How Retail Survive Against Pandemic of COVID-19: An Insight from Optical Retailer

Authors:
1Refli Simbolon*, 2Setyo Riyanto

1Master of Management Student, Mercubuana University, Jakarta Indonesia
2Associate Professor, Mercubuana University, Jakarta Indonesia

*Corresponding Author:
*Refli Simbolon
*Master of Management Student, Mercubuana University, Jakarta Indonesia
E-mail: rere.dreamer@gmail.com

Abstract:
Retail is of the most impacted sector of pandemic COVID-19. The modern retail almost all operated in the shopping mall cannot do its business activity because the shopping mall is closed for a long time enough to suppress the spreading of the pandemic. The expenses are fixed but income almost nothing to push optical retailer firm in Indonesia doing strategic policy in crisis to survive. This research aims to see how the strategic policy of an optical retailer firm in Indonesia that operates its store in the shopping mall to survive against the pandemic of COVID-19. This research method used a qualitative approach with observation, interview, and literacy study method. The research object is an eight optical retailer firm that operated its store in a shopping mall in Indonesia. The result of this research finds several similar policies that be accepted, namely to reduce the expenses by stopping operational an employee cost and creating the sales by on-line and off-line sales.

Keywords: Strategic Management in Crisis, Optical retailer, Pandemic COVID-19.

Introduction
The cases of infected COVID 19 in Indonesia started on March 2nd, 2020. At the time the president Joko Widodo announce two citizens that positively infected of Corona Virus namely women 31 years old and mother 61 years old (detik.com, 2020). No need a long time since that announcement the people are infected with coronavirus was spreading to almost provinces all around Indonesia. That the impact of spreading Corona Virus Disease (Covid-19) has been made a special condition as of the need to do the effort of treatment, one of that is the social restriction in high scale (read quarantine) (Regulation of Government of Republic of Indonesia No. 9 Year 2020). The social restriction in high scale is the restriction of specific activity in a territory that suspected infected of COVID-19. In such a way to restrain a possibility of spreading of COVID-19. The implementation of social restriction in high scale to overwhelm: to dismiss of school and workplace, restriction of religious activities, restriction activities on public spaces & facilities, restriction of social & cultural activities, restriction of public transportation. To dismiss schools and workplaces, are excluded for office or strategic institution who give service related to defense and security, common orderliness, food demand, fuel oil and gas, health services, economy, communication, export & import industry,
distribution, logistic and other basics services (Regulation of Minister of Health of Republic of Indonesia No. 9 Year 2020).

The Amount of positive infected of Corona Virus is 15.438, who healed are 3.287 and who died are 1.028. Diffuse 34 provinces and 379 cities (Covid19.go.id, May 13th, 20).

**Fig. 1: The spreading data of positive cases of coronavirus in Indonesia**

The standing position of Optical based on Regulation of Minister of Health of Republik of Indonesia No. 1 Year 2016, mentioned optical are facilities of health services that organize services on refraction, optician and contact lens. So based on it is regulation optical are including sector of health services that permitted to operate during the restriction period.

However, the other problem lain that arise is the shopping mall place where optical store operate are closed. So though optical are permitted sector to operate, still if the shopping mall management decides to close, thus automatically the facilities such as lights, air conditioning, lift, escalator is turned off. Based on data of the Indonesian Shopping mall management association was noted until April 18th, 2020, there are 327 Shopping Malls closed temporary dan doing reduction of operational duration (Detik.com, 2020).

The other tenant that permitted to operate is only supermarkets, food & beverages, and drugstore. Customers who came to the mall are very slight, and average to buying foods dan drugs as vitamin and etcetera. This condition to make keep opening the store will be very ineffective and made almost all optical retailers in Indonesia decide to closed their stores.

The Indonesian Retail Entrepreneur Association Handaka Santosa mentioned that the digression of retail industry performance impact of pandemic COVID-19 is very unnormal and never happen before, where the sales descend until 90% and demand retailer to closed their stores and to make the cashflow pressured (CNBC Indonesia, 2020). In these conditions optical retailers are accused to survive with uses all their potencies belong and doing strategic policies in crisis. In unnormal conditions the way that possible to reduce the routine expenses while struggle to create the sales.

**Research Method**

This research doing used a qualitative approach, with observation, interview, and literacy study method. Observation doing against stores & social media of eight Optical Retailer firms that operate in the shopping mall. interview with their sales forces and study literacy from the previous study in journals and books.

**Strategic Management in Crisis**

<table>
<thead>
<tr>
<th>Operational Expenses</th>
<th>Creating Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Expenses</td>
<td>Creating Sales</td>
</tr>
<tr>
<td>Rent &amp; Service Charge</td>
<td>Reducing of Amount</td>
</tr>
<tr>
<td>- Routine Expenses</td>
<td>- Social Media Platform</td>
</tr>
<tr>
<td>- Operational Material</td>
<td>- Website</td>
</tr>
<tr>
<td>- Operational Deduction</td>
<td>- Payment Method</td>
</tr>
<tr>
<td>- Allowance Deduction</td>
<td>- Sales Promotion</td>
</tr>
<tr>
<td>- Visit Team</td>
<td></td>
</tr>
</tbody>
</table>

**Fig 2: Organizational Frame Work**

**Strategic Management in Crisis**

Crisis bar plans are sometimes evaluated supported their effects in terms of preventing or limiting structure crises (Marcus Selart, Marcus, Svein Tvedt Johansen, Synnove Nesse, 2013). Caponigro (2000) defines crisis management because the operation that works to reduce the impact of a crisis and facilitate the organization gain management of things, whereas Whitman and Mattord (2003) outline crisis management because the actions taken throughout and once a disaster. The success of strategic crisis management depends on the timely identification of the crisis itself and therefore the application of the foremost economic strategies for its removal. roaring strategic management is feasible solely with the utilization of an expenditure approach to the crisis and therefore the use of many strategic and plans of action strategies of strategic management (Groh, 2014). The essence of economic crises is found in production regarding effective total demand, during a mate of social capital, mass company bankruptcies, the increase in the state, and alternative social and economic shocks (Kindleberger and Aliber, 2011). Throughout the crisis, decision-making is below
the influence of a brief amount and psychological feature limits (Pearson, C.M & Clair, J.A, 1998). Impact of pandemic COVID-19 inflicting several optical retailers can't operate, consequently the cash flow to be nothing a current to the crisis.


Following several strategic policies that were taken of optical retailer management in Indonesia who operate their store in a shopping mall that be divided into two main sections, namely decreasing expenses and creating sales.

Next the strategies policy in Decreasing expenses section:

Operational Expenses
For most retailers, achieving the planned gross profit margins has an even greater importance than over-achieving planned sales. This is because all budgeted expenses are in line with the profits expected. And from these are deducted your overall retail expenses—wages, taxes, operational costs such as rent, electricity, and phone bills, stationery, bags, warehousing, and so on—to establish your net profits (Louise, 2009)

Rent & Service Charge
One of the largest expenses in the retail industry is the cost of rental space. Especially for the new premium shopping mall usually has a high rate of rent costs. Costly new buildings charging high rental rates can only be supported by a high level of retail sales. If the economy slows significantly or if consumer spending slackens, today's excessive number of retail centers will have occupancy problems and reduced income (Plunkett, 2002).

Optical Retailer who can't operate because the management of the mall decides to close the mall during the social restriction could proffer remission of rent cost & service charge along the mall closed. The research show almost all the optical retailer to proffer the remission. The results of the proffer are different between one management mall and the others depend on the policy of mall management. There are several malls approve to gave remission proportionally along the mall closed. The others only gave postponement mature of payment until the condition back to normal again. This effort is not easy and takes a long discussion; the management of the mall also shoulders their employee cost and lessening income because they cannot rent the space and almost tenant to proffer the remission. The other thing is to depend on the memorandum of understanding that be signed between Optical Retail and management of the mall at the time to accomplish the lease contract.

Routine Expenses
To stop routine expenses in stores such as the cost of internet subscribe with proffer temporary layoff to internet provider during the store not operate. Turn off the flow of electricity and water. Discontinuance temporary cooperation with other vendors such as insect repellent, etc. In this section remission seen not significantly, but if it accumulated from all stores, the amount its big enough. The other routine expenses in head office such as marketing and training are stoped. Marketing doing through social media and website, and training through online meeting application. Also all duties trips are canceled. Monitoring and meeting doing in social media What Sapp group and others flat form.

Operational Duration
For stores that still operates, its important to reduce the operational duration suitable with mall operational duration. the research find that operational of optical retailer shorter than mall operational duration. This section is effective to reduce operational costs. In normal condition average shopping malls operational duration are 10 am to 10 pm, however along pandemic in average shopping mall duration becomes 11 am to 7 pm. This research find in average the operational duration of optical retailer are 11 am to 5 pm. the reason is cost efficiency and sales effectivity and also to adjust of restriction of public transportation.

Employee Expenses
Human resource is that the most important part in a corporation, as a result of it's a taskbecause the driving and dominant the activities of the organization. All organizations will definitely build each effort to repair the form and improve the standard of worker performance with the management
of human resources is sweet. (Setyo, et.al., 2017). Employees are assets that require investment and care; they should not be treated as cost centers to be curtailed (Cascio and Boudreau 2011; Ton 2014). Aspect that is closely related to employee job satisfaction is supervision, especially in the personal relationship that exists between subordinates and their leaders (Setyo and Lukertina, 2019). In the crisis, unproductive assets that require operational cost, including the employees should be reduced, and exemplary leader with routine monitoring is the essence to keep employees performance between the pandemic COVID-19.

The impact of pandemic toward economics is taller than its health impact. Believed although pandemic is over, however, the economic activity needs a longer time for recoveries. Therefore the traffic of customers in the shopping mall will be lessened. The most logics thing to do is to reduce the number of employees in every store. This is an unpopular policy bus the most effective one to reduce expenses. Of course the number decreases based on the capability of a firm to assure employee salary expenses along can't operate and the economic recovery period. This policy can do step by step or simultaneously and then in a row with time can be evaluated. And if the sales back to normal again, the number of employees can be added more. This research finds the way to reduce the amount of employees mostly not to cut the contract in among the contract period, but when the contracts are over. of course these all are temporary employees not the permanent.

**Take-home pay**

Salary is the remuneration to the service of the employee by the employer and a tool of payment in the form of currency (Zhihong Li, 2013). Depending on how much experience you have, place yourself low, medium, or high. If you're new in the industry, you'll be at the low end of the salary range. If you're seasoned, have years of experience, an MBA, or specialized expertise, you'll be at the high end of the range (Fairley, 2002). This research finds almost all optical retailer firms reducing the salary and allowance. the percentage decreases are oscillated between 25% to 75%, based on the financial capability of the firm and whether the employee fully not working or working in a shorter operational duration. But there is a firm still gave a full salary to all employees and doing other policies to cover the cost. Allowances that stopped or reduce are transportation, position, etc. Also, other elements that stopped are incentive and bonus.

**Creating Sales**

**On-Line sales**

Retailers of essential goods such as food, groceries, and healthcare are experiencing increased demand opportunities for serving consumers at home, while facing challenges of inventory, supply chain management, delivery, and keeping their facility a safe environment (Roggeveen, Anne L., and Sethuraman, Raj, 2020). Optical include to healthcare sector. The necessity of a good sight is needed in every situation, so optical retailers can doing innovation on pandemic to survive, one of them is online sales. Indonesia is the rank 5 in the world on daily internet consumption (wearesocial.com, 2019). This instance is very good for the progress of online business in Indonesia. Internet Provider, Indihome, and Biznet record the jump traffic of data and new user since applied of work and shool from home impact the spreading of the coronavirus home that more extended (CNNindonesia, 2020). E-commerce companies in Indonesia post of sales volume increment in a row with increasingly society to implement physical distancing on the pandemic COVID-19 (economi.bisnis.com, 2020).

![Fig 3: data Time Per Day Spent Using the Internet by We Are Social and Hootsuite Jan, 2019](image)

**Social Media Platform**

Technological modification continues to be a game-changer for selling which will at the same time profit shoppers and retailers as an instance, technology allows shoppers to form a lot of privy choices, receive a lot of targeted and useful offers, and procure quicker service. It conjointly assists retailer in reaching applicable shoppers at lower prices, because of technologically created efficiencies (Grewal, Dhruv Anne L. Roggeveen, Jens Nordfält, 2017). One of the technological development in
communication is social media. Social media has become the dominant focus of audiences using the Internet and related communications networks (Blossom, 2009), social media provide people and business with one of the most powerful and cost-effective ways to communicate more effectively while reducing the volume of unnecessary emails and energy costs (Seeley, 2011).

Every retailer has a big budget for marketing activity. With social media, during the pandemic COVID-19 optical retailer can stop marketing expenses, and shifting the marketing budget for firm liquidity.

**Fig. 4: Data The Most Active Social Media Platform by Us Are Social and Hootsuite Jan, 2019.**

**You Tube**

Based on the data showing by We Are Social & Hootsuite in 2019 Youtube is the most accessed social media platform in Indonesia, however, the main focus to create on-line sales during pandemic COVID-19 not in Youtube channel. This matters because of the orientation of Indonesian society more using Youtube for watching movies or tutorials. Then Youtube is not directly interactive social media to the consumer. So the orientation of Youtube content is more to the campaign to increase the brand image of firm and product not to direct selling.

**Facebook, Instagram & Twitter**

Optical Retailer in Indonesia uses Facebook & Instagram & Twitter to keep interact with their customer during the pandemic COVID-19. These social media platform commonly were very familiar in Indonesia and almost all optical retailer has its account. Generally the content that posts mostly is promotion and brand of product. The focus of content during a pandemic is to post the product that related to the solution of new normal life. for example:

**Anti-Blue Light Lenses**

As we know almost of people around the world working and schooling from home. Along the day they are working with digital devices such as laptops, gadgets, smartphones. The latest issue is the hazard of blue light from digital devices can make damage to the retina. So peoples need anti-blue light lenses.

**Sunglasses**

Some doctors suggest people sunbathing in the morning to increase their immune, as we know exposure sunlight in a long time can make the eye lenses become a cataract. The solution is wearing sunglasses when doing sunbathing.

**Office Lens**

Working from home using digital devices about 8 hours per day makes eyes getting so tired and the side effect is headache, neck pain, etc, because the object distance is so closed. It makes eyes doing accommodation every time. It needs a specific lens design to accommodate it such as an office lens.

**Fig. 5: Instagram: Blue Cut Lenses**

**Whats App**

Message processing application WhatsApp is one of mostly using the platform in Indonesia. Based on data digital report 2019 from We Are Social dan Hootsuite, a record 83 percent internet user in Indonesia is What Sapp user. mention Secretary-general of the Ministry of Communication and Informatics of Republic of Indonesia Niken Widiastuti, currently internet users in Indonesia reach 171 million or approximately about 64 percent from all populations in Indonesia. For your information, if calculated, 83 percent of total internet users in Indonesia it is mean are 143 million WhatsApp users (liputan6.com, 2019).

Whats App channel usually use to send the message or promotion content in personally to the loyal customers. The content that sent such ongoing promotion and specifics message. For example of promotion program are on-line sales promotion that
launched after the social restriction begin. for specifics messages such say hello and asking about sight needs of customers also telling the customer about store list that still operates during the pandemic. If customers answer needs something for their sight and don't want to go outside of the home, the make an appointment to visit the customer home. The format of content that sent could be a text, image, or video.

The firm provides the data of the customer through the medical or sales record that saved on the computer system. On effectivity reason, salesforce are given authority to choose the customer whose will to be sent the message. Mostly all crew sent the message to the customer whose known and serve before and the customer know the sales force also. The key point of successful the program is a good relationship between the sales force and the customer, and the way to made it is to give excellent service when the customer came to the store before.

**Fig. 6: The Content of Promotion That Sent by WhatsApp**

**Web Site**

Some of optical retailer has a website that can to accomplish transaction on it. look at the detail of the product as models, colors, description, price. to choose and doing payment on the website. But not all-optical retailer websites provide payment on it, based on firm policies to keep transactions still on store and investment to build the website. However, there is a diverse in the pandemic period, for refraction test customers can choose to do at the store or in-home. Optical retailers establish a team to visit the customer home with complete refraction test equipment. And also bring frame, sunglasses, and contact lens as the request of the customer.

**Fig. 7: Web. Site: On-Line to Home Program**

**Payment Method**

During the coronavirus crisis, digital payments have been keeping economies running and helping people reduce contact with the virus. Contactless digital payments at the point of sale, such as facial recognition, Quick Response (QR) codes, or near-field communications (NFC), can make it less likely for the virus to spread to others through cash exchanges. Digital payments are limiting in-person transactions and ensuring consumers can buy essentials from the comfort of their homes (weforum.org, 2020). There is information that mentions some people infected COVID-19 pass through the paper money. Thus electronic payment to be fancied during pandemic. the most favorite are credit & debit cards. In this Pandemic for flexibility, optical retailers create a new payment method as bank transfer. The optical retailer firm share several bank account to a customer, so customer can doing a transaction on their mobile phone banking at home.

**Sales Promotion**

Take direct marketing. An increasingly sophisticated technique whether by post, phone, or digital means, but it is estimated that 97 percent of all direct marketing contains a sales promotion element (Mullin, 2002). In standard use, "promotion" is each thing that’s done to assist sell a product or service in every step of the sales chain, from the presentation materials a salesman uses throughout a sales decision to the tv business or newspaper ad that tries to urge the client to suppose favorably regarding what's being publicized (Hahn, Fred E, 2003).

In the crisis impact of pandemic covid19, which full of uncertainty when the pandemic is over, people to hold in spend money except the essential needs such as groceries and drugs. then, promotion could be an attraction for customers to buy a product which sold.
This research finds several types of ongoing promotions during the pandemic COVID-19 such as special discount, free lens, buy one get one, free delivery, etc. All the promotion theme in a row with new normal activity and sight need between pandemic.

*Fig. 8: Promotion during Pandemic Covid-19*

**Visit Team**

To perform online sales, one of the problems is doing a refraction test that needs face to face with the customer. Therefore, it is necessary to build a team to visit customer homes complete with all equipment. The firm must provide the facilities which consist of a set of refraction, adjustment, and cleaning tools, storage devices to store frames, sunglasses, contact lens and accessories. Some of refraction tools are too big and heavy to bring, such as auto refractometer and phoropter. So for the auto refractometer can be replaced with the portable one like a handheld refractometer and the phoropter with the trial frame and lenses. The condition of the refraction places in customer home mostly not ideal for doing a refraction test. Therefore, it needs an advance team in refraction skills to get the best result. The other facilities are a vehicle to carry all the equipment. For effectiveness better to provide more than one set of equipment. But, its depend on the capability of the firm to provide and the volume of customer request to visit their home.

*Fig. 9: Portable Auto Refractometer*

**Off-Line Sales**

**Work Operational Standart & Health Facilities**

People worries to meet other people, furthermore contact with them during pandemic COVID-19. to convince the customer that save to visit the store needs to make a new working standard in keeping with the health protocol direction of health authority. The health protocol command all employees wearing mask and face shield while working, keeping distance at least 1.5 meters with customer other workers. Always wash the hand before and after serving the customer and always checking body temperature before to start working. And if any worker registers above 37.5 Celcius or has any flu, like symptoms are not allowed to working and asked to get medical assistance as soon as possible. Set the customer's seat position at least 1.5 meters and makes a line sign on the floor to set the queue in front of the cashier table.

Besides the new work operational standard, health facilities for customers also provided such as hand sanitizers, disinfectants, masks, Tissues, etc. The customer that enters the store most welcome to washing hands with hand sanitizer and wearing masker. for the customer whose don't wear the mask will be given and requested to wear it. These new working procedures be a campaign that posts in all their social media and web site for the customer does not worry anymore to visit the store that still operates.

*Fig. 10: New Work Operational Standart*

**Operate Stores Announcement**

Many people assume that all shopping malls in Indonesia are closed likewise all stores inside. They don't know some malls in Indonesia still operates and although the shopping malls are closed but some store whose permitted still operates inside. therefore in all social media posted information about it. Also collaborate with the management of shopping malls to announce it in the social as Facebook and Instagram. This way effective enough, because the social media
of shopping malls has many followers and it is free of charges.

**Fig. 11:** Instagram of shopping mall those announce the operate stores

**Recommendation**
Survive against crises such as pandemic of COVID-19 makes all-optical retailers make the breakthrough to keep creating sales such as written above. Also reducing all expenses that enable to reduce. This research is resuming of all policies that the optical retailers did during the pandemic COVID-19. Not all policies can be applied in all-optical retailers, based on their company capabilities and characteristics. To reduces expenses related to employees, the firm should pay attention to the employee's rights based on state rules.

**References:**
[18.] Riyanto, Setyo, and Lukertina (2019). "Does the Good Corporate Governance Culture Good for" IOSR Journal of Business and
[26.] Seeley, Monica (2011). "Brilliant Email: How to win back time and increase your productivity" Pearson Education.