

## **The Implementation of Retail Mix in Ash-Shofia Market in Dayeuh Kolot Sub-district, Bandung District, Indonesia, from Consumers' Perspective**

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— *Review of* —  
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### **ABSTRACT**

This study is conducted to analyze the implementation of retail mix strategy in Ash-Shofia Market in Dayeuhkolot Sub-district, Bandung District, Indonesia. The aim of this study is to find out the most dominant element in the retail mix. The survey method is used in this study. Data collection methods were literature and field study. The field study covers observation, interview, and structural questionnaires. The questionnaires were given to a hundred retailers and consumers of Ash-Shofia Market. The stratified random sampling was used as sampling technique. The data were analyzed by qualitative analysis. The result shows that the implementation of the retail mix was good. It means the strategy has been implemented by the traders.

Keywords: strategy, mix, retail, Bandung.

### **1. INTRODUCTION**

Retail is a goods and service trading system to consumers. The forms of retail vary, such as modern markets like supermarket and hypermarket or traditional markets. One of the forms of the retail market is a traditional market. In fact, the existence of modern markets makes traditional markets ignored by consumers. The fact that modern markets deliver convenience brings about people reluctantly going for shopping to a traditional market. The location of traditional markets that are close to modern markets/malls causes the traditional markets lose their customers. It will bother the continuity of traders as well as shutting down their business in traditional markets.

Besides, the traditional markets encounter some various reasons in competing against the modern ones. It is due to first, the physical condition of the markets. It can be described as unpleasant, dirty, smelly, muddy condition that makes consumers reluctant to go to a traditional market. Secondly, the modern markets are located near (less than 10 km) the traditional markets. It causes the consumers to go to the modern ones. The third reason is the practicality in shopping. It deals with many consumers who do not like to bargain because it will be time-consuming. Fourth, the existence of modern markets is easy to be accessed due to the location that is near housing or a school.

Another reason that makes the traditional markets unable to compete with the modern markets is security factor. Pickpocketing and cheating in measuring weight might happen in a traditional market. Consumers might also get squeezed in the traditional market. In contrary, traditional markets have something positive to offer compared to modern ones. It is a social interaction between traders and consumers in the form of bargaining which might not happen in modern markets due to their fixed price (Poesoro, 2007; Arifianti, Purnomo, and Tresna, 2013).

The existence of modern markets causes the existence of a big retailer to socially enable to give a positive impact, especially in absorbing workforces and the economic growth. In contrast, it gives a negative impact to a small retailer. Then, it encourages a change of dimension in business competition between wholesalers and retailers whereas an overlapping is happening. The result, retailers do not only compete with other retailers but also wholesalers acting as a retailer. In other words, there is a competition between retailers and wholesalers or manufacturers acting as a retailer (Clarke, 2000; Moore, 2002; Nilsson et al., 2004; and Arifianti, 2006).

Therefore, there has to be an arrangement in traditional markets; that is revitalization. Revitalization is done by deciding an affordable price by traders. It has to be done because traditional markets have fresh products as their feature. Besides, the products sold in modern retail are not usually cheaper because, in traditional markets, consumers have a chance to bargain for a better deal.

One of the revitalized markets is Ash-Shofia Market, Dayeuhkolot Sub-district, Bandung District. An attractive arrangement by private can make people go for shopping.

The statement above is supported by a survey conducted by the writers to some traders in the market. Generally, it is for the traders who have not optimized their retail mix selling. The first one is location factor. There is no direction/signage about the store. Secondly, the convenience is not guaranteed, such as less room for selling. The third one is the standard quality of discounted products. Fourth, there is a price difference between retail and wholesale purchasing.

Based on the observation and pre-survey conducted by the writers, it is found problems in the retail mix from consumers' perspective. Therefore, there has to be a study regarding the elements of retail mix selling done by the traders in Ash-Shofia Market, Dayeuhkolot Sub-district, Bandung District from consumers' perspective.

### **1.1. Research Question**

How is the implementation of retail mix selling strategies done by the traders in Ash-Shofia Market, Dayeuhkolot Sub-district, Bandung District

## **2. LITERATURE REVIEW**

### **2.1. Concept of Retail Mix Selling**

Berman and Evans (2004:12) define retail selling strategy as the overall plan guides the firm. Such a strategy has an influence on the retailer's business activities and its response to market forces, such as competition or the economy. The strategy has influences to retail business activities and it has responses to market power, such as competitor or economy.

Levy and Weitz (2010:23) state that retail mix is the combination of factors retailers used to satisfy customer needs and influence their purchase decisions. Elements in the retail mix include merchandise and service offered, merchandise pricing, advertising and promotional programs, store design, merchandise display, assistance to customers provided by salespeople, and convenience of store's location.

Next, Dunne and Lusch (2005:50—51) say the retail mix is the combination of merchandise, price, advertising and promotion, customer services and selling, and store layout and design that the retailer uses to satisfy the target market. Meanwhile, Davidson, Sweeney, and Stampfi (1988:66) add that the marketing mix of a retailing firm has classically been called the retailing mix and consists of location and physical facilities, merchandising, pricing, promotion, services, and organization/personnel.

## **2.2. Elements of Retail Selling Strategy**

Berman and Evans (2004:105) emphasize that specifically, retail mix selling strategy is the firm's particular combination of store location, operating procedures, goods/services offered, pricing tactics, store atmosphere and customer services, and promotional methods.

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## **3. RESEARCH METHOD**

### **3.1. Research Method**

The research method used in this study is survey method which means a method where a study is based on sample collection from a population using a questionnaire as the main data collection tool. Thus, this research method is called explanatory survey. It measures research variables related to the features of a particular observation, both quantitative features and qualitative features in which the information from respondents is collected directly and empirically to find out the opinion of the respondents regarding the topic being observed.

This study will use descriptive method conducted through data collection in the field (the retail traders in Ash-Shofia Market with a particular sample). A descriptive study aims at gaining description regarding the variable features of retail mix selling offered by the retail traders in Ash-Shofia Market, Bandung District (Nazir, 1999:63).

### **3.2. Sample Collection Method**

The sample collection in this research uses systematic random sampling which means a sample collection technique based on the rank of population members. The random process is only done to determine the first population member. Thus, the first sample chosen randomly is the consumer that shops with number 1. The questionnaire filling takes approximately 25 minutes then the order of sample members that consists of the traders with number 1, 26, 51, and so on with interval 20 until the sample gets collected at the number of 225.

### **3.3. Data Collection Technique**

The data collection procedure in this research can be done through the following steps:

#### **1. Observation**

This method is conducted by performing an observation and recording towards various issues happening in the implementation of retail mix selling strategy so that the writers can describe the real condition of what happens in the field.

#### **2. Interview**

This method is conducted by performing a direct interview by proposing a number of questions through a list of questions that has been arranged to the management and the retail traders (related to the influence of retail mix selling strategy to the profit earned).

#### **3. Questionnaire**

The questionnaire is used as the main instrument in data collection without setting aside other instruments as the complement. To answer a problem and discover the first research, it is used the questionnaire to the retail traders. Meanwhile, to find out

the second research, it is used the questionnaire to the consumers shopping in Ash-Shofia Market.

### **3.4. Analysis Method**

The method used in this study is descriptive analysis. Descriptive analysis is performed to gain an explanation regarding the variable features being observed (retail mix selling strategy and profit earned).

## **4. RESEARCH RESULT AND ANALYSIS**

### **4.1. The Implementation of Retail Mix Performed by the Traders in Ash-Shofia Market, Bandung District**

The elements of the retail mix are set herein under:

#### **4.1.1 Location**

The decision of location takes a crucial role for the traders. The location of stores affect the business profit and success in a long-term and affect the number and type of consumers that will be attracted to come to the strategic and reachable location and its adequate capacity for the consumers.

According to the consumers, the location of stores is very strategic because the stores are close to each other. The consumers could see the products desired and compare to other stores next to. The consumers like this condition. However, for certain location sometimes, it is too far so that the consumers are difficult to look for the store they want. It happens because there is no directions/signage about the existence of each store.

The consumers concern about their security in shopping. Some consumers choose a store that is not busy because other consumers might choose the stores near the entry gate. The consumers think they are not safe if they get squeezed with other consumers and there might be pickpockets acting as consumers around the store.

The reachable transportation access by the consumers because the store location is close to manufacturer and housing. So that they can easily go for shopping.

#### **4.1.2. Operational Procedures**

The traders perform the operational procedures to the consumers to give an ease to the potential consumers in the shopping, an ease in the transaction when the consumers try to do purchasing, and the consumer or customer satisfaction towards the products offered.

The stores have an operational time between 10 a.m. until 4 p.m. It is adjusted to a convenient time for shopping.

The trader hospitality has been good even though the consumers do not see it as hospitality. However, some consumers say that some shopkeepers always smile and they do not show their upset face.

Agility and dexterity are shown when the shopkeepers offer the products or serve the consumers. It has been good but not optimum yet. The consumers like agile and dexterous shopkeepers. It is shown by how quick they serve the consumers. They help them to get the product the consumers want. However, sometimes the shopkeepers do not serve the consumers delightfully. They do not seem excited when the consumers come to their store. They think the consumers only have a look at the products and keep going to other stores. The consumers do not like those kinds of attitude.

The consumers are more interested to come to the stores where they have neat and attractive shopkeepers because they wear a casual outfit like shirt and jeans. It helps to serve the consumers. The shopkeepers are encouraged to adjust their appearance to the current fashion model.

#### **4.1.3. Offered Products**

The products offered vary. An interesting design is adjusted to the up-to-date models, such as a female shirt with embroidery. The consumers like the model. The design offered by each store tends to be similar so that it makes the consumers easier to choose the products they like.

The offered products are adjusted to the variety of size and model because the traders stick to what manufacturers or malls send. They only have stocks of product with standard sizes: S, M, L, and LL. Meanwhile, the traders rarely offer a bigger size for it is hard to sell or in other words, the consumers rarely buy the bigger size products.

A variety of brand is also important in selling the products. Usually, the brand the traders offer does not seem to be well-known and it is a domestic brand. It does not matter for the consumers because they prefer the model than the brand.

#### **4.1.4. Price**

The price offered is adjusted to the location, for instance, the price on the third floor will be different to the price on the second floor or even though the traders are on the same floor, they might have a difference of IDR1.000 or IDR2.000.

Sometimes, the price given is high or almost double from the original price. The consumers need to be clever at bargaining. Because if they do not, the traders will earn much profit. For instance, a consumer can do bargaining from IDR90.000 to IDR45.000 or IDR50.000 for a product. It applies to the store that the location is far from an escalator and it is quite from customers.

In terms of price, there is a difference seen from the number of purchasing. It depends on how saleable the products are. The consumers complain about this thing because when they buy the products in retail in store A, the price would be IDR35.000 each. If they buy the products in wholesale or in a bulk, the price would be IDR30.000 each.

A competition happens between stores. It makes the consumers difficult in choosing the products. However, the consumers say that a difference of price depends on the store location. For instance, the price in the second or third floor will be cheaper than in the first floor.

#### **4.1.5. Store Atmosphere**

The store atmosphere has a layout that either makes the consumers easy/difficult when they come to the store. Each store has their own layout whether it is dirty, interesting, luxurious, or gloomy. Each store has to form a well-organized atmosphere according to the target market set and can attract consumers to shop in the store.

A store has to pay attention to the store space so that the consumers will feel comfortable in doing the transaction. It applies to the traders who buy two stores to become one big store or a store near T-junction or a store at the corner that has a wide space. However, some traders say that they cannot choose a store with requested space because all stores have the same size. Even if they want a bigger space, they have to pay for the rent more. The traders find it difficult to implement the strategy because the store space is set and

fixed or the store has lack of decoration so it looks smaller. Because of that, the consumers complain about the size. They feel they get squeezed with other consumers.

Consumer convenience gets prioritized in serving consumers. The traders attempt to decorate their store as comfortable as possible for the consumers. They say consumer convenience is important but they leave the problem to the management. In fact, the consumers do not feel comfortable in shopping mainly in free days like Saturday and Sunday. The consumers feel squeezed with other consumers in doing the transaction. The traders have to be able to anticipate this condition by providing a fan in order to circulate the air. It is done by only a few store owners.

Store cleanliness is also important in serving the consumers because they think a clean store will cause other consumers to come and the traders will earn the profit.

#### **4.1.6. Customer Service**

An ability to serve consumers is highly important in earning the business profit. The credit card facility is provided for those who want to buy in a bulk or wholesale. The traders would not allow the consumers to pay using a credit card if they buy in retail. It shows that this strategy is imbalanced because the traders distinct the type of payment. The check-payment facility is also applied for those who want to buy in a bulk or wholesale and not retail. The traders do this transaction to make the payment easier.

The consumers do not do the payment using credit card quite a lot. They tend to come and pay in cash. A delivery facility is also provided for the consumers who want to buy in a bulk or wholesale not retail.

A fitting room facility is provided for the consumers. However, the space is not too wide. It makes the consumers uncomfortable. Some small stores do not have a fitting room so the consumers only fit their clothes they want to buy by using a sarong.

A product exchange is given by the traders to the consumers. It can be done if only the product is broken as in damaged stitches, a hole, and so on. The consumers can exchange and get a new one by taking a broken one back to the store and showing the receipt. The exchange can be done in one or two days after it is bought.

In fact, the consumers do not get the information. So that, if the consumers forget to ask whether the product can be exchanged or not then they do not enjoy this facility. Moreover, once they do not the information, they hesitate to go back to the store to exchange the product because they do not have an appointment with the traders.

#### **4.1.7. Promotion Method**

Communication with consumers is important to stimulate, boost product selling, and maintain the store image. The traders have to be able to communicate with the consumers around the store.

The consumers say that they find out the existence of the store from leaflets given while they are entering the store. However, not all consumers use this facility. Some consumers know the store existence based on online media but some of them do not.

The promotion is done by the traders in the front of their store. They call out to promote their products and let the consumers enter the store. It attracts the consumers to come. The promotion media used is a consideration in doing the promotion.

Discount done by the traders aim to finish the old stocks. Based on their opinion and the observation in the field, they discount products to finish the old stocks and it is done after they earn the profit they project. It can be seen from the discounted products which are untidy, tangled, filthy, and so on. It shows that they do not do discount at the huge amount.

The statement implies that the strategy has been good. It is supported by the consumers who say that the products they buy from a discount season usually have the old-fashioned model.

Presents as a brooch, keychain, and so on as well as prize coupon are given to the consumers who buy in a huge amount because the traders think the consumers spend much cost. Based on the interview with the traders, it is only a few traders who do a giveaway in the form of a coupon. The coupon is given to the consumers who buy in a huge amount, like buying up to IDR200.000.

## 5. CONCLUSION AND SUGGESTIONS

### 5.1. CONCLUSION

The implementation of retail mix strategy in Ash-Shofia Market, Dayeuhkolot Sub-district, Bandung District has run well but not optimum yet. It happens because first, there is no direction/signage about particular stores. Secondly, there is a difference of price offered to the consumers who buy in retail and wholesale. Third, the fitting room provided is uncomfortable. Forth, the discounted products are not so good.

### 5.2. SUGGESTIONS

1. The traders should not differentiate the type of payment whether the consumers buy in a bulk or in retail.
2. The traders should provide an accessible way to look for the stores where the consumers want to go by putting a banner or a direction board. In other words, the traders work together with the management to create a direction map of stores in Ash-Shofia Market, Dayeuhkolot, Bandung District.
3. The traders should start creating new products so that they can compete with other traders.
4. The traders who do not have a strategic store should work together with the management to make brochures to inform the store.
5. The traders should provide a proper fitting room for the consumers.
6. The traders should rearrange the layout of their store so that the consumers will feel comfortable and secure while shopping.

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