SUMMARY

WIWIK ISTIAWATI. A Competitive Strategic Formulation of Modern Shopping Center (A Case Study of Mall BTW in Bogor City). Supervised by PARULIAN HUTAGAOL and GENDUT SUPRAYITNO.

Shopping center is considered as one of the expansive industry in Bodetabek (Bogor Depok Tangerang and Bekasi) area. Several surveys revealed that the increasing number of the shopping centers are as fast as the growing of the housing area in those cities. Compared with other cities in Bodetabek area, the ratio of the total population per total of shopping centers in Bogor City is the lowest. It means that the competition is relatively tight. This condition consequently impacts to the new entrants of the modern shopping center in Bogor City including Mall BTW. It experiences lack of customers and low occupancies of tenants which negatively effect to the profit of Mall BTW management and its tenants.

This study has 3 (three) objectives, first, to understand the current business condition and the strategy of Mall BTW, second, to study the weakness and obstacles of Mall BTW to compete with other modern shopping center and third to recommend and formulate its competitive strategy. The approach of this study is qualitative by conducting in depth interview with 11 various resource persons covering the expert of modern shopping center industry and retail, customers, anchor tenants and tenant mix as well as management team of Mall BTW in Bogor City. Following the qualitative data collection, some analyses are developed to create some consensus and descriptors which are considered important and become part of the component of each analysis variables. The subsequent process is conducting weighting and rating of each strategic factor with Matrix IE and TOWS.

The main finding of this study reveals that the current business of Mall BTW is not in a good condition considering the traffic of the customers and occupancy of the space rental as the 2 main indicators of the modern shopping center. The business strategy has not fulfilled the customers need and competed with competitors’ offerings and fitted with the external turbulence. At present, Mall BTW experiences 8 weaknesses and obstacles according to the external respondents, there are (1) the location of Mall BTW is less strategic than the nearest competitors (2) the anchor and mix tenants in Mall BTW are less choices and attracted, the mall can not be considered as a one stop shopping place (3) problems on the flow of floor traffic, comfort, interior and exterior (4) unclear market segmentation (5) the concept of the shopping mall is confusing between mall and trade center (6) lack of differentiation and competitive advantage (7) strategies of the management and marketing are not effective enough (8) issues of the quality of its services to customers and tenants. The PEST analysis indicates that social and economic factors are the main factors of the macro environment which are influencing the growth of the industry in the city. Competition analysis using Porter’s Five Forces indicates that the bargaining power of the customer and the competition among the existing modern shopping center are the 2 great forces influencing the competition. By considering of the previous 2 research results, Matrix IE and TOWS recommend some alternative
strategies to Mall BTW management. The proposed strategies are (1) differentiation strategy which is change of the business model from mall to trade center (2) product development strategy which is product development of moslem apparel and batik (3) focus strategy for the middle class population (4) market penetration with intensive marketing strategy (5) backward strategy which requires the management to work with the tenant for the promotion and establish the tenant database. The significant changes will impact to the formulation strategy including formulating the vision, mission and strategy as well as long and short term planning.

From this result, it can be concluded that Mall BTW should be remodeling its business from the ordinary mall to the trade center for the muslim apparels and batik with the middle market segment as part as its sustainability and competitive strategies. Consequently, Mall BTW should renegotiate the contracts with its existing tenant and be more selective in choosing them with some criteria requirements. The competitive strategies are expected to improve the performance of Mall BTW and be able to compete with other modern shopping center.

Keywords: Modern shopping center, formulation of competitive strategy, Kota Bogor