

Proposed Business Strategy to Increase Sales and Competitiveness of Guci Swalayan Payakumbuh

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Abstract: The retail sector has emerged as a critical component of Indonesia's economy, as a result of the increasing demand for modern, efficient shopping experiences and the changing behavior of consumers. Payakumbuh-based supermarket Guci Swalayan faces significant challenges, including stagnant sales. The total sales decreased to Rp48.59 billion in 2024, resulting in a negative growth rate of -0.85%. Guci Swalayan's performance has been adversely affected by weaknesses in marketing strategies, inconsistent service quality, and operational inefficiencies, despite the retail industry's expansion. This investigation evaluates the market position and competitiveness of Guci Swalayan by employing analytical tools such as Value Chain Analysis, VRIO Framework, PESTEL Analysis, Porter's Five Forces, and Competitor Analysis. The results indicate that Guci Swalayan has been unable to fully capitalize on the broader retail recovery. The company's sales have been stagnant due to factors such as inconsistent customer service (People score 2.71/5) and ineffective marketing (promotion score 2.23/5). In order to improve Guci Swalayan's market the primary actions needed are optimization of inventory management, human resource development, promotional campaigns, digital marketing and expanding the supermarket's parking capacity and reorganizing the store layout. These strategies can help Guci Swalayan increase customer loyalty, optimize sales processes, and ensure future profitability.

Keyword: Human Resources, Operational Efficiency, Retail Strategy, Sales Growth

INTRODUCTION

In recent years, the retail sector in Indonesia has experienced rapid growth, mainly driven by changing consumer preferences that increasingly move towards convenient, modern, and affordable shopping experiences. According to Statista (2023), the retail market value in Indonesia is estimated to reach USD 350 billion by 2023, with the modern retail sector showing a higher growth rate compared to traditional retail. Monthly retail sales data, as shown in Figure 1.1, indicates fluctuations in Indonesia's retail sales index from January 2020 to March 2024. The index reveals seasonal variations, such as peaks during festive periods like May 2021 (239.2) and May 2023 (242.9), and declines during economic downturns, such as May 2020 (177.1) and June 2021 (188.5). This highlights the dynamic nature of retail in Indonesia, which requires businesses to adopt adaptive strategies to sustain performance.

Guci Swalayan adopts a modern retail business model that focuses on selling daily necessities. Initially, this supermarket acted as a channel for selling retail goods supplied by UD Mitra Artha Jaya, a wholesale business entity. With logistical support from UD Mitra Artha Jaya, Guci Swalayan maintains efficiency in procuring goods and offers competitive prices to customers. This concept provides a comfortable shopping experience while supporting the marketing of local products as part of its business identity.

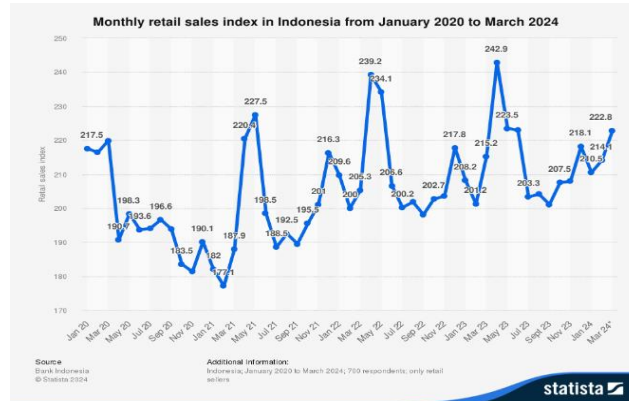


Figure 1. Monthly Retail Sales Index in Indonesia
Source: statista

When viewed alongside Guci Swalayan's performance, the trends in Indonesia's retail index align with challenges faced by the supermarket. For example, while the national retail sales index showed recovery in 2023 and 2024, Guci's sales figures reflect stagnation, with a -0.85% annual growth in total sales from Rp49 billion in 2023 to Rp48.59 billion in 2024. Month-to-month performance also fluctuated, with positive growth in March and June 2024 but notable declines in February and August compared to 2023. This suggests that Guci Swalayan has not fully capitalized on opportunities within the broader retail recovery. As part of the strategy to improve business performance, Guci Swalayan must start utilizing modern technology for inventory management and marketing, as well as evaluate their operational systems. In an interview with stakeholders, management emphasized the importance of improving operational efficiency, such as managing fresh product stock and enhancing employee skills through training.

Companies must adopt effective strategies to maintain their market position and drive sustainable growth. One widely recognized framework for achieving competitive advantage is Michael E. Porter's Five Generic Competitive Strategies model (1980), as cited in *Crafting and Executing Strategy* (Thompson et al., 2020). Guci Swalayan Payakumbuh, a retail business operating in Indonesia, faces increasing competition from both traditional and modern retailers. To enhance its sales performance and strengthen its market competitiveness, the company must carefully evaluate and implement an appropriate business strategy. Porter's Five Generic Competitive Strategies offer a structured approach for identifying the most suitable path forward by balancing cost efficiency, differentiation, and market focus. The five strategies outlined in Porter's model include: (1) Broad Low-Cost Strategy, which emphasizes attracting a wide customer base by offering lower prices than competitors while maintaining cost efficiency (Abdolshah, Moghimi, & Khatibi, 2018); (2) Broad Differentiation Strategy, where businesses target a large market while distinguishing their products or services through unique features, quality, or superior service (Islami, Mustafa, & Latkovikj, 2020); (3) Focused Low-Cost Strategy, which caters to a specific market segment by offering cost-effective solutions (Ali & Anwar, 2021); (4) Focused Differentiation Strategy, aimed at delivering exclusive products or services to a niche market segment (Ali & Anwar, 2021); and (5) Best-Cost Strategy, which seeks to balance cost leadership with differentiation by offering high-quality products at competitive prices (Salavou, 2015).

A crucial aspect of strategic decision-making is Value Chain Analysis, which helps companies identify activities that contribute to value creation and cost efficiency (Hitt et al., 2016). The value chain consists of primary activities—such as inbound logistics, operations, outbound logistics, marketing & sales, and service—and support activities, including procurement, technological development, human resource management, and firm infrastructure. Through an in-depth analysis of these activities, Guci Swalayan can improve its operational efficiency and enhance customer satisfaction, leading to increased sales and profitability.

Additionally, understanding resource-based advantages is essential for sustained competitiveness. The VRIO framework (Value, Rarity, Imitability, and Organization) is used to assess whether a company's resources provide a lasting competitive edge (Wheelan et al., 2018). Alongside VRIO, SWOT and TOWS analysis enable businesses to evaluate internal strengths and weaknesses while identifying external opportunities and threats. These strategic tools guide the company in making informed decisions to capitalize on its competitive strengths while mitigating risks and weaknesses.

To effectively navigate the external business environment, companies must conduct a comprehensive analysis using frameworks such as PESTEL, Porter's Five Forces, and Competitor Analysis. The PESTEL framework examines six macro-environmental factors that influence business operations (University of Sydney, 2023). Political factors include government policies, regulations, and trade laws that impact business activities. Economic factors such as inflation, market stability, and consumer purchasing power determine business growth opportunities. Social factors involve consumer behavior, cultural trends, and lifestyle preferences that shape market demand. Technological advancements in automation, e-commerce, and digital payment systems improve efficiency and customer experience. Environmental considerations focus on sustainability, waste management, and compliance with eco-friendly regulations, while Legal factors encompass labor laws, industry regulations, and consumer protection policies. By understanding these external factors, businesses can anticipate risks and identify opportunities for strategic growth.

In addition to macro-environmental analysis, Porter's Five Forces Model helps assess the competitive dynamics within an industry (Narayanan & Fahey, 2005). The threat of new entrants can disrupt market share and increase competition, depending on entry barriers such as economies of scale, capital requirements, and government policies. Industry rivalry is influenced by the number of competitors, market growth rate, and product differentiation, affecting pricing strategies and market positioning. The bargaining power of suppliers determines cost control and profitability, especially if suppliers hold significant influence over pricing and quality. Conversely, the bargaining power of buyers impacts pricing flexibility, particularly when consumers have numerous alternatives. Lastly, the threat of substitute products pressures businesses to innovate and maintain competitive pricing, as alternative solutions can reduce demand for existing offerings.

A competitor analysis further refines a company's strategic positioning by examining direct competitors' objectives, strategies, and market assumptions (Gimeno, Hoskisson, Beal, & Wan, 2005). Understanding future objectives helps businesses anticipate competitors' expansion plans and long-term goals. Current strategy analysis involves assessing competitors' pricing, marketing, product development, and technological advancements to identify potential threats and opportunities. Market assumptions play a crucial role in determining how competitors perceive industry trends and customer preferences. Lastly, evaluating competitor capabilities such as financial strength, human resources, production capacity, and intellectual property allows businesses to benchmark their own strengths and weaknesses. By integrating competitor analysis with PESTEL and Porter's Five Forces, companies can develop informed strategies to enhance their competitive advantage and market positioning.

As a modern supermarket, Guci Swalayan has a mission to become a major player in the local retail sector by prioritizing service quality, product diversity, and competitive prices. By

adopting an adaptive and modern supermarket concept, Guci Swalayan aims to address local challenges while creating added value for customers in Payakumbuh and its surroundings. With that background, this research aims to analyze the appropriate business strategies for Guci Swalayan to improve operational performance and competitiveness in the West Sumatra retail market. The main focus is on improving customer service, inventory management, marketing strategies, and operational efficiency to meet consumer expectations and maintain sustainable growth.

METHOD

Data collection for this study adopted a mixed-methods approach involving quantitative (survey and secondary data) and qualitative (interview) data. A thorough review of existing literature, including relevant theories, frameworks, and previous studies, is conducted to build a strong theoretical foundation. This research applies internal and external analysis to identify strengths, weaknesses, opportunities, and threats (SWOT). Internal analysis includes value chain analysis, resource-based view, and VRIO framework, while external analysis incorporates PESTEL analysis and Porter's Five Forces to assess industry competition and macroeconomic factors. Additionally, STP (Segmentation, Targeting, Positioning) is used to understand customer behavior. The findings are summarized in a TOWS Matrix to develop strategic recommendations for Guci Swalayan's market expansion and competitive positioning.

Data were collected from primary and secondary sources to ensure a comprehensive understanding of the issues faced by Guci Swalayan. Primary data sources included interviews with management and employees, customer surveys on shopping preferences and service satisfaction, and direct observation of supermarket operations. Meanwhile, secondary data sources included retail industry reports, company financial data, and market trends relevant to Guci Swalayan's business strategy. This approach aims to gain a comprehensive picture of the internal and external factors that influence Guci Swalayan's performance and competitiveness in the local retail market.

In this research, thematic analysis is used to identify, analyze, and interpret patterns or themes within the data (Brailles, Tragou, & Papachristopoulos, 2023). This process involves systematically coding data obtained from semi-structured interviews with the management and employees of Guci Swalayan, as well as analyzing secondary sources such as financial reports, customer data, and competitor strategies. The related codes are then grouped into main themes and refined to align with the research objectives. This approach allows for a more detailed exploration of key issues and strategic insights for the company.

To enhance the validity and reliability of the findings, this research applies data source triangulation. This approach includes cross-verifying information obtained from various sources, including primary data from interviews with Guci Swalayan's managers and operational staff, as well as secondary data such as sales reports, inventory data, customer reviews on Google Reviews, and competitor analysis of Niagara Swalayan and Budiman Swalayan (Sugiyono, 2022). By comparing and integrating these diverse data sources, this research can mitigate biases, identify consistent patterns, and provide a more comprehensive understanding of the phenomenon under investigation.

RESULTS AND DISCUSSION

To strengthen the data from Guci Swalayan and ensure the validity of the issues found in the internet survey and internal interviews, preliminary research was conducted through a customer survey using a quantitative method based on the Likert scale. Based on the survey results from 100 respondents and interview and survei in guci swalyan, several key findings were obtained that highlight the challenges faced by Guci Swalayan in enhancing its competitiveness in the modern retail market.

Guci Swalayan faces several operational and financial challenges despite a slight increase in gross margin percentage (7.11% to 8.71%). Revenue remains stagnant, with total sales declining from Rp49.00 billion to Rp48.58 billion, indicating potential market saturation and increasing competitive pressure. Service quality and employee performance are also concerns, as inconsistent customer service resulted in a low satisfaction score of 2.71 out of 5 in the "People" category, affecting customer retention. Additionally, weak promotional efforts and marketing strategies contribute to limited brand visibility, with the "Promotion" category scoring the lowest at 2.23, alongside an ineffective digital presence rated at 2.66. Accessibility issues further impact customer experience, as limited car parking received a score of 3.00, causing congestion. Stock and product quality management also present challenges, with concerns over product freshness (score 3.27) and price discrepancies between shelf labels and scanners (score 3.54). Although prices are competitive, with a rating of 4.40, ineffective communication of the pricing strategy has led to customer misperceptions. Operational inefficiencies, such as non-functional price scanners (score 2.88) and the need for improved store layout and cleanliness (score 3.75), further hinder performance. Security remains a critical issue, with substantial product theft, including Rp10 million worth of SilverQueen chocolates, directly impacting profitability. Addressing these challenges is essential for enhancing customer experience, operational efficiency, and overall business sustainability.

The Industry Organizational (I/O) model operates under the assumption that a company's ability to create value is significantly influenced by its external environment, which provides both opportunities and constraints. For Guci Swalayan, the strategy derived from this model focuses on identifying external opportunities and threats within the retail sector, particularly in Payakumbuh and surrounding areas. This involves a comprehensive analysis of the macro environment, industry trends, and competitive landscape.

Guci Swalayan operates in Indonesia's retail industry, which is influenced by government policies, regulations, and economic stability. According to Hitt et al. (2011), political and legal factors include laws, government agencies, and interest groups that shape how businesses operate. Kotler and Armstrong (2014) explain that the political environment consists of laws, government policies, and regulations that impact businesses and consumers. Guci Swalayan faces several regulatory and operational challenges, particularly concerning government-mandated minimum wage regulations. The minimum wage in Payakumbuh increased by 2.28% in 2024 to Rp2,811,449, yet employee salary data indicates that many workers still earn below this threshold, despite prior agreements. This wage adjustment presents a financial challenge, as operational costs must be restructured while balancing profitability. On the positive side, increasing wages can enhance purchasing power within the community, potentially boosting sales. Additionally, government policies on price controls for essential goods like sugar, oil, and rice require close monitoring to ensure compliance while maintaining profitability. The supermarket also adheres to equal employment opportunity regulations, ensuring fair hiring practices.

Regulatory compliance extends to occupational safety and environmental policies. Guci Swalayan provides employee benefits through BPJS Employment and BPJS Health, in accordance with Law No. 24 of 2011, which mandates social security for workers. However, the supermarket has yet to align with environmental regulations aimed at reducing plastic waste, as stipulated in Ministerial Regulation No. P.75 of 2019. Currently, plastic bags remain the primary packaging option, highlighting the need for a transition to paper-based or reusable alternatives. The business location complies with local zoning laws, ensuring its operations align with designated commercial areas. A unique regional policy in West Sumatra prohibits national convenience store chains such as Indomaret and Alfamart, safeguarding local businesses. This policy helps sustain smaller retailers like Guci Swalayan by limiting large-scale corporate competition. Additionally, Payakumbuh has been recognized for its business-friendly environment, earning a top ranking in the National Ease of Doing Business award in

2021, which provides an opportunity for Guci Swalayan to leverage government support for business expansion.

Tax compliance is another crucial aspect of Guci Swalayan’s operations. The company incurs significant tax expenses, with Rp30.8 million allocated annually. Corporate income tax, VAT (currently at 11% per the 2021 Tax Regulation Harmonization Law), and local levies such as advertisement tax and land/building tax impact overall profitability. Despite these tax burdens, the 2024 financial report shows a pre-tax operating profit of Rp1.65 billion, which after taxes and expenses resulted in a net profit of Rp1.84 billion. While still profitable, taxation limits financial flexibility for reinvestment and promotional activities. Consumer protection laws require that Guci Swalayan ensure all products meet safety and halal certification standards, as mandated by BPOM and UU No. 33 of 2014. Compliance issues arise in certain areas, such as the lack of price-check machines, leading to customer complaints regarding unclear pricing. Nevertheless, the supermarket has verified that its food products align with halal regulations. Competition regulations under Government Regulation No. 44 of 2021 also influence business operations, requiring fair competition and preventing monopolistic practices. Guci Swalayan must avoid aggressive price wars and restrictive supplier practices while maintaining a competitive edge. Despite facing strong competition in West Sumatra, the supermarket remains financially stable, reporting an operating profit of Rp1.65 billion in 2024.

Supporting local Micro, Small, and Medium Enterprises (MSMEs) is a strategic initiative for Guci Swalayan, aligning with government policies to promote small businesses. Supplier data indicates that the supermarket sources various MSME products, including local chips, bread, traditional snacks, rendang, and fresh produce from Payakumbuh. By stocking MSME goods, Guci Swalayan contributes to the local economy while differentiating itself from competitors. Political and economic stability directly impacts retail operations, particularly through government policies on staple food subsidies and taxation. Subsidies for essential goods such as rice and cooking oil help maintain consumer purchasing power, while tax hikes could negatively affect sales. In 2024, Guci Swalayan recorded total net merchandise sales of Rp44.39 billion, with fluctuations in monthly revenue reflecting sensitivity to economic conditions. Adapting to policy changes is crucial to sustaining profitability.

Technological adoption presents both opportunities and challenges. The Indonesian government's push for digitalization, including initiatives like the National Non-Cash Movement (GNNT), encourages businesses to integrate digital payment systems. However, Guci Swalayan’s financial reports indicate minimal investment in technology, with only Rp3.25 million allocated to internet costs. Limited digital payment adoption and customer complaints about the lack of price-check machines highlight the need for technological upgrades. Strengthening cashier systems and expanding digital payment options would enhance operational efficiency and customer satisfaction, positioning Guci Swalayan for future growth.

Table 1. Resume PESTEL Analysis for Guci Swalayan

Category	Aspect	Impact	Explanation
Political	Changes in tax regulations and minimum wage	Threat (-)	An increase in the minimum wage and new taxes can raise operational costs, impacting Guci Swalayan's profitability.
	Ban on national retail expansion in local areas	Opportunity (+)	Local government policies restricting the expansion of modern national retail stores create opportunities for Guci to expand its market and dominate the region.
Economic	Economic growth in Indonesia	Opportunity (+)	Indonesia's projected economic growth of over 5% per year (source: Bank Indonesia) increases consumer purchasing power, potentially boosting Guci Swalayan's revenue.

	Fluctuation in logistics and supply costs	Threat (-)	Rising distribution and raw material costs due to inflation can reduce profit margins and increase product prices for consumers.
Social	Consumer preference for local and MSME products	Opportunity (+)	Consumers increasingly value culturally based and local products, providing an opportunity for Guci to support local MSMEs and market unique products.
	Growing environmental awareness	Opportunity (+)	Consumers prefer eco-friendly products, allowing Guci to offer reusable shopping bags and sustainable products.
Technological	Adoption of digital payment systems	Opportunity (+)	The integration of e-wallets such as OVO, GoPay, and ShopeePay enables Guci to enhance customer convenience by expanding payment methods.
	Digitalization of shopping through e-commerce	Opportunity (+)	Guci can expand its operations by establishing a presence on local e-commerce platforms such as Tokopedia and Shopee, reaching a broader market.
Environmental	Adoption of environmentally friendly policies	Opportunity (+)	Guci can reduce plastic usage and offer eco-friendly alternatives such as cloth shopping bags, aligning with government regulations and boosting customer loyalty.
	Compliance with waste management regulations	Opportunity (+)	Adhering to waste management regulations and promoting sustainability can enhance Guci's reputation as a responsible business.
Legal	Compliance with consumer protection laws	Threat (-)	Non-compliance with standards such as SNI, BPOM, and halal certification can lead to legal penalties, loss of customer trust, and regulatory fines.
	Regulations on labor rights and minimum wage	Threat (-)	Failure to comply with wage or labor regulations can result in legal sanctions and damage Guci Swalayan's reputation.

In the face of competition, Guci Swalayan must constantly improve its marketing approach to put more of an emphasis on client loyalty and fortify partnerships with regional SMEs to provide more distinctive goods. To compete with large companies like Budiman Swalayan and Niagara Swalayan, Guci Swalayan must improve innovation in digital services, price promotions, and product variety given the fierce competition. The following is an overview of the updated and arranged competition analysis that compares Guci Swalayan, Budiman Swalayan, and Niagara Swalayan:

Table 2. Competitor Analysis

Category	Guci Swalayan	Budiman Swalayan	Niagara Swalayan
Objective	Provide daily necessities at low prices every day.	Be a trusted, complete, and comfortable supermarket.	Strengthen its position in the West Sumatra retail market through expansion and product diversification.
	Support local SMEs by selling their products.	Provide quality products and excellent customer service.	Add a variety of local and imported products to meet diverse customer needs.
	Ensure a comfortable shopping experience with friendly service.	Increase customer loyalty through membership programs and active promotions.	Focus on strategic locations to improve customer accessibility.

Current Strategy	Focus on offering cheap prices every day ("Belanja Murah Setiap Hari").	Active promotions through discount catalogs, social media, and e-commerce.	Regular discounts and loyalty programs to attract customers.
	Relies on word-of-mouth for promotions.	Integrates e-commerce services and flexible digital payments.	Provides professional customer service for a better shopping experience.
	Promotes local products through partnerships with SMEs.	Expands network in strategic cities across West Sumatra.	Promotes through offline and online catalogs.
	Rarely uses social media for discount promotions.	Uses Instagram, TikTok, and websites for wider promotional reach.	Developing online shopping services to reach a larger market.
Capabilities	Has over 500 suppliers, including local SMEs.	Wide store network with multiple branches in West Sumatra.	Strategic locations in city centers to attract more customers.
	Integrated warehouse at store locations for efficient logistics.	Strong relationships with local suppliers for unique, high-quality products.	Known as a trusted supermarket with a good reputation in the local community.
	Uses QRIS digital payment and EDC machines for easy transactions.	Utilizes websites, social media, and e-commerce for promotions and sales.	Planning to invest in smart cashier technology to improve customer service.
	Focuses on supporting local products to create a unique competitive advantage.	Exclusive partnerships with SMEs for special products.	Strong promotional strategies through discounts on essential goods.
Products	Fresh products like staple goods, fruits, and local cosmetics.	High-quality local products and household necessities, offering the most complete selection in Payakumbuh.	A complete range of local and imported products to meet customer needs.
	Regular discounts for loyal customers.	Focuses on local products to support the regional economy.	Regular discounts to attract customers and increase sales volume.
	Special price offers on fast-moving products to attract more buyers.	Provides premium products for middle-to-upper-class customers.	Offers high-quality fresh products.
Pricing	Daily goods and snacks are cheaper than competitors through wholesale and moderate trade ordering systems.	Competitive pricing with special discounts for household and premium products.	Competitive pricing for local and fresh products to attract loyal customers.
Place	Located in central Payakumbuh with free, spacious parking.	Strategically located with easy access for consumers.	Located in city centers and other strategic areas.
	Almost no active social media presence for promotions.	Uses digital media, including e-commerce, for product and service promotions.	Promotes through offline and online catalogs.
	Emphasizes physical store location with a layout that makes shopping easier.	Stores are near transportation hubs to attract more customers.	Additional branches in strategic cities to expand the network.
Technology	Basic technology like QRIS and POS systems for efficient transactions.	Uses e-commerce services with digital payments and an official website.	No complete digital platform yet but is focusing on developing online services.
	No automated inventory system, causing delays in stock management.	Uses an internal app to monitor stock and logistics efficiency.	Planning to invest in smart cashier technology to enhance customer service.

Customer Service	Provides fast returns (within 24 hours).	Points-based loyalty program to increase customer engagement.	Professional customer service focused on resolving consumer issues.
	Training is only provided once at the start; no regular training for skill improvement.	Well-trained staff for friendly and professional service.	Improving customer experience through service innovation.
	Uses a shift-based system to maintain operations.	Offers satisfaction guarantees for certain products.	Data-driven customer service to analyze customer preferences.
Promotions	Relies on word-of-mouth as the main promotion method.	Weekly discount promotions through printed and digital catalogs.	Special promotions on national holidays to boost sales volume.
	Rarely uses social media, focusing on direct customer interaction.	Uses social media, TikTok Shop, and websites to attract younger customers.	Special promotions for families through loyalty campaigns.
	No active social media campaigns to expand market reach.	Actively creates creative promotional content to increase brand awareness.	Uses digital platforms to offer personalized discounts to customers.
Physical Evidence	Clean and neat store with comfortable lighting.	Modern store design emphasizing easy product access.	Ergonomic layout for a pleasant shopping experience.
	Uses standard gondola racks with a simple setup.	Special areas for local product promotions.	Provides shopping carts and seating areas.
	Spacious parking facilities for customer convenience.	Shelf arrangements create a more exclusive shopping atmosphere.	Provides store maps to help customers locate products easily.
Process	Product returns are processed within 24 hours efficiently.	Digital-based return system for process efficiency.	Uses self-checkout systems to reduce queues.
	Warehouse and distribution operations use manual checking with daily inspections.	Integrated SOP for warehouse and distribution operations.	Barcode-based stock tracking system for better accuracy.
	Damaged goods are handled directly by the warehouse team.	Separates goods by category in warehouses for easy distribution.	Adopts modern warehouse management systems for logistics efficiency.
People	Training is only conducted once at the start; no routine training for skill improvement.	Career development programs for talented employees.	Experienced staff trained to handle customers professionally.
	Uses a shift-based system to maintain operations.	Provides incentives to employees based on performance.	Employee safety and crisis management training for warehouse and operational staff.
	Performance evaluations are done unscheduled, focusing more on daily results than systematic service improvement.	Focuses on employee satisfaction through staff welfare programs.	Uses employee satisfaction surveys to boost work motivation.

Although Guci Swalayan's promotional activities largely rely on word-of-mouth strategies and minimal use of social media, its emphasis on affordable prices and consistency continues to attract loyal customers. The store's layout, with well-organized product categories, offers a satisfying shopping experience, thereby enhancing customer satisfaction. Compared to its competitors, Guci Swalayan distinguishes itself through a competitive pricing model and fresh inventory rotation thanks to efficient supply chain management. However, there is an opportunity to enhance digital presence and customer engagement through social media promotions and e-commerce platforms. Guci Swalayan positions itself as an affordable and

reliable shopping destination, prioritizing local community development, product quality, and customer convenience, thereby ensuring its relevance and competitiveness in the regional retail market. An Attractive Industry for the I/O Model, the retail industry in Payakumbuh offers promising opportunities due to the growth of the middle class, increasing awareness to support local businesses, and the limited penetration of national retail networks such as Indomaret and Alfamart. These factors make this market attractive for Guci Swalayan to expand its presence and strengthen its competitive advantage.

Perceptual map is designed to illustrate consumer perceptions of the 7 elements of the marketing mix (7P), namely Product, Price, Place, Promotion, People, Process, and Physical Evidence. The image below is a customer perception map obtained from a survey of customers in the Payakumbuh area. This map is designed to provide a visual representation of how customers evaluate the seven elements of the marketing mix (7P), particularly in the product and price dimensions, at several local supermarkets. The data used comes from direct evaluations by customers of the performance of each supermarket, such as Guci Supermarket, Budiman Supermarket, Niagara Supermarket, and others. This perception map aims to identify the competitive position of each supermarket based on customer views, which can serve as a basis for formulating strategies.

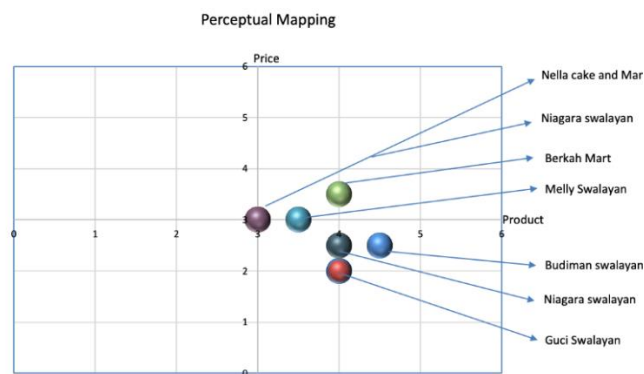


Figure 2. Ritel Customer Perception Perceptual Map (product – price)
Source: Research Results

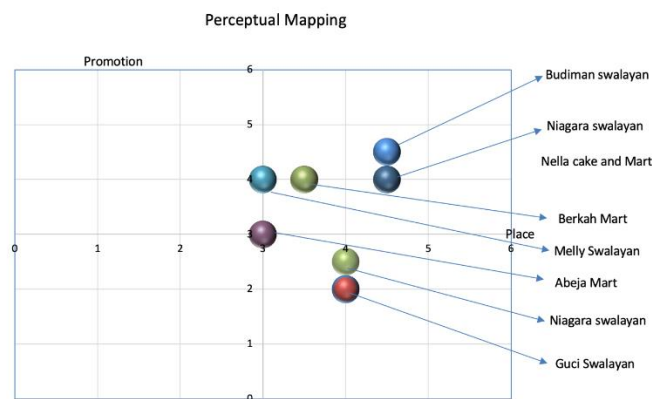


Figure 3. Ritel Customer Perception Perceptual Map (place - promotion)
Source: Research Results

Based on the 2024 financial report, Guci Swalayan showed positive financial growth compared to the previous year. Although total net revenue experienced a slight decline from Rp 49.00 billion in 2023 to Rp 48.59 billion in 2024, profitability saw a significant increase. This is reflected in the increase in Gross Margin from 7.11% to 8.71%, indicating improved efficiency in managing the cost of goods sold (COGS) and procurement strategies. Success in increasing profitability is also supported by several key factors, including: Cost of goods sold

(COGS) optimization. A more effective procurement strategy helps boost profit margins given a total COGS of IDR 44.35 billion. Implementation of digital technology – The use of QRIS, EDC, and POS systems helps speed up transactions, reduce queues, and enhance customer experience, which ultimately has a positive impact on revenue. Efficiency in operational management. Although total operational costs increased from Rp 2.59 billion in 2023 to Rp 2.43 billion in 2024, this increase is still within manageable limits. Diversification of income – Income from other sources, such as cardboard sales and other revenues, reached Rp 191 million, indicating a better asset optimization strategy. From the expenditure side, salary costs increased significantly from Rp 667 million to Rp 986 million, reflecting an investment in the workforce to improve customer service. Some other costs, such as facility maintenance and taxes, also increased, but were offset by improved efficiency in resource management.

Overall, Guci Swalayan is in a more stable and growing financial condition compared to the previous year. Although there are challenges in operational cost efficiency and marketing strategies, the increase in profit margins and net income indicates stronger competitiveness in the local supermarket retail sector. To sustain this growth, a more aggressive digital marketing strategy and diversification of products and services are needed to attract more customers.

Guci Swalayan has an operational team consisting of more than 35 employees, including cashiers, sales assistants, warehouse managers, area supervisors, and operational managers. To ensure smooth operations, Guci Swalayan implements a clear hierarchical system. This organizational structure is led by the Owner, Ujang Satria, and directly managed by the Operations Manager, Achmad Ripan. In addition, each product category is managed by a supervisor responsible for overseeing and distributing goods in the supermarket area. In human resource management, Guci Swalayan implements several policies to enhance employee efficiency and productivity. Initial training is provided to new employees to understand the cashier system, stock management, and customer service standards.

Performance evaluations are conducted regularly on a monthly basis with assessments based on Key Performance Indicators (KPIs) to ensure employee effectiveness in carrying out their duties. Supervisors are responsible for conducting monthly evaluations and providing guidance to employees who need improvement. In addition, employees with the best performance receive additional incentives to boost work motivation. In the work system, Guci Swalayan implements a shift system to ensure the supermarket can operate efficiently throughout the day. The security of the supermarket is maintained by a security team responsible for monitoring the store, while the cleaning team ensures the supermarket remains clean and comfortable for both customers and employees. Although having a relatively structured HR system, Guci Swalayan faces several challenges in human resource management. One of the main challenges is the lack of transparency in procurement, where some supervisors prioritize personal suppliers over more competitive options in terms of price and quality. Additionally, the lack of monthly evaluation meetings leads to a lack of coordination in achieving operational targets. Imbalance in relationships with shareholders also poses a challenge for Guci Swalayan. The tension between managers and shareholders regarding internal policies often hinders effective decision-making. Moreover, the lack of involvement in branding and promotion has prevented Guci Swalayan from fully capitalizing on opportunities to enhance customer loyalty, such as through supermarket anniversary celebrations or special discount events. To address this challenge, Guci Swalayan needs to optimize the digital-based ordering system to enhance transparency in procurement, as well as implement monthly evaluation meetings to monitor target achievements and improve operational efficiency. In addition, the company also needs to establish a reward system for high-performing employees to enhance retention and work motivation.

In the future, Guci Swalayan needs to focus more on building a productive work culture, improving the quality of employee training, and adopting digital innovations to enhance operational efficiency. By implementing more modern and data-driven HR strategies, Guci

Swalayan can strengthen its position as a local supermarket excelling in customer service, management efficiency, and more professional human resource management.

Guci Swalayan consistently conducts evaluations based on customer data to understand shopping trends and consumer needs. One of the strategies implemented is the utilization of transaction data to design more targeted promotions, such as daily discounts on specific product categories that are in high demand by customers. By understanding consumer shopping patterns, Guci Swalayan can offer products at more competitive prices compared to its competitors. In addition, innovation in the payment system has also become a main focus. Guci Swalayan has adopted the QRIS payment system and EDC machines, which allow customers to make cashless transactions more easily. This not only increases transaction efficiency at the cashier but also reduces long queues during peak hours.

In operational aspects, Guci Swalayan implements a faster stock rotation system with the help of the warehouse manager and logistics team, ensuring product availability remains stable. This more efficient warehouse management helps the supermarket minimize the risk of overstocking and understocking, which often pose challenges in the retail business. Furthermore, community-based marketing strategies have also become one of the adopted forms of innovation. Guci Swalayan actively supports local MSME products, providing space for small business owners to market their products. Thus, Guci not only functions as a shopping center but also as part of the local business ecosystem that supports community economic growth.

Although it has already implemented several innovations, there is an opportunity for Guci Swalayan to further leverage digital technology to enhance its competitiveness. One step that can be taken is to develop a digital marketing strategy through social media, which is currently underutilized compared to competitors like Budiman Swalayan.

VRIO analysis is a framework used to identify and evaluate the resources and capabilities of Guci Swalayan based on four main aspects: valuable, rare, inimitable, and organized. Through the VRIO analysis, Guci Swalayan can understand its internal strengths and weaknesses compared to competitors in the local retail industry.

Table 3. VRIO Analysis

Resource	Valuable	Rarity	Imitability	Organization
Loyal Customer Base	Yes	Yes	No	Yes
Strategic Location	Yes	Yes	No	Yes
Efficient Supply Chain	Yes	Yes	No	Yes
Established Brand Reputation	Yes	Yes	Yes	Yes
Digital Membership System	Yes	Yes	Yes	No
Strong Partnership with Local Suppliers & UMKM	Yes	Yes	Yes	Yes
Technology-based Inventory System	Yes	Yes	Yes	Yes
Innovation in Pricing & Local Product Support	Yes	Yes	No	Yes
Technology Adaptation (QRIS, POS, Digital Payments)	Yes	Yes	No	Yes
Human Resource & Employee Training	Yes	No	No	No

Guci Swalayan has not yet undertaken aggressive marketing efforts, considering the limited staff resources and the primary focus on daily operations. The promotions carried out are minimal and tend to be based on urgent needs, such as adjusting the prices of certain products to temporarily attract customers. So far, the marketing strategy has relied more on traditional methods, such as word-of-mouth, without structured digital campaigns or regular promotional programs. Guci Swalayan also does not have any special loyalty programs or provide additional incentives to loyal customers. Dependence on a low-price strategy through a wholesale procurement model and moderate trade has become the main attraction of this supermarket, but without innovative promotional support, the potential to expand the customer base is limited. Although routine promotions such as wholesale product discounts and

exclusive offers are not implemented, Guci Swalayan has the motto "Cheap Shopping Every Day," which has become the main strategy to attract customers.

SWOT analysis is a method used to evaluate the strengths, weaknesses, opportunities, and threats faced by Guci Swalayan in running its business. Strengths and weaknesses are obtained from internal factors that reflect advantages or obstacles in operational, financial, technological, and management aspects, while opportunities and threats come from external factors that can affect business strategy. By understanding and identifying these factors systematically, Guci Swalayan can develop the right strategy to utilize its strengths, overcome weaknesses, capture business opportunities, and mitigate threats in order to increase its competitiveness and business sustainability.

Guci Swalayan's strengths include financial stability, strong local supplier partnerships, and a strategic location, allowing for expansion and competitive pricing. Digital transformation, such as QRIS adoption and a digital loyalty program, enhances customer engagement. Operational improvements, including automated inventory systems, supermarket layout enhancements, and eco-friendly initiatives, further strengthen its market position. However, threats like rising competition, evolving regulations, and shifting consumer preferences require strategic responses. Strengthening digital marketing, optimizing pricing strategies, and reinforcing branding efforts will help Guci Swalayan stay ahead. Establishing supplier partnerships and improving customer loyalty programs with discounts and rewards will also drive growth. To address weaknesses, Guci Swalayan must improve stock management, financial reporting, and price-checking systems. Enhancing customer service through training and digital membership programs, as well as expanding store facilities, will boost customer satisfaction. Digital marketing and logistics optimization will further streamline operations. In mitigating weakness-threats (WT), Guci Swalayan should automate financial systems, upgrade customer convenience features, and improve internal supervision. Strengthening shopping convenience, enhancing digital loyalty programs, and implementing sustainable business practices will help maintain competitiveness. By leveraging strengths, addressing weaknesses, and adapting to market changes, Guci Swalayan can secure long-term growth and success.

As one of the rapidly growing local supermarkets, Guci Swalayan excels in operational efficiency, particularly in inventory management and product distribution. The development of technology in digital payment systems and inventory management further enhances the customer shopping experience. Additionally, community-based marketing has become one of the main strengths of Guci Swalayan, where campaigns and promotions of local products help build customer loyalty and strengthen relationships with the surrounding community. To expand the market, Guci Swalayan continues to expand by increasing penetration in the surrounding areas of Payakumbuh. In addition, partnerships with local suppliers and SMEs are being strengthened to ensure a more varied product availability and to enhance price competitiveness. With this approach, Guci Swalayan not only serves as a retailer providing basic necessities but also becomes a platform for local entrepreneurs to market their products.

The strategy implemented by Guci Swalayan has yielded positive results in several key aspects of the business. First, revenue growth was achieved through a combination of competitive pricing strategies and operational efficiency, which allowed for an increase in sales volume. Secondly, the reputation of the Guci Supermarket brand has strengthened with support for local SMEs and the promotion of regional specialty products, which has reinforced the image of a community-based supermarket. Third, supply chain resilience has also improved, thanks to better warehouse management systems and close cooperation with suppliers to maintain stock stability.

CONCLUSION

Through internal and external analysis, several key factors affecting the operational effectiveness and business growth of Guci Swalayan have been identified. The store faces

challenges in logistics management, inventory systems, digital marketing strategies, and human resource management. To address these challenges, a business development strategy integrating cost leadership and differentiation must be implemented. Internally, inefficiencies in procurement and stock management arise due to a manual inventory system, leading to an imbalance between demand and product availability. Additionally, the physical membership card system limits customer convenience in accessing loyalty benefits. Externally, increasing competition and evolving consumer demands for digitalization require Guci Swalayan to adopt technology-driven solutions and enhance marketing and human resource management.

To ensure long-term competitiveness, the most suitable strategy for Guci Swalayan is a combination of cost leadership and differentiation. This includes optimizing logistics through inventory digitalization and demand-based procurement systems, strengthening digital marketing with an application-based membership program, and improving human resources through regular training and management restructuring. Physical expansion, including adding parking spaces and opening branches in strategic locations, will enhance accessibility. Furthermore, enhancing cloud-based payment security and financial transparency will improve operational efficiency and customer trust.

Based on the research findings, several recommendations can guide future studies in developing more competitive and effective business strategies for Guci Swalayan. First, conducting a more in-depth analysis of internal company issues by extending observation periods and engaging closely with employees and stakeholders can help minimize biases and provide more accurate operational insights. Second, direct interviews with external parties, such as customers, suppliers, and competitors, will offer a broader perspective on market competitiveness and identify areas where Guci Swalayan can differentiate itself.

Additionally, future research should increase the use of surveys with employees and customers to evaluate workflow efficiency and strategy effectiveness. This will help detect operational inefficiencies and pinpoint areas for improvement, particularly in customer service and inventory management. A more detailed quantitative and qualitative approach, such as using weighted analysis methods from academic frameworks like Fred R. David's approach, will allow for a more measurable assessment of business strategies. Communication with relevant stakeholders is also crucial for gathering precise data on customer preferences and market trends. Finally, implementing measurable strategy execution plans will ensure that proposed improvements translate into tangible business growth. Researchers should work closely with supermarket management to align strategy implementation with clear success indicators and timelines. This will allow for continuous monitoring and necessary adjustments to maximize impact. By following these recommendations, future research can contribute to more effective business strategies that enhance Guci Swalayan's sustainability and competitiveness in the retail industry.

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