

UNIVERSITI TEKNOLOGI MARA

**A STRATEGIC ANALYSIS OF
DIWANNIE LAYER CAKES**

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Master in Business Administration



Arshad Ayub Graduate Business School

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AUTHOR'S DECLARATION

We declare that the work in this dissertation was carried out in accordance with the regulations of University Technology MARA. It is original and is the results of our own work, unless otherwise indicated or acknowledged as referenced work. This dissertation has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

We, hereby, acknowledge that we have been supplied with the Academic Rules and Regulations for Post Graduate, University Technologi MARA, regulating the conduct of our study and research.

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ABSTRACT

The purpose of this study is to conduct a strategic analysis on Diwannie Layer Cakes, a product of Wannie Enterprise, a producer of the renowned Sarawak layer cake since 30 years ago. The Sarawak layer cake is very famous, and has become a must-buy product for tourists visiting the state, or their visit is considered incomplete if they return home without buying the Sarawak layer cake. This has contributed to the growth of the Sarawak layer cake industry and attracting more producers entering the business making it now more competitive.

Despite establishing itself as a pioneer in the industry and having vast experience in the business, Diwannie Layer Cakes needs to develop a competitive strategy in order to improve its current position. All aspects of the operation has to be reviewed; from production to human resource, technology, finance, promotions, etc. We did a SWOT analysis to identify the company's internal strength and what are the external factors that could threaten its business.

It is found through the SWOT analysis the producer of Diwannie Layer Cakes, Wannie Enterprise is one of the pioneer Layer Cakes in the open market. However, a particular weakness is that Wannie doesn't have storage facilities to store the end products especially during peak seasons like Ramadhan, Syawal, Gawai, and Chinese new year. The company has to rent the storage from other players in the industry.

Wannie is introducing artistic layer cakes, and going to the improvisation of taste and health benefits. Many producers have come up with innovative features to have an advantage of the booming and growing market. The fact is that, new products to a company are responsible for more employment, business growth, technological progress, and high sales in the industry, and Wannie is aware of the importance of new products to business. Infact, this is part of its business strategy in the industry. The harsh realities are that the majority of new products never make it to market. Strategic marketing plan leads the marketing strategies towards achieving the marketing objectives. Wannie has the abilities and the strengths in the marketing of Sarawak Layer Cake and be one of the important producer in the industry in Sarawak.

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CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Sarawak Layer Cake industry contributes a good income to the entrepreneurs. Its unique taste and its colorful layered design feature have made purchasers willing to pay as high as RM120 for a 3kg piece (Sharlini Speri and Norhazliza Abd. Halim, 2014). The layered cake industry in Sarawak is centred almost entirely in Kuching in response to the demands either local customers or tourists from Peninsular Malaysia, Brunei, Indonesia and Singapore. The entrepreneurs have exported their products to the Peninsular Malaysia, Singapore and Brunei as the demands is very encouraging in those places. These demands also have increased in other countries like Japan and China (Sharlini Speri and Norhazliza Abd.Halim, 2014). In response to the good demand of Sarawak Layer Cake, there are other producers in big towns of Sarawak like Sri Aman, Sibu, Miri, Bintulu, Mukah, and Limbang (please refer to APPENDIX A). According the secretary of Sarawak Layer Cakes Producer Association (PPKLS), there are more than 100 Sarawak layered cake entrepreneurs, including those under the Bumiputera Entrepreneur Development Unit (UPUB), Chief Minister Department, and 39 registered with Federal Agriculture Marketing Authority (FAMA,2015) (please refer to APPENDIX A).

Sarawak Layer Cake is traditionally served in Sarawak, on special occasions mainly during “raya” days celebrations. Nowadays, Sarawak Layer Cake is the special gifts during engagement and marriage ceremonies, and also for birthday gifts. It is now known as a signature product of Sarawak (please refer to APPENDIX B) and as a souvenir to visitors who came to Sarawak. The demand of Sarawak layered cake is high especially during the festive Hari Raya season, with sale revenues reaching RM40,000 per producer (Dahlia Johari, 2014).