

CHAPTER I

INTRODUCTION

A. The Initial Idea

Having numerous kinds of industries under its own makes tourism the world’s largest industry that is dynamic and developing. This consumer-driven force covers all its interrelated components under one umbrella (Walker, 2014, p. 535). As seen in Figure 1, there is a positive number or a growth in Travel & Tourism in all of the regions around the world.

FIGURE 1
Travel & Tourism Regional Performance, 2019



Source: World Travel & Tourism Council (2020)

Tourism is growing significantly throughout the years and there is no difference in Indonesia. According to WTTC, as of the year 2019, Travel & Tourism contributes to Indonesia’s total economy at a percentage of 5.7% with a total Travel & Tourism GDP of IDR897,143 billion. Indonesia also has growth in its Travel & Tourism GDP in the year 2019 by a percentage of 3.6%.

The growth of the tourism industry can also be seen in the province of West Java in Indonesia. Shown in Table 1 below, the number of food and

beverage businesses in the cities and regencies in West Java is increasing from year to year. In the West Java province as a whole, the number of restaurants increase from 3,418 to 4,225 restaurants.

TABLE 1
Number of Restaurants in Cities and Districts in West Java, 2017-2018

Kabupaten/Kota	Number of Restaurants	
	Rumah Makan	
	2017	2018
Bogor	210	210
Sukabumi	63	63
Cianjur	193	193
Bandung	467	467
Garut	206	203
Tasikmalaya	25	30
Ciamis	47	47
Kuningan	60	116
Cirebon	21	220
Majalengka	67	88
Sumedang	111	111
Indramayu	22	187
Subang	159	174
Purwakarta	71	325
Karawang	112	140
Bekasi	28	28
Bandung Barat	128	128
Pangandaran	78	78
Bogor City	109	120
Sukabumi City	65	65
Bandung City	372	467
Cirebon City	147	147
Bekasi City	143	104
Depok City	275	275
Cimahi City	80	80
Tasikmalaya City	117	117
Banjar City	42	42
West Java Province	3418	4225

Source: Central Bureau of Statistics of West Java (2019)

Being part of the Jakarta Metropolitan Area (Jabodetabek), Bogor is also affected in terms of its growth in the tourism industry and specifically,

for the food and beverage industry. Proven in Table 1, there is an increase in the number of restaurants in Bogor. From this data, it is proven that the market for the restaurant industry is growing as new restaurants are opening to fulfill the demand.

One of the areas that is becoming popular with its tourism destinations is the village of Pancawati in Caringin district, Bogor Regency. Pancawati is known for the accommodations available such as villas, hotels, and resorts. Located just 4 kilometers from the toll exit of Ciawi-Bogor, Pancawati offers tourism destinations like rafting and outbound. The opening of Kopi Daong in Pancawati increases the number of visitors coming to the area from its neighboring cities. Since it opened in April 2019, Kopi Daong has brought in a significant number of people to the area of Pancawati. This trend could be seen from the number of Google reviews that people had posted regarding their visit to Kopi Daong. There are a total number of more than eleven thousand reviews that people have posted. This proves that there is a significant increase in the number of visitors coming to the area. Due to this trend in the tourism and food and beverage industry in the city and regency of Bogor, specifically in the area of Pancawati, the idea of opening the business Kebon Héjo is initiated. The opening of Kebon Héjo, a plant-based restaurant, is to fulfill the demand of food and beverage in the area of Bogor.

Kebon Héjo sees the opportunity to offer delicious yet healthy treats as people are becoming more aware of what they consume. By having plant-based food and drinks, Kebon Héjo provides a new but familiar option of

culinary tourism. In contrary, having a healthier lifestyle is also on trend. According to McMacken and Shah (2017), a plant-based diet is one that discourages most or all animal products. It is a diet that is rich in legumes, whole grains, vegetables, fruits, nuts, and seeds. Plant-based diet has been known to be highly beneficial for treating and preventing type 2 diabetes and other cardiovascular diseases, as well as, reducing the risks of cancer, and obesity (McMacken & Shah, 2017, p. 342–354). Other than that, the ingredients that are needed for plant-based food and drinks are relatively more accessible in a tropical country like Indonesia such as a wide range of tropical vegetables and fruits.

B. The Objectives

This feasibility study is conducted in order to determine whether or not Kebon Héjo is worth doing economically and is likely to produce the anticipated result with the plan of actions that have been arranged. Furthermore, this study is done to aid in making the of the decision on whether the business is worthy to be continued. The objectives of this business feasibility study are divided into two parts as further explained below:

1. Major objectives

- a. In terms of the marketing aspect, this feasibility study aims to analyze the potential market opportunities; whether an adequate level of demand for the products offered by Kebon Héjo does exist;

and how will it be able to differentiate its product to compete with the established industry players.

- b. In terms of the operational aspect, this feasibility study aims to examine in detail on how Kebon Héjo will deliver its product and service during its daily operation.
- c. In terms of the organizational aspect, this feasibility study aims to study the organization structure that will be formed and the human resources as one of the assets of the establishment.
- d. In terms of the financial aspect, this feasibility study aims to project the capital needed, how it is going to be sourced, and when it will return and become profitable.

2. Minor objectives

- a. To analyze the current supply and demand, and the characteristic of the current market in order to come up with other business alternatives if this present idea fails to become feasible.
- b. To aid in supplying information and data needed by future entrepreneur with similar interest.

C. Research Methodology

According to Sekaran and Bougie (2016, p. 2), a business research is a structured and planned process of finding a solution to a certain problem that comes across in a workplace or business. The problem that is discussed on this paper is whether or not Kebon Héjo is a feasible business that is worth pursuing. Furthermore, Yulianto, Maskan & Utaminingsih (2018, p.

2) explains that a research must be done prior to a launch or a development of a new product in order to reach an optimal result as the business have got the idea of how the market is going to be. Therefore, for the purpose of getting the picture of the market for Kebon Héjo, this business feasibility study is executed.

In order to complete this study, information that aids to finding a solution to the problem is obtained through gathering and analyzing primary or first-hand data and already accessible or secondary data. Both primary and secondary data can be quantitative, where the data are in the form of numbers that are collected through structured questions, or qualitative data that are in the form of words (Sekaran & Bougie, 2016, p. 2). Primary data will be obtained in this study by using questionnaires which are going to be administered in order to gather quantitative data for this research. There are a few ways to conduct a questionnaire and this study will use electronic and online questionnaires. According to Sekaran & Bougie (2016, p. 143), electronic and online questionnaires contains question that is usually created in a form of web with a database to store the answers and statistical software with the purpose of providing statistical analysis. The reason of choosing this way of administering the questionnaire is due to COVID-19 where social distancing is advised. The whole group of people, events, or things that are studied in a particular research is defined as the population (Sekaran & Bougie, 2016, p. 236). Due to the constraints of time and resources, the study will not include the whole population but will be based on a subgroup of the population or being referred to as the sample. The study done based

on these samples should be able to obtain results that are evident to be the interest of the whole population. (Sekaran & Bougie, 2016, p. 237). The target population of this study include residents of Bogor and the bigger Jakarta metropolitan area which adds Depok, Tangerang, and Bekasi. To be able to set the sample used in a study, Sekaran & Bougie explained that a research could use probability and non-probability sampling.

1. Probability Sampling

In a probability sampling, every item or called elements of the population has an equal chance of being included in the sample. There are four types of sampling methods which are simple random, systematic, stratified, and cluster sampling. For a simple random sampling, each element has an equal probability of being included as the sample. Differ to a simple random sampling, the systematic sampling method uses every n th element that is drawn from the population starting from a randomly chosen element. Next, the stratified random sampling uses subgroups that might be based on gender, occupation, or others, and a random sample is taken from each subgroup. Lastly, a cluster sampling uses clusters to divide the population and draw samples from each selected cluster

2. Non-probability sampling

In a non-probability sampling, not all of the elements of the population have the chance to be chosen as samples for the study. There are two types of sampling methods included in the non-probability sampling which are convenience and purposive sampling. In a convenience

sampling, the samples used in the study are members of the population that are conveniently available. Differ to a convenience sampling, purposive sampling gets information from specific target groups. Included in purposive sampling are two major types that include judgment and quota sampling. A judgment sampling selects samples that are based on the research objectives. Whereas quota sampling selects samples on the basis of predetermined characteristics.

This study will be using the convenience sampling method in order to get basic information at a short amount of time and efficient way. The sample size of this study is determined based on Hair et al. (2014, p. 176) which states that the general rule of selecting the number of samples used should never be below five to one where five observations are made for each independent variable. Therefore, the amount of sample required for this study is 115 samples that is a product of 23 questions regarding the marketing mix, which are the independent variables, multiplied by five. These samples will be taken through online surveys which are then filtered to only those who are residing in the cities included in the target population.

Data gathered by the questionnaire will be processed using SPSS for its validity and reliability. According to Sekaran & Bougie (2016, p. 220), validity is a test to know the authenticity of the cause-and-effect relationships and their generalizability to the outside environment. Whereas reliability measures the consistency and stability of the measures (Sekaran & Bougie, 2016, p. 223). Secondary research can be found in the Internet,

published books and journals in the library, government publications, *Badan Pusat Statistik (BPS)* etc.

D. Theoretical Conceptual Review

The theories that support this business feasibility study include:

1. Definition of Restaurant

According to Walker (2018, p. 6), the term “restaurant” is defined as a place where meals are prepared and where people can come and buy those prepared meals.

2. Classification of Restaurant

Based on the theories of Walker (2018, p. 24-49), restaurants can be divided into the categories below:

a. Chain or Independent Restaurant

A number of restaurants that are owned by a person or company are called chain restaurants. On the other hand, independent restaurants are those that are not owned by a chain or franchise. Chain restaurants have the advantages of getting more recognition in the marketplace, greater advertising spread, advanced systems development, and discounted purchasing. The advantage of independent restaurants includes being at liberty to develop their own concepts, menus, décor, and so on. Therefore, they can be more unique by having their own image.

Examples of chain and independent restaurants: Abuba Steak (chain restaurant), Menega Cafe (independent restaurant)

b. Casual Restaurants

Casual restaurants are informal or more relaxed type of restaurants with signature food items, creative bar menus, and relaxed, cozy décor. This type of restaurant is popular as it fits the societal trend of a more relaxed lifestyle.

Examples of casual restaurants: T.G.I.Friday's

c. Celebrity Restaurants

Celebrity restaurants are owned by celebrities or public figures in general. This kind of restaurant is highly attractive as they often provide good décor, design, atmosphere, and sometimes a visit from the celebrities themselves.

Examples of celebrity restaurants: Markobar, Filosofi Kopi

d. Centralized Home Delivery Restaurants

Restaurants that deliver meals to their customer's location are classified as centralized home delivery restaurants. Centralization minimizes the costs of order taking, food preparation, and accounting as they can be done at any location connected to the internet.

Examples of centralized home delivery restaurants: PHD

e. Chef-owned Restaurants

When the owner is also the chef of the restaurant, this kind of restaurant is classified as chef-owned restaurants.

Example of chef-owned restaurant: Jamie Oliver Kitchen

f. Coffee Shops

Coffee shops were deeply related to Italian bars where people come to enjoy the Italian tradition of drinking espresso or cappuccino. However, coffee shops have developed to provide a wider range of beverages and styles of coffee as consumers have the tendency to prefer a greater variety of products.

Example of coffee shop: Kong Djie Coffee

g. Ethnic Restaurants

Three major ethnic restaurants include Mexican, Italian, and Asian restaurants. The choice of food in Mexican restaurants are commonly built around tortillas, ground beef, cilantro, chilies, rice, and beans. Menus, décor, and music in Mexican restaurants are often colorful and exciting. Food offered in Italian restaurants were based on home cooking like various kinds of pasta and pizza. One of the major parts of Asian restaurants is Chinese restaurants. Food are cooked using woks which are large metal pan with a rounded bottom.

Examples of ethnic restaurants: Casa Mexico (Mexican restaurant), Mamma Rosy (Italian restaurant), Imperial Chef (Chinese restaurant)

h. Family Restaurants

Family restaurants are either those which are run by a family or targets to families as their guests. This kind of restaurant developed from a coffee shop-style restaurant. Family restaurants are informal and have a simple menu and service. Most of them do not serve alcoholic beverages.

Example of family restaurant: Denny's

i. Fine-dining Restaurants

Fine-dining restaurants are those with extraordinary food and service. The décor of fine-dining restaurants is also made to be superb. Food, drinks, and service in this type of restaurant are expensive and mostly enjoyed for leisure purposes.

Example of fine-dining restaurant: Gaia by Oso Ristorante

j. Franchised Restaurants

Franchised restaurants are those owned by investors, or called franchisee, who have bought the right to use the restaurant's brand. This kind of restaurant is a possible option for those who lack experience in the restaurant business and yet want to open up one with fewer risks than starting up their own from scratch. The franchisee is responsible for the day-to-day operation and management of the restaurant. Meanwhile, the company, or franchisor, is responsible for granting the license, providing support, marketing and proven restaurant concept.

Examples of franchised restaurants: KFC, Pizza Hut

k. Hotel Restaurants

Restaurants that are located in a hotel have their own classification which is hotel restaurants. These kinds of upscale restaurants are luxurious in terms of their décor, table setting, service, and food. Hotel restaurants are made to provide for guest's desire for coffee, meals, or just cocktails.

Example of hotel restaurant: The Café at Mulia Hotel

l. Sandwich Shops

Sandwich and sub shops offer a menu that consists of various kinds of hot and cold sandwiches made with choices of bread or buns, and toppings or fillings of different meats, vegetables and pickle items.

Example of sandwich shop: Quiznos Sub

m. Seafood Restaurants

Seafood restaurants are those that specialize in seafood dishes, such as fish and shellfish, and may also include freshwater fish. The focus of seafood restaurants is to the preparation and service of fresh seafood as opposed to frozen or processed products.

Example of seafood restaurant: Pondok Laguna

n. Steakhouses

Steakhouses are restaurants that specialize in steaks. This type of restaurant is alluring for people who want to start a relatively simple business by having limited menu and which caters to a well-identified market.

Example of steakhouses: BISTECCA

o. Theme Restaurants

Restaurants that are made to open based on the idea of concept being their first priority are called theme restaurants. To accentuate the theme of a theme restaurant by its architectures, colors, lighting, and sound, large investments and consultants are called in.

Example of theme restaurant: The Garden

p. Quick Casual Restaurants

Quick Casual restaurants are those between quick service and casual dining. This kind of restaurant do not offer full table service. Customers order their meal at a counter as they enter the restaurant then they are given numbers to pick up their order. Customers also find their own seats. The food quality, choice, service style, and décor of quick-service restaurants are better than fast food restaurants which serve processed foods.

Example of quick-casual restaurant: Marche

q. Quick-service Restaurants

Quick-service restaurants, or also called fast food, are restaurants that should have staff and product ready to serve maximum number of customers in the least amount of time. In this type of restaurant, people pay for their food before they are served. Quick-service restaurants are conveniently located and offer good price and value.

Example of quick-service restaurant: Marugame Udon

3. Understanding of Plant-based Diet

Plant-based diets are eating patterns that feature higher intakes of food that are made of plants and are low in animal products (Kim et al., 2019, p. 1). Vegetarian diets are just one of the types of plant-based diets where different types of animal products, like meat and dairy, are prohibited. However, as defined earlier, a plant-based diet is not restricted to vegetarian nor vegan diets only. Studies have shown results which proves that plant-based diets are beneficial for the health and

mortality risk of the heart. According to Kim et al. (2019, p. 9), results from their study suggest that steadily raising the intake of plant foods and decreasing the intake of animal products is associated with benefits on cardiovascular health and mortality risk.

4. Business Concept

Based on the listed explanation of the classifications of restaurants above, Kebon Héjo falls into the type of quick-casual restaurant. By providing healthy, light meals and beverages, Kebon Héjo is a restaurant that has less extensive service but focus more on the quality of ingredients used, ambience, and efficiency. The setting of Kebon Héjo is a major part of the restaurant as it is made to attract people who are searching for a place to enjoy good food and time, and with good company. As Kebon Héjo has a concept of offering healthy, plant-based food and beverages, the choice of food and drinks will be focused to healthier options like fruits, vegetables, nuts, and so on.

The concept of the place itself will also support a sustainable tourism development concept as Kebon Héjo will not only offer customers its food and beverage products and dining experience but the customers will pay for what they earn from the earth which are ambience of the nature itself and the view like no other. Customers will not only be offered something that they consume at that only moment but earn a memory that lasts. The restaurant is named Kebon Héjo, which means “green garden” in English, as it will emphasize the presence of nature in

terms of green grass and various plants in an open area where the restaurant will be opened.

