



VALUE CHAIN ANALYSIS IN RETAIL SHOP CASE STUDY: “DIZZLE OTX GAME SHOP”

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KEYWORDS

retail shop, drizzle, game shop.

ABSTRACT

Value chains are often used to assess and find suitable techniques to increase competitive advantage. This research uses Value Chain to analyze the retail store industry. Retailer becomes the end of distribution activities from producers to End Customers. The object of research used is Game Store and Hobby, this retailer is in the city of Surabaya, Indonesia. They use descriptive analytic methods using primary data from observations and interviews with business owners. The analysis aims to create one-stop shopping that can increase competitive advantage by increasing product variations and staying up to date with market interest in game discs and consoles as well as various equipment related to the game world, both Merchandise and accessories. That way, customers can find the desired product easily in one store. This will increase the interest of a community in the area to do one-stop shopping at this store. Increase distributor network to get cheaper prices and improve store appearance, use of technology, and customer service.

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INTRODUCTION

Value is the ability of buyers to get the benefits of a product/service at the lowest possible price. However, it gets the same benefits (Porter & Kramer, 1985). If a product moves from one division to another that is still in the supply chain, it can be said to have value (Hellin & Meijer, 2006). The Value Chain method can be used to analyze competitive advantage and find appropriate techniques to increase superiority (Porter & Kramer, 1985). (Fearne et al., 2012) said that value chain analysis can increase sustainable development. Value chains can also identify the location of problems and benefits in operating processes (David, 2011).

The value chain is divided into two activities, namely primary activities and support activities (Porter & Kramer, 1985). In primary activities are Inbound Logistics, Operations, Outbound Logistics, Marketing, sales, and service. In Support Activities, there is procurement. Human Resource Management, Technological Development and Infrastructure.

Value chains are often used in the retail industry. Which is the end of a series of distribution activities from producers to end customers (Seminari et al., 2017). (Amin & Mahasan, 2019), said the definition of Retail is a combination of activities that increase value to end customers. (Masruroh, 2017), said the activities contained in the retail business include starting sales and services to end customers.

"Dizzle Otx" is the name of a retail store in Surabaya, Indonesia. This retail store provides a variety of goods related to the needs of video game connoisseurs. Starting from selling various kinds of goods both in digital and physical form, such as Game Discs, Game Vouchers and various other electronic devices related to Games from various brands such as Playstation, Xbox, and Nintendo to various official Merchandise and other hobby items such as several collectable toys and Services. The

ownership system of this retail store is an individual or individual which means the source of funds from an owner.

In this paper, the author wants to conduct a value chain analysis on "Dizzle Otx" Retail stores to be used as a reference to increase competitive advantage. (Mangifera, 2016) shows that the value chain can be vital to increasing Competitive advantage.

METHOD

In this study, the object chosen was the retail store "Dizzle Otx", which sells various video game products. The method used in this study is descriptive, using primary data obtained from field observations, interviews, and documentation.

The observation is done by visiting the store location to see the layout and display of goods and operational flows ranging from goods coming, service, and storage to sales to end customers. Interviews were conducted with the head of the shop and the procurement and storage departments. In the documentation, checking the quantity of incoming and sold goods and other documentation that supports the research is carried out.

RESULT AND DISCUSSION

Inbound Logistics

Is a series of internal processes of the company's operational activities related to collecting, storage, and distribution. This makes relationships with suppliers significant for retailers. In the inbound logistics process carried out by the retail store " Dizzle Otx," there are several stages as follows:

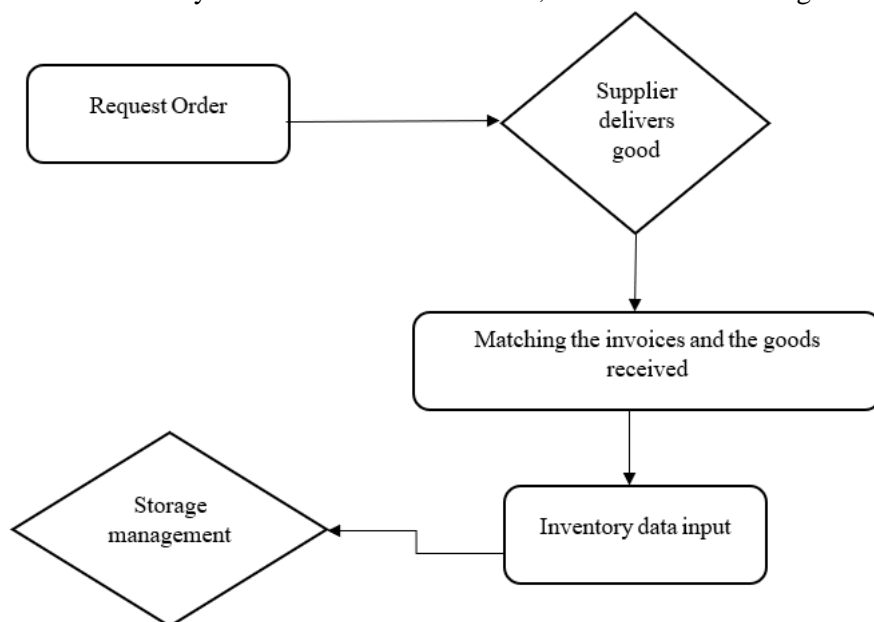


Figure 1. Process Carried out by Retail Stores " Dizzle Otx"

1. Request order: The retailer will send a request for goods following empty stock and goods that are widely enjoyed
2. Supplier Deliver Goods: The supplier sends goods according to the order made by the retailer.
3. Matching invoices: After the goods are received, the suitability of the goods and orders will be checked
4. Inventory input: After the ordered items are appropriate, a recording of the store's inventory will be recorded

5. Storage Management: Some items will be stored on the store display shelf, and the rest will be stored in the warehouse

In this stage, product variations are essential in increasing store competitiveness, especially products in great demand and with the latest variants from manufacturers. Greater product variety can increase consumer attractiveness (Amin & Mahasan, 2019). So many product variations will increase customer satisfaction because you can easily find various products in one store. To achieve the concept of stopping shopping by increasing the variety of products and getting the best prices, Dizzle Otx is trying to continue to add distributors of products related to games and hobbies, such as the official distributor of "Playstation Indonesia". Price is significant for the success of the retail business, including store locations and store facilities (Jaafar et al., 2016).

Operation

It is an activity to convert inputs into outputs which can then be used to end customers. At this stage, the "Dizzle Otx" arranges goods according to categories both in warehouses and store displays. In addition, there is also a demo area for various video games from various manufacturers so that customers can try them first before they are sure to buy a product. To carry out sales services on digital platforms, the store collaborates with third parties to advertise and as a medium that is easily accessible to customers online with a fee system of 4% of the goods successfully sold. The store in this stage always maintains cleanliness. It continues to innovate for the appearance of the store so that it can continue to attract customers. (Cornelius et al., 2010) conveyed that a good store display affects customer desire to make transactions for both old and new customers.

Outbound Logistics

Outbound logistics are all activities for collecting, warehousing and distribution. The activities of the store carried out at this stage are as follows:

1. Maintain the cleanliness and comfort of the store and the appearance of employees
2. Ensure the product is in good condition, both from packaging and sealing to product function
3. Perform services to consumers in a friendly manner
4. Provide shopping facilities from home via telephone and will be delivered directly by the store to customers who live around the store.

Along with the increasing era of digitalization, another thing that can be improved is to be more severe in serving customers in digital ways, such as having an Instagram account to promote the stock of existing goods further. Moreover, it can also save customer time so that it does not take long to shop looking for the desired item and can provide new value (Reinartz et al., 2019).

Marketing and Sales

Delivering information on products or services to customers and providing purchase facilities. One of the things that the store often does is to provide promos both commemorating special days and particular events. Various promos are as follows:

1. Provide promos on special days such as Independence Day and other anniversaries in Indonesia
2. Promo is also given to digital products, such as e-wallet top-ups for game accounts.
3. Furthermore, there are several promos, such as bundling of several products, both promos that are given from manufacturers and promos from stores to spend old stock.
4. Frequent raffles or giveaways for the game community to promote the store name

Promotion can help increase the value of a business (Morimura & Sakagawa, 2018). However, some things must be considered in business promotion, namely adjusting promotions to business strategies (Guissoni et al., 2018).

Service

It is an activity to maintain the quality of products and services so that they can reach the hands of customers with perfect conditions as their functions. The "Dizzle Otx" store, carried out by the store, provides home installation services for electronic goods that need to be assembled, such as monitors and game consoles that require particular software installation for customers who live in the same area as the store. In addition, there is also a store warranty for electronic goods outside the warranty from the manufacturer so that customers can get greater satisfaction and security. The role of customer service is vital in attracting customers to repurchase (Koistinen & Järvinen, 2016).

Procurement (Purchasing)

It is a process to obtain inputs used as functional materials. The store "Dizzle Otx" was founded by a group of young people with the same interest in gaming. Resources can be invested in sustainable development (Green, 2016).

What can be done to increase competitive advantage is maximizing ownership of members active in the game championship community and members of well-known game companies. With this resource, the store can get the latest information about the game field to get goods quickly and directly from the manufacturer. Moreover, continue to promote the game player community about this store. A positive image will increase customer confidence to work in the store (Chaniago, 2020). As well as trying to improve the needs of members who will create self-satisfaction from members (Amin & Mahasan, 2019).

Human Resource Management

In Human Resource Management activities in stores, training is carried out along with the emergence of new technology to teach employees how to operate new products and what features they have to convey information about a product to customers efficiently. In addition, it is given comfort to employees to feel comfortable such as holding game tournaments between employees every month to increase employee loyalty and good communication. Good communication patterns can provide a sense of comfort to customers (Koistinen & Järvinen, 2016). The importance of product arrangement in the store is also an important consideration for this store. Customers' ease of finding a product is important in the retail business (Chaniago, 2020).

Technological development

It is an activity related to processing and securing information within the company. In the application of technological development in the "Dizzle Otx" store, the recording system has been carried out with software that is integrated with the cashier so that it can be known the amount of stock left and how many products are sold. In addition, the advantage of this technology integration is that it can be evaluated regarding sales in a certain period.

This store has been facilitated with CCTV to improve customer security and comfort. It serves payments with credit cards and debit cards from several banks in Indonesia. A sense of security will increase customer interest in shopping at stores (Jaafar et al., 2016).

Infrastructure

At this stage, the store already has a business license. It prepares monthly financial statements, which are then submitted to each member. As well as adjusting SOPs to store needs in their operations. In addition, the store design is tailored to the theme, which makes it easy for customers to shop and feel comfortable. The main factor in retail success is the Standard operational procedure (Panigyrakis & Theodoridis, 2009),

CONCLUSION

Based on the data that has been obtained, the store can do things to increase its competitive advantage, namely by adding distributors to get lower prices. Another thing that can be done is to increase product variety and maximize socialization with the game community by meeting their needs and providing events to improve relationships with existing communities. In the application and use of technology, the store is quite good. It can maintain it and continue to update with existing developments.

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