

CHAPTER 1 : INTRODUCTION

I.1 Background

The growth of beauty industry in Indonesia is currently showing an increase. Based on the data from Ministry of Industry (2016), the growth of this industry market averaged 9.67% per year in the last 6 years (2009-2015). It is estimated that the market size of the cosmetic market is Rp 46.4 trillion in 2017. With this amount, Indonesia is a potential market for beauty industry entrepreneurs both from the outside and within the country (Sigma research,2017) . The Cosmetic Industry is also one of the fastest growing industry sectors in Indonesia. In addition, the industry was named a priority and strategic industry by the government for employing no less than 75,000 direct workers and 600,000 for indirect labors (Ministry of Industry,2017).

The research that written by Global Business Guide states that growth of the sales volume of the cosmetic industry is boosted by the rising demand of middle class. The population of Indonesian women as cosmetic users has now reached 126.800.000 people. The demand from a moderately large middle class of Indonesian women is also encouraged by the increased of the awareness of the self-image and style of beauty. This represented that many Indonesian woman have an awareness that being beautiful and attractive by using make up is a necessity. Make up itself can be defined in many types. Basically,Wibisana (2011) as Caring Colors Marketing Manager Martha Tilaar stated that in the principle, make up has a function to covering the imperfection in the face and accentuate the best features of the face to create natural appearance, and more fresh look.

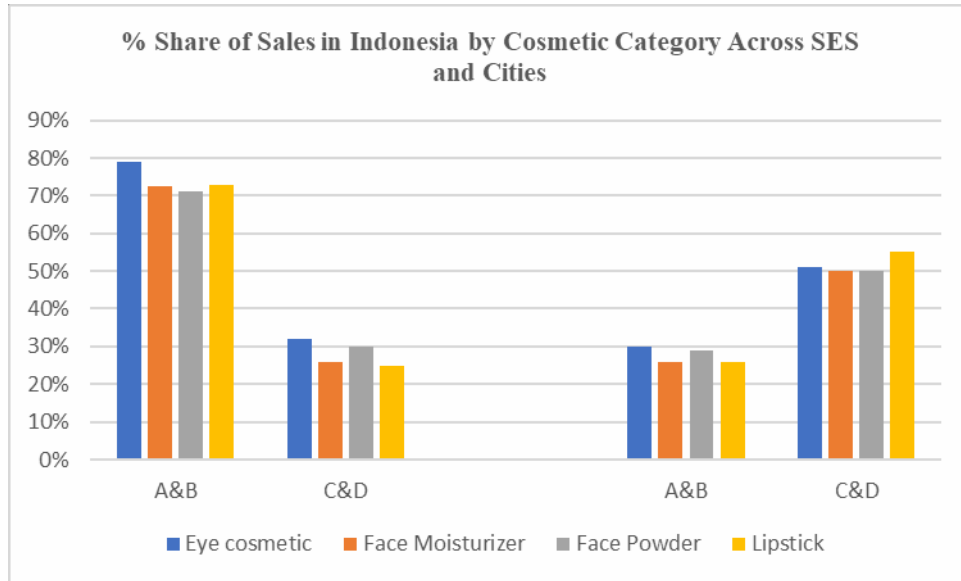


FIGURE I.1-1 Cosmetics category across ses and cities (Source : Global Business Guide, 2017)

E	D	C2	C1	B	A1	A2
Kurang dari 400.000	400.000 - 600.000	600.000 - 800.000	800.000 - 1.250.000	1.250.000 - 1.750.000	1.750.000 - 2.250.000	lebih dari 2.250.000

Figure I.1-2 SES (Socio Economic Status Classification , Source : Nielsen Media Index, 2012)

Based on the research above, the eye cosmetics are taking the important role in the finished make up look. Gusnaldi (2011) as the Max Factor (American Cosmetic Brand) professional make up artist stated that 40 from 2300 Indonesian woman choose eye cosmetic is the basic need in their make up (Facebook Survey,2011). Over 13 years involved in professional make up artist experience, Gusnaldi states that eye cosmetics taking 25% from the women's total appearance.

One of the big cities mentioned above is Bandung City, which is the prior location of this research. Based on Bandung BPS Statistics : Bandung in Figure 2017, the amount of women in age 20-59 in Bandung City are 738.520. This is a large amount of beauty consumers comparing to the amount of beauty clinic which is only 41 in Bandung City.

One of eye cosmetics that is currently become a beauty trend in Indonesia is Eyelash Extension. The Eyelash Extension is a treatment that able to make the original eye lashes are longer,thicker with using an extension method. Artificial Eyelashes will pasted one by one on the original eyelashes using a special glue. According to Brush Me Up (2017) , the advantage of implementing an Eyelash Extension is the eyes will remained visible beautiful and flattened in every day (approximately for 3 weeks) without using eye make up.

Brush Me Up is a beauty salon which established in 2016 in Bandung, Jawa Barat. Brush Me Up provides make up and hair styling services. According to the potential Eyelash Extension market in Bandung, Brush Me Up recently have a plan to expand their business by opening the Eyelash Extension Studio in Bandung.

As a new startup business, a feasibility study is required to determine that the business is feasible to be implemented or not, since there will be an investment which required a large amount of fundings. The feasibility analysis will consist of 3 aspects, which are the market aspect, technical aspect, and financial aspect.

I.2 Problem Formulation

1. How is the feasibility of the Eyelash Extension business, by considering the market aspect ?
2. How is the feasibility of the Eyelash Extension business, by considering the technical aspect ?
3. How is the feasibility of the Eyelash Extension business, by considering the financial aspect ?
4. How is the sensitivity and the risks of Eyelash Extension business?

I.3 Research Objectives

Based on the problem formulation above, purposes of this research are:

1. Analyzing the market aspect of the Eyelash Extension business
2. Analyzing the technical aspect of the Eyelash Extension business
3. Analyzing the financial aspect of the Eyelash Extension business

4. Analyzing the sensitivity and the risks of the Eyelash Extension business
5. Determining the feasibility status of Eyelash Extension business.

I.4 Research Benefits

1. The benefit of this research for academic purposes :
 - The writer contributes in adding a literature reference related to techno-economy analysis with beauty industry as a subject.
2. The benefits of this research for the company :
 - Brush Me Up can obtain a detail analysis about the Eyelash Extension business from 5 aspects.
 - Brush Me Up has a reference in determining the urgency to establish their new business by considering the feasibility status of their new business.

I.5 Research Limitations

1. The respondents are obtained in the Telkom University area.
2. The analysis of the price (surveyed) based on the data obtained in the research period

I.6 Writing System

CHAPTER I Introduction

This chapter contains the background of the research, formulation of research problems, research objectives, limitation of the study, the benefits of research and writing systematics.

CHAPTER II Literature Review

This chapter contains literature that related to problems studied and discussed in previous research.

CHAPTER III Research Methodology

This chapter contains the steps in conduct research stage start from formulating problem, formulating research objectives and benefit, developing research models, processing research data, and designing data processing analysis use techno economy analysis method.

CHAPTER IV Data Collecting and Processing

This chapter contains all of data that needed and calculation process in techno-economy assesment.

CHAPTER V Analysis

This chapter contains the analysis of techno-economy assesment.

CHAPTER VI Conclusion and Suggestion

This chapter contains the conclusion of this research and the suggestion for further research.