THE IMPACT OF RETAIL IT APPLICATIONS ON EFFECTIVE STORE OPERATIONS AMONG FAMILY RETAIL STORES IN SABAH

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Abstract_: This study investigates the relationship between factors that influence effective store operation among retailers in Sabah. Conceptual frameworks of different variables such as store, order management and inventory control have been studied to measure effective store operation. Factors that influence customer satisfaction with IT retail stores are important to identify to ensure that it meets the knowledge of retailers. This study was conducted using a quantitative research approach. A total of 384 questionnaires were distributed to the targeted respondents i.e., Retailers who run family grocery store businesses and the feedback will be used for data analysis. The findings of the study found that order management and inventory control factors have a significant relationship with effective store operation while store factors clearly do not affect effective store operation. The results of this paper will also show the importance of stores, order management and inventory control to assist the management of retail stores to increase the profit rate and convenience of customers. The lack of cooperation from third parties made it difficult for this study to find respondents and took a long time in collecting data._

Keywords_: Store, Order Management, Inventory Control And Effective Store Operation._

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Introduction

The total population of Malaysia in 2021 is estimated at 32.7 million compared to 32.6 million in 2020 with an annual population growth rate of 0.2 percent. Malaysia's Chief Statistician, Datuk Seri Dr Mohd Uzir Mahidin said the decline in the growth rate was due to the lower number of non -citizens from 3.0 million (2020) to 2.7 million (2021). Based on the distribution of the population of Malaysia, the population of Sabah is around 3.91 million.

The retail trade is undergoing a rapid transformation from corner grocery stores to mini - supermarkets and hypermarkets on an international standard format. While no one predicted corner stores would collapse anytime in the near future, metropolitan cities and small towns have seen major changes to supermarkets as well as fast food retail chains. The availability of

cheap information technology and changes taking place in the retail industry such as the advent of medium size retailers, department stores and such as hypermarkets have increased information penetration. Technology in the retail sector (Sekhar, 2008).

The family grocery store is the same as the grocery store in general, the only difference is the store owner because the family grocery store is established with the agreement of many parties which consists of family members who are business partners. Family grocery stores are often found in villages and on estates because they are only small-scale businesses that want to meet the wants and needs of the local community to acquire goods. This also helps the residents not to have to go far to the city to obtain daily necessities.

This study focused on family grocery store traders conducted in Sabah. This is to study the effectiveness of the use of business applications in the marketing of family grocery stores in Sabah. In this study, can see the extent to which this application can help give a good impact on retailers in Sabah. The scope of this study has been narrowed by focusing only on residents in Sabah who run a family grocery store business. Thus, it can help in answering the questions in this study.

In this study, researchers also have many questions to know such as whether retailers in Sabah use business applications to promote their business, whether family grocery store operators operating in Sabah know the ways and functions of information technology for business, is the use of business applications can bring profit larger for retailers in Sabah and using applications in business is able to strengthen the relationship between customers and retailers? Therefore, researchers want to find out the answers to all the questions in order to be able to solve the problems that will be faced. In addition, the researcher also wants to implement the objective taken to retailers in Sabah which is to study the use of business applications among family grocery store traders in Sabah, to study the knowledge of retailers in Sabah in the use of online business applications, to investigate the impact obtained in the use of business applications for retailers in Sabah and to investigate the relationship between customers and retailers in the use of business applications in Sabah. The importance of the study, researchers want to improve and gain more knowledge of how to manage business online by using business app against family grocery store merchants. Through this research, the researcher highlights the importance of store, order management and inventory control. They will know how to manage their own business with the many business applications available. Good management of the company or business will not stabilize the business. It will bring good for them to manage their business and also bring them into conversations with their customers.

Literature Review

Store

As defined in InterlakeMecalux.com, "a store is a facility that, along with storage racks, handling equipment, and personnel and management resource, allows us to control the differences 12 between the incoming flow of goods (received from suppliers, production centers, etc.) and the outgoing flow of goods (goods being sent to production, sales, etc.). Usually, these flows are not coordinated, and this is one of the reasons why it is important to have storage facilities."

Retail store is not only a question of floor space but its design and process. Although, the warehouse must be designed in a way that it can accommodate short term changes in terms of floor

space. New warehouses can be designed to facilitate this change while the existing industrial building must invest in technological solutions to gain the edge in competition. Technological solutions can range from robots helping in stock picking to the software which enables workers to maximize space availability by effectively rearranging product placement in the warehouse based on frequency of transition from the warehouse. According to Deloitte's report Global Powers of Retailing, shows how technology is going to be the building block for the future of the retail industry providing a certain advantage and creating awareness of products both in retail and supply context. One such application is the use of RFID technology. It is primarily used tagging items that stores and collects data about the individual products.

Order Management

Order management refers to the process of receiving, tracking and fulfilling customer orders. The order management process begins when an order is placed, and ends when the customer receives their package. When scaling your business, it is important to automate and streamline this process, otherwise you will end up overwhelmed by the sheer number of incoming orders. (Rachel Burns, January 28, 2019).

This capability can require retail IT transformation, often resulting in expensive and lengthy implementation timelines. However, at 20 percent or more additional revenue from Ship-from Store alone, you can make calculations quickly and realize that every day you spend waiting for execution will cost you thousands of dollars in revenue. Therefore, custom -built solutions with fast time to market are extremely important. Keep in mind that Ship-from Store is just an opportunity for additional income. Other store fulfillment models such as In -Store Pickup, Send to Store and Associated Orders, also improve consumer satisfaction and revenue, leverage similar order management technologies and present similar operational considerations.

Inventory Control

The sales process is adaptive depending on the situation, the simple but logical seven -step framework remains the same, although the methods of communication and the way people interact with the brand have changed significantly. What is changing is how each step can involve more collaboration between customers and salespeople (and also between customers) with the use of social networks, user reviews, wikis and other community -based tools. In theory, this should make the sales process easier as technology allows you and your sales team to learn more about your target market at every step. This means you can provide more relevant and powerful solutions to your customers at every stage of the purchasing process.

Inventory management is important for retailers because the practice helps them increase profits. They are more likely to have enough inventory to capture every possible sale while avoiding excess stock and minimizing expenses. It is also able to help retailers to reduce excessive production costs. By using an online business app, retailers are able to find out the amount of stock remaining without having to count all the stocks manually.

Effective Store Operation

Retail operations is the term used to describe all the activities that keep the store functioning well. It includes people management, supply chain, store layout, cash operations, physical inventory, master data management, promotions and pricing, and so on. Operational excellence means achieving a sustainable competitive advantage through the optimization of retail operations. Put simply, operational excellence means being consistently better than the

competition in organizing, optimizing and integrating the various tasks performed in a store. (Xavier Places I Cano November 8, 2019)

Many retailers are still running a collection of legacy systems designed for a particular function. They may not communicate well with other systems making it difficult to achieve end-to-end integration, which is essential if retailers are to fully automate your business processes. So, while retailers may have different programs to handle tasks like inventory control, filling out employee timesheets, invoicing, financial management and POS transactions, they do not communicate well with each other. Retailer can improve efficiency, reduce errors and save costs by integrating and fully automating these processes

Methodology

Conceptual Framework

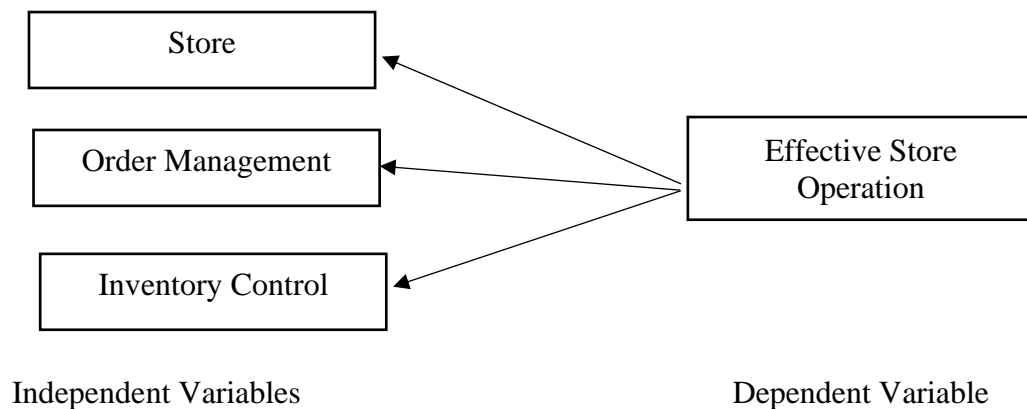Independent Variables   Dependent Variable

Figure 1: Conceptual framework of the impact of retail it applications on effective store operations among family retail stores in Sabah

Research Design
The study design is the plan and structure of the investigation that helps the researcher obtain it answer forms from the study questions. The Google form questionnaire was used quantitatively research as a research instrument. As a result, the study design involved data methods analysis consists of interrelated procedures carried out to summarize and evaluate information or data. Next, the researcher will analyze the data for this study using reliability statistics, descriptive statistics, and multiple regression analysis statistics to explain the impact of IT retail applications on effective store operations among family retail stores in Sabah namely Payment Processing, order and program management as well as sales process guide. The study design was conducted to obtain information about current phenomena to explain things that exist following a particular variable which will be conducted in this study. The data collection method for each study variable focused on what influencing retailers receiving proven data from targeted respondents was asked in Google questionnaire form.

Sampling
For sampling techniques, this study uses purposive sampling. This type of technique is used to select all retailers in Sabah who run a family grocery store business. Based on the study, the sample size consists of 25 years and above Therefore, 384 customers will be represented by Variable. "n".

Data Analysis

Data analysis plays a role in making more scientific decisions and helps to operate more effectively. Data analysis will be included alongside the data collection procedure. Processor method use a systematic arrangement or technique to describe, illustrate, compact, recall, and even evaluate data can be expressed through data analysis. After data and information are collected from respondents, it will be analyzed using Statistical Package for the Social Science (SPSS) software.

For data analysis, this study uses three types of analysis to analyze the collected data First is the descriptive analysis where we find higher mean results to show the selection of respondents against the factors involved. And the questionnaire used a Likert scale to collect data. It is easier for the researcher to summarize the data as it helps in presenting the data in a simpler form Next is the reliability analysis. In these results, it is shown that all the factors are at a good and acceptable level i.e., Cronbach's Alpha in the range of 0.70 a 0.9. The higher the level, the more reliable the factors influencing the dependent variables.

Lastly is inferential analysis. The study used Pearson Correlation to obtain inferential data analysis. This type of analysis examines the relationship between dependent variables and independent variables whether linear or zero. The purpose of the analysis is to identify whether stores, order management and inventory control have a relationship with the factors that influence effective store operation among retailers in Sabah.

Finding and Discussion

Demographic Analysis

A descriptive analysis was conducted with purpose of summarizing the demographic profile of 384 respondents that involved on the study.

Table 1: Demographic of Respondent

Respondent		Frequency	Percent
Gender	Female / Perempuan	200	52.1
	Male / Lelaki	184	47.9
Age	25 - 34 years/ 25 – 34 tahun	151	39.3
	35 - 44 years/ 35 – 44 tahun	109	28.4
	45 years and more/45 tahun dan ke atas	28	7.3
	Less than 25 years/Kurang 25 tahun	96	25.0
Race	Bajau	13	3.4
	Banja	4	1.0
	Brunei	2	.5
	bugis	3	.8
	Bugis	26	6.8
	BUGIS	1	.3
	Buton	1	.3
	Chinese / Cina	50	13.0
	Dusun	3	.8
	Endonesia	2	.5
	Iban	4	1.0
	Ida'an	1	.3

	Indian / India	38	9.9
	Indonesia	2	.5
	Kadazan	1	.3
	Malay / Melayu	189	49.2
	Others / Lain-lain	32	8.3
	Suluk	9	2.3
	Sungai	2	.5
Years of Operation	1 year and below/Tahun ke bawah	45	11.7
	1-2 Years/Tahun	83	21.6
	10 Years and Above/ 10 Tahun dan ke atas	32	8.3
	3-5 Years/Tahun	159	41.4
	6-10 Years/Tahun	65	16.9
Total income	Below RM1000 / Kurang dari RM1000	70	18.2
	RM1001 – RM4000	102	26.6
	RM4001 – RM6000	129	33.6
	RM6001 and above / RM6001 keatas	83	21.6

Based on table 1, the gender among the respondents obtained by the researcher. Because this study will focus mainly on retailers who run a grocery store business in Sabah, the results obtained show that respondents from the female group obtained the most frequent frequency of 52.1% equivalent to 200 respondents while for male respondents obtained a frequency of 47.9% which is equivalent with 184 respondents. the age of the respondents is less than 25 years was 96 people, in a percentage of 25%, while between 25 to 34 years showed that is 151 people equivalent to 39.3%. For the age group of 35 to 44 years, a total of 109 respondents equivalent to 28.4%. The last one is 45 years and above is equivalent to 28 respondents and 7.3%. Next, the number of Malay races is 189, based on Table 1 (48.2 %). Apart from that, the number of Indian respondents is 38 (9.9 %) and 50 (13.0 %) for the Chinese and others 107 (28.9 %) which includes many ethnic groups that are considered Bajau 13 people (3.4 %), Bugis 30 (7.9%), Brunei 2 (0.5%), Banjar 4 (1.0%), Buton 1 person (0.3%), Dusun has 3 respondents (0.8%), Iban 4 (1.0%) and several other races.

The results of the respondents based on their educational level. As stated in the table shows the level of education for Primary School comprising of 17 respondents which is equivalent to 7.7% while for the level of Secondary School education is 183 (47.7%). For the Bachelor's Degree, 147 respondents (38.3%) were obtained and the Master's Degree and above were 37 respondents (9.6%). For years of operation 1 year and below that is 45 people (11.7%), for 1-2 years of operation has 83 respondents (21.6%). Next, 3-5 years obtained a total of 159 (41.4%) and 6-10 years were a total of 65 respondents (16.9%). Finally, for the year of operation more than 10 years that is 32 people (8.3%). Lastly, for the total income of RM1000 and below obtained the least number of respondents which is 70 people or 18.2%. For the monthly income of RM1001 - RM4000 is 102 people (26.6%) which is the second highest number and the most frequent which is the monthly income of RM4001 - RM6000 which is 129 respondents which is equivalent to 33.6%. Finally, income for RM6001 and above only obtained 83 respondents (21.6%).

Reliability Analysis
Reliability tests are conducted to identify whether the data is reliable, stable or not. The alpha of the coefficient is represented as the Cronbach's Alpha which is used to express reliability.

This is what we call a Cronbach's Alpha can show values ranging from 0 to the more reliability points that are close to 1. the more reliable the variable item scale.

Table 2: Reliability Statistic of dependent variable and independent variables

SECTION (Variable)	Number of Cases	Reliability coefficient Alpha
Store	5	0.709
Order Management	5	0.724
Inventory Control	5	0.708
Effective Store Operation	3	0.707

Table.2 above shows the reliability of the dependent variable that is effective store operation and the independent variable is store, order management, and inventory control can be trusted or unreliable. The findings show that the factor as a dependent variable is reliable and good because the Cronbach's Alpha value for the variable is 0 707 which is more than 0.6 It is significant and the relationship between the independent and dependent variables is good.

According to the Cronbach's Alpha value for the factor (store) is 0.709, which is more than 0.6, the independent variable is reliable. It is significant and the relationship between independent and dependent is good Next the independent variable (order management) can be trusted because the Cronbach's Alpha value is 0.724 which is more than 0.6 It is significant and the relationship between independent and dependent variables is good. The three independent variables (inventory control) were reliable because the Cronbach's Alpha values for the independent variables were 0.708 and greater than 0.6.

We can conclude that the level is good and acceptable and this value can be brought for future researchers and reliability tests can conclude that the questionnaire form is reliable to answer.

Implication of Study

Finally, this study has implications for retailers who use technology in running their businesses. The information collected in this research is important in providing information on the use of retail applications and technology on businesses to avoid worry or confusion when applying the technology method. This study will make retailers more sensitive and aware of the advantages of the technology applications they use to avoid very large loss rates. This research will also contribute to industries or organizations involved in the use of online applications. This research will make the industry more focused on standards that meet the needs and desires of customers, especially for retail shopkeepers who are the center to obtain essential goods for the locals.

Limitation of Study

There are some limitations to this study. First, the lack of knowledge and experience about sales through applications in a pandemic context has forced researchers to look for resources that can be drawn based on the context of the question. As a result, future researchers aim to study the effects of The Covid-19 pandemic on retail sales during a pandemic should first explore the literature in a pandemic context. Second, movement is limited because of PKP. it is due to the use of new norms on life, where retailers have to follow the rules set by the Ministry of Health on the opening of stores and can also see on the role of different cultures in retail sales when faced with an epidemic. Third, everyone interviews were conducted online, which may have limited the researchers 'ability to gather more views from respondents, although respondents used the Google form questionnaire, argued that face -to -face interviews can increase

reliability. Fourth, due to the limited time period of researchers, only quantitative methods have been adopted, although quantitative studies help researchers to gain a deeper understanding and explore the phenomenon by observing retail sales and understand the context in which they live. However, the data were not generalized. As a result, the use of a mixed method approach should be as successful as it allows make generalizations of findings and at the same time obtain rich in -depth data.

Conclusion and Recommendations

In conclusion, this study aims to examine the relationship between four factors that influence effective store operation. Those factors are store, order management, and inventory control. Management needs to know the factors that influence customer satisfaction towards retailers in order to increase their profit margins and meet the growing customer demand. In this study, there is a positive relationship between order management and store operation impact. Then, there is a positive relationship between inventory control and effective store operation. There is also a positive relationship between store usage and effective store operation. Based on the observations that have been made, this study has some limitations A quantitative study needs to be done that focuses on the understanding of retailers on the use of online business applications and improve the implementation of technology on business.

For the next study, the researcher suggested to make a study on the intention of online purchase. This is because, nowadays, there are many groceries traded online by sellers without disclosure of clean and authentic products. Given that there is currently a lack of research on online platforms and retailers assume that online platforms can help them to go viral and increase their sales, researchers need to do research on online purchasing intentions. In addition, researchers can also make a study on the impact faced by retailers given that nowadays, the community in Malaysia is looking for daily necessities that are easily available. Researchers can make this study because Malaysia is a country that has developed over time.

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