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**MARKET ACCEPTANCE OF NUTRITIOUS STREET FOOD
FOR PEOPLE AT THE BASE OF PYRAMID**

KEBAL, JAKARTA, INDONESIA

HU UNIVERSITY OF APPLIED SCIENCES UTRECHT

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Executive Summary

KEBAL started as a social program from Mercy Corps on 2008, to provide nutritious food for children from 6 months – 12 years old in poor areas of Jakarta. People at the Base of the Pyramid (BOP) usually do not realize that they are malnourished, because they may eat enough food to make them feel full, but which not necessarily provides enough nutrition. Nutrition is very important for children particularly for the children from 6 months – 2 years old because at this time good nutrition will help the growth of their brain and also prevent them from stunted growth. However, the children above that age also need good nutrition because they are still in growth era although not as fast as the children under 2 years old. The mission of KEBAL therefore is to deliver nutritious food to children, and provide education about the importance of healthy child nutrition.

KEBAL is supported by DSM and Rabobank Foundation, and is now in the transition phase from a social program to a sustainable, social enterprise, in order to become independent from donations from other companies and organizations. In order to increase the business potential of KEBAL, a market research was carried Out in Jakarta in the period February-June 2013, by means of interviews, focus group discussions with consumers and vendors, and participative observation

The most important outcomes are that KEBAL is already quite known by people in West, South, and East Jakarta. KEBAL now operates as a franchise system, because this way the model can replicate itself faster to other regions of Jakarta. The acceptance of KEBAL is also good. Many housewives feel that KEBAL really helps because they do not have to prepare food for their children in the morning anymore, and their children look and act a lot healthier than before. KEBAL now already increase its market segment until 12 years old, hopefully with this KEBAL can increase its market opportunity and can make more healthy kids in Jakarta.

The outcomes of this research resulted in the following recommendations for KEBAL, DSM, and Rabobank Foundation. For KEBAL, the most important recommendation is to improve communication with the vendors or franchisees, who should share their experience and market knowledge with KEBAL in order to increase sales and profit margins. The most important

recommendation for DSM is to spent more on advertising and awareness campaigns about the importance of micronutrients. Finally, for the Rabobank could be more involved in training management of KEBAL.

List of Abbreviations and Terminology

KEBAL	: Kedai Balitaku (My Child's Café)
WHO	: World Health Organization
SES	: Socioeconomic Status
BPS	: Badan Pusat Statistik (National Statistical Institute, Indonesia)
PT	: Perseroan Terbatas (Limited Liability Company)
RW	: Rukun Warga (Neighborhood Organization)
BkkbN	: Badan Kependudukan dan Keluarga Berencana Nasional (National Population and Family Planning Agency)
MSG	: Monosodium Glutamates
Posyandu	: Pos Pelayanan Terpadu (Integrated Service Post)
Nasi Tim	: Chinese-Indonesian steamed chicken rice
Nasi Hainam	: Rice with boiled chicken and egg with ginger sauce
Lontong Sayur	: Rice cake with spicy sauce and vegetables
Somay	: Indonesian fish dumpling with peanut sauce
Tetelan	: Part of cow meat; mixture of fat, vein, beef, etc. that is usually cooked for soup
Nasi Uduk	: Steamed rice cooked in coconut milk; usually eaten with chicken
Tempe	: Product from fermented soybean
Lontong Mie	: Rice cake rolled with banana leaf and shredded chicken

Chapter 1: Introduction

1.1 Research Background

Kedai Balitaku (KEBAL) was founded in 2008 under the name Jajanan Balita Sehat (Healthy Children Snacks) as a social program of Mercy Corps, before it changed the name into KEBAL in 2009. Mercy Corps is a non-governmental organization that was established in 1979, with its Headquarters in Portland, Oregon, United States. This organization is a global aid agency active in transitional economies, and helps countries affected by natural disasters, economic collapse, or conflict. Mercy Corps has several projects in different areas of Indonesia. KEBAL was the pilot program of Mercy Corps in Jakarta, addressing the issue of child nutrition, because 17% of the children under 5 years old are malnourished, and 12% are overweight. Nutrition is particularly important between 0 – 2 years old, the so-called golden period; because their brains still grow very fast and intelligence and memory are only well developed if they receive enough nutrition. Enough nutrition can also prevent stunted growth because the golden period also has a strong impact on the future growth of children's bodies.

Through KEBAL, Mercy Corps aimed to deliver nutritious food for children in slum areas of Jakarta in order to decrease malnutrition among children in the long term. The first project manager was Usye Usmaya, who learned about the street food business and children's eating habits through in-depth market research. She tried to deliver nutritious meals and snacks through mobile vendors to reach children in slum areas. Street vendors in Indonesia are mainly associated with unhealthy, often deep-fried, products. Initially, KEBAL sold its meals and snacks under the cost price, because as a social program it just focused on achieving the goals, without thinking about the costs and profits.

In 2011 KEBAL was registered as a Limited Liability Company with the tagline “Lezat, Sehat, Hemat” (Delicious, Healthy, and Affordable). With this step, KEBAL was turned into a social business instead of a social program. The objective was to become a sustainable business, without depending on funds from donations. After KEBAL became a social business, Mercy Corps hired a new project manager, Pak Iwan, who immediately opened new cooking centers for

KEBAL. Previously, KEBAL only had one cooking center in Tegal Alur, West Jakarta. To develop the market and increase production capacity, Pak Iwan opened three new cooking centers in slum areas of West Jakarta within six months; another one in Tegal Alur, one in Duri Kosambi, and one in East Cengkareng. With these four cooking centers, KEBAL managed to increase its sales and develop rapidly.

In 2011 KEBAL was visited by Mr. Robert van den Heuvel, Head of Business Development at DSM, a Dutch company that is engaged in, among others, materials for nutrition and health. DSM is global market leader in developing, producing, and selling micronutrients. Its main platforms include minerals, vitamins, and fatty acid (Omega 3 and 6). DSM believed KEBAL to be an effective way to deliver nutritious meals to children in slum areas, and decided to give a donation of \$25,000, and support KEBAL with micronutrients for its meals and snacks. After that, Mr. Robert van den Heuvel introduced KEBAL to the Rabobank Foundation. Rabobank Foundation was founded in 1973 by the local Rabobank's as an independent foundation within the Rabobank Organization. In Asian countries, Rabobank Foundation supports small farmers to improve production, distribution, and sales. Rabobank Foundation was also interested in KEBAL and donated \$50,000.

Unfortunately, sales of the four KEBAL cooking centers dropped not long after that. Many KEBAL vendors were not used to have sales targets. In addition many vendors borrowed money from KEBAL for their personal needs, because they still assumed KEBAL to be a social program, not a business that needs profits to become sustainable. In 2012 KEBAL hired a new project manager, Ibu Rosalina Pulubuhu, whose ambition was to turn KEBAL into a sustainable business. After a few months, she closed two cooking centers in Tegal Alur and Duri Kosambi due to financial problems. The operational costs of these cooking centers were higher than their revenues. As a result, KEBAL lost many vendors, and the total sales of KEBAL decreased further. At the beginning of 2013, Ibu Rosa increased the prices of meals and snacks sold by KEBAL because previously KEBAL's products were sold below cost price. After the price was increased, sales of some products such as porridge and *nasitim* were not really affected, but jelly fruit sales decreased significantly. KEBAL tried to increase sales again by designing a new brand and developing new menus to address new markets. Also, KEBAL's vendors now work under a

franchise system instead of hiring people to become vendors for KEBAL. As a result, vendors are much more motivated to increase sales.

1.2 Research Objectives

The objective of this research is to find out how the market's acceptance of KEBAL's nutritious street food as the Base of the Pyramid (BOP) market in West Jakarta. Until now, such research has not been done yet, and it may be crucial for KEBAL in order to become a sustainable business. What are the barriers that can undermine the delivery of nutritious food for children at BOP markets, and do they really accept the idea of buying healthy food through street vendors. To answer the research question, the following sub-questions will be addressed first:

1. What is the actual situation of KEBAL as street food?
2. What is the background of KEBAL's customers?
3. What is the value of KEBAL according to its customers?
4. Who are KEBAL's competitors?
5. What is the customer segment of KEBAL's competitors?
6. What is the value of KEBAL's competitors?

1.3 Significance of this Research

This research is conducted for PT. KEBAL, in order to know more about its position and barriers in the BOP market, and to expand its market share to wider Jakarta and even Indonesia as a whole. In addition, this research is important for both DSM and the Rabobank Foundation to find out the effectiveness and impact of their donations, and help KEBAL to become a sustainable business, no longer dependent on donations.

1.4 Structure of the Study

This research is organized in the following six chapters; Introduction, Literature Review, Research Methodology, Findings, Discussion and Conclusions, and Recommendations. In chapter one, we will outline the background of this research and what makes this research important. Chapter two will analyze the literature review to provide a relevant context for this research. Chapter three describes the research methodology in detail, how the data was collected and analyzed. In chapter four, the most important findings of this research will be presented. Conclusions will be presented and discussed in chapter five, and chapter six will give some recommendations for KEBAL, DSM and the Rabobank Foundation.

Chapter 2: Literature Review

2.1 People at the Base of the Pyramid (BOP)

The concept of people at the Base of the Pyramid (BOP) was first developed by C.K. Prahalad in 1995, referring to the large group of poor people, with an income under US\$ 2 per day. The total number of people that live at the BOP is around four to five billion worldwide. Many NGOs and governmental program have tried to address issues of poverty in many different ways over the past decades, but until recently the private sector was not interested in this group because they were not considered as potential consumers. Prahalad thought about a powerful alternative, in which he encouraged the private sector to address the needs of consumers and markets that were not served before. Poor people should be involved in the economic system. Since 1997, Prahalad published several articles and a book about ‘The Fortune at The Bottom of Pyramid’(2004).

Prahalad (2004) convincingly argued that we should stop looking at people at the BOP as victims, but instead start looking at them as resilient and creative entrepreneurs and consumers that care about value. As a result, a whole new world of opportunity would open up. Many companies do not see BOP as their market, because they assume that poor people do not have purchasing power. There are however also big opportunities for growth, but it require new and innovative approaches of production, marketing and distribution. It involves partnering with the poor to innovate and achieve sustainable win-win scenarios where the poor are actively engaged, while, at the same time, the companies providing products and services to them are profitable. (Prahalad 2004: 1-19).

According to the World Bank (2010), more than 110 million people live at the BOP in Indonesia, with an income around Rp18,310(EUR 1.41) per day. Most of these people now live in Jakarta as the moves from their villages to the capital, in the hope of finding a better life. Most of them come to Jakarta without decent education or specific skills and face great difficulties to find a job. They usually live in slum areas of Jakarta with low incomes every month (Dita 2012).

2.2 Malnutrition

Malnutrition is a broad term which refers to both under-nutrition and over-nutrition. Individuals are malnourished, or suffer from under-nutrition if their diet does not provide them with adequate calories and protein for maintenance and growth, or they cannot fully utilize the food they eat due to illness. People are malnourished, or suffer from over-nutrition if they consume too many calories. Malnutrition can also be defined as the insufficient, excessive, or imbalanced consumption of nutrients. Several different nutrition disorders may develop, depending on which nutrients are lacking or consumed excess. According to World Health Organization (WHO), malnutrition is the gravest single threat to global public health (Nordqvist 2010).

Malnutrition is directly responsible for 300.000 deaths per year in children younger than 5 years in developing countries and contributes indirectly to over half of all deaths in children worldwide (Shashidar 2013). At least 7.6 million Indonesian children under the age of 5 —one out of every three — suffer from stunted growth, a primary manifestation of malnutrition in early childhood, according to a United Nations Children’s Fund report (2010). The report ranked Indonesia as having the fifth largest number of children under 5 suffering from stunted growth worldwide.

“If we can ensure that every child is exclusively breast fed for the first six months and then given appropriate complementary feeding and continued breast feeding until 2 years of age, we will significantly reduce stunting by about 15 percent and also reduce by almost 20 percent the deaths that occur among children under 5”, according to UNICEF’s Indonesia representative (Osman 2010).

In Jakarta we can find many malnourished children in slum areas. Most residents of these neighborhoods don’t have kitchens or cooking supplies to prepare their own meals. They often buy cheap street food instead, which usually is high in fat and sugar, but low in protein and nutrients. As a result of this poor diet, at least 17 percent of children in Jakarta suffer from acute malnutrition, as well as anemia and stunted growth. The percentage is even higher in slum areas where poor families are usually concentrated (Burks 2012).

Nutrition is very important for the baby, because on that age the growth of the kids is vulnerable. If we do not give enough nutrition consumption it can obstruct the growth of their brains. Between the ages of 0 – 2 years old, the brain's growth experiences its golden period. Problems in growth of the brain during that period can permanently interrupt the productivity of those children when they grow up. The most important nutrition for children includes calcium, fiber, potassium, vitamin C, and vitamin D (Kompas 2013).

2.3 Poor Inhabitants in Jakarta

According to the data from the National Statistical Institute (BPS) in Jakarta, people are poor if they live below the minimum wage of Jakarta, which is less than Rp 2,200,000 (EUR 169,40) per month (BPS 2013), and have a living space of less than 8m² per family, the floor of the house is not paved, there is no functioning clean water and toilet, their meals are not sufficiently varied, they cannot afford to buy new clothes, there is no assets in the household (e.g. television, refrigerator, etc.) (Anggraini 2006). According to the latest survey there were 363,400 people in Jakarta that meet these criteria (BPS 2011).

2.4 Eating Habits of People in Low and High Socioeconomic Areas of Jakarta

Results from previous research about the eating habits of people in different areas of Jakarta show that eating habits between different areas of Jakarta can be quite different, depending on their socioeconomic status. Women with a low socioeconomic status (SES) worked as wash women, tailors, factory workers, and sate sellers. Women with a high SES generally worked in a bank, private company, factory, and as civil servants. With regard to eating habits, children from low and high socioeconomic background preferred noodles, rice, vegetable soup, spinach, meat, *tempe*, egg, and chicken. Mothers with low and high SES could mention different types of nutritious food for their children, such as meat, fish, spinach, tofu, and chicken liver. These foods have high vitamins and proteins and support the development and the growth of the brain. However, some mothers from low SES admitted that they could not buy fish, meat, and chicken

because they did not have sufficient money. *Tempe*, tofu, or soup *tetelan* were most used as replacement for animal protein sources (Fatmah 2000).

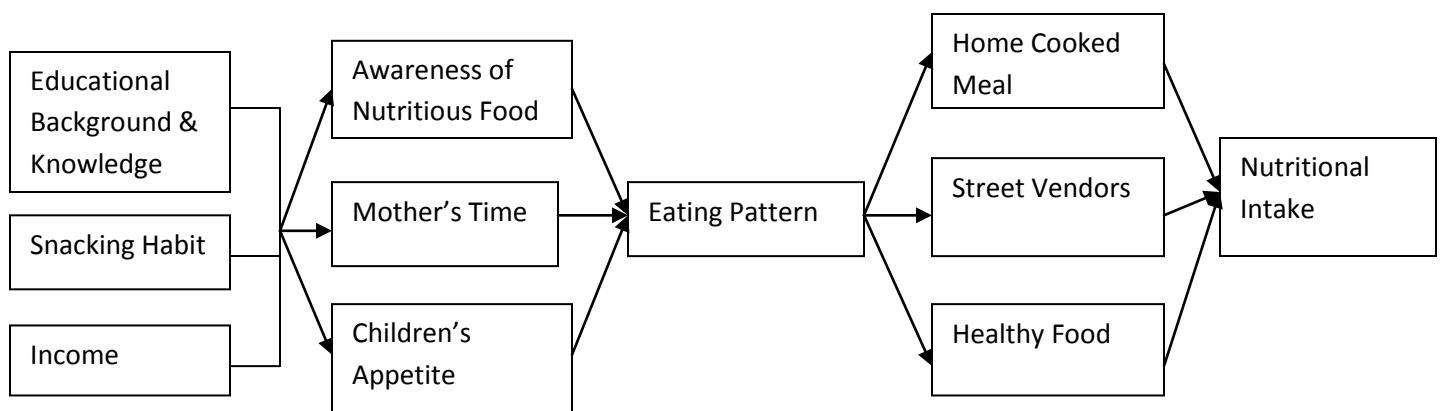
Undernourished children usually had eating difficulties because; 1) their mothers prolonged the breast feeding without proper weaning foods, the child was weaned late; 2) they did not want to drink milk and eat porridge or rice; 3) they ate too many snacks; 4) they were bored for the lack of variation in their meals; 5) they played a lot; 6) they were very much attached to their mother; 7) they did not want to eat rice, only milk, chicken, and egg; 8) they preferred to eat rice/noodles instead of side dishes (Fatmah 2000).

Chapter 3: Methodology

The method we used for the data collection is qualitative, with interviews and focus group discussions. In the first part of this research we observed KEBAL to learn about their consumers and about the company itself. We also did desk research for the literature review. Before the internship began, we met Mr. Robert van den Heuvel from DSM in the Netherlands to talk about the objective of this internship and research. Then, this research was carried out while doing an internship at KEBAL in Jakarta from 11 February 2013 until 30 June 2013. Through this fieldwork we aimed to find out more about the employees and consumers of KEBAL.

3.1 Conceptual Framework

Figure 3.1: *Conceptual Framework*



3.2 Orientation

This research is conducted to know the market acceptance of KEBAL in the market, and to find out the problems that vendors of KEBAL are facing. This research methodology is mostly qualitative, consists of semi-structured interviews with vendors and consumers of KEBAL. I also observed KEBAL while doing the internship on there.

3.3 Data Collection

The primary data for this research is mainly collected through interviews and field observation, completed with secondary data from articles and other literature to place the findings into context. The interviews were done by me, my fellow student, and KEBAL's staff. The field research took ten days in total. We divided the field research in four different periods, first at 18 – 20 February, 22 – 23 April, 6 – 8 May, and 18 - 20 June. The numbers of respondents are 35 consumers and eight vendors of KEBAL. The remaining period we worked at KEBAL, we observed people in KEBAL and joined meeting in KEBAL.

3.4 Population & Sampling

The target populations for the samples are consumers from KEBAL in West Jakarta, South Jakarta, and East Jakarta to be precise, at Kapuk Village, Kebayoran Lama, and Condet. The interviews and observations were done while following KEBAL's mobile vendors that went around the areas. We used a non-probability sample; we took the sample randomly while following the KEBAL mobile vendors and waiting at static vendors. When the consumers of KEBAL want to buy products we interviewed her/him with our questionnaire.

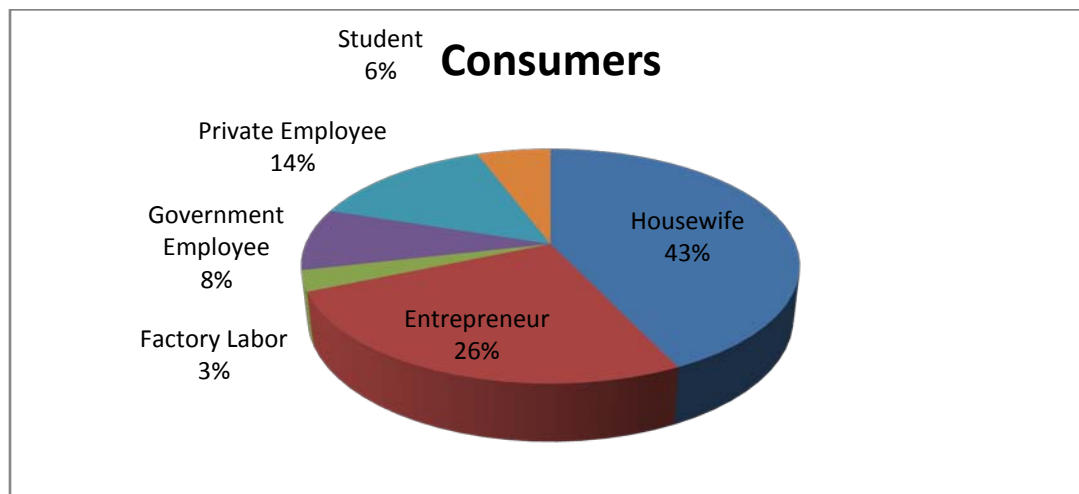
3.5 Limitations

There are several limitations to this study. One is that we did the interview mainly in the morning, and some respondents were in a hurry because of other activities they had to do. The educational background and knowledge of KEBAL consumer also can be a limitation. Another limitation is that when we interviewed the competitor of KEBAL, they did not really want to answer the question that was too detailed about their business, and like the part of sales usually they said about their good sales, they did not want to say bad things about it.

Chapter 4: Findings

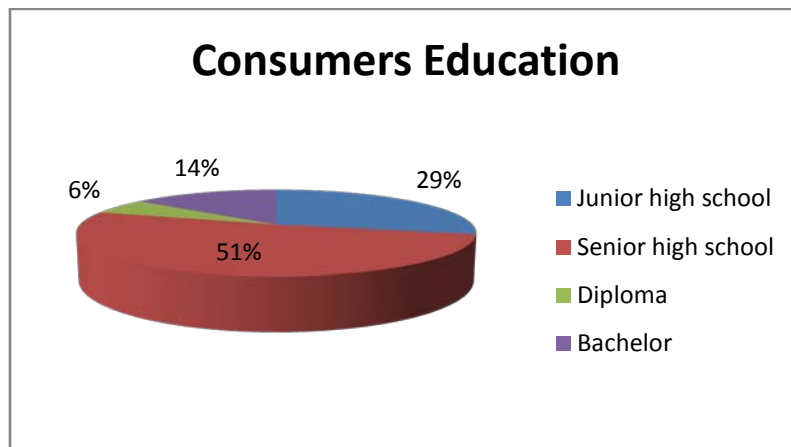
The data is based on interviews with 35 KEBAL's consumers from West, East, and South Jakarta, participative observation, and interviews with 8 KEBAL vendors. The data about respondents are at appendix 4. Below is the percentage of KEBAL consumers based on their occupation.

Figure 4.1: *Consumers Occupation*



The figure above shows the outcomes about the occupation of KEBAL's consumers. KEBAL's consumers are mainly housewives. Even though they stay at home and take care of their children most of the day, they indicated that they usually do not want to cook different meals for their children in the morning because it takes time and is complicated. Consequently, they prefer to buy food from street vendors such as KEBAL.

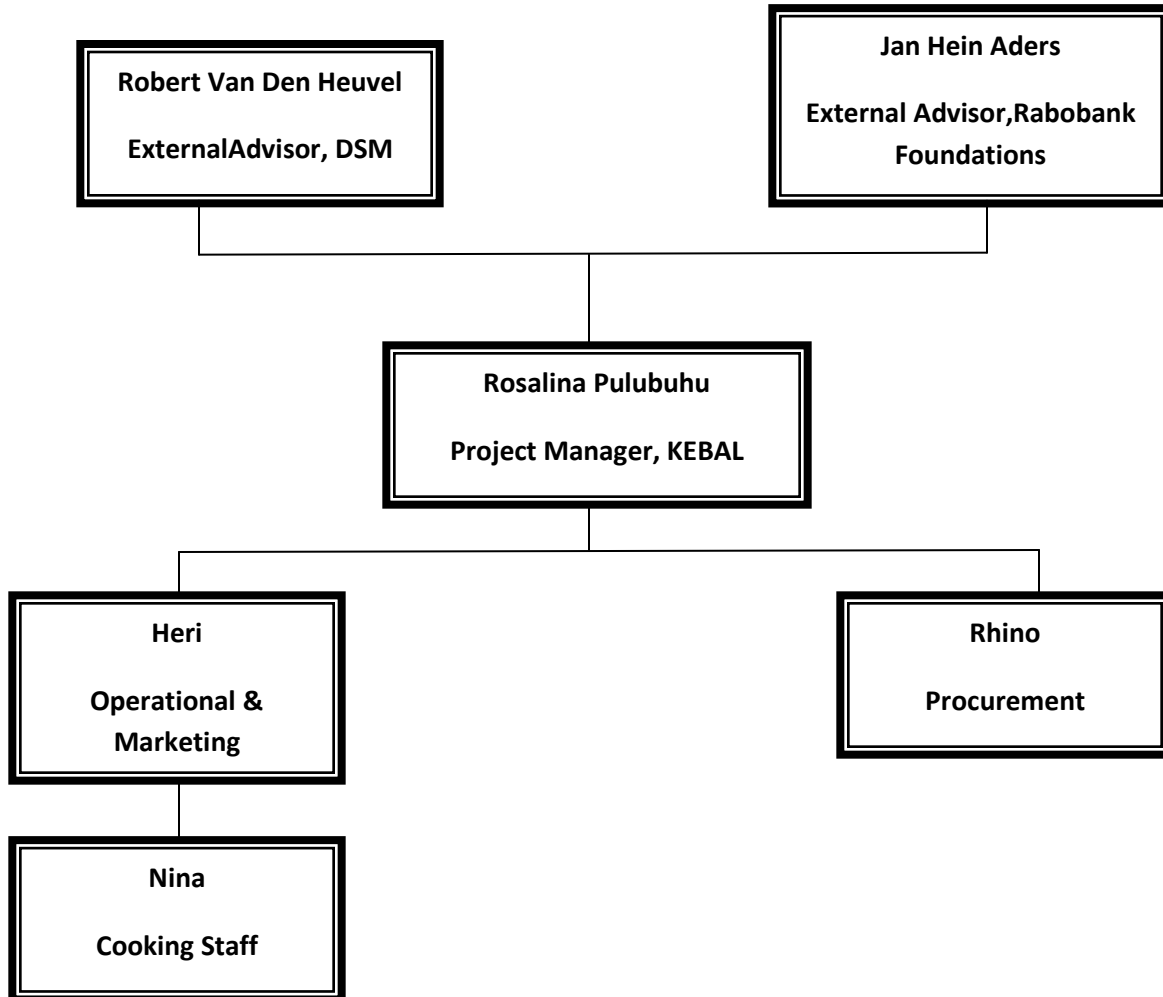
Figure 4.2: *Consumers Educational Background*



The figure above tells us about the educational background of the consumers of KEBAL. Most consumers are graduated from senior high school, which generally provides a good base of knowledge. These people are generally aware about the importance of nutritious food for their children and for themselves. They prefer to buy KEBAL because they believe KEBAL is good for the growth and development of their children. Consumers that do not come to KEBAL are usually people at the BOP with low educational background. They think the food at KEBAL is just the same as usual chicken porridge. We have asked three non-customers of KEBAL, and one commented that her children grow like any other kid, even though she did not buy food from KEBAL. Instead, she gave home cooked meals, or traditional food like chicken porridge and *nasiuduk*, and she believed it is okay as long as her child wants to eat and feel full. Compare to those foods, KEBAL products is quite expensive. For example, they can buy jelly with only around Rp 750 (EUR 0.057) and KEBAL jelly is Rp 1,500 (EUR 0.11) the other meal is porridge although the price is the same which is Rp 3,000 (EUR 0.23), they can get a quite big portion from usual porridge but only a small portion from KEBAL. They did not know the different ingredients in those foods; they just compare them from the portion size.

4.1 Company Profile

Figure 4.3: *Management Structure*



KEBAL is a company with a simple management structure. For efficiency reasons, employees at KEBAL fulfill more than just one single job description. However, since KEBAL is planning to open a new cooking center in South Jakarta, and the numbers of vendors are already increasing, Ibu Rosa wants to hire new cooking staff and install a financial staff.

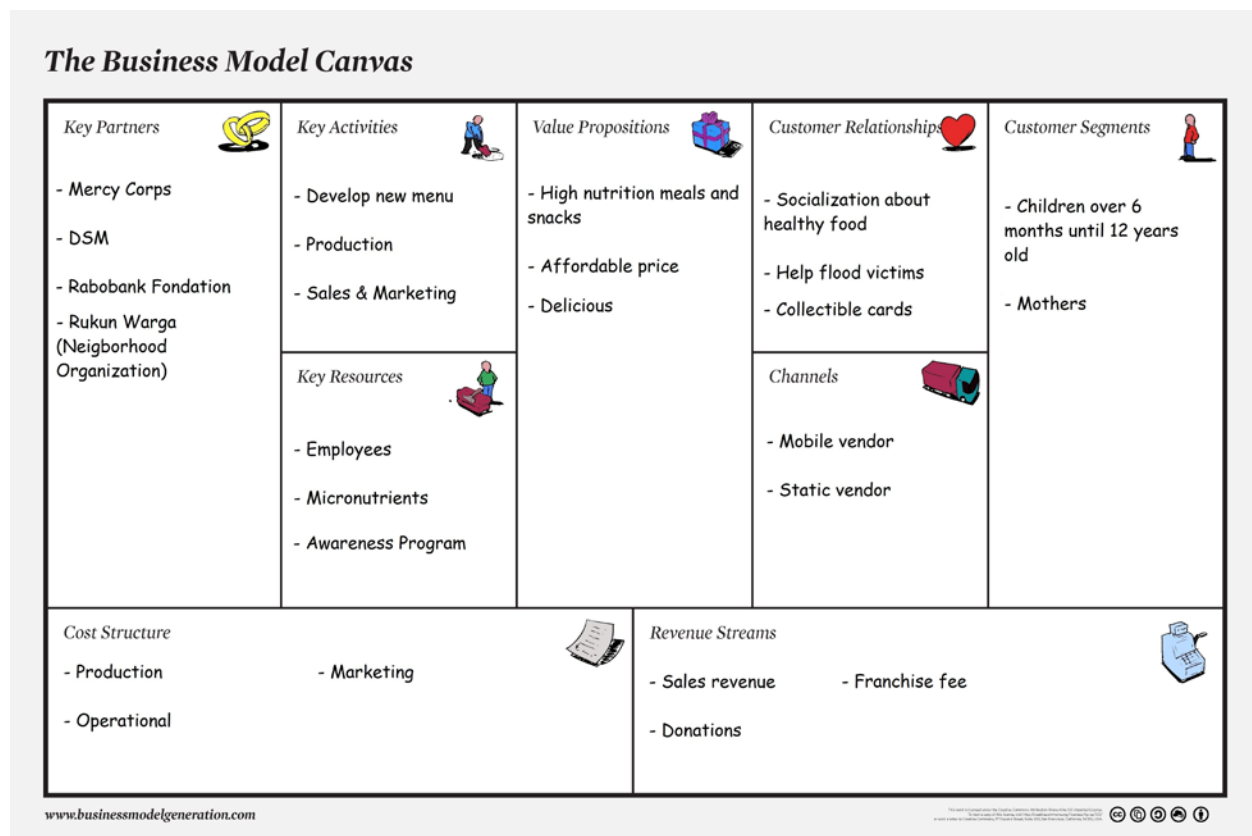
KEBAL has three different kinds of vendors; original vendors, independent vendors, and franchisees. The original vendors are vendors that have worked for KEBAL since the beginning, when it was still a social program. The payment for original vendors is through a commission system, and KEBAL just lends the carts to them to sell their products. The independent vendors

have to pay Rp1,500,000 (EUR 115.50) at the first time to join KEBAL, but they can pay it incrementally in 3 months. KEBAL will lend the cart and equipment to the vendor, but after 3 years, they can get full ownership of the cart. The new type of vendor are the (semi)franchisee vendors, who pay Rp4,000,000 (EUR 308) to join and get a used, but fully repaired and provided with the new logo. After all used KEBAL carts are sold, KEBAL will provide a new design of cart for the franchisee vendor, at a higher price.

Business Canvas Model Kedai Balitaku (KEBAL)

Business model canvas is a strategic management template that can be used to visualize the most important parts of the business. With the business model canvas, we can see the value propositions, customer segments, channels, customer relationships, key activities, key resources, key partners, cost structure, and revenue streams of a company at one glance. After filling out this canvas, we can analyze what parts that might still be missing, or need to be improved. As such, the business model canvas can serve as a guide for the company.

Figure 4.4: *Business Canvas Model*



Customer Segments

The objective of this business is to provide nutritious meals and snacks for malnourished children. The most important Customer segments of KEBAL are children until the age of 12 who live in poor socioeconomic conditions in Jakarta. At present, KEBAL is active in West, South, and East Jakarta. Since this target group itself does not have any purchasing power, the focus is mainly on mothers, because in most households the mother is the decision maker for the food of their children. The meals are usually just bought for the younger children, while the older children usually just buy the snacks. Although the elderly and teenagers are not the target market, one vendor indicated that some elderly people also like to buy *lontongmie* from KEBAL, and another vendor who sells close to a senior high school in South Jakarta indicated that the students also like to buy snacks from KEBAL in the afternoon, such as *lontongmie* and nuggets.

Value Propositions

Most parents don't realize that their children don't get enough nutrition because the idea of most people originally coming from rural areas is that they receive sufficient nutrition if they eat enough calories every day. Other people that are already aware about the importance of nutritious food for their children may not know where to buy nutritious food around their area, or they assume that nutritious food is expensive. Some of them also try to make nutritious food for their children at home, but they often know only a few menus, and it is complicated for them to make something new every day. The main proposition value of KEBAL is that it offers delicious, affordable, and nutritious food for children. KEBAL also delivers its products near the slum areas, which makes it easier for the customers to buy nutritious food products in the morning. KEBAL's products are already enhanced with micronutrients from DSM, a large micronutrients company from The Netherlands. With these micronutrients inside, the vitamins and minerals that are usually lost during the cooking process will be fortified, and will still be active in the products. KEBAL's products are prepared and sold in a hygienic manner. The products are put in closed shelves to prevent them from dust and pollution, and vendors have to use clean uniforms. Each KEBAL cart also has also a gallon of water to wash your hands before

you eat, which is one of KEBAL's campaigns. Apart from the micronutrients, the product variation is another unique selling point of KEBAL in comparison with its competitors. The competitors usually just sell porridge, pudding, *nasitim*, and soup, but KEBAL has many other products to sell for the customer from 6 months until 12 years old.

Channels

This business has two channels to deliver the food to their main consumers. First, through mobile vendors who pick up the prepared food at the cooking enter and then go to poor socioeconomic areas of Jakarta selling the food from carts. These mobile vendors will deliver the nutritious food to the children in their own area. The other channel is through static vendors, usually KEBAL will survey the area for people that want to become the static vendors of KEBAL, to make sure the area of that static vendor is in high density area and strategic to sell the foods. Actually the mobile vendor is only one left now, and the 15 vendors are static vendors. Which is consists of 9 franchisee and 6 independent vendors. In the future, KEBAL has planning to increase the mobile vendor again, but use the bicycle not cart anymore, this way feel more efficient for vendor to go around his area.

Customer Relationships

KEBAL has some programs to keep in touch with repeat customers. For instance, KEBAL regularly gives socialization courses about nutritious food to schools, housewives organizations, and to the community association office. KEBAL also helps the flood victims by delivering meals to children, because in disaster conditions it is usually more difficult to get good food for children and babies. KEBAL also offer some collectible cards. If the consumers buy ten KEBAL's products, they will get one funny collectible cards to attract the children.

Key Activities

The key activities of KEBAL are preparing nutritious meals at the cooking center and distributing them to vendors. KEBAL is responsible for the quality and adequate distribution of its food. KEBAL is also responsible for the promotion and sales of the products through socialization and direct marketing. Finally, it is also important that new menus are developed regularly.

Key Resources

The key resources of this business are the micronutrients, the awareness programs, and the training of employees. Micronutrients can produce high nutrition food that really differentiates KEBAL with the food from other businesses. Awareness is also a key resource, because the consumer should know about the importance of nutritious meals for their children. Finally, the employees need to be trained in preparing and selling the foods.

Key Partners

The key partners of this business are Mercy Corps, DSM, and Rabobank Foundation. Initially, KEBAL was a social program from Mercy Corps. Now KEBAL wants to become a social business that can be sustainable from its revenues. DSM has given a financial donation and helped KEBAL to provide the micronutrients at an affordable price. They do this because they believe the business model of KEBAL is scalable. Rabobank Foundation has given a financial donation to KEBAL to help becoming a sustainable business. For now the collaboration with Pos Pelayanan Terpadu (Posyandus) and RukunWarga (RW) are not just the place to do the socialization. KEBAL does not sell its products through Posyandus, because the immunization time is just once a month. It means Posyandus will just be full of babies once a month, so it is not effective to sell KEBAL products through Posyandus. KEBAL only partnered with one elementary school, but sales have decreased after prices went up, because the pocket money of those students did not increase and as a result of the long period before new products were

introduced. Children from 6 – 12 years old are generally more sensitive to taste and get bored more quickly.

Cost Structure

The main Cost structure of KEBAL involves mainly production costs, operational costs, and marketing costs. Production costs relate to the essential raw materials for the production process. The raw materials for the meals represent the biggest cost, which is around Rp4,498,600 (EUR 346.39) every month. Operational costs include salaries, rent, electricity, etc. The salary costs are not paid from the sales of KEBAL, but are still covered by donations. Finally, marketing costs include designing the brand, brochure, and flyer and also the costs for the socialization programs.

Revenue Streams

At present, revenue streams of KEBAL are partly from the sales, which is around Rp11,459,000 (EUR 882.34) every month, with a profit around Rp2,340,000 (EUR 180.18), and partly from the donations of KEBAL's partners, which used to pay the salaries of KEBAL's project manager and employees. In the near future, all revenues should come from sales revenue. The fee to become KEBAL franchisee also can become the revenue for KEBAL.

4.2 Demographic Conditions in Jakarta

Jakarta is the capital city of Indonesia with the highest population density. Table 4.3 shows the total population of Jakarta's Provinces in 2011.

Table 4.1: *Total population Jakarta's Provinces, 2011*

City	Population	Population Density (KM²)
Seribu Archipelago	21,349	2,454
South Jakarta	2,088,364	14,783
East Jakarta	2,728,032	14,509

Central Jakarta	914,415	18,999
West Jakarta	2,310,861	17,838
North Jakarta	1,666,512	11,363
Total	9,729,523	13,325

Source: National Statistical Institute 2011

According to the table above, East Jakarta has the largest population in Jakarta in absolute numbers. In terms of population density per km², however, West Jakarta comes second after Central Jakarta. The total population of Jakarta has increased with 121,736 people in comparison with the census in 2010, which were 9,607,787.

Table 4.2: *Poverty in Jakarta 2011*

	Amount
Poor Population	363,400
Percentage of Poor Population	3.75%
Poverty Line (Rp/Capita/Month)	Rp355,480 (EUR 27.37)
Economic Growth	6.71%
Human Growth Index	77.85%
Unemployment Level	11.80%
Life Expectancy Male	68 years
Life Expectancy Female	73 years

Source: National Statistical Institute 2011

The poor population in Jakarta (table 4.4) is also increasing if we compare with the year before, 312,200 inhabitants in absolute numbers. The poor population includes those people that have an average expenditure per capita that is less than poverty line. Before, the poverty line was Rp331,169 (EUR 25.50) per month, but in the past year, the poverty line in Jakarta has gone up as result of inflation. The human growth index, which compares life expectancy, education and knowledge, and income per capita, can be considered as a more useful indicator to measure poverty in Jakarta.

4.3 Position of KEBAL

When we started the internship in KEBAL, in February 2013, KEBAL had ten vendors and two cooking centers. During the time we were there, one of the vendors resigned from KEBAL. In April 2013, Ibu Rosa closed the Kapuk cooking center because of the high operational costs and moved the kitchen crew to the East Cengkareng cooking center. As a result, two more vendors in Kapuk resigned, which further decreased KEBAL's sales.

After that, Ibu Rosa tried to find independent vendors for KEBAL. The main difference between original vendors and independent vendors is that the original vendors did not have to pay a fee if they wanted to join KEBAL, but received commission of 15% shares of their sales. Instead, the independent vendor has to pay a fee to join and get a cart from KEBAL. The profit of the independent vendor on the other hand is higher because they can profit from the price difference between the kitchen and retail price.

At this time, KEBAL has attracted eight independent vendors that plan to start in June 2013, who are expected to increase KEBAL sales and develop new areas of KEBAL in South Jakarta and East Jakarta. The revenues from the sales of KEBAL should fulfill the needs for raw materials, operational costs, and commission for the original vendors, but it will probably still not cover the payment of salaries for the staff and manager, which is still paid from the donations of the Rabobank Foundation.

4.4 Position of KEBAL as street food

The position of KEBAL as street food is accepted by the people. Many loyal consumers that used to cook by themselves at home for their children are now waiting for KEBAL's carts to go around their area. This was verified when we did the survey during the morning shift of KEBAL vendors. Some loyal customers were already waiting in front of their house, others came out of their house when they heard the jingle of KEBAL, and some loyal customers even called the

vendor to tell their child was already hungry. One of the problems, however, is that the vendors mostly just focus on their loyal customers, and they did not really try to attract new customers.

Almost all of the respondents we asked did not have a problem with the price of KEBAL products, because they believed it would be more expensive and complicated to make the meals themselves. Mostly because the meals for babies are different from the other family members and they just make it in small portion for their babies. 19 respondents usually cooked at home for their families, and the rest, 16 respondents, preferred to buy street food, such as *ketupatsayur*, *nasiuduk*, and chicken porridge in the morning.

KEBAL's consumers usually buy the meals for children that are between 6 months and 2 years old. "I bought KEBAL just for the baby, because his meal is still different. His older sister already eats the same meal with me" said one housewife with 2 children. She bought KEBAL just for her baby of 15 months old, because she thought her baby still couldn't eat the same meals as the rest of her family, and she believed her older daughter of 4 years old did not need KEBAL meals because she can already eat the same meals as adults.

One of the vendors said that some of the customers prohibit their growing child, who used to buy KEBAL products when they were younger than two years old, to buy it again at a later age. Some consumers believe that KEBAL is for babies only and once their children have grown up, they don't need to eat KEBAL anymore.

Fifteen respondents usually make their meals themselves on days that the KEBAL vendor doesn't pass their area on time, and when their baby is hungry. The other 20 respondents preferred to buy their meal from other street vendors, which usually is porridge that is not nutritious for their child. Sometimes KEBAL's mobile vendors go out late, as a result of which they arrive late at their regular location. For static vendors this problem usually occurs when the delivery man arrives late at the cooking center, which makes him late to deliver the products to every static vendor.

We also asked the question if they were willing to get a new menu. Almost all of the respondents usually just buy porridge, *nasitim*, jelly, and pudding, which is what's on the everyday menu of KEBAL. They did not really expect a new menu, but were willing to try other menus from KEBAL's cart. Two respondents tried *somay* from KEBAL, but they did not like the taste very

much because it was quite fishy. One of the respondents tried *lontongmie* from KEBAL, and she liked the taste, but KEBAL did not sold it again, since some menus are only produced occasionally. But for the new semi franchisee vendors at South and East Jakarta, *lontongmie* is provided on the menu more regularly, since these vendors order their products from the weekly menu of KEBAL. Here, *lontongmie* is provided three times a week. Many people like it, but usually most consumers are not children but adults and elderly people. There are two elderly people that become loyal customers. They buy *lontongmie* three times a week.

4.5 Position of KEBAL as Nutritious Street Food

The position of KEBAL as nutritious street food is already quite well known by all respondents. They saw KEBAL as different; the cart appearance look more tidy and clean, the presentation of meals also looks good in closed shelves. The taste of the products is also different because all products are without artificial flavor, which is considered healthier according to most customers. Twenty-two respondents know KEBAL sells nutritious food just from the information on the cart and the explanation from the vendors, and they have tried to taste the food consequently. Three of the respondents knew KEBAL sells nutritious street food from the presentation at the Rukun Warga 03 (Neighborhood Organization) office in Kapuk area. Many consumers in South and East Jakarta still did not receive market education about the importance of nutritious food from KEBAL because the vendors were just open in June.

All of the respondents were aware about the benefits of healthy food, and tried to provide their children with healthy food at home, while limiting their children from buying too many other snacks, because it can make them full and don't want to eat at home.

Two respondents already gave KEBAL's meals to their children for more than a year, and they believed their children were healthier, more agile, and rarely sick. Thirteen respondents have consumed KEBAL products for less than a year. They believed KEBAL was good for their children, although they still could not see the real benefits from KEBAL's meals. Fifteen new consumers believed KEBAL was healthy, just from its taste, and some of them also compared it with other healthy baby porridge near their house. They believed KEBAL was healthier because

it did not contain artificial flavors. There was even one consumer that claimed her child did not want to eat any other meal than KEBAL's porridge. Five other adult customers consumed KEBAL's products, such as *lontongmie*, pudding, and nuggets, for themselves because they believed KEBAL food was healthier.

Thirty four respondents didn't know anything about micronutrients, and only one respondent have heard about micronutrients from the KEBAL presentation in her area, but didn't remember what exactly it contained. They also didn't know that the products of KEBAL are enhanced with micronutrients because there is no information about it on the cart. Nevertheless, they believed KEBAL products are healthy from the information on the cart, which says that KEBAL products are without artificial color, flavor, preservative, and MSG (Monosodium Glutamates). They also tasted the meals themselves before they gave it to their children. "I usually try the meal before give it to my baby, so I know if the taste is too salt or with much artificial flavor" said one of customer at Kapuk on 6 May 2013.

4.6 Position of KEBAL and its Competitors

KEBAL has some competitors which sell healthy porridge for babies. Some small sellers only sell porridge without having other menus and just in small scale with only one vendor. There are, however, also some more important competitors that already have some branches, and use a franchise system to develop their business. Table 4.5 gives a comparison between KEBAL and its main competitors.

Table 4.3: *Comparison of KEBAL and Main Competitors.*

	KEBAL	Bubur Bayi Brainy	Bebiluck
Established year	2011	2012	2010
Number of outlets	16	90	500
Target Market	-6 months – 12 years old -BoP and Middle low	-6 months – 2 years old -Middle low income	-6 months – 2 years old -Middle low income

	income		
Menu	<ul style="list-style-type: none"> -Porridge -Pudding -Jelly -Nasi Tim -Nasi Hainam -Nugget -Soup 	<ul style="list-style-type: none"> -Porridge -Pudding 	<ul style="list-style-type: none"> -Porridge -Nasi Tim - Soup -Pudding
Strength	<ul style="list-style-type: none"> -Many varieties of menus -Products enhanced with micronutrients 	<ul style="list-style-type: none"> -No franchise fee -Porridgecontains omega 3 and 6 	<ul style="list-style-type: none"> -Use organic material -Raw materials are delivered to the franchisee, which makes it easier for them
Franchise Fee(one time)	Rp4,000,000 (EUR 308)	No franchise fee, if you want to sell the products of bubur bayi brainy, you just need to pay Rp150,000 (EUR 11.55) as promotion fee to get the banner. After that you just have to buy the products directly from the cooking center.	Rp15,000,000 (EUR 1,155)
Products Price	Rp1,500 – Rp5,000 (EUR 0.12 – 0.39)	Rp3,000 – Rp5,000 (EUR 0.23 – 0.39)	Rp3,000 – Rp5,000 (EUR 0.23 – 0.39)
Average Sales per day of good outlet	Rp200,000 (EUR 15.40)	Rp220,000 – Rp250,000 (EUR 16.94 – 19.25)	Rp300,000 (EUR 23.10)

Chapter 5: Discussion and Conclusions

5.1 PESTEL

The PESTEL frame work is used to analyze the macroeconomic environment of a company by focusing on relevant political, economic, social, technological, environmental and legal issues. This strategy is very useful for a business to understand market growth or decline. After analyzing the environment, the company will be better prepared when there is market downturn, and adjust the strategy to minimize the threats. If there is market growth, the company can be the first to take new opportunities in the market.

Political

Predictions for 2013 are that the political situation in Indonesia will not be that stable. Although 2012 was predicted to be stable, and was even considered to become a ‘golden year’ for government to work on their programs, it did not turn out that way because of many political conflicts (Siti 2013). Many corruption cases were revealed last year by the Komisi Pemberantasan Korupsi (KPK) (Anti-Corruption Commission), which resulted in several reshufflings in the government. In 2013, this situation became worse, as many more corruption cases were revealed, which resulted in a situation that many people did not trust the government and political parties anymore. In 2013, several elections for governors were scheduled in important cities of Indonesia, such as Lampung, West Java, East Java, and Bali, and presidential elections are scheduled for 2014. In preparing for the presidential elections next year, many parties do not focus on their governmental program now, but instead prefer to prepare their strategy for the longer term. Experiences from the past have shown that these elections will probably further interrupt the political stability of Indonesia, and usually also result in a slowdown of economic growth. Another impact is inflation that will affect KEBAL. Moreover government has just decided to reduce the subsidy of the gasoline in Indonesia. The price of gasoline that used to be Rp 4,500 (EUR 0.34) now become Rp 6,500 (EUR 0.49) which will give many impacts to other sector, such as transportation and will also impact the price of food raw

material, because they use transportation to deliver its products. Meanwhile, KEBAL cannot increase its price, because the customers of KEBAL that are already in difficult condition because of the increasing price of gasoline won't buy KEBAL anymore knowing its price is also increased. This condition can make profit margin of KEBAL even lower.

Economic

Income per capita in Jakarta has been increasing quite fast since 2007. Many people, both rich and poor, come to Jakarta, which still is the most important economic center in Indonesia. Many poor people from a rural background come to Jakarta because they believe there will be more opportunities here than in their villages. Income per capita in Jakarta is Rp 101,000,000 (EUR 7,777), which is a lot higher than the income per capita of Indonesia, which is just Rp 30,800,000 (EUR 2,371) (Budi 2013). However, as a result there are strong social gap between the rich and poor in Jakarta. At 3.70%, inflation in Jakarta is generally still under the country level, which was 4.58% in 2012. Table 5.1 shows the inflation of different products in Jakarta. KEBAL get some big impact from the inflation of raw material, as we can see the inflation of raw material for food in Jakarta is 7.90% and KEBAL has to hold its selling price, because if it increases, KEBAL can lose its customers.

Table5.1: *Inflation in Jakarta 2012*

Type of Products	Inflation Rate %
General	3.70
Food Raw Material	7.90
Food, Drinks, Cigarettes	6.12
Housing, Water, Electricity, Gas, Fuel	1.64
Clothes	1.49
Healthcare	1.98

Education, Recreation, and Sports	1.35
Transportation, Communication	3.31

Source: Jakarta in Numbers (2012)

Social

Jakarta is the capital of Indonesia, where many people from many different regions of Indonesia, with many different cultures, live together. The original culture of Jakarta is Betawi, who use the Betawi language, but now the main language is Bahasa Indonesia. Jakarta not only attracts people from other parts of Indonesia, but it also attracts foreigners who come to work in Jakarta as expatriates, as well as tourists. The age distribution in Jakarta is shown in table 5.2. The socio economic condition in Jakarta is varied; there are many poor people but also rich people in Jakarta. There is a huge gap between the poor and rich people. Although there are many big buildings, there are still so many slum areas in Jakarta that are not well organized. The slum areas are usually in bad condition with many poor people live on there. This condition happened because Jakarta is still become the destination city of people that want to get more money, although they don't have any skills to work in Jakarta. So, when get to Jakarta usually they just become beggar, street sweeper, and street singer. Sometimes those families send their children to work, to help family financial. KEBAL target markets are people in low-income condition, to prevent their children from malnutrition and help them to get access for nutritious food. However, if the condition of the family is too poor it is not possible for KEBAL to sell the products for them, because the educational background also will be affected the decision to buy the meals. The poor family will prefer cheap food as long as they are full, without looking at the nutritional intake from it.

Table 5.2: *Age Distribution in Jakarta 2010*

Age	Population
0 – 14 years old	2,297,746

15 – 64 years old	7,016,229
>65 years old	293,812

Source: Census 2010

Technology

Being the capital, Jakarta is the main center for government and business. There are many big private companies established in Jakarta, national and international. People always try to introduce new technology or launch new products in Jakarta because they are much more easily accepted here by the market. All television stations and telecom providers are located in Jakarta, which makes communication and advertisement easy. You can use different mass media to convey the message. KEBAL should be easily advertise its products on Jakarta, because there are so many media it can use. The easier way is the internet, because many people browse the internet. KEBAL should improve its website and give more articles about health, so people will be more interested to KEBAL.

Environment

Jakarta was built on low lands, only 7 meters above sea level. This condition makes Jakarta vulnerable for floods in the rainy season, something that is even worsened by the bad drainage system in the capital. The total territory of Jakarta consists of 662.33 km² including 110 islands that spread out in the Seribu Archipelago. KEBAL operates in three parts of Jakarta, West, South, and East Jakarta. The weather in Jakarta is usually hot, all year long, with temperatures between 27.3°C – 29.2°C. The lowest temperatures are usually registered in January and the highest are in October. The condition of environment actually not really affected KEBAL, but usually flood is the problem for the areas around KEBAL cooking center. The areas around KEBAL cooking center usually will be flooded in rainy season. Although, KEBAL cooking center are not flooded, but usually it will impact to the accessibility for KEBAL. And usually KEBAL will give some donations for the victims, since it will be difficult to find the baby food when their houses are flooded.

Legal

The regulation about companies is anchored in Law no. 3 from 1982, according to which every new company must register its name with the government. There are also some regulations about food and drinks in Indonesia. The law on the hygiene of food and drinks in Indonesia is Law no. 11 dating back to 1962. In this law, the hygiene and main health of commercial food and drinks is regulated. Another law that regulates food is Law no. 36 from 2009, which regulates the safety of commercial food and drink. In Indonesia there is also an institution called Badan Pengawas Obat dan Makanan (BPOM) (Food and Drug Regulatory Agency), this institution's tasks are to control food products that spread on the market and give the license for it. KEBAL has ever wanted to make the food license from this institution, but because KEBAL products are daily products that are made every day. So, this institution said that KEBAL did not need to make the license for its products.

5.2 SWOT

This tool is used for the internal analysis of a company, addressing its strengths and weaknesses, as well as its opportunities and threats. Through this analysis we can establish the most appropriate way for KEBAL to face the barriers and achieve its objectives.

Strengths

1. KEBAL's products are enhanced with micronutrients from DSM. This can increase and fortify KEBAL's products with enough vitamins and minerals. It can be the unique selling point of KEBAL.
2. KEBAL sells much kind of products, not only meals, but also snacks and drinks. This condition prevents the consumer to be easily bored with KEBAL's products, and can reach broader target market.
3. KEBAL is supported by big foreign companies such as DSM, Rabobank Foundation, Mercy Corps, and GAIN. These companies help KEBAL financially and also in management.

Weaknesses

1. KEBAL's vendors and employees are still used to see KEBAL as a social program. Since KEBAL becomes a limited company, they have to work harder and reach sales targets in order to make the company sustainable. Moreover, products that are left-over are now partly the responsibility of the vendors. Some vendors therefore prefer to decrease their order from the cooking center to make sure all of the products will be sold. Other KEBAL vendors could not operate under these new conditions and resigned.
2. KEBAL's cooking staff and employees are too limited in numbers. Now KEBAL has 16 vendors and they still need to get more vendors. Some vendors also complain that the amount of products delivered by KEBAL does not match the amount of products that were ordered by the vendors. Finally, the marketing, which is an important part for KEBAL, is done by only one person.
3. KEBAL's vendors are not trained well, very few of them know about micronutrients.
4. KEBAL still does not use machines to make the porridge, which takes a long time in preparation and decreases productivity.

Opportunities

1. KEBAL sells products for children from 6 months – 12 years old. Until now, the main consumers of KEBAL are children under 5 years old. However, if we only look at children under 5 years old, there is already a huge market potential in Jakarta. The population of children under 5 years old in Jakarta is 22,732 (Bkkn 2011). In addition, KEBAL now further developed its market segment to children up to 12 years old, with new variations in menu.
2. KEBAL can collaborate with kindergartens and schools to sell or provide the products for the catering for the children.

Threats

1. KEBAL has some serious competitors that sell healthy porridge for babies. The main competitors are Bebiluck and Bubur Bayi Brainy. In addition to these healthy porridge sellers, ordinary street vendors can also be considered competitors, because some mothers buy traditional street food, such as chicken porridge, *ketoprak*, *lontongsayur*, or bread here.

5.3 4C's Marketing Analysis

This analysis is used to analyze the marketing mix, but from a customer oriented point of view, that consists of customer analysis, cost analysis, convenience, and communication.

Customer

The consumers of KEBAL are children from 6 months – 12 years old in BOP areas that lack enough daily nutrition intakes. The products are usually bought by their mothers as the decision makers for her children because they are usually quite busy in the morning, and often do not have enough time to cook. KEBAL offers simple, delicious, nourishing products for their children, at an affordable price.

Cost

The cost of buying meals at KEBAL is very affordable if compared with cooking at home. The cost for most common raw materials (rice, vegetables, and chicken), for five days (3 meals a day) is Rp 52,000 (EUR 4.06). For one portion it is around Rp 3,400 (EUR 0.27). These costs exclude transportation costs to the market, gas, and electricity. Consumers at KEBAL just pay Rp 3,000 (EUR 0.23) per portion, without need to spend time to prepare the meals and go to the market to buy the raw materials.

Convenience

Mothers no longer have to go to the market to buy foodstuffs, and wake up early to prepare the food in the morning. Now they can either wait at home until the KEBAL mobile vendor comes around their area, or they can go to the nearest KEBAL static vendor.

Communication

The information about KEBAL's products is easy to access through their website, but because the main consumers of KEBAL live at the BOP or only have low middle incomes, they usually do not have access to internet. KEBAL therefore provides other ways of giving information about nutritious food. Consumers can also ask advice from the vendor, who then again can deliver it to the KEBAL staff.

5.4 Conclusions

In this chapter we will try to summarize the most important points and answer the research question on the basis of the observations while doing the internship at KEBAL. KEBAL used to be a social program and now it changed into a Limited Liability Company and has become a social enterprise. However, with regard to their further development and operational costs, it is still very dependent on funds from donations.

From our point of view, the communication between the vendors and KEBAL staff does not work very well, not because there is a problem, but just because they rarely communicate directly. KEBAL already build up a good acceptance from the people, but the barriers are the price, eating habits, and educational background. Not many people are aware of the importance of nutritious food. If they only have low incomes, the most important thing with regard to food is just to make them full. The educational background of the parents also has an impact on this, since they do not know what nutrition a baby really needs for their brain to grow normally. They think it will make no difference if they just buy usual porridge instead of nutritious porridge from KEBAL.

The typical consumer of KEBAL are people at the BOP and middle low income families, but most have quite good education, at least junior high school, and occasionally even a bachelor's degree. They are aware about nutritious food and hope that, as a result, their children will grow better, and do not become sick that easily. They usually choose KEBAL because they see the advertisement at the carts and believe KEBAL is healthy for their children. Some also join the socialization program at the Posyandu and RW, but actually that socialization program is done by KEBAL; Posyandu and RW just lend the place to KEBAL. One RW near East Cengkareng cooking center even asked the help from KEBAL, because they already knew KEBAL under Mercy Corps.

The most favorite products from KEBAL are the porridge and the jelly. Many consumers still think nutritious food is only important for babies until 2 years old. After that, children usually eat the same food as adults. KEBAL's products are enhanced with micronutrients, vitamins and minerals, but unfortunately only 2 of the respondents in our survey were aware about it. Almost all of the respondents did not know about micronutrients in the food, and even most vendors do not know about it. The consumers believe KEBAL is healthy just from the advertisement, because KEBAL food is without preservations, artificial color and flavors, and MSG (Monosodium Glutamates).

In comparison to the main competitors, KEBAL still lag behind. Bebiluck already has 500 outlets and Bubur Bayi Brainy has 90 outlets. These competitors can provide higher profit margins to their franchisees, whereas KEBAL can only offer small profit margins to its franchisees at the moment. The profit margin of Bebiluck is around 50% of the product price. The profit can be that big because the raw material are send from the Bebiluck center in Jakarta every week, so Bebiluck can benefit from economies of scale and send it to all outlets. The owner also said the main ingredient of porridge is water, so they can make many portions with just a little bit of rice. The franchisee of KEBAL therefore really has to subscribe to the social concern of KEBAL, because the profit margin of KEBAL products is only around Rp 250 – Rp 1,500 (EUR 0.02 – 0.12), and the franchisee also has to pay Rp 15,000 (EUR 1.17) for delivery costs every day. However, KEBAL should have higher market opportunities, because market segment of KEBAL is higher. It sells the products for the kids from 6 months – 12 years old and provides high variation of menus.

Chapter 6: Recommendations

6.1 Recommendations for KEBAL

1. KEBAL should communicate better between vendors, staff, and franchisees, to share knowledge and experience, and allow KEBAL to further develop. Because now the vendors or franchisee rarely meet each other or KEBAL's project manager, which is very important in our opinion. If they communicate more often, it will create a sense of belonging and allow the exchange of new ideas.
2. KEBAL should increase the kitchen capacity to fulfill the demand of vendors and franchisees.
3. KEBAL should increase their marketing efforts to every region in Jakarta to develop the brand awareness of KEBAL.
4. KEBAL should give training to its vendors and franchisees, so they will know more about nutritious food and KEBAL's products. KEBAL could look for collaboration with professionals to train vendors and franchisees about how to increase sales or improve communication.
5. KEBAL should collaborate with health clinics and people from health institutions, since it can help KEBAL to get more market trust.
6. KEBAL could change its name from Kedai Balitaku (My Child's Café), to Kedai Bergizi dan Lezat (Nourishing and Delicious Café) to further develop its market segment. The abbreviation would then still be KEBAL. In our opinion Kedai Balitaku confirms the idea that it is just for babies.
7. KEBAL should make the information about micronutrients more visible in advertisements.
8. KEBAL should try to increase its sales through the retailer, actually this idea already came up, but still has not really work in KEBAL

6.2 Recommendation for DSM

1. DSM should give more advertisement about the micronutrients and their function, so more people will know about it and become interested to try these products.

6.3 Recommendation for Rabobank Foundation

1. Rabobank should also focus on the training of KEBAL staff in the area of management and sales, not just on financial donations. Under these conditions, KEBAL could probably become more independent and self-sustainable.

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Appendices

Appendix 1: Questionnaire for Vendors

Name :

Age :

No.	Question	Answer
I	What do you think about your KeBal sales ?	
II	Do you have any specific methods ?	
III	Do you have problems with your sales?	
IV	What is the best seller product?	
V	Is there any demand for new product? What is that?	
VI	Do you really know what is Micronutrients ?	
VII	Have you ever explain it to customer ?	
VIII	Do kids really like KeBal food ?	
IX	Do they know that they NEED it ?	
X	Do they believe Kebab's products are nourishing or they think it's just the same with other products?	
XI	What is customer comment about Kebab's product? And is there any complaint from them?	
XII	How far will you go to chase your daily sales ?	
XIII	Do you think your cart still attract the customer?	
XIV	Is there any problem on your cart? And what is the part you don't like from your cart? So, we can try to make more useful design in the future.	
XV	How many loyal customers do you have until today ?	
XVI	In your daily route how many times do you stop to rest ?	
XVII	For how long ?	

XVIII	Do you meet any customers while you stop and rest ? Do you still selling while resting ?	
XIX	What do you think about the sales system of KeBal today ?	
XX	Which part will burden your part ?	
XXI	Does that influence your working performance ?	
XXII	From scale 1 to 10, how many will you score your effort ?	
XXIII	Why do you score that number ?	
XXIV	What do you think about other competitor ?	
XXV	Is there any help we can support you with ?	
XXVI	Do you think Kebal's products price are affordable?	
XXVII	What is your customer's profile usually?	
XXVIII	Do you have any suggestions	

Appendix 2: *Questionnaire for Consumers*

Name :

Age :

Occupation :

No.	Question	Answer
I	How old are you?	
II	What is your educational background?	
III	What is your job?	
IV	How much is your monthly income?	
V	How many persons at your home?	
VI	How do you know Kebal?	
VII	What do you think about Kebal's products?	
VIII	What is your favorite product?	
IX	How many times you buy Kebal's product in a week?	
X	Do you think Kebal's price affordable?	
XI	Do you think it will be cheaper if you make it by yourself?	
XII	Who is influencing the decision for the meals in your home?	
XIII	How much money do you spend to buy the food outside?	
XIV	Do you aware about healthy food?	
XV	Do you always try to eat healthy food? What is that?	
XVI	What do you know about nutrition?	
XVII	Do you know about micronutrients?	
XVIII	Do you know the connection between food-nutrition-health?	

XIX	Do you prefer to buy or cook the meals at home?	
XX	Do you know Kebal's products are healthy?	
XXI	How do you know about it?	
XXII	Why do you buy Kebal's product? Because you know it's healthy or because it's delicious?	
XXIII	Do you know other healthy food vendor?	
XXIV	Do you like to buy food from street vendor? What is that usually?	
XXV	If there are no Kebal's products, what is the substitution for it?	
XXVI	Is there any new menu that you want to have from Kebal?	
XXVII	Actually now we want to expand our market, if it's possible do you want to become our retailer?	
XXVII	Is there any suggestion for Kebal?	

Appendix 3: *List of Categories*

	1	2	3	4	5	6
Gender	Male	Female				
Number of children	0	1 – 2	3 – 4			
Age	<20	20 – 25	26 – 30	31 – 35	36 – 40	>40
Occupation	Housewife	Entrepreneur	Factory Laborer	Government employee	Private employee	Student
Education	Junior high school	Senior high school	Diploma III	Bachelor		
Income	<Rp1,000,000	Rp1,000,000 – Rp1,500,000	Rp1,600,000 – Rp2,000,000	Rp2,100,000 – Rp2,500,000	>Rp2,500,000	

Appendix 4: *Data of Interviewed Consumers*

No.	Name	Gender	Occupation	Age	Education	No. of children	Income
West Jakarta							
1	Surti	2	1	3	1	2	4
2	Rahmi	2	1	3	2	2	3
3	Susi	2	1	2	2	2	3
4	Sita	2	4	6	2	2	4
5	Narti	2	2	2	2	2	3
6	Rahmat	1	3	4	1	2	2
7	Lani	2	1	3	2	2	3
8	Tina	2	1	5	2	3	3
9	Rahmat	1	5	4	4	2	5
10	Ratih	2	1	2	2	2	2
11	Agung	1	4	4	4	3	4
12	Mona	2	2	3	2	2	2
13	Rani	2	1	3	2	2	3
14	Ulfah	2	1	4	2	3	4
15	Anton	1	5	3	4	2	5
South Jakarta							
1	Nidya	2	6	1	1	1	1
2	Gina	2	6	1	1	1	1
3	Jainab	2	2	2	2	2	2
4	Suratmi	2	1	1	1	3	3
5	Nina	2	2	3	1	2	4
6	Ahmad	1	5	3	4	2	5
7	Ratih	2	1	2	2	2	3
8	Tati	2	1	3	2	2	4
9	Tanto	1	2	3	1	2	3
10	Susi	2	2	3	2	3	5
East Jakarta							
1	Dina	2	1	4	2	2	2
2	Deri	1	5	4	3	2	3
3	Siswi	2	1	6	1	3	2
4	Dyta	2	2	3	1	2	2
5	Syifa	2	2	3	2	2	3
6	Hasanah	2	1	6	2	3	2
7	Ulfa	2	1	3	2	2	3
8	Ratmi	2	4	3	3	3	4
9	Agus	1	2	4	1	2	2
10	Sani	1	5	3	4	2	5

Appendix 5: *Nutrition in KEBAL's products*

Beef Nasi Tim

Calories	290.08
Nutrition	Total
Protein	0.04
Fat	13.85
Carbohydrates	0.01
Calcium	91.54
Iron	2.13
Vit C	2.13
Zinc	-

Vegetable Chicken Porridge

Calories	300.23
Nutrition	Total
Protein	0.05
Fat	0.01
Carbohydrates	33.18
Calcium	80.24
Iron	1.78
Vit C	6.29
Zinc	0.75

Vegetable Nugget

Calories	48.07
Nutrition	Total
Protein	2.18
Fat	3.39
Carbohydrates	3.10
Vit A	31.89
Vit B1	0.01
Vit B6	0.03
Folic acid	3.33
Calcium	5.82
Iron	0.26
Vit C	0.40
Zinc	0.19

Jelly Fruit

Calories	41.27
Nutrition	Total
Protein	0.01
Fat	0.00
Carbohydrates	10.00
Calcium	11.50
Iron	0.14
Vit C	16.33
Zinc	-