

## **BUSINESS FEASIBILITY ANALYSIS IN COFFEE SHOP KEDAI COKELAT KENDARI (A Study of Four Indicators On The Marketing Aspect)**

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### ***Abstract***

*This study aims to analyze business feasibility in terms of marketing aspects at Coffee Shop (Warkop) Kedai Cokelat Kendari which is focused on product share, market share, market strategy and forecasting indicators. This study used descriptive qualitative methods, research data sourced from interviews research informants, observations and secondary data from various literatures. The results show that in running its business Warkop Kedai Cokelat Kendari has implemented a product share strategy, market share, and market strategy indicators, but has not done forecasting indicator to predict various possibilities that will be faced by Warkop Kedai Cokelat in the future. Based on these results, it is concluded that Warkop Kedai Cokelat Kendari has not met the standard of business feasibility in terms of marketing aspects.*

**Keywords:** *Business Feasibility Analysis, Marketing Aspect*

### **Introduction**

Investment in a business or project, either for a new business or an expansion of an existing business, is usually adjusted to the company's objectives and the form of its business entity. One of the goals of the company being established is to seek profit, in the sense that all company activities are only aimed at seeking profit. So that the company's goals can be achieved in accordance with the desired goals, then whatever the company's goals (whether profit, social or a combination of both profit and social), should be preceded by an analysis. The aim is to assess whether the investment to be invested is feasible or not to be carried out (according to the company's objectives) or in other words if the business/project is executed will provide a benefit or not. Therefore, to avoid this failure, it is necessary to conduct an analysis before the project is executed.

One of the objectives of conducting a business feasibility analysis is to find a way out in order to minimize obstacles and risks that may arise in the future. Why this is done because the future is full of uncertainty (Kasmir, 2015).

In relation to the feasibility analysis of a business or project, the market and marketing aspects determine the successful and failure of a company. If the market aspect is not researched properly, what are the prospects in the future, it is not impossible that the company's goals will never be achieved. Another goal is social economy, meaning that this type of business is deliberately established to assist the community in providing various necessary advice and infrastructure, such as education, hospitals, social homes, orphanages, and other social enterprises. Various kinds of business fields are currently experiencing development, the coffee shop business (Warkop) is one of them. Various Warkop businesses have sprung up in small alleys, highways, hidden places, or strategic ones, even to shopping centers. Warkop is an effort carried out by both individuals and institutions/groups so that it has an impact on symbolic relationships/interactions in spaces and places that are carried out by individuals in conducting a discussion, business, or just to relieve fatigue in routines (Venkataraman, 2019).

Every entrepreneur in running his business certainly has a goal to get the maximum profit by maximizing revenue, minimizing costs and optimizing sales. Warkop businesses, which are generally small-scale businesses, should also pay attention to these things. However, in reality, entrepreneurs often pay less attention to the amount of costs, revenues, profits, risks, and business efficiency. So it will affect the continuity of the warkop business. Judging from these problems, the authors are interested in researching "business feasibility analysis in terms of marketing and economic aspects at Warkop Kedai Cokelat Kendari".

Business feasibility analysis is a process that determines an entrepreneur's business idea can become a successful business (Barringer, 2015). Furthermore, feasibility is an in-depth study of a business idea about whether or not the business is feasible to carry out. The definition of a business feasibility study with a business plan is often confused. This is because both the business feasibility study and the business plan analyze some of the same aspects, namely legal, market and marketing aspects, technical and technology, management and human resources, as well as financial aspects. In addition, both business feasibility and business plans have the function of helping business decision making. According to Ibrahim in Gumelar (2011), a business feasibility study is an activity to assess the extent of the benefits that can be obtained in carrying out a business activity or project. But there is also another view, Kasmir (2015) say that business feasibility is an activity that studies in depth about a business or business to be run, in order to determine whether or not the business is feasible.

The following are aspects of the business feasibility study, namely: legal aspects, market and marketing aspects, financial aspects, technical/operational aspects, management/ organizational aspects, social economic aspects,

environmental aspects. However, in this study, the researchers only raised two important aspects in business feasibility analysis, namely, marketing aspects and economic aspects. Kasmir (2015), divide the five objectives of business feasibility analysis, namely: 1) Avoid the risk of loss, 2) Facilitate planning, 3) Facilitate work execution, 4) Facilitate supervision, 5. Facilitate control. The following are aspects of the business feasibility study: 1) Legal aspects, 2) Market and marketing aspects, 3) Financial aspects, 4) Technical/operational aspects, 5) Management/organizational aspects, 6) Social economic aspects, 7) Aspects environment.

According to William J. Stanton (in Sunyoto, 2018), marketing is a total system of business activities designed to plan, determine prices, promote and distribute goods that can satisfy wants and achieve target markets and company goals. There are several things that need to be considered in marketing, namely, product share, market share, market strategy and forecasting.

#### 1. Product Share

Product distribution or also commonly said product distribution requires products that are available to be distributed in the market. Distribution strategy is a method of distributing goods and services to final consumers. Establishing the right distribution method for your business is one of the keys to increasing your revenue and customer loyalty. There are two main types of product distribution strategies, namely direct and indirect. Directly, namely the strategy established by the way producers sell their products to consumers directly. Examples that are trending now are online sales, for example the distribution of pamphlets, advertisements and so on.

#### 2. Market Share

According to Kotler et. al. (2012), market share is the size of the sales share owned by competitors in the relevant market. Meanwhile, according to Baroes, market share is the size of the market share that can be controlled by a company whose calculation is expressed in the form of a percentage. There are several market share strategies that can be applied in marketing a business, namely: 1) Adding new products and services, 2) Selling products with existing consumers by increasing the number, 3) Expanding the market area to new places, 4) Targeting the market and new customers, 5) Enter on a new sales system, 6) Take over another business.

#### 3. Market strategy

Regarding the market strategy which states several things that must be considered in the market strategy, namely with regard to product strategy, price strategy, location and distribution strategy as well as promotion strategy.

#### 4. Forecasting

Forecasting is the science and art of predicting what will happen in the future at the present moment. The fortune teller must look for past data and information. Past data and information are behaviors that occurred in the past with various conditions at that time. Conditions that cause behavior, data and

information can be used as a reference for current and future conditions. This needs to be done considering the future is full of uncertainty.

The economic and social aspects that need to be studied are whether the business or project will provide economic and social benefits to various parties or vice versa. Therefore, these economic and social aspects need to be considered, because the impact that will be caused later is very broad if the assessment is wrong. The impact of the economic aspect with the existence of a business or investment, among others: 1) An increase in income, 2) Availability of the number and variety of goods and services in the community, 3) Opening job opportunities for the community while reducing unemployment. (Kasmir, 2015). This study aims to analyze the business feasibility of Warkop Kedai Cokelat Kendari seen from the marketing aspect which includes indicators of product share, market share, market strategy, and forecasting.

### **Method**

This study used a qualitative method with a descriptive approach, and was carried out from October to November 2020. Data collection techniques were carried out through field observations, interviews with research informants and studies of Warkop Kedai Cokelat documents that were considered relevant to the research topic. The research process begins with field observations, document studies and at the same time conducts interviews with informants to analyze the business feasibility of Warkop Kedai Cokelat in terms of marketing aspects which include product share, market share, market strategy and forecasting. The research data obtained were then analyzed descriptively and interpreted based on the research focus.

### **Result and Discussion**

#### ***Feasibility Analysis of Coffee Shop Kedai Cokelat Kendari on four indicators of Marketing Aspect***

Feasibility analysis of the business in question is an analysis carried out to assess whether or not a business is feasible to become a business venture based on predetermined aspects. Business feasibility analysis is the process that determines whether an entrepreneur's business idea can become a successful business.

Marketing is a spearhead of the company. In the increasingly fierce business competition, companies are required to survive and develop. Therefore, a marketer is required to understand the main problems in their field and develop strategies in order to achieve company goals. According to William J. Stanton in Sunyoto (2018), marketing is a total system of business activities designed to plan, determine prices, promote and distribute goods that can satisfy wants and achieve target markets and company goals.

Understanding the market simply can be interpreted as a meeting place for sellers and buyers to conduct transactions. This understanding implies that the market has a certain place or location so that it allows buyers and sellers to meet

to conduct buying and selling products, both goods and services. Market and marketing are two sides that cannot be separated from each other. Markets and marketing have a high degree of dependence and influence each other. In other words, every market is always followed by marketing and every marketing activity is to find or create a market (Kasmir, 2015). However, marketing is difficult, and this area has become the weakness of many successful companies, both small and medium-sized companies and companies that have gone public. CEOs or company managers also know the importance of marketing to build branding and a loyal customer base, which are intangible assets that make up a great value presentation for a business company.

The important thing that must be considered by marketers is obtaining data on market conditions to be entered, then marketers will forecast some existing and future demands and how big the market must be. Then it will be produced according to the forecasted demand. There are four indicators in the marketing aspect that support the business feasibility of a business, namely product share, market share, market strategy and forecasting (William J. Stanton in Sunyoto, 2018).

#### **a. Product Share**

A business venture must have an effort to spread its products by marketing the product. Product distribution or also commonly called product distribution requires available products to be distributed in the market. Distribution strategy is a method of distributing goods and services to final consumers. Establishing the right distribution method for your business is one of the keys to increasing your revenue and customer loyalty. According to William J. Stanton in Sunyoto (2018) There are two types of product distribution strategies, namely indirect and direct. Indirect product distribution strategy is a strategy that is determined by the way producers sell their products to consumers indirectly. Examples that are trending now are online sales, for example the distribution of pamphlets, advertisements and so on through social media. This option is especially effective for technology-savvy consumers who can meet their specific needs with online sales. Furthermore, the direct product distribution strategy is usually carried out using telephone facilities or product distribution with a catalog/menu list to customers who visit the Cokelat Shop Warkop directly. This option is more in demand by consumers who do not use social media such as parents. Marketing by distributing products is very helpful for business businesses in marketing their products. Moreover, we can now see that marketing using online media such as whatsapp, instagram, facebook, twitter and other online media facilities is currently being used for business purposes.

Product distribution in the context of this research is a marketing strategy used by Warkop Kedai Cokelat in marketing merchandise. Warkop Kedai Cokelat developed a product distribution strategy in two ways, namely, indirectly and directly. In distributing products indirectly Warkop Kedai Cokelat uses social media facilities such as Facebook and Twitter to update and provide additional

information about the types of menus available every day. In this way, Warkop Kedai Cokelat customers who are members of social media can monitor both from home and from certain places outside Warkop Kedai Cokelat regarding the products that are available every day. By knowing the types of products available, usually regular customers of Warkop Kedai Cokelat make online orders for chronological orders and the products that have been ordered will be provided and delivered directly to the customer's house. In addition, product distribution is also carried out with a direct strategy, namely disseminating information via short message service (SMS) or direct telephone to regular customers regarding product availability. Meanwhile, customers who visit Warkop Kedai Cokelat will be given a menu list by the waiter and customers can immediately find out the availability of existing products and make choices about the products to be ordered.

#### **b. Market Share**

Market share is the spread of the market where the company must be able to do it in various ways, either by looking for new opportunities or seizing the market share of existing competitors. Market share is a ratio of the company's total sales when compared to total sales in similar industries. Meanwhile, Kotler et. al. (2012) views that market share is the size of the sales share owned by competitors in the relevant market. Kasmir (2015) describe several strategies in running market share that can be applied in marketing a business, namely:

1. Add new products and services, it sounds so simple just adding a new service product to the company.
2. Sell products with existing customers by increasing the number of product sales.
3. Expanding the market area to new places by finding potential new customers.
4. Target market and new customers, in general, business people will promote their products based on certain demographics/locations such as gender, age, or the habits of customers.
5. Enter the new sales system, one of which is marketing through online marketing.

Warkop Kedai Cokelat started its business in January 2017 by offering a menu of six types of food variants, namely: ordinary fried noodles, fried fried noodles, fried fried noodles in Makassar, broth noodles, fried fried noodles, and fried noodles; and ten (10) beverage variants, namely: black coffee, milk coffee, white coffee, hot/cold cappuccino, hot/cold milo, hot/cold good day, hot/cold tea, hot/cold milk, Cokelat, pop ice, cold extra joss. And until the research was conducted in 2020, four new types of food products had been added, namely: fried geprek ceplok noodles, grilled meatballs, Cokelat fried bananas, and tela. In addition, there are also the addition of three types of new beverage products, namely: extra joss cold milk, cold sprite, and cold milk sprite.

After operating for three years, the number of product sales continues to increase. This increase in product sales occurs because customer trust continues to increase the frequency of purchasing food products, because basically the regular

customers of Warkop Kedai Cokelat are students who are busy with lecture activities and rarely have free time to cook at boarding houses, so they choose to shop for instant food products at Warkop Kedai Cokelat. In addition, the increase in the number of product sales is also influenced by the increasing number of regular customers who continue to increase, not only student customers who live around the Halu Oleo University (UHO) campus, but new customers who come from outside areas the UHO campus.

This increase in new customers is the impact of product promotion activities carried out by Warkop employees by distributing leaflets at several red light intersection points outside the UHO campus complex. Customer service for ordering products is not only done conventionally when customers visit Warkop, but orders can be made through online media, either through Facebook or Twitter, and WhatsApp.

Overall, Warkop Kedai Cokelat has implemented a Market Share strategy by adding new products and services, selling products to existing customers by increasing the number of product sales, expanding the market area to new places by finding potential new customers, targeting the target market and new customers, and explore marketing through online marketing.

### **c. Market Strategy**

In marketing there must be a marketing strategy so that the products owned by the company can be recognized, as well as in the warkop business. Entrepreneurs must also be able to market their products. William J. Stanton in Sunyoto (2018) explains several things that must be considered in market strategy, namely with regard to product strategy, price strategy, location and distribution strategy as well as promotion strategy.

The product strategy carried out by Warkop Kedai Cokelat is to first define, select, and design the types of processed foods and beverages to be sold which are tailored based on the needs and desires of consumers. Consumer needs are studied through observing the habits of regular customers when ordering food and drinks. After selecting and determining the types of food and beverage products that will be offered to consumers, then the management of Warkop Kedai Cokelat begins to determine the selling price of these products. The determination of product prices is carried out after conducting a price comparison survey at other Warkops.

Warkop Kedai Cokelat is located in the Lecturer Housing at Blok U Complex of Halu Oleo University. The location selection was made based on the consideration that Warkop's existing location is at a fork in the road which is a busy route for student activity. In addition, the Warkop location is also close to three secretariats of student organizations which are always crowded with UHO students. With a location at a busy point for students, Warkop Kedai Cokelat actively promotes by distributing leaflets containing a list of food and beverage menus as well as offers of price discounts for certain purchases. Based on these facts, in general it can be said that Warkop Kedai Cokelat Kendari has

implemented a market strategy, namely by carrying out product strategies, pricing strategies, location strategies, product distribution strategies, and also price promotion strategies.

#### **d. Forecasting**

William J. Stanton in Sunyoto (2018) explains, forecasting is the knowledge and art of predicting what will happen in the future at the present moment. The fortune teller must look for past data and information. Past data and information are behaviors that occurred in the past with various conditions at that time. The conditions that cause the behavior of the data and information can be used as a reference for current and future conditions. This needs to be done considering that the future will be full of uncertainty. Forecasting is the use of past data from a variable or a set of variables to estimate its value in the future, it is also a vital part for every business organization and for any very significant management decision making. Forecasting is the basis for the company's long-term planning.

Since the Warkop Kedai Cokelat business was established, the management of Warkop has never done any forecasting, either forecasting for 2018, 2019, 2020, and forecasting for 2021 when this research was conducted. The management is constrained by the resources that will do the forecasting. None of the employees know how to do business forecasting. The management of Warko Kedai Cokelat once considered collaborating with a professional public accountant consulting agency that has expertise in the field of forecasting in 2018, but because there was no agreement on service fees, the plan for forecasting had not been realized until this research was carried out.

#### **Conclusion**

By reviewing from the marketing aspect, Warkop Kedai Cokelat Kendari has implemented a product share strategy by distributing products in two ways, namely, indirectly and directly. In distributing products indirectly Warkop Kedai Cokelat uses social media facilities such as Facebook and Twitter to update and provide additional information about the types of menus available every day. Meanwhile, product distribution with a direct strategy is carried out by disseminating information via SMS or direct telephone to regular customers regarding product availability. Warkop Kedai Cokelat has also implemented a Market Share strategy by adding new products and services, selling products to existing customers by increasing the number of product sales, expanding the market area to new places by finding potential new customers, targeting the target market and new customers, and exploring marketing through online marketing. In addition, in carrying out its marketing strategy, Warkop Kedai Cokelat also runs a market strategy, namely by carrying out product strategies, pricing strategies, location strategies, product distribution strategies, and also price promotion strategies. However, Warkop Kedai Cokelat has not done forecasting to predict various possibilities that will be faced by Warkop Kedai Cokelat in the future.

Based on the results of the analysis, it is concluded that Warkop Kedai Cokelat Kendari has not met the standard of business feasibility in terms of marketing aspects.

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