

A Feasibility Study of the Glamping Resort Project: A Case Study of Batu Putu Glamping Resort, Pt Ferial

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ABSTRACT: This study aims to analyze the financial feasibility of the Glamping Resort Batu Putu development project by PT Ferial as part of nature-based tourism development in Lampung Province, Indonesia. Glamping, or glamorous camping, is an emerging tourism concept that combines the comfort of modern accommodations with natural outdoor experiences, making it a promising sustainable tourism alternative. The investment feasibility of the project is evaluated using a capital budgeting approach, focusing on four key indicators: Net Present Value (NPV), Internal Rate of Return (IRR), Payback Period (PP), and Profitability Index (PI).

The results indicate that the project is financially feasible, with a NPV of IDR 61,178,577 an IRR of 6,38%—slightly above the assumed cost of capital—and a PI of 1.017, suggesting that the benefits of the investment outweigh its costs. The Payback Period is calculated at 7 years and 2 months, which is still within an acceptable time frame for medium-term projects. Overall, the project is considered viable, although it offers a moderate return margin.

This study recommends that project management focus on operational efficiency, strict cost control, and enhanced marketing strategies to maximize potential returns and minimize financial risks.

KEYWORDS: Glamping, Financial Feasibility, NPV, IRR, Payback Period, Profitability Index

I. INTRODUCTION

The global tourism landscape has been shifting, with travelers increasingly seeking more personalized, sustainable, and nature-immersive experiences. One of the most prominent trends emerging from this shift is glamorous camping, or glamping—a concept that blends the comfort of modern accommodation with the raw beauty of the outdoors. In a country like Indonesia, with its rich natural landscapes and cultural diversity, the potential for developing glamping resorts is exceptionally high.

Recognizing this opportunity, PT Ferial, an investment-driven company, has identified a strategic potential in building a glamping resort in one of Indonesia's premier nature tourism destinations. This project aims not only to attract travelers but also to generate meaningful local economic impact—by creating jobs, improving community incomes, and preserving local values through culturally sensitive design and community-based approaches.

However, developing a glamping resort is no small task. It requires significant capital and well-planned project execution. That's why a comprehensive feasibility study is essential before any investment decisions are made. This analysis must consider technical, financial, legal, and operational risks. Within this context, capital budgeting plays a vital role in assessing the project's financial viability, using key metrics such as Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period (PP).

Cost and time management also become critical concerns, as delays and budget overruns are common challenges in construction projects. Careful planning and ongoing budget control are needed to ensure the project is delivered on time, within budget, and according to quality standards. The integration of feasibility analysis and capital budgeting not only supports sound investment decisions but also promotes more efficient and sustainable project execution.

Given this background, this study aims to evaluate the financial feasibility of PT Ferial's glamping resort project using capital budgeting techniques. The findings will serve as a strategic foundation for investment decision-making and long-term project planning.

II. LITERATURE REVIEW

A. Investment

Investment plays a crucial role in determining a company's long-term success, as it typically involves large amounts of capital and long-term commitments. Both fixed assets and current assets require investment, but they differ in terms of capital turnover. Investments in current assets are expected to return within a short period (typically less than a year), while investments in fixed assets take longer to recover and are returned gradually through depreciation.

According to Simamora (2017), investment refers to the monetary value a company allocates to acquire long-term assets. Halim (2016) defines investment as the placement of funds at present with the expectation of generating future returns. From these definitions, investment can be understood as the allocation of funds today with the aim of earning profits in the future.

B. Project Management

Project management is the application of knowledge, skills, and technical methods to effectively manage resources and achieve specific goals within a set time frame. According to PMBOK (2017), a project is a temporary effort undertaken to create a unique product, service, or result with a defined start and end date. Project management involves two primary components: project planning—which includes defining work requirements, quantity and quality standards, and needed resources—and project monitoring, which tracks progress, analyzes deviations, and makes necessary adjustments.

The main constraints in project management are time, cost, and performance, with customer satisfaction also being crucial for client-based projects. Effective management requires the implementation of core management functions: planning, organizing, staffing, directing, and controlling. Kerzner (2018) highlights several benefits of project management, including early problem identification, improved scheduling and forecasting, clearer responsibilities, and better decision-making through trade-off analysis.

However, projects often face various challenges such as complexity, shifting client requirements, organizational restructuring, technological changes, and pricing uncertainties. These obstacles can affect project outcomes if not properly addressed. Therefore, the success of any project depends not only on structured management processes but also on the team's ability to adapt and respond to unexpected issues during execution.

C. Capital Budgeting

Capital budgeting, or capital expenditure planning, is the process of allocating funds for investments that will either generate future income or reduce future costs for a company. This process is crucial for long-term profitability and forms an essential part of comprehensive profit planning. Capital expenditures can be classified in various ways—such as major project additions versus minor capital spending, or long-term versus short-term investments. They may also include categories like replacements, small repairs, expansions, and strategic initiatives (Welsch et al., 2017; Hilton et al., 2018). Investment ideas typically arise from users of assets, marketing teams, top management, visionary leaders, brainstorming groups, and market demands.

Capital budgeting more specifically refers to the long-term investment decision-making process within a company. It involves identifying, evaluating, and selecting investment opportunities that are expected to yield future benefits. This includes determining the feasibility of a project, allocating financial resources effectively, and managing investment planning and control. The ultimate goal of capital budgeting is to maximize firm value by investing in projects that offer optimal returns. Projects are typically assessed based on established acceptance criteria, such as profitability and risk.

According to Chan (2016), both quantitative and qualitative factors influence investment decisions. Quantitative data includes financial figures like costs and projected profits, while qualitative factors may involve strategic planning, corporate social responsibility, employee morale, brand image, and market share. Although both types of information are essential for sound decision-making, managers often prioritize quantitative metrics in practice. Nevertheless, effective capital budgeting requires experienced and ethically guided managers who can balance both types of considerations to ensure sound investment choices.

D. Factors Influencing Capital Budgeting Decisions

The cost of capital represents the minimum return a company must earn on an investment to avoid a decline in its market value (Wahyuni & Istianingsih, 2019). It is influenced by the company's capital structure, interest rates, business risks, and other factors (Moreira & Taffarel, 2020). The higher the cost of capital, the higher the expected return from an investment project (Miroshnichenko et al., 2021). Wahyuni & Istianingsih (2019) suggest that the cost of capital is a crucial consideration in capital budgeting decisions.

Project risk : refers to the likelihood of deviations between expected and actual outcomes (Agarwal et al., 2022). The higher the project risk, the greater the expected return demanded by investors (Miroshnichenko et al., 2021). Companies must conduct risk analysis to assess the feasibility of an investment project (Budiarto & Prabowo, 2020). According to Abdi et al. (n.d.), project risk significantly influences capital budgeting decisions.

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Capital rationing : occurs when a company has limited capital available for investment (Gitman & Zutter, 2015). In such cases, companies must select projects that provide the highest NPV (Jiang et al., 2023). Project selection should account for capital constraints to ensure that the company's objectives are optimally met (Anand, 2002). Harjito & Martono (2011) highlight that capital rationing is an important consideration in capital budgeting decisions.

Managerial preferences : can influence capital budgeting decisions, especially in selecting project acceptance criteria (Wahyuni & Istianingsih, 2019). Risk-averse managers tend to choose low-risk projects, while risk-takers are more inclined to take on higher-risk projects (Miroshnychenko et al., 2021). Managerial preferences can also be shaped by factors such as experience, personality, and organizational culture (Agarwal et al., 2022). Wahyuni & Istianingsih (2019) assert that managerial preferences play a key role in capital budgeting decisions.

The product life cycle : can influence capital budgeting decisions, particularly in determining the economic life of an investment project (Budiarto & Prabowo, 2020). During the introduction and growth stages, companies tend to focus on projects that drive innovation and product development (Jiang et al., 2023). During the maturity and decline stages, companies prioritize projects aimed at efficiency and asset maintenance (Moreira & Taffarel, 2020). Bukit & Sembiring (2017) found that the product life cycle significantly impacts capital budgeting decisions.

E. Capital Budgeting Method

The Net Present Value (NPV) method is used to calculate the overall cash flow of an investment over time, considering a specified discount rate (r). This method compares the cash inflows (returns) to the initial investment (cash outflows).

Formula:

$$NPV = \sum_{t=0}^n \frac{At}{(1+k)^t}$$

Where:

PV_n = cash inflow

CFO = initial investment

k = discount rate

A_t = cash flow at time t

n = final period

Acceptance Criteria:

$NPV > 0$: Project is accepted

$NPV < 0$: Project is rejected

$NPV = 0$: Indeterminate

Advantages:

Accounts for actual interest rates

Easy to apply without trial and error

Can adjust for risk by using different discount rates for future years

Limitations:

Difficulty in determining the desired rate

Does not reveal the actual rate of return

Assumes reinvestment of all cash inflows at the selected rate

The Internal Rate of Return (IRR) method helps compare the return rate with the initial investment cash outflows. It seeks the rate where the net present value equals zero.

Formula:

$$IRR = \sum_{t=0}^n \frac{CF}{(1 + IRR)^t} = 0$$

Acceptance Criteria:

$IRR > \text{required return rate}$: Project is accepted

$IRR < \text{required return rate}$: Project is rejected

$IRR = \text{required return rate}$: Indeterminate

Advantages:

Avoids selecting a minimum desired return rate

Provides the actual rate of return

No need to reinvest cash inflows like in NPV

Limitations:

More complex, especially with varying cash flows

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Requires sensitivity analysis

The Payback Period (PP) measures the time required to recover the initial investment. It ignores the time value of money, not applying any discount rate to cash flows.

Formula:

$$PP = (\text{Initial Investment}) / \text{Annual Cash Inflows}$$

Or

$$PP = \text{Cumulative CF} + (\text{Remaining Cash Flow}) / \text{CF}_t$$

Acceptance Criteria:

PP < required payback period: Project is accepted

PP > required payback period: Project is rejected

PP = required payback period: Indeterminate

Advantages:

Simple to calculate and doesn't require extensive data

Based on cash basis, not accrual

Useful for comparing investments with fast paybacks

Limitations:

Does not indicate profitability

Ignores the time value of money

No consideration of returns after the payback period

The Profitability Index (PI) is the ratio of the present value of cash inflows to the present value of cash outflows throughout the project's life. It shows the comparison between benefits and costs of a project.

Formula:

$$PI = \sum (\text{Cash Inflow } t / (1 + r)^t) / \text{Initial Cash Outflow}$$

Acceptance Criteria:

PI > 1: Project is accepted

PI < 1: Project is rejected

PI = 1: Indeterminate

Advantages:

Accounts for actual interest rates

Simple application without trial and error

Allows for risk adjustments with different discount rates

Limitations:

Difficult to determine the desired rate

Does not show the actual rate of return

Assumes reinvestment of cash inflows at the selected rate

F. A business feasibility study

A business feasibility study is an analytical process conducted to assess whether a proposed investment plan can yield the expected benefits. The primary objective of the study is to determine the viability of a project, not only in the long term but also during its routine operations. The feasibility study evaluates various aspects, including market, technical, environmental, and financial factors, to ensure the project can operate effectively and provide maximum profit.

The market aspect involves analyzing distribution policies, promotional strategies, pricing, and products that meet consumer needs. This aspect also covers the selection of appropriate locations and the factors influencing the distribution of products to the market. Additionally, promotional strategies, including advertising, sales promotion, publicity, and personal selling, are crucial for attracting consumer attention.

The technical aspect focuses on the readiness of the required technology to run the business, including an analysis of location and detailed project design. The initial step involves formulating concrete ideas that can be further developed for the evaluation of other aspects, such as financial and cost considerations. The environmental aspect addresses the potential environmental impacts of the business and the efforts to mitigate negative effects on the surrounding environment.

The financial aspect is the final component analyzed in a business feasibility study. A project is considered feasible or not based on financial indicators such as Net Present Value (NPV), Internal Rate of Return (IRR), Profitability Index (PI), and Payback Period (PP). These indicators help determine whether the investment will yield profitable results.

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III. METHODOLOGY

In the research methodology for evaluating the feasibility of the glamping resort project by PT Ferial, the study adopts a field research design with a qualitative approach. This methodology is selected because it allows for a deeper understanding of the perceptions of stakeholders and the local community regarding the project, while also providing the flexibility to analyze both financial and technical data related to the project's feasibility.

Qualitative research is used to gather descriptive data, which includes both written or spoken words from individuals and observed behaviors. This approach is holistic, meaning it seeks to understand the subject in its full context, considering events and their meanings. This approach, as described by Bogdan and Taylor, helps to explore the complex nature of human behavior, while Nasution emphasizes its ability to provide a complete picture of the research subject, offering insights into events and actions in their natural setting.

Data collection for this study is primarily done through interviews and documentation. Interviews involve directly asking respondents questions relevant to the research, while documentation helps collect numerical data, particularly financial information that will support the feasibility study.

The research focuses on the technical, economic, and financial feasibility of the glamping resort, aiming to assess whether it is technically feasible to construct and operate the resort, and whether the project will be financially viable. The involvement of local stakeholders and effective marketing strategies are also evaluated to ensure the project aligns with the broader goals of sustainable tourism.

For data collection, the study involves several techniques. The first method is direct observation or field research, where the researcher visits the site to collect firsthand information. Observation allows the researcher to gather real-time data, while interviews provide in-depth insights from stakeholders, local communities, and experts. Interviews also help clarify specific aspects of the project, and the documentation provides essential quantitative data for financial analysis.

Data analysis in qualitative research follows an inductive approach, meaning the data is analyzed to derive patterns and conclusions. During the data analysis process, the researcher organizes, synthesizes, and looks for important patterns in the collected data. This ongoing analysis helps in refining the focus of the research, allowing the researcher to adjust the approach if new, significant data emerges during the study.

The data analysis is conducted in several stages. Initially, preliminary analysis is performed using secondary data or background research to help shape the research focus. This is followed by more detailed analysis as primary data is collected. Throughout the research process, the data is simplified, categorized, and displayed in a way that makes it easier to interpret. This process involves reducing the data to its essential elements, organizing it into a narrative form, and interpreting its meaning.

Finally, the study follows a structured process for business feasibility analysis, starting with identifying a viable idea for the project, followed by selecting the appropriate business model, collecting the necessary data, identifying potential project constraints, and then performing a detailed analysis of the collected data. This structured approach ensures that the research is thorough, well-organized, and capable of providing a comprehensive evaluation of the glamping resort project's feasibility.

IV. RESULT AND DISCUSSION

A. Market Aspect Analysis

TABLE 1. NUMBER OF TOURIST VISITOR TO LAMPUNG

Year	Tourist	Number of tourist visitor to Lampung		
		Hotel	Beach	Glamping
2021	9.176.866	5.610.736	2.995.000	571.130
2022	10.925.704	6.225.466	4.104.548	595.690
2023	13.760.697	8.904.547	4.094.000	762.150
2024	16.092.572	7.178.896	8.046.286	867.390

Trends in Visitor Numbers in Lampung (2021-2024): Visitor numbers have increased significantly, with hotels being the main destination, followed by beaches and glamping.

Market Segmentation:

Demographics: Target age group is 15-55 years.

Psychographics: Focus on an eco-friendly concept and nature-based experiences.

Geographics: Local, domestic, and international tourists.

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Marketing Mix (4P):

Product: 15 glamping tents with complete facilities and a play area.

Price: Tent rental is IDR 430,000, play area IDR 40,000, and foodcourt IDR 120,000.

Promotion: Social media, website, and influencers.

Table 2. Sales Target

SALES TARGET BASED ON FIELD SURVEY										
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Market Share Captured	3.650	3.770	3.895	4.023	4.156	4.293	4.435	4.581	4.733	4.889

Market Projection (2025-2030): The potential market for glamping is expected to grow, with sales targeted to increase by 3.3% per year.

B. Human Resources Aspect Analysis

Table 3. Estimated Manpower Requirements

	Job Title	2025	2026	2027	2028	2029	2030
1	CEO	1	1	1	1	1	1
2	HRD Expert Staff	1	1	1	1	1	1
3	Finance Staff Expert	1	1	1	1	1	1
4	Marketing dan sales	1	1	1	1	1	1
5	Cashier	1	1	1	1	1	1
6	Concierge	6	6	6	6	6	6
7	Cleaning Service	1	1	1	1	1	1
TOTAL		14	14	14	14	14	14

Job Structure: The organization includes key positions such as CEO, HR Manager, Finance Officer, Marketing Staff, Cashier, and Concierge, each requiring specific qualifications.

Human Resource Needs: A total of 13 employees are needed annually from 2025 to 2030, with salary expenses projected to increase by 8% each year.

Labor Costs:

Direct Labor Costs: IDR 120 million in 2025, increasing to IDR 164 million by 2030.

Indirect Labor Costs: IDR 30 million in 2025, rising to IDR 44 million by 2030.

C. Analysis of Technical Aspect

Table 4. Pre-Investment Cost Breakdown

No	Description	Cost
1	Land Purchase (27000 m2)	Rp 675.000.000
2	Permits and Approval	Rp 11.000.000
3	Initial Site Preparation	Rp 192.500.000
4	Design Costs	Rp 60.000.000
Total Costs		Rp 938.500.000

Table 5. Equipment & Facilities Investment

No	Item	Economic Life (Years)	Quantity	Unit	Unit Cost (IDR)	Total Cost	Annual Depreciation (IDR)
Mesin & Fasilitas							
1	Beko 10KG Gas Dryer Washing Machine	5	1	unit	7.600.000	7.600.000	1.520.000

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2	10L Steam Iron Machine	5	1	unit	3.150.000	3.150.000	630.000
3	Beko 10KG Front Loading Washing Machine	5	1	unit	7.105.000	7.105.000	1.421.000
4	Swimming Pool Water Pump	5	1	unit	Rp 5.000.000	5.000.000	1.000.000
5	XTD7700 SOLAR 5000W Generator	5	1	unit	9.490.000	9.490.000	1.898.000
6	1 PK Air Conditioner	10	1	unit	3.000.000	3.000.000	600.000
Total						35.345.000	7.069.000

Table 6 Building Cost Estimation

No	Item	Economic Life (Years)	Quantity	Unit	Unit Cost (IDR)	Total Cost	Annual Depreciation (IDR)
1	Reception Building	20	1	unit	91.000.000	91.000.000	9.100.000
2	Swimming Pool	10	3	unit	172.525.000	517.575.000	51.757.500
3	Tent Stage	10	15	unit	3.600.000	54.000.000	5.400.000
4	Fishing Pond Building	10	1	unit	50.000.000	50.000.000	5.000.000
5	Toilet Construction	10	4	unit	24.550.000	98.200.000	9.820.000
6	Prayer Room (mushola)	10	1	unit	12.000.000	12.000.000	1.200.000
7	Gondola	10	1	unit	1.000.000.000	1.000.000.000	100.000.000
8	Parking Area	10	1	unit	48.000.000	48.000.000	4.800.000
9	Stairway Constructions (50 meters)	10	50	unit	500.000	25.000.000	2.500.000
Total Costs						1.895.775.000	189.577.500

Initial Investment:

Pre-Investment Cost: IDR 938.5 million. Includes land acquisition, permits, and design planning.

Construction Cost: IDR 2.15 billion. Covers glamping tents, machinery, and physical infrastructure such as buildings and pools.

Production Costs:

Direct Materials: IDR 41.5 million in 2025, increasing to IDR 82.9 million by 2034.

Overhead Costs: Includes electricity, depreciation of fixed assets, and routine maintenance.

Revenue Projection:

Annual Revenue is forecasted to grow steadily from **IDR 876 million in 2025** to approximately **IDR 1.17 billion in 2034**, supported by increasing occupancy rates and market demand.

Pro Forma Income Statement Highlights:

Gross Profit remains relatively stable over the projection period, reflecting efficient cost management and pricing strategy.

☐ The project consistently generates a positive EAIT (Earnings After Interest and Tax) on a yearly basis, indicating a sustainable and profitable business model.

D. Investment Feasibility Analysis

Table 7 Initial Investment

No	Categories	Cost (IDR)
Land Selection and Acquisition		
1	Land Purchase (27000 m2)	675.000.000

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2	Permits and Approval	11.000.000
3	Initial Site Preparation	192.500.000
Construction and Main Facilities		
4	Design Fees	60.000.000
5	Construction Material and Labor	2.155.799.500
Marketing And Sales		
6	Promotional Marketing Costs	10.200.000
Operation cost planning		
7	HR Cost	324.804.800
8	Maintenance and Upkeep Cost	78.291.495
Total Cost		3.507.595.795

Payback Period

The payback period represents the time required for a business to recover its initial investment from the net cash inflows generated by the project. A shorter payback period generally indicates a more attractive investment (Hasmono, 2021). Based on the net annual cash inflow of IDR 490.420.811, the payback period for the Glamping Resort project is calculated as follows:

PP = Initial Investment / Annual Net Cash Inflow

PP = IDR 3,507,595,795 / IDR 490.420.811= 7.166 years

The fractional year is converted into days:

$0.0166 \times 365 = 60.59$ days, rounded to 2 months

Thus, the payback period is 7 years and 2 months.

Table 8 Net Present Value

YEAR	D.F 6%	PROCEEDS (IDR)	P.V from Proceeds (IDR)
2025	0,943	489.500.749	461.793.159
2026	0,890	495.827.474	441.284.686
2027	0,840	504.086.298	423.240.576
2028	0,792	500.395.726	396.360.284
2029	0,747	495.322.537	370.133.814
2030	0,705	489.907.737	342.545.781
2031	0,665	480.429.433	319.513.012
2032	0,627	470.276.751	295.057.451
2033	0,592	458.073.688	271.133.112
2034	0,558	443.615.353	247.712.496
		P.V from Proceeds	3.568.774.372
		P.V FROM OUTLAYS	3.507.595.795
		NPV	61.178.577

Net Present Value (NPV)

The Net Present Value (NPV) method evaluates investment feasibility by comparing the present value (PV) of future net cash inflows with the initial investment outlay. This approach provides a direct measure of how an investment affects a company's wealth, aligning closely with the objective of shareholder wealth maximization. NPV analysis requires data on initial cash outflows, projected future net cash inflows, and a minimum desired rate of return.

Based on the calculations, the present value of proceeds over the project's 10-year horizon, discounted at 6%, totals IDR 3.568.774.372, while the present value of investment outlays is IDR 3.507.595.795. Thus, the resulting NPV is IDR 61.178.577.

Since the NPV is greater than zero, the Glamping Resort investment is considered financially feasible and contributes positively to the firm's value.

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Table 9 Profitability Index

YEAR	D.F 6%	PROCEEDS (IDR)	P.V from Proceeds (IDR)
2025	0,943	489.500.749	461.793.159
2026	0,890	495.827.474	441.284.686
2027	0,840	504.086.298	423.240.576
2028	0,792	500.395.726	396.360.284
2029	0,747	495.322.537	370.133.814
2030	0,705	485.907.737	342.545.781
2031	0,665	480.429.433	319.513.012
2032	0,627	470.276.751	295.057.451
2033	0,592	458.073.688	271.133.112
2034	0,558	443.615.353	247.712.496
P.V from Proceeds			3.568.774.372
P.V FROM OUTLAYS			3.507.595.795
P.I			1,017

Profitability Index (PI)

The Profitability Index (PI) is an investment appraisal method that measures the ratio between the present value (PV) of future net cash inflows (proceeds) and the present value of investment outlays. It provides insight into the value created per unit of investment.

Based on the discounted cash flow analysis at a 6% discount rate, the total PV of proceeds is 3.568.774.372, while the PV of outlays is 3.507.595.795. The resulting Profitability Index is:

$$PI = \text{PV of Proceeds} / \text{PV of Outlays} = 3.568.774.372 / 3.507.595.795 = \mathbf{1.017}$$

Since the PI is greater than 1, the Glamping Resort investment is considered financially viable, indicating that each rupiah invested returns more than one rupiah in present value terms.

Table 10 Internal Rate of Return (IRR)

D.F 6%	PROCEEDS (IDR)	P.V from Proceeds (IDR)	D.F 7%	PROCEEDS (IDR)	P.V from Proceeds (IDR)
0,943	489.500.749	461.793.159	0,935	Rp489.500.749	457.477.335
0,890	495.827.474	441.284.686	0,873	Rp495.827.474	433.074.918
0,840	504.086.298	423.240.576	0,816	Rp504.086.298	411.484.575
0,792	500.395.726	396.360.284	0,763	Rp500.395.726	381.749.503
0,747	495.322.537	370.133.814	0,713	Rp495.322.537	353.158.123
0,705	485.907.737	342.545.781	0,666	Rp485.907.737	323.780.842
0,665	480.429.433	319.513.012	0,623	Rp480.429.433	299.187.305
0,627	470.276.751	295.057.451	0,582	Rp470.276.751	273.705.351
0,592	458.073.688	271.133.112	0,544	Rp458.073.688	249.161.735
0,558	443.615.353	247.712.496	0,508	Rp443.615.353	225.511.551
Total P.V proceeds D.f		3.568.774.372	Total P.V proceeds D.f		3.408.291.239
Initial Investment		3.507.595.795	Initial Investment		3.507.595.795
NPV		61.178.577	NPV		-99.304.556

Internal Rate of Return (IRR)

The Internal Rate of Return (IRR) method calculates the interest rate that equates the present value of future net cash inflows to the initial investment outlay. This rate represents the actual return on the investment and is typically determined through a trial-and-error approach. The formula applied in this analysis is:

$$IRR(r) = P_1 - C_1 \times (P_2 - P_1) / (C_2 - C_1)$$

Where:

P_1 and P_2 are the discount rates

C_1 and C_2 are the Net Present Values (NPVs) at the respective discount rates

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Using 6% (with NPV = IDR 61.178.577) and 7% (with NPV = IDR -99.304.556), the IRR is calculated as follows:

$$r = 6\% - (61.178.577 \times (7\% - 6\%) / (-99.304.556 - 61.178.577)) = 7\% - (61.178.577 \times 0.01 / -160.483.133) \approx 6.38\%$$

Since the IRR of 6.38% exceeds the minimum required rate of return (6%), the Glamping Resort investment is deemed financially feasible and acceptable.

CONCLUSIONS, SUGGESTION, AND LIMITATIONS

This study evaluated the financial feasibility of the Glamping Resort Batu Putu project developed by PT Ferial using a capital budgeting approach, which included analysis through Net Present Value (NPV), Internal Rate of Return (IRR), Payback Period (PP), and Profitability Index (PI). The results indicate that the project is financially viable. The positive NPV of IDR 61.178.577 suggests the project is expected to generate net profits, even if modest in size. The IRR of 6.38% exceeds the assumed cost of capital, indicating a profitable investment, although the narrow margin implies potential sensitivity to economic fluctuations and operational risks. The payback period, measured at 7 years and 2 months, reflects a relatively long capital recovery time for a medium-scale investment, requiring careful liquidity management and sustained financial discipline. Furthermore, the profitability index of 1.017 confirms that the investment is worthwhile, yielding a return greater than its cost. Overall, while the project meets financial feasibility criteria, its success depends on strong management practices, efficient cost control, and strategic revenue enhancement to ensure sustainable profitability over time.

In light of the study's findings, several suggestions are proposed to maximize the success of the Glamping Resort Batu Putu project. The project developer is encouraged to establish a disciplined financial control system to prevent cost overruns and ensure efficient allocation of resources. Strengthening digital marketing strategies and fostering collaborations with key tourism stakeholders could significantly improve occupancy rates and accelerate the return on investment. Regular evaluations of market trends, operational costs, and revenue projections are essential to adapt to changing conditions and optimize performance. Local government support plays a crucial role and should include infrastructure development and streamlined licensing processes to facilitate smooth project implementation. Integrating the resort into broader regional tourism plans can also amplify its impact, especially by involving local micro, small, and medium enterprises (MSMEs) in service provision. Community participation is equally important, and efforts should be made to promote local engagement through employment, business partnerships, and relevant vocational training. This inclusive approach would not only strengthen social acceptance but also contribute to the long-term sustainability of the resort. For potential investors and business partners, thorough risk assessments should precede funding decisions, given the modest return margins and extended payback period. Strategic long-term planning, including potential service expansion and eco-tourism innovations, could enhance the project's attractiveness and resilience in a competitive tourism market.

This research is limited primarily to financial feasibility analysis using quantitative methods based on projected investment and operating cash flows. As such, it does not cover non-financial aspects such as legal compliance, environmental sustainability, market demand uncertainties, and sociocultural impacts, all of which may significantly influence project success. Additionally, the study relies on assumptions regarding future costs, revenues, and discount rates, which are subject to change over time and may affect the accuracy of the results. The lack of comparative analysis with similar projects in other regions also limits the generalizability of the findings. Future research is recommended to incorporate a broader range of factors, including environmental and social impact assessments, legal and regulatory frameworks, and comparative benchmarking with similar glamping developments across Indonesia. A multidisciplinary approach would offer a more comprehensive evaluation and support more informed decision-making for both developers and stakeholders.

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