and age; and specific information which include some questions about Que Rico Hamburguesa based on perspective of the customers.

C. Analysis of Business Situation

Que Rico Hamburguesa operates in a macro environment of forces and trends that shape opportunities and pose threats. These macro environmental forces will be described by analyzing the macro environment by using

(1) PESTEL analysis. Political life in Indonesia is democratic. Que Rico Hamburguesa that located at Kemang, South Jakarta is depend on the South Jakarta government policies. The climate of the economy dictates how consumers, suppliers and other organizational stakeholders such as suppliers and creditors behave within society. Jakarta area has constant demand for food and beverages. Population changes also have a direct impact on a company. Changes in the structure of a population will affect supply and demand of goods and services within an economy. The unemployment rate in Jakarta with its 9.87% (November 2012) is lower than other area. Jakarta has one of the highest gross domestic product (GDP) per person in Indonesia. In the same way, Jakarta percapita incomes are also high. (Jakarta Unemployment rate 2012) Therefore, people have more money to spend. As a result, there are more potential customers for visiting restaurant. Jakarta’s fiscal position is among the strongest in Indonesia. The financial crisis in Europe and America affected Indonesia’s economy positively. Economic growth gained and the upturn continued through 2012. The third aspect of PEST focuses its attention on social forces affecting attitudes, interests, and opinion. Jakartans attitudes have been changing towards diet and health in the past few years. Que Rico Hamburguesa must be able to offer products and services that aim to complement and benefit people’s lifestyle and behavior. The development of current information technology raises in communication media in the cyber world with the internet as its infrastructure. Social media such as Facebook and Twitter is currently favored by everyone. This is an opportunity for all business in the promotion. According to environmental responsibilities, Que Rico Hamburguesa highly avoid the use of plastic for packaging and opted to use recycle paper for their packaging. Regarding the legal factors, Que Rico Hamburguesa brand and product are already registered. Halal certificate could effect company brand image, with halal certification, a company could easily gain customer trust to their product. Que Rico Hamburguesa doesn’t have halal certification yet but will consider it soon.

(2) Porter’s Five Forces. Market Competitors for Que Rico Hamburguesa growing rapidly. There are numerous competitors within the industry that greatly that vary in size. The intensity of rivalry is rather fierce as the supply more than matches the demand. This means that a potential customer can choose from numerous options, wether it be local restaurant burger such as “Burger and Grill”, “DeJons Burger”, or either small burger stand. Since Que Rico Hamburguesa is still a new burger restaurant in Jakarta, Que Rico Hamburguesa has low bargaining power in relation to its suppliers. It isn’t able to set demands on suppliers to comply with. Furthermore, there are plenty of suppliers within the food industry so it would not be a major problem for Que Rico Hamburguesa to change suppliers if deemed necessary. Generally, consumers rarely hold a very high bargaining power. There are many substitutes for eating fast food such as eating fruit, preparing food at home or fine dining. According to the new entrance, it is very easy for someone to start up his own burger business. The entry barriers are quite low. Capital required
for setting up a burger business is relatively low depending on the size of it. In conclusion, the fast food industry is characterized by having many small and large business. As there are many suppliers, the competition within the industry is fierce. The forecasts about a slowdown in market growth can be expected to increase the intensity of rivalry even further.

(3) Value Chain Analysis. Divided into primary activity and support activity. The primary activity in Que Rico Hamburguesa consist of inbound logistic, the process of purchasing the raw materials of food and drink is a direct order to the supplier who’s capable in this field. Therefore cooperate with a restaurant supplier of bread for the burger bun, vegetables, ice cubes, groceries, and meat. All raw materials are sent every day in the morning and directly paid on the next shipment, so as to control expenditure of raw materials can be controlled easily. Operational, to prevent current customer to get bored with the menu, new interesting promo every week became the operational strategy. Each menu is by owners itself. Every menu has its own standard operation process (SOP). The SOP ensures the consistency of the food quality. Just-in-time the company does the inventory management. In marketing and sales, Que Rico Hamburguesa is promoting every menu within restaurant via xbanner and phamplet, interview with famous magazine, and local television such as SCTV, Trans Tv, Tempo, Jakarta Post, Oz Radio, etc. Most recent interview was with Info Kuliner Tabloid. Que Rico Hamburguesa as their cover + exclusive 5 pages interview. Que Rico Business activities such as holiday promo and other activities like open branches appropriate done by social media. These marketing activities are to reinforce brand’s impression in customer’s mind. Fostering of personal relationship with a key customer becomes value added by the company. Service, the customer is our family. The support activity consists of firm infrastructure about company’s vision and mission, organization implemented in this restaurant is a simple structure in which the owner / manager directly supervises the employee. Human resources, eventhough employee turnover at Que Rico Hamburguesa is low, transfer knowledge still goes in the kitchen. Technology development, there always a new menu or interesting promo every week to prevent the customer to get bored with the menu offered. With the internet technology makes the research and development become easier. Procurement, the main raw materials needed by the business are such as burger bun bread, vegetables, groceries, and meat. Therefore, some suppliers are needed to meet the needs of these raw materials. Company choose the suppliers that specialize in selling certain types of raw materials in order to suppress the price compared to buying from suppliers who have many kinds of raw materials. However, due to further pursue a policy of restaurant quality taste then there are some ingredients that are rarely found in the existing supplier and should be bought at large supermarkets with an expensive price. Examples of material that are rare in supplier is import sauce. Until now there is no problem with the company supplier, the price is still able to be pressed and they delivered on time.

(4) VRINE analysis helps identify whether the resources and capabilities can be used against its rivals and if they support the company to superior performance. Valuable, Que Rico Hamburguesa resources and capabilities enable the company to take advantage of opportunities and fend threats from external environment. Company’s product and services are unique. Healthy delicious burger for every happy customer and family friendly services make Que Rico Hamburguesa become valuable enough. Rarity, Que Rico Hamburguesa has competitive advantage and makes Que Rico Hamburguesa’s resources and capabilities are not possessed by competitors. Que Rico Hamburguesa’s burger ingredients to make colorful healthy burgers are from premium selective supplier, but Que Rico Hamburguesa could sell it in affordable price compare to any other competitors without lower their product quality. Inimitability and/or Non-substitutable, Que Rico Hamburguesa’s product is really hard to imitate. Secret ingredients and recipes are safely keep by the company. Que Rico Hamburguesa’s working environment also set to be family friendly from the first time the company established. Positive ambience and career advancement opportunities for every willing member make Que Rico Hamburguesa’s inimitably. Exploitable, Que Rico Hamburguesa has done an excellent job exploiting their capabilities. Que Rico Hamburguesa has taken full advantage and exploited its supply chain management without cutting their cost.
(5) Financial analysis. A financial analysis must ascertain the best sources of funds, uses of funds, and control of funds. All strategic issues have financial implications for the firm. Company financial conditions is at very positive condition from the beginning up until now. Drop off their fair happens when fasting month. After almost a year running company sales are stable. Fixed cost and variable cost always a concern in response to any financial condition so that it can be efficient. The gross margin ratio from March until October shown that raw material usage is efficient. The number of sales from September to November keep increased significantly. Que Rico Hamburguesa’s excellent marketing program keep increasing company sales. Corporate spending still efficient and capable enough to be able to survive in the competitive culinary business. By looking at the company’s financial data, with their strategy Que Rico Hamburguesa is able to stabilize the financial condition of the company. Their financial condition remain though and stable.

(6) Result of Research from the questionnaires for customers showed that there are more women (57%) rather than men (43%) who come to Que Rico Hamburguesa. Surprisingly most of them live outside South Jakarta. In fact, customers stay nearby Que Rico Hamburguesa restaurant only 16% of the total customers. Most of them already have jobs, including private and public employees, businessman, housewives, students, etc. Moreover, 43% is between 20 up to 30 years, 34% is under 20, and the rest is above 30 years. From this result, it can be seen that most of the customers who come to Que Rico Hamburguesa are well-established people, which means that they already have job and income for their life or have enough pocket money from their wealth parents. Most of them (64%) know about Que Rico Hamburguesa. Moreover, things that affect them to come to Que Rico Hamburguesa because they curious to try uniqe colorful burger (48%) and because they invited by their friends and families who already tried Que Rico Hamburguesa before. Because of that, most of the customers come with their families. Most of them want to come again to Que Rico Hamburguesa because of the taste and service. 81% of correspondents said that the taste of foods and drinks in Que Rico Hamburguesa is good. But for the menu, it still need to add another menu (53%), while only 31% of them thought that it is already attractive. In order to add another menu, Que Rico Hamburguesa needs to make innovation and about 46% of respondents said that the innovation should be conducted every three months. About 89% have already satisfied with the service from Que Rico Hamburguesa. For overall about the correlation between price with quality, taste, quantity, and service, the respondents feel that it has really appropriate. The respondents agree about the kind and polite, capable and well-trained, neat and clean, quick in serving the customers, and give the foods in accordance with the order from the employees’ performance. Location of Que Rico Hamburguesa is easy to be accessed. For the atmosphere, 76% of them feel comfort, but the rest feel uncomfortable due to small area of the restaurant. Most of the comment and suggestion from correspondents is they want Que Rico Hamburguesa to open a new branch in several areas around Jakarta to make them easier to get Que Rico Hamburguesa’s burger. About 20% want more menu or product variety, 19% want Que Rico Hamburguesa to provide free wi-fi facility. Most people still hard to get Que Rico Hamburguesa because for now Que Rico Hamburguesa has only one branch in Kemang, South Jakarta. Because of that, Que Rico Hamburguesa management should think about opening new branch not only to make customers easier to get Que Rico burger but also to strengthen its brand awareness and brand image in order to make a lot of people know about its presence and to grab more customers.

3. Business Solution

(1) Generic Competitive Strategy:
After analyzing the issues and result of the questionnaires, Que Rico Hamburguesa should maintain its position in focus strategy, with specifically creating differentiation concept. By implementing differentiation focus strategy, Que Rico Hamburguesa could enter the market which is not served by bigger competitors, so it can compete in blue ocean market. Que Rico Hamburguesa provide more specific foods in which we can’t find many variations like in any other restaurants. It has to make
differentiation compare with another burger restaurant by focusing in offering custom color and filling healthy burger and some additional fast food like cheese french fries. It should not offer all kinds of fast foods because it could kill its positioning and would be difficult to emphasize its specialty while compete with the competitors.

For the target customers, it focuses for those who like and want to enjoy high quality and good taste of burger without considering about the price. By having niche market, Que Rico Hamburguesa could focus in providing the best quality and improve itself in serving the customers. The kind of strategy that Que Rico Hamburguesa choosed is suitable for the market characteristics in Jakarta area. With a market characteristics that choose a unique product and have many competitors that carrying a similar concept be an advantage for Que Rico Hamburguesa. By choosing differentiation focus strategy means Que Rico Hamburguesa rarely face price war pressure but it doesn’t mean totally ignore the cost, Que Rico Hamburguesa just put the cost at the less important target than differentiation.

(2) Diamond Strategy
The elements of business strategy that should be considered by all entrepreuners are categorized into five elements:

- Arenas
  Product category : Burger
  Market segment : Young people and family
  Geographic Areas : Major social life activity in Jakarta (e.g. Kemang, Tebet, Senayan, Kelapa Gading, Menteng)
  Value Creation Strategies : Fast way serve healthy burger restaurant for medium to high class people all over Jakarta

- Vehicles
  Internal Development : Employee skill and knowledge
  Develop brand awareness by open another branches using franchising systems

- Differentiators
  Image : Burger restaurant for young people and family
  Price : Standard or almost premium price (It can be called as affordable due to balance between price with quality, taste, and service)
  Product Reliability : Good taste with high quality of all ingredients (fresh and import), good service, always make innovation
  Style : Family friendly burger restaurant with combination of classic and modern minimalist
  Speed to Market : Promotion through brochure-banner-media review and interview (radio, tv, magazine, tabloid and newspaper), strategic location, create attractive restaurant, attractive menu and discount, word-of-mouth

- Staging
  Speed of Expansion : Marketing and promotion, employee skill and knowledge, product innovation, grow from one branch in East Jakarta, one branch in Central Jakarta, one branch in North Jakarta, and one branch in West Jakarta in just a year
  Sequence of initiatives : Innovate the product, improve service, analyze potential market, selling and promoting

- Economic Logic
  Standard or almost premium prices due to proprietary product features
  How business make revenue : Selling product

(3) Business Model Canvas
- Customer Segment (CS)
  Targeting young people age between 18 to 35 years old from medium to high class, colleges students, office colleagues who want clean, healthy, affordable and fast food on their way. Potential investors between 30 and 40 years who want to become Que Rico Hamburguesa franchise owners.
Geographically, Que Rico Hamburguesa restaurant location should be in major social life in Jakarta like Kemang, Tebet, Kelapa Gading, Radio Dalam, Menteng, etc.

- **Value Preposition (VP)**
  To provide premium-quality burger with affordable price. The value preposition of Que Rico Hamburguesa can also be determined in fine food products from professional chef and expertise to serve consumers.

- **Channels (C)**
  Customers can reach Que Rico Hamburguesa through some channels such as:
  - Que Rico Hamburguesa’s restaurant
  - Que Rico Hamburguesa Facebook page: www.facebook.com/quericoburger
  - Que Rico Hamburguesa Twitter account: @querico_burger

- **Customer Relationship (CR)**
  Que Rico Hamburguesa should keep their relationship with customers through special event menu and discount such as opening discount, holiday discount, membership program for loyal customer, website and customer service phone number.
  To keep their relationship with franchisor, Que Rico Hamburguesa has to choose district leader to check franchisor branch product and service quality twice a month and available everyday to help franchisor solve any problems. There will be investors quartal board meetings to review anything related to the improvement of the business.

- **Revenue Streams (RS)**
  Que Rico Hamburguesa revenue streams are from food sales, franchise fee including training for the employee. Revenue stream from food sales can be divided into optimistic with net profit ± Rp. 68.300.000/month, most likely with net profit ± Rp. 27.800.000/month, pessimistic with net profit ± Rp. 2.150.000/month.

- **Key Resources (KR)**
  Que Rico Hamburguesa’s key resources the human resources itself. Employees as the human resources are treated as in a big family. The raw material which is cooked according to the recipe with certain cooking tool which resulting in certain burgers. Certain cooking tool used in Que Rico Hamburguesa’s restaurant must be clean and well maintain. Employees have to be responsible with every single equipment in the restaurant.

- **Key Activities (KA)**
  In daily routine activities would be food production and food sales itself. Then the others would be marketing and advertising activities and product innovation, hiring and training new employee, and maintain good quality and services to customers and also maintain good relationship with suppliers.

- **Key Partnership (KP)**
  In Que Rico Hamburguesa, the key partnerships are the raw material and cooking tool supplier, marketing and advertising agency to provide strategy and get publicity.

- **Cost Structure (CS)**
  Que Rico Hamburguesa is positioned themselves as a premium products. Our cost structure consists of employee’s salary, purchase the raw material as ingredients and cooking tools for cooking, marketing and advertising fee for promotion.

### 4. Conclusion and Implementation Plan

There are three strategies which have formulized as the solutions. First, Diamond strategy help Que Rico Hamburguesa in reformulating the concept of business in order to be able to achieve business’s goals, arranging development strategy for the business as well as strengthening brand awareness by improving all aspects. Generic competitive strategy help Que Rico Hamburguesa to be more focus by determining its specialty which will be something that differentiates it with the competitors, such as Que Rico Hamburguesa uses “Differentiation Focus” for running the business, which means it only focuses on providing burger instead of other western fast foods. Business model will help Que Rico Hamburguesa to determine business’s identity. Que Rico Hamburguesa could use it as business guideline, such as young people (above 20) and families as the target customer, give high quality and
service by providing high quality fresh ingredients with affordable price as value proposition, and other aspects that support this business. Those strategies as the solutions should be balanced with good implementation. It needs to be applied systematically and in detail.

To implement it, there are several activities that should be conducted as described in Table 1 and Table 2.

### Table 1. Short Term Program

<table>
<thead>
<tr>
<th>Month</th>
<th>Program</th>
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</thead>
<tbody>
<tr>
<td>January 2013</td>
<td>Make survey</td>
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<tr>
<td></td>
<td>Make SOP (Standard Operation Procedure)</td>
</tr>
<tr>
<td></td>
<td>Analyze current situation and potential market</td>
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<tr>
<td></td>
<td>Improved facilities (Provide wi-fi)</td>
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<tr>
<td></td>
<td>Improve pricing and promotion system</td>
</tr>
<tr>
<td></td>
<td>- Make monthly promo with different theme (per 6 months)</td>
</tr>
<tr>
<td></td>
<td>- Make bundling meal package (per 3 months)</td>
</tr>
<tr>
<td></td>
<td>- Give voucher discount (per 6 months)</td>
</tr>
<tr>
<td></td>
<td>Improve marketing and promotion strategy (once a year)</td>
</tr>
<tr>
<td></td>
<td>Financial short-term plan (once a year)</td>
</tr>
<tr>
<td>March 2013</td>
<td>Improved quality of human resources:</td>
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<tr>
<td></td>
<td>- Planning about hiring and lay off (per 3 months)</td>
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<tr>
<td></td>
<td>- Performance assessment (per 3 months)</td>
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<tr>
<td>Juni 2013</td>
<td>- Training and development program (per 6 months)</td>
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</tbody>
</table>

### Table 2. Long Term Program

<table>
<thead>
<tr>
<th>Duration</th>
<th>Program</th>
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<tbody>
<tr>
<td>Per 5 years</td>
<td>Implementation of SOP (Standard Operation Procedure)</td>
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<tr>
<td></td>
<td>Improve quality</td>
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<tr>
<td></td>
<td>Open new branches (Franchise)</td>
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<tr>
<td></td>
<td>Financial Long-term Plan</td>
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</tbody>
</table>

References

November-December.

BPS DKI Jakarta Province No. 49/11/31/Th. XIV, 5 November 2012