

BUSINESS FEASIBILITY STUDY ANALYSIS “H&M ICE TEA (HAYOK DRINK)”

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ABSTRACT

By considering the consumption figures for ready-made food and drinks in the Surabaya area, the iced tea business has a profitable and promising business opportunity. H&M Ice Tea is an iced tea drink business that provides refreshment in the middle of the hot city of Surabaya, even during the rainy season. The purpose of holding a feasibility study for this iced tea business is to find out whether this business is feasible or not and how much profit can be obtained if this business is run.

The research method used is a qualitative method using interviews and surveys, namely a research method in which researchers collect data by talking directly with participants or research subjects and distributing surveys using Google Form. The questions asked included several aspects, namely legal aspects, environmental aspects, marketing aspects and economic aspects related to the iced tea business in the city of Surabaya. The collected research results and existing data are then processed, analyzed and processed on the basis of the theories studied and used as research and discussion material to produce a conclusion that can be used as a basis for providing the best recommendations. The research results show that the iced tea business has fulfilled the aspects of the business feasibility study and is feasible to run.

Keywords: Business Feasibility Study, Legal Aspects, Environmental Aspects, Marketing Aspects, Economic Aspect

INTRODUCTION

The culinary business, which involves food and beverage production, service, and sales, remains timeless as food and drink are essential needs. This sector continues to grow, offering promising opportunities. In Indonesia, particularly in hot cities like Surabaya, the demand for cold beverages has surged, boosting the MSME industry. The iced tea business, already popular, presents a profitable opportunity as a refreshing drink choice.

The growing demand for iced tea presents a strong business opportunity, as more people prefer buying ready-made drinks over making them at home. According to BPS Surabaya, consumption of ready-made food and drinks rose from 15.88% in 2022 to 36.90% in 2023, highlighting this trend. With increasing competition in the iced tea market, a feasibility study is essential to assess the viability of the "H&M Iced Tea" business. This study evaluates its potential across key aspects, including environmental, legal, marketing, and economic factors.

A business feasibility study helps identify solutions to potential risks and challenges when starting a business. It assesses whether a business is viable and provides long-term benefits for entrepreneurs. By analyzing key decision-making and project selection concepts, the study aims to maximize profits and minimize losses. Both

prospective business owners and customers benefit from this evaluation.

The main objective of conducting this business feasibility study is to assess the feasibility of the "H&M Ice Tea" business which will be run on Jl. Petemon 3 No.88 Surabaya in terms of environmental aspects, legal aspects, marketing aspects and economic aspects. And aims to find the right solution if there are obstacles and risks that may occur when starting a business. Then the benefits that can be felt, especially for business people, are providing lifelong profits and minimizing losses.

LITERATURE REVIEW

Understanding Business Feasibility Study

According to Gie (2020) in the Pamienke Jaya Motor Business Feasibility Study, a business feasibility study assesses whether a business is viable by identifying problems, opportunities, goals, and potential benefits. Similarly, Sulasih, Manullang, and Purba (2021) describe it as a project feasibility study, evaluating the likelihood of a project's successful implementation.

A project refers to establishing a new business or introducing new goods or services into an existing one. According to Hasan et al. (2022) in Business Feasibility Study, a feasibility study evaluates a business's viability by objectively assessing its

benefits, drawbacks, impact on stakeholders, required resources, and overall potential.

A business feasibility study examines various aspects, including legal, socio-economic, environmental, cultural, market, marketing, technical, management, and financial factors. These aspects serve as the foundation for decision-making, determining whether a business or project should proceed, be postponed, or abandoned.

Aspect Study Theory

1. Legal Aspects

In the Pamienke Jaya Motor Business Feasibility Study, Kasmir (2020: 24) states that a business feasibility study typically begins with the legal aspect, though some may prioritize other factors.

Hasan et al. (2022) in Business Feasibility Study emphasize that the legal aspect should be the first consideration in a business feasibility study. If a business idea is legally unviable, further evaluation becomes unnecessary. This aspect ensures compliance with legal provisions, including business location permits.

2. Environmental Aspects

Kasmir (2020: 16-17) in the Pamienke Jaya Motor Business Feasibility Study emphasizes that the environmental aspect is crucial, as every project significantly impacts land, water, air, and surrounding life. Similarly, the Kemplang Crackers Business Feasibility Study (2023) highlights the environment as a key factor, both as an opportunity and a potential threat to business development, requiring precise and careful analysis.

Environmental aspects involve the impact of a business on its surroundings, including potential pollution and environmental damage at the intended business location.

3. Marketing Aspect

Marketing is a key factor in business success. According to Sunyoto (2019: 36) in the Pamienke Jaya Motor Business Feasibility Study, its primary goal is to ensure goods and services reach consumers effectively.

For this reason, when starting a business or venture, it is very important to study the marketing aspect. Hasan, et al (2022) in their book entitled Business Feasibility Study explains the objectives of the market and marketing aspects as follows:

- 1) To build sales and profits by increasing sales turnover.
- 2) To dominate the market
- 3) To reduce competition
- 4) To increase the superiority of certain products on the market

4. Economic Aspects

The Business Feasibility Study for MSMEs Bangkit Kenanga Cakes (2023) highlights the importance of analyzing the economic aspect to assess its overall impact. Business success is closely tied to socio-economic factors, particularly the community's economic conditions.

Then in research on the Feasibility Study of the Kemplang Crackers Business in an Islamic Production Perspective" (Study of the Kemplang Yanti Crackers Business on Jalan Merapi 9, Singaran Pati District, Bengkulu City) in 2023, explained the positive impact of conducting a study on this aspect for society will provide opportunities to increase their income.

RESEARCH METHOD

This qualitative research explores the feasibility of the H&M Iced Tea business, set to open on Jl. Petemon 3 No. 88, Surabaya. Data is collected through field interviews and Google Forms surveys, with primary respondents including a prospective business owner and a local resident. A descriptive analysis method is used to assess key feasibility aspects, including legal considerations, environmental impact, marketing strategies, and economic viability.

This research follows a structured feasibility study process, starting with data collection from sources like BPS, news articles, and credible references. Data is meticulously processed to ensure accuracy in evaluating business potential. An in-depth analysis then assesses all relevant aspects to determine feasibility. If challenges arise, the study provides a rationale for reconsideration. Finally, recommendations are formulated to support the successful launch of H&M Iced Tea, including necessary documentation and operational improvements.

RESULTS & DISCUSSION

The H&M Iced Tea business is an MSME in the culinary sector, specializing in iced tea beverages. It will offer various flavors in three cup sizes—small, medium, and jumbo—while the original iced tea comes only in a jumbo cup. Privately owned, the business will soon launch at Jl. Petemon 3 No. 88, Surabaya. Future plans include expanding beyond outlet sales to catering orders for special events.

1. Legal Aspects

The legal aspect study highlights two key considerations: halal certification and location permits. According to local residents, both are essential. Halal certification, in particular, enhances

consumer trust, especially among Muslim customers, encouraging them to purchase H&M Iced Tea products.

The prospective owner acknowledges the importance of halal certification but plans to obtain it once the business grows. In the meantime, they are committed to using only halal-certified raw materials. As for the location permit, initial operations will proceed with approval from local residents and authorities.

2. Environmental Aspects

The environmental aspect study identifies both positive and negative impacts for prospective owners and local residents. Residents appreciate the convenience of having iced tea readily available for personal consumption and guest servings. However, they express concerns that business growth may lead to noise and traffic congestion. To mitigate these issues, they suggest providing ample parking space and implementing measures to minimize noise.

The prospective owner sees a positive impact in providing job opportunities for local residents to help manage the stand. However, a potential negative impact is parking congestion, as both H&M Iced Tea and grocery store customers may park indiscriminately, obstructing alley access for residents. To address this, the owner agrees with local residents on the need to provide a designated parking area.

Local residents note that weather impacts demand—hot weather increases iced tea consumption, while the rainy season tends to reduce interest due to cooler temperatures. However, the prospective owner remains optimistic, believing that consumers may still enjoy iced tea during the rainy season, such as during lunch or other activities.

3. Marketing Aspect

The marketing aspect study highlights three key factors: target market, competitors, and strategy. According to local residents, teenagers are the ideal target market. While competitors exist in the area, an effective marketing strategy would be to launch promotional offers during the business's opening phase. This approach helps familiarize consumers with the product's taste and quality while attracting them with competitive pricing.

The prospective owner believes the target market depends on taste preferences. The original flavor is suitable for all age groups since it contains no ingredients that might cause discomfort, such as coughing. Meanwhile, flavored variations may appeal to specific consumers, particularly those accustomed to tea mixed with additional flavorings.

The prospective owner acknowledges competition from nearby shops and coffee stalls. However, shops primarily sell packaged iced tea,

while coffee stalls offer only basic iced tea without flavor variations. To differentiate H&M Iced Tea, the owner plans to introduce a variety of flavored teas. The marketing strategy includes initial promotions to attract customers and leveraging social media for broader outreach.

4. Economic Aspects

The economic aspect study highlights acceptable pricing and consumption frequency of ready-to-drink beverages among local residents. Residents suggest a price of Rp. 3,000 for a jumbo cup of original iced tea and Rp. 5,000 for flavored variants. They also indicate frequent purchases of ready-to-drink beverages. The prospective owner agrees on the Rp. 3,000 base price but suggests flavored variants start at Rp. 3,000, depending on cup size. Additionally, the owner believes frequent buyers will include local residents, particularly boarders in the area.

CONCLUSION

From a marketing perspective, the business faces competition from local shops and coffee stalls that sell iced tea. However, H&M Iced Tea differentiates itself by offering various flavored options, an aspect not commonly found in competitors' products. Promotional strategies such as initial discounts and social media marketing can enhance brand awareness and attract customers.

With this strategic approach, H&M Iced Tea can differentiate itself in the market by emphasizing its unique flavored tea offerings, affordability, and accessibility. The combination of promotions, social media engagement, and competitive pricing positions the business for strong customer acquisition and retention. Additionally, addressing potential operational challenges, such as parking constraints, will be crucial in maintaining positive relationships with local residents and ensuring smooth business operations.

By implementing these strategies, H&M Iced Tea can build a strong foundation for sustainable growth while fostering good relationships with the local community. Prioritizing customer convenience, operational efficiency, and product quality will enhance the brand's reputation and competitive edge. Moving forward, periodic evaluations and customer feedback will be valuable in adapting to market trends and addressing potential challenges proactively.

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