Promotion and Servicescape Optimization in UD. Tjandra – Cinere

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ABSTRACT

Small and Medium Business Enterprises has a significant impact to the national economic and adsorb a significant number of employee in Indonesia. One of the types of small and medium enterprise that have a rapid cash flow in their operation is a traditional grocery. UD. Tjandra, which located in Cinere, Depok is one kind of traditional grocery business which has a few strengths comparing to its nearby competitor, but still not maximizing it yet to increase their competitive power. Based on the analysis that have been done during this research, there are a gap in this business entity that need to be optimize in order to make this business entity perform better, these gaps are promotion and services cape. Optimization that been done in this research is blind shop promotion, cross selling promotion, and services cape optimization. After doing these optimizations, there is a raise in sales volume for a product that used as an object in the promotion optimization and based on the respondent valuation, there is a significant increase from consumer loyalty level. This research is aiming to assist UD. Tjandra to manage effective promotion process and to manage their store appearance in a better way.

Keywords---traditional grocery, promotion, cross selling, servicescape.

1. INTRODUCTION

Small and Medium Business Enterprises has a significant impact to the national economic and adsorb a significant number of employee in Indonesia. One of the types of small and medium enterprise that have a rapid cash flow in their operation is a traditional grocery. UD. Tjandra, which located in Cinere, Depok is one kind of business which has a few strengths comparing to its nearby competitor, but still not maximizing it yet to increase their competitive power. Based on the analysis that have been done during this research, there are a gap in this business entity that need to be optimize in order to make this business entity perform better, these gaps are promotion and services cape. Optimization that been done in this research are blind shop promotion, cross selling promotion, and services cape optimization. After doing these optimizations, there is a raise in sales volume for a product that used as an object in the promotion optimization and based on the respondent valuation, there is a significant increase from consumer loyalty. This research is aiming to assist UD. Tjandra to manage its promotion process and to manage their store appearance better more effectively.

2. LITERATURE REVIEW

Analysis regarding to the problem that faced by UD. Tjandra Grocery Store needs some approaches and methods and will be analyzed using some theoretical tools that can be seen in methodologies part. All of those tools is aiming to get final decision about which aspect that need and feasible to undergo some optimization in UD. Tjandra traditional grocery store.

Data that will be used in this research consist of primary data and secondary data. Based on Umi Narimawati, S.E., M.Si (2008), primary data is the data that gotten directly from primary source that gotten directly during this research. Primary Data in this research will be deliver directly from the owner , employee, and online questionnaire via google docs. Secondary data based on the definition by Sugiono (2008) is indirect data that gotten from external source such as similar research, journal, and other external sources. Secondary data in this research is collected from some books, journal, and other supporting literatures.

3. METHODOLOGIES

Some critical aspects in this business entity will be analyzed using some theoretical tools which are business problem approach, business coaching process, business coaching technical method, market segmentation, market type, data

collection technical method, business process analysis, business model canvas analysis, PESTEL (Political, Economy, Social, Technology, Environment, and Legal) analysis, Porter analysis, STP (Segmenting, Targeting, and Positioning) analysis, Marketing mix analysis, SWOT (Strenght, Weakness, Opportunity, and Threat) analysis, GAP analysis, and the last is PARETO analysis which is the final decision which aspect that need and feasible to undergo some optimization in UD. Tjandra traditional grocery store.

All of those methods can be seen from the flow chart below :
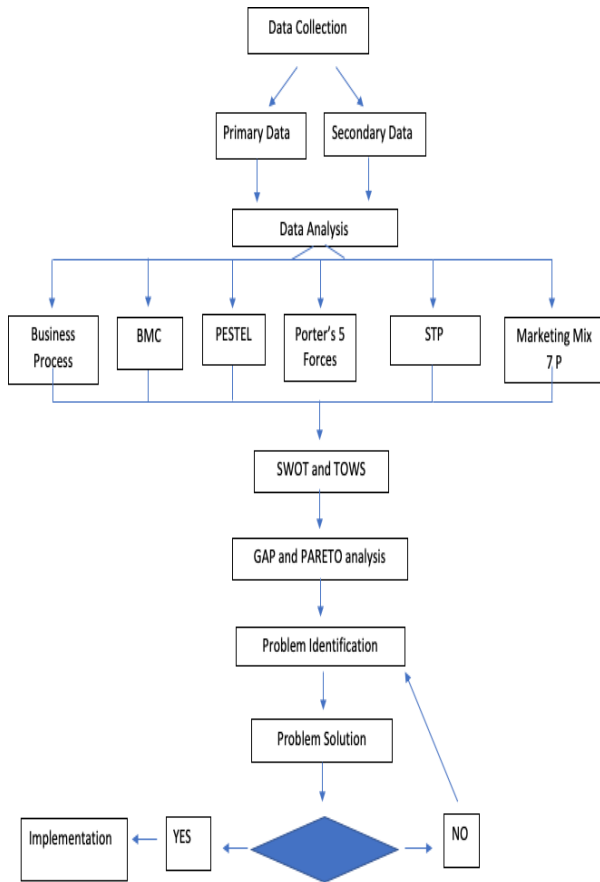
Flowchart 1. Research methodologies flowchart

Based on the BMC analysis in UD. Tjandra, it lacks promotional aspects in UD. Tjandra marketing channels that lead to the gap in this aspect. Based on the PESTEL analysis, UD. Tjandra has some strength in low tax regulation given by local government for every small and medium business and their working environment is located in strategic location for doing business, but there is also some threat for UD. Tjandra from the culture of society that begin to shop through online platform, currency fluctuation, and the raises of minimum wage that regulated by local government.

Based on the PORTER analysis that focus on external threat for business entity, UD. Tjandra should aware with their nearby competitor that has similar scale, product substitution, and customer bargaining power in order to sustain their business performance. Based on the Segmenting, Targeting, and Positioning analysis (STP), UD. Tjandra already has a clear market segmentation and keep growing so It needs more promotion to raise their market segmentation.

Based on the marketing mix analysis for services businesses, only physical evidence and promotional aspect are possible to be undertaken. Based on the SWOT analysis, UD. Tjandra has a strength in cheaper price for most items and product diversity comparing to nearby competitor with same scale, market potency, and strategic location which is in the main road from south Jakarta to the southern area of Depok regency. UD. Tjandra lacks some promotional aspect, minimum financial input, and unattracted servicescape are a few examples of its weakness. Based on the TOWS analysis, UD. Tjandra needs to improve its promotional aspects and servicescape if it still wants to maintain its market. Based on the GAP analysis, there are a few codifications as a result from BMC analysis which is promotional process, from marketing mix analysis for service businesses which are promotional and servicescape, and employee training, and from SWOT analysis which is financial aspect, but only two codifications which are promotional and servicescape are possible to be undertaken. GAP analysis above then got more analysis in deeper level with PARETO analysis, PARETO analysis is aiming to measure which codification is most critical to get optimization in this research. PARETO analysis in this research methods finally results that there are two codifications that are possible to be undertaken in this research which are promotion and store servicescape.

Finally, all of analysis that have been done before resulting in gap table and some optimizations that have been done in this research, that optimizations are listed in table below :

Table I. Research Optimization

No.	Codification	Optimization
1.	Promotion Process	Blind shop banner Cross-selling
2.	Physical Evidence (Servicescape)	Lighting components optimization Store orderliness optimization Store symbol optimization

4. RESULT

After some optimizations in promotional and physical evidence, there is an increase in number of volume sold and customer loyalty level. From promotion process, there are two treatments that have been done which are blind shop banner and cross-selling banner, for blind shop banner, the enhancement of sales volume for a goods that used both in blind shop and cross selling, the average increase from blind shop is 24,75 % and for cross selling is 59,05 %. For optimization in physical evidence aspects using servicescape guidance, there is an enhancement for consumer loyalty level from 42,67 % or categorized as low level to 92 % or categorized as very high level, which means consumer are willing to shop in UD. Tjandra again.

5. CONCLUSION

Promotional optimization and physical evidence optimization with servicescape have a significant effect on enhancement in number of goods sold by UD. Tjandra so It will be implemented continuously in UD. Tjandra even after the research has been finished.

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