

Executive Summary

In the past decade Indonesia's middle class has grown significantly. This growth is parallel to the increase of interest to travel and eventually, also demand in accommodation for budget travelers.

PT FIT Hotel (FHI) Indonesia is going to build and develop a hotel that will be named FITZ Hotel, targeted towards groups of budget travelers (2-6 people). Architecture and interior design of the hotel will be tasteful, yet unique, and stylish with a strategic location and reasonable price. This hotel will also be a benchmark to other similar hotels that operate in the budget travelers market.

The rise of Indonesia's middle class immediately affects the country's consumption pattern and rate. The presence of many budget airlines and hotels in both well-established and undeveloped tourist areas in Indonesia shows the increasing demand for infrastructure development in Indonesia's tourism, both from domestic and international travelers.

The rise of domestic budget tourism in Indonesia creates a niche in the area of budget accommodation for group travelers. The accommodation must meet certain criteria in order to appeal to budget travelers. First, it has to be reasonably priced and second, it must meet a certain level of quality both service and aesthetic wise.

FITZ Hotel will be the first to offer a group friendly accommodation. Rooms will accommodate guests from 2 to 6 people without compromising comfort and without adding extra space. These rooms will answer to budget travelers' necessity to interact in a warm and relaxed atmosphere.

The number one challenge to materialize the concept is of course to maximize space without sacrificing comfort. Answering this challenge means thinking out of the box and a design from a talented young architect from one of Indonesia's best architecture firms has managed to do exactly that. FITZ Hotel is partnering with the said architect and his firm to create rooms that offer bigger capacity due to the merging of two rooms for each bigger-sized room. These merged rooms will be located on different floors. This vertical merging creates larger and comfortable space that is also stylish.

Price wise, FITZ Hotel will be affordable compared to other budget hotels, due to the fact that the hotel offers rooms with bigger capacity, but similar price. In the end the price for each guest will be lower.

The initial investment of this project is about 28.2 billion Rupiahs with a four-and-nine-month payback period. Internal Revenue Rate is set to 32.82% and a 176.09 billion Rupiahs NPV.

Long term, FHI will develop FITZ Hotel to be a hotel chain that is based in Java. This business plan is created for the development of FITZ Hotel in one location, which is Bandung, West Java. FITZ Hotel Bandung will provide exemplary concept for FHI's next budget hotel in another location.