



Proposed Business Strategy for Rest Area Al-Mahdiyyiin

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ABSTRACT: Rest Area play an important role in the road network as they offer drivers of small and heavy vehicles as well as passengers to rest or the opportunity to pray, use restroom, buy drink or food. Al-Mahdiyyiin rest area located in Limbangan Jalan Raya Bandung – Tasikmalaya Number 17. People who come to this are mostly going towards garut, Ciamis, Tasikmalaya, Pangandaran, East Java and central Java. This rest area has an of more than 1,1 hectares. The facility there is a large parking lot, clean mosque, Sundanese restaurant, coffee shop, guesthouse lodging, multipurpose building and toilet. The purpose of this research is to formulate a business strategy for Al-Mahdiyyiin rest area in orde to accelerate its business growth. Determining the right new business strategy for Al-Mahdiyyiin requires external and internal analysis that can be used as a basis that can lead to a goal. VRIO used in this study to internal resources and PESTEL analysis for understand external factor. To find right strategy, SWOT and TOWS analyses were used to help company determine an effective business strategy. The analysis resulted in a differentiation strategy that can optimise Al-Madiyyiin’s resources such as procuring new facilities and tenants, improving service quality and redesigning the layout of Al-Mahdiyyiin rest area.

KEYWORDS: Business Strategy, Differentiation Strategy, Internal and External Analysis, Rest Area, SWOT and TOWS.

INTRODUCTION

Rest Area business in Indonesia is better known as located on toll but the rest area that will be discussed here is the rest area inter-provincial road or located in Limbangan Bandung-Tasikmalaya number 17. However this rest area is family business does not have a special manager like PT Jasa Marga beside that this area have large area, many facilities, the route very strategic but the existing facilities have not been maximized properly. As a result of these concerns and needs, research was necessary to refine the rest area user needs when visiting rest area Al-Mahdiyyiin and create effective strategy to create awareness from travelers that leads to willingness to rest. Refers to the Minister of Public Works Regulation No. 392/PRT/M/2005, although this regulation is for Rest Areas on toll road services but non-toll road Rest Areas also refer to the regulation. Rest area very important place and the existing of rest area will help drivers, based on that Rest Area have 3 types A, B and C this is based on regulation of Minister of PUPR No. 28 / 2021 concerning Rest Area and Service on Toll Roads which consist:



Definition	Type A	Type B	Type C
Facilities	<ul style="list-style-type: none"> • ATM • Toilet • Gas Station • Minimarket • Prayer Space • Vehicle repair station • Health Care • Parking Lot • Park • Restaurant 	<ul style="list-style-type: none"> • ATM • Toilet • Minimarket • Prayer Space • Parking Lot • Park • Restaurant 	<ul style="list-style-type: none"> • Toilet • Minimarket • Prayer Space • Parking Lot
Distance	<ul style="list-style-type: none"> • Provided at least 1 every 50 km for each direction • Minimum distance of 20 km to the next Type A • Minimum distance of 10 km with Type B 	<ul style="list-style-type: none"> • Located on an inter-city toll road which has a toll road length of more than 30 km • Minimum distance of 10 km from the next Type B 	<ul style="list-style-type: none"> • 2 km distance from Type A, Type B and other Type C • Only operated during long holidays, Eid/Christmas and New Year periods
Parking Area	Minimum total parking area is 5,500 m2 for type I/II/III/IV/V	Minimum total parking area of 2,000 m2 for type I/II/III/IV/V	Minimum total parking area is 600 m2 for type I/II/III/IV/V
Toilet Area	At least 30 toilets with a total area of at least 30m2	At least 14 toilets with a total area of at least 14m2	At least 12 portable toilets
Musholla Area	At least 400m2	At least 200m2	At least 50m2

Figure 1. Types of Rest Area

This table describe several types of rest areas in Indonesia, unless the regulation is more for rest area on toll road.

LITERATURE REVIEW

To produce sustainable strategic management, the business sector must define the global objective and make the diagnostic of the existing condition internal and external. Which will determine the ability to achieve these goals. These two processes must be interactive: the diagnostic of the present situation and its predictable evolution, combined with the evaluation of the existing resources, is critical. This becomes necessary since the eventual need to exlude some objective due lack of resources or conditions should imply a planned ranking of their relevance in the strategy and plan development.

A. VRIO

VRIO analysis is an analytical technique for the evaluation of any company resources and to establish the competitive advantage. The VRIO tool used in combination with other analytical techniques will help organizational management evaluate business resources in a more detailed view and to establish the ways for gaining sustainable development. For financial and operational resources there are many indicators that evaluate the condition or performance of the business from different angles of the business. in the same way for human resources, property or information are other indicator of their quality, performance or efficiency the advantage of VRIO analysis is its clarity and simplicity (Buzatu, Plesea, Costache & Weiss, 2019)

B. PESTEL

The PESTEL framework is a strategic analysis tool an acronym for the defined segment of the macro-environment: P for “political”, E for “economic”, S for “social”, T for “technology, E for “environmental”, and L for “legal. The segmentation of the PESTEL analysis allows a structured diagnosis of the macro-environment in which the company operates and on which



aspects of this environment corroborate to identify threats and opportunities to business and also the strength and weakness (De Sousa & Castañeda-Ayarza, 2022). Therefore, PESTEL analysis is beneficial in:

- Strategic planning: providing valuable information for decision-making and developing long-term business strategies.
- Entering new markets: Offering insight to assess. The viability of entering new markets by considering relevant external factors.
- Supporting product development: Assisting in developing new products or services that meet the evolving needs of customers and market trends.
- Enhancing risk management: Identifying and mitigating potential risk associated with external factors, such as regulatory changes or technological advancements.

C. Competitor Analysis

Competitor identification is a key task for managers interested in scanning their competitive terrain, shoring up their defenses against likely competitive incursions, and planning competitive attack and response strategies (Bergen, M., & Peteraf, M. A, 2002). Competitor analysis is the management tool used in strategic management in an assessment of the strengths and weaknesses of current and potential competitors. The growing complexity of the competitive environment of many industries convinced many top managers that they did indeed need more systematic analysis of their competitors (Adom, Nyarko & Som, 2016).

D. 5 Whys Analysis

The 5 Why Analysis is a problem-solving technique used to identify the root cause of an issue. The intent was for individual or business owners to think a little deeper about issues they faced in their workspace by asking “why” 5 times. The result was that they would determine a root cause and either act on it, if they had control to do so, or refer it to their superiors for consideration (Latino, 2015).

E. SWOT

SWOT analysis is an analytical method used to recognize and classify significant internal (i.e. strengths and weaknesses) and external (i.e. opportunities and threats) elements within an organization or business (Aboud & Sahinli, 2019) The SWOT Analysis technique was used to identify the current internal and external environmental conditions of Al-Mahdiyyin rest area. SWOT analysis provides a good overview of whether its overall situation is fundamentally healthy or unhealthy, A strengths-weakness-opportunities-threats the definition of the assessment factor are follows:

1. Strengths
Strengths are the characteristics that help us carry out the mission of the organization.
2. Weakness
Weaknesses are limitations or shortcomings that significantly reduce the performance of a company. Sources of these weaknesses include financial resources, management capabilities, marketing skills and image. Weaknesses adversely affect the success and growth of the organization.
3. Opportunities
Opportunities are the most favorable in a company are presented by the environment in which our organization its environment to plan and execute strategies that enable it to become more profitable.
4. Threats
Threats are situation that are not beneficial to the company. The form of threats faced by the company comes from competitors, slow market growth, increasing bargaining power from buyers or suppliers, technological and changes and policy changes.

F. TOWS

TOWS matrix is an analytical instrument used to generate a combination of internal and external factors to address specific weaknesses or threats within its operational environments. Its main purpose is to indicate strategies necessary to construct the best definite business model for a firm's resources and capabilities to the requirements of its operational environment (Osita, Onyebuchi & Justina, 2014)



CONCEPTUAL FRAMEWORK

From the theory explained above, the proposed conceptual framework for this research can be formulated in the figure. this study will analyze the effect of advertising, publicity, word of mouth and sponsorship on brand awareness.

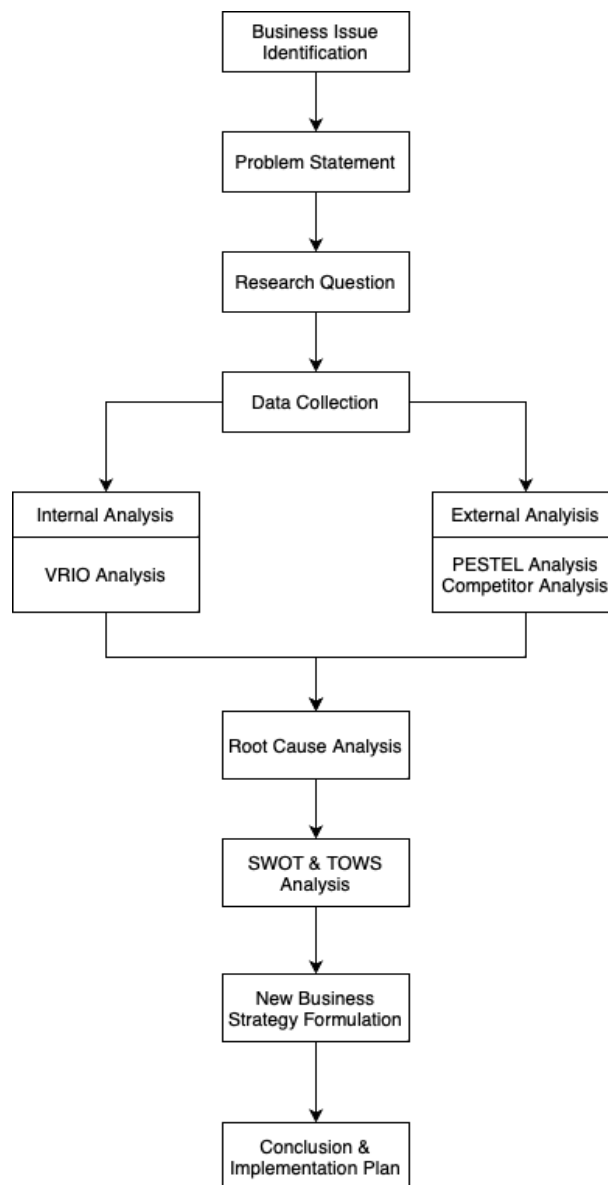


Figure 2. Conceptual Framework

RESEARCH METHODS

Based on this research methodology used qualitative method, in qualitative research the design serve as a comprehensive framework guiding the exploration and understanding of a specific phenomenon, process or experience. This framework encompasses the selection of research question, participant recruitment, data collection methods, data analysis techniques and the overall approach to interpreting and disseminating the findings. Qualitative research encompasses a wide spectrum of philosophical foundations and methodological approaches, each with its unique perspective on all aspects of the research process, including analysis. To propose business strategy to improve Al-Mahdiyyin rest area visitors, this thesis use SWOT analysis as a problem-solving approach and using expert judges and historical data to know external and internal insight.



ANALYSIS & RESULT

This chapter will mainly discuss the Analysis and Result:

1) *PESTLE*

a) *Politik*

The central government plans to build a new toll road in the fourth quarter of 2024, namely the Getaci toll road, which will connect the city of Bandung, Tasikmalaya City, to Cilacap City, Central Java (Bisnis.com, 2024). Currently, Al-Mahdiyyiin Rest Area is located on the main national road connecting West Java and southern Central Java, which is a very strategic location. The Getaci toll road that will be built is projected to be the main alternative for the national road. Although it will not be completed in the near future, the new toll road has the potential to have a negative impact on Al-Mahdiyyiin's rest area business, because traffic on the road where the Rest Area is located will switch to the toll road, so the number of Rest Area visitors will decrease.

b) *Economy*

Based on data from the food and beverage supply industry, the Gross Regional Domestic Product (GRDP) of Garut Regency in 2023 contributed 3.2 trillion rupiah or 4.43% of the total GRDP of Garut (BPS, 2024), the growth rate tends to fluctuate by experiencing an acceleration in a positive direction due to the recovery of the post-covid 19 economy, and contributed 0.44% of the total growth rate of Garut GRDP of 4.94%. because the rest area includes food and beverage sales and geographically the position of the rest area is close to tourist attractions, this will be an opportunity for business development. the existence of a rest area on this strategic route can be a magnet for tourists and motorists who are looking for comfort and logistical needs during the trip, which in turn can encourage local economic development and increase the attractiveness of the area.

c) *Social*

The number of tourist visits in West Java continues to increase as in the graph below, the positive trend shows an increase of 10% in the number of tourist visits in 2022 to 2023. If you look deeper into the arrowroot district in the same year, there was a decrease of 13% in people visiting. However, if you look at the distribution of locations visited during 2023, arrowroot district is included in the top 4 areas visited by tourists under (1) Bogor with 6,180,677 people, (2) Subang with 5,943,337 people, and (3) Pangandaran with 3,894,645 people.

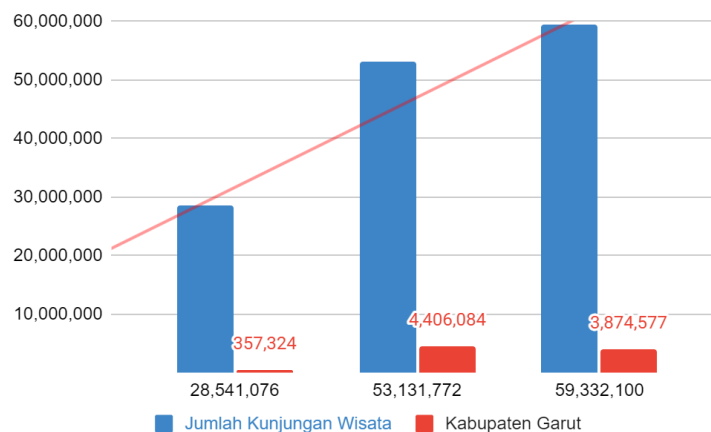


Figure 3. Growth in the Number of Tourist Visits (BPS,2024)

d) *Technology*

Cashless transactions payments are made or accepted without the use of hard cash. This includes payments made via credit/debit cards, cheques, DD, NEFT, RTGS or any other form of online payment that removes the need for cash. Increasingly, this is very necessary and is already a must-have for all tenants in this rest area. One of the biggest issues is queuing during certain conditions or situations, so by installing and requiring this, it can minimize bottlenecks that are likely to occur in the area.



e) *Legal*

Currently, there is no clear institutional model, financing and service standards for rest areas on non-toll roads in Indonesia. Generally, rest areas on non-toll roads are provided by the general public or local business entities in the form of eateries, mosques, souvenir centers, and other facilities.

According to Article 23 of Government Regulation No. 34/2006 on Roads, the provision of rest areas on public roads should be the responsibility of the road operator. In addition, this regulation is also related to the implementation of the mandate of Law No. 38/2004 on Roads, which regulates the government's obligation to provide road infrastructure, including rest areas.

f) *Environment*

Indonesia, particularly West Java, exhibits a diverse array of impressive natural landscapes. This, along with rising environmental awareness, is fueling the growth of eco-tourism in the region. Places like Garut and Tasikmalaya are seeing a surge in eco-friendly destinations offering unique experiences for nature lovers and educational platforms for children. This trend brings positive impacts for both the environment and local communities. Sustainable practices help conserve the region's rich biodiversity, while eco-tourism creates jobs and fosters a sense of environmental stewardship among locals.

2) *VRIO*

The VRIO analysis is carried out to identify the resources owned by the company by determining the strengths and weaknesses that are owned will produce objectivity in terms of identifying competitive advantages and developing the right business strategy for the sustainability of the company's business. resource-based view A model that sees certain types of resources as key to superior firm performance starts from determining tangible and intangible resources to determining the VRIO framework to assess the competitive implications of their resources.

Tangible Resources

a) *Area*

The area owned is 1.1 ha, the area falls into the category of minimal rest area type c, there are several rest areas around it such as Rest Area KM 47 (distance between 4km), Rest Area Mekarsari (distance between 10 km), Rest Area Kampoeng Nagreg (distance between 11km) and Masjid Bani Adam (distance between 8km).

b) *Owned Facilities*

General the facilities meet the standards of the rest area, such as spacious and clean toilets, the largest place of worship when compared to the surrounding area, sufficient parking area, and tenants and restaurants are also there. Plus it has one of the strengths that is not owned by other rest areas, namely the existence of a GSG (multipurpose building) and also a guest house that is not owned by other rest areas. This part is a strength and becomes a unique value that can be optimized and is not owned by the surrounding rest areas.

Intangible Resources

a) *Brand Reputation*

This Rest Area already has branding, as one of the destination places to carry out weddings, meetings, and new student orientation events. This is a strength of this place because of the lack of buildings with the same area around the location

b) *Strategic Location*

The location of this area is on the National road which is the main access route between Bandung, Garut, Tasikmalaya, and also between West Java and Central Java, besides that several tourist destinations and also museums are around the location such as Pesona Leuweung, Cikembulan Animal Park, and Batu Dua Tourism.

c) *Maintenance Capability*

This rest area boasts a dedicated maintenance team that meticulously maintains the cleanliness of the entire premises. This commitment to upkeep is evident in the well-maintained buildings and facilities. The rest area prioritizes the comfort and positive experience of its visitors.

3) *Competitor Analysis*

Competitor profiling combines all relevant sources of competitor analysis into one framework to support efficient and effective strategy formulation, implementation, monitoring and adjustment. While competitor analysis is a slightly narrower term than competitive analysis, two strategic management terms are often used as synonyms (Adom, A. Y., Nyarko, I. K., & Som, G. N. K., 2016). . Understanding competitors' activities and responses is important to a firm in order to compete successfully in the marketplace. Al-Mahdiyyiin rest Area is a rest area that is not on the toll road, so its competitors are not only rest areas but restaurants are also competitors because travelers need to eat while traveling. The following Figure IV highlights the nearest rest areas or similar entities around Rest Area Al-Mahdiyyiin.

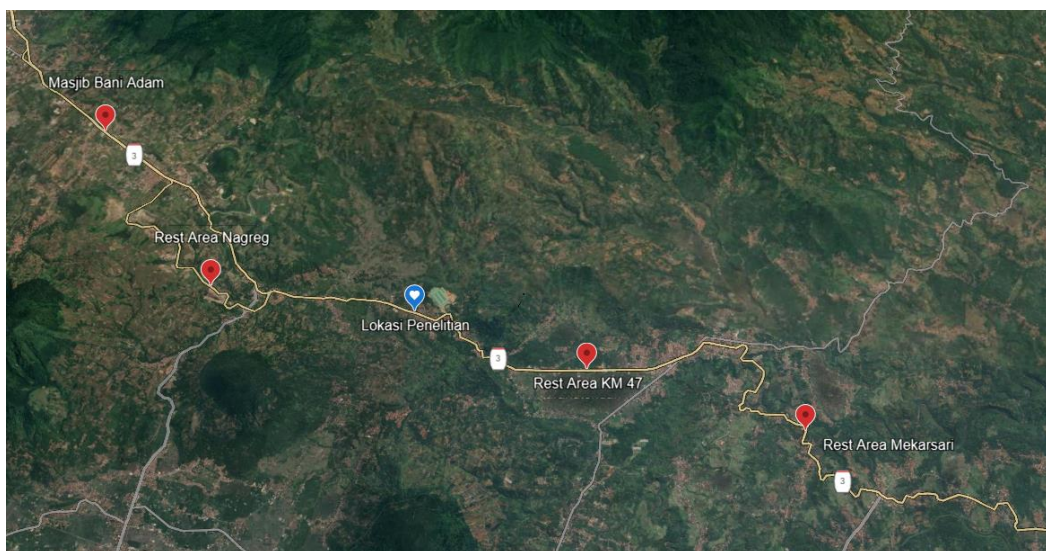


Figure 4. Competitor Locations

Beside their locations, the mentioned competitors are selected because of the similarity of features of services provided with Rest Area Al-Mahdiyyiin. There is a comparison table for Rest Area Al-Mahdiyyiin with others Rest Area competitors:

Table 1. Rest Area Competitor

Rest Area	Type	Wide	Tenant Local	Tenant International	Facility	ratings
Rest Area Al Mahdiyyiin	C	1.1 hectare	Food: 1. Warung Al-Mahdiyyiin 2. Coffee Shop		1.Toilet 2.Mosque 3.Multipurpose Building 4.Guest House	4.5
Rest Area KM 47- RM Pepes Walahar	C	<2.500 m2	Food: 1.RM Pepes Walahar		1. Toilet 2. Mosque 3. Wifi	4.1
Rest Area Mekarsari	C	<2.500 m2	Food: 1. RM WW Nagreg 2 Merchandise food store		1. Toilet 2. Mosque	4.3



Rest Area	C	<1,5 Hectare	1. Souvenir and Oleh-oleh	1. Mosque 2. Toilet 3. SPBU	3.9
Masjid Bani Adam Nagreg	C	<1,5 Hectare	Food: 1.RM Hj. Uun 2 Merchandise food store 3.Tahu Sumedang	1. Toilet 2. Mosque	4.8

Based on table 1 there are many similar facilities in each other area, have facilities that are almost the same as other rest areas, and there is only 1 that has a gas station even with a parking lot that is not so big. for the case of non-toll rest areas rarely and maybe there is no international tenant because the market or travelers who pass by are not suitable for the target market. Masjid Bani Adam Nagreg is the primary competitor of Al-Mahdiyyiin Rest Area. The presence of this competitor necessitates strategic measures to differentiate Al-Mahdiyyiin and retain its customer base.

4) *Root Cause Analysis*

Based on the background of this research, the main business issue of Al-Mahdiyyiin rest area is the stagnation of its business growth, this is reflected in the absence of revenue increase from year to year. The business issue, along with the result of data collection and analysis are utilized in 5 Whys Method to identify the root cause of the problem.

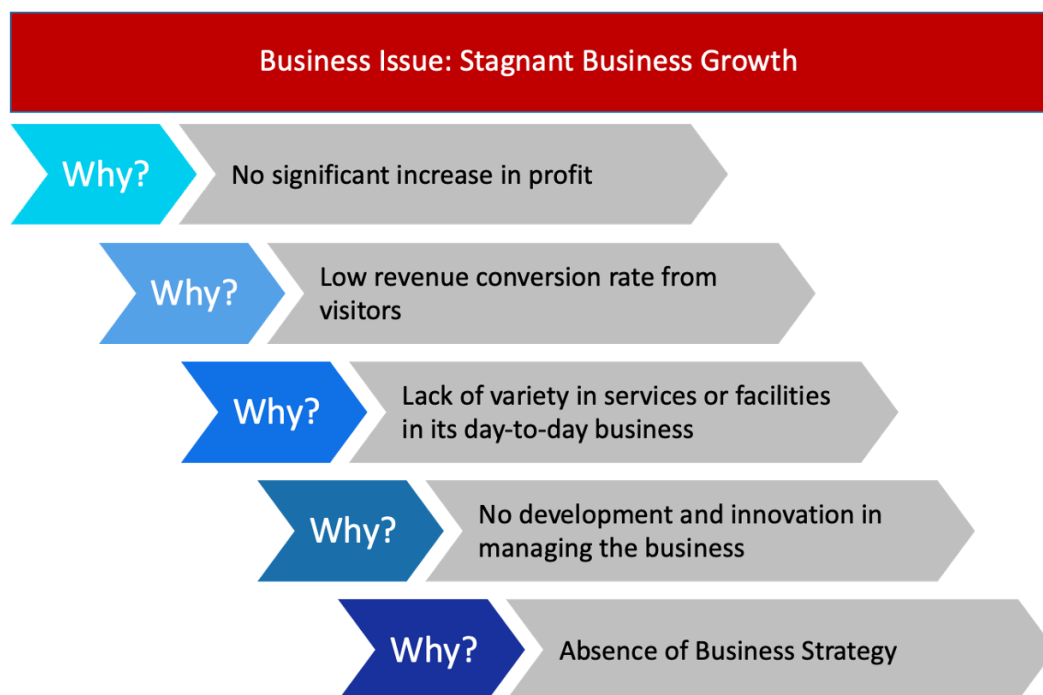


Figure 5. Whys Analysis

The data gathered also indicated that the people are visiting the Rest Area mainly for praying, taking a rest, going to the toilet, and eating in the restaurant. Out of those three purposes, the only activity which generates income is only the restaurant, which is the main revenue stream for the Rest Area. The other sources of income for the rest area are the coffee shop and hotel which are generating way less revenue than the restaurant alone. This indicates a lack of variety in services or facilities for the visitor and a lack of diversification in the revenue stream. Furthermore, business developments and innovations are essentially required, and the management did not exhibit the evidence of those practices. Hence, it may be because of the absence of business strategy that



impacted both daily business activity and in the long run. Given the excellent brand reputation the Rest Area possesses, it is required to implement a well-defined and robust business strategy to strengthen the business growth and maintain competitive advantage.

CONCLUSION & RECOMMENDATIONS

According to the results of Root Cause Analysis and data collection, the stagnant business growth of Al-Mahdiyyiin rest area is characterized by no significant increase in profit from year to year, this is because of the large number of travelers who come to the rest area, only a small portion can be converted by Al-Mahdiyyiin into revenue which is dominated by restaurant sales. The results of the visitor questionnaire show that many visitors want more food and beverage options that can be purchased at the rest area. This was not noticed by Al-Mahdiyyiin before due to the absence of good management practices, such as to determine customer needs as well as business development and innovation to further develop the business. These aspects did not exist because of the absence of a business strategy, which is the root cause of the problems faced by Al-Mahdiyyiin. results of the internal analysis that influence the growth of this rest area are that from a resource based view this rest area is included in parity competitive advantage where it is intangible and tangible valuable for the company's business but is not rare, not costly to imitate, and not valuable. Meanwhile, the results are from external analysis

In the external analysis, Al-Mahdiyyiin has facilities that can compete with several of its competitors, although it is still behind one competitor, namely the Bani Adam Nagreg Mosque rest area, this indirectly shows that the Al-Mahdiyyiin rest area has competitiveness, which where competitiveness must be utilized with new business strategies implemented later. In implementing the plan that has been made, it must be carried out in an integrated manner, considering factors such as financial, operational, and human resources. With careful financial projections, proper development of human resource capabilities, and efficient operational management, the company can achieve its strategic goals and ensure the project's long-term sustainability. The implementation of this plan must be accompanied by continuous evaluation and adjustments to address challenges and capitalize on opportunities. These detailed aspects can also be subjects for further research.

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