

CHAPTER 1

INTRODUCTION

1.1. Background

Nowadays, vehicles are one of the most important needs to support daily life from going to school, working, up to make a living, especially in Yogyakarta, which is famous as a city of student. The large number of immigrants from all over Indonesia causes an increase in the number of vehicles which of course has an impact on the high volume of vehicles on Yogyakarta roads.

According to Dinas Perhubungan DIY (2021), there is an increase in the number of vehicles each year with an average of 6.44%. This figure indicates the congested traffic in Yogyakarta is not matched by the addition of new roads. The heavy traffic flow in Yogyakarta causes limited space for vehicles which often leads to unexpected things such as collisions, scratches, dents, etc. The high probability of this incident creates a lucrative business opportunity for body repair & paint workshops.

Body repair & paint workshop is a service company that specializes in repairing and painting vehicle bodies (Duffy, 2014). The increasing number of body repair & paint workshops in Yogyakarta has resulted in increasingly fierce business competition between workshops. Unlike manufacturing companies that have finished products as their selling point, service companies really depend on people's trust to get customers so they must strive to provide the best service. One of the body repair & paint workshops in Yogyakarta is Bengkel Cat Berkah Abadi.

Bengkel Cat Berkah Abadi is a body repair & paint workshop located in Dusun Karanglo, Sukoharjo, Ngaglik, Sleman, DIY. Established in 2018, this workshop is owned by Agung Gumelar with a project-based business concept. The scale of the business which is still classified as micro and the remote location of the workshop makes it difficult to find because there are no signs indicating the location of the workshop. After further investigation and confirmation through interviews with the owner, the owner confessed that the order frequency in this workshop is still low due to the lack of people's awareness of the workshop existence supported by the remote location of the workshop. Additionally, the

owner often gets complaints related to the slow response admin which causes the potential customer to choose other workshops.

The lack of people's awareness caused by the lack of marketing strategy which become the owner's concern to maintain the business continuity, however, he admitted that currently he has no funding allocated to do a proper marketing because of low number of orders done by Bengkel Cat Berkah Abadi. No funding allocation for marketing makes the owner prefers to promote his business by word of mouth since it is considered easier, faster, and cheaper even free of charge. Additionally, for the complaints, the owner also confessed that he has tried his best to give a quick response during his busy schedule as a teacher although most of the time it is still not satisfactory for the potential customers.

Subsequently, due to the low number of orders, all the employees are contract employees who only work when there is a project. The absence of permanent employees results in many of them do not understand the prices, services offered, even the estimated project duration once they are being asked by potential customers because the owner usually handles it all. This makes workshop services is doubtful because the employees do not know anything, yet the owner is not always standby at the workshop. So far, employees have only been given training on how to do body repair & paint but have not been given training on customer service because of owner's time limitation and their status as contract employees makes the owner see no urgency to provide a customer service training.

The remote location, lack of people's awareness, and poor customer service results in the low of order frequency. This condition also supported by lack of marketing strategy done by the workshop due to the absence of marketing funding. Therefore, the owner wants Bengkel Cat Berkah Abadi can be widely known by the society so that the order frequency will increase, and the business continuity can be maintained.

1.2. Research Problem

According to the background mentioned above, the problem faced by Bengkel Cat Berkah Abadi is the low frequency of orders due to the remote location, lack of people's awareness, and poor customer service. Order frequency is the main concern in this research as well as the concern of the owner because if it is not improved, it will disrupt the continuity of the business.

1.3. Research Objective

Based on the problem formulated above, the objective of this research is designing effective and applicable solutions for Bengkel Cat Berkah Abadi to increase the order frequency without charging any cost to the owner.

1.4. Research Limitation

The limitations of this research are:

- a. the secondary data used in this research is the recapitulation data of project invoice done by Bengkel Cat Berkah Abadi from the period of September 2020 to September 2021 as to find out the order frequency per month;
- b. the tool used to obtain primary data is an online questionnaire due to the time, location, and direct communication limitations due to COVID-19 pandemic;
- c. respondents are those who own vehicles and/or the customers of Bengkel Cat Berkah Abadi;
- d. The solutions proposed should not charge any cost to the owner.