

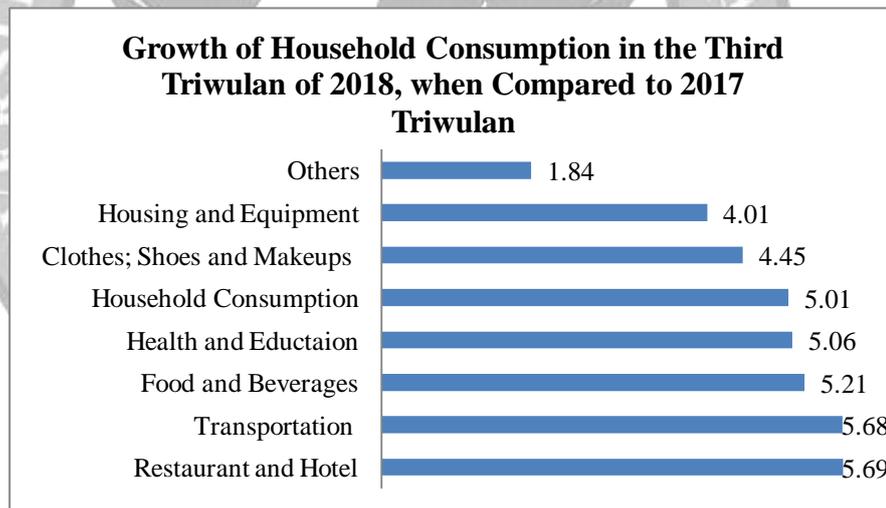
# CHAPTER I

## INTRODUCTION

### A. The Initial Idea

Data provided by Badan Pusat Statistik (BPS) shows the amount of money household use to spend on restaurant and how it increases each year. The graph below published by Badan Pusat Statistik (BPS, 2019) shows that household expenditure on restaurants have increased by five point sixty nine percent compared to the expenditure of the late 2017, which is shown in the figure below;

**FIGURE 1**  
The Growth of Household Consumption Sorted by Expenditure



Source: Badan Pusat Statistik (BPS, 2019)

The figure above shows the shift of expenditure on household consumption such as the expenditure on raw materials, vegetables and rice, which used to be a primary need, to being a secondary or tertiary need. This shows the increase of household eating out, hence, increasing household expenditure and shifting it more on restaurants.

Proposed business will be opened in Jakarta, as Jakarta shows many potential and gathered data lead to a better understanding of the area's trend, geography, and business condition compared to other provinces. Furthermore, Jakarta is known as the focus of Indonesia's central business—consisting of many different offices and other various types of business; which include the food and beverage industry.

Jakarta as the capital city of Indonesia acts as the number one contributor to Indonesia's gross domestic income. Information provided by Badan Pusat Statistik (BPS, 2019) shows that Jakarta contributes a total of Rp 2,559,170 to Indonesia's GDP in 2018 alone.

Badan Pusat Statistik (BPS, 2019) released data stating that household expenditure on food reaches to Rp 3,238,140, and is the top sector of household expenditure. As such, opening a food and beverage establishment is a good investment which could prove to have the highest chance of success compared to other business options.

Aside from the amount of expenditure spent by the province each month, the proposed business chose to open a Japanese and Indonesian fusion cuisine specifically because there are potential in developing Japanese cuisine as there have been an interest in consumer taste to Japanese food and the ever popular Indonesian cuisine.

Komé Japanese Fusion Restaurant plans to serve a variety of Japanese and Indonesian cuisine, the name Komé itself means rice in Japanese, as such, Komé Japanese Fusion Restaurant's specialty menu would be the variety of rice dishes it serve; this range from *omu*-fried rice,

*miso nasi tim* , and do it yourself sushi, onigiri, and donburi, where customer could choose from a variety of Indonesian and Japanese rice alongside a variety of Japanese and Indonesian fillings where consumer could choose and personalize to fit their tastes.

Lastly, Komé Japanese Fusion Restaurant feasibility study aims to establish a fusion casual restaurant which served unique specialty Japanese and Indonesian foods ranging from appetizers, to desserts. Which aim to attract customer through attractive and comfortable atmosphere, food taste, and service. The business feasibility study will be conducted through theoretical research, alongside data collecting and survey. for efficiency and ease, the next mention of “Komé Japanese Fusion Restaurant Feasibility Study” may be shortened to Just “Komé Restaurant”.

## **B. The Objectives**

The main purpose of conducting this feasibility study is to mainly recognize and analyze all the possible aspect that may affect the proposed business idea. Furthermore, the research is expected to fulfill 2 objectives; namely the major objectives and the minor objectives.

### **1. Major objectives**

The main objective of Komé Restaurant business feasibility study is as follows:

- a. The result of the research should show the analysis and evaluation regarding the feasibility level of the proposed business. With the unique and new concept it offer, and its cuisine. The result of the

research should be able to assess the overall chances of success of the proposed business, analyze the proposed business competitive advantages, and to gauge the market's customer needs.

- b. To analyze if there is enough market and demand for the proposed business by using the segmenting, targeting, and positioning marketing mix.
- c. To plan and determine all technical aspect on how to best run the proposed business. This ranges from the type of activities associated with each worker, facilities that should be provided by the business, the calculation of space needed, etc.
- d. To analyze all management aspects of the proposed business, which focus mainly on two subjects; the organizational structure of the proposed business and all human resource aspect of the business.
- e. To analyze all financial aspect of the proposed business. This aspect involves the formulation and analyses of all financial problems that could arise in the business and offer solution to the aforementioned problems.

## 2. Minor objectives

The minor objective of Komé Restaurant feasibility study is as follows:

- a. To create new business opportunities in the market
- b. Offer new employment opportunities.
- c. To contribute to the local economy.
- d. Provide new place for food and beverage for locals.

### C. Research Method

To ensure a reliable scientific result, in the process of finishing Komé Restaurant feasibility study, it is necessary to refer to available data to support statements, hypothesis, and the overall reliability of the result. The available data collected could be categorized into two different categories, which are:

#### 1. Primary data

According to Sekaran and Bougie (2016, p.111), primary data could be defined directly sourced data used to fulfill a research. There are many different ways to obtain primary data, the method chosen to use in collecting primary data for this feasibility study:

##### a. Survey method using questionnaire

According to Sekaran and Bougie (2016, p.395), questionnaires are a written set of questions distributed to customers. This survey method therefore distributes questionnaire to collect data; the result then should determine market interest. Which consist of two parts; respondent demographic and the segmentation, target and positioning of the business.

The distributed questionnaire will mainly be distributed to people residing in North Jakarta, with the convenience sampling method.

The amount of sample collected will be based on Sekaran and Bougie (2016, p.264) rule of thumb method where sample required is 5 times the variable.

b. Structured interviews

Structured interview according to Sekaran and Bougie (2016, p.397) are interviews conducted in which researchers have prepared a set of questions that will be inquired to the interviewee. Structured interviews will be conducted if there is any further need for additional information. The additional data will be collected through selected sample of competent business entrepreneurs that can provide valuable input on the hospitality and tourism business.

2. Secondary data

Sekaran and Bougie (2016, p.396) defines secondary data as data that have been collected by other researchers beforehand, and is freely accessible. Therefore in collecting secondary data, there will be no process which involve an individual to personally collect the data. In completing this feasibility study, secondary data will be collected from sources such as:

- a. Badan Pusat Statistik (BPS).
- b. Data collected from internet websites (blogs, newspaper articles, etc).
- c. Data collected from books manually (Library).

**D. Theoretical Conceptual Review**

1. Definition of Hospitality Industry

To understand hospitality industry, it is important to understand what both of the words means individually, as such it is relevant to start by

explaining what hospitality in itself means. According to Aristarkhova (2012, p.48) there are two distinct ways to define hospitality, firstly, hospitality defined in terms of privacy and the intimacy of an individual's home. Hospitality then incorporate the act of welcoming someone, or another individual into this private place of dwelling. The second definition is one that derived from the aforementioned definition; wherein hospitality is defined as an act of national welcoming.

## 2. Definition of Restaurant

As have been briefly mentioned in the first part of this feasibility study, a restaurant in a simplest term is defined as a place which offers food and beverage.

Through the years, concept and understanding of restaurants have changed but the very core purpose of it still stands, the food and beverages restaurants serve still restore strength and vigor to consumer.

## 3. Correlation of Tourism, the Hospitality Industry, and Restaurant

Although specialist have differentiated tourism and hospitality, their inter correlation is undeniable. Tourism as the wider range of factors includes hospitality as one of its determining factor. Robinson, Michael, & Smith (2013, p.31) state that the difference between the two is that tourism focuses more on travel, marketing, and the actual destination management, whereas hospitality industry focuses more operation of food and beverages and acts as accommodation provider.

Robinson, Michael, & Smith ,do state that these two have a strong relationship that affect each other. A consistent demand for tourism would help the hospitality industry in forecasting demand, identify opportunities and helps the hospitality industry in evolving experiences. Chon and Maier (2010, p.9) added that providing accommodation also help increase tourist and make vacation in a certain destination more accessible.

#### 4. Classification of Restaurants

Restaurant is still a rapidly growing industry, and therefore, the types and criteria of restaurants will keep evolving and may change overtime. Before opening a restaurant, entrepreneur as an individual needs to determine what kind of restaurant they will open. The type of restaurant dictates their operation; which ranges from their service style, food they serve, and their operating hours.

The different types of restaurant will be taken and compiled from definition provided by Walker (2011, p.30) and Chon and Maier (2010, p.200), the different types of restaurants include:

##### a. Sandwich shop

Sandwich shop as defined by Walker (2011, p.30) is a type of restaurant which is differentiated by the food it serves. Sandwich restaurant focuses mainly on selling sandwich. These sandwiches are made by a selection of breads and buns and a variety of meats and vegetables as toppings and fillings.

Compared to a full service restaurant, a sandwich shop is relatively easier to operate. This is because little to no cooking is required and services offered are less formal, E.g: Liang Sandwich Bar, and Quiznos Sub.

b. Quick service restaurants

Walker (2011, p.34) explained the first known concept of a quick service restaurant which dates back to 1870s. The quick service restaurant is differentiated and emphasized by the speed of service. To achieve this therefore, many quick service restaurants pre cook or partially cook their food so that they may serve customer quickly. E.g: Burger King, and Mc Donald's.

Quick casual restaurant is a variation to a quick service restaurant, a quick casual restaurant serve customer faster compared to a normal full service restaurant. The defining characteristic of a quick casual restaurant are the use of high quality ingredients and fresh made-to-order menu. E.g: Marugame Udon, William's Casual Dining, etc.

c. Family restaurants

Walker (2011, p.37) mentioned that family restaurant emerges from coffee shop-style restaurant as its first concept. Compared to a full service restaurant, family restaurant offer informal service, alongside simple menu, which aims to mostly appeal to families.

Chron and Maier (2010, p.205) added a defining characteristic to family restaurant, which tend to have a more family friendly

atmosphere, and that it is usually less sophisticated in theme and color, and alcohols are rarely sold. E.g: Bandar Djakarta, Ta Wan, etc.

d. Casual restaurants

Walker (2011, p.37) mention the distinctive feature of a casual restaurant includes signature food item, and the possible selection of creative bar menus. Casual restaurant usually offer a more relaxed atmosphere.

According to Chon and Maier (2010, p.205) one of the advantages of opening a casual restaurant is that it is a good options for individuals who love to dine out but would like to avoid spending too much money and avoid formality. This is because a casual restaurant serves mid-range priced food, and the atmosphere and ambience of the place itself would be more relaxed and comfy.

Overall, a casual restaurant are often viewed to have a good price to value experience, E.g: Burgushi, Hario Café, etc .

e. Fine- dining restaurants

Fine dining is distinctive for the cuisine and service it offered.

Compared to the different category of restaurant that have been mentioned, fine dining restaurant is distinctive due to the fact that the food and beverages served in a fine dining restaurant are expensive. A fine dining restaurant is special because the service they offered are elaborate and is considered to be a full service

restaurant, the food served are plated nicely, and the beverages served could also be considered as a fine quality.

Chon and Maier (2010, p.203) mention how fine-dining communicates elegance, sophistication, refinement and attentiveness, which wins over customer. E.g: Sofia at the Gunawarman, Sana Sini, Table 8, etc.

f. Steakhouses

As the name suggest, steakhouses fulfill a certain market niche, mostly appealing to steak eaters. Walker (2011, p. 40) define steakhouses as a restaurant which offer limited menu, which mostly served different part of steaks. Although the menu offered is limited, the service could not be defined as limited. Steakhouse could ranges from a simple counter service to a full dining service. E.g: Fiesta steakhouse, Abuba Steak, etc.

g. Seafood restaurants

Much like steakhouses and sandwich shops, seafood restaurant cater to a specific market niche, in this case, seafood lover. According to Walker (2011, p.42) seafood restaurant offer a variety of seafood dishes and seafood cuisine. seafood restaurant, as opposed to other restaurant may offer the distinctive feature of focusing customer to the process of cooking, allowing consumer to see and choose their preferred type of fish, and allowing the consumer to see the live fish in the selection process. Eg: Bandar Djakarta, Bola Seafood, etc.

h. Ethnic restaurants

Chon and Maier (2010, p.205) state that ethnic restaurant are sometimes hard to differentiate to casual restaurants, this is because some casual restaurant serve ethnic cuisine and operate their establishment with an ethnic theme. But the distinctive feature of ethnic restaurant is the involvement of culture from which the restaurant originates. This mean the all aspect of the restaurant should reflect the country of origin's image and culture.

Ethnic restaurants therefore, serve authentic food instead of derivative. The establishment may use ethnic décor, and have menus may be presented in a native language.

Ethnic restaurant fulfill a market niche for individual who would like to experience a certain culture without all the necessary money to travel to a specific location. E.g: Chung Gi Wa, Yamatoten, etc.

i. Theme restaurants

Theme restaurant, as the name suggest revolve around a certain theme. Compared to the aforementioned restaurants, Walker (2011, p.47) state that theme restaurant emphasizes on fun and fantasy, often focusing and exaggerating on an activity. Theme restaurants usually give customer a unique experience in dining, and have a more avant-garde décor, color, and restaurant atmosphere as a whole. E.g: The Garden, Pink Mamma, etc.

j. Grill or buffet restaurants

Grill restaurant could be categorized as a part of steakhouses, though, nowadays, grill restaurant may serve seafood cuisine, and many other grilled food. , Chon and Maier (2010, p.206) added the distinctive feature of a grilled restaurant is the grilling process, which is usually closely associated with the buffet restaurant. Buffet restaurant offer a one price to offer an all you can eat selection, this fulfill individual who seek high value for a relatively low price, E.g: Magal, Kintan Buffet, etc.

k. Coffee houses

Walker (2011, p.50) state that coffee houses or coffee shops could arguably be the forefront to the whole restaurant industry. Coffee houses have long been a part of our history and culture, deriving from a model of Italian bars, coffee houses would then be adapted and started operating worldwide fulfilling the beverage industry market niche. E.g: District 7 Coffee, Gentle Ben's, Ombe Kofie.

5. Definition of Fusion Cuisine

Walker (2011, p.520) define fusion cuisine as the combination of two techniques or ingredients to a single dish, meanwhile Smith (2013, p.384) define fusion cuisine as the combination of ingredients from various ethnics, regions and culture to form a single cuisine.

Going into a more in depth discussion of fusion cuisine itself, the term itself would not be used until 1988 by chef Aiken. Although in actuality fusion cooking have been gaining popularity since 1970,

## 6. Types of Food and Beverages Service

There are many different types of services present in the food and beverage industry. Service in itself is defined as the procedure in which food and beverage are being delivered to the guest. The delivery process will define the level and type of service, and the level of formality, the value associated to the restaurant, and the overall experience and image the restaurant gives to their guests, Chon and Maier (2010, p.196).

Cousins, Lillicrap, and Weekes (2014, p.256) mentioned the three basic service methods, which are:

### a. Self service method

Self service method is when an establishment let their customer serve themselves, with the help of electronics and machines, and require little to none staff to customer interaction.

### b. Assisted service

Assisted service is service where staff assistance is limited; this means staffs may help serve some part of the meal, but some action must be taken by the customer themselves.

### c. Single point service

Single point service is service where customer order and receive food at one point.

The service mentioned above could then be sub divided and categorized as many other different types of service, the types of service according to Chon and Maier (2010, p.198) includes:

a. Table service

Table service is considered to be procedure implemented to cater middle to higher class restaurant. Table service offer a full service, that start from host or hostess greeting, and showing the seats to guest, from here, server would then take guest's orders, and serve them. Restaurants which offered table service usually also offer several courses in the menu.

Table service consisted of many variations as well, ranging from French service to Russian style of table service, E.g: Nomz, Ta wan, etc.

b. Buffet service

As opposed to table service, buffet service aims the low to middle classes consumer. This style of service is closely related to special events such as weddings and birthday party, and is typically distinguished by the service where customer need to go to the buffet table to get their food. E.g: Dooki, Gyu Kaku, Onokabe, etc.

c. Banquet table service

Banquet table service procedure is closely similar to table service, in which servers would serve and bring guest their food to the table. Banquet service is used mostly in big formal events such as weddings. Banquet table service require central food transportation from the kitchen to the banquet venue, which would usually be placed in a heated iron carriers and would then be plated by servers to be served to guest in the table. many hotel's restaurant provide

banquet table service during special occasions, E.g: Mulia's table 8, Satoo, etc.

d. Cafeteria service

Cafeteria service targets the low-end and institutional market; which are usually students or company workers. The food served therefore is low in cost. The style of service is similar to buffet service. The distinguishing factor however is the fact that cafeteria service requires the help of staff to help dish out the chosen dish, which is not present in the buffet style service. Furthermore, buffet style service is often temporary, whilst cafeteria service counters are more permanent.

E.g: Kantin Inla, Little Ubud, etc.

e. Family-style service

Family style service is considered to be a value concept in the market and is used in many different events and restaurants. As the name suggest, family-style service is usually implemented at family-style restaurants. In a family-style service, servers are expected to bring a quantity of dishes which accommodate a table of six or more people, hence, the term of 'family-style' due to the fact that the seating arrangement of a crowd of 'family', E.g: Ta-Wan, Hoka-Hoka Bento, etc.

f. Room service

Room service is service offered to hotel guests room where they can choose the menu they like and order the dish to be made and

delivered to their room. Hospitals meals are also considered to be a type of room service. The distinguishable factor between a hospital and hotel room service is the availability to order the food and the selection offered. All hotels are an example of an establishment which allows the option of room service to their guests, E.g: Four Seasons, Mulia, Pullman, etc.

g. Quick counter service

Quick counter service is closely associated with low price range restaurants. Quick counter service is service in which customer order their chosen menu at the counter, pays the cashier, then wait for their ordered food to arrive at the side of the counter. This kind of service is implemented in many fast food restaurants, E.g: McDonald's, Burger King, Yoshinoya, etc.

h. Traditional counter service

Traditional counter service is a variation derived from the traditional table service. It emerges due to the fact that some customers are reluctant to spend too much time in a restaurant and the time consuming procedure a table service took. As such, traditional counter service allow customer to sit in a stool in the counter where they would order and a quick cook would cook and serve them their food. This kind of service is well incorporated in many of Japanese style restaurant nowadays, E.g: Sushi Tei, Sushi Masa, Izakaya Kai, etc.

i. Take out service

Take out services are applied by table service restaurants where customer prefer to 'take out' their food and eat their food at home. Nowadays though, there are many establishments which only serve take outs and drive through food. This service style has also been adapted by all kinds of restaurants to increase sales and revenues. Nowadays all restaurant which ranges from low range- to high end offer this service to their customer. E.g: Carl's Junior, Ngikan Yuk, etc.

j. Delivery service

Delivery service is differentiated by the procedure in which ordered food would be delivered to customer's house, the customer itself does not need to step out of their house. Order is usually done through phone, and more lately internet. The food delivery staff will then deliver the food, many fast food restaurants offer the option of delivery service. And nowadays, many restaurants have started to offer this service; E.g: Pizza Hut Delivery, Mc Donald's, etc.

7. Classes of Menus

The word menu is actually a French word, when translated to English, menu is called the 'bill of fare'. The term 'menu' itself is associated during the 18<sup>th</sup> century and modern menus are invented during the 19<sup>th</sup> century. When a French restaurant adopted the Russian service style, which offered a variety of course and the food delivered would be

delivered by course procedure. Cousins, Lillicrap, and Weekes (2014, p.92)

Menus could be divided into two classes, which are:

a. Table d'hôte menu

The distinctive characteristic of a table d'hôte menu includes:

- 1) Fixed number of courses.
- 2) Each course usually have a limited selection.
- 3) The price offered for each courses are fixed.
- 4) The food is usually available for a specific period of time.

b. A la carte menu

A la carte menu have the following characteristics:

- 1) There is a more extensive choice when compared to table d'hôte menu.
- 2) Unlike table d'hôte menu where a set price is applied to the menu, a la carte menu usually have different sets of price for each individual dish.
- 3) Restaurant may takes longer time in serving a la carte menu, since orders could be erratic and each dish should be prepared individually by order.

8. Theoretical Application

Komé Restaurant will operate in Muara Karang, North Jakarta. Komé Restaurant will fall under the casual restaurant category, which will offer a combination of counter and table service. Komé Restaurant will have a comfortable atmosphere, and unique fusion theme.

Komé Restaurant will serve specialty food, in this case the fusion of Japanese and Indonesian cuisine, although a variety of product will be sold, Komé Restaurant specialized in rice dishes, this is because rice served as an important symbolism as Japanese and Indonesian main food, rice therefore holds many cultural value and acts as both Japan and Indonesia's identity and people.

The menu that will be served at Komé Restaurant will vary from appetizers to desserts, several examples of dishes from each category includes:

a. Appetizers

Appetizers include salted egg tempura, rendang edamame, and potato salad with dendeng.

b. Main dishes

Main dishes include "Do it Yourself" fusion onigiri, sushi, and donburi where customer may chose a variety of Japanese and Indonesian filling and rice to customize to their liking, miso nasi tim, and omu- fried rice.

c. Desserts

Desserts would ranges from cendol kakigori, gula merah coconut mochi, and bubble milk tea anmitsu ice cream.

d. Beverages

Beverages include genmaicha with jali-jali (genmaicha is green tea leaves with roasted brown rice), yakult with kiamboy , and

a variety of basic Japanese beverages such as ocha, and simple beverages options.

All the foods served will use fresh selected ingredients, the menus will be sold individually, and also plans to include specific discounts or unique package deals to further increase business competitive advantage and appeal which will then increase customer interest.

As a casual restaurant which offer both counter and table service, customer could immediately sit upon arrival and a server would then take the customer's order. Or customer could wait in the counter until their food arrives. Payment could be done in the counter before customer leaves the restaurant, the dishes served will also be plated accordingly.

Komé Restaurant will offer a comfy atmosphere, the overall image of Komé Restaurant will be comfortable, homey, and minimalistic. With furniture and fixture that incorporate both Japanese and Indonesian designs.

