

Influence of Geographical Location and Online Marketing Strategy on Sales Grocery Store in Bandung

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Abstract

The COVID-19 pandemic throughout 2020 has hit the business development of several Micro, Small & Medium Enterprises (MSMEs). Therefore, marketers have to rack their brains to be able to market their products to consumers. The grocery store is one of the small businesses that has not escaped the impact of the Covid 19 pandemic. To be able to survive during the Covid 19 Pandemic, we have to work around this. Starting from focusing on digital marketing through websites that are used as e-commerce, social media, search engines, selling through the marketplace, and forming a reseller team to sell their products. To continue to increase sales in limitations and increasingly fierce competition, grocery stores are required to be proactive and increase their capabilities and potential. This study aims to develop an online marketing strategy and geographical location using Grabmart to increase grocery store sales. Bearing in mind the importance of the issue the present study also considered the role of geographic location of the brands regarding their sales. The research method used is a type of qualitative research with a descriptive approach. Data were collected using interviews and distributing questionnaires to the owners of the grocery store in South Bandung. Data analysis using SWOT analysis. The results showed that the results of the internal factor IFE value of 3.90. Where the total value of strength is 2.44 and the value of weakness is 1.46. And the external factor EFE obtained a value of 4.02. Where the total value of the opportunity is 1.96 and the total value of the threat factor is 2.07. From these results, the marketing strategy that must be carried out by the grocery store is an aggressive growth strategy. Additionally, the results of the study revealed that geographic location of the store also influences its strategy and sales.

Keywords:

Marketing Strategy, Grocery Store, Geographic Location, Aggressive Strategy.

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Introduction

The Covid-19 pandemic that occurred throughout 2020 has hit the business development of several Micro, Small & Medium Enterprises (MSMEs). Not a few of them are experiencing a crisis due to the decline in the amount of income and profits during the pandemic. More than 88 percent of MSMEs experienced a decline in profit margins during the pandemic until August 2020, according to the LPEM UI and UNDP survey.

"Seeing this problem, business actors must respond quickly and appropriately to change their sales strategy. It is hoped that there will not be a significant drop in sales when social distancing is implemented,"

To survive during this pandemic, business actors must be able to work around it. Business actors must rack their brains to be able to market their products or services to consumers, as a strategy for business actors to survive during the coronavirus pandemic. Business actors optimize online marketing and digital branding as a means of communication with the target consumers. Starting from focusing on digital marketing through websites that are used as e-commerce, social media, search engines, selling through the marketplace, and forming a reseller team to sell their products. During the coronavirus pandemic, there are both threats and opportunities. For marketers, of course, must be able to seize opportunities. In this time of the coronavirus pandemic, marketers must quickly adapt along with the implementation of social distancing. Because it has certainly greatly influenced major changes in consumer behavior trends in shopping.

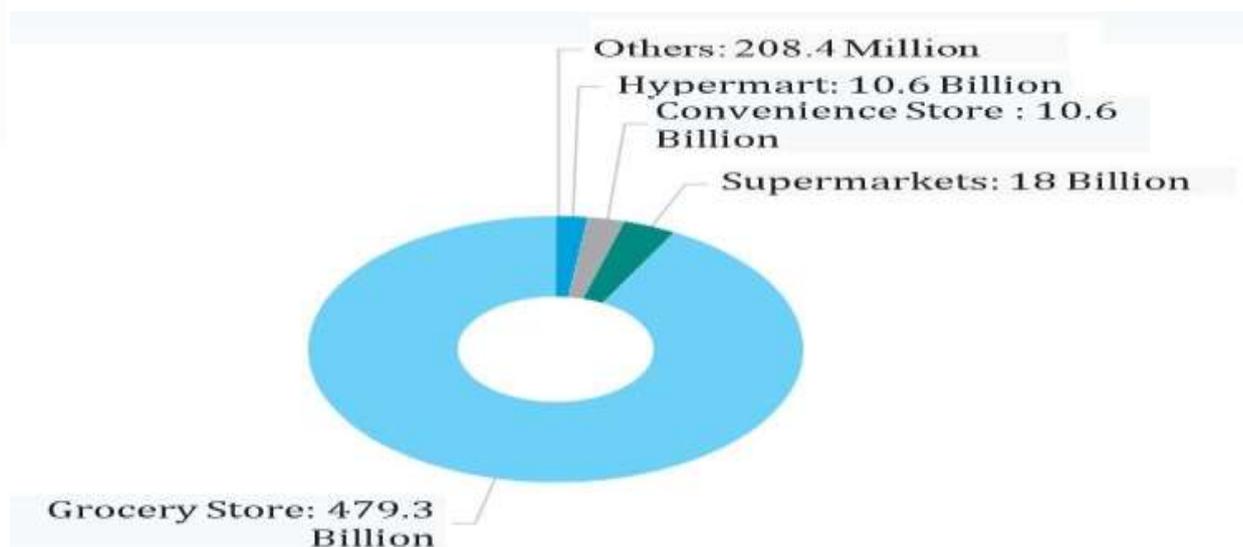
"Covid-19 is causing a significant change in consumer behavior towards online-based services around the world. This also triggers the creation of various innovations in Indonesia, but on the other hand, poses the risk of a widening digital divide. MSMEs must immediately carry out digital transformation. Fighting the Coronavirus pandemic requires our collective efforts. Digitalization will help MSMEs reach more customers and sell more goods.

The results of Euro monitor International 2018 research show that the majority of Indonesians, Indians, and Filipinos still like to shop at grocery stores. Of the total retail market value of US\$ 521 billion, as much as US\$ 479.3 billion, or 92 percent of which are grocery store transactions.

Previously studies revealed that geographical location of the stores also influence their sales and growth. This potential has triggered offers from various startups to provide services that are transformed into modern grocery stores.

Figure 1.

Percentage Of Places to Shop for Grocery in Indonesia, India, And the Philippines (%)



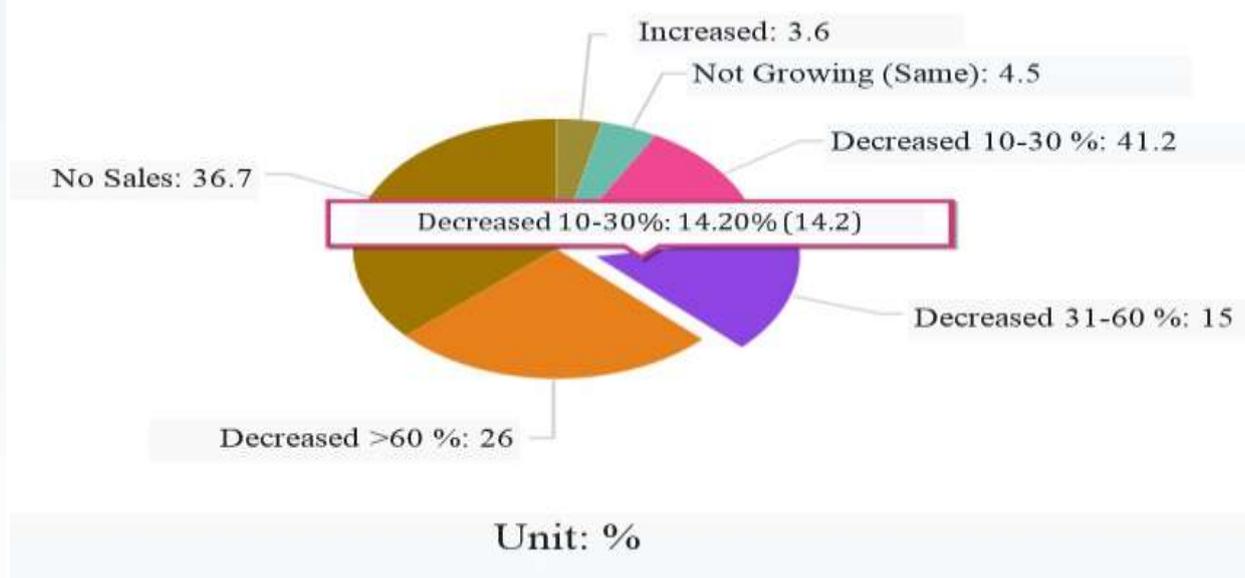
Source: Nikkei Asian Review, 18 February 2019

Being in the vortex of the COVID-19 pandemic for an undetermined time has made MSME actors such as grocery stores and stalls one of the sectors that have been affected. One of the grocery stores, such as a basic food shop that sells daily necessities, such as rice, cooking oil, flour, sugar,

and some similar products, complained that they experienced a very significant decrease in their usual sales.

Figure 2.

The Decline in the MSME Sector Due to Covid-19



Source: Association of Indonesian Business Development Services

Various efforts were made to survive in difficult times like this. With these conditions, of course, grocery store entrepreneurs must continue to rack their brains, to increase sales turnover during the COVID-19 pandemic.

GrabMart is indeed an easy and fast online shopping solution for consumers throughout Indonesia. GrabMart provides a variety of daily necessities that can be obtained without leaving the house. Customers can order GrabMart from stores that provide fruit, vegetables, snacks, raw food, and frozen food. GrabMart itself is a new feature that Grab released during the pandemic. This feature connects consumers with merchants who sell daily necessities and staples.

So that consumer can shop for meat, fish, agricultural products, and others at affordable prices. The surge in service usage also occurred at GrabMart, a grocery product delivery feature at supermarkets. The increase was 22 percent throughout March 2020 compared to the months before the enactment of the PSBB. According to the results of research conducted by Andreswari et al., (2020), the emergence of minimarkets is a natural challenge for shop/kiosk/warung business actors.

(Ali, 2006; Andreswari et al., 2020; Antoni et al., 2020; Arifianti, 2018; Becker's et al., 2018; Chan et al., 2019; Dagustani et al., 2016; Harnani et al., 2020; Hasim, 2021; Hotar, 2020; Lawrence, 2020) stated that the establishment of minimarkets has an impact on the turnover of traditional traders. This study analyzes online marketing strategies using Grabmart

Grocery Store

Since its inception, grocery traders have been selling household necessities, ranging from utensils such as pots and frying pans to soap, rice, and kitchen spices. But gradually, this traveling merchant chose to trade in a permanent place. Even though it seems that it only fulfills the needs of residents, the existence of a grocery store is very vital. Along with many other types of MSMEs, grocery stores are the backbone of the Indonesian economy.

The report from the Ministry of Cooperatives and SMEs states that the number of MSMEs in Indonesia reaches 64.2 million units or 99.99 percent of the total actors in Indonesia.

Meanwhile, grocery stores in Indonesia reached 3.6 million units Grocery stores are also experiencing several bottlenecks. Starting in terms of financing, management, which is mostly still traditional, to competition with minimarkets and online stores.

Understanding Marketing Strategy

Marketing strategy is a comprehensive, integrated and unified plan in the field of marketing goods and services. a directed plan in the field of marketing, to obtain an optimal result. Marketing strategy according to says that. "Marketing strategy is marketing logic and based on that business units are expected to achieve marketing goals, marketing strategy consists of making decisions about marketing costs from the company".

According to states that. "The marketing strategy used by the company is the result of the integration of various marketing elements". Based on the above understanding, it can be concluded that marketing strategy is a series of activities that are directed to achieve goals and with innovative and creative thinking patterns, to deal with trends that occur within the company and outside the company, which will affect the interests and future my own company. One of the marketing strategies that is often carried out by a company is by distributing the marketing itself or more commonly known as the marketing mix.

According to "marketing strategy is the process of planning and implementing company policies to realize company goals following the company's vision".

According to "marketing strategy is a set of goals and objectives, policies and rules that provide direction to the company's marketing efforts from time to time, at each level and its references and allocations, especially as the company's response to facing changing environment and competitive conditions.

Elements of Marketing Strategy According to Nayan et al., (2020) in Tjiptono (Neilson et al., 2018; Nisa et al., 2018; Ozdemir, 2020; Ozkaral & Bozyigit, 2020; Sabela, 2020; Schgwarzl Grabowska, 2015; Setiawan et al., 2019), marketing strategy consists of five interrelated elements, the five elements are:

- a. Market selection, namely choosing the market to be served. Market selection begins by segmenting the market and then selecting the target market that is most likely to be served by the company.
- b. Product planning, including the specific products to be sold, the establishment of product lines, and the design of individual offerings for each line. The product itself offers the total benefit that a customer can get by making a purchase. These benefits include the product itself, the product brand name, product availability, warranties or guarantees, repair services, and technical assistance provided by the seller, as well as the personal relationship that may be formed between the buyer and seller.
- c. Pricing, namely determining prices that can reflect the quantitative value of the product to the customer.
- d. Distribution system, namely wholesale and retail channels through which the product reaches the final consumer who buys and uses it.
- e. Marketing communication (promotion), which includes advertising, personal selling, and public relations.

Online Marketing

Marketing includes activities related to sales, advertising, promotion, and pricing. Internet marketing or e-marketing or online marketing) are all efforts made to market a product or service through or using the Internet media or the "www" network. Online Marketing is a marketing communication activity using Internet media

Online marketing offers a large number of possibilities for companies, this is an evolution that requires constant strategy development going forward

According to Online Marketing is an effort to market products and services and build customer relationships over the Internet, which can be interpreted as efforts to market products and services and build relationships with consumers through the Internet.

Also reveal an extensive public network (internet) consisting of computer networks that connect users from all over the world to each other and is a very large container of information. Online marketing, better known as e-commerce, is a term that describes the sale of goods and services over the internet. The types of goods purchased online are clothes and computers.

Their preferred payment method transfers payment via ATM or COD (Cash on delivery) and security is one of the reasons.

Marketing through internet media allows a business to carry out self-service practices. This means

that a business can provide services to consumers without the need for human resources, reducing facilities and services by telephone.

Look at companies that do online marketing there are two perspectives, namely: brick and click companies, meaning companies that carry out transactions in two channels (offline and online), and pure-play companies, meaning companies that make transactions only in the virtual world. Beyond that are brick and mortar companies, which are companies that generally only exist in the real world?

Internet marketing activities generally include or revolve around matters relating to the manufacture of advertising products, prospecting or buyers, and writing marketing sentences or copywriting. Internet marketing generally includes the activities of making web designs, advertising using banners, company promotions through search engines, electronic mail, and advertising by electronic mail (email advertising), affiliate marketing, interactive advertising, and others. Advertising, prospecting, or buyer and writing marketing sentences or copywriting.

Internet marketing generally includes the activities of making web designs, advertising using banners, company promotions through search engines, electronic mail (e-mail), advertising by electronic mail (e-mail advertising), affiliate marketing, interactive advertising, and others.

Grabmart

The service with the name GrabMart is a program from the Grab Food service for merchants who have a desire to develop their business by selling certain products that have been determined. So, Grab Food partners no longer need to register for this service, while prospective partners are required to register first.

This well-known company also offers partners and potential partners who want to advance the business they are starting, especially for products such as foodstuffs, beverages, health, and others. What's even more interesting is that each partner only has to pay for the proceeds from the sale of products on the GrabMart service.

GrabMart is a new service provided by Grab for its users for the delivery of daily necessities which is said to be reliable whenever and wherever we are.

As we said before, with this GrabMart service you will be able to buy food sets, drinks, personal necessities, and other products or goods, and of course, they will be sent to your location quickly.

Use of Grabmart

How to use the GrabMart feature, here are the steps.

1. Open the Grab application on your cellphone.
2. Open the Grab Food service, then please press the GrabMart icon.
3. Select the output according to your wishes.
4. Select the items you want.
5. Select the payment method you want to use.
6. Finally, please press the Order button and please wait for your order to be delivered within 1 hour

Definition Of Swot

According to SWOT analysis is the systematic identification of various factors to formulate company strategy, this analysis is based on the logic that can maximize strengths and opportunities, but simultaneously minimize weaknesses and threats. Threats).

SWOT analysis is carried out through the IFE (Internal Factor Evaluation) matrix which will describe the factors of the company's greatest strengths and weaknesses and the EFE (External Factor Evaluation) matrix which will describe the opportunity and threat factors owned by the company and the IE (Internal External) matrix that shows where the company's current position is.

Research Methodology

In this study, the writer uses qualitative research with a descriptive approach, namely a study that aims to make a systematic, factual, and accurate storytelling about the facts and the nature of the object of research.

Data collection techniques were used to obtain data in this study through observation, interviews, and questionnaires. Collecting data in this study using questionnaires to the parties concerned. The data analysis method used in this research is descriptive with a qualitative approach. The method used is to analyze the company's internal (strengths and weaknesses) and external (opportunities and threats) environment which is the basis for conducting a SWOT analysis. SWOT analysis is carried out through the IFE (Internal Factor Evaluation) matrix which will describe the factors of the company's greatest strengths and weaknesses and the EFE (External Factor Evaluation) matrix which will describe the opportunity and threat factors owned by the company and the IE (Internal External) matrix that shows where the company's current position is.

RESULTS AND DISCUSSION

Research Result

Ife Matrix Analysis

The IFE matrix is used to determine how big the role of the internal factors in the company.

Table 1.

IFE Matrix

Internal Factors	Weight	Rating	Score
Strengths			
Completeness of the availability of goods at the grocery store	0,10	5	0,50
Quality of goods provided	0,10	4	0,40
Prices of goods are quite competitive	0,11	4	0,44
Ease of placing an order	0,09	4	0,36
Fast and guaranteed service	0,11	4	0,44
Ease of making payments	0,10	3	0,30
Total	0,61		2,44
Weaknesses			
Limited supply of fresh goods	0,11	4	0,44
Poor Financial Management	0,10	3	0,30
Less intensive promotions	0,09	4	0,36
There is no discount/rebate program	0,09	4	0,36
Total	0,30		1,46
IFE Total	1,00		3,90

Source: Data processed, 2021

SO, strategy

1. Provide goods completely
2. Maintain the quality of goods available
3. Selling goods using an online application
4. Join/partner with Grabmart

WO Strategy

1. Provide the most frequent and most ordered fresh goods
2. Improve Financial Management
3. Cooperate with Grabmart for promotions and discount programs.

ST Strategy

1. Provide quality service
2. Establish good relationships with consumers to increase loyalty.
3. Provide affordable prices

WT Strategy

1. Conducting promotions that are intensively applied online
2. Maintain the availability of goods properly.
3. Having a good and reliable supplier partner

Table 2.
EFE Matrix

External Factors	Weight	Rating	Score
Opportunities			
The implementation of PSBB so that many activities are carried out at home	5	0,12	0,6
There are free and low-cost online sales applications available	4	0,11	0,44
Ease of joining or partnering with the Grabmart online sales application	4	0,11	0,44
Many people use the Grab online application to purchase goods	4	0,12	0,48
Total		0,46	1,96
Threats			
Competition with Modern Stores/similar businesses	5	0,12	0,6
Unstable economic situation	4	0,1	0,4
Competitive tariff competition from competitors	4	0,11	0,44
Increase in the price of goods	3	0,11	0,33
Difficulty getting items	3	0,1	0,3
Total		0,54	2,07
EFE Total		1	4,02

Source: Data processed, 2021

Discussion

The marketing strategies that can be carried out by Grocery Stores based on the results of the SWOT Matrix are as follows:



1. The grocery store uses its strengths and available opportunities by continuing to provide a complete range of goods while maintaining the quality of the goods available. And sell goods using online applications and join / partner with Grabmart.
2. Grocery stores improve their shortcomings by providing quality services, improving Financial Management, and Collaborating with Grabmart for promotions and discount programs.
3. Grocery stores in the existing threats continue to use their strengths to be able to provide quality services, establish good relationships with consumers to increase loyalty, and provide affordable prices for consumers.
4. Grocery stores take advantage of existing threats to continue to exist by carrying out promotions that are intensively applied online, maintaining good availability of goods, and having good and reliable supplier partners

Swot Matrix

Table 3.

Swot Matrix

Internals	Strength (S)	Weakness (W)
	<ol style="list-style-type: none"> 1. Completeness of the availability of goods at the grocery store 2. Quality of goods provided 3. Prices of goods are quite competitive 4. Ease of placing an order 5. Fast and guaranteed service 6. Ease of making payments 	<ol style="list-style-type: none"> 1. The limited supply of fresh goods 2. Poor Financial Management 3. Less intensive promotions 4. There is no discount/rebate program
Externals		
Opportunities (O)	SO Strategy	WO Strategy
<ol style="list-style-type: none"> 1. Implementation of PSBB so that many activities are carried out at home 2. There are free and low-cost online sales applications available 3. Ease of joining or partnering with the Grabmart online sales application 4. Many people use the Grab online application to purchase goods 	<ol style="list-style-type: none"> 1. Provide goods completely 2. Maintain the quality of goods available 3. Selling goods using an online application 4. Join/partner with Grabmart 	<ol style="list-style-type: none"> 1. Provide the most frequent and most ordered fresh goods 2. Improve Financial Management 3. Cooperate with Grabmart for promotions and discount programs.
Threat (T)	ST Strategy	WT Strategy
<ol style="list-style-type: none"> 1. Competition with Modern Stores/similar businesses 2. Unstable economic conditions 3. Competitive tariff from competitors 4. Increase in the price of goods 5. Difficulty getting items 	<ol style="list-style-type: none"> 1. Provide quality service 2. Establish good relationships with consumers to increase loyalty 3. Provide affordable prices 	<ol style="list-style-type: none"> 1. Conducting promotions that are intensively applied online 2. Maintain the availability of goods properly 3. Having a good and reliable supplier partner

Source: Data processed, 2021

From table 1 above, it is found that the strength of the grocery store is the completeness of the availability of goods offered to consumers where the score is 0.50. Then followed by the prices of goods that are quite competitive and fast and guaranteed service where the score is 0.44. The next order is the quality of the goods provided with a score of 0.40 and the next order is the ease of making payments with a score of 0.36 and the smallest score of 0.30 is the ease of making payments.

As for the weakness, the amount of fresh goods inventory is limited with a score of 0.44. Then the less intense promotion and the absence of a discount/rebate program with a score of 0.36 each. And the smallest score of 0.30 is Financial Management which is not good.

EFE Matrix Analysis

The EFE matrix is used to determine the magnitude of the influence of the company's external factors.

From table 2 above, it is known that the opportunity for grocery stores is the application of PSBB so that most activities are carried out at home with a score of 0.6. Then followed by the public using the Grab online application to purchase goods with a score of 0.48. Furthermore, the ease of joining or partnering with the Grabmart online sales application and the availability of free and low-cost online sales applications with a score of 0.44.

While the weakness of the grocery store in competition with modern stores/ similar businesses, the score is 0.6. And competitive tariff competition from competitors with a score of 0.44. Furthermore, the unstable economic condition scored 0.40, the increase in the price of goods with a score of 0.33, and the smallest difficulty in obtaining goods scored 0.3.

From table 3 above, the marketing strategies for Grocery Stores are:

Conclusion

Based on the results of calculations using the SWOT approach, the results of this study obtained the results of the IFE internal factor value of 3.90. Where the total value of strength is 2.44 and the value of weakness is 1.46. And the external factor EFE obtained a value of 4.02. Where the total value of the opportunity is 1.96 and the total value of the threat factor is 2.07. This illustrates that the grocery store has the power to grow and seize the opportunities that exist even though the threats are quite large. So that the Grocery Store can use aggressive marketing strategies to seize the opportunities that exist by taking advantage of its strengths. And join or partner with Grabmart to expand marketing to increase sales.

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