

CHAPTER I

INTRODUCTION

1.1 Research Background

The world has experienced remarkable economic crisis in several times. The economic crisis that has happened has made many companies and entrepreneurs go bankrupt at the time. But, from this economic crisis many new entrepreneurs are emerging. This is because the numbers of workers affected by layoffs in all economy sectors are also hard to find a new job. In order to survive family life, then they should turn the brain to create a business with their own capital (<http://sinarharapan.co.id>).

One example of entrepreneurs who went bankrupt was a billionaire from Thailand named Sirivat Voravetvuthikun. Sirivat went bankrupt in 1997 due to economic crisis in Asia. But at the time of failure, Sirivat is not desperate and make other business which is selling sandwiches on the streets. The effort done by Sirivat is not in vain, Sirivat becomes successful again through sandwiches' business (<http://philipgolingai.blogspot.com>). Sirivat's entrepreneurial spirit can confront and defeat the challenges that arose from Asia's crisis economic. Therefore, the presence of entrepreneurs is very influential in the development of the world, because an entrepreneur can create new jobs with many innovations in various business fields.

An entrepreneur must have three characteristics as an entrepreneur. That is creative, innovative, and risk takers. An entrepreneur must be able to be

creative in developing a business, make innovations to create new or has never existed and dared to take risks in every conducted business. According to Andrias and Eben, in the book *The Ciputra's Ways* (2006) said that one entrepreneur was able to see a business opportunity that is not seen or regarded by others, an entrepreneur is a person who acts for doing an innovation, change things that are not or less fun to be a state such a desirable, and an entrepreneur is a risk taker, both having the character of financial risks, or mental risks.

An entrepreneur must be able to see the market movements which is still ongoing, because of that an entrepreneur will able to see opportunities for creating business innovation. Innovation is the ways of thinking about the creation of something that has never existed. Many examples of innovation are undertaken by an entrepreneur in his business, such as marketing innovation carried out by D'COST Restaurant. D'COST Restaurant did marketing innovation by not paying the media campaigns, but made the promo like never before that is "UP TO YOU". This program is in accordance with its motto is to eat much as you like and pay as you pleased, if the customers have gold or platinum credit card from any bank. This promo is not a trick like the normally promotion, but the program UP TO YOU is really can eat much as you like and pay as you like. This promotion program is applicable to every opening new D'COST restaurant branch in anywhere of town (<http://www.dcostseafood.com>). Another example is the innovation that made by one of the coffee products namely Nescafe. Nescafe launched its latest innovation in the Nescafe 'New Innovation Breakthrough Pain More Delicious'. Nescafe is introducing technological innovations ERA

(Enhanced Recovery Aroma), where the technology is able to ‘catch’ smell the coffee which evaporates during the process of milling, and then store it until the end of process, and then putting back the smell of coffee before the coffee’s liquid is converted into coffee powder (<http://www.rileks.com>).

The innovation can also be performed in various industries, such as real estate, movie industry, service industry and food and beverage industry. In the food and beverage industry, innovation can be done in a various ways, as an example of creating a new type food of, these innovations can be done by creating a new food that has never existed and usually the chefs are able to create some innovative reliable food. Another example is by optimizing the menu at a restaurant. Optimization of this menu can be done by optimizing the price on each type of food.

A menu at the restaurant is very influential in the development and sales, because usually every customer goes to the restaurant asking for the menu at the restaurant, because the menu that can represent the restaurant to inform the consumers about what kind of foods are offered. According to Gibson and Lowndes (2004) said that the menu is simple. (Gibson and Lowndes, 2004, p. 60). The menu which is owned by many restaurants, from a restaurant located in a five star hotel, for example at Shangri-la Hotel and JW Marriot Hotel Surabaya, up to a street vendor that sells food on the sidewalk. A menu can attract consumers if the appearance of menus that enable customers to dig up information on the types of food offered and the price offered is also in accordance with the food product. Each restaurant can make innovations in determining the name of each type of

food, provide obvious information about every menu, and presents a proper product with prices paid by consumers and optimizing the price of each menu.

Innovation for optimizing the menu items' price in restaurants requires a system or method. One of the methods is menu engineering analysis. It is believed that innovation using menu engineering analysis is could contribute the optimizing of the price on each menu item and classify it into several menu categories to find out the level of popularity of each menu item. For example, if the menu of fried rice is often ordered by consumers because it tastes delicious and fairly cheap prices. So, fried rice that includes popular categories and the prices can still be optimized again by a factor of the high popularity of the menu.

Menu engineering analysis method is a simple innovation that could be done to optimize the price on each menu item in restaurants, where the menu engineering analysis consists of menu item analysis, menu mix analysis, menu engineering summary, menu engineering worksheet, four box analysis, and menu engineering graph. Therefore, the authors are interested in researching this at Restaurant "X".

1.2 Research Question

The problem of this research is how the menu engineering analysis as an entrepreneurial innovation for optimizing menu items' price at Restaurant "X"?

1.3 Research Objectives

The purpose of this research conducted is to know the use of menu engineering analysis as an entrepreneurial innovation for optimizing menu items' price at Restaurant "X".

1.4 Delimitation

The writer limited the research on:

1. Menu engineering: menu item analysis, menu mix analysis, menu engineering summary, four box analysis, and menu engineering graph.
2. Food menu at Restaurant "X" from March to May 2010.
3. Data sales of Restaurant "X" from March to May 2010, and analyzed every month.

1.5 Research Benefit

The benefits of this research are:

1. For the writer

The benefit can be obtained in this study is the writer get the chance to add insight and practical knowledge about the implementation of menu engineering analysis as an entrepreneurial innovation for optimizing menu items' price.

2. For Restaurant “X”

It is hoped that this research can contribute more in providing information, evaluation and consideration so that the price of each menu item of food which is owned by Restaurant “X” can be optimized.

3. For Ciputra University Surabaya

The writer expects, this research can be useful for students and those who need for comparative study and data sources associated with this research topic.

