

Hypermart Business Strategy Analysis: Case Study of Hypermart Branch Mataram Lombok Epicentrum Mall

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Abstract: This study aims to: Analyze internal and external factors at the Hypermart Mataram Lombok Epicentrum Mall branch company, analyze and formulate an appropriate and effective business strategy formulation in increasing the business of Hypermart company Mataram Lombok Epicentrum Mall branch, provide recommendations for appropriate and effective business strategies for Hypermart Mataram Lombok Epicentrum Mall branch companies that will be carried out in the future. Based on the results of the IFE matrix analysis, it is known that the number of weighted values is 2.612. This value indicates that the company has a strong organization internally because the value obtained is above the average value of 2.50. This value also shows that this company is above the average in the company's internal strength. Meanwhile, based on the EFE matrix, it is known that the number of weighted values is 1.863. This value shows the company responds well to the opportunities and threats that exist in the retail business. In other words, Hypermart Retail Company Lombok Epicentrum Mall Branch can effectively take advantage of the opportunities that exist. Based on the results of the QSPM matrix analysis, it can be seen that the horizontal integration strategy has a value of 6.928, the market penetration strategy has a value of 6.869, the market development strategy has a value of 6.869, and the product development strategy has a value of 6,869. With this result, the horizontal integration strategy is more attractive to the company. The horizontal strategy seeks greater ownership/control over competing firms.

Keywords: Retail Industry, Business Strategy, Trade, Franchise.

I. INTRODUCTION

Currently, the development of trade continues to increase, especially in the city of Mataram, as evidenced by the increasing number of traders who have sprung up. Based on data from the Central Statistics Agency in 2018, the number of trading companies by sub-district in Mataram City in 2014 was 231 companies and in 2015-2016 there were 598 companies. The number of trading companies continues to increase from year to year. This affects the competition between traders, especially in fighting over consumers. Along with the development of the retail business era or commonly called retail traders, its existence is increasingly felt in people's daily lives. Various kinds of retail shopping centres began to appear in various shapes and sizes—some examples of forms of retail shopping centres such as mini markets, supermarkets and *hypermarkets*. The competitive reality of competition forces companies to work as hard as possible to retain and attract consumers from other shopping centres. Companies increasingly realize how central the role of the customer is in their business. From this awareness, companies will make customers the focus of their efforts. Therefore, a precise strategy is needed to fight over consumers (Cooper, 1999).

Along with the development of retail businesses in Indonesia, places to shop are currently very popular with the public. This retail business arises as a result of people's desire to shop for daily necessities that are comfortable, delicious, and

practical. The existence of very large consumer interest in the retail business has made many entrepreneurs compete to innovate services in the retail business. One of the places where retail business is located in Hypermart, which provides complete goods, especially daily necessities with good, comfortable, and fast service (Alifah et al, 2014).

Consumer needs in meeting their daily needs are getting bigger. Supermarkets are not enough. It is necessary to establish a hypermarket, a shopping concept with a much more complete collection of goods. Matahari views the *marketplace* can be upgraded from a supermarket to a hypermarket. Innovations were also offered by changing the *marketplace* in WTC Serpong to Hypermart, Matahari's first *hypermart*, operated on April 22, 2004. Now Hypermart has the challenge to realize its vision of becoming the *hypermarket market leader* in 2014 (Alifah et al, 2014).

Hypermart's journey to pioneering its steps in Indonesia cannot be said to be short. Starting operations in 2004, Hypermart, which at that time was present as the youngest retailer, caught up to show to the public, this is the original Indonesian retailer born in the Motherland and able to compete with foreign retailers (Alifah et al, 2014).

The increasingly competitive business competition in Mataram that occurs in getting consumers' and consumers' behaviour in terms of purchasing decisions that are only lifestyle-oriented requires all companies to have accurate strategies in attracting consumers (Engel, 1995).

Trading business development provides benefits to the life of the community around the trading location. The benefits obtained include available job opportunities and increased welfare. The existence of a trading business will also open horizons, increase the passion and entrepreneurial nature of the community in the business in the trade and retail sector as a new alternative in building the economic strength of the community and the region, as well as provide new views as well as influence on the culture and habits of the majority of the people who have so far had a large economy. relies on the trade and retail sector (Marine, 2009).

II. RESEARCH METHODOLOGY

This research is descriptive research with a survey method. According to Suseno (2013), descriptive research is research that describes purely the results of the observed object. Furthermore, the data obtained are grouped against certain classifications and then conclusions are drawn.

The types and sources of data used in this research method are to use qualitative methods. The data used in this research is using primary data and secondary data. In primary data, information is obtained directly from company leaders and managers through interviews and filling out questionnaires to obtain information needed for research. While the secondary data comes from information report data and company documents that contain the information needed in this study.

Analysis Method

The analytical method used refers to the concept of the strategy formulation framework by David, and Fred. R (2004).

1. Input Stage / <i>Input Stage</i>			
External Factor Evaluation (EFE)	Competitive Profile Matrix (CPM)		Internal Factor Evaluation (EFI)
2. Matching Stage			
Strength-Weakness-Opportunity-Threat (SWOT) Matrix	Strategic Positioning and Action Evaluation Matrix (SPACE)	Internal-External Matrix (IE)	Matrix (<i>Grand Strategy</i>)
3. Decision Stage			
Quantitative Strategic Planning Matrix			

Figure 1. Strategy Formulation Framework

The internal Factor Evaluation Matrix is used to evaluate the company's internal factors, and to formulate these internal evaluation factors in the framework of strengths and weaknesses (*strengths and weaknesses*). The External Factor Evaluation Matrix enables strategists to evaluate economic, social, cultural, demographic, environmental, political, governmental, legal, technological, and competitive information. The External Factors SWOT Evaluation Matrix enables strategists to evaluate economic, social, cultural, demographic, environmental, political, governmental, legal, technological, and competitive information. External Factor Evaluation Matrix in the framework of threats and opportunities (*threat and opportunity*). All organizations can be positioned in one of the four strategic quadrants of the *Grand Strategy Matrix*. The *grand strategy matrix* is based on two evaluative dimensions namely competitive position and market growth. The right strategy for the organization to consider is shown in order of attractiveness in each quadrant of the matrix, namely David, Fred (2010, p 348-349). The *quantitative Strategy Planning Matrix* is a tool that enables strategists to evaluate alternative strategies objectively, based on previously identified critical external and internal success factors.

III. RESULTS AND DISCUSSION

Company profile

Along with the development of retail businesses in Indonesia, places to shop are currently very popular with the public. This retail business arises as a result of people's desire to shop for daily necessities that are comfortable, delicious, and practical. The existence of very large consumer interest in the retail business has made many entrepreneurs vie to innovate services in the retail business. One of the retail businesses is Hypermart, which provides complete goods, especially daily necessities with good, convenient, and fast service.

Consumer needs in meeting their daily needs are getting bigger. Supermarkets are not enough. It is necessary to establish a hypermarket, a shopping concept with a much more complete collection of goods. Matahari views that Marketplace can be upgraded from a supermarket to a hypermarket. Innovations were also offered by changing the Marketplace at WTC Serpong to Hypermart, Matahari's first hypermarket, operated on April 22, 2004. Now Hypermart has the challenge to realize its vision of becoming the hypermarket market leader in 2016.

Hypermart's journey to pioneering its steps in Indonesia cannot be said to be short. Starting operations in 2004, Hypermart, which at that time was present as the youngest retailer, caught up to show the public: This is a genuine Indonesian retailer born in the Motherland and able to compete with foreign retailers.

Now, at the age of 12, Hypermart wants to show that its desire to become the No.1 Multi Format Food Retail in Indonesia is not just a dream. At a young age, Hypermart became the first hypermarket to successfully open its 100th outlet in Indonesia.

Company History

Hypermart is a retailer and department store that has been operating since 2004. This large hypermarket started with the establishment of a small shop called Mickey Mouse which Hari Darmawan founded in a two-story building covering an area of approximately 150 square meters in PasarBaru, Jakarta in 1958.

In 1972, Matahari was established under the banner of PT. Matahari Putra Prima Tbk has succeeded in becoming a pioneer in the concept of a convenience store (Toshiba) in Indonesia. This success initiated Matahari to expand its wings by opening SinarMatahari in Bogor in 1980.

Matahari's first business expansion was marked by the operation of the Super Bazaar supermarket on July 14, 1991. In 2000, the Super Bazaar changed its name to Matahari Supermarket. In 2002, Matahari separated its core business into an independent business for the betterment of the company by developing new corporate businesses such as Matahari Supermarket. As the first original retail company from Indonesia, PT. Matahari Putra Prima Tbk does not want its vision of creating a comfortable and complete shopping atmosphere to only be a dream. Supported by professionals in their fields who share the same vision and mission, Matahari expanded its business scope to operate a supermarket that was flown under the Super Bazaar flag in 1991. Its first location was at PasarBaru.

The year 2004 marked the beginning of Matahari's innovation which was implemented through the opening of the first Hypermart outlet at WTC Serpong. By carrying out the shopping concept "Muraaah Really" wrapped in a comfortable atmosphere, Hypermart has successfully expanded in almost all parts of Indonesia, including Mataram City.

Vision and Mission of Hypermart Branch Mataram Lombok Epicentrum Mall

Vision: " *To bring retail with world-class standards by providing high-quality products at competitive prices for consumers in Indonesia*".

Mission: " *To be the future multi-format retailer in Indonesia that focuses on customers*".

Input Stage

IFE Matrix

Identification of the Company's Internal Environment

Table 1. Recapitulation of the Company's Internal Strength Factors

No	Internal Strength Factors <i>Hypermart Lombok Epicentrum Mall Branch</i>
1	Good Management
2	Good HR
3	Good Finance
4	Good Service
5	Interesting Architecture

Source: Research Results

Table 2. Recapitulation of the Company's Internal Weaknesses

No	Internal Weakness Factors <i>Hypermart Lombok Epicentrum Mall Branch</i>
1	Fluctuating Production
2	Internal Conflict Risk
3	High Price
4	Risk of Damage
5	Financial Deficit Risk

IFE. Rating Rating

After the internal factor weighting is obtained, the next step is to ask the company manager for a score/rating assessment.

Table 3. Questionnaire for rating/score of internal factors of *Hypermart Lombok Epicentrum Mall Branch*

No	Information	Rating
1	S1. Good Management	3
2	S2. Good HR	4
3	S3. Good Finance	2
4	S4. Good Service	3
5	S5. Interesting Architecture	=1=
6	W1. Fluctuating Production	1
7	W2. Internal Conflict Risk	3
8	W3. Fantastic Price	2
9	W4. Risk of Damage	4
10	W5. Financial Deficit Risk	4

Source: Company

IFE Matrix Results

Table 4. IFE. Matrix

No	Key Internal Factors	Weight	Rating	Weighted Value
Strength				
1	Good Management	0.159	3	0.477
2	Good HR	0.132	4	0.528
3	Good Finance	0.097	2	0.194
4	Good Service	0.063	3	0.189
5	Interesting Architecture	0.042	=1=	0.042
Weakness				
1	Fluctuating Production	0.159	1	0.159
2	Internal Conflict Risk	0.105	3	0.315
3	Fantastic Price	0.128	2	0.256
4	Risk of Damage	0.068	4	0.272
5	Financial Deficit Risk	0.045	4	0.18
Amount				2.612

From the IFE matrix Table 4, it is known that the total weighted value for *Hypermart Lombok Epicentrum Mall Branch* is 2.612. This value indicates that the company has a strong organization internally because the value obtained is above the average value, which is 2.50. And this value also shows that this company is above average in the company's internal strength.

EFE Matrix

Identification of the Company's External Environment

Table 5. Recapitulation of the Company's External Opportunity Factors

No	External Opportunity Factors <i>Hypermart Lombok Epicentrum Mall Branch</i>
1	Wide Trading Potential
2	Overseas Buyers
3	Wide Product Development Potential Nationally
4	High Traveler Interest in Retail Items
5	Potential Development of Retail Items

Source: Research Results

Table 6. Recapitulation of the Company's External Threat Factors

No	External Threat Factors <i>Hypermart Lombok Epicentrum Mall Branch</i>
1	Other Competitor Risk
2	Risk of Inflation and Economic Crisis
3	Low People's Purchasing Power
4	Natural Disaster Risk
5	Theft Risk

EFE Ratin

No	Information	Rating
1	O1. Wide Trading Potential	2
2	O2. Overseas Buyers	1
3	O3. Wide Product Development Potential Nationally	2
4	O4. High Traveler Interest in Retail Items	1
5	O5. Retail Goods Development Potential	2
6	T1. Other Competitor Risk	2
7	T2. Risk of Inflation and Economic Crisis	1
8	T3. Low People's Purchasing Power	2
9	T4. Natural Disaster Risk	1
10	T5. Theft Risk	3

EFE Matrix Results

No	Key External Factors	Weight	Rating	Weighted Value
Opportunity				
1	Wide Trading Potential	0.177	2	0.354
2	Overseas Buyers	0.120	1	0.120
3	Wide Product Development Potential Nationally	0.109	2	0.218
4	High Traveler's Interest in Pearl	0.095	1	0.095
5	Diamond Creation Development Potential	0.106	2	0.212
Threat				
1	Other Competitor Risk	0.097	2	0.194
2	Risk of Inflation and Economic Crisis	0.094	1	0.094
3	Low People's Purchasing Power	0.073	2	0.146
4	Natural Disaster Risk	0.070	1	0.070
5	Theft Risk	0.120	3	0.36
Amount				1.863

From the EFE matrix Table 6, it is known that the total weighted value for *Hypermart Lombok Epicentrum Mall Branch* is 1.863. This value shows that *Hypermart Lombok Epicentrum Mall* has responded well to the opportunities and threats that exist in the retail industry. In other words, *Hypermart Lombok Epicentrum Mall Branch* can effectively take advantage of existing opportunities and has minimized the potential negative effects of existing threats.

CPM Matrix

Table 7. CPM Faktor Factor

Determining Factors of Success in CPM
Internal Management
External Management
Finance
HR
Strategic location

Source: Research Results

Company CPM Results

Table 8. CPM. Matrix Results

No	Success Determining Factors	Weight	Hypermart Company Lombok Epicentrum Mall Branch		MataramTransmart Company		Supermarket Trading Company	
			Rating	Score	Rating	Score	Rating	Score
1	Internal Management External	0.533	4	2,123	2	0.533	4	2,123
2	Management	0.274	3	0.822	2	0.274	3	0.822
3	Finance	0.102	4	0.408	3	0.102	4	0.408
4	HR	0.222	4	0.888	3	0.222	4	0.888
5	Strategic location	0.092	4	0.368	4	0.092	4	0.368
Amount				4.609		2.954		2.954

From the CPM matrix Table 8, it is known that there are two main competitors for *Hypermart Lombok Epicentrum Mall Branch*, namely *TransmartMataram* and the *Niaga Supermarket* company. The value-weighted by *Hypermart Lombok Epicentrum Mall Branch* is 4.609, *Transmart Mataram* is 2.954 and the *Niaga Supermarket* company is 2.954. With this *Hypermart Lombok Epicentrum Mall Branch*, has been able to compete with the two companies.

Analysis Stage

SWOT Matrix (*Strengths, Weaknesses, Opportunities and Threats*)

	<p>Strength</p> <ul style="list-style-type: none"> • Have good quality • Competitive product price • The strategic location of the store • Sophisticated technology systems & have been applied to management operational reports • Experienced & educated HR in their respective fields • Has many product variants from well-known brands • Product placement according to the type of item • The biggest retail company in Indonesia 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Prices are more expensive than in other stores. • Lots of queues for cashiers on certain days and at big events. • There are limitations to the purchase of items for traders. • The operating hours of the outlets are adjusted to the operating hours of the local mall.
<p>Opportunity</p> <ul style="list-style-type: none"> • Rapid development development • The rapid development of IT facilitates promotion in various forms • Loyalty program to bind consumers • People's purchasing power • Strength of the bargaining position of buyers (customers) 	<p>Strategy (SO):</p> <ul style="list-style-type: none"> • Increase more aggressive marketing • Improving technology and information systems for competitive needs • Optimizing service to consumers • Maintain quality and price so that we can compete better • Maintaining customer loyalty to survive • Expand product variants 	<p>Strategy (WO):</p> <ul style="list-style-type: none"> • Adjusting prices by making offers to consumers • Pay attention to the layout regularly • Develop more sophisticated technology systems
<p>Treat (Threat)</p> <ul style="list-style-type: none"> • Strict price & quality competition • Competitors who are aggressively promoting • Changes in consumer tastes • Game payment systems with ATM cards and credit cards by competitors 	<p>Strategy (ST):</p> <ul style="list-style-type: none"> • Provide more products with well-known brand variants • Improving marketing intelligence that is more sophisticated and attractive to consumers • Improving competitiveness through efficient service quality 	<p>Strategy (WT):</p> <ul style="list-style-type: none"> • Create a modern strategy to reduce cashier queues on certain days • Increase promotion to the community • Optimizing operational schedule

Grand Strategy Matrix

Grand strategy matrix shows that the *Hypermart Lombok Epicentrum Mall branch company* is in quadrant II, so the *Lombok Epicentrum Mall Hypermart Branch company* can carry out market development, market penetration, product development and integration strategies. horizontal integration (*horizontal integration*), and divestment. The strategy used to compete amid large retail business opportunities is divestment.

Decision Stage

Quantitative Strategy Planning Matrix (QSPM)

Main factor Key External Factors	Weight	Alternative Strategy							
		Horizontal Integration		Market penetration		Market Development		Product Development	
		US	BAG	US	BAG	US	BAG	US	BAG
Opportunity									
Broad Trading Prospects	0.177	4	0.708	3	0.708	4	0.708	4	0.708
Overseas Buyers	0.12	3	0.36	2	0.36	3	0.36	3	0.36
Broad Product Development Prospects Nationally	0.109	4	0.436	4	0.436	4	0.436	4	0.436
High Tourist Interest in Pearl	0.095	3	0.285	3	0.285	3	0.285	3	0.285
Pearl Creation Development Prospect	0.106	4	0.424	4	0.424	4	0.424	4	0.424
Threat									
Other Competitor Risk	0.097	3	0.291	4	0.108	4	0.108	4	0.108
Risk of Inflation and Economic Crisis	0.094	3	0.282	3	0.338	3	0.338	4	0.338
Low People's Purchasing Power	0.073	3	0.219	3	0.338	3	0.338	3	0.338
Natural Disaster Risk	0.07	2	0.14	2	0.083	2	0.083	2	0.083
Theft Risk	0.12	1	0.12	3	0.126	3	0.126	2	0.126
STA			3.265		3.206		3.206		3.206
Main Internal Factors									
Strength									
Good Management	0.159	4	0.636	4	0.636	4	0.636	4	0.636
Good HR	0.132	4	0.528	4	0.528	4	0.528	4	0.528
Good Finance	0.097	4	0.388	4	0.388	4	0.388	4	0.388
Good Service	0.063	4	0.252	4	0.252	4	0.252	4	0.252
Interesting Architecture	0.042	3	0.126	3	0.126	3	0.126	3	0.126
Weakness									
Fluctuating Production	0.159	3	0.477	3	0.477	3	0.477	3	0.477
Internal Conflict Risk	0.105	4	0.42	4	0.42	4	0.42	4	0.42
Fantastic Price	0.128	3	0.384	3	0.384	3	0.384	3	0.384
Risk of Damage	0.068	4	0.272	4	0.272	4	0.272	4	0.272
Financial Deficit Risk	0.045	4	0.18	4	0.18	4	0.18	4	0.18
STA			3.663		3.663		3.663		3.663
Total STA			6.928		6.869		6.869		6.869

From the matrix table QSPM *Hypermart Lombok Epicentrum Mall Branch*, it can be seen that the horizontal integration strategy has a value of 6,928, the market penetration strategy has a value of 6,869, the market development strategy has a

value of 6,869, the product development strategy has a value of 6,869. With this result, the horizontal integration strategy is more attractive to the company. The horizontal strategy seeks greater ownership/control over competing firms.

Implications of Research Results

Based on the results of data processing through the QSPM Matrix, which is the last stage in a comprehensive strategy formulation framework, namely the decision stage, it appears that the horizontal integration strategy is more attractive for companies to implement. A horizontal integration strategy is appropriate because the company already has greater ownership/control over competing companies.

IV. CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the description of the results and discussion, the following conclusions can be drawn: Based on the results of the IFE matrix analysis, it is known that the number of weighted values is 2.612. This value indicates that the company has a strong organization internally because the value obtained is above the average value of 2.50. This value also shows that this company is above the average in the company's internal strength. Meanwhile, based on the EFE matrix, it is known that the number of weighted values is 1,863. This value shows the company responds well to the opportunities and threats that exist in the retail business. In other words, *Hypermart Retail Company Lombok Epicentrum Mall Branch* can effectively take advantage of the opportunities that exist. Based on the results of the QSPM matrix analysis, it can be seen that the horizontal integration strategy has a value of 6.928, the market penetration strategy has a value of 6,869, the market development strategy has a value of 6.869, and the product development strategy has a value of 6.869. With this result, the horizontal integration strategy is more attractive to the company. The horizontal strategy seeks greater ownership/control over competing firms.

Suggestion

The company's revenue from *Hypermart Branch Lombok Epicentrum Mall* can be increased and optimized by implementing a horizontal integration strategy by the results of the data analysis that has been carried out. It is hoped that the *Hypermart Lombok Epicentrum Mall branch company* can always monitor themselves by the existence of companies that in this case have strategies that they apply in running their company's business.

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