# CHAPTER I

# INTRODUCTION

### a. The Initial Idea

The tourism industry in the global era has become one of the largest economic sectors and is the service sector with the fastest growth rate in the world today. Tourism is seen as a multidimensional phenomenon context, having characteristics that are physical, social, cultural, economic, and political. This makes Indonesia as one of the countries affected by this phenomenon. The reason is consumption in the category of "leisure" is increasingly being enjoyed. The "leisure" category, such as traveling, staying at hotels, watching movies, music concerts and culinary, has become a lifestyle consumption nowadays. This phenomenon allows people's consumption with the aim of getting pleasure and experience to be accommodated according to their wishes, which is called Experience Based Consumption.

Hospitality is like a spirit for the tourism industry considering its important role. Back to history, the word "hospitality" comes from the French word "hospice", which means providing care/shelter for travelers. The hospitality industry is a service industry; thus, customer satisfaction is a top priority, which leads to guest loyalty that encourages decision making to return (Walker, 2017). This industry tends to be labor intensive, where a lot of work is done by humans. This is because service is a big part of the hospitality industry, and it cannot be replaced fully by technology.

The existence of the COVID-19 pandemic prompted the issuance of Regulation of the Minister of Tourism and Creative Economy of the Republic of Indonesia Number 12 of 2022 concerning financing facilitation for the Indonesian National Standard Certification for Hygiene, Health, Safety and Environmental Sustainability (CHSE) for tourism businesses. This certification guarantees visitors that the destination has implemented hygiene, health, safety, and environmental sustainability. With the COVID-19 pandemic, consumer behavior has shifted to a healthier lifestyle and forced people to start adapting to buying goods online. (B. P. dan E. K. R. Indonesia, 2022)

In accordance with the announcement by the Director General of WHO which was conveyed by a spokesperson for the Indonesian Ministry of Health, that now in 2022, the whole world is facing an exciting time because signs of the disappearance of the COVID pandemic are starting to be seen, including in Indonesia. This statement is based on the parameters of the COVID-19 assessment which continue to slope; however, the public is reminded to continue to implement health protocols (Rokom, 2022). Of course, this exciting news gives enthusiasm to businesses, including in the culinary field, such as restaurants or cafes, where sales activities take place business processes are not only online, but can also be carried out offline.

Building a restaurant business is not just selling food, but creating excellence with a unique blend of flavors, a beautiful and pleasant environment, the way of presentation and even the atmosphere provided by the restaurant. This gives rise to intense business competition to attract consumers' attention. However, by paying attention to the opening of shops and restaurants and the start of physical education and office activities, it is a good opportunity to open a restaurant. This is because one of the largest market shares is the activities of school children and office workers. DKI Jakarta Province, as the capital city of Indonesia, is the 6th most populous province in Indonesia. Based on data obtained from the Central Statistics Agency (BPS) of DKI Jakarta Province (2022), DKI Jakarta Province has experienced an increase in population in recent years with an average growth of 1.24% per year. The population in DKI Jakarta Province in 2020 reached 9,821,750 people and it is projected that in 2021 it will increase beyond the average population growth, which is 8.02% to 10,609,681 people. Likewise, the population of DKI Jakarta during the day increases by about 4.3 million people due to people living in areas around Jakarta such as Bogor, Depok, Tangerang and Bekasi who work in Jakarta (Tambun, 2017).

**Table 1**

Total Population by Generation and Age in DKI Jakarta Province in 2020

| City | Pre-Boomer > 76 | Baby-Boomer 56-75 | X 40-55 | Millennial 24-39 | Z 8-23 | Post-Z <7 | Total |
|---|---|---|---|---|---|---|---|
| Kepulauan Seribu | 236 | 2.346 | 5.559 | 7.497 | 8.033 | 3.823 | 27.494 |
| South Jakarta | 32.178 | 252.975 | 547.666 | 583.253 | 565.953 | 238.381 | 2.220.406 |
| East Jakarta | 34.391 | 33.191 | 712.837 | 806.603 | 792.092 | 349.312 | 2.728.426 |
| Central Jakarta | 18.744 | 133.067 | 253.013 | 277.599 | 263.444 | 108.802 | 1.054.669 |
| West Jakarta | 32.227 | 264.046 | 569.611 | 665.783 | 621.776 | 276.335 | 2.429.778 |
| North Jakarta | 21.466 | 186.574 | 407.955 | 488.123 | 45.796 | 211.063 | 1.360.977 |
| Total | 139.242 | 872.199 | 2.496.641 | 2.828.858 | 2.297.094 | 1.187.716 | 9.821.750 |
| Percentage (%) | 1,42 | 8,88 | 25,42 | 28,80 | 23,39 | 12,09 | 100,00 |

Source: Statistics Indonesia (2020)

The data in Table 1 obtained from Statistics Indonesia (2020) shows the number of residents according to generations. It is shown that the pre-boomer generations make up to 1,42% or 139.242 person in Jakarta. The baby-boomer make up to 8,88% or 872.199 people in Jakarta, followed by the generation X, which make up to 25,42% or 2.496.641 people, millennials which make up to 28,80% or 2.828.858 people, generation Z which make up to 23,39% or 2.297.094 people, and post-Z generation which make up to 12,09% or 1.187.716 people. The generation X, Millennials and Generation Z in 2020, entering the school age community to working productive age. The percentage of these three age groups to the total population of DKI Jakarta province in 2020 is quite high, reaching 77.61%.

This number represents a promising opportunity for the development of the restaurant business.

**Table 2**
Total Restaurant in DKI Jakarta in 2020

| City/District | South Jakarta | East Jakarta | West Jakarta | North Jakarta | Central Jakarta | Kep. Seribu | Total |
|---|---|---|---|---|---|---|---|
| Total Restaurant | 1424 | 624 | 768 | 755 | 662 | 4 | 4237 |

Source: Statistics Indonesia (2020)

Based on Table 2, South Jakarta became part of DKI Jakarta with the greatest number of restaurants at a total of 1424 restaurants in 2022. It is followed by West Jakarta with a total of 768 restaurants, North Jakarta with a total of 755 restaurants, Central Jakarta with a total of 662 restaurants, East Jakarta with a total of 624 restaurants, and Kepulauan Seribu with a total of 4 restaurants, with the overall total of 4237 restaurants in DKI Jakarta.

Considering that restaurants have become a lifestyle for urban communities, especially the increasing interest in exploring culinary flavors both in remote parts of the archipelago and in various parts of the world. This view opens the minds of researchers about culinary delights that are popular in one part of the world, namely the Mediterranean Sea region. The Mediterranean Sea, is part of the Atlantic Ocean, separating Europe and Africa. The countries that are part of the Mediterranean Sea are Albania, Algeria, Bosnia and Herzegovina, Croatia, Cyprus, Egypt, France, Greece, Israel, Italy, Lebanon, Libya, Malta, Monaco, Montenegro, Morocco, Slovenia, Spain, Syria, Tunisia, and Turkey. (Garcia-Closas et al., 2006)

With the natural beauty of the Mediterranean region and its culinary delicacy, Edesia Authentic Mediterranean Restaurant is created to fulfill the need of food and beverage in Jakarta. The name Edesia means "Roman Goddess of Feasting". Edesia is a full service, authentic Mediterranean restaurant that serves Mediterranean cuisine with authentic spice and ingredients. It is considered an authentic restaurant as it serves ethnic Mediterranean food and beverages. Being an authentic restaurant enables the customers to not only experience ethnic foods, but also expanding their cultural knowledge. (Simon Tsai Chen-Tsang & Lu, 2012) In addition to physical visits by customers, Edesia will be available for online orders through an online food delivery application and can accommodate catering and corporate orders. This restaurant is planned to serve a menu of food and drinks with delicious Mediterranean flavors. Apart from being a Mediterranean menu, it belongs to the healthy food category, with plant-based foods containing whole grains, vegetables, nuts, fruits, and herbs as main ingredients, which are minimally processed. Some of the popular Mediterranean food dishes are pita, moussaka, Greek salad, baklava, dolma, Borek, mezze, Fattoush salad, avgolemono, kotosupa, macaroni béchamel, while popular drinks include Turkish coffee, limonata, sahlep, cinnamon tea, mojito and others. Edesia will be located on Jalan Kemang Utara, South Jakarta, which will be made with a unique modern architectural design to create a safe, comfortable dining experience that gives an interesting impression and unforgettable memories so that customers will repeat their visits and purchases.

**b. Purpose of the Feasibility Study**

The purpose of this feasibility study will be a reference in building the

Edesia restaurant business. In this feasibility study, there are two types of

objectives, namely major objectives, and minor objectives.

**1. Major Objectives**

**a. Market and Marketing Aspect**

1) Analysis of demand and supply in the restaurant industry

2) Analysis of segmentation, target market and business position in the market

3) Analysis of marketing mix which are product, price, distribution, promotion, human resources, packaging, programming, and partnerships

**b. Operational Aspect**

1) Analyze the types of activities and facilities

2) Analyze the functional relationships between activities and facilities

3) Calculation of facility space requirements, location selection, technology used

**c. Organizational and Human Resources Aspect**

1) Analysis of employment, business management and organizational structure,

2) Analysis of recruitment, selection, orientation, training and development, reward system, reward, and punishment

**d. Financial Aspect**

1) Analysis of sources of funds, operational cost estimates, operating income estimates, projected balance sheets, cash flow, profit and loss, break-even analysis, investment valuation, financial ratio analysis, and risk management

**2. Minor Objectives**

a. Supporting the Pemerintah Provinsi in reducing unemployment, by creating new jobs for residents of the South Jakarta and surrounding areas.

b. Providing a variety of Mediterranean food and beverage products with the best quality and affordable prices.

c. Develop accurate, effective, and efficient strategies that can compete in the restaurant industry market.

## c. Research Methodology

### 1. Type of Research

To be able to provide convincing business feasibility study results, this research will be conducted using mixed methods, that combines quantitative and qualitative research methods, to be used together. Through this mixed research method, the data obtained by subjective qualitative research methods can be followed up using quantitative methods. It is done to obtain more comprehensive, valid, and objective results, which cannot be obtained using only qualitative or quantitative methods alone, independently. There are three types of mixed methods design, namely triangulation design, explanatory design, and exploration design. Triangulation design is a research design that uses quantitative and qualitative analysis simultaneously to discuss the same topic. Explanatory design is a mixed methods design that is carried out in two stages of research, namely quantitative data collection, quantitative data analysis and formulating quantitative results, followed by data collection, analysis and formulating qualitative data results, and finally interpreting the research results. While the exploratory design was carried out in two stages, the first was a qualitative study, carried out to find unknown variables, and the second was a quantitative study, namely, to test the results of a qualitative study. This study will use an explanatory design that begins with a quantitative design and then is equipped with a qualitative design.

2. **Location and Time of Research**

   This research will be conducted from October 2022 to December 2022. The research will be conducted in the South Jakarta area, following the location of the establishment.

3. **Population**

   The population in this study will be focused on people who are in DKI Jakarta, focused on those who are in South Jakarta. By age, the productive age in Indonesia is between 15 to 64 years old. Hence, it became one of the segmentations in the study.

4. **Sampling and Sampling Technique**

   Sampling is assumed to represent the population. Sampling was carried out using a purposive sampling approach, namely a sampling technique with certain considerations, in this case the sampling subjects were people who liked culinary as the target market. In this study, a number of people who live in the Jabodetabek area, namely Central, North, West, South, East Jakarta will be randomly selected based on predetermined criteria.

5. **Data Types**

The data to be collected and analyzed in the research are primary data and secondary data. Primary data is data obtained directly from research subjects while secondary data is data that has been collected or produced by other people (Ajayi, 2017).

    a.    Primary data, obtained from the results of filling out questionnaires by respondents, through interviews with informants, field observations, and experiments.

    b.    Secondary data, obtained from searching information on websites, journals, books and scientific publications.

6. **Research Instruments**

Sugiono (2017) defines a research instrument as a tool used to measure observed natural and social phenomena. Research instruments are basically tools used to collect data in research.

7. **Primary Data Collection Instrument**

    a. **Questionnaire**

Questionnaires are instruments in data collection techniques that are carried out by giving a set of questions or written statements to respondents to answer (Sugiyono, 2017). The data obtained in the form of numeric will be analyzed statistically. In the questionnaire there are several numbers of questions that need to be filled out or answered

by the respondent. Questions in the questionnaire can be open questions, structured questions, and closed questions.

b. **Interview**

Interview is a question-and-answer activity verbally to obtain information. The form of information obtained is expressed in writing, or recorded audio, visual or audio visual. Interviews are verbal communication as a form of conversation that aims to obtain information directly from the source. The advantage of conducting interviews is being able to find out more detailed information, but the number of respondents is not as many as questionnaires due to time and research cost considerations. There are several factors that will affect the flow of information in interviews, namely interviewers, respondents, interview guidelines and interview situations.

c. **Observation**

Observation is an activity of observing, paying careful and accurate attention, noting phenomena that arise, and considering causal relationships between aspects of the phenomenon. Observation is used as an instrument for primary data collection (Ajayi, 2017).
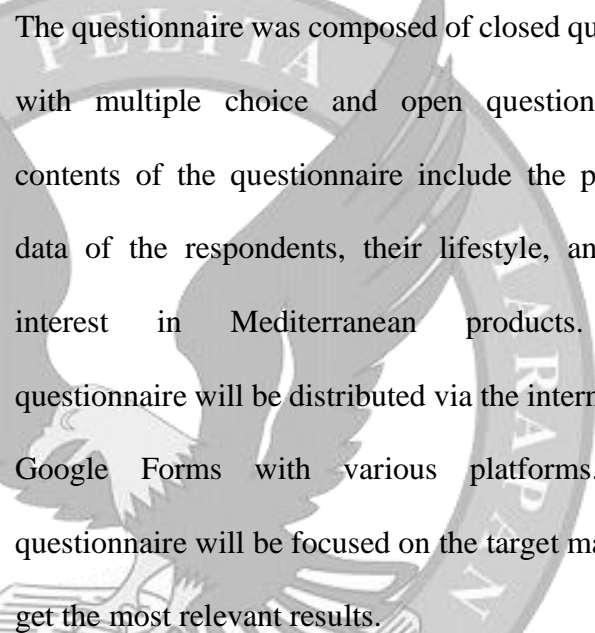
8. **Secondary Data Collection Technique**

   Secondary data was obtained through literature studies, websites, books, and journals.

9. **Data Collection Techniques**

   a. **Primary Data Collection**

   1) **Questionnaire**

      The questionnaire was composed of closed questions with multiple choice and open questions. The contents of the questionnaire include the personal data of the respondents, their lifestyle, and their interest in Mediterranean products. This questionnaire will be distributed via the internet with Google Forms with various platforms. This questionnaire will be focused on the target market to get the most relevant results.

   2) **Market Observation**

      In this data collection technique, researchers will observe the behavior of subjects as research participants in their activities as restaurant visitors or customers. Researchers will visit various restaurants and cafes that serve Mediterranean food and drinks and will observe these places in detail.

**b. Secondary Data Collection**

**1) Literature Review**

Literature review or literature is obtained from journals, articles, and books that are relevant to this research.

**2) Internet**

Researchers will obtain secondary data through the internet in the form of e-books, government publications, non-government publications, etc. Researchers will also obtain relevant data from the Central Bureau of Statistics (BPS).

**10. Data Processing Techniques**

**a.** Quantitative data, which has been obtained and collected will be analyzed.

**b.** Qualitative data, which has been obtained will be analyzed in 3 (three) steps, namely data reduction, data presentation, and data coding.

**d. Theoretical Conceptual Review**

**1. Definition of Restaurant**

Based on the Regulation of the Minister of Tourism and Creative Economy of the Republic of Indonesia Number 11 of 2014, that the restaurant business is a business providing food and beverage services equipped with equipment and supplies for the process of making, storing and serving in a fixed place that does not move with the aim of obtaining profits and/or profits. According to Tangian (2015), a restaurant is a place of business held commercially to provide goods to customers in the form of food and beverages. Restaurant is a business activity to make a profit from the food and beverage products that are sold.

**2. Type of Restaurant**

Several types of restaurants include fine dining, casual, dining, family style, fast food, café, and buffet. According to Kurian and Muzumdar (2017) restaurants can be grouped into three, namely: fast food, casual dining, and fine dining which are explained as follows:

**a. Fast Food**

Fast food is a restaurant that offers a limited menu, the food is prepared in advance, cooked in large quantities and kept hot. Fast food restaurants allow consumers to take their own orders and pay for them directly at the cashier before the food is consumed.

**b. Casual Dining**

Casual dining is a restaurant that caters to almost all types of people, consumers get a wide choice of food and enjoy a relaxed atmosphere. The price of food in this restaurant is usually not that high. Casual dining restaurant provides table service with moderate price menu. The atmosphere of a restaurant is usually based on the brand and the intended customer base. The restaurant manager provides a unique decoration with a simple atmosphere.

**c. Fine Dining**

Fine dining is a luxury restaurant featuring an exotic menu with staff and waiters who are highly trained, attentive and follow certain dining etiquette with special uniforms. A very professional chef will give a touch and mix the dishes. The decoration of the restaurant is of high quality with the elegant atmosphere that the restaurant aims to create. Food prices are high, and in general fine dining restaurants have certain rules that diners must follow.

3. **Types of Service**

Service in a restaurant is defined into several classifications (Demasya, 2018), namely:

a. **Table service**

Guests sit at their table and order food through the waiter who comes to the table. Food will also be served on their table after they order. This type of service has been used for a long time and is the oldest type of service. This type of service is usually used for fine dining, family style restaurants, and casual dining.

b. **Counter service**

Guests come to the counter to order their food, and then they go to their table. Food will be collected by guests themselves at the counter, or in some restaurants it will be served to their table after they have ordered. This type of service is often used by fast food restaurants

c. **Self-service**

Guests collect their own food from the food counter, where food is served. They pay for what they take, or they pay before they go in and can take as much food as they want. This service is usually used in cafeterias and buffet restaurants.

4. **Mediterranean Cuisine**

Mediterranean cuisine is food from the lands around the Mediterranean Sea. The geographical area of the Mediterranean is home to the distribution of olive trees, which are used as one of the most distinctive ingredients in the region's cuisine, namely olive oil. Although the region has a variety of cultures with different cuisines, historical connections in the region, and the influence of the Mediterranean Sea on the climate and economy of the region, the rich heritage and food commodities have become unifying elements, such as the menu of Italian, Levantine, Maghrebi, Ottoman, Provencal (French), and Spanish.

5. **Application of Conceptual Theoretical Review**

The planned business concept takes the concept of authentic Mediterranean restaurant. Edesia Authentic Mediterranean Restaurant is a casual dining restaurant that serves various appetizer, mains, dessert, and beverages from countries in the Mediterranean countries. The word "Edesia" itself comes from the Latin origins which means "to eat", not only that, "Edesia" also means the "Roman Goddess of Feast". Edesia strives to serve authentic Mediterranean cuisine by using authentic imported spices and ingredients, as well as inviting native chefs from the Mediterranean countries.

The type of service that is used at Edesia is table service. The server will come to the customer's table to take the order, serve their food, and collect payment. The restaurant will serve Mediterranean appetizer, main course, dessert, and beverage, which will be made with authentic Mediterranean spices. Edesia Authentic Mediterranean Restaurant will be located at Jalan Kemang Utara, which has high traffic of people. This is also because South Jakarta has the most restaurant compared to other parts of Jakarta, which means South Jakarta is the highest market for a restaurant. The Kemang area is well known for its upscale and international restaurant, bars, and clubs. The Kemang area itself is designed to be an international resembling style that has a sleeky designed upscale bars that is found throughout the world. (Simon Tsai Chen-Tsang & Lu, 2012) Hence, the Kemang area is the area that fits with the concept of Edesia Authentic Mediterranean Restaurant.