FEASIBILITY STUDY OF BUSINESS DEVELOPMENT
FOODLAND SHOPPING COMPLEX AND FOODCOURT

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ABSTRACT

This research discusses about the feasibility of a business development plan as seen from the five aspects of feasibility study. This research is a qualitative research with descriptive case study model and inductive approach. The purpose of this research is to determine the feasibility of a business development. The object of this research is the Foodland shopping and food court business. This research explores the business development feasibility of Foodland shopping complex and food court business. The marketing aspects analysis consists of segmenting, targeting, positioning, and marketing mix. Meanwhile, the legal aspects review both licensing and tax duties. The technical and technological aspects discuss about the implemented service and technology. The managerial and operational aspects consist of PEST analysis, Five Force analysis, SWOT analysis, and organizational structure implementation. Additionally, the financial aspects examine the Payback Period, Net Present Value, Internal Rate of Return, and Profitability Index. Research results conclude that the five feasibility aspects examined in this study show positive results. Therefore, it can be concluded that the business development plan of Foodland is feasible for execution.

Keywords: Feasibility study, Business development, Shopping, Food court, Marketing aspects, Legal aspects, Technical and technological aspects, Management and operational aspects, Financial aspect.

INTRODUCTION

Indonesia is a large country with a land area of 1.922.570 km² and 3,257,483 km² area waters. Indonesia is currently the de facto consists of 34 provinces, 403
districts, and 98 cities or county-level districts (Indonesia.go.id, 2015). Having many population that with a total of 241,452,952 inhabitants with a percentage increase of population 1.37% per year by 2014 (Badan Pusat Statistik, 2014). In accordance with those data, Indonesia has a very high demand, especially in the primary needs which are divided into three needs namely food, clothing, and property (Porter, 2012: 34).

Food and beverage industry as a primary requirement has the potential, with human consumption of food and beverages that make life-cycle making food and beverage industries in Indonesia are growing rapidly. Supported with data on which Indonesia has a growing and large population. The growth of the food industry is very significant occurred in 2009 ago where the food and beverage industry increase of just 2.34% (2008), experiencing a rapid spike into 11.22% with sales of up to Rp 555 trillion (Th. 2009) (Jatimprov.go.id, 2013). Although the increase was very high in 2009, but in times of global crisis occurred in 2010 ago, the food and beverage industry sector had decreased significantly becoming 2.73% although turnover remained high that reached Rp 605 trillion (Jatimprov.go.id, 2013). While the food and beverage industry’s growth in the first quarter of 2015 to reach 8.16%, it indicates that the food business is a sustainable and promising business in Indonesia.

The property sector in Indonesia, which is also one of the primary needs, has a high demand. However, the construction of infrastructure and the property are still focused on the big cities. For example, in East Java, it still focuses in the city of Surabaya that make Surabaya, in result, occupies the 2nd position as the city with the most expensive properties in Indonesia in 2014 with a price range of average soil Rp. 21 million m² (BI.go.id, 2014). By looking at the potential and purchasing power of the population, Surabaya has minimum wage (UMK) of Rp. 2.71 million in 2015. Surabaya City has an area of 333.063 km² and a population of 2,765,908 inhabitants with a population density of 8,304 / km² (Wikipedia.org, 2015). Seeing these data, property prices and population in Surabaya is already very high, and not in accordance with the minimum wage Surabaya society when compared with other regions in the province of East Java. Foodland realize business projects will require researchers to study business development. The feasibility study is divided into three types, namely the establishment of a new business, business development, and the purchase of an existing business (Subagyo, 2011: 29). Research conducted the feasibility study is the study of business development, business development studies will be judged on five aspects: market aspects, legal aspects, technical and technological, management, and financial aspects. Research of the feasibility study conducted by researchers will assess the business development as outlined in the title "FEASIBILITY STUDY BUSINESS DEVELOPMENT Foodland shops and food courts".

LITERATURE REVIEW
First, examining about shopping, using national journals under the title "Analysis of the Highest and Best Use (HBU) on the land of former gas stations Billiton Surabaya" (Rashid, 2013). Analysis of the Highest and Best Use (HBU) aimed to
identify the use of most profitable and competitive alternatives for the land. HBU analysis using four criteria which are physically possible, legally permissible, financially feasible, and having a maximum productivity. Secondly, "Analysis of the Effects of Marketing Mix Customer Satisfaction Eat & Eat Food Market in Foodcourt Industry in Surabaya" (Maya, 2014). The population of this study is people of Surabaya who are consumers of Eat & Eat Food Market in Surabaya. Result of this study is to determine the marketing mix that have an impact on consumer satisfaction in Eat & Eat Food Market, Surabaya. The marketing mix affects customer satisfaction of Eat & Eat Food Market, Surabaya are product, price, location, and promotions. Third, the title of the journal is "Learning From Hopping Center: perspective for Retail Development in The Centres of Town" (Korzer, 2014). Using small towns in Germany as a research object. This research is a qualitative approach aim to create new solutions in developing small towns in the Germany. Conclusion of the study is to establish the main road for a retail shopping complex which is able to increase the passion of the local economy of small towns to grow bigger. Depends on the three literatures review in this study, shopping area and foodcourt will be developed to build in the town.

In realizing the business, this research are using the feasibility study which use, first, the market aspects such as segmenting, targeting and positioning, and also marketing mix. The second is legal aspect using business license and taxation. The third are technical and technology aspects, and the fourth are management and operational aspects using five force analysis, PEST analysis, and SWOT analysis that use the SWOT Matrix and the last aspect are financial aspects.

![Figure 1](image_url)

*Figure 1*
RESEARCH METHODS
The research method uses a qualitative approach, qualitative approach to economics is the study that requires the process and meaning of quality with the subject of economic agents act in economic phenomena such as marketing, operations, and finance (Leksono, 2013: 62). The use of qualitative method approach is because the authors use data on internal sources and utilizing existing theory to draw conclusions. The data used is primary data, primary data is the data collected by the individual or organization directly from the object studied for the benefit of the study concerned the form of interviews or observations (Mardalis, 2014: 28). Place of research carried out in two places at once, in the city of Surabaya and Bangil. In this study, the sampling method will be conducted with a purposive sampling method, i.e. one sample collection techniques that have been determined by researchers intentionally instead of random sampling (random sampling). Methods of data collection using inductive way of working, not only to discover and formulate a problem, but also for data collection in order to meet the research phase. Scale research can be said to be valid when doing checks on the accuracy of the results. Reliability indicates the consistency and stability of the measurement scale (Son, 2012: 101). The application of triangulation analysis using interviews to competent sources. Informants in the interview are carefully selected and matched to the informant good indicator (Neuman in Dirgantara, 2010). The Competent informants, was selected there are five persons. There are the criteria of the informants, The Informan is totally familiar with the culture, the individual is currently involve in the fields, the person can spend time with the researcher, nonanalytic individuals. Inductive method is applied with the aim of drawing conclusions based on the data of theoretical aspects of business development feasibility study which are aspects of marketing, legal aspects, management, technical and technological aspects and financial aspects. Results of data from the aspects linked to the research foundation, namely the feasibility of business development Foodland food court and shops.

Findings and Discussion
Market Aspect
For market aspect in feasibility study, this research are using STP (Segmenting, Targeting and Positioning) and also the marketing mix (Product, Price, Place, Promotion). For the segmentation Food Land, the shop and foodcourt are in the Pasuruan district. Foodland has a target that is: men and women, aged 15-60 years with economic conditions ranging from the lower middle to upper middle, and with students, self-employed, employees, housewives, etc. as the main target. Students, housewives, employees and self-employed who have the lifestyle to eat in a comfortable, clean, fast and modern presentation. Positioning of shops and food courts Foodland is a modern commercial space in Bangil to shop, eat, and relax. Marketing mix, product of Foodland shops and foodcourt are products which are expected by the consumer. If this tangibility based Foodland shops is the product for long-term use, while for the food court is short term. Then if it
classified by marketing the Foodland shops are specialty goods and foodcourt is convenience goods. (Kotler, 2010: 209). For the pricing strategy for Foodland shops and foodcourt based on reference price and price quality (Suliyanto, 2010: 87). It is because Foodland considerate all of the aspect before establishing the price. Place or location are one of the most important factor, based on interview and internal survey Foodland location are strategies location. The promotion Foodland are using the ATL and BTL (above the line and below the line), It’s because the expectation could make the personal selling up.

Table 1. Market Aspect Indicator Analysis

<table>
<thead>
<tr>
<th>No</th>
<th>Factor</th>
<th>Foodland Analysis</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Had the real market potential and the benchmark is the location and the consumer are obvious.</td>
<td>Foodland has real market and has great potential to work.</td>
<td>Feasible</td>
</tr>
<tr>
<td>2</td>
<td>Create and define STP right market to be done by the company.</td>
<td>Foodland has determined segment, objectives and clear positions and will be applied.</td>
<td>Feasible</td>
</tr>
<tr>
<td>3</td>
<td>Create and define marketing mix that has been established clearly in accordance with the specified STP company.</td>
<td>Foodland has a product, price, place and promotion in accordance with customers’ expectations and the implementation of which has been arranged clearly.</td>
<td>Feasible</td>
</tr>
</tbody>
</table>

Source: Internal Data, 2015. Legal Aspect

Consider the legal aspect Foodland will follow the rule of Indonesian Republic. There are two aspects license and taxtation.

Table 2. Indicator analysis Legal Aspect

<table>
<thead>
<tr>
<th>No</th>
<th>Factor</th>
<th>Foodland Analysis</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Completion of the obligation to have SIUP (Trade Permit).</td>
<td>Foodland business license already owned by UD shape.</td>
<td>Feasible</td>
</tr>
</tbody>
</table>
2 Completion obligations IMB (Building Permit ). IMB has been rising and the company can begin construction Feasible
3 Completion of the obligation to have a TIN ( Taxpayer Identification Number ). Taxpayer identification number on behalf of researchers is in process Feasible
4 Meet and pay the taxability build your own. Payment obligations on its own mebangun activities already in progress Feasible

Source: Internal data, 2015

Technical and Technology Aspect

Using the service theory, and also using computerize system for support the management. For the services theory there are five things, realibility, responsiveness, confidence, emphaty, and tangible. For the technology, Foodland are using computerization, the POS System, CCTV and also the internet.

Table 3. Indicator Analysis Technical and Technology Aspect.

<table>
<thead>
<tr>
<th>No</th>
<th>Factor</th>
<th>Foodland Analysis</th>
<th>Analisis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Having employees with the ability to service, communication and confidence are well</td>
<td>Applying the rules, S.O.P, and employee training and doing good routines that improve service employees</td>
<td>Feasible</td>
</tr>
<tr>
<td>2</td>
<td>Using computerized system in support of performance management.</td>
<td>Plans to use the services of programmers and invested in supporting technologies</td>
<td>Feasible</td>
</tr>
<tr>
<td>3</td>
<td>Having facilities supporting technologies such as CCTV and internet.</td>
<td>Having CCTV and Internet facilities</td>
<td>Feasible</td>
</tr>
</tbody>
</table>

Source: Internal Data, 2015.

Management and Operational Aspect

At this aspect, this research are using Five forces analysis, PEST Analysis, and SWOT Analysis. The first step is to know the internal factors, there are strength factor and weakness factors, this research using fiveforce analysis. There are five things which are used as a benchmark: threat of new entrant, bargaining power of buyer, bargaining power of supplyer, bargaining of substitute product, threat of
competitor. To obtain accurate results, researchers conducted in-depth interviews, and asked speakers to give points to each factor presented. Strength:
  a. Shops and commercial area in Bangil City nowadays is still yet not existed, Foodland becomes the only one.
  b. Having better product quality and facility with reasonable price.
  c. Having product concept differentiation from other shops and foodcourts in Bangil City and becoming newness.

Weakness:
  a. Foodland shops and foodcourt have many competitors in complementary product.
  b. Land for business development is not too extensive, but the saleprice is above competitors’s price.
  c. Company experience in executing has not been tested so that company’s image is still to be doubted.

Five force analysis is described in the form of a diagram with an overview of the five powers in the following industries:

![Five Force Analysis Diagram]

**Figure 2. Five Force Analysis**

Foodland Source: Internal Data, 2015

**PEST (Politics, Economy, Social, Technology),**

In a PEST analysis conducted, then knowlegable external factors are obtained. Knowledgeable external factors Foodland stores and food courts, it can also know the opportunities and threats for Foodland stores and food courts. opportunity:
a. Needing reachable commercial place in the region like in the well-infrastructure big city to improve regional people’s standard of consumption and lifestyle.
b. Local people start to need a place to socialize, have fun and relax.
c. Having not yet had strong local competitors and big company economically targeting the regions.

Threat:
  a. Economical slowdown makes people’s buying power experienced decreasing upon property.
  b. Tendency of the consumers to still think traditionally and be against Foodland concepts.
  c. People consumption upon food and beverage’s buying power experienced decreasing in 2015.

SWOT Analysis, After collecting the accurate data researcher could do the SWOT Analysis gain on valuation SWOT quadrant, so by knowing the position it may be a consideration for companies to determine the steps and strategies for the company.

<table>
<thead>
<tr>
<th>Table 4. IFAS Table</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strength</strong></td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>----</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weakness</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
</tr>
<tr>
<td>----</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 5. EFAS Table</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opportunit</strong></td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>----</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>
1. Needing reachable commercial place in the region like in the well-infrastructured big city to improve regional people’s standard of consumption and lifestyle.

2. Regional people start to need a place to socialize, have fun and relax.

3. Having not yet had strong local competitors and big company economically targeting the regions.

<table>
<thead>
<tr>
<th>Threat</th>
<th>Value</th>
<th>Ranking</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 1</td>
<td>Economical slowdown makes people’s buying power experienced decreasing upon property.</td>
<td>0.2</td>
<td>3</td>
</tr>
<tr>
<td>No. 2</td>
<td>Tendency of the consumers to still think traditionally and be against Foodland concepts.</td>
<td>0.1</td>
<td>3</td>
</tr>
<tr>
<td>No. 3</td>
<td>People consumption upon food and beverage’s buying power experienced decreasing in 2015.</td>
<td>0.1</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: data managed by company 2015

By looking at evaluations done on the table IFAS and EFAS, the resulting capability can be used as the basis of SWOT analysis depiction quadrant. Position of Foodland stores and food courts produces a value of strength (strength) is 2.05 and for weakness (weakness) is 1.2. So the total is generated for internal or IFAS matrix in the form of 3.25. And for that quadrant layout generated by calculating the difference between weakness and strength, resulting in a value of 0.85. As for the EFAS matrix or external factor of 2.2 and generate opportunities for $1.3 threats. The total of the two factors was 3.5, then to determine which quadrant point of difference to these two factors resulted in 0.9. Based on the elaboration of the evaluation of the position of the Foodland shopping and food courts are at an extremely rewarding quadrant quadrant ST (strengths and opportunities). The following image Foodland SWOT quadrants:
Every aspect of the management that are five force analysis, PEST analysis and SWOT analysis as well as on the operational aspects of the structure of the organization has been analyzed by researchers. It can be concluded that from the standpoint of management and operational aspects, Foodland shops and foodcourt are feasible to develop. This is in accordance with the table indicators of business feasibility studies and operational management aspects as follows:

Table 6. Operational and managerial aspect indicator analysis

<table>
<thead>
<tr>
<th>No</th>
<th>Requirements</th>
<th>Foodland Analysis</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Company has suitable and clear five force analysis.</td>
<td>Company has already made five force analysis.</td>
<td>Feasible</td>
</tr>
<tr>
<td>2</td>
<td>Company has suitable and clear PEST analysis.</td>
<td>Company has already made PEST analysis.</td>
<td>Feasible</td>
</tr>
<tr>
<td>3</td>
<td>Company has suitable and clear SWOT analysis.</td>
<td>Company has made SWOT analysis.</td>
<td>Feasible</td>
</tr>
</tbody>
</table>
The Third International Conference on Entrepreneurship

Source: Data is managed, 2015.

Financial Aspect
In the financial aspect of this research are using Payback Period, Net Present Value, Internal rate of return, and also Profitability index. The financial projection which is growth 10% per year. Based on the calculation in the attachment there are the conclusion:

**Table 7. Indicator Analysis Financial Aspect**

<table>
<thead>
<tr>
<th>No</th>
<th>Indicator</th>
<th>Foodland Analysis</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The Company has a projected payback period calculations before or no later than the specified time period. That is the result of 10 months.</td>
<td>Feasible</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>The Company has a net present value calculation of projected positive.</td>
<td>Feasible</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>The Company has projected Internal Rate of Return had results above 37.24 %, which means lending from the bank rates.</td>
<td>Feasible</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>The Company has a projection calculations Profitability Index greater than 1</td>
<td>Feasible</td>
<td></td>
</tr>
</tbody>
</table>

Source: Internal Data, 2015
I. **Conclusion and Suggestion**

Based on the results of the feasibility study empirically entitled "Feasibility Study of Business Development Foodland Shops and Foodcourt ", the conclusion of the study is:

1.1 Markets and Marketing Aspects of Foodland shopping and food court has a market share in the segment of the market, with a target market Bangil and surrounding communities, as well as positioning is a modern place in Bangil, from the positioning of the raised tagline "Foodland the Modern Lifestyle ". Marketing mix that has been planned to make Foodland, have a clear marketing strategy and more precisely on segment. So that a feasibility study of market and marketing aspects Foodland declared eligible.

1.2 Legal Aspects Legal Aspects Foodland stores and food courts already fulfill the obligations they have. The obligation to meet business license SITU, SIUP, HO, IMB, and EIA has been carried out. Preparation for tax compliance tax ID and payment of VAT on building activity alone amounted to 2% has been conducted in accordance with procedures. On the matter Foodland stores and food courts have met the feasibility study on the legal aspects of business development.

1.3 Technical Aspects and Technology Foodland stores and food courts applying service and technology as the main indicator of technical and technological aspects. Shops and food courts require excellent service from the company to the buyer. Using the five dimensions of service and the implementation of Standard Operating Procedures are clearly expected foodcourt Foodland has excellent service. For by combining the technological aspects of technology in the company's management for the company to be independent and run their own then the use of modern software and CCTV for monitoring the company has done. Meanwhile, as the facility, adequate internet is a standard owned Foodland. Given these conditions, the feasibility study on the technical aspects of business development and technology Foodland stores and food courts Worth.

1.4 Management and Operational Aspects In the aspect of management and operations of the company Foodland PEST analysis, where there are few barriers in 2015 with the change of president, and the global economic slowdown that also impact on Indonesia. But it is so far not very significant impact on the company Foodland, but it is a motivation and opportunities for the company. Five Forces Analysis / five strengths the company has done and produce the power of bargaining power of buyers is in medium high with a figure of 3.89. The bargaining power of suppliers are in a position low / low with 1.38. The threat of new entrants to the figure 2.3- placed medium low, the threat of substitute products is quite dangerous position high / high with a figure of 5.47, and in a kind of competition in the industry has a number of 2.89 which is in medium position. In the SWOT analysis has been done based on the results of five forces and PEST analysis, the company is in an advantageous position SO (Strength Opportunity), it makes the company
must always penetrate the market and business development. In the organizational structure Foodland create a functional organizational structure with the goal of having an orderly structure creates excellent team performance. Foodland stores and food courts have aspects of management and operations, so Foodland worthy of a feasibility study of development.

1.5 Financial Aspects In doing business, finance is one of the main factors. On the financial aspect Foodland stores and food courts have made projections of financial statements projected income statement, capital changes, cash flow statements, and balance sheets carried out from 2015 - 2022. The method used is PP (Payback Period) that can be achieved within 10 buan, NPV (Net Present value) with positive results that 1.4763.371.085, IRR (Internal Rate of Return) at Foodland showed a value of 37.24 %, and PI (Profitability Index) shopping area and foodcourt Foodland show figure 1.38. On the financial aspect Foodland got value - positive value, so Foodland feasible in study floating financial aspects of the business.

REFERENCES


THE EFFECTS OF BRANDS COMMUNITY AND BRAND TRUST ON BRAND LOYALTY

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ABSTRACT

Indonesia is a potential market for two wheel motorcycle riders especially Harley Davidson. Harley Davidson brand has gained the trust of consumers in Indonesia because there is a pride to drive the motor.