

CHAPTER I

COMPANY OVERVIEW

1.1 Industry Analysis

The hospitality and tourism industry has always been one of the biggest and most influential industries in the world. Not only that it promotes cultural exchange between countries but it also contributes a lot to the country's economic state (McNamee & Sachs, 2015). Indonesia is one of those countries that leverages and utilizes their hospitality and tourism industry to boost its total economic. The hospitality and tourism industry has played a crucial role in boosting Indonesia's economy growth (Armielia et al., 2023). In 2017, the contribution of tourism to Indonesia's GDP amounted to IDR 536.8 trillion, which was 4.1% of the country's total GDP. In the same year, tourism provided 12.7 million jobs, representing 10.5% of total employment. Tourism receipts totaled IDR 200 billion, and the sector outperformed the general growth of the Indonesian economy (Yakup & Haryanto, 2019).

However, the COVID-19 pandemic temporarily disrupted the growth in the hospitality and tourism industry. In 2020, Indonesia's GDP fell by 2.1%, with sectors like tourism and hospitality being significantly affected. Indonesia's economy shows that the country has the potential to boost its economic recovery through appropriate reforms and policy actions (Indonesia Has an Opportunity to Boost Growth, 2021). Despite the challenges posed by the pandemic, Indonesia managed to get the industry back on its feet and push the growth again. The government implemented strategies to support the industry, such as relaxing visa policies, improving infrastructure, and amplifying marketing efforts to showcase Indonesia's diverse offerings to a global audience (Solihin et al., 2023). These initiatives were instrumental in attracting tourists and enhancing their experience within the country. Furthermore, the government introduced several extraordinary support measures for businesses, such as a large-scale loan restructuring program and interest subsidies for the most affected sectors,

including hospitality. These measures helped avert mass bankruptcies and supported the recovery of the hospitality industry (Islands, 2023).

The food and beverages industry are one of the examples of the hospitality and tourism sector that continues to experience significant growth each year but also experienced a downfall during the COVID-19 pandemic. But, with the increasing population in Indonesia, the demand for food and beverages kept on rising with it (Wiratha & Kemalasari, 2022). Additionally, the tendency of the Indonesian population to enjoy ready-to-eat meals has led to the emergence of numerous new innovations and ideas in the food and beverages sector. And with that, the food and beverages industry grow significantly over the years and is now one of the leading industries in Indonesia. Data from the Indonesian Statistic Bureau (2022) show that over the previous five years from the year 2017, Indonesia's real income from the food and beverage (F&B) sector has increased. The following shows the annual revenue in the food and beverage industry, expressed in billions of Indonesian Rupiah (Ningrum, 2024):

Table 1.1 Annual Revenue of Food and Beverage industry

Annual Revenue of Food and Beverage industry in Indonesia	
2017	Rp. 834.425.000.000
2018	Rp. 927.443.000.000
2019	Rp. 1.012.959.000.000
2020	Rp. 1.057.000.000.000
2021	Rp. 1.121.360.000.000

The food and beverage industry in Indonesia has experienced an increase over the years as seen from table 1.1 As reported by the Central Statistics Agency (BPS), the growth of the industry had increased 34.3% from 2017 to 2021. The gross domestic product (GDP) of the national food and beverage industry, based on recent prices, amounted up to Rp 1.12 quadrillion in 2021. This value represents 38.05 percent of the non-oil processing industry or 6.61 percent of the national GDP, which reached Rp16.97 quadrillion. The food and beverages (F&B) industry is the main motor for the growth of the non-oil and gas processing industry in Indonesia. In the first quarter of 2023, for example, the

eating and drinking industry will grow at 5.35%. This figure is in line with the national Gross Domestic Product (GDP), namely 5.03%.

One of the biggest driving forces and factors to the growth of the Food and Beverage industry in Indonesia is Micro, Small-to-Medium Enterprise (MSME) (Armielia et al., 2023). MSME is the perfect place for entrepreneurs in the country, especially the low to middle incomes ones to actualize their ideas and dreams and participate in the food and beverage industry. SME now are also one of the sectors that had grown significantly over these past years. In the last 5 years, the contribution of Micro, Small, and Medium Enterprises (SME) to Indonesia's Gross Domestic Product (GDP) has increased from 57.8% to 61%. This positions SME as both a safety net and a driving force for the economy. The rapid transaction cycles and the direct relevance of SME products to the essential needs of the community contribute to this. As a result, SME plays a crucial role in stabilizing and propelling the economy (Aprilia et al., 2025).

Not only SME, also restaurants are one of the biggest parts and contributors of the Food and Beverage industry in Indonesia. Their growth and contribution to Indonesia's economy and culture are enormous and significant, especially in the F&B industry. According to the website of Mordor Intelligence (2024), the Indonesian foodservice market is expected to reach USD 55.25 billion in 2024 and grow at a CAGR of 13.43% to reach USD 103.76 billion by 2029. The foodservice profit sector recorded value sales of IDR 543.8 trillion (\$36.6 billion) in 2022 and is forecasted to record a compound annual growth rate (CAGR). Indonesia is home to a vibrant foodservice industry, offering lucrative business opportunities for both international and local market players. One of the best-selling products available here in Indonesia is snacks. Among all products of the food and beverage business, the manufacturing of snacks seems to be most popular in Indonesia, as evidenced by a YouGov institution study revealing that 91% of respondents like to eat snacks on a daily basis, with 40% consuming them more than once. Furthermore, Indonesia emerged as the top snacking nation in Asia, with one in three individuals consuming snacks up to three times a day in addition to three full meals. Given how frequently

Indonesians eat snacks, it is evident that snacks have a significant impact on the country's food and beverage economic margin. Based on the data and information above, Pasta Ball saw an opportunity to grow and contribute to these industries in Indonesia. Pasta Ball wanted to create something innovative and convenient, whilst still in the affordable range for all of the people in Indonesia to enjoy. Pasta Ball's products will be able to offer what most people in Indonesia love the most, which is these two characteristics (Indonesia Foodservice Market Insights, n.d.).

1.2 Company Description

PASTA BALL is a brand that will create a unique twist on pasta. Imagine the delightful combination of pasta and convenience, crafted into perfect bite-sized balls that burst with flavor. The PASTA BALL is a delicious twist on tradition, combining the beloved flavors of pasta with the convenience of bite-sized, portable balls, served with a variety of mouthwatering dipping.



Figure 1 Company Logo

The name PASTA BALL is self-explanatory which means a pasta but in a form of a ball. This name is simple yet catchy and can trigger people's thinking to be curious of what and how this concept of pasta in a form of a ball looks like, in which the concept is still considered very rare and unknown to most people to this day. The logo is made to demonstrate what the product's shape is, what it contains, and also shows the convenient way of eating it. The color of the logo is made with a soft orange color that depicts the color of a pasta with a combination of the black color which complements each other very well. The design of the logo is made to be modern, simple, yet fun and memorable.



Figure 1.2 Brand's Colors

Pasta Ball main color will always be Orange to resemble the color of Pasta and the Fried Pasta Ball, which is also Orange, whilst black and white are used to be combined with the orange color as they match each other very well. The orange colors used for the posts are a little bit brighter than the orange in the logo, so they can be combined in a future post without the logo disappearing because the color is the exact same.

The tagline will be "Twisting ythe Pasta Experience" which demonstrates the vision of shaping a new way of how people can enjoy pasta. The owner envisions PASTA BALL as a symbol of culinary creativity and convenience, introducing a delightful twist to traditional pasta. This tagline is aimed to attract curious consumers to want to experience the product.

1. Vision

"Creating new and innovative ways of enjoying Pasta".

2. Mission

In order to achieve the vision, the mission is as follows:

Mission

To support its vision, Pasta Ball sets out the following mission points:

1. **Keep Recipes Fun and Exciting**

Always bringing fresh ideas to the table by updating flavors, testing new fillings, and making sure every bite of Pasta Ball is both tasty and enjoyable.

2. **Make Things Easy**

Focus on simple and fast service, whether at the stall or through delivery apps, paired with packaging that is easy to carry and enjoy anywhere.

3. **Use Quality Ingredients**

Stick to fresh, good-quality ingredients to make sure every product tastes great and meets customer expectations.

4. **Serve with a Smile**

Create a friendly and welcoming atmosphere. Great food should come with good service, so every customer walks away happy and satisfied.

3. Nature of Business

Pasta Ball is established as a Micro, Small, and Medium Enterprise (MSME) with a small-scale operation and limited distribution, currently focused on selling from a single tenant. As a new and growing food business, Pasta Ball operates with a lean team and simple setup, making it suitable to be categorized as an MSME under Indonesia's business classification. While the business is starting small, the owner is optimistic about future growth and is open to fresh ideas and potential collaborations to expand the brand when the time is right. The priority for now is to build a strong foundation and customer base through quality, convenience, and creativity.

4. Address of Business

PASTA BALL will be located at Sedayu city in Kelapa Gading. Sedayu city is a culinary center in Kelapa Gading filled with Stalls and Tenants offering all sorts of food and beverages, combined with a nice and warm ambience. Sedayu City often gets very crowded during the night, especially on weekends. Housing complexes and apartments surround the area of Sedayu city which makes it a go-to place for people in the Sedayu and Kelapa Gading area for

hanging out and enjoying all sorts of cuisine. Kelapa Gading is also filled with hidden gems of food and beverage destinations that often go viral on social media, giving an opportunity for PASTA BALL to be one of those hidden gems in the future. PASTA BALL will be selling their product using a Tenant/Stall (offline) and also through online applications using delivery. The Tenant will be operated by 2 or more people to ensure quickness and efficiency.

The main reason why Kelapa Gading is the location that the owner chose is that it is one of the go-to culinary destinations here in Jakarta (Sari et al., 2023). There is so many viral foods and cuisines that are available here in Kelapa Gading which explains the food culture and the opportunity that Kelapa Gading offers (Suorineni, 2023). It is a place where people can enjoy all kinds of foods and beverages with their own uniqueness and specialties. That is why the owner believes that Kelapa Gading is a great place for Pasta Ball to start its journey.

1.3 Product and Services

The product that PASTA BALL offers is new and unique. A new twist for people to enjoy a bite of Pasta. PASTA BALL is designed to be convenient and can be easily eaten anywhere. This is in line with the current trend of people getting more caught up and busier with their daily jobs and duties, so they prefer to enjoy a bite of a snack that is convenient and easy to bring anywhere rather than having to eat heavy meals (Rajiv et al., n.d.). This can make PASTA BALL a great option for consumers who prefer instant and convenient food.

People who enjoy pasta and enjoy snacks would love PASTA BALL, as Pasta Ball designs the product to be the best combination of those two aspects. Pasta Ball is basically a fried ball with pasta inside it.



Figure 1.3 Photo of Product

These fried ball products will have a variety of pasta for their filling. Not only pasta, the fried balls' filling consists of pasta, meat, veggies, cheese, and white sauce. Consumers will be given an option for their filling, for the pasta, the options are (spaghetti, macaroni, or fettuccine).



Figure 1.4 The Filling of the Product

These Pasta Balls will be paired with the special dipping sauce to enhance the flavor. The dipping will have 3 flavor options, which are Carbonara, Cheese Sauce, and Bolognese Sauce. From classic Italian-inspired flavors to innovative and special options, the PASTA BALL and the dipping sauce will redefine a new way for consumers to experience a bite of pasta. Not only Pasta Ball, Pasta Ball will offer other products of pasta, like for example the regular Carbonara and Special Sauce pasta as the other options in the menu.



Figure 1.5 Cheese Dipping Example



Figure 1.6 Carbonara Dipping Example

The Product can be ordered easily and quickly at the spot or ordered through delivery applications like GoJek, Grab, Maxim, and ShopeeFood, so that people can enjoy it from everywhere. Although the name of the brand resembles its main product, it does not mean the menu is limited to only PASTA BALL. Pasta Ball will keep on adding and creating new products and keep on developing the menu. Pasta Ball may create a special dipping sauce that will only be available for a while to attract consumers and create more variety.

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