

Increasing Hypermarket Retail Communication Mix Effectiveness by Digital Catalog

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Abstract

Many promotion tools variety can help a company to promote its product. The company must choose the right promotional tool to optimizing the promotion cost and increasing the customer interest. The impact of choosing the right promotion tool was increasing the sales and giving a positive progress for the company. This research explored Carrefour and Hypermart promotion tool, as two big hypermarkets in Indonesia. These hypermarkets used some promotion tools; one of them was digital catalog. This research wanted to find which ones from the digital catalog variables will affect the customer buying interest, and measured the effectiveness of both catalog. The result showed 75.60 % effectiveness for Carrefour's digital catalog, and 73.80 % for Hypermart's digital catalog. This research also suggested some improvement for variables that needs some attention, like printing quality, checking the product accuracy between product in store and on digital catalog, and reducing the file size because time to load the catalog was taken time.

Keywords: promotion tools, effectiveness, retail communication, website, digital catalog

1. Research background

The globalization era was giving a big impact to the business competition. The same condition was happened in the retail modern, and it made a retail company can build its business in other countries, for example Indonesia. In the previous years, Indonesia had fast modern retail growing, and decreasing in the traditional market. The reason was hypermarket gave a lower price so it attracted customer and increased the hypermarket revenue. Hypermarket also applies cross subsidy among the items or categories, and it got an extra discount because hypermarket usually orders in a big volume. To against the tight competition, the hypermarket management did many activities and created effective marketing strategy to get customer interest to shop more frequently. To support this objective, the management must find the right promotion tool that will give a big impact without spend expensive cost, or it has an effective expense. This research analyzed the hypermarket digital catalog effectiveness, for Carrefour and Hypermart, the two big hypermarkets in Surabaya, and found the variables who give significant impact for increasing customer buying.

2. Literature Review

There are some theories that will be used as a based for this research. Those theories including:

- **Promotion**

Promotion was a systematic method for a marketer to inform and impacts to others, customer for example, to make them get attracted doing some transaction like buying the product or service. There were some ways to do these activities, and it was called