

# CHAPTER I

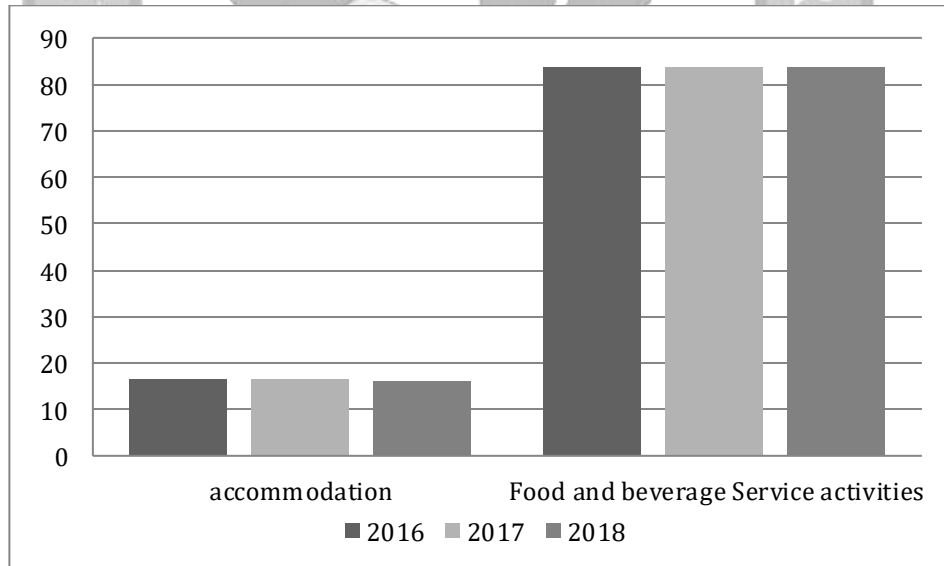
## INTRODUCTION

### A. The Initial Idea

In the year of 2018, West Jakarta City contributed 23.63 trillion rupiahs in the category of the provision of accommodation and food service activities in Gross Regional Domestic Product (GRDP). The food and service activities contribute a lot to the GRDP up to 83.93 percent, and as much as 16.07 percent was contributed from sub category of the provision, this high revenue also provided the city with a lot of tax money, as much as 5.3% positive growth for West Jakarta City came from food and service activities.

**FIGURE 1**

Graphs the Role of Subcategories on the Added-value of Categories Provision of Accommodation and Food Service Activities in West Jakarta (percent)



Source: Badan Pusat Statistics (2019)

Nowadays, cafe, restaurant, eatery, etc are becoming more and more instagramable because many teenagers are looking for those kinds of restaurants and in this millennial age, people prefer the ability to show off where they are rather than good food. Many people are coming to cafes or restaurants to have a meeting, hang out, gathering, spend quality time with their loved ones, etc. This reason will cause the owner of the restaurant has to be more creative in creating a different concept from existing restaurants. If the restaurant is managed and carried out interesting and different arrangements, as well as using certain themes will make visitors feel comfortable. Sometimes when the customer visits the restaurant, they don't just fill their stomachs but also want to feel relax and spend their time. According to Walker (2014, p.4-5), the challenge is one of eight reasons why someone dives into the restaurant business. This challenge creates a way for the future creator to dive into the food and beverage business, mainly in the form of a café.

One of the main factors that influence challenge is many competitive people. To survive, a restaurant needs more than just a great tasting menu, it also needs to attract people by serving in a new way, new décor, imaginative of marketing, etc. Challenge also affects the customer behaviors that are more interested in which restaurant is more interesting and unique than the taste of the food. This challenge supports millennial generations which are the trigger for economic and social change. According to Biznet Data Center (2013, p.8-9), millennials or we are known as Generation Y and Generation Z apply to those who were born between 1980-1995 and 1995-2010 or those who are in

the age between 15 until 26 years old. According to Wijanarko (2016, p.57), the characteristic of Generation Y is metro-sexual that make the Generation Y is concerned more on wealth by using the trendy and branded product and Generation Y also focuses on internet especially social media which affect their daily life in finding information. Based on this reason, marketing using information technology must be optimized to attract the Generation Y because conventional advertisement is no longer sufficient.

According to Wijanarko (2016, p.58), Generation Z is platinum generation which addicted to smart phone because the characteristic of Generation Z is multitasking so they need something that fast and easy. The characteristic of Generation Z will play the important role in the food and beverage business.

The business plan for this company is Fluffy Groovy Pet Café. The concept of this business is a café that allows dogs to be entrusted to the café while the owner is eating. The café provides a special room (indoor and outdoor) for the dog to play and socialize as much as they want while being watched by a dog keeper and also an instagramable spot for taking pictures with the dogs. The café also provides dog food such as pizza, pasta, birthday cakes, and burger on the side of the cashier. It will give a new experience to the customer.

Fluffy Groovy Pet Café is a pet café that serve Asian food and drinks. The beverages are made from fresh tropical Asian fruit or ingredients. The food products can be divided into appetizer, soup, main course and dessert and Fluffy Groovy Pet Café also provide dog food and treats. There are

packages for main course that consists of one choice of main course and refillable tea or one choice of beverage. Each menu items are also sold separately.

Besides selling products and merchandise to customer, we also provide free dog daycare if the customers have spend minimum of IDR 50.000. This program is created for attracting traffic and making sure that many dogs are gathering so the dogs can socialize and happy. There are always events happening in Fluffy Groovy Pet Café so the customer will never get bored to come to Fluffy Groovy Pet Café.

Fluffy Groovy Pet Café is a pet café that focus on dog. Fluffy Groovy Pet Café is the first pet café that provide special room for dog and serve Asian Food in West Jakarta Area. The advantage to open this pet café is because there are community like PAPF (Pecinta Anjing Paws Family) and West Jakarta Dog Lover which have a member more than 100 people in West Jakarta to have a place to gathering, to socialize, to have a meeting and etc. In West Jakarta, there are not many place like Fluffy Groovy Pet Café that allow dog to be entrusted to the café. Therefore, Fluffy Groovy Pet Café will develop products that can meet the needs by paying attention to the trend and the generation behavior.

The name of Fluffy Groovy Pet Café is chosen as a brand because it can represent the concept that is given to the customer. Fluffy Groovy has a meaning that every dog has to be loved because dogs are fun and have a kind heart. Fluffy also means soft, and groovy means fun because the purpose of Fluffy Groovy Pet Café is to make sure that the customer can enjoy and

experience the softness, kindheartedness of dog, have a fun time watching and playing with dogs. With this, Fluffy Groovy Pet Café hopes the customer will keep coming back for the experience and good time.

Fluffy Groovy Pet Café will be opened at Citra Garden City at Ciffest, Block B6 No. 2A – I, Raya Citra Garden 6 Street, Cengkareng, West Jakarta. This location is chosen because Citra Garden 6 is a very strategic location and has a lot of traffic where there are special area for restaurant and café all along the street where people can come to eat, there are also easy access to the street. West Jakarta is chosen to open the café because there is a high demand for dog café and there is no café that provides a special room and playground (indoor and outdoor) for their furry friends. There are also few dog cafes available in Jakarta and people in the capital city usually are more willing to spend money on their pets. Fluffy Groovy Pet Café will be designed with a modern Asian style décor. The ambience for Fluffy Groovy Pet Café will be comfortable and cozy with mostly neutral colors, designed to be suitable for all ages.

## **B. The Objectives**

Feasibility Study that will be conducted on this business has a purpose such as:

### **1. Major Objectives**

Major objectives from a feasibility study towards this business plan are:

- a. Analyze how great the business model will work in public so that the researcher will know the probability of success for this business.

- b. There are a lot of things that can affect this business plan such as market price, marketing, operational, organization and human resource, and financial.
- c. The better the business plan is, the higher the chance it will have on receiving a loan from the bank.
- d. Gain profit for the company.

## 2. Minor Objectives

- a. Having a healthy competition with other companies.
- b. Increase in domestic income and rate of economic growth in West Jakarta.
- c. Provide a new working environment in Indonesia and reduce unemployment.
- d. To contribute to government's taxes.
- e. Allowing the customer to feel safe about their furry friend while they are away.

## C. Research Method

In preparing a business feasibility study, data collection is needed to aid the business plan of Fluffy Groovy Pet Café to achieve valid, reliable and accurate data. The data collection methods will be divided into two, such as:

### 1. Primary Data

Primary data is data that we can achieve by doing an interview with the interviewees, observing and spreading questionnaire so we can compile enough data to do the feasibility study accurately.

#### a. Questionnaire

According to Sekaran & Bougie (2016, p.142), the definition of the questionnaire is:

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

Research methods by questionnaire are done by compiling data from a group of people that have been selected to be a source of information that is valid for the researcher to base on for their research. There are a few types of questionnaire such as:

1. *Personally administered questionnaires* are a questionnaire that is used to gather data from a large number of responders within a short period. Any doubts that the respondent might have on the question can be clear on the spot because the respondent and the researcher can meet face to face.
2. *Mail questionnaires* are a form of a questionnaire that is sent individually to the respondent through the mail.
3. *Electronic and online questionnaires* are a questionnaire that can be collected through website entries and email. So basically, someone could post a survey on the website and share the link so that other people can complete the survey and the researcher can use the data to complete his/her research.

In this research, Fluffy Groovy Pet Café is using the combination of personally administered and electronic and online questionnaires. Personally administered questionnaires have a few advantages such as the researcher can gather a lot of data from a lot of participants in a short period. The answer receives by the researcher is quick and

honest because the responder responds to the question immediately and the researcher can explain directly to the respondent about the unclearness of a question. On the other hand, electronic and online questionnaires have a few advantages of its own such as hundreds and thousands participate in a questionnaire online daily and the variety of responders comes from all around the globe which means the result from the data will gather faster.

According to Hair *et al.* (2014, p.171), the role to determine the sample size is:

*“A general rule is that the ratio should never fall below 5:1, meaning that five observations are made for each independent variable in the variate”.*

The quotation above means that the amount of answer must be five times the amount of the total questions.

#### b. Direct Observation

According to Sekaran & Bougie (2016, p.126), observation is an effective way to complete the research with form as an instrument observation. A form contains about phenomena that will be described. Observation is conducted in West Jakarta on 15th October 2019 to direct observation of the main competitor from Fluffy Groovy Pet Café that is located at Citra Garden 6, West Jakarta. Moreover, the researcher also directly observe the chosen location.

## 2. Secondary Data

According to Sekaran & Bougie (2016, p.127), secondary data is data created by another researcher ahead of time. The data provided by the



researcher will be used by other researchers for their research so that they won't have to research on their own, but still have accurate data to base their researcher on. Business feasibility study of Fluffy Groovy Pet Café will compile the secondary data from an official website of Badan Pusat Statistik (BPS), government institute publications, journal and other books that already exist.

#### **D. Theoretical Conceptual Review**

##### **1. The definition of restaurant**

According to Barrows, Powers, & Reynolds (2012, p.68), restaurant is the place where people of all ages come to gather, eat, and replenish their energy hence restaurant came from the French word which means “restorer of energy.” The restaurant has been a staple for eating place since the early-mid-1700s when people started giving out food such as soup and bread.

##### **2. The definition of Café**

According to Cousins, Lillicrap, & Weekes (2014, pg.4), café is a place that provides foods and beverages with affordable price with limited amount of service and usually the customer often come regularly.

##### **3. The classification of restaurant**

According to Walker (2014, p.25-54), there are a few types of restaurants such as:

- a. Franchise restaurant: an expensive but fast way to own a restaurant by purchasing the right to open a franchise, and to be able to open a franchise takes a large amount of money and no food and beverages

skill, the buyer just need management skills and the help of professional chef's. The risk that comes with it is less than opening a restaurant from the beginning because people already know and believe in the brand and they know what it tastes like so that factor will keep them coming as a safe place to eat without wasting their money. Example: Burger King and Carl. Jr. in Jakarta.

b. Chain or Independent Restaurant.

Chain Restaurant is a restaurant that has the same owner but in a different location, this kinds of restaurant comes with some advantages and some disadvantages, some of the advantages such as the restaurant will have the same goal and same owner, which will be easier for the employee, because different owner can make different decision. The disadvantages are because there is only one owner, the controlling process can be hard and long since the owner has to go and check every chain location.

The benefits include market recognition, advertising power, and discount purchases. This is because this restaurant already has a market and has been known by many people.

An independent restaurant takes more time and effort to start because the idea is new. But it needs more funding, knowledge about restaurant operations, and a lot of work to be a success, the advantage is the capability to create and explore new dishes, new concepts and combine it with anything and however they like, and if

it's a success it can be a new delicacy for the restaurant. Example: Eatlah and Solaria in Jakarta.

- c. Sandwich Shop is a simple and easy concept because the restaurant just consists of sandwiches. There are various kinds of hot and cold sandwiches with a choice of bread, toppings, and types of meat and vegetables. This type of restaurant needs only to be cooked briefly or not need to be cooked. Example: Subway and Quiznos in Jakarta.
- d. Quick Service Restaurant is a type of restaurant that serves fast and cost cheaper than the other restaurant, and the food comes after you paid the bills. This type of restaurant offers a limited menu. Customers can serve themselves to take drinks or food with a tray. Example: UpNormal in Jakarta.
- e. Quick Casual Restaurant can be defined as a restaurant that takes advantage of high-quality and fresh ingredients, because the higher the quality of the ingredients the better the food is, and they have limited services. Example: Sate Khas Senayan, Bakmi GM Jakarta.
- f. Family Restaurant is a restaurant that is operated from generation to generation in a family. This restaurant has a casual concept and a simple menu and main services are designed to attract families. Example: TaWan and Chuan Tin Jakarta.
- g. Popular Casual Restaurant because it is very popular with the trending lifestyle that makes people more relaxed. Factors that make a casual restaurant include: have signature food items, creative bar menus, homey décor. Example: Pancious Jakarta.

- h. Fine-Dining Restaurant is a type of restaurant where the pricings are usually expensive with an amazing atmosphere and people usually attend this restaurant on special occasions. Example: The Café Mulia Hotel, Skye Lounge, and Bar Jakarta.
- i. The ethnic restaurant is a restaurant that focuses on certain types of culture-specific foods. Example: Magal and Sushi Tei Jakarta.
- j. Theme Restaurant is a restaurant with a style that can make a dream into reality like creating a restaurant with a wizard world theme. Example: Harry Potter Café Jakarta.
- k. Coffee Shop is a place that sells coffee and sells food. There are not many tables available, as well as the equipment. It usually has a unique decoration. Example: Starbucks Jakarta.
- l. Others like steakhouses, seafood, dinner houses, celebrity chef restaurants which are restaurants that sell a particular menu or sell famous chef names. Example: VIEW Restaurant at Fairmont Jakarta.

#### 4. The type of Menu

According to Walker (2014, p.126-129), there are several types of menus:

- a. À la Carte Menu is a menu where the customer can purchase the item on its own without combining it with any combo or drinks. This menu type is most often used by restaurants. Example of the Chatime menu.
- b. Table d 'hôte Menu is a menu where the package and the price are already decided and the customer comes to the restaurant without

- having to worry about what to eat because the chef will decide for them and the customer can choose between two or three foods with guarantee high-value food. Examples of menus are VIEW Restaurant Fairmont Jakarta.
- c. Du jour menu is a menu that is only available on certain days. Example of the Burger King coupon menu.
  - d. Breakfast / Lunch / Dinner Menu is a certain kind of menu that is only allowed to be ordered at certain times of the day. Example of a porridge menu at McD which is only available at breakfast.
  - e. California Menu is anytime and anything from the menu where the customer can order as long as it's on the menu. Example: menu in Solaria Jakarta.
  - f. Tourist Menu is a menu created to intrigue tourists because the food that is served is usually the nationality food of the city or country where the tourists are visiting. Example of a menu of lime food at the Kapurung Kasuari restaurant in Makassar.
  - g. Dégustation Menu is a menu that is the chef's best dish. This menu is presented in a few courses, showing the chef can combine the ingredient taste and texture. Besides, this menu needs more preparations than the other menu. Example menu at Kubu Restaurant Ritz Carlton Bali.
  - h. Sustainable Menu is a menu that uses ingredients that are sustainable and often found in contemporary restaurants. Usually, this menu is

marked with the words "homemade". An example of Ubud Homemade Resto.

- i. Kids Menu is a menu specifically designed for children. Example: McD Happy Meal.

#### 5. The type of service

According to Cousins, Lillicrap & Weekes (2014, p.17-20), the type of service is divided into:

- a. Table Service is where guests are served to a table, where the table has been arranged. This type of service is found in many types of restaurants where the waitress or waiters deliver the food to the customer table especially in banquets. Example: Spectrum Restaurant Jakarta.
- b. Assisted Service is a type of service where the customer service themselves and the waitress or waiters help a little only if the customer is needed. Example: Kintan Buffet in Jakarta.
- c. Self Service is a type of service where customers are asked to help themselves to take their food from the counter or buffet without any staff giving them service. Example: Masterwork Makan Sutera Supermal in Karawaci.
- d. Single Point Service is a type of service where the food is ordered by the customers, then the customers have to wait and receive food and drinks by themselves, usually, food comes out very quickly so the customers don't have to wait too long. Example: McDonald's.

- e. Specialized / In Situ Service is a type of service where food and drinks are brought to the customer's place, such as when on a plane, home delivery, lounge, drive-in, etc. Example: Garuda Indonesia dines in.

## 6. Restaurant Technology

In the hospitality industry, technology is one part that requires considerable capital. According to Connolly (2014, p.25):

*IT might be viewed as a rather large expense, but it should be viewed as a strategic opportunity. In reality, IT is both a support tool and a strategic enabler. IT should never be used for the sake of IT itself or just because it is the latest and greatest. Instead, IT should be used purposefully with the end business goals in mind. It should be used to solve business problems.*

According to Walker (2014, p.362-380) in the food and beverage business, technology has often been used, including:

- a. Back of the house technology. This technology allows restaurant managers to manage purchases and inventory, run a kitchen display system to manage kitchen efficiency, calculate food prices, menu management, labor management and make financial reports.
- b. Front of the house technology. This technology includes point of sales (POS) systems, facilitating table management and Payment Card Industry Data Security Standard (PCI DSS), which is a standard to reduce the risk of fraud during payment transactions.
- c. Mobile Phone Technology. This technology is very widely used in the hospitality industry both in organizations and with customers which increases efficiency. With this technology, restaurant entrepreneurs can take advantage of the QR Code that can be scanned through POS and mobile payment.

- d. Web-Based Enterprise Portals. This technology is useful to assist management in conducting sales reporting, cash management, in-store profit, and loss statements, labor, food cost, prep, ordering, task list, POS data.
- e. Gift Card and Loyalty Programs. This technology can help Customer Relationship Management (CRM). This program can also increase the way customers are kept intrigued and this way the company can keep the customer database, building loyalty, and trust. By giving this loyalty and gift card program, the company can receive a 360 degree view of the customer activities.

Based on the theoretical review, Fluffy Groovy Pet Café is a quick casual restaurant business concept which is engaged in the café, which is pet cafe that is modified with a playroom for dogs so the dogs do not hang around and fur flying into the guest's food. The target for this business is the middle economy people which are Y generation (millennial) until Z generation between 15-26 years old.

Fluffy Groovy Pet Café will be opened at Citra Garden City at Ciffest, Block B6 No. 2A – I, Raya Citra Garden 6 Street, Cengkareng, West Jakarta. The type of service implemented in the café will be single point service where the customer order, and pick up their own food at the counter and waiter service will be delivering the customer food that need a longer period to prepare. Fluffy Groovy Pet Café has take away service which is when the customers are unable to finish their food or they want to bring their food



home that are packaged as neatly as possible to preserve the food quality and also through delivery via third-party (such as GrabFood and Go-Food).

The selection type of menu offered is in the ala carte menu which frees customers to choose the product to be ordered. Fluffy Groovy Pet Café offered the Asian Cuisine with various products for the non-alcoholic beverage, various types of food and for the dog, the café also provides dog food and treats.

In creating more contribution, Fluffy Groovy Pet Café will provide free dog daycare for the customer who bring their dog to Fluffy Groovy Pet Café with minimum spend of IDR 50,000. In developing the customer contribution, Fluffy Groovy Pet Café realizes that the positive contribution of connoisseurs of Fluffy Groovy Pet Café products is very important. Therefore, Fluffy Groovy Pet Café will always do an event in Fluffy Groovy Pet Café so the customer will never get bored to come to Fluffy Groovy Pet Café.

Fluffy Groovy Pet Café is a business that not only prioritizes the products being sold but also wants to provide comfort for the customer and their dogs. Therefore, this restaurant will be designed with Asian modern style décor with a neutral color that gives the impression of comfort and also Instagramable. This business is designed not only as a place to eat and drink but also as a place to socialize, gathering, and relax.