



## Analysis of Potential and Feasibility of Guest House Business in Rammang-Rammang Tourist Destination

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### Abstract

The rapid growth of the tourism and business sector in Maros Regency, especially with the popularity of Rammang-Rammang Tourism Attraction, has generated significant demand for accommodation. In response to this need, a study was conducted to evaluate the business potential of guest houses in the area. The research involves market surveys, marketing, and financial analysis. The results show that the guest house business has bright prospects, supported by high demand and positive financial analysis. Therefore, the guest house business in the Rammang-Rammang Tourism Attraction Area of Maros Regency is considered feasible to run. This study is expected to be a guide for potential entrepreneurs or investors who are interested in investing in the accommodation sector in the region.

## Introduction

Tourism is one of the economic sectors that has great potential to be developed in Indonesia. According to Central Bureau of Statistics, the number of foreign tourists visiting Indonesia reached 4.6 million people in the January to November 2022 period, an increase of 228.30 percent compared to the same period in the previous year. In an effort to develop the tourism sector in Indonesia, one crucial aspect is the availability of accommodation that can meet the needs and desires of tourists. This accommodation is important because tourists need it to rest comfortably during the tour (Tanoesoedibjo, 2020).

The presence of accommodation allows tourists to visit and enjoy tourist attractions over a longer period of time. According to Law Number 10 of 2009 concerning Tourism, tourists are individuals who travel on tourist trips. While tourists can be defined as individuals who travel from their place of residence to visit other locations with the intention of enjoying the experience of the trip (Rijal et al., 2022)

South Sulawesi, which is one of the provinces in Indonesia, offers a wealth of tourist destinations that include natural beauty, cultural wisdom, religious majesty, and man-made wonders. According to the data Central Bureau of Statistics, (2023) Foreign tourist visits to South Sulawesi have increased significantly by 36.51 percent in February 2023 compared to the previous month. In January 2023, there were 1,090 tourist visits, while in February it reached 1,488 visits. One of the most interesting tourist destinations in South Sulawesi is the Rammang-Rammang tourist village located in Maros Regency.

One area or district that has promising and bright tourism prospects in the future is Maros regency. Maros Regency as a tourist destination has very famous attractions or attractions, namely Bantimurung natural tourism, Rammang-Rammang River tourism, Leang-Leang Ancient tourism. The existence of these attractions is supported by adequate accessibility, amenities in the form of tourism facilities and infrastructure as well as public facilities and

infrastructure. So that tourism in Maros regency is expected to be one of the sectors that can support and grow the economy and regional development of Maros regency. In addition, the tourism sector is expected to increase the original income of the Maros regency, absorb many jobs and increase the number of workers working in the tourism sector, as well as improve the standard of living and welfare of the community (Rahman, 2022).

Rammang-Rammang is a stunning area with beautiful views of karst mountains. This area is part of the Maros-Pangkep karst mountain chain, which is one of the third largest karst areas in the world with an area of 43,700 hectares. In Rammang-Rammang, there are about 280 caves, 16 of which are prehistoric sites that have high historical value (Isnain, 2016). This tourist destination is famous for its amazing karst panorama, which attracts tourists from various walks of life, both local and foreign. This series of karst mountains is considered the second largest in the world after Chilind in China and Tsingy in Madagascar. In fact, the Rammang-Rammang area has been recognized by UNESCO as one of the World Heritage Sites. In an effort to develop the tourism sector in Rammang-Rammang, adequate accommodation is needed to meet the needs of tourists who visit. One type of accommodation that can be developed in the Rammang-Rammang tourist attraction area is a guest house.

*House* Also known as *pondok penganginan*, it is a form of accommodation provided by both private companies and government entities to provide temporary housing for guests in need, as well as provide food and beverage services. In its development, the concept of *House* has undergone changes, where in addition to being owned and operated by companies or agencies, *House* can also be privately owned and commercially managed. The main difference lies in the purpose of ownership: *House* those owned by government entities generally aim to provide free accommodation to their guests, while *House* Those owned by private companies tend to be profit-oriented by renting out rooms to guests. Hari Karyono (1997) in his research described *House* as a type of accommodation that has simple facilities. However, this simplicity does not necessarily mean a lack of quality service or facilities offered to guests. *House* It usually offers a more relaxed and friendly atmosphere, often located in a more local neighborhood and feels more personal compared to a large hotel. This makes *House* It's an attractive choice for travellers looking for a more intimate and authentic stay.

In the era of globalization and the development of information technology, *House* has an important role in supporting the tourism industry. They not only provide shelter for tourists, but also help in introducing and promoting local culture and traditions to the guests. Thus, *House* can act as an agent of local economic development as well as cultural preservation, while providing a unique and satisfying stay experience for visiting guests (Rijal et al., 2019). The increasing tourist attraction that affects the number of tourist visits, business activities and other sectors is also increasing. Accommodation occupancy rates are also rising, but there are shortages *House* which is still inadequate. This creates opportunities for entrepreneurs to start or invest their capital in guest house businesses, including in tourist destinations such as Rammang-Rammang in Maros Regency. Investing in property assets is considered a very profitable investment option because it consistently tends to increase in value over the long term, along with the continued rise in house and land prices. Another advantage of property investment is its ability to be used as a residence or to earn additional income through renting as an inn or guest house.

In the context of today's rapid growth, the demand for accommodation is becoming increasingly important for various groups, from the upper middle to lower middle segment. Before entering into business or investment, an important step is to conduct a business feasibility study to evaluate whether a business is feasible or not, and to analyze the potential

benefits that can be obtained from the business in the future. According to Kasmir & Jakfar (2004), a business feasibility study is an in-depth process to study the potential activities or businesses to be carried out, with the aim of determining whether the business is feasible or not to be carried out. The concept of feasibility in business valuation refers to the successful implementation of a business idea or project, both in terms of financial and social benefits generated. Therefore, financial and non-financial analysis is needed to assess the feasibility of a business plan, where financial analysis aims to evaluate the financial aspects of a business from an investment point of view using certain criteria as a measurement tool.

Deep Yuniar et al. (2022) explained that a feasibility study is an essential stage in business planning that requires a thorough analysis of the potential success of a business. The main focus of the study is to assess whether a project or venture has the possibility to achieve the desired goals economically. This evaluation involves comparing the investment required to start or develop a business with the potential return or expected income. This process of economic analysis includes an assessment of initial costs, revenue projections, estimated returns on investment, and evaluation of possible financial risks. However, in addition to economic aspects, feasibility studies also consider other factors such as technical, social, and environmental aspects. This allows business people to understand more deeply the impact of their business on the surrounding community and environment. By conducting a thorough analysis of all these aspects, a feasibility study helps identify potential problems, opportunities, as well as risks involved in carrying out a new project or venture.

More than just a tool to determine the financial success of a business, feasibility studies also serve as a guide for business people in making more informed decisions. Taking into account all relevant aspects, feasibility studies help entrepreneurs to formulate effective strategies in managing risks and maximizing chances of success. Therefore, a feasibility study is a critical step that must be carried out before starting a new venture or project. Decisions made based on the results of a rigorous and thorough analysis of feasibility studies have the potential to reduce the risk of failure and increase the chances of success in this competitive business world (Sudiartini et al., 2021).

Research conducted by Qomariyah (2021) explained that before entering the feasibility study stage, it is important to identify the aspects to be analyzed thoroughly. This step is an important foundation for assessing whether the project to be carried out has the potential to succeed or vice versa. One aspect that gets the main attention is the financial aspect. Financial analysis becomes very relevant because it can provide a clear picture of the project's ability to generate enough revenue to cover operating costs and provide the expected return on investment. In assessing the feasibility of a business, the financial aspect not only includes estimates of income and costs, but also takes into account various risks that may arise as well as available financing alternatives.

In addition to the financial aspect, there are also other aspects that must be considered in determining the feasibility of a business. These aspects include market analysis to understand existing demand and competition, technical analysis to assess the availability of necessary resources and infrastructure, and managerial analysis to evaluate the management team's ability to manage projects efficiently. All these aspects are interrelated and contribute to the overall assessment of the feasibility of the business. By assessing these aspects before entering the more in-depth feasibility study phase, stakeholders can better identify potential risks and opportunities. This allows them to make more informed decisions and strengthens the foundation for successful business planning. Thus, the initial steps in establishing the aspects

to be researched prior to the feasibility study are critical steps in ensuring that the planned venture has the possibility to succeed in the long run (Khamaludin et al., 2019).

## Methods

This study uses a quantitative research methodology approach that relies on an empirical paradigm to explore a specific population or sample. This process involves the use of objective research instruments in data collection, which are then analyzed quantitatively or statistically with the main objective of testing previously formulated hypotheses. This methodology allows researchers to gain a deeper understanding of the phenomenon under study through clearly measured numerical data. In addition, in evaluating business feasibility, this study also considers market and marketing aspects using SWOT analysis. In this analysis, researchers evaluate the strengths, weaknesses, opportunities, and threats that affect the business, especially in the context of market demand and marketing strategies applied. This SWOT analysis helps in formulating strategies that are in accordance with existing market conditions, as well as identifying areas that need to be improved or optimized to improve business competitiveness.

Secondary data plays a key role in supporting the analysis of the potential and feasibility of *guest house* businesses in Rammang-Rammang Tourism Destination, Maros Regency. Using relevant literature, researchers can gather information about the characteristics of these tourist destinations, tourism industry trends, tourist visit patterns, and other factors that can affect the business feasibility of *guest houses* in the area. Secondary data also allows researchers to gain insight into similar business experiences and strategies that already exist in other tourist destinations, which can provide valuable insights into planning and managing successful *guest houses* in Rammang-Rammang. In addition, information from these literatures can also be used to compare various aspects of business feasibility, such as market potential, competition, and environmental conditions, which can help in more informed decision making. Thus, the use of secondary data in this context not only provides a solid knowledge base, but also enriches the analysis of the potential and feasibility of *guest house* businesses in these tourist destinations.

The data analysis method applied in this study is in accordance with the criteria generally used in business feasibility studies. It covers a variety of techniques relevant to the evaluation of market and marketing aspects, including SWOT analysis that identifies *strengths* and opportunities that can be exploited for business success. In addition, SWOT analysis also considers external factors such as *weaknesses* and *threats* that can hinder business progress. This study also pays attention to marketing through the concept of Marketing mix or 4P (*Product, Price, Place, Promotion*), which allows researchers to plan effective marketing strategies to attract customers and increase sales. In addition, the financial aspect is also the main focus in assessing business feasibility, using criteria such as *Net Present Value* (NPV), *Average Rate Of Return* (ARR), *Payback Period* (PP), and *Profitability Index* (PI).

By applying these various analytical techniques, research can provide a comprehensive understanding of business potential and feasibility, as well as assist stakeholders in making more informed decisions. Thus, this approach allows researchers to thoroughly explore various aspects relevant to the success of the business, so as to design a more solid and sustainable business plan.

## Result and Discussion

Rammang-Rammang Tourism Destination is located in Maros Regency, South Sulawesi, Indonesia. The area is known for its stunning natural beauty, especially the spectacular karst rocks and enchanting prehistoric caves. Rammang-Rammang is also known as one of the

tourist destinations recognized by UNESCO as a world heritage site, adding to its attractiveness for tourists. This area is located about 40 kilometers north of Makassar City, the capital of South Sulawesi Province. Access to Rammang-Rammang can be done via a land trip that takes about 1.5 hours from Makassar City. However, this area is still relatively isolated and has limited transportation infrastructure, so it is necessary to increase accessibility to support tourism growth there. Its stunning natural beauty, Rammang-Rammang attracts the attention of both local and foreign tourists who want to enjoy the unspoiled natural beauty. In addition, tourism activity in the region continues to grow, promising the potential for increased demand for accommodation.

### **Potential of Rammang-Rammang Tourism Destinations**

Driven by several main factors, Rammang-Rammang is an attractive destination for tourists. First of all, its stunning natural beauty is the main attraction. Famous for its spectacular karst rock scenery and stunning prehistoric caves, Rammang-Rammang offers a unique and exciting natural experience to its visitors. This natural beauty has become the main focus that attracts tourists from different parts of the world. Furthermore, the recognition of UNESCO as a world heritage site provides additional importance to this destination. This recognition not only gives legitimacy to the uniqueness and natural beauty of Rammang-Rammang, but also enhances its image and attractiveness in the eyes of international tourists. Finally, the high interest of tourists towards tourism activities in Rammang-Rammang, both to enjoy its natural beauty and cultural experiences offered, promises to increase demand for accommodation in the region. Thus, the potential of Rammang-Rammang tourist destinations is very large and provides promising opportunities for the development of tourism business, including the development of Guest Houses as a form of accommodation for tourists who come to visit.

The increase in tourism activities in Rammang-Rammang reflects the high demand for additional accommodation in the region. Thus, the Guest House business has the potential to cope with the demands of this growing market. The profit potential factor is also a crucial consideration in assessing business feasibility. The consistent growth of visitor numbers promises a great opportunity to gain significant profits from Guest House operations in Rammang-Rammang. This condition attracts the attention of investors to take advantage of the momentum of the emerging tourism market in the region. Although tourism infrastructure is still not fully mature, including accessibility and supporting facilities, investment in infrastructure improvements can improve the business feasibility of Guest Houses in Rammang-Rammang. With the help and support of related parties to improve infrastructure, the Guest House business has the potential to grow and become one of the attractive accommodation options for tourists visiting this destination.

### **Market and Marketing Aspects**

In analyzing the Market and Marketing Aspects of *Guest houses* in the Rammang-Rammang Tourism Attraction area through a SWOT approach, several important factors have been identified. First of all, the strength of this destination lies in the extraordinary natural scenery, especially the beauty of karst rocks which are the main attraction for tourists. In addition, the recognition of UNESCO as a world heritage site provides additional legitimacy that can increase the attractiveness of this destination in the eyes of tourists. The offer of cultural tourism experiences through prehistoric caves is also a significant plus. What's more, with the increase in tourism activity in the region, the demand for accommodation is also expected to increase.

On the other hand, there are weaknesses that need to be considered, including the limited number of *guest houses*. This can limit the capacity of tourists who can be accommodated in the region, and limited access to Rammang-Rammang can be an obstacle for tourists who want to visit this destination. However, in the midst of these challenges, there are also significant *opportunities* for business development. For example, with the increasing number of both local and foreign tourists, there is potential for further accommodation development to meet market demand. The limited number of *guest houses* can also be an opportunity for investors to enter the market by offering new and innovative accommodation facilities.

When it comes to threats, competition from other *guest houses* in the region is a real challenge. In addition, changing trends in tourist preferences and a possible decrease in interest in Rammang-Rammang tourism are potential threats that must be faced. Likewise, the risk of environmental damage due to an increase in the number of tourists must be managed carefully. By carefully considering these SWOT factors, *Guest house* owners can formulate more effective marketing strategies and take appropriate measures to increase the competitiveness of their business in this dynamic tourism market.

### **Marketing Mix**

The elements of the marketing mix have been analyzed in the context of *Guest house* business in Ramang-Ramang area, and equipped with SWOT assessment to provide a deeper understanding.

#### ***Product***

Product refers to goods or services offered by a company to consumers. In this case, the products offered are various *guest houses* available in the Ramang-Ramang area, which aims to provide accommodation for tourists visiting these destinations. This *guest house* offers a comfortable stay experience that suits the needs of tourists, including adequate facilities and friendly service.

#### ***Price***

Price is an important factor influencing consumer purchasing decisions. In this context, the price offered to stay at a *guest house* will be adjusted to be accessible to various segments of tourists. Competitive and equalized pricing for all visitors who stay can increase the attractiveness of this business in the eyes of potential customers.

#### ***Place***

The place or location where the product or service is available greatly affects the availability and convenience of consumers in accessing it. The location of *the guest house* in Ramang-Ramang provides its own advantages because it is close to the main tourist attraction, making it easier to access for visitors who want to stay and enjoy the natural beauty.

#### ***Promotion***

Promotion is an effort to introduce and increase consumer awareness of the products or services offered. In this case, promotion is carried out in two ways, namely digitally and directly. Digital promotion includes the use of social media, websites, and various other online platforms to reach a broad target market. Meanwhile, direct promotion is carried out through face-to-face marketing activities and participation in local events or tourism exhibitions to introduce directly to potential customers.

By analyzing every element of this marketing mix and integrating it with SWOT analysis, *guest house* owners can formulate more effective and highly competitive marketing strategies. This

helps in maximizing their business potential and attracting more tourists to stay at their *guest house* in Ramang-Ramang.

### **Financial Aspect**

Analysis of the potential and feasibility of *guest house business* in Rammang-Rammang Tourism Destination, Maros Regency is closely related to the results of research on Financial Aspects. Methods such as *Net Present Value* (NPV), *Average of Return* (ARR), *Payback Period* (PP), and *Profitability Index* (PI) are used to evaluate the potential benefits and investment risks of running a *guest house* business in the destination.

*Net Present Value* (NPV) provides an idea of the value of the net profit generated from the investment after considering the time value of the money invested. This helps the owner or prospective *guest house* owner to estimate the long-term profit potential of their business.

*Average Of Return* (ARR) gives an indication of the rate of return on an investment over time. This information is crucial in evaluating the efficiency of an investment and determining whether the investment is delivering the desired return in the long run.

*Payback Period* (PP) is an indicator that provides an estimate of how long it will take to return the initial capital invested. The sooner the capital can be returned, the better the liquidity level of the investment, which is an important factor in the context of *guest house business* in Ramang-Ramang.

*The Profitability Index* (PI) helps in evaluating the efficiency of an investment by considering the time value of money and comparing it with the expected profit. This information allows *guest house* owners to make more informed decisions about the viability of their business and optimize investment returns.

By considering SWOT analysis along with these financial methods, *guest house* owners or prospective *owners* can make more informed decisions about the feasibility and potential of their business in Ramang-Ramang. This allows them to better manage risk and plan more effective financial strategies to optimize their investment returns. Thus, the integration of research results on financial aspects is very important in determining the next steps in running a *guest house* business in the destination.

### **Conclusion**

In running a *Guest house business* in Rammang-Rammang Tourism Destination, Maros Regency, analysis of Market and Marketing Aspects as well as Financial Aspects has an important role in determining business feasibility and potential. Through the SWOT approach, Market and Marketing Aspects identifies key factors such as strengths, weaknesses, opportunities, and threats within the scope of the destination. Natural beauty, UNESCO recognition, and cultural tourism experiences are strengths, while the limited number of *guest houses* and the threat of competition require special attention. On the other hand, Financial Aspects brings analytical methods such as *Net Present Value* (NPV), *Average of Return* (ARR), *Payback Period* (PP), and *Profitability Index* (PI) to evaluate potential profits and investment risks. By considering these factors, *guest house* owners or prospective owners can make more informed decisions about the next steps in running their business. The integration of research results on these two aspects helps in formulating effective marketing strategies, managing risks, and planning optimal financial strategies to achieve success in the *guest house* business in this dynamic tourist destination.

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