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## PROFITABILITY LEVEL ANALYSIS DURING THE COVID-19 PANDEMIC CASE STUDY AT THE COFFEE SHOP OF JANJI JIWA JILID 610 SAMARINDA

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### ABSTRACT

The purpose of this study is to determine profitability as measured by *return On Asset (ROA, Return On Equity (ROE), and Gross Profit Margin (GPM). Operating Profit Margin (OPM) and by Net Profit Margin (NPM)* at the *Coffee Shop Janji Jiwa Jilid 610 Samarinda* during the covid19 pandemic.

This research was conducted from April 2020 to December 2020 (during the Covid-19 pandemic) on *coffee shop Janji Jiwa jilid 610 Jl. UntungSuropati No. 35 KarangAsamUlu, Subdisrict of Sungai Kunjang, Samarinda Municipality*. Research activities were carried out namely fieldwork research and library research.

The results show that the profitability of *coffee Shop Janji Jiwa Jilid 610 Samarinda* decreased during the 2019-2021 period of the covid-19 pandemic, by measuring return On Asset, Return On Equity, Gross Profit Margin, Operating Profit Margin, and also Net Profit Margin.

### KEYWORDS

Profitability, Pandemic Covid-19 Period.



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## INTRODUCTION

Since the outbreak of the Covid-19 case in Indonesia, the government has made efforts to minimize the spread of the virus, including making efforts to prevent the spread of this Covid-19 case by imposing physical distancing, closing schools, and holding Work from Home (WFH) until the implementation of Restrictions. Large-Scale Social (PSBB). The implementation of PSBB in the community and the ongoing global economic contraction resulted in a decline in the Indonesian economy (Ulya and Setiawan, 2020). Various sectors of the economy have also been affected by the Covid-19 pandemic. The survey results from the Ministry of Manpower show that around 88 percent of companies have experienced losses due to declining sales as a result of the Covid-19 (Ministry of Manpower Public Relations Bureau, 2020). Some of the company sectors experiencing disruptions in their operational activities are manufacturing, trading, transportation, and accommodation companies (Saubani, 2020).

Coffee shop is one of the businesses that is in great demand today, it's only natural because everyone needs food and drink intake. Of the many foods and beverages, coffee can be said to dominate the business in recent years. Starting from a small coffee shop on the side of the road to a luxurious coffee shop. *Coffee shop* Janji Jiwa is a local coffee brand which has approximately 1,000 volumes (a term for outlets Kopi Janji Jiwa) spread across more than 100 cities throughout Indonesia. Coffee Outlets Janji Jiwa which are called "Jilid" first operated on 15 May 2018 and is located at the International Trade Center (ITC) Kuningan, South Jakarta and already has 1000 volumes/outlets throughout Indonesia.

Coffee shop Janji Jiwa has 53 drink menus with various variations there are coffee, without coffee, chocolate and tea as for the menu *Signature* for Coffee variants have milk coffee, *Caramel Macchiato*, *Caramel Creamy Latte*, *Hazelnut Latte*, Pandan Coffee, for Variants Without Coffee there is *Cookies N Cream*, SusuMatcha, Chocolate variant consist of SusuSoklat, *Hazelnut Choco*, *Milo Macchiato*, tea variant covers *Brown Sugar Milk Tea Coffee Jelly/Cincau*, TehCincauPandan.

In Samarinda City, there are 8 Coffee outlets Janji Jiwa, one of them outlets *Coffee Shop* Janji Jiwa which is on Jalan Untung Suropati Karang Asam Ulu, Sub district Sungai Kunjang, Samarinda City (Jilid 610). Owner of Kopi Janji Jiwa Jilid 610 Samarinda started his business on November 14 2018, where the owner started his business before the emergence of Covid 19 in Indonesia. *Coffee Shop* Janji Jiwa jilid 610 Samarinda has been in business for about 3 years. *Coffee Shop* Janji Jiwa Jilid 610 uses Robusta coffeebeans from Sumatra and Arabica from Bali and Sumatra. The advantages *Coffee Shop* Janji Jiwa Jilid 610 Samarinda namely cleanliness, affordable prices for all people, very good service, so that consumers and customers get satisfaction in the banquet to enjoy *Coffee Shop* Janji Jiwa jilid 610 Samarinda comfortably.

The Covid-19 pandemic has caused a change in consumer buying patterns where there are social restrictions during the pandemic making cafes no longer visited as meeting places or work locations, most consumers have started making purchases online. *Konsultan Food and Beverage (F&B)* Renaldy Wicaksono said the Coffee Shop business before the Covid-19 pandemic was very promising because it had become part of the consumer's lifestyle. However, now consumers are switching to copying at home due to social restrictions. This pandemic has an impact on *Coffee Shop* Janji Jiwa Jilid 610 where income has decreased.

Every company tries to evaluate and assess its success in generating revenue to see the development and potential of the company. A ratio or index can be used as a benchmark for evaluating financial data in the financial statements of a business to determine the company's financial success. Profitability is the ability of a company to earn profits or seek profits (Tulsian, 2014). Profitability ratios also provide how much the level of effectiveness of a company's management. This can be seen from the profits generated from sales and investment income. According to (Kasmir 2019) one of the objectives of the profitability ratio is to measure or calculate the profit earned by the company in a certain period.

In addition, it also provides an overview of the level of management effectiveness here, seen from the profit generated on the company's sales and investment. Profitability is a factor that should receive important attention because in order to survive, a company must be in a profitable condition (*profitable*).

The purpose of this study is to determine the profitability as measured by *Return On Asset (ROA)*, *Return On Equity (ROE)*, *Gross Profit Margin (GPM)*, *Operating Profit Margin (OPM)* and with *Net Profit Margin (NPM)* at *Coffee Shop Janji Jiwa Jilid 610 Samarinda* during the Covid19 pandemic.

## RESEARCH METHODS

### A. Time and Place

This research was conducted from April 2020 to December 2020 (during the Covid-19 pandemic) on *coffee shop Janji Jiwa jilid 610 Jl. Untung Suropati No. 35 Karang Asam Ulu, sub Distric of Sungai Kunjang, Samarinda Municipality.*

### B. Research Activities

Research activities carried out namely:

1. *Field work research*

This activity is carried out through observation and face-to-face interviews and direct debriefing with company leaders and employee staff, in order to obtain the necessary data.

2. *Library Research*

This activity is carried out to find information related to research.

### 3. Data Collection

The data collected are as follows:

- a. General description of *Coffee Shop Janji Jiwa Jilid 610 Samarinda*
- b. Organizational structure of *Coffee Shop Janji Jiwa Jilid 610 Samarinda*
- c. Balance Sheet of *Coffee Shop Janji Jiwa Jilid 610 Samarinda* period 2019- 2021
- d. Income statement *Coffee Shop Janji Jiwa Jilid 610 Samarinda* period 2019-2021

### 4. Data analysis

The analytical tool for determining the level of profitability is the following approach:

1. *Return On Assets*

According to Herry (2016a) the formula used to calculate Return On Assets is:

$$\text{Return On Assets (ROA)} = \frac{\text{Net profit}}{\text{Total Aset}}$$

## 2. *Return on Equity*

According to Herry (2016a) the formula used to calculate Return on Equity is:

$$\text{Return On Assets (ROE)} = \frac{\text{Net Profit}}{\text{Total Equity}}$$

## 3. *Gross Profit Margin*

According to Herry (2016b) the formula used to calculate Gross Profit Margin is:

$$\text{Gross Profit Margin (GPM)} = \frac{\text{Gross profit}}{\text{Net sales}}$$

## 4. *Operating Profit Margin*

According to Herry (2016b) the formula used to calculate the Operating Profit Margin is:

$$\text{Operating Profit Margin(OPM)} = \frac{\text{Operational profit}}{\text{Net sales}}$$

## 5. *Net Profit Margin*

According to Hery (2016b) the formula used to calculate the Net Profit Margin is:

$$\text{Net Profit Margin (NPM)} = \frac{\text{Net profit}}{\text{Net sales}}$$

# RESULTS AND DISCUSSION

## A. Overview of *Coffee Shop Janji Jiwa Jilid 610 Samarinda*

### 1. History

Kopi Janji Jiwa is a business engaged in the field of coffee drinks that provides completeness of taste, convenience of place, facilities provided and strategic location KopiJanjiJiwa. KopiJanjiJiwa first founded by Billy Kurniawanat ITC (*International Trade Centre*) Kuninganin 2018 and currently the brand is owned by PT. Luna Boga Narayan. Kopi JanjiJiwacontinued to grow rapidly until it managed to open approximately 1000 volumes (the term for outlet Kopi JanjiJiwa) spread across more than 100 cities throughout Indonesia. Currently, there are 8 outlets Kopi JanjiJiwa which are spread in the city of Samarinda.

Adopt concept fresh-to-cup, JanjiJiwa serves a selection of local Indonesian coffee with a classic taste image that prioritizes quality. JanjiJiwa using seeds directly from farmers who are carefully processed, then roasted to international standards by a roasterJanjiJiwa competent person, makes every glass of JanjiJiwa always has a consistent taste image. Name “JanjiJiwa” starting from

the story of a business owner who has an interest in coffee. Brand Kopi JanjiJiware presents a promise from the bottom of the heart to serve coffee.

In running his business, Kopi JanjiJiwa in still value, among others: *A Cup for the Farmers, A Cup for the Partners, and A Cup for the People*. This value has become a guideline for Kopi JanjiJiwa until finally accepted by the community and JanjiJiwa trusted as the only local Coffee Shop which received an award from the Indonesian Record Museum (MURI) as the Fastest Growing Coffee Shop in 2019 and Kopi JanjiJiwa also received recognition as one of the brands of money be *Top Of Mind Share, Top Of Market Share, Top Of Commitment Share* consumers in Indonesia by the Top Brand Award in 2020 & 2021.

There are 8 outlets Kopi JanjiJiwa which are spread across the city of Samarinda, one of which is an outlet *Coffee Shop Janji Jiwa* who are in Jalan Untung Suropati Karang Asam Ulu, Sub district Sungai Kunjang, Samarinda Municipality, (Jilid 610). Owner Kopi JanjiJiwa Jilid 610 Samarinda start business date 14 November 2018, where the owner started his business before the emergence of Covid-19 in Indonesia. *Coffee Shop Janji Jiwa* jilid 610 Samarinda has been in business for about 3 years. *Coffee Shop Janji Jiwa* Jilid 610 uses Robusta coffee beans from Sumatra and Arabica from Bali and Sumatra. This *Coffee Shop Janji Jiwa* jilid 610 Samarinda of course is not difficult to find this *Coffee Shop*, and definitely visited by various customers from any consumer. The advantages *Coffee Shop JanjiJiwa* Jilid 610 Samarinda namely cleanliness, affordable prices for all people, very good service, so that consumers and customers get satisfaction in the banquet to enjoy *Coffee Shop Janji Jiwa* jilid 610 Samarinda comfortably.

## 2. Organizational Structure

Organizational Structure of *Coffee Shop Janji Jiwa* Jilid 610 Samarinda consists of: (1) *Owner Coffee Shop Janji Jiwa Pusat* (2) *Brand Manager*, (3) *Owner Coffee Shop Janji Jiwa* Jilid 610 Samarinda, (4) *Supervisor*, (5) *Barista*, (6) *Cashier*

## 3. Vision and Mission

Vision of Kopi JanjiJiwa This is to become a leading quality coffee company with 54 high flavors at the national level and to become the number one coffee producer in Indonesia.

Mission of Kopi JanjiJiwa is: (1) provide selected products from the heart with high taste, innovative, affordable prices and ensure their availability for customers; (2) committed to continuously improving employee competence, efficient production processes, and developing technology, and (3) committed to presenting and serving quality and fresh drinks to customers.

## B. Financial Statements

Financial report data *Coffee Shop Janji Jiwa* Jilid 610 Samarinda during the period 2019– 2021 is presented in Table 1.

**Table 1.** Financial Report Recapitulation *Coffee Shop Janji Jiwa* Jilid 610 Samarinda Period 2019-2021

Year	Description	Amount
2019	Gross profit	Rp 420.022.119,23
	Operational profit	Rp 230.835.115,72
	Net profit	Rp 230.802.935,15
	Total Assets	Rp 371.612.194,68
	Total Equity	Rp 240.917.255,68

	Total Net sales	Rp 487.083.953,00
2020	Gross profit	Rp400.754.915,08
	Operational profit	Rp200.687.318,94
	Net profit	Rp200.680.630,50
	Total Assets	Rp387.949.267,24
	Total Equity	Rp253.260.577,24
	Total Net sales	Rp695.443.794,00
2021	Gross profit	Rp 585.072.759,23
	Operational profit	Rp 240.392.824,64
	Net profit	Rp 187.360.818,66
	Total Assets	Rp398.153.777,90
	Total Equity	Rp267.579.456,90
	Total Net sales	Rp 1.047.867.354,00

*Source: Processed Data (2022)*

Based on the data in Table 1 above, the calculation/analysis of Profitability Ratios is then carried out through:

### 1. Return On Asset (ROA)

Profitability ratio using ROA is to measure the ratio between net income and total assets using the formula:

$$ROA = \text{X } 100\% \frac{\text{Net profit}}{\text{Total Assets}}$$

Based on the calculation results show that the ROA in 2019, 2020 and 2021 are respectively: 62,1%; 51,7%;and47,0%.

### 2. Return On Equity(ROE)

Profitability ratio using ROE is to measure the ratio between net income and total capital using the formula:

Net profit

$$ROE = \frac{\text{Net profit}}{\text{Total Capital}} \text{ X } 100\%$$

Based on the calculation results show that the ROE in 2019, 2020 and 2021 are respectively: 95,8%;79.2%;and 70,0%.

### 3. Gross Profit Margin

Profitability ratio using Gross Profit Margin (GPM) is to measure the percentage of gross profit on net sales with the formula:

$$\text{Gross Profit Margin (GPM)} = \frac{\text{Gross profit}}{\text{Net sales}} \text{ X } 100\%$$

Based on the calculation results show that the GPM in 2019, 2020 and 2021, respectively: 86,2%; 57,6%; and 55,8%.

#### 4. Operating Profit Margin

Profitability ratio using the Operating Profit Margin (OPM) is to measure the percentage of operating profit on net sales with the formula :

$$\text{Operating Profit Margin (OPM)} = \frac{\text{Operational profit}}{\text{Net sales}} \times 100\%$$

Based on the calculation results show that the OPM in 2019, 2020 and 2021, respectively: 47,3%; 28,8%; and 22,9%.

#### 5. Net Profit Margin

Calculation of Profitability Ratio using Net Profit Margin (NPM) is to measure the percentage of net profit on net sales with the formula:

$$\text{Net Profit Margin (GPM)} = \frac{\text{Net profit}}{\text{Net sales}} \times 100\%$$

Based on the calculation results show that the NPM in 2019, 2020 and 2021, respectively: 47,3%; 28,8%; and 17,8%.

Overall Profitability Ratios using Return On Assets (ROA), Return On Equity (ROE), Gross Profit Margin (GPM), Operating Profit Margin (OPM), and Net Profit Margin are presented in Table 2.

**Table 2.** Results of Profitability Ratio Analysis using Return On Assets (ROA), Return On Equity (ROE), Gross Profit Margin (GPM), and Operating Profit Margin (OPM)

<b>Return On Asset (ROA)</b>			
Year	ROA Percentage	Growth	Remark
2019	62,1%	-	-
2020	51,7%	10,4%	Decrease
2021	47,0%	4,7%	Decrease
<b>Return On Equity (ROE)</b>			
Year	ROE Percentage	Growth	Remark
2019	95,8%	-	-
2020	79,2%	16,6%	Decrease
2021	70,0%	9,2%	Decrease
<b>Gross Profit Margin (GPM)</b>			
Year	GPM Percentage	Growth	Remark
2019	86,2%	-	-
2020	57,6%	28,6%	Decrease
2021	55,8%	1,8%	Decrease
<b>Operating Profit Margin (OPM)</b>			
Year	OPM Percentage	Growth	Remark
2019	47,3%	-	-
2020	28,8%	18,5%	Decrease
2021	22,9%	5,9%	Decrease
<b>Net Profit Margin</b>			
Year	NPM Percentage	Growth	Remark
2019	47,3%	-	-
2020	28,8%	18,5%	Decrease
2021	17,8%	11,0%	Decrease

Source: Processed Data (2022)

Based on the calculation data in Table 2 shows that:

1. *Return On Assets* in 2019 was 62.1%, in 2020 it was 51.7% and in 2021 it was 47%. *Return On Assets* from 2019 - 2020 has decreased by 10.4% and in 2020 - 2021 it has decreased by 4.7%. This decrease was due to the total assets owned not being comparable to the net profit generated, which resulted in a decrease in *Return On Assets* during the 2019-2021 Covid-19 pandemic.
2. *Return On Equity* in 2019 was 95.8%, in 2020 it was 79.2% and in 2021 it was 70%. *Return On Equity* from 2019 - 2020 has decreased by 16.6% and in 2020 - 2021 it has increased by 9.2%. This decrease was due to an increase in total capital, but was followed by a decrease in net income. So it can be stated that *Return On Equity (ROE)* is at *Coffee Shop Janji Jiwa Jilid 610 Samarinda* during the Covid-19 pandemic has decreased over the period 2019-2021.
3. *Gross Profit Margin* in 2019 was 86.2%, in 2020 it was 57.6% and in 2021 it was 55.8%. *Gross Profit Margin* from 2019 - 2020 has decreased by 28.6% and in 2020 - 2021 it has decreased by 1.8%. This decrease was due to a decrease in gross profit, but was followed by an increase in sales. Sales generated annually do not match the gross profit obtained, resulting in a decrease in *Gross Profit Margin* during the 2019-2021 Covid-19 pandemic.
4. *Operating Profit Margin* in 2019 was 47.3%, in 2020 it was 28.8% and in 2021 it was 22.9%. *Operating Profit Margin* from 2019 - 2020 has decreased by 18.5% and in 2020 - 2021 it has decreased by 5.9%. This decrease was due to a decrease in operating profit but was followed by an increase in sales. However, the sales generated annually are not in accordance with the operating profit obtained, so there is a decrease in the *Operating Profit Margin* during the Covid-19 pandemic in 2019-2021.
5. *Net Profit Margin* in 2019 it was 47.3%, in 2020 it was 28.8% and in 2021 it was 17.8%. *Net Profit Margin* from 2019 - 2020 has decreased by 18.5% and in 2020 - 2021 it has decreased by 11.0%. This decrease was due to a decrease in net profit but was followed by an increase in sales. However, the sales generated annually do not match the net profit obtained, resulting in a decrease in *Net Profit Margin* during the Covid-19 pandemic for the 2019-2021 period.

In general, it can be stated that based on the results of the profitability analysis using the *Return On Assets*, *Return On Equity*, *Gross Profit Margin*, *Operating Profit Margin*, and *Net Profit Margin* methods, it has decreased during the Covid-19 pandemic. In accordance with previous research reported by Sari and Dura (2022) that there were differences in *ROA*, *ROE*, *GPM*, and *NPM* before and after the New Normal Era and there were no differences in *OPM* before and after the New Normal Era. Even though there was no difference in *OPM* before and after the New Normal Era, there were several companies that experienced an increase in their operating profit margins and decreased profits. The decline in profits resulted in a small profit from sales.

## CONCLUSIONS AND RECOMMENDATIONS

### A. Conclusion

Based on the results of research and discussion it can be concluded as follows:

1. The Profitability Ratio as measured by *Return On Assets* from 2019-2021 has decreased due to a decrease in net income followed by an increase in total assets where the total assets owned are not comparable to the net profit generated.
2. The Profitability Ratio as measured by *Return On Equity* from 2019 has decreased due to a decrease in net profit followed by a decrease in total capital, but in 2021 *Return On Equity* has increased where total capital has increased followed by a decrease in net profit.



3. The profitability ratio as measured by Gross Profit Margin has decreased due to a decrease in gross profit followed by an increase in sales where the sales generated annually do not match the gross profit obtained.
4. The Profitability Ratio as measured by the Operating Profit Margin from 2019-2021 has decreased due to a decrease in operating profit followed by an increase in sales where sales generated annually do not match the operating profit obtained.
5. The Profitability Ratio as measured by Net Profit Margin from 2019-2021 has decreased due to a decrease in net profit followed by an increase in sales where sales generated annually do not match the net profit obtained.

## **B. Suggestion**

Based on the results of the study, several suggestions can be put forward, namely:

1. For companies, it should be *Coffee Shop Janji Jiwa Jilid 610 Samarinda* able to increase equity, net income, sales and maintain total liabilities in order to improve the coffee shop's financial performance by improving its sales strategy and being able to streamline expenses.
2. For advanced researchers, they should use different models to measure financial performance or can add and replace variables, it is hoped that by adding these variables, more accurate calculations will be produced.

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