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# CENTRALHIVE CAPSULE HOSTEL AT BATAM CITY

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## Abstract

*The business feasibility study of CentralHive Capsule Hostel business in Batam City discusses the concept of capsule hostel with affordable prices for domestic and foreign tourists visiting Batam City. The business feasibility study conducted covers aspects of marketing, operations, human resources, and finance. The location is selected based on the analysis of physical attributes, as well as community support for the capsule hostel concept attached to pre-questionnaire data. Then, in terms of marketing aspects, it includes target market strategy, pricing, and marketing mix. The operational plan involves guest activities, employees, and facilities, while the human resources aspect includes organizational structure and training programs. Financially, this business feasibility study considers initial investment, operational costs, revenue, and financial statement projections. The objective of this business feasibility study is to conduct an in-depth analysis of the capsule hostel accommodation business to be developed, to determine whether the business is feasible or not. The method used is primary data obtained from questionnaires, observations, and structured interviews. There are at least 110 respondents used as samples in this business feasibility study. Based on the conducted analysis, CentralHive Capsule Hostel shows great potential in the hospitality industry*

*Keywords: centralhive capsule hostel, foreign tourists, domestic tourists*

## INTRODUCTION

The tourism industry is well-known among the public and has become one of the fastest-growing economic sectors globally. Almost everything is now part of the tourism industry, from meeting recreational needs to creating new job opportunities. Additionally, accommodations, restaurants, travel agencies, airlines, and cruise ships all fall under the tourism industry. Over the past 10 years, the tourism industry in Indonesia has experienced significant growth. According to the Central Bureau of Statistics (2022), the number of domestic tourists increased by 19.82%, and international tourists increased by 13.62%. Despite the COVID-19 pandemic in 2020, it did not halt the growth of the tourism industry in Indonesia.

Indonesia is a country rich in natural beauty, culture, and diverse delicious cuisine. One of its attractions lies in the friendliness of the residents, making tourists feel at home and comfortable. Indonesia also possesses a heritage of traditions and customs that are still authentically preserved today. Another uniqueness lies in the beauty of its flora and fauna, providing an unforgettable experience for visitors. Among the many islands comprising the Republic of Indonesia, Sumatra is the sixth-largest island globally and contributes significantly to the tourism industry in Indonesia. This island consists of provinces such as Aceh, North Sumatra, West Sumatra, Riau, Riau Islands, Jambi, South Sumatra, Bengkulu, and Lampung.

Of the nine provinces spanning the island of Sumatra, the Riau Islands Province stands out as a special destination due to its beautiful beaches and stunning islands. This province is located north of the North Natuna Sea, bordered by Vietnam and Cambodia. To the east, it shares borders with West Kalimantan Province and Malaysia. In the south, it is adjacent to the Bangka Belitung



Islands Province and Jambi. On the west side, it borders Singapore, Malaysia, and Riau Province. Among the islands in the Riau Islands, Batam City has become a key destination for international tourists. The Head of the Department of Culture and Tourism of Batam City stated that Batam City offers extraordinary natural beauty with a variety of exotic large and small islands. The city highlights nine prominent tourist destinations, including maritime, cultural, religious, culinary, shopping, agro and ecotourism, sports, historical, and MICE (Meetings, Incentives, Conferences, and Exhibitions). Additionally, Batam City is recorded as the third-highest contributor of international tourists after Bali and Jakarta.

Table 1. Tourist Destinations in Batam City

No	Tourist Attractions	Address
1	Mega Wisata Ocarina	Sadai, Bengkong, Kota Batam, Kepulauan Riau.
2	Pantai Nongsa	Sambau, Nongsa, Batam, Kepulauan Riau.
3	Pantai VioVio	Jembatan 5 Bareleng, Sijantung, Galang, Kota Batam, Kepulauan Riau.
4	Kebun Raya Batam	Jl. Hang Lekiu, Sambau, Kecamatan Nongsa, Kota Batam, Kepulauan Riau.
5	Rezeki Seafood Restaurant	Kpg. Batu Besar, Pantai Batu Besar, Nongsa, Kepulauan Riau.
6	Kopak Jaya 007 Kelong Seafood Restaurant	Kampung Tua Tiangwangkang Arah Jembatan Bareleng 1, Sagulung, Kepulauan Riau.
7	Ikan Bakar ACIA	Komplek Batam Park, Kepulauan Riau.
8	Love Seafood Restaurant	Komplek Mahkota Raya, Jl. Raya H. Fisabilillah, No.12B, Teluk Tering, Batam Kota, Batam, Kepulauan Riau.
		Kampung Tua, Tanjung Piayu Laut, RT.02/RW1.10 Sei Beduk, Kabil, Kecamatan Nongsa, Kota Batam, Kepulauan Riau.
9	Grand Batam Mall	Jl. Pembangunan, Batu Selicin, Kec. Lubuk Baja, Kota Batam, Kepulauan Riau.
10	Nagoya Hill Shopping Mall	Komp. Nagoya Hill Superblok, JL. T. Umar/ Jl. Imam Bonjol Nagoya Hill, Batam, Batam City, Kepulauan Riau.

Source: Processed Data (2023)

Based on the data in the table above, there are 10 tourist destinations in Batam City that can be visited by international tourists. With the diversity of attractive tourist destinations, Batam City has the potential to become an appealing destination for both international and domestic tourists.

Table 2. Total Visits by Foreign Tourists and Domestic Tourists in Batam City, 2018 - 2022

Year	Foreign Tourists	Domestik Tourists	Total
2018	4.227.770	2.635.004	6.862.774
2019	7.153.725	2.864.004	10.017.729
2020	719.206	411.248	1.130.454



2021	817.282	3.103	<b>820.385</b>
2022	1.511.354	758.007	<b>2.269.361</b>

Source: Central Bureau of Statistics (2022)

Based on the data in the table above, we can see the total visits by international tourists and domestic tourists in Batam City from 2018 to 2022. In 2018, the number of tourists reached 6,862,774, which then significantly increased to 10,017,729 in 2019. However, there was a decline in 2020 and 2021, with the number of tourists dropping to 1,130,454 and 820,385, respectively. This indicates a significant impact from the global COVID-19 pandemic that has affected the tourism industry, restricting travel. Nevertheless, in 2022, there appears to be a continuous recovery, with a total of 2,269,361 tourists. This increase shows signs of the tourism sector's recovery in Batam City after the COVID-19 pandemic.

Based on the tourist data, Batam City is currently experiencing positive growth, especially in the accommodation sector. The Chairman of the Indonesian Hotel and Restaurant Association (PHRI) of Batam City stated that the prospects for accommodation properties in Batam City are very promising. The hotel occupancy rate in Batam City has increased by 47% compared to the previous year, attributed to Batam's proximity to neighboring countries, Singapore and Malaysia, causing a significant increase in room demand. Additionally, based on Maslow's hierarchy of needs theory, individuals have various types of needs. The initial stage in this theory is the fulfillment of an individual's psychological needs, including the need for shelter (McLeod, 2018). Therefore, providing accommodation is essential to meet the needs of tourists visiting Batam City. According to Damayanti et al. (2021), accommodation is everything provided to meet the needs and comfort of individuals, such as residence and services.

To provide variety in the accommodation business, interesting, fresh, and different innovations are needed, such as establishing a hostel. A hostel is an affordable lodging option suitable for budget-conscious travelers. Typically, hostels offer shared dormitory rooms, where guests share the same space. Additionally, hostels are equipped with common facilities such as bathrooms, shared kitchens, and lounging areas that can be used by guests (Gosal & Kindangen, 2013). One type of hostel that is currently experiencing growth is capsule hostels. A capsule hostel is an accommodation with enclosed sleeping quarters that offers basic facilities at a more affordable price than regular hotels. Typically, capsule hostels provide communal bathrooms for shared use among guests (Yu & Akita, 2019). As an initial step, the author conducted a preliminary survey using a questionnaire through Google Forms containing several relevant questions about capsule hostels.

Table 3. Results of the Pre-Questionnaire for Capsule Hostel in Batam City

No	Pertanyaan	Pilihan	Hasil	
			Frekuensi	Persentase (%)
1	Apakah anda pernah melihat hostel kapsul sebelumnya?	Ya	78	78%
		Tidak	22	22%
2	Apakah Kota Batam merupakan daerah yang cocok untuk membangun hostel kapsul?	Ya	93	93%
		Tidak	7	7%

Source: Processed Data (2023)

Based on the table in the above data, the results of the pre-questionnaire survey conducted to gather data regarding the public's perception of the capsule hostel concept in Batam City can be observed. In the first question, 78 respondents (78%) have previously seen capsule hostels, while 22 respondents (22%) have not. Moving to the second question, 93 respondents (93%) stated that Batam is a suitable area for the development of capsule hostels, while 7 respondents (7%) held a different view, stating that Batam is not suitable for the development of capsule hostels. These results indicate that Batam City has good potential for developing capsule hostels.

Based on the above data, there is a significant opportunity to open a capsule hostel accommodation business, and there is a high demand for accommodation in Batam City. Supported by the pre-questionnaire results showing many respondents supporting the development of capsule hostels in Batam City, the author decides to conduct a feasibility study for a capsule hostel accommodation business in the Nagoya Thamrin City area, Batam City, Riau Islands. Considering that capsule hostels are ergonomic, space-efficient, strategically located accommodations in an area with high tourist potential.

## METHOD

The research methods that can be employed to complement the research plan consist of primary and secondary data. Primary data is information collected directly by the researcher for further analysis to find solutions to the investigated problem. This data can be obtained through questionnaires, observations, interviews, or direct observations (Sekaran & Bougie, 2019). Here are several methods conducted using primary data:

### 1) Survey Method with Questionnaire

A questionnaire is a tool used to collect a large amount of numerical or quantitative data in research. There are several ways to use a questionnaire, such as providing it directly to respondents, sending it electronically, or sending it by mail (Sekaran & Bougie, 2019). In the context of this business feasibility study, CentralHive Capsule Hostel will collect data by providing a questionnaire via Google Form directly to tourists visiting Batam City through the port and airport entrances.

### 2) Observation

Observation in research means the researcher goes directly to the focal point of the study. Afterward, the researcher will write descriptions, analyze, and interpret what has been observed. The observation method is suitable for research requiring descriptive data that does not involve self-reporting (Sekaran & Bougie, 2019). The variables observed in Batam City include accessibility to the Nagoya Thamrin City area, Lubuk Baja Kota, Kec. Lubuk Baja, Batam City, Riau Islands. Additionally, direct observation is also conducted to observe tourist attractions, restaurants, and shopping centers around the hostel location.

### 3) Structured Interview

Structured interviews are conducted only if the researcher needs additional data from reliable sources or competent informants. This interview aims to obtain more detailed and valuable information about the business to be run, but it is only conducted with trustworthy individuals who have more knowledge about the business (Sekaran & Bougie, 2019). In this business feasibility study, interviews will be conducted with the owners of shop houses in the Nagoya Thamrin City area, Batam City, to gather information on rental prices and market conditions in that area.

The next data used in this business feasibility study is obtained from secondary data. Secondary data refers to information that has been previously collected by others for purposes

different from the objectives of this business feasibility study (Sekaran & Bougie, 2019). In this business feasibility study, the author obtains secondary data from the Central Bureau of Statistics, reference articles, books, and websites relevant to the business to be developed.

## **RESULT AND DISCUSSION**

### **RESULT**

#### **Market and Marketing Aspects**

##### **A. Demand Analysis**

Demand is the human desire to buy something and the ability to do so (Kotler & Armstrong, 2017). In designing a business feasibility study, it is essential to conduct a demand analysis so that business owners can understand whether the products and services the company offers have good potential. By conducting this analysis, business owners need to ensure that the products or services created align with what the target market desires. The demand analysis conducted by CentralHive Capsule Hostel includes a market potential analysis and market trend analysis.

##### **B. Supply Analysis**

Supply analysis is one of the crucial aspects in business or organizations. In economic discussions, demand and supply are the most fundamental and powerful economic theories (McEachern, 2011). The supply analysis conducted by CentralHive Capsule Hostel includes the following:

- 1) **Competitor Analysis:** In the hospitality industry and other businesses, it is essential to know who the competitors are. By understanding the competition, a company can find ways to make its products or services better and distinct. There are two types of competitors: direct competitors with similar products and indirect competitors.
- 2) **Porter's Five Forces Analysis:** Porter's Five Forces is a tool used to analyze the profitability and attractiveness of an industry from an external and internal perspective. Additionally, Porter's Five Forces help companies understand the competitive forces from the surrounding environment that can influence business (Shi et al., 2021). Michael Porter explains that the level of competition in an industry is influenced by five main factors. If these factors are not too strong, it will be easier to start a business in that industry.
- 3) **SWOT Analysis:** Evaluating the business's position in the market is crucial. SWOT analysis is a key method for a deep analysis of the business's strengths, weaknesses, opportunities, and threats, both internally and externally. It helps companies make informed decisions when facing challenges or opportunities in the market (Nur et al., 2018).
- 4) **Business Model Canvas:** Business Model Canvas is a conceptual framework containing various elements used to express how a company operates. It helps a company explain how it represents the values provided to customers, how it is done, and the financial impact it will face (Osterwalder & Pigneur, 2010).

##### **C. Market Segmentation, Targeting, and Business Positioning**

- 1) **Segmentation:** Market segmentation is a market division strategy used by companies to understand the quantity and characteristics of the market. The goal is to identify customer groups with similar needs and desires. In performing this segmentation, the author uses



four variables: geographic, demographic, psychographic, and behavioral differences among buyers (Kotler & Keller, 2012). Of the four segmentation variables, CentralHive Capsule Hostel utilizes geographic, demographic, psychographic, and behavioral segmentation.

- 2) Target Market: Targeting is a step taken after identifying market divisions, where the company needs to specifically determine how many and who will be its target market. This helps the company focus on the most relevant customer groups (Kotler & Keller, 2012).
- 3) Business Positioning in the Market: Positioning relates to the process of designing products or services offered by the company and shaping the brand image to be well-known by customers (Kotler & Keller, 2012). To establish a business position in the market, Michael Porter introduced three general strategies known as Porter's Generic Strategies: overall cost leadership, differentiation, and focus. CentralHive Capsule Hostel will position its products and services in the market using the differentiation strategy by providing unique and distinct products compared to competitors. The main uniqueness emphasized is the architectural concept by designing capsule-shaped rooms, featuring a minimalist modern style, and equipped with essential facilities. Additionally, CentralHive Capsule Hostel also focuses on individual travelers seeking clean, safe, and private accommodation but with a limited budget.

#### D. Marketing Mix

Marketing mix consists of essential elements known as the 8Ps, which include Product, Price, Place, Promotion, Programming, People, Packaging, and Partnership. These eight elements are used to design effective strategies to attract customers, increase sales, and achieve set targets (Morrison, 2022). There are eight elements included in the marketing mix:

- 1) Product: Product refers to various facilities or services provided by the company to customers (Morrison, 2022). The main product of CentralHive Capsule Hostel is the capsule room unit. Additionally, supporting products offered by CentralHive Capsule Hostel include communal areas and lockers.
- 2) Price: Pricing is a marketing strategy that influences the company's revenue. Companies need to plan pricing by offering special deals or discounts to attract attention. There are three methods to determine pricing: profit-oriented pricing objective, sales-oriented pricing objective, and status quo-oriented pricing objective (Morrison, 2022). In determining prices, CentralHive Capsule Hostel uses the status quo-oriented pricing objective method, which sets prices based on the direct and indirect competitors' price lists.
- 3) Place: Place is part of distribution or the location used by the company to market its products. It aims to facilitate customers in finding the company. Place consists of two types of distribution: direct distribution and indirect distribution.
- 4) Promotion: Promotion is how a company informs and persuades customers by providing information about products and services. There are five promotion methods that can be used: advertising, personal selling, sales promotion, merchandising, and public relations and publicity.
- 5) People: People refer to employees in a company who provide products or services to customers. However, customers are also categorized as people. In the hospitality industry, people are divided into two groups: guests (customers) and hosts (company employees). Every individual working should understand the quality service standards to be provided to customers, as humans play a crucial role in service delivery that can determine guest satisfaction. Service quality measurement is known as SERVQUAL, which measures



service quality across five dimensions: tangibles, reliability, responsiveness, assurance, and empathy.

- 6) **Packaging:** Packaging is the combination of several products or services offered by the company to customers. The company combines these products and services into one package with a special price offer (Morrison, 2022).
- 7) **Programming:** Programming involves special events or programs created by the company with the aim of attracting customers and increasing sales (Morrison, 2022).
- Partnership:** Partnership is marketing collaboration done by a company by combining products or services from another company with the intention of benefiting from the collaboration (Morrison, 2022).

#### E. Economic, Social, Legal and Political, Environmental, and Technological Aspects

- 1) **Economic Aspect:** The economic aspect is one of the factors influencing business performance or development. Fundamentally, this aspect includes economic growth, employment, raw material costs, interest rates, currency exchange rates, and inflation (Kotler & Keller, 2012).
- 2) **Social Aspect:** The social aspect is an essential factor that companies must consider as it can impact brand image. This aspect involves interactions between people, both between the company and the community, such as consumers, other companies, organizations, the natural environment, and society, both within and outside the company's environment. By paying attention to this, companies can strengthen positive relationships and build a good reputation (Kotler & Keller, 2012).
- 3) **Legal and Political Aspect:** The legal and political aspect is a crucial factor for the success of a company. It includes laws, government regulations, legalities, and policies that must be complied with by the company. If a company does not adhere to the rules set by the government, it may be forced to shut down (Enz, 2010).
- 4) **Environmental Aspect:** The environmental aspect relates to organizational activities, products, or services that can have positive or negative impacts depending on the actions taken. Companies need to pay attention to the environment by establishing environmental policies and the company's commitment to implementing environmental protection measures (Kotler & Armstrong, 2017).
- 5) **Technological Aspect:** Technology is related to human knowledge of products or services, systems, or tools such as machines, computers, and other information systems. Additionally, technology has an influence on social behavior, global business, and implementation in marketing strategies (Enz, 2010).

#### **Operational Aspect**

##### A. Type of Activities and Facilities

- 1) **Types of Activities:** Service activities involve customers and employees working in front and behind the company, who then interact with each other through various opportunities (Russell & Taylor III, 2011). There are two types of activities, those involving customers and those involving employees.
- 2) **Types of Facilities:** Managing and maintaining hostel facilities are crucial to providing a quality stay experience and service for guests. This includes regular cleanliness and maintenance to meet the comfort standards expected by guests (Priyangika et al., 2019).

##### B. Calculation of Facility Space Needs

The space requirements in a business require good planning and calculation of suitable sizes so that operations can run smoothly. In this regard, a facility layout design is needed to adjust

the layout to the availability of land and the types of activities carried out (Russell & Taylor III, 2011).

C. Location Selection

Choosing the right location can enhance the business by attracting more customers, providing convenience, and building customer loyalty (Chua et al., 2020).

D. Technology Used

Choices related to technology can impact costs, quality, speed, operational flexibility of the business, and determine the company's ability to sustain and compete with competitors (Russell & Taylor III, 2011).

### **Organizational and Human Resources Aspect**

A. Organizing: Organizing is one of the essential aspects in company management; it involves determining specific tasks for employees, forming units and work sections, delegating authority to subordinates, creating clear communication lines, and coordinating work to ensure smooth operations (Dessler, 2020).

B. Human Resources Development: Human resources development is a process that involves recruitment and selection, training, performance evaluation, rewarding employees, paying attention to labor relations, occupational health and safety, and fair treatment of all employees (Dessler, 2020).

### **Financial Aspect**

A. Funding Needs and Sources: An entrepreneur can assess the feasibility of a business by identifying the initial investment required to start a project. This initial investment includes all the costs needed to purchase new assets and other expenses required for business operations (Gitman & Zutter, 2015).

B. Operational Costs: Operational costs are routine expenses that are not directly related to the production of goods or services. This explains how effectively the company's management manages selling and administrative costs (Wardiyah, 2017).

C. Business Revenue Estimate: Revenue is the amount of money obtained from providing services or performing specific tasks in exchange for money or payment received from others (Anggi et al., 2021).

D. Balance Sheet Projection: The financial balance sheet is a financial statement that shows all the assets owned by the company, what must be paid, and how much wealth the company possesses (Mariotti & Glackin, 2014).

E. Profit and Loss Projection: The profit and loss statement explains whether the company is making a profit or incurring a loss in a specific period based on the difference between the money earned and the money spent (Mariotti & Glackin, 2014).

F. Cash Flow Projection: Cash flow is a financial statement that explains the inflow and outflow of money from a company or organization (Mariotti & Glackin, 2014). The cash flow statement helps the company evaluate management performance in managing money and gaining profits in the future.

G. Break-Even Point: Break-even point is the point at which the total revenue from a company equals the total costs, both fixed and variable costs. At this break-even point, there is no net profit or loss, indicating that the company has reached a balance between expenses and revenue (Narasimhan, 2016).



- H. Investment Appraisal: Investment analysis is the steps used to evaluate the profitability of an investment and the risks that can affect a company's ability to remain operational (Evans, 2019). Investment appraisal includes the weighted average cost of capital (WACC), payback period and discounted payback period, internal rate of return (IRR), net present value (NPV), and profitability index (PI).
- I. Financial Ratio Analysis: Financial ratio analysis aims to identify important information that may not be directly visible from a company's financial statements. Additionally, the goal is to compare the strength of the financial condition between one company and another (Ehrhardt & Brigham, 2011). Financial ratio analysis includes liquidity, solvency, profitability, activity, and operational ratios.
- J. Risk Management: Risk management involves steps taken to identify potential losses in business operations and find ways to prevent, control, or reduce risks from events that can cause losses and have negative impacts on operations (Dessler, 2020).

## DISCUSSION

### Market and Marketing Aspect

The data used to analyze the market and marketing aspects are derived from the questionnaire responses collected. CentralHive Capsule Hostel utilized Google Form to distribute the questionnaire and successfully received responses from 110 participants. From the questionnaire results, the majority of respondents strongly agree with each question item related to the marketing mix. CentralHive Capsule Hostel targets both male and female individuals aged 25-34 who travel individually on weekends, spending an average of Rp200,000 (\$12.93) – Rp299,999 (\$19.39) for accommodation. Most tourists visiting Batam obtain information about accommodations through social media such as Instagram, TikTok, Facebook, and others.

The product offered by CentralHive Capsule Hostel is clean and comfortable capsule rooms equipped with access cards corresponding to the room numbers, ensuring that every guest feels secure and has privacy. The product price ranges from Rp200,000 (\$12.93) – Rp299,999 (\$19.39), excluding breakfast. Additionally, CentralHive Capsule Hostel offers room and 2-item laundry packages priced between Rp200,000 (\$12.93) – Rp260,000 (\$16.55), and room and transportation packages ranging from Rp200,000 (\$12.73) – Rp300,000 (\$19.09). Room reservations at CentralHive Capsule Hostel can be made directly through the app, walk-ins, phone calls, WhatsApp, email, and indirectly through online travel agents.

CentralHive Capsule Hostel will market its products and services through various social media channels such as Instagram, TikTok, Facebook, and Youtube. They will provide a grand opening discount of 10% for the first 30 people who make room reservations. Additionally, CentralHive Capsule Hostel will collaborate with several parties, including banks, e-wallet companies, and transportation companies. All employees of CentralHive Capsule Hostel will wear uniforms according to established standards, be attentive to guests' needs and desires, be proactive and responsive in serving guests from arrival to departure, possess knowledge about the hostel's facilities and the surrounding area, and maintain a polite and friendly demeanor towards all staying guests.

### Operational Aspect

In the operational aspect, various activities are undertaken, categorized into guest activities and employee activities. Guest activities are divided into four parts: pre-arrival, arrival, occupancy, and departure. Meanwhile, employee activities are divided into two: front-end employees and back-end employees. To support the operational activities of CentralHive Capsule Hostel, there

are various facilities such as parking space, lobby and entrance, back office, employee locker room, laundry and linen room, general storage, capsule room area, guest lockers, bathrooms, and communal areas.

CentralHive Capsule Hostel is established in two shop-houses with a total building area of 504 m<sup>2</sup>, including the capsule room area on the 2nd floor covering 69.45 m<sup>2</sup>, capsule room on the 3rd floor covering 49.54 m<sup>2</sup>, and a communal area covering 13.98 m<sup>2</sup>. In selecting the location, CentralHive Capsule Hostel compared three locations: Nagoya Thamrin City, Penuin Permai, and Batam Center. The location selection is based on eight physical attributes: accessibility, visibility, traffic, parking area, environment, competitor locations, government regulations, and space availability for expansion. The Nagoya Thamrin City location obtained the highest weighted score of 92 out of 100. Therefore, it was decided that CentralHive Capsule Hostel would be opened in Nagoya Thamrin City, Batam.

CentralHive Capsule Hostel utilizes various technologies to support day-to-day operational activities. This includes computers, printers, air conditioners, landline phones, water heaters, dispensers, smart doors, smoke detectors, handheld metal detectors, attendance machines, EDC machines, and WiFi.

#### **Organization and Human Resources Aspect**

The organization and human resources aspect involves job analysis to create job descriptions and specifications for the required positions. The organizational structure at CentralHive Capsule Hostel is led by a commissioner overseeing the director and hostel manager. The hostel manager is then responsible for overseeing human resources staff, front office supervisor, housekeeping supervisor, administration, accounting staff, engineering staff, security staff, and IT support. The front office supervisor oversees the front desk agent, and the housekeeping supervisor oversees room & public area attendants and laundry attendants.

The organization and human resources aspect consists of job analysis to produce job descriptions and job specifications needed. The organizational structure of CentralHive Capsule Hostel is led by a commissioner overseeing the director and the Hostel manager. The hostel manager is responsible for overseeing human resources staff, front office supervisor, housekeeping supervisor, administration, accounting staff, engineering staff, security staff, and IT support. The front office supervisor oversees the front desk agent, while the housekeeping supervisor oversees room & public area attendants and laundry attendants.

CentralHive Capsule Hostel requires 26 employees to work, not including the commissioner and director. Each employee will work according to labor laws, eight hours per day without counting break time, or 40 hours per week for five working days. To ensure the hostel operates 24 hours, some employees will work regular office hours, and others will work in shifts. At CentralHive Capsule Hostel, all employees will receive salaries, holiday bonuses, as well as benefits such as health insurance (BPJS Kesehatan), workers' social security (BPJS Ketenagakerjaan), and leave. Additionally, the hostel will conduct training programs for all employees, such as organizational orientation, leadership training, service training, disaster management training, and team-building.

CentralHive Capsule Hostel is a business managed by PT. CentralHive International. To establish legal status as a limited company, CentralHive Capsule Hostel has completed all required documents and procedures officially, such as submitting PKKPR, applying for the company's name (Perseroan Terbatas/PT), submitting the Deed of Establishment for the Limited Company (Akta Pendirian PT), obtaining IMBG, UKL/UPL, SKDP, corporate taxpayer identification number, trading business license, NIB, accommodation health certificate (TDUP), and health certificate.

### Financial Aspect

The initial investment used to operate CentralHive Capsule Hostel is approximately Rp3,600,270,100, with 40% of the funding coming from personal capital or owner's equity amounting to Rp1,440,108,040, and 60% from a bank loan totaling Rp2,160,162,060. This initial investment is allocated for renovation costs, equipment, supplies (1 month), pre-operating expenses, PAR insurance, beginning inventory (1 month), and cash on hand. Additionally, CentralHive Capsule Hostel incurs operational costs of Rp3,193,085,076 annually. These costs cover employee compensation, rent for the shop-house, health and employment insurance (BPJS Kesehatan and BPJS Ketenagakerjaan), PAR insurance, utilities, depreciation and amortization, employee training and development, promotions, office stationery and printing supplies, repairs and maintenance, cleanliness inventory, laundry inventory, public area inventory, linens, and guest amenities.

In the first-year projection, CentralHive Capsule Hostel is expected to generate revenue of approximately Rp3,737,344,500. This calculation is based on various factors such as average room occupancy, inflation rates, and Gross Regional Domestic Product (PDRB) growth. The primary sources of revenue for CentralHive Capsule Hostel are room rentals, laundry services, and transportation. In the first-year financial balance projection, the total asset value owned by CentralHive Capsule Hostel is estimated to be around Rp3,600,270,100. This includes current assets, fixed assets, and intangible values. Furthermore, the total liabilities and shareholders' equity for the hostel amount to Rp3,600,270,100, encompassing due debts, long-term debts, and shareholders' equity. This indicates that CentralHive Capsule Hostel does not have more debt than assets, signifying a balanced balance sheet.

Based on the profit and loss statement calculation, in the first year, CentralHive Capsule Hostel has an after-tax income of Rp312,258,274, obtained by deducting gross profit, operational costs, interest expenses, and taxes payable. Then, in the first-year cash flow statement, CentralHive Capsule Hostel achieves a net profit of Rp832,097,415, meaning that the cash inflow is greater than the outflow. This indicates that CentralHive Capsule Hostel has the potential to generate positive cash flow in the future. According to the Break Even Point (BEP) analysis, CentralHive Capsule Hostel is estimated to reach a break-even point of Rp3,246,520,477, or approximately 87% of total sales in the first year.

Based on the investment evaluation conducted, CentralHive Capsule Hostel yields an Internal Rate of Return (IRR) of 27.13%. This figure is higher than the Weighted Average Cost of Capital (WACC) of 5.29%. When IRR is greater than WACC, it indicates that the investment made by CentralHive Capsule Hostel is considered profitable. Furthermore, the Payback Period for CentralHive Capsule, considering WACC, is 3 years 29 days, with a profitability index of 4.16% and NPV of Rp19,257,103,320. By producing a profitability index greater than one ( $P > 1$ ) and a positive NPV, the investment made by CentralHive Capsule Hostel is considered viable and profitable.

The results of the financial ratio analysis show that CentralHive Capsule Hostel has the ability to pay off debts and return money to well-invested shareholders. Additionally, CentralHive Capsule Hostel is efficient in utilizing its assets, and business operations run effectively.

Based on the comprehensive analysis conducted, CentralHive Capsule Hostel is deemed worthy of operation and has the potential to generate profits in the future. However, it is crucial for CentralHive Capsule Hostel to achieve profits more quickly to realize returns on investment earlier than projected.

### CONCLUSION

Based on the conducted analysis, CentralHive Capsule Hostel shows great potential in the hospitality industry. Support from the questionnaire results indicates that the market appreciates the concept of clean and comfortable capsule rooms, particularly among travelers aged 25-34 who tend to explore individually over the weekends. Marketing strategies through social media, grand opening discounts, and collaborations with relevant parties can enhance the appeal of CentralHive Capsule Hostel. Operationally, the provided facilities and utilized technology demonstrate a commitment to delivering excellent services. The chosen location, following a comparison of three options, reflects thoughtful consideration, with Nagoya Thamrin City emerging as the best choice. The organizational structure and human resources are also well-organized to support day-to-day activities.

Financially, the well-calculated significant initial investment and revenue projections indicate adequate profit potential. Financial ratio analysis also highlights CentralHive Capsule Hostel's efficiency in debt and asset management. Therefore, it can be concluded that CentralHive Capsule Hostel is worth operating and has the potential for profitability in the future. However, it is recommended to continually enhance marketing efforts to expedite return on investment and for management to stay adaptable to market changes. The success of CentralHive Capsule Hostel also depends on consistently improving service quality and maintaining established standards.

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