

INDONESIA'S RETAIL BUSINESS DEVELOPMENT STRATEGY WITH THE AHP (ANALYTICAL HIERARCHY PROCESS) METHOD

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ABSTRACT

Retail growth in Indonesia in the last 5 years has decreased, whereas the daily consumption needs of a country with a population of 265 people certainly require supplies from the retail business. The Retail Sales Index reported by Bank Indonesia in 2019 only grew 3.98%, this decline has occurred since 2014 at 14.63%, continues to fall to the lowest level of 2.93% in 2017. The Global Retail Development Index (GRDI) places Indonesia is in 5th place. up 3 ranks compared to 2017, and Indonesia's economic growth is stable at around 5%, Indonesia's economic growth in 2019 reached 5.02%, a slight decrease compared to 2018 which was 5.17%. This study aims to find alternative strategies needed to improve the performance of the hypermarket format retail business in Indonesia. The Analytical Hierarchy Process (AHP) method is used to get strategic priority for retail business development. Retail experts asked to assess are; Retail practitioners, Aprindo (Indonesian Retail Association), Academics, Ministry of Trade experts, Deputy of the Coordinating Ministry for Economic Affairs. Various references and input from resource persons compiled 14 strategies that will be assessed by experts; (1) Determination of Product Variation and Quality, (2) Low Prices, (3) Convenient and Easy to Reach Location, (4) Mixed use, (5) Store Transformation, (6) Resizing Outlet, (7) Automation, (8) Distribution System, (9) Omni-Channel, (10) Combination of offline and online outlets, (11) Perpu / Legal Review, (12) Loyalty Program, (13) HR Competence, (14) Delivery. The findings of this study are to get six priority strategies; retail automation, selection of good product range and quality, combination of offline and online outlets, omni channels, low prices and store transformation.

Keywords

Analytical Hierarchy Process (AHP), Retail business, Hypermarkets Format

Article Received: 10 August 2020, Revised: 25 October 2020, Accepted: 18 November 2020

Introduction

The market development is getting faster every company must be able to compete and improve its performance. This is a challenge in itself for companies, including retail companies, to be able to compete to provide the best for their consumers. Along with the Global Retail

Development Index (GRDI) data in the annual report, A.T. Kearney (2019), shows that global retail development has grown so fast in 30 leading developing countries that were studied with the criteria of market attractiveness, market saturation, country risk, and time pressure. Table 1 here I only show ranks 1 to 20.

Tabel 1. Global Retail Development Index tahun 2019

2019 Rank	Country	Region	MA	CR	MS	TP	Total Score	Rank vs 2017*
1	China	Asia East	100	72.7	18.9	88.4	70	1
2	India	Asia South	60.2	60.9	66.8	88.8	69.2	-1
3	Malaysia	AsiaSouth East	76.9	87.8	23.1	59.9	61.9	0
4	Ghana	Africa West	18.3	42.3	96.6	79.5	59.2	27
5	Indonesia	Asia South East	51.7	50.2	53.2	79.8	58.7	3
6	Senegal	Africa West	7.3	24.5	91.4	99.2	55.6	New
7	Saudi Arabia	MENA ME	84.4	69.4	16.1	49.9	54.9	4
8	Jordan	MENA ME	44.2	51.1	60.1	59.4	53.7	7
9	UEA	MENA ME	86.0	100	0.5	24.6	52.8	-4
10	Columbia	America South	46.7	71.9	42.2	43.8	51.1	0

Note : MA (*Market Attractiveness*), CR (*Country Risk*), MS (*Market Saturation*), TP (*Time Pressure*), * : Minus (-) development such as 2017, without “-“ is increase than 2017

Source: Annual Report AT Kerney 2019

The Global Retail Development Index (GRDI) places 7 countries in the top 10 ranking. This condition shows that retail development in Asia is still attractive to attract investors. Indonesia is a population of more than 267 million people, which is also part of Asia in the 5th position, up 3 places compared to 2017, of course it is affected and has an appeal for retail investors. In a study by Kearney (2019), it is explained that Indonesia remains a promising retail market and provides large retail investment opportunities in the medium to long term, despite the various challenges that exist, especially due to increasingly stringent government regulations, such as rules on the maximum number of franchise outlets. number of 150, and rules on the proportion of local content of products sold at least 80% of the amount and type of goods traded. The Indonesian retail business has Hypermart, Giant and Transmart-Carrefour, but it is still attractive to investors, this is evidenced by the continued entry of world-class retailers to Indonesia such as Lotte Shopping (South Korea), Uniqlo (Japan), IKEA (Sweden), Lawson Asia (Singapore), Parkson Group (Malaysia) and Lulu Hypermarket (UEA). Indonesia is the largest population in Southeast Asia with a growing infrastructure facilitating land transportation. Sea and air transportation infrastructure is an important part of growth and accessibility, as well as regulations that facilitate investment, this makes Indonesia's GRDI rating up 3 places compared to 2017. Ghana is an interesting phenomenon from the 2019 Global Development Index which has risen 27 places. This is due to Ghana's fastest growing economy in the world currently estimated at 8.8%, resulting in an increase in the middle class and increasing purchasing power, development of oil and mining

and plantations, in addition to a stable government and plantations, in addition to a stable government supports various development such as restructuring of online taxation and taxation, automation as well as an investment climate that is wide open for investors. On the other hand, Turkey has experienced a decline of 18 rankings, this is due to the unpredictable political climate and the country's economy which only grew 2.8%, the currency lira inflation and retail profits declined. The condition of Indonesia's economic development, stable political conditions and growing infrastructure and the growing attractiveness of Indonesian investment are not in line with retail growth. According to Aprindo, the ideal retail growth condition is 2.5 to 3 times the economic growth of Indonesia. Retail companies are required to be able to fulfill consumer desires, both in terms of price, quality, and service so that they can continue to grow their performance. The development of e-commerce technology, use of the internet, social media, changes in consumer shopping patterns and regulations regarding modern retail make competition even harder. Indonesia's economic growth, in 2019 reached 5.02%, slightly decreased compared to 2018 of 5.17%. The Retail Sales Index has been reported by Bank Indonesia since 2014 at 14.63%, decreasing steadily to its lowest point of 2.93% in 2017, in 2019 it reached 3.98%. The slowdown in the growth of Hypermarket retail format, which has continued to experience a decline in revenue since the last 5 years, In 2019 the Hypermarket retail format represented by the Hero Group, which owns Giant Hypermarket, recorded revenue growth of -5.42% and Matahari Putra Prima, the owner of a hypermarket outlet is Hypermart. recorded revenue growth of -19.05.

This condition makes hypermarket format retailers have to find the right strategy in order to improve performance. An appropriate method and strategy is needed to support the development of the hypermarket format retail business in Indonesia.

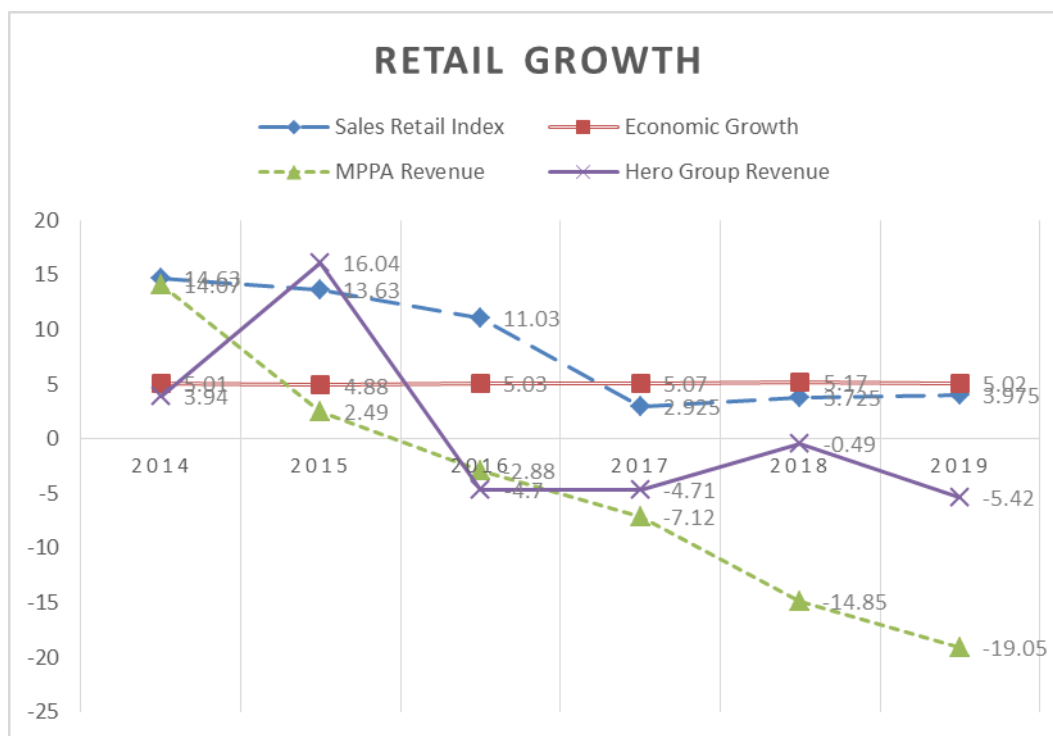


Figure 1 Indonesia's economic growth, real sales index and hypermarket retail sales

Source: Annual reports of companies and annual reports of Indonesian Central banks

Literature review

Saaty (2012) states that the Analytical Hierarchy Process (AHP) is an expert approach to making decisions, it is a combination of rationality and intuition to select predetermined alternatives. Starting with goal setting, the factors that influence performance and finally getting the expected strategic priority. Jochen W (2020) through the AHP method that Omny Channel Capability is needed in the development of B2C organizations, here organizational capabilities are the driving force for the ability to develop capabilities in Omny Channels. Still using the AHP method, Ahsan K and Rahman S (2015) service return is very much needed, there are five important points; support good communication for customers. Refunds, support ease of access, family interaction and product replacement, are required for customer retention in Australia.

This research is about the performance and aspects that affect organizational performance such as service quality, organizational capability, customer trust, customer loyalty. Performance according to Armstrong and Baron (2009) is something that has been achieved by a person or organization. Company performance is divided into three, namely service performance, marketing performance, and operational performance. In this study, the performance consists of marketing

performance and operational performance. Clark et al (2006) Measurement of marketing performance is a feedback process about performance related to the marketing efforts made by the organization. Kaydos W (1998) states that Operational performance with Profits goes hand in hand. Keats and Hitt (1988) an organization's ability to transform long-term capabilities in terms of implementing strategies to deal with environmental changes, in terms of the market performance of a product. A good strategy carried out with good operations will generate high profits, a good strategy implemented with poor operations, the results will be moderate, moreover, a bad strategy carried out with bad operations will result in minimal profit and even loss.

Organizational capabilities according to Collis DJ. (1994) divided into three; static capabilities, dynamic capabilities, and creative capabilities. Static capability emphasizes the static ability to carry out performance activities, this is a "zero-level capability". such as distributing products, providing product availability, handling purchasing and sales, handling operational documents, and having retail business knowledge. Dynamic capability is a "first-order level capability". such as responding to consumer complaints, providing feedback on customer requests, developing relationships with customers, offering products efficiently. Creative capability is "higher-level capability", which is forming

alliances with business partners, sharing profits with business partners, integrating systems, providing value-added services, developing networks, electronically integrated data exchange, looking for new ways that have never existed. previous. Saunila M. et al. (2020) operational capabilities, Pattanasing K. (2019) dynamic capabilities, Rajapathirana and Hui (2018) innovative capabilities have a positive effect on improving company performance.

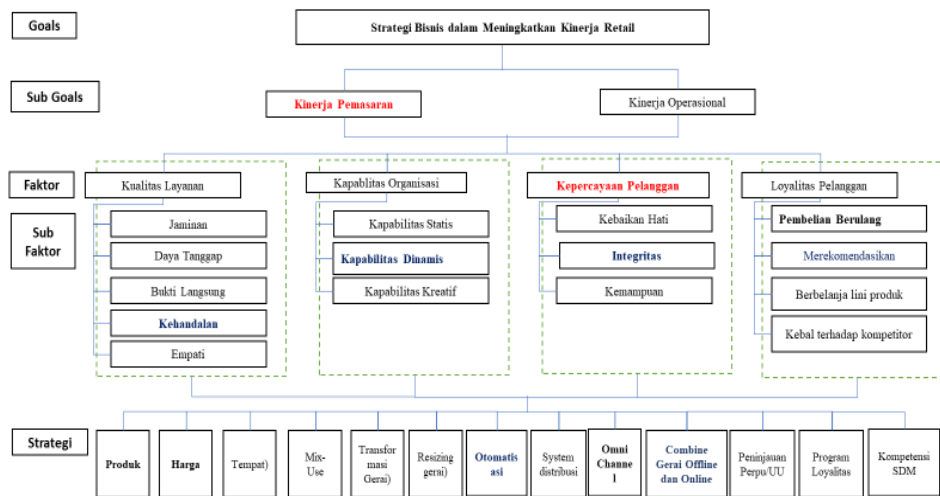
Research Min H (2007) through AHP states service quality; shop cleanliness, competitive prices, product diversity and a fast purchasing process. This finding shows the relationship between the quality of supermarket service and the desire to spread word-of-mouth, which is customer loyalty, will ultimately improve the performance of the company. Zeithaml, Berry and Parasuraman (2002) divide service quality into 5 dimensions, namely; reliability, tangibles, responsiveness, assurance, empathy. Research by Gopalan et al. (2013) regarding the evaluation of retail service quality through the Analytical Hierarchy Process (AHP) approach, the results; handling returns, exchange of merchandise and availability of goods are the variables that most affect the overall service quality. Mayer (1995) states that there are 3 factors that shape customer trust: benevolence, ability and integrity. Building customer trust is an important correlation of loyalty (Akhgari M. et al. 2018, Alkhurshan, M. etl al. 2020). Agyei et al. (2020) stated that the dimension of trust is closely related to customer loyalty, such as recommending, encouraging people to make purchases, first choice in purchasing products or services and repeat purchases.

Customer loyalty according to Griffin et al. (2014) is a customer's enduring commitment to subscribe, or repurchase, the purchase of the selected product line or service as a consistent attitude in the future, referencing others and immune to the attractiveness of competitors. Mehta AM, Tariq M. (2020) The competitive environment of supermarkets requires customer loyalty. Dhasan W and Aryupong M. (2019) product quality, service quality, price justice have a significant positive effect on customer loyalty. Kotler and Keller (2016) describe the creation of strong relationships with customers is the key to long-term marketing success.

Marketing strategy according to Kotler (2016) is inseparable from a marketing plan, a marketing plan is divided into; The strategic marketing plan is the determination of the target market and the proportion of value offered to customers based on market opportunities. Tactical marketing plan: marketing tactics concerning product features, promotions, provision of goods and services, pricing, sales channels and services. At this time the company's strategy had to add to technology. Deloitte (2018) states that retail in the future is retail that uses the latest technology, the use of AR / VR technology so that customers feel different nuances and shopping becomes a personal thing, E-retailers and small traders through social media so as to enable creativity in sales and promoting brands. which are owned. Bengley et al, 2019 stated that automation and artificial intelligence will fundamentally sharpen activities and skills, save time and high accuracy. Time and financial savings, starting from planning, procurement, buying and selling processes, supply chain everything that happens so that with the efficiency that occurs, prices can be more competitive. Information technology can unify needs through omni channel demands integrating all available channels to create a shopping experience can be found, Mosquera et al. (2017).

Framework

The condition of the hypermarket format retail business, which has experienced a decline for five years, requires the right business strategy to improve performance. Retail Business performance is divided into marketing performance and operational performance. To improve marketing performance and operational performance, of course, service quality, organizational capabilities and customer trust and loyalty are needed. It takes a new strategy related to technology such as automation or omni channels, the combination of offline and online outlets, distribution systems. The tactical matters for products, prices, places, loyalty programs, human resource capabilities are still considered, companies are also thinking about new shopping experiences for customers and efficiency such as; mixuse, garai transformation, outlet resizing. The condition of retail development is also inseparable from regulations such as laws or regulations, so it is necessary to review existing regulations..



Gambar 2 : Framework with AHP

Methods

This study uses primary data and secondary data. Primary data were obtained from questionnaires and interviews, while secondary data were obtained from documentation studies of various relevant sources. Methods of data collection using interviews, observation and documentation study. The technique for determining the respondents used purposive sampling. Five respondents were selected based on their respective competencies in the retail business, retail practitioners, the Indonesian retail association (Aprindo), academics, the Ministry of Trade and the Ministry of Economy. With the comparison method for each factor or alternative, in-depth assessment and consideration is needed, therefore it requires

experts who understand the field of retail business. The Analytical Hierarchy Process (AHP) method is a framework used to make decisions effectively on complex issues (Marimin 2004). According to Marimin and Maghfiroh (2011), the AHP method considers the relative priorities of various system factors and allows organizations to choose the best alternative based on their goals. AHP decision making is carried out with a multi-criteria approach through pairwise comparisons (pairwise comparisons) that come from a preference scale among a group of alternatives (Saaty 2012). Comparisons are made based on the policy of the decision maker by assessing the importance of one element to another.

AHP Process

Analytical Hierarchy Process (AHP)

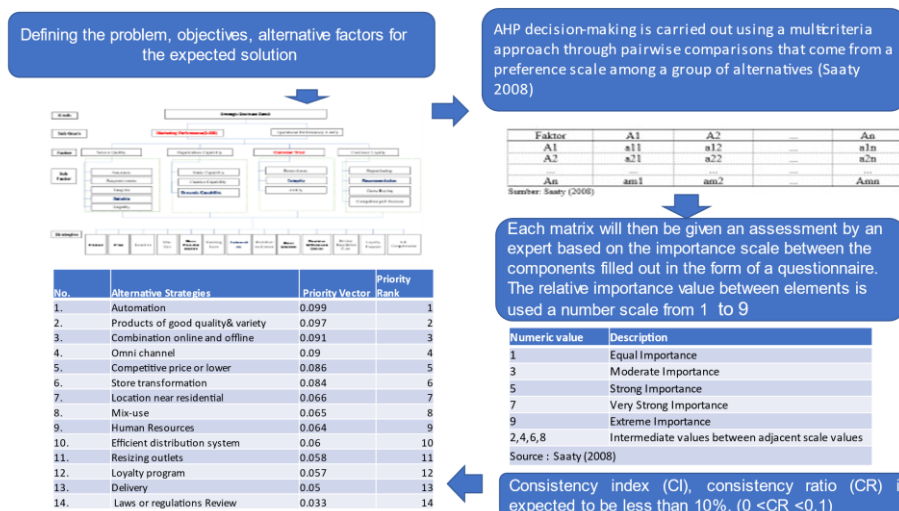


Figure 3 AHP Poces

The pairwise comparison process starts from the top level of the hierarchy which is intended to select criteria. An example of the arrangement of the elements being compared can be seen in Table

Factor	A1	A2	...	An
A1	a11	a12	...	a1n
A2	a21	a22	...	a2n
...
An	am1	am2	...	Amn

Source: Saaty (2008)

Each matrix will then be given an assessment by an expert based on the importance scale between the components filled in in the form

2.Tabel 2 Contoh matriks perbandingan berpasangan AHP

of a questionnaire. The relative importance value between elements used a number scale from 1 to 9. The pair scale comparison used can be seen in Table 3.

Table 3 Pairwise comparison scale

Numeric value	Description
1	Equal Importance
3	Moderate Importance
5	Strong Importance
7	Very Strong Importance
9	Extreme Importance
2,4,6,8	Intermediate values between adjacent scale values

Source : Saaty (2008)

The relative comparison values are then processed to determine the relative rating of all alternatives. The next stage is consistency testing. The results of filling the matrix by experts are stated to be consistent if the calculation of the concentration ratio through the Expert Choice software tool is smaller or equal to 10%. If it is greater than 10%, corrections are made by discussing it again with the experts until a consistent filling is obtained. And so on until the entire matrix is consistent for data processing. The final result will be obtained the weight of each level / component of the hierarchy and the component with the highest weight is the priority component of each level of the hierarchy. The top level of the AHP hierarchy is Focus which

represents the objective, namely determining priorities in determining the hypermarket retail policy strategy in Indonesia. The second level is a factor that is essential for achieving these goals. The third level is the actor who influences the planning, creation and implementation of the resulting strategy. The fourth level is a criterion related to the benefits of service quality, organizational capabilities, customer trust and customer loyalty that will be achieved in implementing this strategy. The fifth level hierarchy consists of alternative strategies that are offered representing alternatives for retail business activities in improving performance. The estimated AHP hierarchy in the study can be seen in Figure 3.

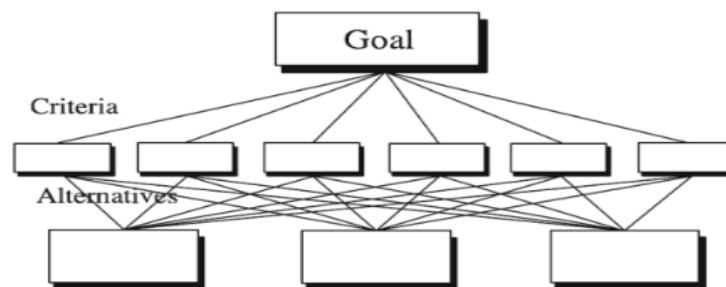


Figure 3 Three Level Hierarchy

Source : Saaty 2012

Level 1: Goals & Sub Goals

Retail Business Strategy in Improving Retail Performance is the focus or target to be achieved

Sub Goals: Marketing Performance and Operational Performance.

Level 2: The factors & Sub factor that support the increase in retail performance are;

- a) Quality of Service : reliability, tangibles, responsiveness, assurance, empathy
- b) Organizational Capabilities: static capabilities, dynamic capabilities, and creative capabilities
- c) Customer Trust: reliability, tangibles, responsiveness, assurance, empathy.
- d) Customer Loyalty: repurchase, crossbuying product line or service, referencing to others and immune to the attractiveness of competitors.

Level 3 : Strategies to be carried out, in developing service quality, customer trust, organizational capabilities and customer loyalty in an effort to improve the performance of retail companies; (1) Determination of Product Variety and quality, (2) Low prices, (3) Comfortable place, (4) Mix-use, (5) Store transformation, (6) Resizing outlets, (7) Automation, (8) Distribution System, (9) Omni-Channel, (10) Combination of offline and online outlets, (11) Review of Regulation/ Law, (12) Loyalty program, (13) HR Competency, (14) Delivery

RESULTS AND DISCUSSION

Strategy analysis using the AHP method is carried out to determine the results of factor analysis based on an interest perspective, this is done to show the dominant factors that can influence the retail business strategy in improving performance through service quality and organizational capabilities. Results of Alternative Analysis of Service Quality Development Strategies, Customer Trust, and Organizational Capabilities in Improving Retail Performance. Alternative strategies that will be applied in developing service quality, customer trust, organizational capabilities in increasing customer loyalty and retail company performance are formulated into five levels:

1. The First alternative strategy that is considered the most reliable and a top priority is automation to support the efficiency of using the latest technology, allowing self-scan and self-payment

payments using credit cards or other online payment instruments (0.099), so no cashier is needed, supported by a database both to support the smoothness and accuracy as well as high security so that data is connected to all branches

2. The second alternative strategy is: Good product quality, variety and other specifications expected by customers (0.097), meaning that retail companies need to improve their products in terms of quality, variety and specifications as expected by customers, so that customer needs are met. A large number of choices creates a small buying tendency for a product, but a smaller variety makes more purchases for the product offered.
3. Then the third alternative

The combination of outlets in the network or online with existing offline, so it is necessary to form an online outlet application as an activity offline to online or vice versa (0.091), this strategy describes the formation of an online outlet application by combining online and online outlets. existing offline, this condition requires to be created, because the increase in e-commerce has increased, besides that the shopping pattern using on-line has become a new habit for retail consumers.

4. The fourth alternative strategy is Omni channel or holding a sales, promotion and distribution strategy in one unit using all existing channels (0.09), where retail outlets carry out strategies related to sales, promotion and distribution for online and offline outlets at the same time, this requires synergy of all parts and supported by software and data capabilities that are accurate and integrated. In terms of product diversity, too much variety makes a small purchase, so it is better to vary a little so that customers tend to buy a lot.
5. The fifth alternative strategy is competitive or cheaper prices with competitors both with e-commerce and minimarkets (0.086), implementing a low price strategy, retail can dominate the market and become an option for consumers besides that it can trigger lower price reductions. again for competitors in order to compete.

6. The sixth alternative is store transformation; presenting a different shopping experience, adding game and culinary facilities, free wifi, waiting room or games (0.084).
7. Seventh alternative Location near residential and easily accessible (0.066), where retail outlets must implement a location strategy that is easily accessible and close to settlements so that buyer mobility is fast.
8. The eighth alternative, namely, Mix-use or merging outlets with other business fields, for example outlets with recreation areas, meeting places and activity centers (0.065) means that this strategy aims to narrow the space for consumers to move to competitors and become a means of inviting customers more came to available outlets.
9. The ninth alternative, Increasing the competence of human resources who are able to adapt to current business demands (0.064), human resources must have the competencies needed for today's business competition so that they can build the facilities and infrastructure, products or software needed by the company and accordingly. with customer expectations.
10. The tenth alternative, an efficient distribution system using technology, making it possible from direct suppliers to outlets without having a distribution center (0.06), this aims to cut the number of product transfers from one party to another, so as to reduce the risk of loss, damage and cutting cost.
11. The eleventh alternative, Resizing outlets makes small, compact and integrated outlet sizes but meets needs (0.058), this strategy is carried out as a form of retail efficiency by reducing land and building costs while maximizing revenue by providing consumer needs
12. Alternative twelfth, the loyalty program is made so that loyal customers have better facilities, services, prices or promotions (0.057), the company has a loyalty program such as membership, by becoming a member, several facilities are given to members so that they are more

loyal, such as discounts special prices for members, redeem points etc.

13. Alternative thirteenth, Delivery or delivery from free outlets to the destination with good and neat packaging (0.05), this strategy aims to reach people in an era of practical and instantaneous. By having a free delivery service, customers order online and are distributed by the store to the customer's destination.
14. Alternative fourteenth Reviewing Laws, Perpres, or Perpu on Retail with stakeholders to review to create a perpu that is in accordance with current business demands (0.033). Regulation plays a role in ensuring the business climate.

The hierarchy that has been formed is described as follows;

1. Goals and Sub Goals. the main goals or objectives to obtain a business strategy in improving the performance of hypermarket retail in Indonesia. The main sub goals that can support the implementation of these goals or targets are Marketing Performance (0.588), meaning that in achieving efforts to improve retail business performance, marketing performance must get greater attention than Operational Performance (0.442) which ranks second, even though it ranks second. but still needs attention, because the difference between marketing performance and operational performance is only 0.12 adrift
2. Factors
 - a) The factor that ranks first is the Customer Trust factor (0.338), with the Integrity subfactor (0.593) being the main subfactor in supporting customer trust, meaning that for retail in Indonesia the customer trust factor needs to be considered. The company must be able to create customer trust accompanied by good integrity. Then the second place is the kindness sub-factor (0.263) and the ability sub-factor (0.229) ranks third.
 - b) The second factor that supports performance is Customer Loyalty (0.262) with the highest subfactor being repeat purchases (0.285), then recommending it to others (0.273), then consecutively being immune to the pull of competitors (0.271) and finally purchasing a product line (0.172). The main loyalty is the

occurrence of repeated purchases, because with repeated purchases, sales will increase.

c) The third factor is Organizational Capability (0.219), namely Dynamic Capability (0.403), meaning that organizations must have the ability to adapt dynamically to meet consumer expectations and needs and adapt to the increasingly dynamic demands of the retail business world. Furthermore, the second order is the Creative Capability subfactors (0.402) and Static Capabilities (0.196). The fourth factor is Service Quality (0.182), the sub-factor that becomes the priority of the service quality factor, namely reliability (0.215), which means that in providing services must be reliable, employees or existing facilities have the ability to solve problems faced by customers. Furthermore, the sub-factors of empathy (0.204), direct evidence (0.196), responsiveness (0.201), assurance (0.184). The ability and willingness to help, wholeheartedly are needed to produce good quality service

3. Priority strategies

The priority of the strategies is assessed by experts from 14 alternative strategies that exist after being assessed, then 6 strategies become priority

a) Automation

Automation in the retail world must be applied due to several conditions encountered in the hypermarket format retail business in Indonesia as follows; pressure on profits due to more intense competition from e-commerce, supply chains that demand accuracy, speed of response and more careful planning for the supply of goods. Purchasing and payment using renewable technology, will make it easier to select, sort out a product or use a robot in provisioning and transactions, even using the Global tracking system for ordering and product detection which can be monitored by customers themselves. Through technology, each customer becomes self-service, both in self-select purchases and payments made independently connected to a credit card or other digital payment, which is linked to a face scanner that is directly detected by company and bank databases, this makes efficiency in human resources, especially cashiers. In this Covid-19 condition, it is also necessary to avoid contact and distance between officers and buyers. Voice-based shopping technology where voice search, combined with the use of RFID and

artificial intelligence such as Augmented Reality (AR) and Virtual Reality (VR), provides a practical, fast feel and provides a new experience. Automation and artificial intelligence will fundamentally sharpen activities and skills (Bengley et al, 2019) will save time and money, starting from planning, supply chain / supply chain, procurement, buying and selling processes, all of which result in savings in money, time and high accuracy. Automation makes business processes efficient and effective; save time as well as finances, from planning, procurement, buying and selling process, supply chain all happen to save money, time and high accuracy.

b) Products

Retail companies must choose high-quality products with other types and specifications that customers expect. Retail companies must be able to choose good quality products tailored to the needs of the majority of customers in an area, therefore retail companies do not sell products of the same type or variety for all regions, and should also pay attention to the socio-economic and demographic conditions in a region. Companies also in arranging goods limit the choices of their customers in terms of products, a variety of products that make too many choices and comparisons, this will result in a large variety of products that have a tendency for customers to buy less, compared to products with a little variety, the tendency to make the quantity purchased is more, in this case the retail business must know the needs of the customer which must be carefully selected and limit the choices that are too diverse.

c) Combination of offline and online outlets

The existing offline outlets need to be combined with online outlets, this is to adjust to the shopping behavior patterns of consumers who have shifted towards online or online. so it is necessary to establish an online outlet application by a hypermarket format retail business company. It is a dynamic adaptation in accordance with the demands of the current digital era, so that it is expected to be able to provide online facilities that will trigger increased purchases, where currently online purchasing patterns continue to increase. The BOPIS method (Buy Online, Pickup In-Store) is a combination of online and offline, customers to buy products on the retail company website and

collect them directly at the physical store, so customers don't have to spend time looking for goods, payment and collection of goods, with BOPIS Customers can also check directly on the product purchased and can be exchanged immediately if it does not match the specifications or the goods are damaged. Offline outlets must also be able to provide online transaction processing.

d) Omny Channel

Omni channel integrates all available channels to create a seamless shopping experience that enhances convenience and enhances customer shopping experience. Mosquera et al (2017) Omny Chanel is when customers can use more than one channel (channel) in retail activities ranging from providing and selling to buying, getting and returning or exchanging goods such as physical stores, e-Commerce or the internet, mobile (m- Commerce), social Commerce, and others have influenced customer shopping and pre-purchase behavior. Lee S., Lim T. (2017). It further states that customer experience, (hedonic, economic, symbolic, and relational experience), through omni channels has a positive effect on customer attitudes towards stores. Deloitte (2018) states that Omnichannel; is the ability of the store at any time, anywhere can provide speed and accuracy, including integrated services, Sustainability; sustainable products, new alternative product materials and a transparent supply chain. Innovation is needed for future retail, this is along with the use of AR / VR technology so that customers feel a different nuance and shop becomes personal, E-retailers and small traders through social media so as to enable creativity in sales and promoting their own brands. Through omni channels, it is expected that all communication channels such as social media; WhatApp, Twitter, Pinterest, Instagram, Facebook etc. can also be combined with conventional communications such as radio, television and newspapers as well as devices used such as mobile phones, PCs or notebooks or artificial intelligence such as Ardan VR. This is where the process of dynamic capabilities and creativity of retail managers is needed.

e) Price

Price is classical theme in retail because the price factor plays an important role, therefore in pricing usually such as markdown, coupon rebate, bundle price, unit price multiplier, variable price. In determining which to do the company can consider the characteristics of the consumer and the product being sold. To be able to provide low prices, efficiency is needed, automation is an effort for efficiency in terms of labor, then resizing outlets can save on building rent, electricity, and cleaning power. With the prevailing savings, the price margin of a product can be competitive. Customers want products with low prices and good quality. Customers in Indonesia are very sensitive to prices, so price comparisons are often made before buying, this shows that customers are not sure about the best price they get at hypermarket outlets. Hypermarket managers in Indonesia must make savings so that costs incurred are not large and can reduce selling prices, savings can be made by efficiency of outlets, human resources, maintenance of facilities and buildings. The use of technology for automation, omnichannel, offline and online merging and store resizing can create significant savings. Business managers provide competitive prices and buyers can check prices online, so that customers feel confident that the price given is the best price, cheap and has good quality.

f) Store transformation

Stores must present a different shopping experience, shopping experience to be personalized, turned into a digital business store, free wifi, waiting rooms or games, Virtual reality (VR) or Augmented Realty (AR) facilities. So that customers feel comfortable, happy and get a new experience when shopping. Currently, in shopping, customers are only led to choose goods, shop and return home, but the outlets must be transformed into a fun place and have a different experience when shopping, so that shopping creates a recreational and less tedious aspect. Customers who are happy when shopping will provide more time at the store, and longer time at the store will make people buy more because impulse buying will form, where customers shop for something that was not planned before.

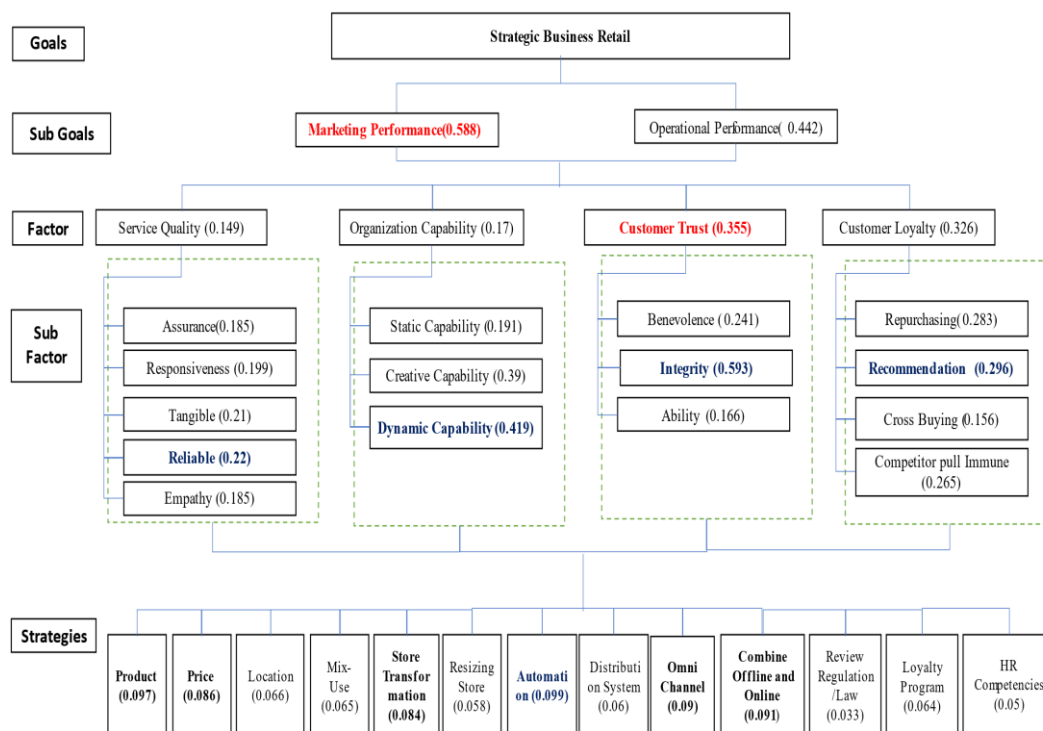


Figure 4 AHP processing result

All the strategies above automation, products, combination of offline and online outlets, Omny Channels, low prices and store transformation must be followed by efforts to increase customer trust based on good integrity. In the current post-truth or post-truth era, the boundaries between truth and lies, honesty and dishonesty, fiction and non-fiction are unclear. Objective facts are seen as not important to build public opinion, what matters is the opinion that is created. Opinions are built by arousing personal emotions and beliefs, which are also flooded with information and media. Data can be easily retrieved anywhere and make your own conclusions as desired. This post-truth era also has an impact on the post-trust era, in believing or believing in something that facts are not important, but opinions that occur continuously arouse emotions so that beliefs are formed based on opinions. We can formulate our own opinion, construct truth beyond facts. The development of retail in this post-trust era must be able to create good opinions from customers. The company provides the transparency and commitment expected by customers so that products and services as well as all work plans, personalization of products and services, further innovation, and healthy competition, the activities of retail companies are trusted by customers. Solomon and Flores (2001) stated that to build

trust, we must understand and respect trust itself, which requires practice, real action as an important element of trust, and a commitment that is made and must be respected. So that credibility, transparency, integrity and trust are the keys to the competence of the new global economic leadership in achieving company performance. Companies must be able to provide trust in order to create cognitive loyalty: this loyalty is a representation of what consumers believe, after which it provides insight and commitment to form affective loyalty, loyalty must be increased so that repeat purchases and recommends to people others occur continuously, because this is very important for improving company performance.

Management Implications

Stakeholders must work together to improve the performance of the hypermarket format retail business. It is time for the managers or leaders of retail companies in the hypermarket format in Indonesia to change the pattern of business handling, with a new paradigm that emphasizes more on technological developments, therefore it is time to apply integrated technology in retail business activities from the start of planning, procurement, delivery, to service. Investments in technology will accelerate 4G-era applications and especially during the Covid-19 pandemic, technology will play a very important role. The

impact will have an impact on the restructuring of the organization and human resources so that they can adapt to environmental needs. The role of the Retail Entrepreneurs Association (Aprindo), which houses retail businesses with the government and the Legislative, is actively reviewing laws or regulations that hinder retail development, so that it can discuss regulations that can attract investors and stimulate retail businesses in Indonesia. Business managers activate the research and development section so that continuous innovation and understanding the needs of consumers and the dynamics of the retail business can collaborate with research agencies or university academic studies.

CONCLUSIONS AND SUGGESTIONS

Conclusion

The performance of the hypermarket format retail business organization in Indonesia is in a steadily declining condition, therefore the right strategy is needed to increase this performance. From the AHP results, the results show that marketing performance takes precedence over operational performance. In carrying out this marketing performance, the first factor. Customer trust with the dimension of integrity needs to be emphasized, here the company must be able to increase customer trust by increasing staff integrity, trust is very important. It takes company reliability in forming a positive customer opinion about the company. The second aspect that needs attention is customer loyalty where the desire to repurchase, word of mouth or recommending others is needed so that performance increases. There are 14 strategies obtained from references and experts; (1) Determination of Product Variety and quality, (2) Low prices, (3) Convenient and accessible locations, (4) Mix-use, (5) Transformation of outlets, (6) Resizing outlets, (7) Automation, (8) Distribution System, (9) Omni-Channel, (10) Combination of offline and online outlets, (11) Regulations / laws, (12) Loyalty program, (13) HR competency, (14) Delivery. Strategies that are prioritized in improving the performance of hypermarket retail formats, consist of 6 priority strategies, namely retail automation, products, combination of offline and online outlets, Omni Channel, lower prices than competitors and store transformation. In the application, the leadership of the company, if you want to choose more than 6 priorities above, can

synergize the six priority strategies with other strategies by considering the conditions of each company, consumer criteria and location. For example, choosing 6 main strategies, then combining it with store resizing or free delivery and etc.

Suggestion

Companies must always be dynamic and be able to adapt to the demands of customers as well as current business demands, the use of technology must be implemented to be efficient. The six main strategies of automation, products, combination of offline and online outlets, omni channels and low prices, and store transformation must be followed by efforts to increase customer trust based on integrity. Therefore, future studies are suggested to build more comprehensive theoretical and empirical studies, on other aspects of improving retail business performance, especially other retail formats, other methods also need to be further explored such as SEM so that the strategy used is more comprehensive.

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