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**ENT530**

**PRINCIPLE OF ENTREPRENEURSHIP**

**CASE STUDY: KAFE TENANG, KUALA PERLIS**

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## **EXECUTIVE SUMMARY**

For this case study, we interviewed Miss Natasha, the representative and also the manager, who helps run the business called Kafe Tenang. Kafe Tenang is located at Jalan Panggung Wayang, Kuala Perlis. Encik Zafwan, the owner, had done an excellent job of establishing the cafe. The cafe is considered a new business because it was officially opened on 28th of September 2022, which was three months ago. The business has been facing many challenges in order to run smoothly, but somehow, it has managed to face them. Kafe Tenang offers products and services for customers by providing a variety of beverages, such as coffee and non-coffee drinks like soda, chocolate, matcha, and others. It also offers a variety of pastries so that the customer can enjoy them. The specialty of the cafe is its coffee.

In this study, we could see the difficulties of establishing a new business that was unknown to anyone and introducing the business to the targeted market. According to Miss Natasha, starting a business requires a lot of work, time, and money. The business also needs to line up a variety of strategies in order to survive its competitors in the long run. Additionally, the business model canvas (BMC) has nine building blocks. That consists of customer value proposition, customer segments, channels, customer relationships, revenue streams, key resources, key partners, key activities, and cost structure.

From the BMC analysis, we could see some problems that needed to be highlighted. After Kafe Tenang had operated for a few months, they received some bad reviews relating to their customer service and unsatisfied customers with their product availability and lack of choices in the cafe, for example, a limited choice of milk and a limited size of the cup for the customers to order based on what they preferred. Moreover, we also noticed that there are other cafes similar to Kafe Tenang in that area. The many similarities between the cafe and its competitors can make it hard for the business to survive in the long term.

However, a list of solutions is made to address the issue. The most important thing is that the coffee they offer customers should have a wider variety of milk and a couple more sizes for the coffee cup. Besides, the cafe needs to take serious action regarding customer feedback so that they can improve the quality of the cafe and stand up better against its competitors in the targeted market. Moreover, the workers need to be trained on what to do and not do in front of customers. The business can enhance its weakest areas and focus on its strengths. Lastly, we recommended that the owner of Kafe Tenang increase their marketing on various social media platforms, provide free WiFi to attract more customers to the cafe, and add a delivery service for the customers.

## **1.0 INTRODUCTION**

### **1.1 BACKGROUND OF THE STUDY**

It is a requirement for all UiTM students who are pursuing bachelor's degrees to take Principles of Entrepreneurship (ENT530). The students in this course are exposed to and guided in the business industry as well as entrepreneurship. Students will do a case study of any business or firm during this course. Students must conduct interviews with any businesses or companies of their choosing in order to gain knowledge about their challenges. The students must be capable of analyzing the issue and coming up with solutions.

Entrepreneurship education aims to teach students the information, abilities, and drive they need to support entrepreneurial success in various circumstances. There are several forms of entrepreneurship education available at every level of education, from elementary and secondary schools to graduate university programs. While management education focuses on the best ways to handle existing hierarchies, entrepreneurship education focuses on developing abilities or traits that enable the realization of opportunity. Both strategies have an interest in making profit, which in non-profit organizations or the government can mean more services, lower costs, or a more remarkable ability to respond to the needs of the client, citizen, or consumer.

This is the ideal chance for students to learn about entrepreneurship and could serve as a stepping stone for those who are motivated to become business owners. We have come to the decision to choose Kafe Tenang for our case study. We also learned a lot about the business and the problems they encountered during the online interview. Let's explore and learn more about the difficulties this business is facing.

## 1.2 PURPOSE OF THE STUDY

The case study's objective is to educate readers more about the business' products and services. The students can also gain knowledge of business operations. Rather than merely discussing a product, case studies allow businesses to illustrate how their product can be used. Students can use the data given to identify and evaluate what the company requires to develop a concept.

Case studies also highlight the perspective of the customer. Instead of concentrating on yourself, think about how a customer would have used your product. Many businesses, especially those with websites, make the error of overstating their own significance. Case studies are a terrific method to turn your attention away from yourself and toward a customer's experience. Prospective customers will be happy since they wish to have the same outcomes as the case study example.

Case studies demonstrate how your product has been used successfully while also focusing on your customers. More than hearing you talk about what you might be able to do, prospective buyers are more interested in seeing how your product has been used. Studies show that this approach is successful. They provide evidence based on actual outcomes and real accounts, not just theories, that you can accomplish what you claim to be able to. Case studies give your companion legitimacy. They show that customers are using and succeeding with your goods.

Students will recognize various situations in each business segment that can be enhanced using this method. Students are also capable of applying critical thinking in real-world situations. At the end of this case study, students can detail the findings and resolutions in depth by making decisions from their points of view.

## **2.0 COMPANY INFORMATION**

### **2.1 BACKGROUND OF COMPANY**

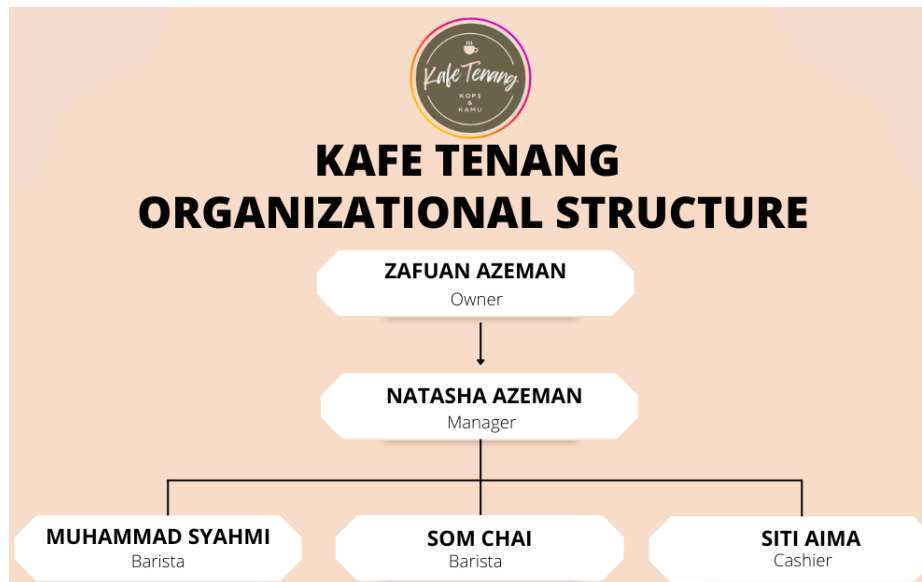
Kafe Tenang is one of the cafes that are located at Jalan Panggung Wayang, Kuala Perlis. The operation hours for this cafe are from 2:00 p.m. to 11:00 p.m., but on Fridays, the cafe opens an hour late, at 3:00 p.m. This cafe was founded by Encik Muhammad Zafuan bin Azeman and was established on September 28, 2022. The cafe operated as a sole proprietorship, which is owned only by Encik Zafuan. He is 23 years old, a football player who became involved in this business. He used to play for various football clubs, such as Penang FC, Perlis FC, and so on. Currently, he is under training for one of the football clubs in Bangkok, Thailand.

One of the reasons that he opened this cafe is that he was one of the people affected by the COVID-19 pandemic. He has dreamed of opening a cafe since he was a child because he is really interested in business, so he takes the challenge and starts to come up with a plan for opening the cafe. Not only that, he was also inspired by his close friends, who had already opened the cafe before him.

For the cafe's interior, he designed it himself but also got help from his family. He spends, on average, from 3 to 6 months renovating and decorating the cafe before he officially opens the business. Other than that, he also mentioned that he contributed half of his own savings to the building of the cafe. The estimated expenses for the cafe are about RM 60,000 to RM 70,000, according to him. For now, the cafe is only located in Kuala Perlis, as they do not have any branches or kiosks. The cafe has four staff members, which include a manager, two baristas, and a cashier.



## 2.2 ORGANIZATIONAL STRUCTURE



*Figure 1.0*

*Organizational structure*

The job description for each staff member is:

### **Manager**

Miss Natasha is in charge of the day-to-day operations of their businesses. She hires, manages, and supervises the cafe employees, manages cafe orders, deals with client complaints, and verifies the health and safety requirements of the cafe.

### **Cashier**

Miss Siti is in charge of processing and accepting payments, as well as providing customers with receipts as they leave with their purchases. She also handles more goods as needed while delivering outstanding customer service.

### **Barista**

The two baristas, Syahmi and Som Chai, will greet guests as they enter their shop. They prepare and serve hot or cold beverages, which are frequently customized to the customer's preferences. They also clean and disinfect their work areas, seating areas, and tools.

## **2.3 PRODUCT/SERVICES**

Kafe Tenang is a business that offers coffee and beverages. They provide more than ten choices of beverages, and their top-listed menu is Caramel Macchiato and Asian Dolce Latte. The main product of Kafe Tenang is Asian Dolce Latte, because the owner came up with his own recipe and added it to the menu. This is because the owner wants to diversify the types of coffee in his store to attract customers. The production process will be monitored entirely by Encik Zafwan and assisted by his manager.

Encik Zafwan provides many flavors that are suitable for different age groups. For example, the younger group, such as children and teenagers, is more attracted to sweet flavors such as chocolate and matcha. As for adults and the elderly, they prefer to have strong flavors of coffee, such as black coffee and macchiato.

In addition to selling coffee and beverages, Kafe Tenang also sells a variety of croissants and waffles with three types of flavors, such as chocolate, vanilla, and matcha, which are supplied by other sellers who board Kafe Tenang for sale. This allows the customer to enjoy their coffee and beverage while also eating some food.

## 2.4 TECHNOLOGY

Any technology that enhances food production, distribution, and supply is referred to as "food tech," and it has an impact on how people sell, prepare, and produce food. Technology also helps boost food production and quality (Hetler, 2022). Opening a coffee shop isn't easy because Kafe Tenang needs to provide the coffee shop with several types of equipment to manage the business successfully on a daily basis.

One of them is a coffee grinding machine. A grinder is a crucial tool for releasing the flavor and aroma of the cocoa bean, enabling the brewing of wonderful, premium coffee. Although most people seem to think that the coffee maker is the main attraction, the grinder is typically the most important component of the process. According to Miss Natasha Azeman, the manager, investing in the right grinder can make all the difference in the taste and the scent of coffee or espresso.

Kafe Tenang also owns refrigerators to properly store their products, such as milk, caramel, chocolate syrup, whipped cream, and more. The refrigerator can keep the high quality of the products, which allows them to make coffee to perfection.

Next is the espresso machine. Espresso machines deliver a better, more authentic, more decadent, and creamier coffee. The multiple parts of an espresso maker work together to force water through your puck, producing a delightful shot of espresso.

Besides, they also provide a contactless card machine. Customers enter their PIN, or personal identification number, into the device while inserting their card. Additionally, it can significantly speed up transactions. There is no requirement for a signature or PIN, and their customers can basically tap and leave.

## 2.5 BUSINESS, MARKETING, OPERATIONAL STRATEGY

### 2.5.1 Business Strategy

Each business will have their own specific objective that they want to achieve when entering the business market. Business strategy is the outline of the plan of decision making and action undertaken in a way to achieve its business objective. However, before starting to take any action, the company must know what they want to achieve in the long-term as every staff needs to know what they need to do in order to achieve those objectives. This is because every action taken is the backbone of every business where if there are any shortcomings, the business goals might get lost midway (Emeritus, 2022).

For Kafe Tenang, introducing something new or being innovative is part of the plan to increase profit. To achieve that, the owner came up with the custom flavors of coffee, which are banana latte, nutella latte, biscoff latte, and vanilla biscuits. The reason they came out with these is to attract people with the unique taste of the coffee, which could not be found at other places. People will be curious about the taste, which will lead them to buy the coffee to give it a try. Other than that, to make their cafe more distinctive than others, providing various games is also part of the strategy, such as Uno cards, Jenga, and Snake board games. Customers would not get bored, as instead of just chit-chatting with their company, doing something fun would make the cafe more merry. The cafe will get more recognition from others, which helps with marketing.

### 2.5.2 Marketing Strategy

Business and marketing strategy play a big role in this field. This strategy will determine how the owner wants to promote and introduce their products or services to the customer. What kind of strategy and approach they use must also be thoroughly discussed to ensure that it has an impact on people. According to Barone (2022), marketing strategy is what businesses do to reach their target market and turn them into customers. As we all know, the **four Ps—product, place, promotion, and price**—are the elements of this strategy, and somehow Kafe Tenang succeeded in delivering those four. The marketing has been done through an online platform, which is Instagram, with the name @kafetenang\_, including the personal TikTok of the owner and the staff. They never fail to fill the feed as each day they will do any content to promote and introduce product preference to the customers. The reason why they chose Instagram is because

mostly youngsters will look for cafes to hunt through Instagram, and because of this, they managed to get a high profit for their first month of sales.

### **2.5.3 Operational Strategy**

Operational strategy can be done in various ways, meaning there are many options under operational strategy that can be taken by the company. It is also up to the company to decide where they want to focus in order to achieve their goals. According to the Indeed Editorial Team (2021), "operational strategy" is a set of decisions made by the organization regarding the production and delivery of its goods. Every action and decision they make behind the scenes of the operation process can help improve their competitiveness in the marketplace.

Before the cafe starts its operation, every day all the staff, including the manager, will check the ingredients. They check everything inside out to ensure everything is in good condition and enough to cover for the whole day operation. This is very important because maintaining high-quality and fresh raw materials will determine the outcome of the coffee. If the coffee tastes flavourful, the sales for the cafe will increase if otherwise it will vice versa. Apart from that, using the same coffee bean. From the first day the cafe started to operate, Kafe Tenang decided to choose coffee beans from Brazil. Until now, they use the same brand where the coffee receives a lot of compliments from the customers too. Then, a daily cleanliness checklist is also compulsory for daily routines. This is to prevent any insects, such as cockroaches and rats, that can lead to food poisoning and, at the same time, bring down the reputation of the cafe.

### **2.5.4 Financial Achievement**

According to Kenton (2022), the financial performance of a business determines how successfully it earns income and manages its assets, liabilities, and so on. Kafe Tenang has been in operation for 3 months since the opening of the cafe in September 2022. For the first month of operation, they managed to get a profit of almost RM 48,000 for their products, such as coffee pastries and so on, after deducting all expenses. The average profit from coffee is RM 19,000, with the remaining RM 29,000 coming from other products they sell. For the next month, which is October 2022, the income of the cafe decreased by almost 27%, which made the profit RM 35,000. The profit for coffee is also decreasing, to RM 17,300 from RM 19,000 last month.

According to the representative, the decreasing amount of profit could be due to the election that month. People are mostly preoccupied with election day, and many people in Kuala Perlis are returning to their hometowns, making the cafe less crowded with customers compared to the previous months.

### 3.0 COMPANY ANALYSIS

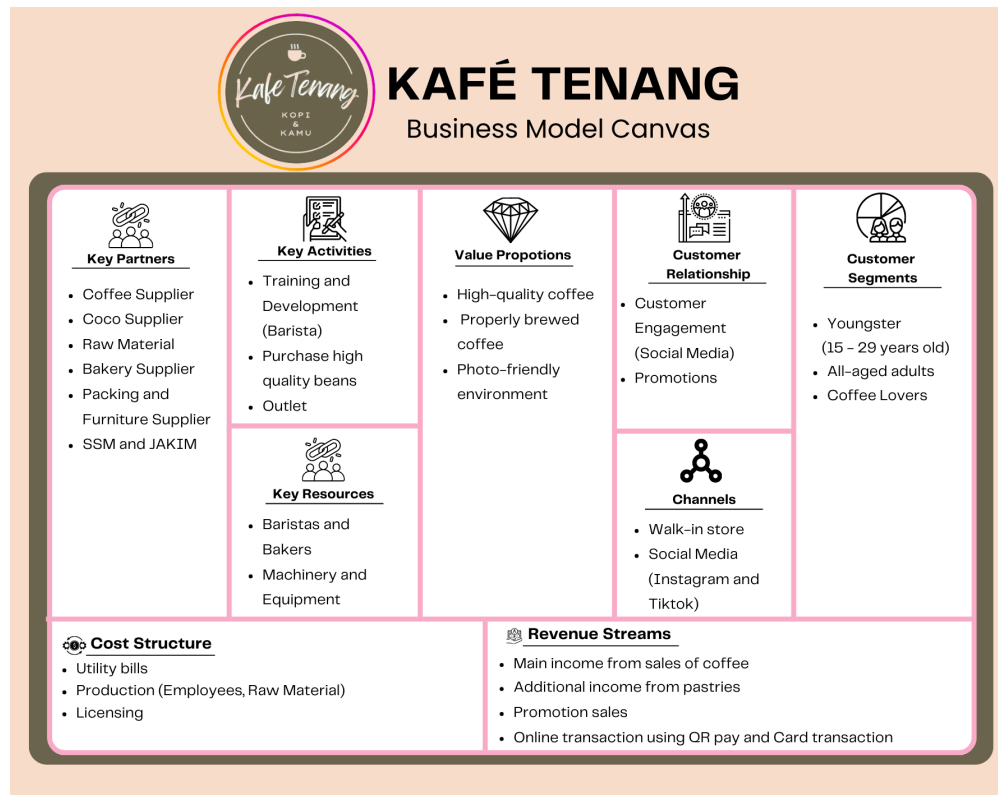


Figure 2.0  
Business Model Canvas

### 3.1 Customer Segments

Customer segmentation is the group of customers to whom the business intends to sell its products or services (Belyh, 2020). Customer segments are one of the most important building blocks in the business model canvas (BMC), and getting this one right will help the business succeed. Customers can be segmented into several groups based on needs, behaviors, and other traits. Kafe Tenang has already segmented their customers into three groups: youngsters, all-aged adults, and coffee lovers.

For **youngsters**, the age range is from 15 to 29 years old. As we all know, young people enjoy gathering with their friends at cafes to do their homework, assignments, catch up, and so on. Not only that, the cafe is a photo-friendly place, so it will attract youngsters who love to take

pictures and upload them on social media. Next, **all aged adults**. Coffee is not only for young people, all ages can come and try the coffee that has been prepared by the cafe. The place is also suitable for people to do their work, meet people, and so on because the environment in the cafe is not too loud. Lastly, **coffee lovers**. As we know, coffee lovers love to try various types of coffee in the market, so this cafe is one of the places that coffee lovers can come and try. If the coffee is good to them, they will come back and have coffee there again.

### 3.2 Value propositions

Value proposition defines the bundle of products and services that create value for a specific customer segment. The value proposition is why customers choose a specific business over its rivals. A strong value proposition engages with its customers, knows its target market, and provides a specific benefit (Maverick, 2021).

Kafe Tenang has set a standard to only produce **high-quality coffee** using chosen beans. **Properly brewed coffee** is one of the biggest reasons customers visit a coffee shop rather than make coffee at home. According to Kafe Tenang, coffee shops must be competent enough to serve a perfectly extracted coffee cup to the customers every single time.

Kafe Tenang also makes their customers very happy because they offer a very **photo-friendly and relaxed environment** for their customers to remain in and feel welcome. The way the store is decorated plays a big part in creating the best environment for the satisfaction of the consumers. Nowadays, youngsters love to take and share pictures of the cafe environments they visit and post them on social media.

### 3.3 Channels

Channels describe how the business reaches the target customer segments. Kafe Tenang has a **walk-in store** for their customers to come and buy their coffee. At their store, customers can ask for coffee the way they like it or try something new from the staff that is working there. Next, **social media platforms**. In order for customers to know about updates on their new product, location, and business hours, they can search for *@kafetenang\_* on Instagram. Rather



than focusing solely on one social media platform, the manager and his staff promote their cafe via a personal TikTok account.

### 3.4 Customer relationship

Customer relationships refer to any kind of connections a business makes with particular customer groups. The business model's Customer Relationships section allows businesses to make decisions that maximize their capacity for attracting, keeping, and expanding their customer base (Reiling, 2022). In other words, you have to get, maintain, and expand your customer relationships.

**Social media** is used to approach their customers and potential customers. Instagram and Tiktok are the most convenient approaches, as almost everyone uses them to attract customers' attention. They used it to promote their new menu and promotions to keep customers updated on the latest services or products.

Kafe Tenang uses **promotions** to attract more customers. They offer the customers who purchase two coffees to get one more free coffee, and every regular customer's birthday will get them 15% off their purchase in the cafe. Having customers is what drives income, so the way customers are treated should be their top priority.

### 3.5 Revenue streams

A revenue stream is a way for a business, another organization, or the local or national economy to generate profits. A revenue stream in business often consists of one of the following: recurring revenue, transaction-based revenue, project revenue, or service revenue. Revenue is what keeps the business alive. Beyond being a lifeline, revenue can give key insights into the business. As a way to increase the business' profits, they need to increase their revenue. By keeping an eye on their revenue and focusing on increasing it, they can also increase their profits.

Kafe Tenang generates its main income from the **sale of coffee**. They do serve pastries such as croissants, puffs, and donuts. However, when it comes to pastries, it is only an additional source of income for them. Their main focus is on their coffee. Other than that, they generate

profit from any **promotional sales**. Promotional sales such as buying two coffees and getting one extra coffee for free and a birthday discount of as much as 15%.

They do provide **online transactions** for their customers to make it easier for them. They focus on cashless transactions such as QR payments and card transactions. Customers do not have to worry about carrying cash.

### **3.6 Key activities**

When you run a business, the things that you do to attract customers are the key activities. If you are doing a service such as Grab, taking your client to the destination is a key activity. Key activities are things that the company does to make sure its value proposition gets delivered (Denis Oakley, 2018). Key activities are one of the components in Business Model Canva where the company must carry out the task successfully to achieve the objective of the company. In simple words, it must align with the value proposition so that the business can run smoothly and gain revenues.

For Kafe Tenang, their key activities are training and development, purchase high-quality brands for their coffee bean, including outlet. Their main attraction is coffee, which means using the **best quality coffee beans** is very important to make sure it can bring out the unique taste of coffee that they make. Hence, to reach that certain taste of the coffee, the manager provides **training to the barista** to improve their skills in brewing and making coffee. Besides, as their cafe has been recognized as a photo-friendly place, **keeping the spot for taking pictures** in good and clean condition is also one of their key activities.

### **3.7 Key partners**

In the business world, it is very possible to work on your business if you do not have any partners or help from others. No matter how small the business is, you would not be able to get all the necessary things or connections by yourself. Key partners have a relationship with other businesses or entities, which can lead to a successful business model (Imke, 2022). Most key partners are related to the supply chain, as the business needs raw materials to produce a product if its nature is manufacturing. However, doing a service is not excluded.

Kafe Tenang has many key partners as they are in the food and beverage field, which means they need partners in terms of **raw materials, bakery, cocoa, and coffee beans**. These are very important because they are part of the main ingredients needed to produce the coffee that they serve. In addition, before starting a business in Malaysia, **registering the company** with SSM (Suruhan Syarikat Malaysia) is mandatory, which is the same as getting a HALAL certificate from JAKIM. This is because the business needs the certificate to prove that their business is legal and their coffee is compliant with Shariah. **Packaging and furniture** are also part of their key partners as they need to decorate the cafe for customers to be in comfortable condition and packaging to represent their cafe.

### 3.8 Key Resources

Key resources are assets that are absolutely necessary for your company model to function. They define all of the important items that will be required for you to execute on the promise or value proposition you have made to your target clients. It also can be defined as the main inputs and assets used by the business to function effectively in the business model canvas (Oakley, 2018). It is, to put it another way, what you require. For instance, buildings, employees, and political knowledge. In the Business Model Canvas, we only list the resources that distinguish you from your competitors in the market.

One of the main resources for Kafe Tenang is its **baristas and bakers**. Baristas are the ones who have been making and serving their quality coffee all this time. The bakers are also one of their important resources. They have made sure to prepare and provide good pastries, such as danishes and croissants, that are always ready to be served to their customers. Other resources for Kafe Tenang are **machinery and equipment**. It is also a priority for the business to assist in storing and preparing all the coffee and pastries. Machinery and equipment also make it faster and easier for the employees to serve the customers with fresh and good quality pastries and coffee all the time.

### 3.9 Cost Structure

According to the CFI Team (2022), the cost structure of a firm relates to the many types of expenses that it incurs and is often made up of fixed and variable costs. Fixed costs are costs that stay constant regardless of the quantity of output produced by a corporation, whereas variable costs vary with production volume. Whether a business is a retailer or a service provider, it must face some sort of expense. Retailers and service providers have different cost structures, therefore, the expenditure accounts that show on a financial statement are determined by the cost objects, such as a product, service, project, client, or business activity. Even inside a corporation, cost structures may differ due to the different sorts of operations performed by product lines, divisions, or business units.

Kafe Tenang has a few costs that they have to take into consideration, such as **utility bills**. Their utility bills included rent, electric bills, and water bills. It can be high cost sometimes since they use air conditioners, lighting, and a lot of electric equipment for their business on a daily basis. Next, the cost of **production**. Production cost can be referred to as all of the direct and indirect expenditures that a company incurs when producing a product or offering a service. Employees, raw materials, and other expenses can all be included in production costs. **Employees** are part of their cost structure. Essentially, whatever effort needed to guarantee that all necessary production components are in place would be included in the employee cost, as stated by Tatum (2022). According to Banton (2022), **raw materials** can be defined as materials or substances used in the primary manufacture or manufacturing of things. As for Kafe Tenang, they also buy and use raw materials such as coffee beans, milk, syrups, and dough for business purposes. Lastly, cost of **licensing**. Cost of licensing is the cost or fees that they have to pay to run the business such as SSM (Suruhanjaya Syarikat Malaysia), JAKIM and others related to the government.

## **4.0 FINDING AND DISCUSSION**

### **4.1 Findings**

#### **4.1.1 Limited choices of milk**

Milk is one of the main ingredients used by the baristas when making coffee drinks such as latte, cappuccino, and mocha. Same as Kafe Tenang where they used full cream milk for their coffee. The issue is that they have a limited choice of milk and do not provide choices for the type of milk for the customers. One of the main importance in the food and beverage business is uniqueness and variety for the customers. Customers sometimes like to try new things, which gives them reason to come to the same place over and over again. So, their limited choice of milk can somehow affect customer attraction.

#### **4.1.2 Limited size of cup**

Cup size is crucial because the type of coffee customers prefer is impacted by the size of cup. This has to do with the volume of liquid required to make a drink, especially when it comes to espresso-based beverages, where the coffee ratio to milk and the type of milk can affect which cup to use. Kafe Tenang does not have a variety of sizes when it comes to their cups. They only have one size of cup, which is a regular one. They do not have different sizes such as small or large. This gives customers a limitation on their ability to choose the size they want. For example, when a customer wants to drink their coffee in a smaller cup, they are forced to take it in a regular cup.

#### **4.1.3 Competitors**

"Competitors" refers to the race or rivalry between business competitors who compete in the same industry. The goal of competing is to raise the revenue of the firm through growing sales, achieving profit, revenue, and market share. There are three types of competitors which are direct competitors, indirect competitors and replacement competitors according to Rodrigue (2022). As we can see in Kafe Tenang, there are several direct competitors who are targeting the same audience, selling the same products, and so on. For example, take Cafe Rahsia Shopee, which is located 1 minute away from Kafe Tenang. This can be a problem because customers will choose to go to another cafe instead of coming to Kafe Tenang if Kafe Tenang does not

provide better services, high quality products and others to customers. If they are not giving the best service and so on, they will end up not having any customers to come and not getting any profit to continue their business. Not only that, if they do not present something different that can overpower their competitors, it will make the cafe not stand out to the customers.

#### **4.1.4 Customer Service**

The most important thing in business is your customers. Your customer's satisfaction is your top priority, as they are the ones who will buy the product or service that you are selling in the market. However, Kafe Tenang seems to fail to present their best in terms of service. They are not being friendly toward customers. Looking up on Google, in the review section, there is a customer who went there and said the customer did not smile at them. It seems like the staff was not trained to be friendly or at least smile at the customers during service. Presenting a stoic face is a big no as it can cause a distance relationship with the customers. Plus, certain customers might get offended by the way they are being treated, which will leave a huge bad impression on the staff and also the image of the cafe.

## 4.2 Discussion

### 4.2.1 Provide different choices of milks

To prevent having limited choice of milk, Kafe Tenang can provide more choice of milk for their customers. For example, soy milk, almond milk, and oat milk. Customers can pick and choose based on their liking and also try new things. Kafe Tenang also can do surveys on which type of milks is the most and least picked by the customers.

The **advantage** of this new improvement is that they can attract more customers to their cafe while maintaining their regular customers. This is because customers like when they can make a lot of choices and try and error at different things. It also helps people with allergies to pick which milk is suitable for them.

But, it also has its own **disadvantages** which are costly and can lead to waste of milk. Costly because some milks can be hard to find and a little bit more expensive than the others. It also can lead to wasting of milks since some milks might be picked less or not picked at all by the customers. It can affect the quality of milk and lead to its expiration.

### 4.2.2 Provide different size of cups for customers

Kafe Tenang can provide three different sizes of cups for their customers, such as small, medium, or regular, and large. They can choose to provide more than three choices for their customers, but if they start off with just three, they can constantly choose to improve in the future. Kafe Tenang can seek inspiration or ideas from other cafes.

The **advantage** of providing different sizes of cups for their customers, it can help their customers decide which one they want. Customers can decide if they want to upgrade or downgrade their size. This way, customers will not feel as if they wasted their money when they are unable to finish their drinks because they bought a smaller cup.

However, the **disadvantage** of providing different sizes of cups for their customers is that a certain size of cup might go to waste. Customers might choose a small or regular cup regularly, which leaves the large cup unwanted. Kafe Tenang's inventory might even be overstocked.

### **4.2.3 Ask for feedback from customers**

To solve this problem, Kafe Tenang can ask for feedback from customers who are coming to their cafe. This feedback can be given both online and in-person. Online feedback can be done by email or Google Form, and in-person feedback can be done by giving a paper containing questions regarding the cafe. By doing this, Kafe Tenang will know what to improve so that their customers will enjoy coming back to their cafe rather than going to Kafe Tenang's competitors.

The **advantage** of asking for feedback from customers is that Kafe Tenang can make improvements to their products and services. This customer feedback will give many ideas on how to improve their product because sometimes customers will mention specific things that they like or don't like about the product or service and what improvements the customers require for the cafe. Next, by asking for feedback from customers, the cafe can develop trust and empathy with the customers. When they collect feedback from customers and act on it, it will make the customers trust the cafe and become loyal to it because the changes made by them are based on what customers need. This can increase the number of sales in the cafe.

The **disadvantage** of asking for feedback is that it is hard to get genuine feedback. This will happen in most cases because the customers do not provide accurate information. Not all customers will willingly provide genuine feedback because some of them just answer the feedback without much thinking and rushing. Even though the cafe's product and services but still the customer answer it "average" so it is pointless to have a feedback from them.

### **4.2.4 Provide training to the employees**

A few ways can be suggested to counter these problems, which are Kafe Tenang can provide training on how to improve their customer service and interaction with the customers. The training can be done in various ways either online or perhaps to be more effective by role play. The trainers can give the chance to the staff to play a role as a customer and staff whose service the customer. This is because the staff should be more energetic and patient during interactions. Thus, having a nice personality and being friendly are very important, especially to those who work in the area of the in-front house.



The **advantages** of this approach are that staff will realize where they are lacking and can improve immediately. Next, introducing the menu and making recommendations is very helpful in increasing the relationship between the customers, as they feel their presence is appreciated. They would love it if you were talkative rather than silent all the time during the interaction, as being silent can make the situation awkward.

Meanwhile, the **disadvantage** of this approach is that the manager needs to spend their money. Providing training is costly as you need the best materials and expert trainer to the employee so the outcome would not be disappointing. Even though the training can be done online, but still need to find the right structure and material to ensure the employee can understand and apply what has been taught. Besides, it takes time. Each training takes a certain amount of time to complete, as the trainer wants to make sure the trainee succeeds in achieving the objective of the training. It would not be effective if the training had been done only once.

## **5.0 RECOMMENDATION**

### **5.1 Marketing**

In order to make the cafe well known, the cafe can do more marketing on various social media platforms, such as Facebook, Twitter, TikTok, and so on. For their current marketing strategy, it can be seen that they only depend on one social media platform, which is Instagram. On top of that, those who are in charge of making content or promoting tend to not do it regularly, which makes them less recognizable. The recommendation that we can make is that they can start promoting their cafe through Facebook ads, Instagram ads, and so on. Next, they can also ask influencers to do reviews about the product and the cafe. By doing this, people will know about the cafe and come to try the products that are served there. Other than that, the cafe has to hire a content creator to manage all the postings on social media regularly and also to reply to all the messages sent by customers.

### **5.2 Provide free WiFi**

To attract more customers to the cafe, we recommend that the cafe provide free WiFi. As we know, youngsters were the customer segment in this cafe, so to attract more youngsters to come and buy drinks, do their assignments, work, and so on, they should provide free WiFi. Not only that, free WiFi can benefit the customers who are waiting for their order, they can surf their social media and be entertained while they are waiting. The cafe can print a WiFi password on the receipt for only one hour after the customer makes their payment. This would guarantee that each customer must make a purchase before they enjoy using the WiFi.

### **5.3 Introducing the delivery service**

Kafe Tenang does not provide delivery services to the customer, so we suggested that the cafe try to register for delivery services on some platforms, such as FoodPanda and GrabFood. Since the COVID-19 occurred, people now prefer to get their meals online and only wait to pick them up in front of the door instead of going inside the cafe. So the cafe can raise additional sales because customers can easily order through the application.

## 6.0 CONCLUSION

Kafe Tenang has come a long way in their business, and every business does face struggles. Every business will continue to face difficulties or struggles throughout their journey. However, it depends on the business' ability to overcome the struggles. Once Kafe Tenang has found out about their weaknesses, it will be easier for them to improve in the future. It is just a way for them to become better to satisfy their customers.

In this case study, we managed to find out about Kafe Tenang's issues and provide solutions. We listed out the problems we found and the solutions, including the advantages and disadvantages. Other than that, we also gained further information about Kafe Tenang. This also helps us to understand better about the business and how they choose to run their business. A successful business in sustaining business practices often requires creativity, entrepreneurship, and innovation. They should also be able to recognize change, pursue any available opportunities, be brave enough to take risks, and also make better use of their resources. It is something they have to do over and over again.

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## 8.0 APPENDICES

Signature		Hot	Cold
* Nulela Latte		13.5	
* Banana Latte		13.5	
* Biscoff Latte		13.5	

Non Coffee		Hot	Cold
* Vanilla Caramel		10.0	
* Vanilla Biscoff		12.0	
* Chocolate		10.0	12.0
* Matcha Latte		10.5	12.5
Soda Drink		7.0	
• Strawberry Kick			
• Manggo Kick			
• Kiwi kick			

Tea series		Hot	Cold
* Peach Tea		4.0	6.0
* Tropical tea		4.0	6.0
* Lemon Lime Tea		4.0	6.0
* Red Fruit Tea		4.0	6.0

Coffee		Hot	Cold
Espresso Drink		5.0	
* Americano		7.0	8.5
* Latte		9.0	11.0
* Latte Flavour		10.5	12.5
• Vanilla			
• Caramel			
• Hazelnut			
* Asian Dolce Latte		10.5	12.5
Cappuccino		8.5	9.5
* Caramel Macchiato		12.0	13.5
Mocha		10.5	12.5
• Extra 1 shot espresso		1.5	

Figure 3.0 Kafe Tenang list of menu



Figure 4.0 Interview with the manager of Kafe Tenang



Figure 4.0 Kafe Tenang



Figure 5.0 Kafe Tenang's decoration



*Figure 6.0 Espresso machine*



*Figure 7.0 Grinder machine*



*Figure 8.0 Kafe Tenang's coffee and activity*



*Figure 9.0 Games rack*