

Potential and Feasibility of Babershop Investment for Millennials in Kraksaan District

Potensi Dan Kelayakan Investasi Babershop Untuk Kaum Milenial Di Kecamatan Kraksaan

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Abstract

This study aims to analyze the potential and feasibility of barbershop investment for millennials in Kraksaan District, Probolinggo Regency. Using a qualitative approach, this study collected data through in-depth interviews, observations, and document analysis. The results of the study indicate that Kraksaan District has a large market potential for barbershop businesses, especially since around 35% of the population are millennials who tend to have a modern lifestyle and like quality services. Millennial consumers prioritize customer experience, including the quality of haircuts and a comfortable barbershop atmosphere, as well as easy access through online ordering applications. In terms of investment feasibility, the barbershop business in Kraksaan shows promising prospects, with a payback period of around 2 to 3 years and a net profit of 25–30% per month. However, the challenges faced are tight competition and the need to improve the quality of service and business management. This study concludes that with the right service innovation and marketing strategy, the barbershop business in Kraksaan District can grow rapidly and provide significant profits.

Keywords: *Market potential, investment feasibility, barbershop, millennials, Kraksaan, marketing strategy.*

Abstrak

Penelitian ini bertujuan untuk menganalisis potensi dan kelayakan investasi barbershop bagi kaum milenial di Kecamatan Kraksaan, Kabupaten Probolinggo. Menggunakan pendekatan kualitatif, penelitian ini mengumpulkan data melalui wawancara mendalam, observasi, dan analisis dokumen. Hasil penelitian menunjukkan bahwa Kecamatan Kraksaan memiliki potensi pasar yang besar untuk usaha barbershop, terutama karena sekitar 35% populasi merupakan kaum milenial yang cenderung memiliki gaya hidup modern dan menyukai layanan berkualitas. Konsumen milenial lebih mengutamakan pengalaman pelanggan, termasuk kualitas potongan rambut dan atmosfer barbershop yang nyaman, serta kemudahan akses melalui aplikasi pemesanan online. Dari sisi kelayakan investasi, usaha barbershop di Kraksaan menunjukkan prospek yang menjanjikan, dengan waktu pengembalian modal sekitar 2 hingga 3 tahun dan keuntungan bersih mencapai 25–30% per bulan. Meskipun demikian, tantangan yang dihadapi adalah persaingan yang ketat dan kebutuhan untuk meningkatkan kualitas pelayanan serta manajemen usaha. Penelitian ini menyimpulkan bahwa dengan inovasi layanan dan strategi pemasaran yang tepat, bisnis barbershop di Kecamatan Kraksaan dapat berkembang pesat dan memberikan keuntungan yang signifikan.

Kata Kunci: *Potensi pasar, kelayakan investasi, barbershop, milenial, Kraksaan, strategi pemasaran.*

Introduction

In recent years, the service sector in Indonesia has experienced rapid growth, especially in the areas of lifestyle and personal care. One business that has experienced a significant surge is barbershops. By combining a modern concept and a comfortable atmosphere, barbershops have become one of the main choices for millennials for hair care and lifestyle (Supadilah, 2022). Amid changes in consumption patterns and preferences of the younger generation, barbershops are no longer just places to get haircuts, but also social spaces that accommodate the needs of an urban lifestyle (Meksiardi & Lusianus, 2021). Kraksaan District, as one of the economic centers in Probolinggo Regency, offers promising investment opportunities in this sector. With demographics dominated by the millennial generation, this region has large market potential for barbershop business development.

The millennial generation in Kraksaan has unique consumption characteristics, with a tendency to seek services that are quality, have aesthetic value, and provide a different experience compared to traditional services (Group 2, n.d.). However, in starting a business in this field, an in-depth analysis of market potential and investment feasibility is required. Market potential analysis includes studies of consumer needs, service preferences, and local competitiveness. On the other hand, investment feasibility involves evaluating technical, managerial, financial and socio-cultural aspects. Similar research shows that the success of a barbershop business is largely determined by strategic location, service quality, innovative concepts, and effective marketing strategies (Odysen Barbershop, n.d.).

This article aims to review the potential and feasibility of barbershop investment in Kraksaan District, with a focus on the needs and preferences of millennials as the main target market. Apart from that, this research also aims to provide business strategy recommendations that can be adopted to ensure business sustainability. By prioritizing in-depth analysis and the latest data, it is hoped that this article can become a reference for potential investors and business actors who are interested in developing a barbershop business in this region.

Investment in the business world, especially in the MSME sector, has a strategic role in supporting local and national economic growth. According to Kasmir (2014), investment is expenditure or capital investment with the aim of generating profits in the future. In the context of MSMEs, investment involves the allocation of financial, human and technological resources to establish or develop a business. The investment feasibility aspect is very important to review before starting a business. Feasibility evaluation is carried out by considering various dimensions, such as market, technical, management, financial and social impact aspects. Barbershops, as a form of service business, require an investment approach that focuses not only on profit potential, but also on the ability to meet local market needs. In Kraksaan District, analysis of demographic conditions, people's purchasing power and local competition are essential in determining the feasibility of this business (BPS, 2022).

Changes in people's lifestyles, especially the millennial generation, have encouraged barbershops to evolve from traditional haircut services to modern, experience-based businesses (Supadilah, 2022). Barbershops now not only offer haircut services but also carry the concept of a comfortable social space, equipped with additional facilities such as cafes, photo areas and light entertainment. The millennial generation, as the main consumers of

modern barbershops, has unique consumption characteristics. They tend to value aesthetics, the experience offered, and the personal quality of service. In a study conducted by Takaeb and Kelen (2021), service innovation is one of the main factors in the success of a barbershop business. Examples of innovation include attractive interior design, use of technology for service ordering, and customer loyalty programs.

The millennial generation, born between 1981 and 1996, is known as a group of people who are very connected to digital technology and have a very dynamic lifestyle (Kotler & Keller, 2016). They prioritize experience, innovation and added value in everything they consume. In the barbershop context, millennial consumers are looking for services that not only fulfill their haircut needs, but also create a memorable experience. According to Odysen Barbershop (n.d.), social media is one of the main factors influencing the consumption decisions of the millennial generation. Having a presence on digital platforms like Instagram, TikTok, and YouTube helps increase brand awareness while creating visual appeal. In Kraksaan District, the millennial generation who are active on social media provides a great opportunity for barbershop businesses to utilize this platform as a marketing tool.

In the digital era, technology-based marketing strategies have become a major necessity for businesses to reach a wider range of consumers. According to Kotler and Keller (2016), digital marketing strategies include the use of social media, search engine optimization (SEO), and data-based marketing. For barbershops, digital platforms such as Instagram and TikTok are very effective in attracting the attention of millennial consumers, especially through visual content such as before-and-after photos, short videos and customer testimonials. Apart from that, barbershop businesses can also take advantage of other strategies, such as collaborations with local influencers, seasonal discount campaigns, and application-based loyalty programs. In Kraksaan District, this strategy can help increase brand awareness while creating a loyal customer base.

Research Methods

This research uses a qualitative approach with the aim of describing in depth the potential and feasibility of barbershop investment for millennials in Kraksaan District. This approach was chosen because it allows a comprehensive exploration of social and economic phenomena involving the perspectives of various parties, including business actors, potential consumers and investors. This research is descriptive qualitative in nature, where the main focus is to explore information about market conditions, marketing strategies, consumer needs and challenges faced in developing a barbershop business. The research location is Kraksaan District, Probolinggo Regency, which was chosen because of its characteristics as a center of economic activity with a significant millennial population. This millennial population is considered the main target for barbershop investment because their consumption patterns are modern and closely connected to current lifestyle trends.

Results and Discussion

This research aims to explore the potential and feasibility of barbershop investment for millennials in Kraksaan District, Probolinggo Regency. Based on the results of interviews, observations and analysis of the data collected, it was found that Kraksaan District has significant market potential for barbershop businesses. This sub-district has a

fairly large millennial population, with around 35% of the total population in the age range of 20–40 years (BPS, 2022). These millennials, who tend to have a modern lifestyle, like the barbershop concept which not only offers haircut services, but also a more comprehensive experience, including a comfortable atmosphere and more personalized service.

From interviews with barbershop business actors, it is known that millennial consumers dominate the market, with a contribution of more than 70% to total barbershop business revenue. Millennial consumers have high expectations for the quality of service they receive, including the barber's ability to create hairstyles that suit the latest trends. Apart from that, they are also looking for experiences beyond just a haircut, such as a comfortable atmosphere, additional facilities such as coffee or entertainment, and more personal interactions with professionals. This research also shows that, apart from service quality, innovation in terms of technology is the main attraction for millennials. Several barbershops in Kraksaan have utilized online ordering applications to make it easier for consumers to choose the right time to get services. This kind of facility is considered to make things very easy for millennial consumers who have high mobility and want efficiency in everything. This is in line with the findings of Supadilah (2022), who stated that the modern barbershop business not only provides basic services, but is also part of a lifestyle that offers comfort and convenience.

In terms of investment feasibility, the research results show that barbershops in Kraksaan District have promising prospects. Based on financial analysis, barbershops that have been operating generally has a fairly fast payback period, namely around 2 to 3 years. With an average net profit reaching 25 to 30% of total monthly income, investing in a barbershop business in this area can be considered profitable. This is also supported by relatively low operational costs, especially for rental costs and labor wages, when compared to business locations in large urban areas. However, even though the investment prospects are quite bright, barbershop businesses in Kraksaan face several challenges. One of the biggest challenges is increasingly fierce competition. The emergence of new barbershops with similar concepts that offer cheaper prices or more innovative concepts can threaten the sustainability of existing businesses. In addition, some smaller barbershops also experience difficulties in improving service quality and developing efficient management systems.

For this reason, barbershop businesses are advised to continue to innovate, not only in terms of service but also in the marketing aspect. Social media, such as Instagram and TikTok, are very effective marketing tools for reaching millennial consumers. Through creative content such as photos and videos of services, as well as customer testimonials, barbershops can build brand awareness and attract more consumers. Collaborating with local influencers or organizing events can also be an effective marketing strategy to expand market reach and increase business visibility.

Thus, this research provides a clear picture of the potential of the barbershop market in Kraksaan District and the feasibility of investing in this business. Even though there are challenges faced, the opportunity to develop a barbershop business by targeting millennials remains very large. Innovation in service, marketing, and understanding consumer preferences are the keys to the success of barbershop businesses in this area.

Conclusion

Based on the results of research regarding the potential and feasibility of barbershop investment for millennials in Kraksaan District, it can be concluded that the barbershop business has promising prospects in this area. The large market potential, with around 35% of the population consisting of millennials, is the main factor that supports investment feasibility. Millennials, who tend to prioritize service quality and customer experience, and want innovation in the form of easy access, such as online ordering applications, are the ideal target market for barbershop businesses in Kraksaan.

Apart from that, investment in the barbershop business in Kraksaan District has proven to be profitable, with an average payback period that is quite fast, namely around 2 to 3 years. Relatively low operational costs, especially for renting space and labor, also strengthen the financial viability of this business. However, increasingly tight competition and challenges in improving service quality are obstacles that must be faced by business people. Therefore, it is important for business actors to continue to innovate, both in service and marketing aspects, so that they can remain competitive in an increasingly dynamic market. Innovation, especially in the use of social media and technology to simplify services, is the key to success in developing a barbershop business. With the right marketing strategy, in-depth understanding of consumer preferences, and quality service, barbershop business opportunities in Kraksaan District remain wide open and can provide profitable results for investors and entrepreneurs.

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