

CUSTOMERS' TASTE PERCEPTION TOWARDS GELATO PRODUCTS (CASE STUDY: CREMERIA DI DEE GELATO)

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A. CASE

OPENING PARAGRAPH

Food was the basic need for all living creatures, including humans. Dessert was one of the three main categories of food, serving as the final course. The popularity of dessert was increasing significantly. Artisanal approach was mentioned to be a way of product differentiation. For food product, artisanal could work as an adaptation of international taste to the local taste. Food producers were facing a great challenge due to differences in taste perception and adaptability. 81% of food buying decision depended on taste. Difference in taste perception was a major contributor for this challenge (Fatka, 2018). In fact, taste influenced buying decision more than price. The sustainability of a food business highly depended on the customers' liking towards the product. This was the main homework for a product developer to be able to create product that could satisfy the needs and wants of customer, which in this case was hold by Diandra Irawan, as the Gelatiere or Gelato Master of Cremeria di Dee Gelato. The fitness between product and customer could create a long-term relationship between them, which was usually called loyalty. Loyalty could support the business to be sustained. Aside from being the Gelatiere, Diandra Irawan was also the owner of Cremeria di Dee Gelato. The company was soon celebrating its second anniversary. Diandra beliefs that now was the right time for the company to expand its market to Jakarta, before the year of 2019 ended. She wondered whether the products she offered had already met the customers' preference to have a good foundation prior to business's expansion. Several research methods used in this study were Core Competencies (Value Proposition and Business Model Canvas), STP Analysis, Data Analysis, Benchmark Analysis, Sensory Analysis, and SWOT Analysis to validate the market and product to achieve its fitness.

COMPANY BACKGROUND

Cremeria di Dee Gelato was a gelato shop based in Bandung established in 2016. It started the business as a small-scale homemade online gelato seller and later opened its first store at Trans Studio Mall Bandung in July 2016. The founder, Diandra Irawan, had a long-life passion about food and flavor chemistry. While she was pursuing her Food Science degree at the University of Minnesota – Twin Cities, she discovered a great opportunity for a homemade ice cream business. After doing further and thorough research during her senior year, she found out that Italian gelato is healthier than normal ice cream. She then closely observed gelato to the place where it was founded, Italy, and took some courses to become a *Gelatiere* (Gelato Master) from MEC3 International School of Gelato and Carpigiani Gelato University. Through her knowledge about food and gelato products, she wished to build a community to fulfill people's desire for a healthier dessert and gelato. After running the store for almost a year, Cremeria di Dee Gelato decided to move the production into a more proper location with an open lab concept. As of July 2019, Cremeria di Dee Gelato had two outlets in Bandung, which were located at Ciumbuleuit and Paris Van Java Mall.

Vision and Missions

Cremeria di Dee Gelato had a vision^[1] to create an environment in which people enjoy consuming gelato, exploring the variety of flavors, and treating gelato as lifestyle. In order to achieve its vision, it had missions of building a long-term relationship with the customers, providing exceptional quality of products and services, serving a classic homemade Italian gelato^[2] that were produced freshly using premium and high quality ingredients, no preservatives, artificial flavors, colorants added, and monitored the quality and taste of the product to suit the customer' preferences.

Organizational Structure

Cremeria di Dee Gelato was a personally owned company by Diandra Irawan, who acted as a Managing Director. She was in charge of managing the whole organization, as well as being a *Gelatiere* who created all the recipes for gelato. Working for her, there was a Supervisor who overviewed operational tasks, such as purchasing, inventory, and finance administrator, except production. There was also a Marketing Staff and Graphic Designer who was in charge in creating a monthly marketing plan, taking pictures of new products, and being the social media manager. Production Staff worked directly under the *Gelatiere*, executing daily production tasks, helped by a Cleaner and a Production Helper. There was also a Team Leader, who was in charge

in arranging work schedule and overviewing the Standard Operation Procedures (SOP) for all staffs at both stores. There were few other staffs working as Cashiers, Servers, Technician, and Courier.

Business Scope

Cremeria di Dee Gelato had already had two outlets in Bandung, one in Ciumbuleuit area, which was opened in August 2017, and another one at Paris Van Java Mall, which was opened in October 2017. The primary sales generator was through direct sales from these two outlets. For online service, Cremeria di Dee Gelato also worked with GoFood as its delivery partner. Other than direct selling gelato at its outlets, Cremeria di Dee Gelato also offered catering services for events, such as wedding party, birthday party, gathering, events workshop, and many others. The main purpose of this catering service was to obtain the bulk order of gelato and expand the brand awareness. Gelato making workshop was also being offered to children, teenagers, and adults with the purpose of educating the community of the differentiation between gelato and ice cream. This activity could also be used for kids' birthday party activity or school external activity. The space in Ciumbuleuit was also famous for being cozy, *instagrammable*, and for its nature. Therefore, the space could also be rented for photo shoot and external workshop. Moving forward, the company was looking for franchising the business to other cities in Indonesia, such as Jakarta.

SPECIFIC AREA OF INTEREST

The reception of new flavors was not always well as Cremeria di Dee Gelato expects. Having the business run as product oriented, this concerned the proper plan for product development and marketing. There were some questions and complaints addressed by the customers (Table 1). Cremeria di Dee Gelato started wondering whether the taste of gelato flavors offered fits the targeted consumers. It started thinking whether serving multicultural flavors was a good way to market its business or not. Cremeria di Dee Gelato wondered whether the market was ready for added value products, in which the flavor was not commonly found at other stores. Cremeria di Dee Gelato also wondered about its right target market and positioning in the market. This was crucial to create a strong presence in the origin market, which was Bandung City. Having a strong presence was an important foundation to expand the business. Product market fitness had a clear impact in determining the future operational and marketing plan.

Cremeria di Dee Gelato also wondered about its right target market. Based on its *Instagram* followers, the majority active followers were between 25-34 years old. On the other hand, according to internal observation by the staffs, the majority of customers were between 18-24 years old. Therefore, Cremeria di Dee started asking itself whether it had positioned itself in the right market segmentation. This created a big impact on the marketing plan because the marketing strategy would definitely be different when addressing the 18-24 years old market and 25-34 years old market segment. Although liking to certain flavors depended on personal taste or preference, knowing the right target market could improve the overall eating experience. Customers' adaptability on taste perception seemed to have a big control in answering all the issues. Customers' demographic background indirectly affected the customers' taste preference. This then would impact the operational decision in determining the best flavors to offer that fitted the most customers' preferences, especially when the company wanted to expand its business.

Table 1 Customers' Questions or Complaints Towards Cremeria Di Dee

No.	Questions or Complaints from Customers
1	The gelato is too sweet
2	Do you have bubble gum or Smurf flavor
3	The gelato melts too fast
4	The products' color is not colorful
5	The portion is too small

Source: Cremeria di Dee Document

SPECIFIC PROBLEM

The objectives of the was to find out the effect of customers' personal background to the perception of Cremeria di Dee Gelato's product, the right market segment that fitted the products offered by Cremeria di Dee Gelato, and the right products to fit the customers' taste preference. Validation of product and market was the first step in assessing the issues. Product to market fitness needed to be analyzed to get the market validation. Liking to certain flavors depended on personal taste or preference. Customers' adaptability on taste perception seemed to have a big control in answering all the issues. Customers' demographic background indirectly affected the customers' taste preference. Knowing the right target market and product preference could

improve the overall eating experience. The right operational plan was needed in determining the best flavors to offer that fitted the most customers' preferences. The right marketing plan was needed to create affinity between product and customer.

Core Competencies (Value Proposition and Business Model Canvas), STP Analysis, and Data Analysis were used to examine the internal condition of the company. Core Competencies pointed out the foundation of the business to support its sustainability. It addressed the uniqueness of the business as company's strengths and directs them to fulfill the customers' needs (Prahalad and Hamel, 1990). There were three key criteria for to be identified as core competences (Kawshala, 2017), as seen in Table 2.

Table 2 Core Competencies of Cremeria di Dee Gelato

Theory	Core Competencies of Cremeria di Dee Gelato
It is not easy for competitors to imitate.	The unique self-created recipes by <i>Gelatiere</i> .
It can be reused widely for many products and markets.	Gelato products could be made into other differentiated products and suited many different groups of customers.
It must contribute to the end customer's experienced benefits and the value of the product or service to its customers.	The product offers a healthier option to ice cream and varieties of unique flavors.

Source: Author

STP strategy was defined as the process of segmenting the market, targeting the most attractive markets, and positioning the firm's product to the market segments (Kumar, 2010). As the company wondered about its right target market, this analysis served as the foundation in determining the new segmentation mentioned later in the result. Cremeria di Dee Gelato used product specialization as its target marketing strategy. It focused on gelato product and sold it to multiple customer groups. It believed that being specialized in one product could create a strong company presence and build a strong brand image. However, it needed to continuously creating new flavors in order to keep up with the market trend. With its top flavors, Cremeria di Dee also needed to keep improving and maintaining the product quality to keep the loyalty of customer. These must be done to prevent the customer changed its preferences to competitor's products. Cremeria di Dee positioned itself as a classic homemade Italian gelato made from premium quality ingredients. It hoped that the customer would remember it being classic homemade Italian gelato produced using premium quality ingredients even though there seems to be challenge for artificial flavor and colorful product in using only natural ingredients. These were the three product attributes of Cremeria di Dee Gelato product. First, classic showed the classic flavors it tried to offer. Second, emphasizing on Italian gelato had a purpose to differentiate its product from regular ice cream.

The way Cremeria di Dee used a *pozetti* instead of normal showcase serves this purpose even though it limited the visibility of products. Third, premium quality ingredients made up premium quality gelato. According to flavor rank of Cremeria di Dee for the six months, January – June 2019, the top five best selling flavors were consistent for the six months, which were Blueberry Cheesecake, Teh Poci, Biscottino, Baileys, and Cookies and Cream. Blueberry Cheesecake and Biscottino were considered the classic Italian gelato flavors. Teh Poci and Baileys were considered the artisanal gelato flavors. Cookies and cream was considered as the commonly found flavor in Indonesia. The result showed that the customers could enjoy the multicultural gelato flavors that are being offered by Cremeria di Dee Gelato. For the past six months, the top five flavors remained at the top, which mean that these flavors were received well by the customers. Cremeria di Dee must maintain the quality and taste of its products, especially these top five flavors due to its popularity. Any changes should be done first in these five flavors because they were the main contributors to overall sales.

Benchmark Analysis and Sensory Analysis were used to examine the external condition of the company. Preference ranking test was used to access preference test. The main goal of this test was to determine which sample suits the participants' taste preferences. Directional-paired comparison test was used to access difference test. The main goal of this test was to determine which sample has a greater degree of intensity in terms of a particular characteristic, such as sweetness, flavor intensity, and smoothness for this research (Carpenter, Hasdell, & Lyon, 2000). SWOT analysis was used to examine the strengths, weaknesses, opportunities, and threats the company had to face in the industry (Gürel, 2017). The final results were then used to create a proposed operational plan for products sold and marketing plan for the company.

ALTERNATIVES

Was it correct for Cremeria di Dee Gelato to readdress its market segment? When it was found that many customers preferred the alternatives product instead of the standard, should Cremeria di Dee change its recipes to fit the customer's preference? Should Cremeria di Dee accommodate with customer's preference even though the overall product might shift towards ice cream? According to its internal study, 96% of the its customer picked Instagram as social media they used the most. Was social media the only media that Cremeria di Dee needs to focus on its marketing? What was the most appropriate marketing plan to

grab the Millenials market that were considered volatile and easy to sway?

Table 3 Customer Profile of Cremeria di Dee Gelato

DEMOGRAPHIC	
Age	18-29 years old
Sex	Female
Marital Status	Single, Just Married
Income	Rp 3,000,000.00 – Rp 15,000,000.00
Location	Bandung
Occupation	Students, Young Executive, Young Entrepreneur
PSYCHOGRAPHICS	
Goals/Hopes/Aspiration	In trend, Stay healthy
Interest	Food, Dessert, Healthy, Social
Values	Dessert brings happiness
Needs/Challenges	Low calorie dessert
Habits/Behaviors	Eating out, Socializing, Gossiping
Personality/Demeanor	Outgoing,
PURCHASE BEHAVIOR	
Media Habits	Instagram
Buying Stage	Eating out twice a week, Spending min, Rp 75,000.00 per day, Can afford gym
Communication Preference	Instant Messaging, Social Media
Obstacles to Purchase Decision	Calories count
Objections to Purchasing Product/Service	Taste preference

Source: Author

STP analysis was used as the tools to help validating the customer market of Cremeria di Dee Gelato. According to the sensory analysis test that was performed, majority of participants are in the range of age 18-21 (61%) and age 22-25 (27%). The region of half of the participants is Bandung, and around 26% from Jakarta and the rest of Java Island. 70% of the participants are still student, and the rest are employees and entrepreneurs. Entrepreneurs in this case is the category for self-employed, and start-up entrepreneurs. Hence, the customer profile in Table 2 was created as the result of validating the target market.

Table 4 Summary of Sensory Test Experiment

Attributes	Category	Result
Sweetness Level	18-21 Y.O	Standard product
	22-25 Y.O	Less sweet product
	26-29 Y.O	Less sweet product
	Bandung	Less sweet product
	Jakarta	Standard product
	Student	Less sweet product
	Employee	Less sweet product
Flavor Intensity	18-21 Y.O	Lighter flavor intensity product
	22-25 Y.O	Standard flavor intensity product
	26-29 Y.O	Stronger flavor intensity product
	Bandung	Lighter flavor intensity product
	Jakarta	Lighter flavor intensity product
	Student	Lighter flavor intensity product
	Employee	Lighter flavor intensity product
Smoothness Level	18-21 Y.O	Harder texture product
	22-25 Y.O	Smoother texture product
	26-29 Y.O	Smoother texture product
	Bandung	Harder texture product
	Jakarta	Smoother texture product
	Student	Harder texture product

	Employee	Harder texture product, Smoother texture product
Flavor Rank	18-21 Y.O	Teh Poci > Biscottino >Vanilla
	22-25 Y.O	Teh Poci > Biscottino = Vanilla
	26-29 Y.O	Teh Poci > Biscottino = Vanilla
	Bandung	Teh Poci > Biscottino >Vanilla
	Jakarta	Teh Poci > Biscottino = Vanilla
	Student	Teh Poci > Biscottino >Vanilla
	Employee	Teh Poci > Biscottino >Vanilla

Source: Author

Table 4 showed the result of sensory analysis for product validation. The customers demanded for less sweet, lighter flavor intensity and smoother texture product. The *Gelatiere* should address the current recipe to meet the customers' preferences to support the affection to the products.

The research questions were answered as the conclusion of this research. Customers' age, demographic, and occupational background highly affects the taste perception of the product. Market validation resulted in creation of customer profile in Table 2. Result of sensory analysis in Table 4 could help creating the most appropriate products to meet the customers' preferences. In term of marketing, social media Instagram should be used mainly as its marketing media because 96% from the customers use this media. Marketing budget should be directed towards ads using this media to achieve brand awareness. The results of this study were useful as the foundation for the company's sustainability, especially when the company wanted to expand to another city.

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