THESIS

PRODUCT DEVELOPMENT AT TACO CASA SEMINYAK, BALI



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POLITEKNIK NEGERI BALI BADUNG 2024

THESIS

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Prepared as One of the Requirements to Obtain

The Applied Master Degree in Tourism

(M.Tr.Par)

of Tourism Business Planning Study Program,
Applied Master Program,
at Tourism Department
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PREFACE

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even better.

Badung, 29 July 2024

Putu Paramarthika Vidya

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ABSTRACT

Bali destination was marked by the start of the Covid-19 pandemic in 2020. Since 2022, this global disaster has slowly disappeared so that restaurants in Petitenget and Seminyak tourist areas in Badung Regency have begun to grow. With the return of international tourists to these areas, Taco Casa Seminyak is reorganizing its business by occupying a new location in 2022 and starting product development in 2023. This research uses data generated from data collection techniques in the form of interviews, participant-observation, document study, and focus group discussion. Supported by product development theory as part of the Ansoff Matrix and consumer-oriented new product development theory, the data was analyzed using interactive analysis techniques consisting of data condensation, data presentation and inference. The research results show that since 2023 Taco Casa Seminyak's existing products consist of Tacos (Soft and Crispy), Taco Salad Bowl, Nachos Grande, 8-Layer Burrito, Cheesy Enchiladas, Quesadillas, and Fajitas with four variants each and the new product consists of Nachos (Small), Naked Burrito Bowl, Wet Burrito, and Fiesta Salad with four variants each. The number of products is 44. As one of the most favorite foods, Tacos consists of two variants, namely Soft Tacos and Crispy Tacos, so the total number of products is 48. Product development at this restaurant actually occurred due to external factors, namely the increase in the number of visits to this restaurant since 2023 is when this pandemic will begin to end. However, on the other hand, this product development had actually been planned in such a way before the pandemic occurred. Practically external factors in the form of a pandemic accelerate the product development process at this restaurant. This product development takes place in stages searching for ideas/inspiration, creating new product concepts/designs, target markets, and business analysis related to existing and new products, determining promotion, marketing and sales strategies products, market testing; and sales to the market (consumers). Currently, product sales, both existing products and new products, are relatively popular in the market, which is proven by the development of the restaurant business which is going quite well, especially since trials such as the pandemic are no longer there. The product development carried out is not a conventional product development but rather consumer-oriented new product development activities that always take into account the existence of the market, namely international customers who have an appetite for Mexican food. This applied research gave birth to a model in which product development at Taco Casa Seminyak is described as a relationship between the existing market and existing products on the one hand and new products on the other hand which can be formulated into "existing product + new product x existing market = product development". This means that product development is none other than existing products are added to new products that are marketed to the existing market.

Keywords: restaurant, existing product, new product, existing market, product development, Ansoff matrix

ABSTRAK

Destinasi Bali ditandai dengan dimulainya pandemic Covid-19 pada 2020. Sejak 2022 bencana global tersebut perlahan menghilang sehingga restoran-restoran di kawasan wisata Petitenget dan Seminyak di Kabupaten Badung mulai menggeliat. Dengan mulai kembalinya para wisatawan internasional di kawasan-kawasan tersebut, Taco Casa Seminyak menata ulang bisnisnya dengan menempati lokasi baru pada 2022 dan mulai melakukan pengembangan produk pada 2023. Penelitian ini menggunakan data yang dihasilkan dari teknik pengumpulan data berupa wawancara, observasi terlibat, studi dokumen, dan diskusi kelompok terfokus. Dibantu dengan teori pengembangan produk sebagai bagian dari Ansoff Matrix dan teori pengembangan produk berorientasi konsumen, data dianalisis dengan teknik analisis interaktif yang terdiri atas kondensasi data, penyajian data, dan penyimpulan. Hasil penelitian menunjukkan bahwa sejak 2023 produk eksisting Taco Casa Seminyak terdiri atas Tacos (Soft and Crispy), Taco Salad Bowl, Nachos Grande, 8-Layer Burrito, Cheesy Enchiladas, Quesadillas, dan Fajitas dengan masing empat variannya dan new productsnya terdiri atas Nachos (Small), Naked Burrito Bowl, Wet Burrito, dan Fiesta Salad dengan masingmasing empat variannya. Jumlah produk adalah 44. Sebagai makanan salah satu terfavorit, Tacos terdiri atas dua varian, vaitu Tacos Soft dan Tacos Crispy, sehingga iumlah keseluruhan produk adalah 48. Pengembangan produk di restoran ini terjadi karena factor eksternal yaitu mulai bangkitnya jumlah kunjungan ke restoran ini sejak 2023 yakni ketika mulai berakhirnya pandemi ini. Namun demikian, di sisi lain, product development ini sebenarnya sudah direncanakan sedemikian rupa sejak sebelum terjadinya pandemi tersebut. Dengan demikian praktis factor eksternal berupa pandemic mempercepat proses pengembangan produk di restoran ini. Pengembangan produk ini berlangsung dengan tahap-tahap pencarian ideas/inspiration, penciptaan konsep/desain produk baru, pasar sasaran, dan analisis bisnis terkait produk eksisting dan produk baru, penentuan strategi promosi, pemasaran, dan penjualan produk-produk, uji pasar; dan penjualan ke pasar (konsumen). Saat ini penjualan produk, baik produk eksisting maupun produk baru, relatif laku di pasar yang terbukti dari perkembangan bisnis restoran ini berlangsung lumayan bagus lebih-lebih cobaan seperti pandemi tidak ada lagi. Pengembangan produk yang dilakukan bukan pengembangan produk konvensional melainkan aktivitas pengembangan produk berorientasi konsumen yang selalu mempertimbangkan keberadaan pasar, yaitu para customer internasional yang berselera makanan-makanan Meksiko. Penelitian terapan ini melahirkan sebuah model di mana pengembangan produk di Taco Casa Seminyak tergambarkan sebagai suatu hubungan antara pasar eksisting dan produk eksisting di satu sisi dan produk baru di sisi lain yang dapat diformulasikan menjadi "produk eksisting + produk baru x pasar eksisting = pengembangan produk". Pengembangan produk di Taco Casa Seminyak tidak lain adalah produk eksisting ditambahkan dengan produk baru yang dipasarkan kepada pasar eksisting.

Keywords: restoran, produk eksisting, produk baru, pasar eksisting, pengembangan produk, matriks Ansoff

CHAPTER I

INTRODUCTION

1.1 Background

Restaurants are a very important part of the tourism industry. This is because as a human, every single tourist has to eat for his/her life. McLeod (2007) stated, the need for food is a very basic need as stated in Maslow's theory of stratified needs. It is stated in the theory, the need to eat is one of the physiological needs, namely the need at the first level, because if don't eat, humans will die. However, currently tourists who enjoy restaurant products often not only fulfill their physiological needs but can go beyond these needs. That is why restaurants are a business that is widely carried out in the world of tourism, especially in Bali, which is a popular international tourism destination.

The increasing number of tourist visits, especially foreign tourists, to Bali in the last few decades has led to the growth of the restaurant sector in this "Island of the Gods" destination. Existing restaurants continue to develop themselves and the birth of new restaurants never stops in this destination. Restaurants certainly cannot be separated from the tourism industry. Both influence each other positively. Seminyak in Kuta District and Petitenget in North Kuta District in Badung Regency are two tourist spots that geographically are very close to each other. These two adjacent places recently both have become favorite tourist destinations with their beautiful beaches that pamper tourists. Petitenget is an area in the northern part of Kuta. This area is located along the southwest coast of the island of Bali, which is often still considered part of Seminyak even though

Petitenget and Seminyak are currently administratively located in two different sub-districts. Like Seminyak, Petitenget today has beautiful beaches, a variety of restaurants and a lively nightlife.

A number of current tourism experts are generally of the opinion that the tourist crowds and tourism business of Kuta (Kuta Village and Legian Village) in the past have now been replaced by Seminyak, Petitenget, and Canggu which is in the north of Kuta and Legian. In other words, Seminyak and Canggu today are Kuta and Legian in the past. Like other beach destinations in Bali that have long been known and visited, both in Badung Regency and in other places, Seminyak has a wide variety of tourism industries apart from professional services in the food sector to fulfill all the complete needs of tourists, such as hotels, various means of transportation, souvenirs, spas, entertainment venues, and other supporting facilities.

To supply the needs of tourists for food, in Seminyak and Petitenget there are so many restaurants with a variety of products they have as well as a variety of markets. Until now there is no official data on the number of restaurants in Seminyak and Petitenget. According to tripadvisor (2023), the number reached 483. One of the leading restaurants with the main market being the foreign market is Taco Casa Seminyak which is also called Taco Casa Petitenget (formally Restoran Taco Casa) located on Jalan Petitenget, Kerobokan Kelod, North Kuta District, Badung Regency, Bali. This restaurant is commonly popular with the name Taco Casa Seminyak rather than Taco Casa Petitenget because the name Seminyak is more popular than Petitenget even though administratively the

restaurant is in Petitenget which is actually in the North Kuta District. The distance between Seminyak and Petitenget is actually only 2.6 kilometers (7 minutes). Due to the smooth traffic and mobility between the two areas in terms of tourism, many people assume that Petitenget is in Seminyak (and not that Seminyak is in Petitenget). It is commonly said that Petitenget is in Seminyak area so that Petitenget Beach is also said to be in Seminyak.

Taco Casa Seminyak which according to tripadvisor (2023) is ranked 21 out of 483 is part of Taco Casa Bali Group where this group also includes Taco Casa Ubud and Taco Casa Canggu in addition to Soul Bites (Ubud) and Naked Bun (Canggu). Taco Casa Seminyak, Taco Casa Ubud, and Taco Casa Canggu, as the names imply, are restaurants with Mexican flavors (including Mexican, Latin, and Healthy food) with visitors from foreign tourists who are not limited to tourists from Mexico or those with Spanish and Latin culture, but from various nations in the world, including Asia and domestic tourists (Indonesia, including Bali). The restaurant, which is about 1.5 kilometers (7 minutes) from the main beach has 42 (38 seats and 4 seats at the bar). According to Taco Casa Seminyak Operations Manager I Ketut Edi Artawan (interview on 27 February 2023), the restaurant which was established on 25 September 2012 and since 2022 has moved to its current location is visited by an average of 250 customers every day, both existing customers who can be categorized as customers and new customers.

Although currently Taco Casa Seminyak is a relatively restaurant with quite a large number of visits every day, in the observations and interviews conducted, since early 2020, with the arrival of the Covid-19 pandemic, it appears

that products have not developed as expected in planning company business due to the lack of visitors and restrictions on physical interaction between people. When the pandemic began to disappear in 2022, this restaurant concentrated on moving locations even though the new location was still on a big road and only 100 meters away from the old location. At the beginning of 2023, this company has started to seriously and intensely carry out its product development program. This product development was carried out because external conditions, namely the influence of the Covid-19 pandemic, were starting to disappear. In other words, the management of this restaurant experienced delays and obstacles (in terms of knowledge, skills, experience and courage) in carrying out product development even though Taco Casa Seminyak was founded in 2012. In fact, product development is a necessity so that this business continues to provide good and sustainable profits and can win the fierce competition, especially among restaurants in Seminyak, Petitenget and surrounding areas.

In fact, regarding the existing problems, there are only two studies on Taco Casa Seminyak, namely from Artawan (2022) and Artawan (2024). The second study from Artawan (Artawan, 2024) is a different form of writing in Artawan (2022). The article in Artawan (2024) is an article version, so the contents of both studies are completely the same. Both thus have a research focus on the implementation of green human resources management on employee performance which is very different from the research focus under study. The research that has been done on Taco Casa Bali Group has only been done on Taco Casa Ubud by Wirananta (2021) and on Taco Casa Canggu by Wijaya (2022). In other words,

research at Taco Casa Seminyak on the theme of product development does not exist at all. That's why a research on product development at Taco Casa Seminyak really needs to be done, especially with the increasingly good condition of the restaurant business in Seminyak, Petitenget, and its surroundings and even Bali as the Covid-19 pandemic is disappearing.

As an applied research, this research helps describe the applications in product development carried out by Taco Casa Seminyak so that there is a clear mapping of existing product development patterns based on the theories that will be used in this research, namely the theory of product development from Ansoff Matrix (Clarissia, 2020; Morrison, 2016; and Richardson & Evans, 2007) and the theory of consumer-oriented new product development, namely theories that are actually general in nature but in this research are contextualized with restaurant situations. With the clarity of developments made, it will be easier for management to face product development opportunities and especially in facing increasingly fierce competition.

To limit the extensive problems involved in product development research at Taco Casa Seminyak, through agreement with the restaurant, it is necessary to state that the researcher photographed the situation of this restaurant in the last five years or starting from early 2020 until this research ended around July 2024 where early 2020 was the start of the Covid-19 pandemic in Indonesia and Bali. Research data was collected since the researcher conducted an internship as a student in the Tourism Business Planning Study Program, Applied Master Program, Politeknik Negeri Bali from early September 2023 to January 2024 or

for one semester in Semester III. Formally, this research has been ongoing since January 2024 after the researcher completed the Proposal Examination in the study program. The process of completing this research until it becomes a thesis lasts for six months, namely towards the end of Semester IV.

1.2 Formulation of Problems

Based on the background described above, the problem formulation of this research covers these two questions.

- a. How does the product development at Taco Casa Seminyak, Bali work?
- b. What model can be found and applied in the product development at Taco Casa Seminyak, Bali?

1.3 Objective of the Study

Objectives to be gained in this research consist of general objectives and specific objectives. The two objectives are explained below.

1.3.1 General Objectives

The general objectives of this research are to know and analyse the activities of product development faced by Taco Casa Seminyak in the very tight competition among restaurants in the context of tourism industrialization in Bali destination.

1.3.2 Specific Objectives

The specific objectives of this research are:

- To analyze the process of product development at Taco Casa Seminyak,
 Bali.
- To find and apply model for the product development at Taco Casa Seminyak, Bali.

1.4 Significance of the Study

The results of this research are expected to bring some significance both theoretically and practically. The benefits of this research are as follows.

1.4.1 Theoretical Significance

The benefit of this research is to develop theoretical insights regarding the product development at Taco Casa Seminyak.

1.4.2 Practical Significance

The research is significant for:

- a. Student, as a requirement to become an applied master in Tourism Business Planning, Applied Master Program, in Politeknik Negeri Bali.
- b. Politeknik Negeri Bali, in which the results of this research are expected to be used as a library reference of similar research in near future as well as it can be used as a guide for the next generation.
- c. Industry, in this case tourism industry in general and restaurant industry in particular, as a form of implementation of product development where the product development can be the basis for further restaurant developments such

as market development and even diversification as far as possible by the company.

CHAPTER VI

CLOSING

6.1 Conclusion

Based on the explanation in the previous chapters, it can be concluded that, starting from 2020 until now, Taco Casa Seminyak has carried out product development starting in early 2023 when more and more visitors are coming due to the Covid-19 pandemic no longer being a threat and this restaurant has just occupied the location. new to the Petitenget area. The existing products consist of seven, namely Tacos (Soft and Crispy), Taco Salad Bowl, Nachos Grande, 8-Layer Burrito, Cheesy Enchiladas, Quesadillas, and Fajitas with four variants each. The new products consist of four, namely Nachos (Small), Naked Burrito Bowl, Wet Burrito, and Fiesta Salad with four variants each. So existing products plus new products will total 44 products in this product development era. As one of the most favorite foods, Tacos consists of two variants, namely Soft Tacos and Crispy Tacos, bringing the total number of products to 48.

Product development at Taco Casa Seminyak, on the one hand, occurred due to the encouragement of external factors, namely the increase in the number of visits to this restaurant since the end of the Covid-19 pandemic, which, on the other hand, turned out to have been a business plan for this restaurant even before the Covid-19 pandemic. In practical terms, this pandemic indirectly accelerates the implementation of product development. The stages of implementing product development are as follows: (1) searching for ideas/inspiration, (2) creating concepts/designs of new products, target customers, and business analysis related

to the existing and new products, (3) determining strategies for promotion, marketing and sales of products, (4) market testing; and (5) sales to the market (customers).

The reality at the moment is that sales of Taco Casa Seminyak products, both existing products and new products, are relatively popular in the market, which is proven by the fact that the restaurant business is going quite well, especially since trials like the pandemic are no longer there. This means that Taco Casa Seminyak is able to: (1) improve existing products, (2) expand product lines by adding items to existing product lines, (3) add existing products, (3) imitate or modify strategies competitors, and (4) adding to their product lines. The important point is that the product development carried out is not conventional product development but rather consumer-oriented product development which always takes into consideration the existence of this restaurant market, namely the international market with a taste for Mexican food.

This applied research gave birth to a model where product development at Taco Casa Seminyak is described as a relationship between the existing market and existing products on the one hand and new products on the other. This is formulated as "existing products + new products x existing market = product development". This means that product development is existing products added to new products that are marketed to existing markets.

In this case, penetration activities, namely the intensification of existing products into existing markets, are not specifically explained even though theoretically carrying out product development already means penetration by

itself. What needs to be emphasized is that Taco Casa Seminyak in this context does not or has not developed its new market even though there are one or two or even more new customers every day who are not actually its target market. In other words, this restaurant has not yet carried out market development, let alone diversification. In accordance with this restaurant business plan, market development and diversification will be carried out immediately if all external and internal conditions become more conducive in the future.

6.2 Recommendations

Suggestions that can be given in relation to product development at Taco Casa Seminyak are the need to carry out product development by combining existing products (namely seven existing products and 4 new products found in this research) with local ingredients, not only with tempeh and rendang such as which has been done at Taco Casa Bali Ubud but with local Balinese-based ingredients, such as Balinese original chicken (*ayam kampung*), unique Balinese vegetables, Balinese salak, and various product ingredients with a Balinese image.

As part of food products in a broad sense, food services should be equipped with storytelling about something interesting behind the food being sold, especially to customers who feel they do not or do not understand the products in depth and as a whole. For example, the Asian market, including the Indonesian market and the Bali market, is intended to generate customer engagement with the products purchased (consumed). This sees the trend of increasing size of the Asian market, especially the Indonesian market and the Bali market which follows the increasing trend of domestic tourism. For this reason, all servants must be

given the relevant knowledge, insight and skills so that economically sustainable communication can occur (i.e. a kind of economic sustainability, namely the long term of business, in the sustainable tourism paradigm) between the servants as parties representing the company and customers as kings in the business like in the concept of *pembeli adalah raja* ("the customer is the king").

Product development at Taco Casa Seminyak should be enhanced by promotional and marketing actions that are appropriate to current market conditions. Moreover, this restaurant is actually customer-oriented, product-oriented. In this case the role of social media is very important. Even without customer-oriented product development, a company like Taco Casa Seminyak cannot afford not to do it because this company is part of Taco Casa Bali Group which has proven to be well established and is known for its good performance.

Seeing the reality of the success of product development that is ongoing to this day, market development and diversification activities can be accelerated so that Taco Casa Seminyak can win in the competition between restaurants in Bali, especially what occurs at the Seminyak and Petitenget regional levels, namely two tourist areas that are very close together. Market development and diversification must be carried out based on successful experiences in carrying out product development according to Taco Casa Seminyak road map outlined by Taco Casa Bali Group as a holding company.

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