

CHAPTER I

INTRODUCTION

A. The Initial Idea

The definition of tourism as it is stated in UU No. 10 Tahun 2009, tourism is a travel activity carried out by a person or group of people by visiting certain places for recreational purposes, personal development, or studying the uniqueness of tourist attractions visited for a temporary period. According to James J. Spillane (1982) tourism itself can be defined as an activity of traveling with the aim of getting pleasure, seeking satisfaction, knowing something, improving health, enjoying sports or rest, fulfilling tasks, making pilgrimages and others (Putri Harahap, 2020). As reported by Badan Pusat Statistik (BPS), the data obtained shows that accommodation and food service activities contributed 2.55% to Indonesia's GDP in 2020. There are many types of tourism and one of them is culinary tourism, where people make business in the food and beverage sector, such as cafes or restaurants. The food and beverage industry today contributes significantly to Indonesia's economy. This sector's growth and investment worth have continued to rise in recent years (Serdar, 2019). As the world's fourth most populated country with a growing middle class, Indonesia has attracted a rising food and beverage market. It is reported that despite the COVID-19 outbreak, the food and beverage sector grew by 5.35 percent in the first quarter of 2021 (Yuningsih, 2021). Below is the table that shows the growth rate of restaurants in Indonesia:

TABLE 1

Growth of Restaurants in Indonesia 2018-2021 (Percentage)

| Year | Growth Rate |
|-------------|--------------------|
| 2018 | 6,03 |
| 2019 | 6,92 |
| 2020 | -6,89 |
| 2021 | 5,35 |

Source: DataIndustri Research (2021)

The food and beverage service comprises several outlets, such as bar, café, coffee shop, bistro, brasserie, and others. The food and beverage service outlet also includes a restaurant. A restaurant is a public establishment that provides food and beverage services to its customers. Because food and drinks are the basis of a restaurant, they are its most important feature (Blomme, R. J., 2018).

According to (Walker, 2017, p.4) there are several reasons to open a restaurant business, including: restaurants are places where people can socialize, meet the needs of a fun lifestyle, have opportunities to express themselves, and challenges.

Based on Abraham Maslow's Hierarchy of Needs, there are five categories of human needs. One of them is the physiological needs, where water, air, food, and sleep are the most necessities that must be met in order to survive. Maslow felt that they are the most basic needs in the hierarchy and all needs become secondary until these physiological requirements are met. Therefore, food and drink will continue to be sought by humans in any condition, because humans definitely need food and drink to survive (Cherry, 2018).

TABLE 2

Population in Banten province in 2018-2020

| District/City | 2018 | 2019 | 2020 |
|------------------------|------------------|------------------|------------------|
| Kab Pandeglang | 1.209.011 | 1.211.909 | 1.272.687 |
| Kab Lebak | 1.295.810 | 1.302.608 | 1.386.793 |
| Kab Tangerang | 3.692.693 | 3.800.787 | 3.245.619 |
| Kab Serang | 1.501.501 | 1.508.397 | 1.622.630 |
| Kota Tangerang | 2.185.304 | 2.229.901 | 1.895.486 |
| Kota Cilegon | 431.305 | 437.205 | 434.896 |
| Kota Serang | 677.804 | 688.603 | 692.101 |
| Kota Tangerang Selatan | 1.696.308 | 1.747.906 | 1.354.350 |
| Provinsi Banten | 12.689.736 | 12.927.316 | 11.904.562 |

Source: Badan Pusat Statistik Tangerang (2021)

From the data above, it can be concluded that Tangerang city occupies the 2nd position with the most population after Tangerang district for 3 consecutive years. Even though there is a slight decline in 2020, where the number is decreasing to 1.895.486. This is caused by the high death rate due to COVID-19 in 2020. Hence, it can be determined that Tangerang city still has a high potential for business development due to its large population.

TABLE 3

Number of Restaurants by Subdistrict in Tangerang 2018-2020

| Subdistrict | Number of Restaurants by Subdistrict in Tangerang | | |
|--------------------|--|-------------|-------------|
| | 2018 | 2019 | 2020 |
| Ciledug | 14 | 10 | 14 |
| Larangan | 5 | 5 | 6 |
| Karangtengah | 7 | 7 | 7 |
| Cipondoh | 17 | 13 | 16 |
| Pinang | 4 | 8 | 8 |

TABLE 3

Number of Restaurants by Subdistrict in Tangerang 2018-2020 (cont.)

| | | | |
|-----------------------|------------|------------|------------|
| Tangerang | 20 | 82 | 88 |
| Karawaci | 53 | 100 | 101 |
| Jatiuwung | 10 | 22 | 22 |
| Cibodas | 22 | 10 | 14 |
| Periuk | 21 | 21 | 21 |
| Batuceper | 13 | 2 | 2 |
| Neglasari | 2 | 13 | 14 |
| Benda | 53 | 58 | 57 |
| Kota Tangerang | 241 | 351 | 370 |

Source: Badan Pusat Statistik Tangerang (2021)

From the data above, it can be concluded that the development of the restaurant business in Tangerang city has increased significantly from 2018 to 2020. This data can support that Tangerang city can be a potential area or place to build a restaurant business. In addition, this shows that opening a business in the food and beverage sector in the Tangerang area can be a great opportunity to earn profits, especially in Karawaci. Karawaci is an area with the most restaurants and the number of restaurants within that area is increasing significantly every year.

Business site selection is a difficult strategic decision that can have a long-term impact on a company's success. Farahani et al. conduct a survey of multicriteria facility location models, emphasizing the importance of qualitative factors like environmental risks, resource availability, access to public facilities, such as airports and public transportation, political matters and regulations, competition, and reliability, i.e., low disruption potential (Dixit et al., 2019).

TABLE 4

Comparison Table of Potential Locations

| Criteria | Lippo Karawaci | | Alam Sutera | |
|-------------------|----------------|--------------|-------------|--------------|
| | Advantage | Disadvantage | Advantage | Disadvantage |
| Road access | v | | v | |
| Nearest toll gate | v | | v | |
| Housing cluster | 60 | | | 35 |
| Apartment | 6 | | | 5 |
| Hospital | 1 | | 1 | |
| School | 3 | | | 1 |
| Campus | | 1 | 4 | |
| Shopping mall | 2 | | 2 | |
| Hotel | 1 | | 1 | |

Source: Data Analysis (2021)

It can be concluded from Table 4 that opening a restaurant in Lippo Karawaci is more profitable than in Alam Sutera, because Lippo Karawaci has more housing clusters and apartments than Alam Sutera, despite the fact that both areas are accessible from many roads and have direct toll exits. It implies that Lippo Karawaci has a larger population. In other words, it opens the possibility for more people to come to this restaurant.

FIGURE 1

The location of DeaPao *Dim Sum* Restaurant in Lippo Karawaci



Source: Google Maps (2021)

DeaPao *Dim Sum* Restaurant will be located in Lippo Karawaci, Tangerang. Lippo Karawaci can be considered as a quite crowded small town because it is surrounded by a shopping mall, restaurants, schools, campus, hospitals, offices and other business establishments. By that being stated, DeaPao *Dim Sum* Restaurant in Lippo Karawaci has the opportunity to grow due to its strategic location.

According to Walker (2017, p. 283), restaurants are classified into several categories and ethnic restaurants are one of them. Ethnic restaurants provide regional ethnic specialties in a natural setting influenced by the local culture. They normally offer something unique for the customers.

One example of an ethnic restaurant is a Chinese restaurant, and *dim sum* restaurants are a part of Chinese restaurants dish. Chinese restaurants can be found almost everywhere around the world (Cheung & Wu, 2014). Chinese food has a great reputation in many countries due to its good flavor,

excellent service, and affordable costs. *Yum cha* has become one of the most popular Chinese culinary dishes, appreciated by a wide range of ethnicities, among the huge array of Cantonese cuisine. *Yum cha* means “drink tea” in Cantonese (Y. Zhang & Long, 2015). To add variety to tea drinking, meals that are prepared in small quantities to be served with the tea are known as *dim sum*. *Dim sum* is served on small plates, identical to Tapas in Spanish cuisine or mezza in Mediterranean cuisine (Denizci Guillet, Law, & Kucukusta, 2018, p. 363).

Yum cha is available all day in contemporary Guangzhou, from 5 a.m. until late at night (S. Wang, 2009). Even so, the most popular kind of tea is still morning tea (Mo, 2009). After their usual morning workout, retired individuals in Guangzhou come to enjoy and socialize with friends and family over yum cha. Retired folks typically have a pot of tea and two dim sum items per person, then relax by conversing with their exercise partners or reading newspapers. A few hours later, office workers arrive at the same table for breakfast. After that, the housewives arrive for breakfast with old pals (Qu, 2016). Office employees return to eat lunch during midday. Business people pick out yum cha tea houses as a second office in the afternoon to exchange business information. Families and couples gather for dinner in the evening. Some establishments are even open 24 hours a day to accommodate everyone (Mo, 2009; Wang, 2019).

In conclusion, there is no specific time to eat *dim sum* as it can be eaten at any time of the day. Moreover, *dim sum* is a dish that can be eaten by all ages, from the young to the olds.

Dim sum is a snack that comes from China and is usually served either steamed or fried. *Dim sum* is in high demand among people who live a practical lifestyle due to its practical presentation and preparation. This meal is frequently consumed with a cup of tea (*yum cha*) (Eka & Medan, 2020).

Dim sum literally means “touch heart” (Tam, 1997, p. 295) and *dim sum* items are made in small sizes to complement the tea drinking. The intention of *dim sum* is to try a wide variety of dishes at the same time and share them with others at the same table (Wang, 2019).

Dim sum has high nutritional value, usually filled with meat, chicken, fish, shrimp, fruits or vegetables, and is frequently served with chili sauce for extra taste. *Dim sum* is quite popular in Indonesia, and it is greatly sought after and favored by the Indonesian people (Giman et al., 2019).

In Karawaci, there are 3 *dim sum* restaurants which were established several years ago, they are Dim Sum Inc, Imperial Kitchen & Dimsum, and Lamian Palace. Besides that, there are also another 17 *dim sum* restaurants in Tangerang that are recorded on Zomato as per September 2021. It can be concluded that *dim sum* is quite popular for the people in Tangerang city. Thus, due to the interest of the people in Tangerang, this could be an opportunity to build a *dim sum* restaurant in the city.

Therefore, this business feasibility study will perform a business in *dim sum* which specializes in cartoon themed steamed buns with various fillings that comes in 3 sizes: bite-sized, regular size, and giant size. This *dim sum* restaurant business idea came up as *dim sum* can be consumed by a wide range of ages, from children to elderly. Besides that, *dim sum* can be eaten at any time of the day, there's no specific time to consume it. Moreover, *dim sum* is a favourite dish which is liked by many Indonesian people in all era. Eating *dim sum* doesn't require a special occasion, as it is a casual and informal dining where people can socialize with family, friends, business associates, etc. *Dim sum* has a wide variety of tastes such as sweet and savoury, and there are two types of cooking methods which are steamed and fried. *Dim sum* is a practical dish that is easy to prepare where it doesn't take a long time to prepare it, since people nowadays prefer practical lifestyle. Therefore, this dish is suitable for them.

During this pandemic situation, people are concern about hygiene and prefer to minimize contact. Therefore, by using a food bullet train to deliver the food order, DeaPao Dim Sum Restaurant doesn't require many servers. DeaPao Dim Sum Restaurant also offers menu viewing and food ordering by using customers' mobile phones based on the QR code that is already provided on every table. The order will be immediately received by the kitchen staff and after the food is ready, it will be served to the customers' table directly from the kitchen using a food bullet train.

B. The Objectives

The purpose of this business feasibility study is to find out whether this business is feasible to run or not, and the purpose is divided into two parts, namely the major objectives and minor objectives.

1. Major Objectives

a. Marketing Aspect

This aspect aims to analyze and to confirm market demand, supply, segmentation, targeting and positioning, marketing mix, economics, social, legal, environmental, and technology.

b. Operational Aspect

This aspect aims to analyze and to confirm the types of activities and facilities, calculating the space requirements for facilities, selecting the location and technology to be used.

c. Organizational Aspect and Human Resources

This aspect aims to analyze and to confirm the organizational structure, training and human resource development, and legal aspects.

d. Financial Aspect

This aspect aims to analyze and to confirm the need for funds or capital, estimated operating costs, estimated operating income, income statement, cash flow statement, break-even

point analysis, investment appraisal or assessment, and risk management.

2. Minor Objectives

- To help and provide job vacancies for people who are affected by the downsizing due to the pandemic.
- Create jobs and increase the wellbeing of the society.
- To research the demand of the target market.
- Boost the local economy.

C. **Research Method**

This business feasibility study requires accurate and reliable data to support and determine whether this business is feasible to run or not. According to (Sekaran & Bougie, 2016, p. 2) business research can be described as a systematic and organized effort to investigate a specific problem encountered in the work setting, which needs a solution. Data collection in the arrangement of this business feasibility study uses two data collection techniques, namely primary and secondary data collection techniques.

1. Primary Data

According to (Sekaran & Bougie, 2016, p. 38), primary data can be defined as data that the researcher gathers first hand for the specific purpose of the study. The primary data that will be used

in this business feasibility study are questionnaire and observation.

a. Questionnaire

According to (Sekaran & Bougie, 2016, p. 152) questionnaire is a pre formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. Based on the statement above, it can be concluded that the questionnaire is a data collection technique in which each respondent is asked to answer questions in a predetermined order. There are three types of questionnaires according to (Sekaran & Bougie, 2016, p. 142), which are personally administered questionnaires, mail questionnaires, electronic and online questionnaires. Due to the pandemic situation, the questionnaires utilized in this business feasibility study would be electronic and online questionnaires as the current condition requires people to reduce physical contact.

b. Observation

According to (Sekaran & Bougie, 2016, p. 127), observation concerns the planned watching, recording, analysis, and interpretation of behavior, actions, or events. Observation is needed to make a business plan,

observe and obtain data about competitors, find out trends that are in demand by consumers nowadays.

2. Secondary Data

According to (Sekaran & Bougie, 2016, p. 37) the term secondary data can be illustrated as data that has been obtained by others for a different reason than the current study. Here are some examples of secondary data, such as statistical bulletins, government publications, published and unpublished information, company websites, and the Internet (Sekaran & Bougie, 2016, p. 37). The secondary data used in carrying out a business feasibility study are as follows:

a. Government publications

Data from the government publications is valid as it is published or issued by the government body. Government publication data used in this business feasibility study is taken from Central Bureau of Statistics (BPS), where the writer uses data from BPS to identify the population growth rate in Tangerang and the number of restaurants in Tangerang.

b. Literature study

The literature used in this study is in the form of textbooks and journals. Examples of books used in this

business feasibility study are books about Tourism Industry, Food and Beverage Service, Research Methods for Business, etc. This method is employed by the writer to compose a conceptual review of the theory that is used in this research.

c. Credible online sources

The information for this business feasibility study came from credible online sources, such as journal articles, research articles, official websites (.gov, .edu, .ac), and other materials from Google Scholar.

D. Theoretical Conceptual Overview

1. Definition of Tourism

According to the World Tourism Organization (2020), tourism is a social, cultural, and economic phenomenon that involves individuals traveling to nations or places outside of their regular territory for personal or professional reasons.

2. Definition of Restaurant

In accordance with Walker (2017, p. 268) restaurants are an important part of our daily lives; as a fast-paced society, we frequent them several times a week to interact as well as eat and drink.

3. Classifications of Restaurants

According to Walker (2017, p. 283-295) restaurants are classified into several categories:

a. Fine Dining

Many of these restaurants offer haute cuisine, which is a French phrase that translates to "elegant dining" or "high food." Customers who come to this restaurant are usually from the upper class economy. An example of a fine dining restaurant is Amuz Gourmet Restaurant.

b. Celebrity Restaurants

It is a restaurant that is owned by a celebrity. Celebrity restaurants usually have a great combination of design, ambiance, food, and maybe the thrill of a surprise visit from the owner(s). An example of a celebrity restaurant is CUT by Wolfgang Puck.

c. Steak Houses

This type of restaurant generally serves red meat as the main menu. But some restaurants offer seafood and chicken as well. An example of a steakhouse is Ruth's Chris Steak House.

d. Family Restaurants

Most of these types of restaurants provide an easy-going atmosphere with a simple menu and service that will appeal to

the entire family. An example of a family restaurant is Chili's Grill & Bar.

e. Ethnic Restaurants

These types of restaurants offer something unique for the customers. They typically provide regional ethnic specialties in a natural setting influenced by the local culture. An example of an ethnic restaurant is Restoran Beautika Manado.

f. Theme Restaurants

Themed restaurants appeal to customers because they provide a complete experience as well as a social gathering spot. This is accomplished through decor and ambience, allowing the restaurant to serve a limited cuisine that complements the theme. An example of a theme restaurant is TGI Friday's.

g. Quick-Service/Fast-Food Restaurants

This type of restaurant usually offers limited menus so that people are able to make quick decisions, and they are located in very convenient locations. An example of a QSR restaurant is McDonald's.

h. Bakery Café

This type of restaurant serves bread and pastry products as the main menu, as well as beverages such as coffee and tea as a

complementary menu. An example of a bakery cafe is Beau Bakery.

4. Classification of service

As stated by Cousins (2014, p. 17-20) there are five types of service methods, such as:

a. Table service

Customers who come to this restaurant will be served at a table that has been set. The restaurant staff will then hand the customer the menu book.

b. Assisted service

The customer is provided a portion of the meal at a table and is then required to self-serve the remainder from a display or buffet.

This type of service is frequently used in hotels for breakfast.

c. Self-service

Customers are required to assist themselves from a buffet or counter. Cafeterias and canteens provide such a type of service.

d. Single point service

This type of service allows customers to enter the restaurant, make an order, pay and also receive their order at a single point.

This service can be found at a bar, in a fast-food restaurant, or at a vending machine.

e. Specialised service (or service in situ)

It is a service where the food and drink are delivered to the customer's seat. This includes tray service where this service is available in hospitals or airplanes, trolley service, home delivery, lounge and room service.

5. Types of menus

There are six different kinds of menus, specifically (Walker, 2017, p. 278):

a. *À la carte* menus

This menu offers items that are ordered individually. This type of menu can be found in almost all restaurants.

b. *Table d'hôte* menus

This type of menu provides customers with a set price or fixed price for a variety of complete meals, where it consists of several courses. Guests who order this type of menu will receive a good value.

c. *Du jour* menus

‘Du jour’ comes from a French term where it means “of the day”. It is a weekly menu item that is only available on a certain day of the week. E.g. Soup of the day

d. Tourist menus

These menus are intended to catch the attention of tourists. They usually emphasize value and quick-to-prepare, inexpensive food that reflects regional tastes.

e. California menus

This type of menu allows customers to order any food item at any time, regardless of the day.

f. Cyclical menus

It is a set of menus that are repeated over a specific period of time. During the cycle, the menu changes every day. The menu is then repeated at the end of the cycle. Normally this type of menu repeats every 7, 10, 14, or 28 days.

6. Definition of *Dim Sum*

Dim sum is a Cantonese term used for a variety of small, bite-sized steamed foods served for breakfast or lunch. It's designed to be a quick, hot dish that goes well with Chinese tea. *Dim sum* is a high-nutrition steamed snack that is commonly filled with meat, chicken, fish, shrimp, fruits, and vegetables (Giman et al., 2019).

7. Definition of Cartoon Themed Steamed Buns

This food item is defined as a cartoon themed soft bun filled with sweet or savoury ingredients.

8. Business Concept

Based on the theories above, DeaPao Dim Sum Restaurant would be an indoor restaurant that serves a variety of *dim sum* with a specialty of cartoon themed steamed buns which will be delivered by a food bullet train. Besides that, the cartoon themed steamed buns comes in 3 sizes, which are bite-sized, regular size and giant size. According to the plan, DeaPao Dim Sum Restaurant will be located in Lippo Karawaci, Tangerang. In line with the theoretical conceptual overview, DeaPao Dim Sum Restaurant is categorized as an ethnic restaurant, where guests will be welcomed by bamboo steamers decorations at the entrance, which symbolizes strength, and it also means a strong life filled with prosperity. Besides than strength, bamboo represents serene as well so the purpose is to make the customers feel calm and comfortable when dining at DeaPao Dim Sum Restaurant. It adds the ambience where the customers will feel as if they are in China when they enter the restaurant. In the dining area, there can be found a 6 metre long table placed in the middle of the dining area. So when the customers' order food and then it will be delivered by the bullet train directly from the kitchen to the customers' table. While waiting for the food to arrive, each guest will be given a fortune cookie by the server. Our meals including our

specialized dish, which is dim sum, are all made specially by our kitchen team and the recipes are developed by our kitchen team as well. The recipes become our one of intellectual assets of the business. As for the restaurant concept, it emphasizes the authenticity and the seriousness of the business in building the ambience for the customers to dine in with a great and exciting experience. There are two types of table used in this restaurant, which are the long table (where the food will be delivered by the food bullet train) and also the round table (the servers will deliver the customers' food to their table using a tray). The round tables are for family dine-in, and the long tables along with the food bullet train are for individuals or couples. The type of menu used in DeaPao Dim Sum Restaurant is the *à la carte* menu, where each menu item has different prices. However, due to the pandemic conditions, all menus can be viewed and can be ordered through the guests' mobile phones simply by scanning the barcode in each table. The design concept of DeaPao Dim Sum Restaurant is modern Asian and the choice of the interior design for this restaurant would be bright lighting with warm ambience, and decorated with bamboo steamers and modern lanterns in every corner of the restaurant for the decorations. As for the atmosphere, it will be set with Chinese songs as the background music. DeaPao Dim Sum Restaurant is also equipped with several facilities that can be enjoyed by customers, such as free high speed wi-fi and sockets. Besides that, DeaPao Dim Sum Restaurant will implement COVID-19 health protocols in order to prevent the spread of COVID-19. Hence, this

restaurant will apply the regulations that have been set by the government. For instance, the customers are required to wear a mask, get their body temperature checked, the number of dine-in customers will also be limited, and keep distance with other customers. In addition, DeaPao Dim Sum Restaurant provides cashless payments to avoid direct physical contact. Payment by scanning a QR code or using debit or credit card are available.

