

ANALYSIS OF THE COMPETITIVE STRATEGY OF RETAIL BUSINESS IN THE NEW NORMAL ERA

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ABSTRACT. The Covid-19 pandemic has impacted almost all business sectors, including the retail business. Changes in consumer behavior and a decrease in purchasing power have an impact on sales decline. Globally, the decline in retail business sales is estimated to be up to 9.6 percent equivalent to 2.1 Trillion dollars. on the level of retail business sales in Indonesia, as reflected in the Real Sales Index (IPR) which was recorded at minus 16.9%. This figure is worse than the March 2020 IPR, minus 4.5%. Ami mart is a company in Magelang that runs a modern retail business that serves wholesale and retail purchases. Having a total of 25 employees, as of November 2021 Ami Mart has opened 3 branches. The three Ami Mart branches, each located in a location adjacent to similar retail businesses that have been established before, such as Fleet supermarkets, Indomart, and Alfamart. Intense competition with pre-existing national retail companies plus new normal conditions after the COVID-19 pandemic makes Ami mart need to determine the right competition strategy, especially in accordance with socio-economic conditions in the new normal era. One of the ways to determine competitive strategy is the SWOT method. SWOT analysis is carried out by identifying factors such as Strengths (Strengths), Weaknesses (Weaknesses), Opportunities (Opportunities) and Threats (threats), then the appropriate strategy can be determined according to company conditions. SWOT analysis, shows that the internal strategic factor analysis summary (IFAS), the results of the strength factor of Ami Mart's retail business have a score of 2.54 and the strength factor of Weakness has a score of 1.94 so that it has a total score of 4.48. SWOT analysis, shows that the external strategic factor analysis summary (EFAS), the results of the Ami Mart retail business opportunity factor have a score of 2.23 and the threat has a score of 1.85 so that it has a total score of 4.09. The SWOT matrix shows that Ami Mart's retail business is in quadrant I, namely at the point (0.3 : 0.2) which means the company has a favorable situation where there are opportunities and strengths so that they can take advantage of existing opportunities. Ami Mart is in a position that allows it to continue to expand its business

in the new normal era. 2) which means the company has a favorable situation where there are opportunities and strengths so that they can take advantage of existing opportunities. Ami Mart is in a position that allows it to continue to expand its business in the new normal era. 2) which means the company has a favorable situation where there are opportunities and strengths so that they can take advantage of existing opportunities. Ami Mart is in a position that allows it to continue to expand its business in the new normal era.

Keyword: keyword 1; keyword 2; keyword 3

JEL Classification:

INTRODUCTION

The Covid-19 pandemic has affected almost all sectors of the business economy. This is particularly the case in sectors that rely heavily on human interaction, such as retail companies which have been worst affected (Hoque et al., 2020). The character of retail stores that are crowded and open to the public is seen as having a risk for the spread of the virus uncontrollably (Munster akk., 2018). Recent research has revealed changes in consumer behavior due to a prolonged quarantine period and creating new consumption patterns in response to perceptions of the threat of transmission of the Covid-19 virus. Among them, Lu et al. (2020) found that consumer confidence decreased due to high insecurity when shopping in the context of the current Covid-19 pandemic, which had a negative impact on their satisfaction.

There is also a phenomenon where consumers from the lower middle group experience a decrease in purchasing power due to reduced income, while the upper middle group holds back spending due to restrictions on activities outside the home (Waseso, 2021). These phenomena and things, eventually led to a decline in sales in the retail business. Globally, Forrester (2021) predicts a decline in retail business sales of up to 9.6 percent, equivalent to \$2.1 Trillion. The United States recorded a decline in retail sales of minus 8.7% in March and year on year, the decline reached minus 6.2% (US Census Bureau, 2020). China, the world's largest consumer country, reported its May retail sales of minus 2.8 percent, according to the China Central Bureau of Statistics (Pramisti, 2020). Singstat (2020) noted Singapore's retail sales in March fell to their lowest level in 22 years. Retail sales fell to minus 13.3% year on year. According to Reuters (2020) calculations, this is the worst decline since September 1998 when Singapore's retail sales fell 16.9 percent.

In Indonesia, the Covid-19 pandemic has eroded people's purchasing power. The National Planning and Development Agency stated that the pandemic had eroded people's purchasing power of up to Rp362 trillion (Agustianti, 2020). This condition has an impact on the level of retail business sales in Indonesia, as reflected in the Real Sales Index (IPR) which was recorded at minus 16.9%. This figure is worse than the March 2020 IPR, minus 4.5% (Pramisti, 2020). In some areas, outlets of retail companies were forced to close due to losses that occurred continuously over the last few months. PT Matahari Department Store decided to close 25 outlets in 2020, Giant supermarket closed three outlets in early 2021, until Centro closed two outlets that have been operating for 15 years (CNN Indonesia, 2021). This condition causes retail companies that are still surviving to need a strategy in order to win the competition. Competitive strategy relates to developing the attributes that characterize the company and distinguishing the quality that is made and offered compared to its competitors (Porter, 2007).

Ami mart is a company in Magelang that runs a modern retail business that serves wholesale and retail purchases. Various types of products are sold such as basic necessities, drinks and snacks, office stationery, cosmetics, medicines, appliances and other household needs. Ami Mart's head office is located on Jalan Raya Magelang-Semarang, Payaman, Secang District, Magelang Regency. Having a total of 25 employees, as of November 2021 Ami Mart has opened 3 branches, namely the Payaman branch, the Armada Estate shophouse branch, and the Pakelan branch. Each building area is 600m² for the Payaman branch, 60m² for the Armada Estate shophouse branch, and 25m² for the Pakelan branch. The three Ami Mart branches are located in a location adjacent to similar retail businesses that have been established before, such as Fleet supermarkets, Indomart, and Alfamart.

Intense competition with pre-existing national retail companies plus new normal conditions after the COVID-19 pandemic makes Ami mart need to determine the right competition strategy,

especially in accordance with socio-economic conditions in the new normal era. The preparation of the right competitive strategy requires understanding the situation and conditions of the business environment and the position of the business in the market. An analysis of the company's internal and external environment needs to be done. One of the commonly used methods is SWOT analysis. SWOT stands for Strength (Strength), Weakness (Weakness), Opportunity (Opportunity) and Threat (threat). According to Fahmi (2015),

LITERATURE REVIEW

Competitive strategy

According to Rahmat, the word strategy comes from the Greek, namely "strategos" (stratus = military and ag = lead) which then has the meaning of "generalship" or something done by war generals in terms of making plans to win battles (Hamali, 2016). The word strategy, which comes from the Greek language, was originally interpreted as an effort to achieve victory in battle, but the term strategy is also used in various fields that have relatively the same essence (Masitoh, 2009). David argues that strategy is an action or a big step that must be carried out in order to achieve long-term goals that have been previously set (David, 2016). This opinion is supported by Rangkuti who states that strategy is a comprehensive master plan and describes how a company can achieve all the goals that have been set based on the mission that has been set (Rangkuti, 2013). Strategy can maximize competitive advantage and minimize competitive limitations (Wheelen & Hunger, 2012).

Cravens et al (2006) argue that competitive marketing strategy is the process of developing a market driven strategy that takes into account a dynamic business environment and the need to deliver superior customer value. Competitive strategy is a combination of the end, namely the goals that the company strives for by using tools in the form of wisdom and the company trying to get there to achieve it (Porter, 2007). Competitive marketing strategy is a strategy that positions the company strongly when facing its competitors and provides the strongest strategic advantage for the company (Kotler and Armstrong, 2012). Competitive strategy cannot be separated from the role of leadership or leadership in managing the strategic process by planning, organizing, processing,

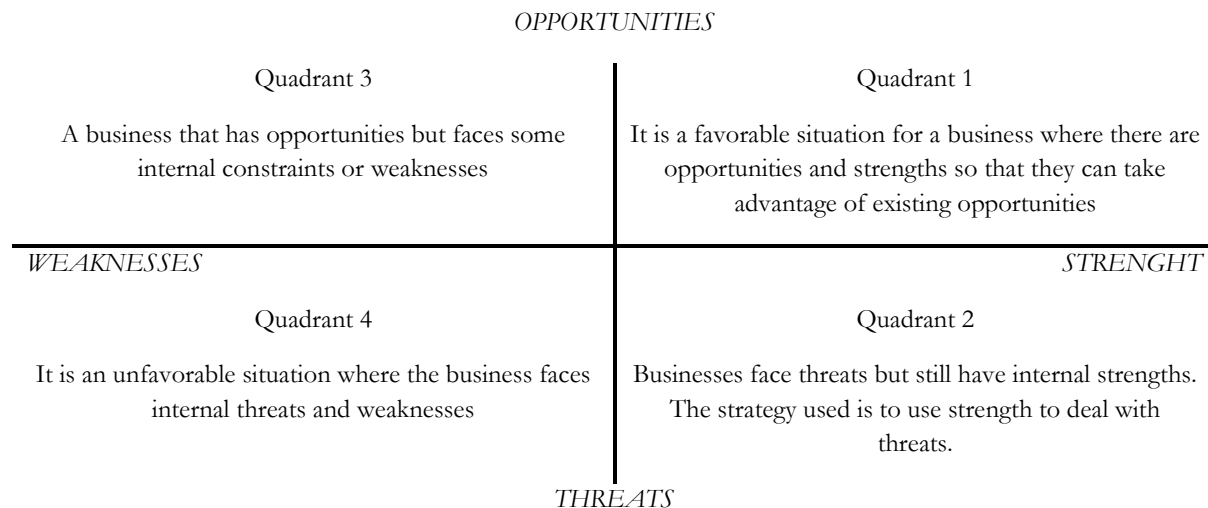
Retail Business

According to Sujana (2012) retail comes from the French word "ritellier" which means to break something up. The definition of retail business according to Syihabudhin and Sopiah (2008) is a business that sells goods and services in the form of services that have been given added value to meet personal, family, and other end users' needs. Berman and Evans (2010) define retail as a business activity that trades goods and services to consumers for personal, family, and household consumption. The definition of retailing according to Kotler and Keller (2012) includes all activities of selling goods and services directly to end consumers, both for personal and non-business use.

SWOT analysis

Rangkuti (2009) states SWOT analysis as a strategic planning method to evaluate Strengths, Weaknesses, Opportunities, and Threats in a business venture. SWOT is related to the determination of business goals and objectives by identifying internal and external factors in order to achieve the specified goals. SWOT formulates a service strategy based on logic that is able to maximize opportunities (Opportunities), and can minimize company weaknesses (Weaknesses) and threats (Threats).

SWOT analysis chart:



Source: Rangkuti, 2009

METHODS

The research method used in this study is a qualitative method, qualitative data is data used in the form of numbers, or with data presented in the form of words that contain meaning (Syamsudin, 2014). The author uses qualitative methods because in this study he wanted to find out the right strategy for modern conventional retail in the face of competition which will be in the form of processed data based on the results of SWOT analysis by making IFAS and EFAS matrices. This type of research is in the form of descriptive where based on the processed qualitative data from the author, it will later be made in the form of a SWOT analysis.

The steps taken in this study were: (1) distributing questionnaires to customers and employees of Ami Mart and in-depth interviews with managers/heads of Ami Mart; (2) make a SWOT analysis determine the strengths, weaknesses, opportunities and threats; (3) determine the IFAS and EFAS matrices; (4) determine the strategy after the IFAS and EFAS matrices are created. While the sources of data in this study are (1) Observation, where the authors make direct observations at Ami Mart in the City and Regency of Magelang; (2) Questionnaire, the author distributes a questionnaire in the form of a google form link to Ami Mart customers; (3) Interview, Conducting in-depth interviews with the owner/manager/head of Ami Mart.

RESULT AND DISCUSSION

SWOT analysis is a strategic planning method to evaluate Strengths, Weaknesses, Opportunities, and Threats in a business. SWOT is related to the determination of business goals and objectives by identifying internal and external factors in order to achieve the specified goals. Data collection techniques were obtained from observational research data, interviews and questionnaires. The results of data collection formulate the SWOT matrix in Table 1. Based on the SWOT matrix in Table 1, a combination of internal and external factor calculations is obtained. The combination obtained is used as a reference in preparing for the development of Ami Mart's Retail business in the future. The results of the matrix are then carried out by assigning scores and weights to determine the position of the Ami Mart Retail business and the appropriate alternative strategy to use.

Table 1 Ami Mart SWOT Matrix Strategy Combination

<p>ifas</p> <p>EFAS</p>	<p>Strength (S)</p> <ol style="list-style-type: none"> 1. The products sold are quite complete 2. Competitive product prices 3. Good service 4. Employees are doing well 5. The system is computerized 6. Strategic location/easy to reach 	<p>Weakness (W)</p> <ol style="list-style-type: none"> 1. Delivery is not available 2. Promotion is not massive 3. The price tag on the display rack is not yet available for each product 4. Limited parking space
<p>Opportunity (O)</p> <ol style="list-style-type: none"> 1. Shopping trends change during the pandemic 2. Government regulations support business development 3. Capital opportunities from open capital institutions 	<p>SO Strategy</p> <ol style="list-style-type: none"> 1. Continue to develop product lines that are sold, especially on products needed during the pandemic. S1, S2, O1, O2, O3. 2. Continue to improve service quality and human resource development. S3, S4, O2, O3. 3. Improve the integrated system, making it easier for HR. S5, O3. 4. Increase market share. S1, S2, S3, S4, S5 S6, O1, O2, O3 	<p>WO Strategy</p> <ol style="list-style-type: none"> 1. Add and improve services that customers need. W1, W3, O1. 2. Promote more massively through social media. W2, O1, O2, O3. 3. Provide adequate parking space W4, O2, O3
<p>Threat (T)</p> <ol style="list-style-type: none"> 1. There is a decline in people's purchasing power during the pandemic 2. High level of competition 3. Changes in view of local retail. 	<p>ST strategy</p> <ol style="list-style-type: none"> 1. Maintain competitive prices. S2, W1 2. Create a difference from competitors. S1, S2, S3, S4, S5, S6, T1, T2, T3 	<p>WT Strategy</p> <ol style="list-style-type: none"> 1. Do promotions actively, especially on products that are currently discounted prices. W2, T1, T2. 2. Make sure the price tag on the sales rack is always available, to make it easier for consumers to compare prices. W3, T1, T2, T3

Source: Processed data

The calculation of the IFAS and EFAS matrices is a calculation to determine the weight, rating and score where the total weight does not exceed 1.00, and calculates the rating value of

each factor by giving a scale of 1 (below average/not important) to 4 very good, the calculation is shown in Table 2.

Table 2 IFAS and EFAS Matrix Calculation

Internal Strategic Factor Analysis Summary (IFAS)					
No	Strength	Amount	Weight	Rating	Score
1	Complete products for sale	129	0.10	4	0.41
2	Competitive product prices	122	0.09	4	0.37
3	Good service	133	0.10	4	0.44
4	Employees are doing well	121	0.09	4	0.37
5	The system is computerized	134	0.10	4	0.45
6	Strategic location/easy to reach	142	0.11	5	0.50
Amount		781	0.58		2.54
No	Weakness	Amount	Weight	Rating	Score
1	Not able to serve delivery orders	147	0.11	5	0.54
2	Less massive promotion	138	0.10	5	0.47
3	The price tag on the display rack is not yet available for each product	148	0.11	5	0.55
4	Limited parking space	123	0.09	4	0.38
Amount		556	0.42		1.94
Total IFAS		1337	1.00		4.48
External Strategic Factor Analysis Summary (EFAS)					
No	Opportunity	Amount	Weight	Rating	Score
1	Shopping trends change during the pandemic	122	0.18	5	0.90
2	Government regulations support business development	107	0.16	4	0.69
3	Capital opportunities from capital institutions are open for business development	104	0.16	4	0.65
Amount		333	0.50		2.23
No	Threat	Amount	Weight	Rating	Score
1	There has been a decline in people's purchasing power during the pandemic	116	0.17	4	0.67
2	High level of competition	118	0.18	4	0.70

3	Changes in view of local retail.	98	0.15	3	0.48
	Amount	332	0.50		1.85
	Total EFAS	665	1.00		4.09

Source: Processed data

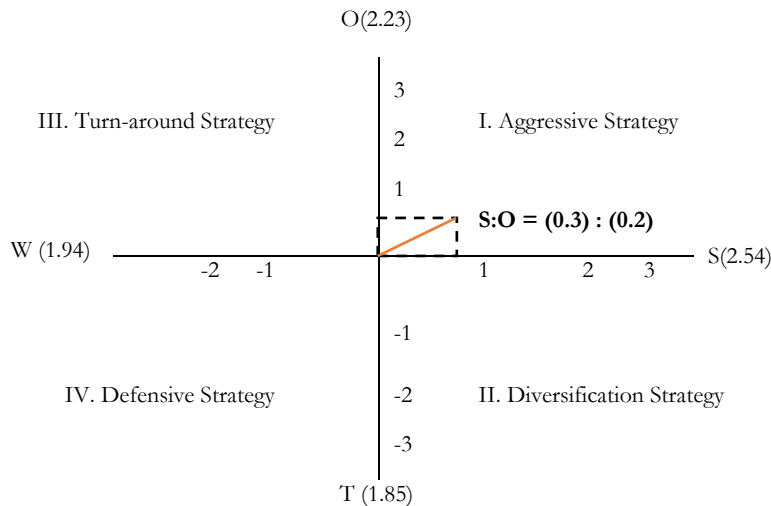
To find the coordinates, can be searched in the following way:

- Coordinates of internal analysis : Coordinates of external analysis

$$\begin{aligned}
 &= \frac{S-W}{2} : \frac{O-T}{2} \\
 &= \frac{2,54-1,94}{2} : \frac{2,23-1,85}{2} \\
 &= \frac{0,61}{2} : \frac{0,38}{2} \\
 &= 0,305 : 0,19
 \end{aligned}$$

- So if the coordinates are simplified it is (0.3) : (0.2)

Picture 1 Cartesian SWOT chart



The results of the SWOT analysis above project the position of Ami Mart's retail business in quadrant one that supports an aggressive strategy. The position in quadrant one is very profitable because the company has strengths and opportunities so that it can maximize strengths and take advantage of existing opportunities. The strategy that can be used in quadrant 1 is the SO strategy. The SO (Strength Opportunity) strategy is obtained from the results of combining the strengths and opportunities of the company, namely: (1) Continuing to develop product lines, especially products needed during the pandemic. Sanitary products and instant/fast food are still a necessity and are being sought after in the new normal era, this is an opportunity for Ami Mart to increase sales in these product lines; (2) Continue to improve service quality and human resource development. Improving the quality of services and developing human resources can be done by holding training and providing rewards for employees who have worked well; (3) Improving the integrated system to facilitate HR. The computerization of the management system and customer service must continue to be improved and updated as needed. An integrated system will make it

easier for companies to conduct business assessments, so that future strategic planning will be more effective and efficient; and (4) Increase market share. Market opportunities, government support, and capital need to be utilized as well as possible for the development of the company. The opening of branches which were initially still around the center of the City/Regency of Magelang, it is very possible to do development in other areas even outside the city/regency of Magelang.

CONCLUSION

Based on the results of the discussion presented, it can be concluded that the SWOT analysis shows that the internal strategic factor analysis summary (IFAS), the results of the strength factor of Ami Mart's retail business have a score of 2.54 and the strength factor of Weakness has a score of 1.94 so that it has a total score 4.48. The SWOT analysis shows that the external strategic factor analysis summary (EFAS), the result of the Ami Mart retail business opportunity factor has a score of 2.23 and the threat has a score of 1.85 so that it has a total score of 4.09. The SWOT matrix shows that Ami Mart's retail business is in quadrant I, namely at the point (0.3 : 0.2) which means the company has a favorable situation where there are opportunities and strengths so that they can take advantage of existing opportunities. Ami Mart is in a position that allows it to continue to expand its business in the new normal era.

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