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ANALYSIS ELIGIBILITY ESTABLISHMENT OF A CLOTHING BRAND BUSINESS LINEN FABRIC BASED "KIO STUDIO" AS FORM DEVELOPMENT "KATO+" BRAND BUSINESS

Aldian Muhammad R [1], David Sukardi Kodrat[2]
Universitas Ciputra, Indonesia[1,2]
*Corresponding author: david.kodrat@ciputra.ac.id

ABSTRACT

KIO Studio is a clothing brand made from linen fabric as part of the business development of the KATO+ brand. KIO Studio targets a different market segment from KATO+ while offering similar product types, namely tops, bottoms, bags, and accessories for men and unisex consumers. This business represents an expansion of an existing enterprise; therefore, a feasibility study is required. The feasibility analysis considers market, technical, and financial aspects. Market aspect data were collected using a questionnaire with a purposive sampling method, resulting in a potential market size of 7,858,060 people, an available market of 6,443,610 people, and a target market of 0.04% of the available market, equivalent to 2,577 people. This study examines KATO+ as the company undertaking the business development, which is located in Malang. The research employs a descriptive qualitative method supported by a survey. The technical aspect is used to analyze business processes, labor requirements, investment needs and costs, as well as business location. The financial aspect is applied to assess the feasibility of the business. The calculation results show that the Net Present Value (NPV) is Rp 1,435,027,611, the Internal Rate of Return (IRR) is 11.287%, and the Payback Period (PBP) is 12 months and 21 days. Since the NPV is greater than zero, the PBP is shorter than the investment period, and the IRR exceeds the Minimum Attractive Rate of Return (MARR) of 10.88%, it can be concluded that the KIO Studio business is feasible to be established.
Keywords: Analysis Feasibility, NPV, PBP, IRR, KIO Studio, KATO+

INTRODUCTION

Development economics in the fashion world be one of an increasing phenomenon day become highlight for the perpetrators industry in the country. Movement wheel economy the more develop rapid growth in the sector industry fashion this moment. This thing shown through Figure 1 shows growth production clothes so that continues shoot from year to year. In 2019, the industry textiles and clothing move soared in the first quarter of 2019. Throughout three month, growth industry textiles and clothing So highest recorded with reached 18.98%. This figure increased significantly compared to the same period year then at 7.46 % and increasing from acquisition during 2018 amounting to 8.73% (Coordinating Body Investment, 2019).

Figure 1. Growth Production Ready- to-wear 2011-2019



Source: Lokadata (2020)

Based on E-Commerce Report data (2020) it can be known that product clothing and accessories woman is ranked 6th with an average of 2.8 million purchases per month. While For clothing and accessories man is ranked 12th where average purchase occurs 1.5 million per month. This Phenomenon naturally interesting interest

manufacturer clothes Because the more Lots amount public so the bigger market that can aimed that. See existence market potential of results census population that continues to grow increases, then matter this can also made the perpetrators business for see opportunity open business in industry fashion such as KATO+ and the perpetrators business other.

KATO+ is a friendly unisex fashion brand. environment, with use organic linen material for every collection (linen wear) and use compostable packaging. KATO+ stands since December 2019 and up now has released 5 Volumes. KATO+ products were successful penetrate the international market, KATO+ consumers currently This spread until to Singapore, the Philippines, Malaysia, and Taiwan. The products offered by KATO+ are tops, bottoms, bags and accessories with a price range of Rp.199,000 to Rp.569,000. Table 1 shows existence competition in industrial this models along with comparison from each business model that has product similar especially on linen material. Based on results there is comparison that has been made, then can known that KATO+ has a competitive price range strict with several brands. Then from side type product with linen material owned by KATO+ is more varies such as clothes, trousers, bags, outerwear, and hats whereas variation product competitors from KATO+ is more minimal.

Table 1. Comparison from KATO+ with Competitors

	Product Price Made of Linen	Types of products Made of Linen					Marketing Media			
		Dress	Trousers	Bag	Outwear	Hat	Shopee	Tokopedia	Website	Social media
KATO+	Rp. 149,000 - Rp. 339,000	v	v	v	v	v	v	v		v
Antidot Studios	Rp. 303,000	v	v	v	v			v	v	v
Plenary Session	Rp. 99,000 - 120,000	v	v				v			v
Sivali Factory	Rp. 53,000 - Rp. 120,000	v	v		v		v			v
Peter Nation	Rp. 195,000 - Rp. 325,000	v					v			v

Source: Processed data (2021)

Establishment development something this business usually need done if business main thing that is owned felt Already Enough independent and able develop, so that company want to do expansion with a number of method for example with make child company (Harjono, 2021). Nurazizah & Chumaidiyah (2020) conducted study as design business as well as analyze eligibility for know worthy or whether or not the establishment of the offline store . Some things that can be noted that a business can develop according to Adhrevi and Wessiani (2017), namely a business case where this matter related with taking opportunities and characteristics possessed business said, then can seen from aspect success the team that is inside business the Where related with capability in action team, experience owned Good in a way managerial and each individual. From the things the so something growing business can seen from aspect achievements obtained from what has been planned, time development from beginning startup establishment, up to level consistency all over part from business the in the development process.

Based on the description that has been as explained above, then can summarized phenomena that occur in This research seen from existence improvement to population in Indonesia but clothes with linen material still Not yet too popular in Indonesian society which is visible from the search for linen clothing trends in Indonesia is still low. This is also caused by the low GDP in Indonesia if compared to with other countries. In addition, no A little consumer and candidate consumer from KATO+ which provides comment about discount or promo. So that study about analysis eligibility development KATO+ business as company with business linen clothing is necessary done. Things the important for researched to become material considerations when viewed from market, technical and

operational, financial aspects about opening business this later day. So that problem study is How eligibility investment development KATO+ business reviewed from market and marketing aspects, aspects technical and operational, as well as aspect financial (profit and risk).

LITERATURE REVIEW

A business feasibility study is a series of activities conducted to examine a business or project in depth before it is implemented. This study aims to determine whether a proposed business is feasible to be carried out or not (Kasmir & Jakfar, 2020). The primary purpose of conducting a feasibility analysis is to evaluate the implementation of a business, including, among others, the organization's and management's ability to realistically accomplish the required tasks (Berry & Shabana, 2020). A feasibility analysis generally begins with market aspects, followed by technical aspects, and based on these two aspects, it is further processed into financial analysis and sensitivity analysis (Zativa & Chumaidiyah, as cited in Nurazizah & Chumaidiyah, 2020). There are five main objectives for conducting a feasibility study before a business or project is implemented, namely to avoid the risk of loss, to facilitate planning, to simplify work implementation, to ease supervision, and to improve control (Kasmir & Jakfar, 2020).

According to Sulastri (2016), a business development feasibility study is not only intended for large or well-established businesses but can also be conducted by businesses planning to expand or by entrepreneurs who intend to start a small-scale business. Similarly, Sulasih et al. (2021) state that feasibility studies are essential for individuals or organizations seeking to establish or develop new businesses at different levels of intensity. Furthermore, Husnan and Suwarsono, as cited in Yulianingsih et al. (2019), explain that feasibility studies for business development generally encompass several key aspects, including market, technical, financial, legal, and macroeconomic aspects, which should be adjusted to the conditions and characteristics of the company.

Market and Marketing Aspects

Berry and Shabana (2020) revealed that studies on market and marketing aspects aim to examine the extent to which the marketing of a company's products can support business development or planned business activities. Hafidin (2021) stated that market aspects are used to analyze the market pulling power, which is closely related to market growth, market size, market demand, and market accessibility (Noor, 2016). Similarly, Utari et al. (2019) argued that companies need to identify and target their target market in order to understand existing market demand and effectively fulfill it. Kotler, as cited in Widayati (2018), explained that a marketing strategy is a pattern of thinking used by marketers to achieve organizational objectives. Marketing strategy plays a crucial role in business processes, as it guides companies in directing their efforts toward achieving their goals. Furthermore, according to Kasmir and Jakfar (2017), there are three key components that must be analyzed in market aspects, namely the potential market, available market, and target market.

Technical and Operational Aspects

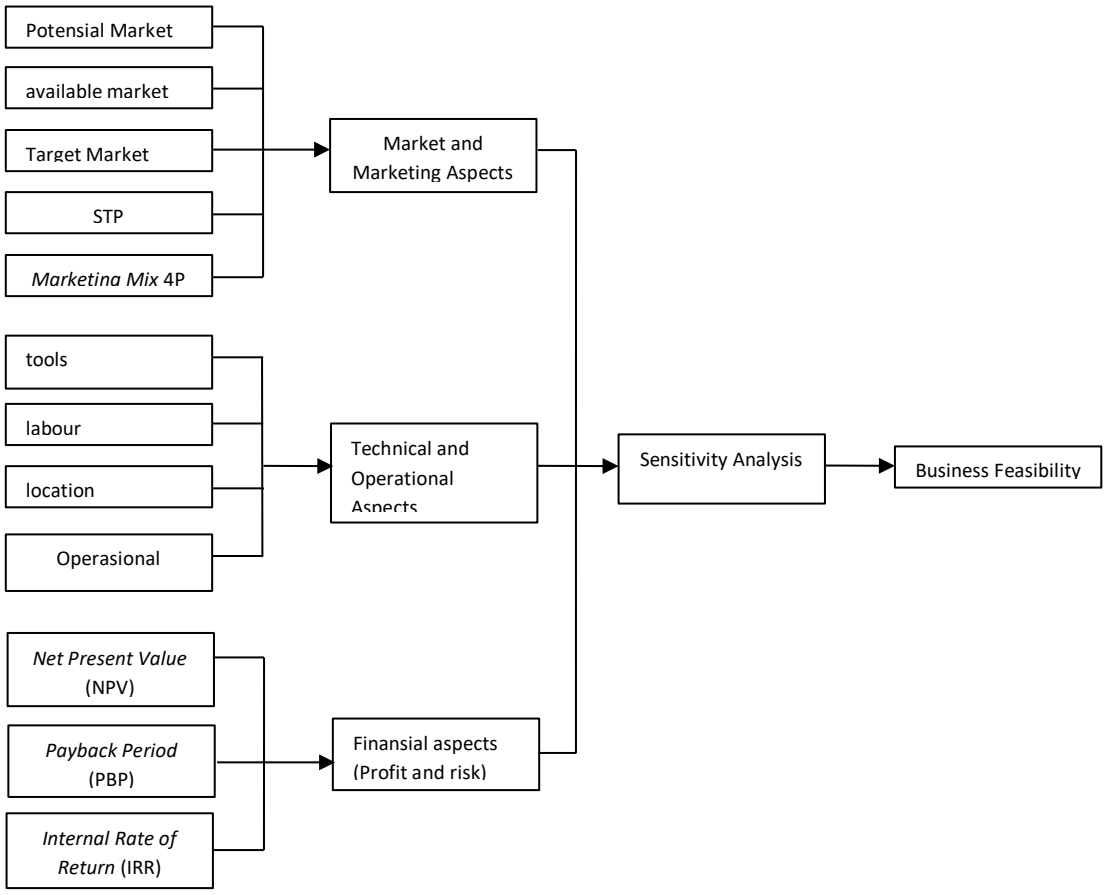
The technical aspect refers to factors related to the technical and operational processes of a project after it has been constructed and implemented. Through this analysis, the initial design and estimation of investment costs, including operating and exploitation costs, can also be determined (Husnan, as cited in Arlendatama et al., 2019). According to Kasmir and Jakfar (2020), the technical aspect requires several elements to be clearly defined, including business location, layout design, and the technology used. In addition, Hafidin (2021) stated that the technical aspect is also associated with the standards of materials used, the quantity and quality of labor, production processes, and product storage systems. In this context, companies are required to enhance their competitive advantage through adjustments in products, pricing, and quality. Therefore, companies need to establish partnerships with appropriate and reliable suppliers in order to compete effectively with existing competitors. If a company is able to control its supply chain through loyal suppliers, it is expected to maintain business continuity and long-term sustainability.

Aspects Financial (Profit and Risk)

The purpose of financial aspect analysis in a business feasibility study is to determine the investment plan by calculating the expected costs and benefits through a comparison between expenditures and revenues. This analysis evaluates several factors, including the availability of funds, cost structures, and the project's ability to repay invested capital within a predetermined period, as well as assessing whether the project can continue to grow sustainably (Murnawati, 2018). In addition, commonly used methods for financial feasibility analysis include the Net Present Value (NPV), Internal Rate of Return (IRR), Payback Period (PBP), and Profitability Index (PI). In every business activity, there is an inherent element of uncertainty in the form of risk, which may lead to losses if not properly managed. Sources of risk vary and may arise from business income, asset utilization and ownership, cash flow management, and other operational factors (Hanafi, as cited in Utari et al., 2019).

Analysis Model

Figure 2. Conceptual Model



Source: Processed Data (2021)

RESEARCH METHODS

Study This including in study descriptive qualitative method assisted survey. This Research researching KATO+ as the company that will done development business located in Malang. As for the time implementation in this study that is held from October 2021 to finished. Population from this study for answer market aspects are all over candidate consumer from KIO Studio using Instagram. The technique of taking samples used namely purposive sampling so that there is a number of criteria in determination sample. Criteria sample in this study that is users active on Instagram and in range aged 15-40 years. Because the number of population from this study is not known the amount, then ror count amount minimum sample in this study use formula from Supranto's formula in Adriyati and Indriani (2017) as following:

$n = (0.25)\left(\frac{z\alpha/2}{\varepsilon}\right)^2$ so that become like the following $n = (0.25)\left(\frac{1,96/2}{0,1}\right)^2 = 96.04$

Obtained the number of samples used in the study This that is as much as 96.04 or rounded to 96 respondents. The method that will be used for see market and marketing aspects that is use questionnaire and observation field. The results of questionnaire the processed and tested validity its reliability using SPSS for can know how much large potential market, and target market.

RESULT AND DISCUSSION

Potential Market

Based on the results of the questionnaires distributed to the sample, validity and reliability tests were conducted to evaluate the quality of the respondents' answers and to assess the potential market. The results of these tests are presented in the table below:

Table 2. Validity Questionnaire

Statement	Pearson Correlation	Sig.
I noticed product linen clothing	0.838	0,000
I am interested in to product linen clothing	0.834	0,000
I want to buy product linen clothing	0.855	0,000
I believe to product linen clothing	0.821	0,000

Source: Source processed, 2021

Table 2 shows results validation on each statements in the questionnaire research. Can be seen mark significance from the Pearson Correlation test show value <0.05 or in other words a questionnaire in study This can said to be valid.

Table 3. Reliability Questionnaire

Variables	Cronbach Alpha
Potential Market	0.854

Source: processed data, 2021

Table 3 shows results reliability on each existing statements on the questionnaire research. Can be seen mark Cronbach Alpha on market variables is available This show value >0.6 or in other words a questionnaire in this study can it is said reliable. Therefore, that results from questionnaire in this study can analyzed more carry on:

Table 4. Description of Potential Market

No.	Statement	Evaluation					Mean	Std. Dev
		STS	TS	CS	S	SS		
		1	2	3	4	5		
1.	I noticed product linen clothing	2	7	22	36	29	3.86	1,001
2.	I am interested in to product linen clothing	1	3	13	33	46	4.25	0.883
3.	I want to buy product linen clothing	0	4	11	39	42	4.24	0.818
4.	I believe to product linen clothing	0	7	13	40	36	4.09	0.895

Source: data processed, 2021

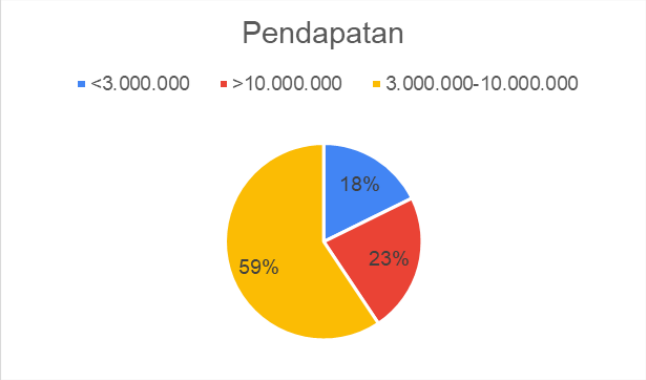
Table 4 shows that the majority of respondents tend to agree with statements one, two, three, and four. The highest mean value is observed for the statement "I want to buy linen clothing products." This indicates that most respondents express a strong intention to purchase linen clothing, which should be carefully considered by the company in its business development strategy. The lowest standard deviation is also found in the same statement, indicating that respondents' answers are relatively homogeneous, reflecting a consistent level of interest among respondents. In contrast, statements with higher standard deviation values indicate more heterogeneous responses.

Based on the questionnaire results, it can be concluded that 92 out of 96 respondents expressed an intention to purchase linen clothing. This implies that 92 respondents, or 95.83% of the total sample, represent a potential market for the development of the KATO+ business. This finding is consistent with the study by Putri et al. (2017), which defines the potential market as individuals who have an interest in or desire for a particular product. Accordingly, when this concept is applied to one of the largest marketplaces in Indonesia, namely Shopee, which during the third quarter recorded the highest number of Instagram followers at approximately 8,200,000 users, the potential market can be estimated as follows:

Potential market = 95.83% x 8,200,000 = 7,858,060 people

Available Market

Figure 3. Average Income Every Month Respondents



Source: data processed, 2021

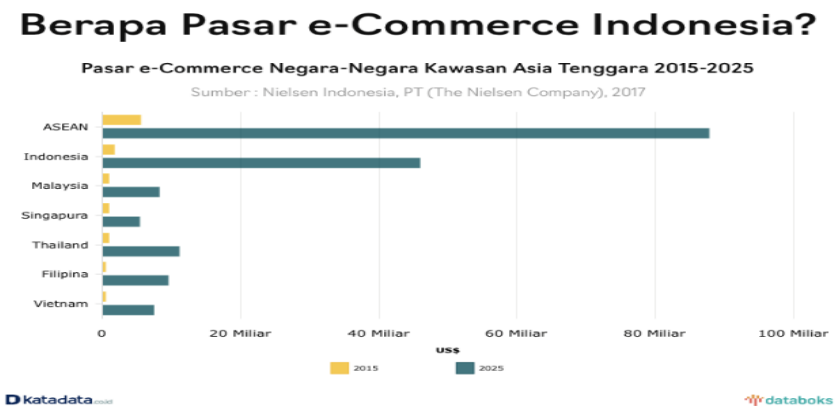
Based on Figure 3 it shows can seen majority respondents own income in range of Rp. 3,000,000 to Rp. 10,000,000, namely by 59%. Next in position second respondents own income >Rp. 10,000,000, namely by 23%. The rest respondents 18 % have income <Rp3,000,000. Therefore that, can concluded for the available Indonesian market for development KATO+ business is 82% of the potential market or with amount as as follows: Available market = 82% x 7,858,060 = 6,443,610 people.

Target Market

Based on results questionnaire that has been described in potential market and available market so in development KATO+ business takes 0.04% of the available market that is as many as 6,443,610 people for be made the target market that you want achieved that is:

Target market = 0.04% x 6,443,610 = 2,577 people

Figure 4. e-Commerce Market in Southeast Asian Countries 2015-2025



Source: Databoks.katadata.co.id (2022)

Based on research data conducted by PT Nielsen Indonesia in 2017, Indonesia was projected to account for up to 52% of Southeast Asia's e-commerce market by 2025, making it the largest e-commerce market in the region. This growth is driven by the increasing size of the middle-class population, wider internet access, the rapid development of small cities, and limited access to traditional retail markets, all of which have accelerated the growth of domestic e-commerce. This trend was evident in 2015, when electronic transactions accounted for less than 1% of total retail sales, equivalent to approximately USD 1.7 billion. However, by 2025, this figure is predicted to increase to 8% of total retail transactions, or approximately USD 46 billion. Therefore, these conditions indicate a significant opportunity for KIO Studio to enter and compete in the Indonesian e-commerce market in the coming years.

Technical and Operational Aspects

Equipment and Materials

The primary raw materials used in the production process are Euro linen fabric, Kobe linen fabric, and pure striped linen fabric. The linen fabrics selected are available in a variety of colors suitable for daily wear and are offered at a relatively affordable price range of approximately IDR 35,000–40,000 per yard. Linen fabric has several advantages, including the presence of large fiber gaps that allow better air circulation, making the material feel cool when worn and capable of effectively absorbing sweat. Due to these characteristics, linen fabric is highly suitable for use in Indonesia's tropical climate. The raw materials are sourced from a distributor located in Bandung. The following figure presents the standard materials that will be used in the production of KIO Studio:

Figure 5. Linen Fabric Material



Source: Google (2021)

Besides that there is material complement like cloth button from Bandung, cloth Canvas from Jakarta and Malang, and several complement others provided alone. Then there is a number of equipment used in produce this product that is:

Figure 6. Machine Sew





Source: Documentation Personal (2021)

Labor

KIO Studio is business large-scale start-ups micro which is develop from KATO+ business where structure organization used Still simple. Here is structure organization from KIO Studio:

Figure 7. Structure Organization



Source: Internal Data (2021)

As for the power planned KIO Studio work that is totaling 15 people with a number of qualification as following:

Table 5. Description Work

Position	Amount	Qualification	Description Work
Owner	1	• Own vision mission • Able to coordinate company • Able to take decision with fast and correct • Update with current market trends This • Update technology • Own sense of design	• Lead company • Determine vision and mission company • Take decisions and policies highest in the company • Responsible answer on advantages and disadvantages company • Coordinate all activity company • Looking for design ideas medium clothes trend
Production	9	• Able to work under pressure • Able to work with fast • Careful	• Do not quite enough the answer that has been approved in contract Work • Helping the owner find design product • Order material standard • Make product
Admin & Marketing	4	• Know system administration • Able to operate social media and marketplace dashboards	• Responsible answer on all matter related company administration and marketing • Coordinate incoming orders • Documentation product • Upload products to social media and marketplace • Make marketing content • Do inventory taking
Finance	1	• Careful • Honest • Responsible answer • Careful • Can operate excel or application finance simple • Understanding the bookkeeping process	• Responsible answer on all matter related finance company • Take notes bookkeeping as well as make report finance • Report report finance to the owner • Manage company cash flow

Source: Internal Data (2021)

This is also supported with results interview with the source who revealed importance ability power Work in operate something business as following:

"According to me, the most that important, they rich must be up to date i according to." – E-10,154
It has to be up to date. Yes, it has to be up to date, because if for example, not up to date competition new or anything that 's viral, I mean right So, so no develop yeah I according to. In fact, if he liking fashion is just a plus yeah, according to me, that's it. So it seems Yes, you have to, you have to be up to date i according to." – E-10,154
"Then hardworking is also important automatic." – E-10,156

Operational

This Following is results interview with source person regarding and operational from something business fashion :

"In my opinion, when establishing a fashion startup, one of the most important aspects is having a clear organizational structure, especially in the early stages. Initially, it is essential to have a production division, as this division plays a crucial role in the core business activities. In addition, there should be a division that handles administrative and office-related matters, including administration, finance, and social media management, all of which are also highly important for business operations. Therefore, at the initial stage, the business structure can be divided into two main divisions: the production division, which is responsible for managing all production-related activities, and the administrative division, which oversees office operations, financial management, and social media activities." – E-9,132

Based on the interview results, it can be identified that within the operational activities of a fashion startup, the production division plays a crucial role in ensuring the business operates effectively. This includes the management of human resources, which are divided into several designated divisions responsible for overseeing the production process as well as office-related functions such as administration and marketing. In the KIO Studio business, human resource specifications have been structured into a simple organizational structure, as previously described, with specific criteria and qualifications assigned to each position. In addition, to ensure that business operations run efficiently and properly, Standard Operating Procedures (SOPs) are required to guide company activities.

One of the operational SOPs implemented by KIO Studio involves the production process, which begins with the procurement of standard raw materials in the form of fabric from Bandung. The manufacturing process then proceeds with the development of product design ideas by the owner. These ideas are translated into visual designs in the form of sketches, which are then forwarded to the production division for pattern making. Once the patterns are completed, the process continues to the sewing stage, which is carried out by skilled sewing personnel. The finished products then undergo a quality evaluation process. If the production results do not meet the required standards, rework is conducted. Once the products are deemed satisfactory, they proceed to the finishing stage, resulting in products that are ready for sale. Product photography is then conducted, followed by photo enhancement processes such as editing and resizing to meet the specifications required by marketplaces and social media platforms. Finally, the product images are uploaded to social media and online marketplaces, and the products are ready to be marketed.

Aspect Financial (Profit and Risk)

Analysis Percentage and Income

The table This below show estimation income KIO Studio business in the 5 periods that will be come that is 2022 to 2026. As for the increase the price that occurs on this KIO Studio product by 1.87% every he knows Where number increase the is number Indonesia's inflation rate in 2021. Range price sell product This started from Rp. 149,000 to with Rp. 229,000 so that an average of Rp. 189,000 was obtained. Then estimation improvement number demand obtained through calculations on market and growth aspects demographics based on from BPS so that obtained projection income as following:

Table 6. Estimates Income Period 2022-2026

Year	Demand / year	Price	Growth users social media	Ascension price	Estimation Income
2022	2,912	Rp192,534			Rp560,659,882
2023	3,095	Rp196,135			Rp607,036,870
2024	3,290	Rp199,802	6.3%	1.87%	Rp657,349,929
2025	3,497	Rp203,539			Rp711,774,887
2026	3,717	Rp207,345			Rp770,700,953

Source: Processed Data (2021)

Financial Data

In the this section explain various type cost necessary expenses company. This is including cost direct costs, overhead costs, and overhead costs operational from company. Costs the projected until 2026 for needs calculation financial at the next stage. Projection cost maintenance inventory and buildings as well as cost operational and HR management will experience 5% increase every year Where number the is policy from owner of KIO Studio.

Table 7. KIO Studio Net Profit Projection for the 2022-2026 Period

Information	2021	2022	2023	2024	2025	2026
RECEPTION						
Sale	Rp209,890,000	Rp560,659,882	Rp607,036,870	Rp657,349,929	Rp711,774,887	Rp770,700,953
Subtotal Reception	Rp209,890,000	Rp560,659,882	Rp607,036,870	Rp657,349,929	Rp711,774,887	Rp770,700,953
EXPENDITURE						
Projection Cost Maintenance Inventory and Buildings						
Cost maintenance Inventory	-Rp7,000,000	-Rp7,350,000	-Rp7,717,500	-Rp8,103,375	-Rp8,508,544	-Rp8,933,971
Cost Maintenance Building	-Rp8,000,000	-Rp8,400,000	-Rp8,820,000	-Rp9,261,000	-Rp9,724,050	-Rp10,210,253
Total cost Maintenance Inventory and Buildings	-Rp. 15,000,000	-Rp. 15,750,000	-Rp16,537,500	-Rp17,364,375	-Rp18,232,594	-Rp19,144,223
Projection Cost Operational & Human Resources Management						
Projection cost advertising, promotion, & entertainment	-Rp26,400,000	-Rp27,720,000	-Rp29,106,000	-Rp30,561,300	-Rp32,089,365	-Rp33,693,833
Projection cost utilities	-Rp13,800,000	-Rp14,490,000	-Rp15,214,500	-Rp15,975,225	-Rp16,773,986	-Rp17,612,686
Projection cost wages Director	-Rp. 60,000,000	-Rp. 63,000,000	-Rp66,150,000	-Rp69,457,500	-Rp72,930,375	-Rp76,576,894
Projection cost wages employee	-Rp. 57,000,000	-Rp59,850,000	-Rp62,842,500	-Rp65,984,625	-Rp69,283,856	-Rp72,748,049

Projection outsourcing costs	-Rp. 6,000,000	-Rp6,300,000	-Rp6,615,000	-Rp6,945,750	-Rp7,293,038	-Rp7,657,689
Total cost operational & HR management	-Rp163,200,000	-Rp171,360,000	-Rp179,928,000	-Rp188,924,400	-Rp198,370,620	-Rp208,289,151
Total Load	-Rp178,200,000	-Rp187,110,000	-Rp196,465,500	-Rp206,288,775	-Rp216,603,214	-Rp227,433,374
Ending Cash Balance	Rp. 31,690,000	Rp373,549,882	Rp410,571,370	Rp451,061,154	Rp495,171,673	Rp543,267,579

Source : Processed data (2021)

Net Present Value (NPV)

Bank interest rates in Indonesia at the this moment 2021, namely by 7%. NPV = Present value cash in flow - Present value of investment

$$= \left(\frac{R1}{(1+i)^t}\right) + \left(\frac{R2}{(1+i)^t}\right) + \left(\frac{R3}{(1+i)^t}\right) + \left(\frac{R4}{(1+i)^t}\right) + \left(\frac{R5}{(1+i)^t}\right) - \text{Present value of investment}$$

Information:
NPV = Net Present Value
R = Net cash in flow year walk
i = Interest rate (7%)
t = Current Year

$$\text{NPV KATO+} = \left(\frac{Rp\ 373.549.882}{(1+0{,}07)^1}\right) + \left(\frac{Rp\ 410.571.370}{(1+0{,}07)^2}\right) + \left(\frac{Rp\ 451.061.154}{(1+0{,}07)^3}\right) + \left(\frac{Rp\ 495.171.673}{(1+0{,}07)^4}\right) + \left(\frac{Rp\ 543.267.579}{(1+0{,}07)^5}\right) - \text{IDR } 406{,}000{,}000$$

$$= \text{Rp. } 1{,}841{,}027{,}611 - \text{Rp. } 406{,}000{,}000$$

$$= \text{Rp. } 1{,}435{,}027{,}611$$

Based on calculation Net Present Value (NPV) above, then obtained that the NPV of KIO Studio is amounting to Rp 1,435,027,611 (NPV > 0). So can it is said that investments made can give benefit for company, therefore that investment can accepted and KIO Studio can stated worthy for developed Because NPV value has mark positive . The DF (Discount Factor) value used is by 11% and 12%. The following is NPV1 and NPV2 calculations:

Table 8. NPV1 and NPV2 values

Year	Net Cash Value	Rate 11%		Rate 12%	
		DF	PV1	DF	PV2
1	Rp373,549,882	0.901	Rp336,568,444	0.893	Rp333,580,045
2	Rp410,571,370	0.812	Rp333,383,952	0.797	Rp327,225,382
3	Rp451,061,154	0.731	Rp329,725,704	0.712	Rp321,155,542
4	Rp495,171,673	0.659	Rp326,318,133	0.636	Rp314,929,184
5	Rp543,267,579	0.593	Rp322,157,674	0.567	Rp308,032,717
Total Net Cash PV			Rp1,648,153,906		Rp1,604,922,869
Total PV of Investment			Rp406,000,000		Rp. 406,000,000
NPV			Rp1,242,153,906		Rp1,198,922,869

Source: Processed Data (2021)

Based on calculation above, then obtained NPV1 and NPV2 values with using 2 DF values. Obtained NPV1 value of Rp. 1,242,153,906 with DF value 11%. Meanwhile NPV2 value of Rp. 1,198,922,869 with DF value 12%.

Payback Period (PP)

$$\text{Payback period} = n + \frac{a-b}{c-b} \times 1 \text{ tahun}$$

$$= 0 + \frac{\text{Rp } 406.000.000 + \text{Rp } 187.110.000}{\text{Rp } 373.549.882 + \text{Rp } 187.110.000} \times 1 \text{ tahun}$$

$$= 0 + \frac{\text{Rp } 593.110.000}{\text{Rp } 373.549.882} \times 1 \text{ tahun}$$

= 1,058 years
= 12,696 months
=12 months 21 days

Based on calculation on so can concluded time period cash back for KIO Studio is around 12 months more than 21 days. This is show that mark investments that have been issued by KIO Studio will return in range 1 year time more than 21 days. Therefore that, KIO Studio's efforts are worthy for executed.

Internal Rate of Return (IRR)

$$IRR = i1 + \frac{NPV1}{NPV1 - NPV2} \times (i2 - i1)$$

$$= 11\% + \frac{\text{Rp } 1.242.153.906}{\text{Rp } 1.242.153.906 - \text{Rp } 198.922.869} \times (12\% - 11\%)$$

= 11% + 28.73 x (12% - 11%)
= 11.287%

Can be seen from results calculation above, value from IRR that is of 11.287%. The loan interest rate used become reference is base interest rate credit from the East Java Regional Development Bank (BPD) in November 2021 amounted to 10.88%. show that IRR value is higher big compared to with level interest rates, so that can it is said that KIO Studio is stated worthy for executed.

Table 9. Analysis Results Aspect Financial (Profit and Risk)

No	Provision	Condition	Analysis
1.	Net Present Value (NPV)	NPV value IDR 1,435,027,611 (NPV > 0)	Worthy
2	Payback Period (PP)	12 months 21 days investment beginning return after do investment beginning	Worthy
3	Internal Rate of Return (IRR)	The IRR value (11.287%) is bigger compared to with level interest rate (10.88%)	Worthy

Source: Processed Data (2021)

Based on results analysis on aspect Financial (Profit and Risk) then KIO Studio said it can stated worthy for executed.

CONCLUSIONS AND PRACTICAL IMPLICATION

CONCLUSIONS

Based on the results of the analysis and discussion, it can be concluded that the market and marketing aspects of KIO Studio are feasible for business development as an extension of the KATO+ brand. This conclusion is supported by the study results, which indicate the existence of a sufficiently large and sustainable target market for the next five years. In addition, the market segmentation targeted by KIO Studio is clearly defined, focusing on men and unisex consumers within the lower-middle market segment. The objective of this business development is to reach a broader market through online marketing strategies, including the use of Instagram, other social media platforms, and online marketplaces. Meanwhile, the positioning of KIO Studio, "It is diverse. It is timeless," reflects the brand's intention to offer products that are not limited to specific consumer groups. Based on the technical and operational analysis, the business location and facilities used for KIO Studio's operations are considered feasible, supported by adequate equipment to sustain operational activities. Furthermore, KIO Studio has established Standard Operating Procedures (SOPs) that are appropriate for implementation, along with an organizational structure and job descriptions that have been aligned with the business's operational needs. From the financial aspect analysis, KIO Studio demonstrates a Net Present Value (NPV) greater than zero, indicating positive financial feasibility. The Internal Rate of Return (IRR) exceeds the applicable interest rate of 10.88%, and the Payback Period (PBP) analysis shows that the initial investment can be recovered within 12 months and 21 days. Therefore, based on the comprehensive analysis conducted, it can be concluded that the KIO Studio business is feasible to be developed.

IMPLICATIONS

After do study studies eligibility development KATO+ business through review towards 3 aspects like market and marketing aspects, aspects technical and operational, as well as aspect financial so can summarized for condition before and after studies eligibility development this business:

Table 10. Implications Managerial

No.	Before Study	After Study
	IMPLICATIONS OF MARKET AND MARKETING ASPECTS	
1.	Have not measured the potential market, available market, and target market owned by KIO Studio	More know large potential market owned so that can determine the size of the target market that will be targeted for KIO Studio. With Thus KIO Studio can make estimate products that will be produced in accordance with need the market.
2.	STP strategy is not yet mapped in a way clear and structured so that consumers who still Can reached by the company Not yet achieved	This STP analysis own role important on KIO Studio started from determination segmentation that will be targeted that is men and unisex with class middle low. So KIO Studio is more focus in product model development. This also makes the target market become more directed with targeting online especially marketplace. Then for positioning from KIO Studio itself become more clear and detailed according to with Its positioning is " It is diverse. It is timeless." So KIO Studio can develop product model ideas that can used by whom just.
3.	Previous marketing mix analysis Not yet done in a way maximum	More clear in understand marketing strategies better. For example, in place, the company will more efficient use online marketplace. Then on the product that will R&D is also needed for sale to be able to follow trends and knowing what becomes desire consumers at the time That use Euro linen, Kobe linen, and Pure linen with striped motifs. In addition determination price at KIO Studio is also more directed Where published price will cheaper compared to KATO+ accordingly with need from

		consumers. From the side promotion is also more know tools that are currently This more effective for done with results that reach a wider market good , that is with using IG Ads, FB Ads, TikTok , and also uploaded IG Reels routinely.
IMPLICATIONS OF TECHNICAL AND OPERATIONAL ASPECTS		
4.	Equipment and materials owned Already Enough complete	More streamline productivity from the equipment owned, of course with use materials used .
5.	The workforce owned Already in accordance with required job description	At KIO Studio it is required training or addition outlook towards the human resources owned so that they are able follow market needs.
6.	Production locations and offices used Already Enough accommodate need KATO+ business	At KIO Studio it is required arrangement more carry on for each division so that the flow production product like go out enter material and goods So more regular .
7.	operational aspects that KATO+ had before study Already Enough Good with existence quantity source power required sufficient with welldone.	Create and implement SOPs in every activity company so that can more make it easier employees involved easyly For operate his job with good and orderly.
IMPLICATIONS OF FINANCIAL ASPECTS (PROFIT AND RISK)		
8.	There is a number of initial capital inventory However Not yet recorded in detail	Inventory owned can recorded with Gooder so that can known how much the amount of capital owned at the start operate business This .
9.	Report profit make a loss usually made in form simple However No Once do projection to future income and expenses	After done analysis This so owner business more can arrange finance with good and able allocate budget For need promotion from business that is run. From the matter said, then perpetrator business can share his finances for needs term short and prepare For needs term length.

Source: Processed Data (2021)

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