

ABSTRACT

Performance measurement is an important factor to determine the feasibility of a business in the convenience store. Meanwhile the performance of convenience stores is actually defined by the performance of various product categories, which is stipulated by consumer buying decision. In relation to this matter, convenience store management need performance measurement methods that can measure performance of product categories in an effort to determine convenience store business viability as well as sales strategy planning.

This research takes a case study in convenience store-X, where the aim is to develop a method for measuring convenience store performance based on the performance indicators of product categories in an effort to determine business viability, as well as providing recommendations of sales strategy. This method has several stages. First, collecting sales data for 6 months and transforming the data into key performance indicators (KPI) as performance benchmark, namely: sales, gross profit margins and return on investment (RoI). Second, comparing RoI value of the product category to Bank deposit interest rate, and comparing gross profit margin value to the general value of the retail business gross profit margin of about 15%. Next step, sorting KPI value using ABC analysis to classify the importance level of product categories. On the other hand, measurement of efficiency values is also carried out using Data Envelopment Analysis method (DEA) as well as setting targets for improvement of output variable values. Lastly, comparing and evaluating the method and planning sales strategy.

Convenience store performance measurement method based on product category performance indicators involve 2 measurement methods, namely: first, the use of KPI (key performance indicators) to determine the business viability of each product category in the convenience store. Second, the calculation of efficiency and target value of product category by DEA method in an effort to determine the performance and projected value of output variables (sales and gross profit) that should be achieved. In this research, the measurement of product category performance using RoI shows that there are sixteen product categories that are less worthy, or around 35.5% of the overall performance of product categories (RoI value is below 12%). While the performance based on the gross profit margin shows that there are nine product categories that are less feasible, or about 20% of the overall performance of the product categories (gross profit margin below 15%). The method is also able to provide 3 sales strategy recommendations, namely: the implementation of a sales improvement strategy based on the comparison and evaluation of the KPI and DEA methods, the sales approach, and centralization of sales in 11 class A product categories based on KPI ranking using ABC analysis.

Key words: *convenience store, performance, product category, KPI, ABC analysis, DEA.*