

CHAPTER I

INTRODUCTION

A. Initial Idea

As tourism develops over time, the demands that must be fulfilled are adapted to the socio-cultural, economic, and environmental level of the community itself (Telfer & Sharpley, 2014, p. 2). According to Putu Juli Ardika, the General Director of Agro Industry at the Ministry of Industry, the food and beverage industry is one of the sectors in Indonesia that receive development priorities (Ministry of Industry of the Republic of Indonesia, 2022a).

Table 1
Food & Beverage Industry GDP Development in Indonesia (2019-2021)

Year	Development (in %)
2019	7.78
2020	1.58
2021	2.54

Source: Central Bureau of Statistics (2022)

According to the Central Bureau of Statistics (2022), Indonesia's GDP (Gross Domestic Product) for the food and beverage industry was 775.1 trillion IDR in 2021. As shown in Table 1, this value grew 2.54% compared to the previous year. Moreover, a third, or 37.77% of the GDP of the non-oil and gas processing sector in the first quarter of 2022 came from the food and beverage business. In comparison to the first quarter of 2021, when it reached by 2.45%, the food and beverage industry expanded by 3.75% in the first quarter of 2022. This shows that food and beverage business has a

considerable impact on the non-oil and gas processing sector and possibly the national GDP (Ministry of Industry of the Republic of Indonesia, 2022).

Table 2
Food & Beverage Industry GRDP at Current Prices in DKI Jakarta
(2019-2021)

Year	GRDP (in Million IDR)
2019	134,979,998
2020	115,213,510
2021	127,345,391

Source: Central Bureau of Statistics (2022)

Based on Table 2, it is shown that DKI Jakarta's Food & Beverage Industry GRDP (Gross Regional Domestic Product) in 2019 is accumulated to Rp. 134,979,998. Although there is a decrease in 2020 compared to the previous year, a recovery can be seen as the figure has improved in the following year, which reached Rp. 127,345,391 in 2021 (Central Bureau of Statistics, 2022). DKI Jakarta's economy shows positive growth by the end of 2021 as improvements in economic growth continue to be made gradually (Bank Indonesia, 2021).

Table 3
District/City GRDP at Current Prices in DKI Jakarta (2019-2021)

District/City	GRDP (in Billion IDR)		
	2019	2020	2021
Thousand Islands	7,926.26	6,451.22	8,252.15
South Jakarta	642,464.23	643,600.85	668,661.66
East Jakarta	488,499.49	470,237.86	500,607.66
Central Jakarta	699,838.12	700,985.69	728,386.10
West Jakarta	470,458.81	469,054.27	493,800.86
North Jakarta	522,378.82	496,749.60	536,036.56

Source: Central Bureau of Statistics (2022)

There are several districts in DKI Jakarta as potential locations for placing food and beverage businesses, namely Thousand Island, South Jakarta, East Jakarta, Central Jakarta, West Jakarta, and North Jakarta respectively. Table 3 shows that the GRDP growth of all of the district/city has been recovering in 2021 compared to the previous year. Amongst the district/city, South Jakarta proved to be a very good opportunity to become a business placement location in DKI Jakarta, in this case the food and beverage business that holds largest GRDP compared to the others (Central Bureau of Statistics, 2022). Additionally, the growth rate of the food and beverage sector of South Jakarta's GRDP improved in 2021, reaching 8.98%, as compared to the year before, 2020, when it had reached -16.71% (Central Bureau of Statistics, 2022).

Table 4
Restaurants in DKI Jakarta (2020)

District/City	Number of Restaurants
Thousand Islands	4
South Jakarta	1,424
East Jakarta	624
Central Jakarta	662
West Jakarta	768
North Jakarta	755
Total	4,237

Source: Central Bureau of Statistics (2022)

As shown on Table 4, South Jakarta is a location with great potential for food and beverage business, as another reason, out of the total 4,237 restaurants in DKI Jakarta, 1,424 of them are based in South Jakarta (Central Bureau of Statistics, 2020). This phenomenon occurs because South Jakarta is considered as DKI Jakarta administration city that is filled with office

buildings, entertainment, and shopping centers (Sherin, 2020). In addition to surrounded by business centers and shopping centers, SCBD (Sudirman Central Business District), an integrated business area located on Sudirman street, South Jakarta also offers easy access to public transportation showing promising growth possibilities for investment value (Kurniawan, 2021).

According to the Research and Development Division of the Library and Information Council (2022, p. 2), as the SCBD area is filled with lots of office workers, there are a range of lunches that are always sought by employees where the top five includes *mie ayam* (chicken noodle), *bakso* (meatball), *nasi goreng* (fried rice), *warteg* (*Warung Tegal*) or *Tegal* stall, and *nasi Padang* (*Padang* rice). Amongst them, *warteg* is a modest eatery that serves a variety of foods and beverages in generous servings at affordable prices that will make you feel like you're eating at home as it offers traditional meals that Indonesians typically consume (Paramita, 2021, p. 1). *Warteg* first showed up in Jakarta in 1950 due to urbanisation when the Indonesian capital was moved from Yogyakarta to Jakarta (Paramita, 2021, p. 1). *Warteg's* presentation is very straightforward, consisting of setting up the food as a buffet so that customers can select their own meals by pointing at the glass partition and having them picked up by the server like the touchscreen system (Sodikin, 2015, p. 1). The dishes sold at a *warteg* uses diverse ingredients such as eggs, mackerel, squid, eggplant, chicken, prawn, *tempe*, tofu, kale, spinach, anchovies, beef, and many more while some of the flavours used in cooking includes *balado*, *opor*, *rendang*,

soto, *rawon*, curry, chili sauce, stir fry, and soy sauce seasoning (Tri & Dida, 2019, p. 4).

In addition to the cheap pleasures of *warteg*, this food stall also has a negative impression, especially about the place and cleanliness of the food (CNN Indonesia, 2019). This leads to the motivation in proposing *Warteg Jaman Now*, a modernised *Warung Tegal*. *Warteg Jaman Now* is expected to be opened in SCBD, South Jakarta area with middle to high income earners as its target market that is in line with its location surroundings. With a neatly arranged interior, bright enough lighting, and aesthetic appearance, *Warteg Jaman Now* will be a comfortable and clean place to enjoy a meal. Not only an indoor space, the restaurant will also be having an outdoor setting for customers to smoke as well as private rooms for group guests. Customers may choose to either dine-in the restaurant, take away their food, or order through online delivery platform. By realizing the touchscreen function that is constantly engaged by the *warteg*, *Warteg Jaman Now* operations will be conducted digitally. So, when a consumer enters and takes a seat, a barcode is provided. The customer can access the menu being sold in *Warteg Jaman Now* by scanning the barcode, submit their orders, and proceed directly to payment. Customers won't have to wait in line to eat their meals because the server will bring it to their table. Therefore, from the initial idea that has been made, a business feasibility study proposal was formed on *Warteg Jaman Now* at SCBD, South Jakarta.

B. The Objectives

There are a total of two objectives that will be discussed in this business feasibility study, namely major objective, and minor objectives.

1. Major Objective

The major objective in making this business feasibility study is to determine whether *Warteg Jaman Now* can be a viable business by providing hygienic food and comfortable dining. *Warteg Jaman Now* hopes to provide satisfaction towards the guests through several factors. This includes a modernise and practical way of ordering process to payment without standing in line and serving food with excellent service as well as a clean and comfortable setting.

2. Minor Objectives

- a. To provide new job opportunities.
- b. To display the modernise ways of serving Indonesian cuisine.
- c. To evaluate market preferences.
- d. To identify strategies that would best work for promotion.
- e. To learn the best practices for managing the business.

C. Research Method

The type of research conducted in this study is business research. A business research, as stated by Bougie & Sekaran (2019, p. 2) is:

“An organized, systematic, data-based, critical, objective, inquiry or investigation into a specific problem, undertaken with the purpose of finding answers or solutions to it.”

1. Types of Research

A mixed methods design will be used to collect the data of the research.

According to Cresswell (2012, p. 22), a mixed methods design is:

“Procedures for collecting, analysing, and mixing both quantitative and qualitative data in a single study or in a multiphase series of studies.”

a. Quantitative Research

A quantitative research analyses numbers and statistics to evaluate hypotheses on certain populations or samples by gather data using research tools (Sugiyono, 2019, p. 17). It studies on larger and more randomly chosen group with results that are relevant to other populations and are generally applicable. For example, ratings of customer’s satisfaction.

b. Qualitative Research

A qualitative research uses objects, pictures, or words to comprehend and analyse interpersonal relationships by emphasizing the meaning of generalizations in its findings (Sugiyono, 2019, p. 18). It studies on smaller and not chosen at random group with results that are specific and are less applicable. For example, customer’s description of satisfaction.

2. Location and Time

This business feasibility study will be carried out from September to October 2022 around South Jakarta.

3. Population

As stated by Shukla (2020, p. 1), population is:

“The set or group of all the units on which the findings of the research are to be applied.”

In this case, the people who live in DKI Jakarta will make up the study's population.

4. Sampling

According to Shukla (2020, p. 4), sample is:

“Any sub set of population, which represents all the types of elements of population.”

The sample for this study will be the people who comes to the SCBD area in South Jakarta.

5. Types of Data

There are a total of two types of data that will be used in the completion of the business feasibility study, namely primary data, and secondary data.

a. Primary Data

According to Ajayi (2017, p. 3), primary data is a real time information that has been collected directly by the researcher. It can be acquired through surveys, observations, experiments, questionnaire, interviews etc. The sources in which will be used in this business feasibility study are observation and questionnaire.

1) Observation

Observation according to Bougie & Sekaran (2019, p. 127) is:

“The planned watching, recording, analysis, and interpretation of behavior, actions, or events.”

A participant observation approach will be applied in this business feasibility study. In participant observation, the researcher observes the group or organization being studied in the natural setting by watching and taking part in their daily activities (Brancati, 2020, p. 1). The researcher in this instance observes a *warteg* stall by acting as a patron. By doing this, ideas

about the items on the menu, décor, atmosphere, staffing, service standard, etc. can be learned.

2) Questionnaire

Questionnaire according to Bougie & Sekaran (2019, p. 142) is:

“A preformulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives.”

As another way of collecting data, an electronic and online questionnaire will be used. It will enable the researcher to better comprehend the beliefs and preferences of *Warteg Jaman Now*'s potential customers. The topics of the questions will center on people's interest towards *Warteg Jaman Now* to determine whether or not it can be a viable business. Online distribution of Google Forms will take place via email and social media platforms including Facebook, Instagram, LINE, WhatsApp, and others.

b. Secondary Data

Secondary data is past information that was gathered earlier by another party (Ajayi, 2017, p. 3). It includes publications by the government, websites, books, journal papers, etc. that will be used for this study specifically as follow:

1) Literature Reviews

This comprises of books and journals in the library that are related to tourism and restaurant operations.

2) Internet Browsing

This comprises of electronic books, publications by the government and non-government organizations, statistical publications from Central Bureau of Statistics or *Badan Pusat Statistik (BPS)* etc.

6. Validity and Reliability Test

Following the selection of the data collecting tools, reliability of the tools is run confirming the validity. Validity test according to Bougie & Sekaran (2019, p. 137) is:

“The extent to which observations accurately record the behavior in which you are interested.”

While reliability test according to Bougie & Sekaran (2019, p. 137) can be defined as:

“The consistency of observations, usually whether two (or more) observers, or the same observer on separate occasions, observing the same event attain the same results.”

7. Data Analysis

It is necessary to analyse the data once it has been gathered. The acquired data in this process are statistically examined. This is done to see whether the produced hypotheses are supported.

a. Quantitative Data Analysis

The collected quantitative information will use the SPSS (Statistical Program for Social Science) application for its analysis.

b. Qualitative Data Analysis

Bougie & Sekaran (2019, p. 333) outline three processes for qualitative data analysis, namely data reduction, data display, and data coding. Data selection, coding, and categorization are all steps in the data reduction process. Data presentation methods are referred to as data display. While data coding can assist you in coming up with concepts for possible data displays and in making some early inferences.

D. Theoretical Conceptual Review

1. Definition of Restaurant

According to Subakti (2014, p. 49), a restaurant is:

“Salah satu sarana untuk melaksanakan Food Service Industry atau bagian dari akomodasi pariwisata yang berperan memenuhi kebutuhan wisatawan atau customer.”

When translated to English, Subakti (2014, p. 49) stated that a restaurant is one of the tools used in the food service industry or a type of accommodation used by tourists whose demands have to be met.

2. History of Restaurants

Walker (2017, p. 37) elaborated that in the past, innkeepers and former gladiators would invest their savings in the restaurant business. Seqius Locates, an innkeeper, is credited with coming up with the concept “business lunch” for those who are too occupied to return home for lunch in the 40 BC. Moving on, Walker (2017, p. 38) mentioned how an eatery for commoners first appeared in England in the late sixteenth century with a long communal table where a fixed-price and fixed-menu meal was served. Then throughout Europe, coffeehouses exploded in the

seventeenth century. Walker (2017, p. 39-41) informed that during the French Revolution, M. Boulanger sold a soup called *restorantes* which is where the word restaurant derived from. After the World War II, the number of hotels, motels, fast food restaurants, and coffee shops increased quickly and continues to grow even now.

3. Types of Restaurants

There are several types of restaurants explained by Walker (2017, p. 283-295):

a. Fine Dining

In general, fine-dining establishments offer high-quality service. Starting with a greeting from the host or hostess to guidance on the menu and wine selection. It also offers a wide variety of menu options to choose from. Furthermore, the décor also implements the ambience of the establishment. Hence, from these aspects, diners will get to enjoy a special dining experience.

b. Celebrity Restaurants

A celebrity restaurant literally means that the restaurant is owned by a celebrity. This type of restaurant typically creates excitement from the anticipation of visitation from its owner.

c. Steak Houses

A steak house is a restaurant that specializes in red meat. Though, aside from red meat, to draw in more customers, several restaurants are expanding their menus with more affordable options like chicken and fish.

d. Family Restaurants

Family restaurants usually feature a relaxed atmosphere, straightforward menu, and family-friendly service. It can be found in or near suburbs with convenient access.

e. Ethnic Restaurants

To satisfy the tastes of the many immigrant groups, an ethnic restaurant offers a sense of home for those who share the restaurant's ethnic history. For others, it offers some unique dining experience. Through Tripadvisor (2022), it can be seen that there are so many culinary delights from various ethnic backgrounds that are present like Western, Japanese, Chinese, Indonesian, etc. Some examples on restaurants that serve Western cuisine are Patio Venue & Dining, Fish & Co, and *Warung Pasta* ; Japanese cuisine restaurants, such as *Marugame* Udon and Tempura, *Yoshinoya*, and *Shaburi*; Chinese cuisine restaurants, such as *Ta Wan* Restaurant, Imperial Kitchen & Dim sum, and *Mandala* Restaurant; as well as Indonesian cuisine restaurants, such as *Smarapura Resto*, *Sate Khas Senayan*, and *Teras Dharmawangsa*.

f. Theme Restaurants

A theme restaurant provides a comprehensive experience for its customers. The décor and ambiance enable the restaurant to cover a variety of themes such as airplanes while only offering a small menu.

g. Quick Service/Fast-Food Restaurants

Quick service/fast-food restaurant foods such as hamburgers, fries, pancakes, finger foods, and many others are designed to make life easier for people as these foods are fast to make. This type of restaurant is usually found in very accessible places with self-service feature and are sold in a cheaper price.

4. Types of Services

Lillicrap & Cousins (2018, p. 18) have summarized the types of service as below:

a. Table Service

For this type of service, customers are seated and attended by staff with ordering selection from the menu at laid cover. It includes service from waiter through silver/English service, family service, plate/American service, butler/French service, Russian service, and gueridon service or bar counter service.

b. Self-Service

Here, the customers must assist themselves by putting and carrying chosen things on a tray. Cafeterias and canteens offer this kind of service.

c. Assisted Service

In assisted service, customers order from menu, buffet or passed trays. There is a mix of both service from the staffs and self-service here. It is common in carvery-style restaurants and is frequently employed for meals like hotel breakfasts.

d. Single Point Service

Customers order, pay, and receive the food at a single point in this type of service such as takeaway, vending machine, kiosks, food court, and bar.

e. Specialised Service

For specialised service, the delivery of the meals are to where the customer is located. The order selection can be from the menu or predetermined. This includes tray service, trolley service, home delivery service, lounge service, room service, and drive-in service.

5. Types of Menus

There are two types of menus according to Lillicrap & Cousins (2018, p. 92):

a. Table d'Hôte

This type of menu has a predetermined courses and price with limited options. In addition, the meal is typically served at a specific time.

b. À la Carte

An à la carte menu has more options available to choose from. Each dish has a different pricing. Hence, given that some items have already been cooked, there can be lengthier waits.

6. Definition of *Warteg Jaman Now*

While *warteg* is an abbreviation of the word *Warung Tegal*, *jaman* in Indonesian means era. By combining these words, *Warteg Jaman Now* emerged which means the word itself, namely the type of stall that is in

trend with our current era, the 21st century. By using this name, the author would like to make this place to be not only comfortable, neat, and clean for customers but also displays an aesthetic atmosphere as well as a modern impression by including a modern digital-based system in sales.

7. Definition of *Warteg*

Warteg or *Warung Tegal* is a particular kind of food stall that is well-known among Indonesians. The *warteg*'s presentation is rather basic. For less money, *warteg* offers a variety of traditional foods and beverages that are frequently consumed by Indonesians. It first appeared after Jakarta replaced Yogyakarta as the capital of Indonesia in 1950 and there were numerous developments going on (Paramita, 2021, p. 1). The construction workers needed to eat during this building period because there were so many large undertakings and new locations popping up. Most of the construction workers migrated from the *Tegal* region bringing along their families where their wives started a stall called *warteg* selling food to help out (Samparaya, 2018). *Warteg* helped the workers at that time get food easily, quickly and with a cheap price. One of the characteristics of *warteg* is using a glass food display that serves as a partition between the dishes and customers. In conclusion, *Tegal* is the region in Java where people from this area created this trend while *warung* basically means kiosk, hence, *Warung Tegal*.

8. Explanation on Indonesian Cuisine

Nitisuari & Wardono (2014, p. 1) discussed that thousands of islands make up the cosmopolitan nation of Indonesia, which is located near the equator. As a result, Indonesia is home to a wide variety of volcanoes that provide fertile soil, which is a key role in the diversity and quick development of Indonesian agriculture, both in terms of staple commodities like rice and spices. With the characteristic of Indonesian food employing various types of herbs and spices and served with chili sauce and crackers as a complement, Indonesian food is a meal composition made up of staple foods, side dishes, vegetables, chili sauce, savoury dishes, and drinks (Farida, 2020, p. 3). For the majority of Indonesians, rice is a primary meal. Other primary foods include corn, sago, cassava, and sweet potatoes (Harsana, Minta, Triwidayati, 2020, p. 2). The side dishes can be made with items from plants, animals, or a combination of both that are cooked with certain spices such as eggs, meat, poultry, fish, tempeh, and tofu (Farida, 2020, p. 3). Vegetables in Indonesia can be prepared with water, coconut milk, or broth like tamarind vegetables or *sayur asam*, anointing or *urapan*, and stir-fried kale or *tumis kangkung* (Farida, 2020, p. 4). A few of the varieties of chili sauces are prawn chili or *sambal udang*, tomato onion chili or *sambal bawang tomat*, and shrimp paste chili or *sambal terasi* (Ravelianto, 2017, p. 1). Meanwhile, the savoury dishes are the ones usually served with drinks such as *lemper*, *kolak*, *klepon*, *nagasari*, and

many others with drinks like tea, coffee, *es campur*, *es buah*, etc (Farida, 2020, p. 5)

9. Operations

For its operations, *Warteg Jaman Now* will be categorised as an ethnic restaurant with Indonesia as its ethnic background. An assisted types of service with an à la carte menu will be expected as the customers will be scanning a barcode displayed on the table when seated. They will be able to view the selection of foods and beverages through their phone screen without needing to queue to order and can continue to payment digitally as it will be made cashless. *Warteg Jaman Now* will be located in Jl. Senopati Raya, SCBD, Kebayoran Baru District, South Jakarta, and will start its operation from 07.00AM to 07.00PM. Working together with online ordering and delivery platforms will also allow *Warteg Jaman Now* to connect with a wider range of customers and make buying easier for those who want for it to be delivered. These platforms include GrabFood, GoFood, and ShopeeFood. In addition, large enough parking space has been provided for customers of *Warteg Jaman Now* saving them the trouble of seeking for parking. A wheelchair designed ramp and restroom are also provided for those who might need it. *Warteg Jaman Now* will be the first *warteg* with an interior concept of a neatly arranged interiors using warm-toned wood, bamboo trays as decorations, and bamboo-covered hanging lights with hanging leaves surrounding *Warteg Jaman Now* with a natural, pleasant, clean, and relaxing atmosphere like no other *warteg*. In addition, there

will still be a glass food display that serves as a partition to give the restaurant an authentic *warteg* impression. Continuing, there will be an outdoor setting on the second floor for customers who smoke as well as private rooms for group guests to enjoy their meal together without outside interference. Finally, the hostess and servers will be wearing a batik shirt to give off a traditional impression to the customers.

