

## OPERATIONAL MANAGEMENT STRATEGY TO INCREASE SERVICE QUALITY ON JP JAYA GROCERY STORE

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### ABSTRACT

*In this globalisation era and with fast growing society, the growth of modern retail industry in Indonesia has undergone a fast development, Ministry of Home Affairs stated that in 2014, the number of retail industry reached 23,000 units with 14,000 tend to use minimarket concept. JP Jaya is one of the retail consumer goods industry located in Jl. Pasar Palang no.9, Pasuruan. This research uses qualitative research method by using three people as the interviewees. The interviewees chosen by researcher are the owners of the business, customers of JP Jaya grocery store, and expert of operational management and retail. The data collection technique used in this research is semi-structured interview, the data in this research has come through several data validity test before researcher make a conclusion. After doing research at JP Jaya grocery store about its operational management to increase service quality then researcher has several conclusions which are JP Jaya must fix goods inventory system in JP Jaya, furthermore, JP Jaya must also pay attention to the place related to goods of JP Jaya whether it is the place in the warehouse nor place to display goods in the store. Aside from repairing inventory system, JP Jaya must also pay attention to its employee, whether its from the employee's quality, employee's working hours, and many more. By paying attention to those things, then JP Jaya could increase its service quality.*

**Key Words:** Retail, Operational Management, Service Quality

### Introduction

In this globalisation era and with fast growing society, the growth of modern retail industry in Indonesia has undergone a fast development, Ministry of Home Affairs stated that in 2014, the number of retail industry reached 23,000 units with 14,000 tend to use minimarket concept (Sukmana, 2014).

Retail industry is the last from supply chain and very important in distribution process of goods, by going through retail, a product can reach directly to the user or end user (Soliha, 2008). Generally, retail industry is divided into two which are traditional retail industry and modern retail industry. Traditional modern retail is the place to sell daily goods that is simple with not so wide characteristics, the price offered is by bargaining process, the goods offered is also not that many, and with simple management system, while modern retail industry is the place to sell daily goods with several characteristics such as large place, the goods sold are vary, good management system, has supermarket characteristic system, fixed price and providing shopping comfort for consumers (Jayanti, 2013).

In retail industry, operational management process is not clearly seen that many said if activities within retail industry as service. The function of this service can be hidden from people or customer, which makes the form of products offered are service, goods delivery, transfer of funds between accounts, and many other. In operational management process there are three functions that could be used by companies to produce goods or services. These functions is very important because it is related to the continuity of the company. These functions are 1. Marketing to produce demand, 2. Production/operation to produce product or service, 3. Finance/accounting to watch over the health of the company and keeping company cashflow (Heizer and Render. 2009).

Modern retail industry has good management system, one of them is structured operational management which makes modern retail industry ins maximally controlled.

Different with modern retail which already has neat and structured management system, in traditional retail industry or usually called grocery store, it's still applying traditional concept in daily activities that the owner of the business doing it by himself.

In traditional retail industry or grocery store, inventory management is still manually recorded by the owner, one of the problem that frequently appear in this matter is the goods stored in the warehouse is often do not match with the inventory entry the owner has. It happens because the goods that come and go from the warehouse is not well controlled which makes employee who takes goods from the warehouse is often not report it to the warehouse clerk, or the warehouse clerk forgets to take notes on the goods taken by the employee. Furthermore, in traditional retail industry or grocery store, service quality becomes one of the problem that makes that grocery store cannot develop properly, the company still does not have good standard service which makes it prone to errors while providing service to the customer.

**Table 1. Problems of Grocery Store**

<b>Problems of Grocery Store</b>	<b>Factors</b>
Bad coordination in managing goods that makes goods' condition in the warehouse are broken, expired, or lost	Product/service
Miscalculation of goods store makes those goods are piled up or empty, this will make impact to the service given to the customer.	Product/Service and marketing
Return items or broken items can exceed the determined capacity which makes return items are piled up and causes unstable cash flow.	Product/service and finance
Price given to the customer is often incorrect that makes customers are complaining about the price given	Finance
Display items arrangement is not yet neat which makes customer feels difficult in finding the wanted product	Marketing
Delivery service is often late due to employees' absence	Marketing

Product/service

Therefore, researcher will try to review and find information related with operational management that can be applied to retail industry or grocery store so that it can be applied by traditional retail industry businessman with hope to increase service quality of the store.

## **Retail**

### **Retail Definition**

- a) According to Istiatin and Sudarwati (2015), retail business is one of the marketing activity to fulfil individual needs, household, family where they are the last consumer.
- b) According to Levy (in Adjie and Subagio, 2013) retailing is a set of business activity that raises value to the product and service sold to the consumers for personal use or family.
- c) According to Berman and Evans (in Adjie and Subagio, 2013), retailing includes activity

involved in selling goods and services to the consumer for personal use, family, or household.

From several retail definitions according to experts mentioned above, it can be concluded that retail is business activity that involves the selling of goods and services directly to the end consumer for personal use, family, and household, and not business.

### **Types of Retail**

According to Jayanti (2013), retail industry is divided into two which is traditional

retail and modern retail. Traditional retail industry is the place to sell daily goods which has characteristic of place who do not have a wide place, the price offered is through the bargaining process. The types of item offered is not much, and simple management system.

This is supported by Soliha (Soliha, 2008) who stated that traditional retail is a number of retailers in small and simple scale, such as grocery store, street retailer, retailer in traditional market, and many others. This group of retail business has few capital with modest facility.

While modern retail is the place to sell daily goods with few characteristics such as large place, items sold are vary, good management system, has supermarket system characteristic, fixed price, and providing shopping comfort to consumer. Same with Soliha (Soliha, 2008) that states if modern retail is a number of retail seller or large-scale retail with large numbers of shops and have complete and modern shop facilities. The concept offered by modern retail is vary such as supermarket, hypermarket, minimarket, department store, and many others.

### **Operational Management**

Operational management is dominant paradigm is management strategy, operational strategy refers to effective use of process input and skill to produce the output that could help to achieve company's target (Hitt, Xu, and Carnes, 2015).

Anderson et al in journal by Hitt, Xu, and Carnes (2015) stated that operational management is a concept that could connect between operation and strategy that a company will do, experts admit that by applying the right strategic position or by aligning operation will give a significant impact in business performance of an organisation. Hayes and Upton in journal by Hitt, Xu, and Carnes (2015) also infer that operation does not only functioned as barrier from competitor, if it's embedded inside each employee then the company's process cannot be copied by other competitor.

Within operational management process there are three functions that could be used by company to produce goods or services. These functions are very important because it is related with the company's continuity. These functions are 1. Marketing to produce demand, 2. Production/operation to produce product or services, 3. Finance/accountant to watch

whether the company is healthy or not and keeping company's cashflow (Heizer & Render, 2009).

Yamit mentioned in journal by Afifah, Syaifuddin, and Zain (2016) that management's characteristics are:

1. Operational management has purpose to produce goods or services
2. Management has an activity to process in transformation
3. Operational management has mechanism that can control the operation

### **Service Quality**

Basically, management quality is meant to increase satisfaction level, both in terms of internal nor external of the company. In this matter, internal party is company's employee and external party is

the customer of the company (Nugroho, 2015).

Dabholkar et al in journal by Siu and Cheung (2001) mentioned that to obtain the measurement of service quality in retail service, a company must have five dimensions which are:

1. Physical aspects: The store appearance is impactful, whether it is the store's space, hygiene, goods arrangement etc.
2. Reliability: Seller must be able to keep his promise such as what is offered to the customer, and the words spoken must be according to reality accepted by the customer.
3. Personal Interaction: The way to interact with customer is done politely, offering help if customer has difficulty, and can be trusted by customer.
4. Problem Solving: Service in solving frequent problem such as customers' complaints, return of goods and trade from customer and other problems that is needed by every retail shop.
5. Policy: Operational hour, payment method, parking area, etc are factors that must be noticed by retail shop

Dabholkar et al believe that by combining several dimensions above, it can be made as benchmark to determine which area that needs to be fixed by retail shop owner. Retail shop manager can do several tests to obtain the best service quality from his retail shop.

### **Research Method**

This research uses quantitative approach which makes this research as descriptive

research to know and picture the reality from the event studied. Researcher uses this method because researcher assumes that this method is relevant with the writing of this thesis. It also simplifies researcher's work to obtain objective data in order to understand the event studied.

### **Research Object and Subject**

Object is the smallest unit that covers the research. The object of this research is the

main problem of the research, what becomes the object of this research is the operational management in traditional retail industry or grocery store.

Researcher uses purposive sampling method, purposive sampling is one of data sampling technique by considering several aspects from interviewees to make researcher obtain data that matches expectation of the researcher (Sugiyono, Research Method Education, 2014).

The subject of this research is people related with this research process and became the source of the information which makes researcher obtain data from those people. Here are several subjects of this research.

### **Internal party of traditional retail industry**

The member of traditional retail industry or grocery store is a good interviewee for

this research because the member of the company has deep information and knowledge from the object studied especially in the operational process of the company. Therefore, by the selection of this subject, it is expected that researcher can obtain the wanted data.

The informant from traditional retail industry or grocery store is the owner of the grocery store itself, this is because the owner is the one who owns the grocery store, furthermore, in this activity to run the business, an owner has a big role.

### **Customer of JP Jaya Grocery Store**

Customer is one of the subject that has an important role to develop JP Jaya in the

future, by obtaining data from customers, researcher can know what is the advantages and disadvantages that has been given by JP Jaya to the customer, it can be made as a reference in the future development.

### **Operational and retail management experts**

Operational and retail management experts are people who has knowledge, experience, assessment, ability, and method to apply good operational management. With the choosing of experts in operational and retail management as one of the source of information, it is expected that researcher would obtain the wanted data.

### **Data collection method**

#### **Interview**

In the book by Sugiyono, Esterberg (2002), it is defined that interview is one of data collection method by meeting between at least two people conducted for trading information and idea by using question asked by each other. Therefore, the meaning of the topic can be constructed within the data (Sugiyono, Education Research Method, 2014).

In the book by Sugiyono (2015) and Susan Stain Black (1988), it is said that by doing interview, researcher can know more things in depth about participant and informant in interpreting the situation and phenomenon that happens, this thing cannot be found by doing observation method.

In conducting an interview, there are several models that can be used which are structured interview, semi-structured interview, and unstructured interview. In this research, researcher uses semi-structured interview. Semi-structured interview is included within in- depth interview where it is clearer compared with structured interview. The purpose of this interview is to be more open in finding problems where researcher demands ideas and opinions from informant (Sugiyono, 2015).  
Semi-Structured interview

Semi-structured interview is included within in-depth interview that when interview happens, it will be much clearer compared with structured interview. The purpose of this interview is to be more open in finding problems where the researcher is asking ideas and opinions from informant.

Direct interview will be done to informant that has been chosen by researcher in this research, which is from the owner of JP Jaya grocery store, JP Jaya grocery store customer, and operational and retail management experts. The data collected is in the form of interview transcript written in detail and researcher will use voice recorder as information saving media from interviewee during interview process.

#### **Observation**

Rahardjo (2013) stated that the method in collecting data by using observation method

is one of the planned and systematic observation, the result will be interpreted to obtain understanding from the observed subject.

In the book by Sugiyono (2014), Marshall said that by using observation method, researcher also learn about attitude and meaning from the observed subject.

Observation is conducted in this research by doing observation towards similar retail industry that has been applying and running operational management.

#### **Data Validity**

Triangulation is one of the data collection technique by combining data from several

data collection technique and the obtained data source. Therefore, if researcher is using triangulation technique in collecting the data, then the researcher is also doing data credibility test that researcher is applying from several data collection technique and several data source (Sugiyono, Education Research Method, 2014).

In this research, after researcher got the data, researcher will conduct triangulation technique by asking several interview questions related with operational management to the internal of traditional retail industry, similar industry players, and modern retail experts.

Next, researcher compares it with the information from another informant and compares the obtained information from informant with secondary data and making conclusion.

### **Modern data analysis**

Sugiyono (2014) mentioned in qualitative method, the data is obtained from several sources by using triangulation data collection technique. Miles and Huberman (1984) in the book by Sugiyono (2015) stated that activities in qualitative analysis is done interactively and continuously to make the data is surfeited. There are several activities in analysing data which are:

### **Data Reduction**

Reducing data is to summarise it, choosing the core ideas and focusing on the most important one, finding its theme and pattern. By doing this reduction stage, the data will provide clearer picture and will ease researcher in doing the next data collection (Sugiyono, 2015).

### **Data Display**

The reduced data will be displayed, displaying data in qualitative research can be done in the form of simple description, chart, and many other. Researcher provides the result of data analysis from interviewees.

### **Conclusion Drawing/Verification**

The last step in qualitative data analysis is continued by drawing conclusion. By using data obtained from informant, researcher will know what kind of development that can be applied to JP Jaya shop to increase company's service quality.

Conclusion in qualitative research is a new finding and not yet exist. The finding could be in the form of description or projection of an object who had found clarity (Sugiyono, 2015).

### **Result and Discussion**

#### **Service Quality**

Basically, managing quality is meant to increase the satisfaction level, both in terms of external and internal of a company. In this matter, internal party is company's employee and external party is company's customer (Nugroho, 2015).

Dabholkar et al in journal by Siu and Cheung (2001) stated that to obtain the measurement of service quality in retail, it needs to have five dimensions which are: Personal interaction, physical aspects, reliability, problem solving, and policy. By combining those five dimensions, then it can be made as a reference to determine which area that needs to be fixed by the owner and the manager of retail store.

#### **Physical Aspects**

Physical aspect is one of the dimension that must exist to get the measurement of service quality (Siu and Cheung, 2001). Physical aspect covers store display, store comfort, and items layout in the store.

From the result of the research in this variable, it can be concluded that JP Jaya store must clean up in terms of arranging items within the store, because with the application of planogram in JP Jaya grocery store, it will provide easiness for customer to find goods that they want, therefore, customers don't need to ask about the location of the product that they wanted to buy.

For the store who applies planogram in items arrangement, it will make the store to look neater, and could maximise the available space, therefore, all items already have its own place and it will also minimise the stacking of visitors in one spot caused by the items displayed.

In the process of arranging items, JP Jaya must fully pay attention to which good is included in fast moving category (FMG) and slow-moving category (SMG) because it will affect the sales in JP Jaya retail store.

Furthermore, goods arrangement with impulse buying system can also be put into account by JP Jaya grocery store, in this model, it is expected that customer purchase the unthinkable product before.

With the development of technology, it is expected that JP Jaya grocery store could make use

of the available technology as a good marketing media. For example, by using Facebook or Instagram as promotional media. Aside from using the sophisticated technology for marketing media, technology can also be used as service media, for example like providing the useful app for customer in the delivery of the goods, so that when customers are arriving in JP Jaya grocery store, customer can already take the saved goods. Aside from doing online and conventional promotion, JP Jaya can also organise an event aimed to attract visitors who come to JP Jaya, however, that event should be adjusted with the environment condition of where JP Jaya is located, what is certain is that in doing its promotion, JP Jaya must not leave the option of word of mouth.

### **Reliability**

Reliability is one of the dimension that must exist to obtain the measurement of service quality (Siu and Cheung, 2001). Reliability is how seller keeps the promise to buyers and make sure the authenticity of the goods asked by buyers.

The result of the research regarding this variable is that it can be concluded if the tightness of the competition in retail industry forced the owner of retail company to find a strategy that could make customer becomes happy to shop in the company that he has. One of the strategy applied by JP Jaya is delivery service. This service aims to provide easiness for customer who don't have time to shop directly to JP Jaya grocery store due to business that they have.

In conducting this strategy, JP Jaya must calculate in detail the cost and benefit obtained, because the benefit obtained by retail company is not as much as the other company obtained.

The arrangement of working days and holiday for employees, this must be done to make sure that there is always be an employee in the store and could undertake delivery service to customers.

If on that day, company gets an order from a customer and they ask to deliver the goods when the employee is not present, then company must tell the customer in a good manner for not be able to deliver the order today, but if customer doesn't want to wait until tomorrow, then the owner of JP Jaya must deliver the goods by himself, this is meant to make customer does not feel disappointed by the service offered by JP Jaya grocery store.

### **Personal Interaction**

Personal interaction is one of the dimension that must exist to obtain the measurement of quality (Siu and Cheung, 2001). Personal interaction covers the relationship between customer and the owner of the shop or even with the employee.

From the result of the research in this variable, it can be known that JP Jaya always provide the best service for the customer, furthermore, in order to get trust from the customer who just opened a new JP Jaya store, they also provide a little bit of direction to the new owner because JP Jaya always provide attention to the customer that they have.

In increasing soft skill and hard skill of the employee, JP Jaya could organise a training programme aimed to increase the skill of the employee that they have, however, before they conduct the programme, JP Jaya must know first the needs of the employee who are included in the training, this must be done to minimise risk of giving the training that doesn't match with the employee's needs.

In facing talkative and conservative customer who pays attention to the price of the product offered by the company, soft skill is really important for the employee nor for the owner himself, this is really needed by the employee or owner of the company because with the existence of good soft skill, they can control their emotion to make sure they are not offending the conservative customer.

Customers who came to JP Jaya grocery store has many kinds of background, some works in the company or have their own stores in their villages. There are also new customers who wants to open the store in their place and come to JP Jaya grocery store to purchase the goods and fill their own store with it. Customers who opened new stores usually has difficulty in choosing what kind of goods that they should sell.

Many customers who just opened new stores have a fear if the goods purchased do not sell quite well, broken, etc. Based on that problem, JP Jaya has role to provide a little bit of direction about what goods that need t be bought and how to separate the capital money so that it does not run out in certain single good. By providing help, they will also help the customers themselves.

### **Problem Solving**

Problem solving is one of the dimension that must exist to get the measurement of service quality (Siu and Cheung, 2001). Problem solving covers how JP Jaya grocery store taking care of the problem that customers have, that problem could be in the form of complaint, goods return, etc.

The research result of this variable can be concluded that JP grocery store has done a right thing in taking care of the customer who ask for goods return. JP Jaya grocery store accepts return from customer for product that is easy to be returned to the goods' company. On the other side, JP Jaya grocery store also provides a little bit of understanding to the customer, how to keep the owned goods so that the chance of the broken goods can be minimised. This thing is certainly give a positive impact for both parties, because by minimising the broken goods that the customer has, it would also minimise the return of the goods that customer would do. From that thing, it is expected that JP Jaya grocery store would still provide several directions like what was mentioned above.

In facing the customer who does complaint and critique, soft skill from employee and owner is really needed to face someone like that so that seller would not easily offended and prevent buyer's disappointment.

On the other side, complaints and critiques given by the customer must be accepted by the owner because the critiques delivered by the customer is constructive, therefore, it will help in building the company to be better.

Customer who already have a store also has problem with the managed store. B providing several insights for the customer then it is expected to help a little bit of problem that the customer has, and it is expected also in the future to keep relationship with customer like this and improve it as well, because it will create a strong emotional relationship between seller and buyer.

### **Policy**

Policy is one of the dimension that must exist to get the measurement of the service

quality (Siu and Cheung, 2001). Policy covers how JP Jaya store in keeping the security and trust to the customer, whether it is about transaction, keeping goods, customer credit, etc.

From the result of the research in this variable, it can be concluded that JP Jaya store must keep the quality of the goods by applying good warehouse management system. In the application of warehouse management, JP Jaya grocery store should always pay attention to the location of the goods to make it easier in controlling the existing goods in the warehouse.

The condition of the retail shop must always be checked, especially regarding the humidity level of the room because humidity will cause the emergence of pests such as rats and termites. Furthermore, if the room temperature is too humid, it will affect the quality of the goods.

In keeping the security and trust for the customer, JP Jaya grocery store must keep the quality of the goods, aside from quality, JP Jaya grocery store should also apply Point of Sales (POS) computerised system that meant to protect the security for the customer in transaction, because it is feared about the errors that would happen and unknown to the seller nor buyer caused by human error. Moreover, JP Jaya grocery store must provide EDC machine that is useful for non-cash payment by using debit or credit card.

Personal touch could also be added by JP Jaya grocery store in providing trust to customer, that touch could be in the form of greetings done by the cashier when customer wants to pay or when they enter the store.

Always stay kind and polite towards the customer in every service that will make customer feel happier when shopping at JP Jaya grocery store.

## Discussion

**Table 2. Physical Aspect Managerial Implication**

No.	Current Policy	Future Policy
1.	The display of the goods is still manual and only categorised by the kind of the goods	In the future, JP Jaya grocery store can apply the art of arranging goods called planogram, by using planogram, JP Jaya grocery store does not only categorised the goods
		but could also sort the goods name included in fast moving goods or slow moving goods, moreover, JP Jaya grocery store can also determine the name of the goods that could become an impulse buying.

2.	Promotional media that the store use is still by word of mouth	In the future, word of mouth method will be maintained, and aside from using that method, JP Jaya grocery store can make use of the available promotional media whether it is offline (banner, weekly newspaper etc) or online promotional media (Facebook, Instagram, ads, website, etc) and by organizing event
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**Table 3. Reliability Managerial Implication**

<b>No.</b>	<b>Current Policy</b>	<b>Future Policy</b>
1.	The calculation of delivery cost ran by JP Jaya grocery store is still based on the number of purchase done by the customer	The calculation of the cost for delivery strategy promised to the customer must be calculated again, because the profit obtained by retail is very small, so the retail entrepreneur must really calculate it in detail
2.	If JP Jaya grocery store employee is absent, and if at that time there is a customer who asked for goods delivery, owner himself is the one who deliver the goods	Policy of holiday for employee must be rearranged, this is meant to avoid employees who are absent at the same day. If such thing happens it will disturb the delivery service on that day if there are many demands for delivery service.
3.	In the coming of Eid al-Fitr day,JP Jaya grocery store offers more bonus for the employee	The policy of rising wage for employee available during Eid al-Fitr must be maintained, however to anticipate if

	<p>who is willing to be available during Eid al-Fitr, and the wage must be given directly when JP Jaya store is closed.</p>	<p>there is no employee who wants it, JP Jaya could recruit new employee only for the Eid al-Fitr day (part time), the recruitment could be from the environment around JP Jaya grocery store.</p>
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**Table 4. Personal Interaction Managerial Implication**

<b>No.</b>	<b>Current Policy</b>	<b>Future Policy</b>
1.	<p>Training to increase employee's skill is currently done by JP Jaya owner, JP Jaya grocery store cannot organise a training to increase the skill of the employee by using trainer service because it is feared it would not suitable with what the owner is expecting</p>	<p>In raising the quality of the employee, in the future, the owner of JP Jaya grocery store still needs to train the employee himself because JP Jaya grocery store still hasn't determined the education limit of the employee recruited by JP Jaya grocery store. Furthermore, the system ran by the company is still traditional and not well arranged. However, if JP Jaya grocery store has been applying a good management system then JP Jaya grocery store can use trainer service in increasing the employee's skill.</p>
2.	<p>Helping and providing guidance to the new customer who just opened the store with concept B to C</p>	<p>It is expected in the future that JP Jaya grocery store still maintain this tradition, by providing guidance to the new customer in opening new store, JP Jaya grocery store already has one loyal customer even though not all goods sold by the store are from JP Jaya grocery store, and with the availability of the new customer then it will provide an impact to the sales of JP Jaya grocery store.</p>

3.	There is still no programme to provide knowledge and raising motivation for employee	It is expected in the future for approach between the owner and the employee, this is meant to provide knowledge and motivation for the employee in working situation, this approach can be done by sharing between the owner and employee that can be held every week or once a month.
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**Table 5. Problem Solving Managerial Implication**

No.	Current Policy	Future Policy
1.	Accepting goods return according to the policy of the goods' company, and providing guidance to the customer to always control and taking care of the goods available preventing return on a large number	It is expected in the future that JP Jaya grocery store still provides guidance to the customer regarding the goods sold arrangement because if JP Jaya grocery store does not give guidance to the customer, it is feared that the goods owned by the customer would be expired and the customer would return the goods in a large number and causes the emergence of several problems with the supplier
2.	Helping to solve the problem that customer has, whether it's about work nor private	In the future, JP Jaya grocery store should only be allowed to help customer's problem in terms of work such as giving solution for customer who has problem regarding the store, and that problem is outside of private matter

**Table 6. Policy Managerial Implication**

No.	Current Policy	Future Policy
1.	In keeping the quality of the goods sold at JP Jaya grocery	In keeping the quality of the product, JP Jaya grocery store must pay attention to

	store, the store is assisted by 8 employees, JP Jaya always sort the product close to expire date, and always keep the product with first in, first out process.	the warehouse location, especially regarding humidity level and room temperature because in the high humidity level place, it will cause the emergence of pests such as rat and termite and it will cause the quality of the goods reduced.
2.	Using duplicate note or books to keep security in transaction with the customer	In keeping the security of transaction, JP Jaya grocery store must apply POS (Point of Sales) system that could save transaction data with the customer, aside from using POS system, JP Jaya should also use EDC machine of credit and debit card as payment media for customers who use non-cash method.

## CONCLUSION

After conducting research about operational management to increase service to JP Jaya grocery store, it can be concluded as follows:

1. In this time, at JP Jaya grocery store, the way to keep the quality and arranging the goods is still not well managed and still needs more repair whether for the store nor warehouse.
2. In managing the inventory problem, JP Jaya grocery store should apply several systems for the operational activity to arrange in terms of arrangement for the store's display. JP Jaya grocery store should also apply planogram system and by conducting it, JP Jaya grocery store can know which product is included in slow moving goods category, fast moving goods category, and impulse buying category. In managing the inventory problem in the warehouse, JP Jaya grocery store should be able to apply warehouse management system to minimise the damage to the goods stored. Furthermore, by applying good warehouse management system, JP Jaya grocery store will be easier to control the existing product because all product has been mapped according to the goods type especially for product with first in and first out system (FIFO). Therefore, JP Jaya grocery store can minimise the risk of empty goods caused by expired date.
3. Currently at JP Jaya grocery store, it doesn't have a clear work system which makes employee's work process is still waiting for the owner's order. To raise the knowledge and skill from the employee, the owner is still not using the third party, and JP Jaya grocery store is still unable to manage employee's working hours really well that makes them often absent without asking for permission to the owner first.
4. In controlling the employee's problem, JP Jaya grocery store must have a clear working system, aside from having a clear working system, JP Jaya grocery store must have a job desk for the employee to make them not wait for the order from the owner first. Aside from having a clear job desk, JP Jaya grocery store should also have a clear working hour, working hours consists of the time they are coming, the time they are leaving, and their holiday to make them work properly. By giving them a clear working hour, it will

minimise the employee for not being absent without permission at the same time.

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