Investigation of the Small Retailers' Performance Measurement Model

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ABSTRACT

The research in the first year, supported by governmental grant, formulated a model of retail mix strategy used to build a competitive advantage. The result of the research shows a model of strategy matrix to create a competitive advantage with three strategies, differentiation advantage, specialization advantage, and focus advantage. The problem of the research was how to develop small retailers' performance measurement model. The purpose of the research in the second year was to create a model of performance measurement for retailers in traditional market located in Tangerang Regency. The research involved 4 fashion retailers as sample in the traditional retail market by using the purposive sampling methods. The data collection techniques were observation, in-depth interview, questionnaire, documentation, and Focused Group Discussion with related subjects. This research used the qualitative method. The retailers' performance measurement model includes: internal aspects, involve: Human resouce manajemen, financial, technique and operational, market and marketing, external aspects involve: Government/ Department of Industry, Maket place manajer, distributor/supplier/wholesaler, competitiors, customers,retail owner. The result of this research is expected to be able to give a contribution to retailers in achieving a better performance in retail business compared to their competitors in running the business in the long run.

JEL Classification: L81; P47.

Keywords: Retail Business; Performance Measurement Model; Traditional Market.

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1. INTRODUCTION

The retail business ability in helping to decrease unemployment is indisputable. The observation result shows that every store needs at least 2 employees. If there were 10 stores in every market, 20 men would be employed. If there were 30 markets in a district, 600 men would be needed to be employed in the stores. This demonstrates how the retail business helps reducing the number of unemployment. Berman and Evans, (2007), state that retail business is a source of potent global economic growth, because of the retailers ability in providing a considerably large amount of jobs. The government, private companies, funding organization and banks must take the significant contribution of the retail sector into consideration to help the retailers to get financing. The main problem for the retail industry in Indonesia is related to the discrepancy among the retailers based on their financing ability. This condition leads to the situation in which the retailers find it difficult to compete in the industry. Agustini and Yudiati (2002) explain that difficulties are caused by the poor performance of the retailers. As a result, retailers must possess a competitive advantage and increase their performance continuously. Day and Wensley (2008) conducted a literature study regarding the performance as a fundamental step which serves as a profitable investment in achieving a superior competitive advantage. For that reason, retailers must increase their performance.

Previous researches (Levy, 2012; Rodhiah and Zahrida, 2015)found that in order to achieve the necessary performance rate, retailers need to combine retail mix strategies, both in traditional and modern retail markets. Retailers are required to be more selective displaying their products, keeping inventory level, and choosing the right products that meet the customers' needs to increase the performance. (Samli et al., 1998; Simpson et al., 2001).

As a result, measuring the performance of every retailer is importance to estimate the performance rate that has been achieved to that point, improving the ineffective strategies, and keeping the retail strategies that succeeded to create a competitive advantage. By doing so, the effect of increasing the business performance, more specifically in traditional markets, will be measurable. The result of the research conducted by Sekulic (2009), Corporate Strategy Development and Competitive Advantage of Enterprise, shows that the competitive advantage helps the company significantly and create better opportunities and performances. Other studies have found the way to measure the performance of a business. Researches advise that the sales growth, employment growth, income growth, and market share growth are important to measure the performance of small companies. (Kim and Choi, 1994; Lee and Miller, 1996; Luo, 1999; Miles et al., 2000; Hadjimonalis & Dickson, 2000). Miles et al., (2000) specified that retail performance can be measured using sales volume, business effectiveness, net profit, customer loyalty, and utility for users, a subjective measure is more preferable than its objective counterpart. These methods need to be developed into a performance measurement model which involves internal and external stakeholders, such as trade ministry as the manager, market organizer, supplier for the retailers, consumers as the end users which purchase their needs from the retailers and other stakeholders that are important in measuring the retail performance.

Regarding the importance of measuring the performance of traditional retailers in Tangerang Regency, a research on the model of performance measurement needs to be done shortly. For that, the main problem of this research is: How to develop small retailers' performance measurement model. The purpose of the research is to create a model of performance measurement for retailers in traditional market located in Tangerang Regency from the perspectives of Government/ Department of Industry, Trade, and Cooperatives of Tangerang, distributor/supplier/wholesaler, traditional market managers, competitors, and customers.

2. LITERATURE REVIEW

Berman and Evans (2007) describe retail as a business of selling goods and service directly for personal use and not for business. Retail is the end business in the distribution channel which relates the manufacturing companies to the consumers. Traditional retail market is a place where the transaction of selling and purchasing occurs between the buyers in need of specific products and service and the sellers that are able to provide their needs. Based on Presidential Regulation number 112 year 2007, traditional market is market built and managed by government, private, public companies, including a cooperation with private sectors, which is an accumulation of outlets such as stores, kiosks, and tents, which are owned and managed by small and medium sellers, public organization, and cooperatives with small scale, small capital, and setting a negotiable pricing system. Sinaga (2006).

Retail performance is a result of the plan and achieved goals of the business. Kellen (2003) explained that performance is achieved from the activities of the companies which are done according to the strategy and plan. Chakravarty and Balaji (1996) describes performance as a construct which is generally utilized to measure the effect of the orientation of the company's strategy. Most of the performance measurement models were created by academic staffs and practitioners. Models that are able to measure the overall performance are; Balanced Scorecard Kaplan (1996); Integrated Performance Measurement System (IPMS) Bititci et al., (1997); SMART System from Wang Laboratory, Inc.. Small and medium enterprises require a simple performance measurement system which could provide a focused information management, detailed and useful (Laitinen 1996). In reality, small enterprises do not have posses the necessary resources to use the complex models and not really needing the complex model. (Laitinen 1996; McAdam and McKeown, 1999). Neely (1999) offers a framework of performance measurement called the "Performance Prism", also known as "central stakeholders".

This framework of performance considers the needs and wants of every stakeholder (employee, customer, supplier, partner, and mediator) in the company first. A strategy is created from the measurement which is related to the needs and wants of the stakeholders. The model of SMART (strategic measurement and reporting technique) Pyramid by Lynch and Cross is a hierarchycal model as described by Neely(1999) which shows the needs including internal and external measurement and how an organization needs to spread out to achieve a goal, as shown in this Figure 1. Performance measurement tends to be different for each type of business, there is no right measurement to estimate the performance of a company. Studies found that several factors to measure the success of a business. Researchers advise that sales growth, employment growth, income growth, and market share growth be used to measure the performance of small enterprises (Kim and Choi, 1994; Lee and Miller, 1996; Luo, 1999; Miles et al., 2000; Hadjimonalis & Dickson, 2000).
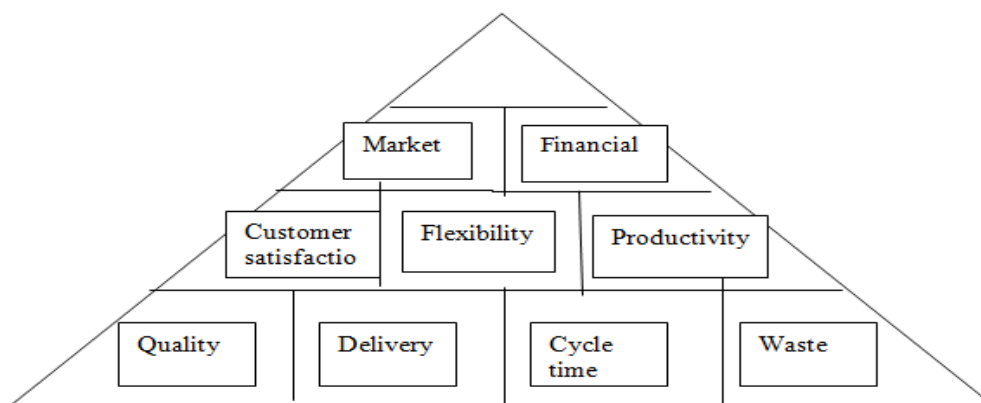
Figure 1.
Model of the Performance Measurement Pyramid

Pelham et al., (1996) defines the company performance as succeeding to launch a new product, measured by the product development and market development, growth share measured by the sales growth, market share, profitability, measured by operating profits, profit to sales ratio, cash flow operation, return on investmenet, return on assets, and product quality. Wicklund (1999) explains that growth is triggered by the increase of product demand which is followed by the increasing sales, with market share growth chosen as the main indicator of growth. Miles et al., (2000) stated that retail performance is measured using sales volume, business effectiveness, net profit, customer loyalty, and consumer utility Miles et al., (2000), a subjective measurement is more preferable than its objective counterpart.

3. METHODOLOGY

The research was conducted in 2016. The locations of the research are traditional markets in Tangerang Regency, West Java. Identification of the research aspects with the research location is shown in the following Table 1:

Table 1. Research Aspect and Location

Research Aspect	Research Location
a) Study of the description of traditional market b) Study of the retail performance in traditional market	Traditional markets in Tangerang, including Kelapa Dua, Bonang, Sinpasa and Cikupa

The population of retailers ar very large in numbers. For that reason, the research uses a purposive sampling technique: based on the specified considerations which represent the population. Sample selected from the retailers have established their business for at least 8 years. The selection is based on the fact that they have the potency to be developed, business capital ranging from IDR 50 million to IDR 500 million, (not including land and building) and selling fashion products. There are two types of data collected for this research, primary and secondary data.

Primary data source: The data is retrieved from informants. Informants in this research are directly involved in the traditional retail business practices. The informants are:

1) Retail business owner

2) Retail business manager

3) Competitor

4) Staffs

5) Suppliers and customers

Secondary Data Source: Data is collected using interview, observation, documentation, and FGD (focus group discussion). Because the types of data required are primary and secondary data, this research uses the combination of the techniques.

This study is classified as a policy research which aims to find more information related to the dynamics of retail in business to recommend a retail business development strategy policy in creating a competitive advantage and retail performance in traditional markets. Qualitative analysis was conducted based on the primary and secondary data retrieved from the result of survey done on retailers as the samples of this research, located in Tangerang.The measurement model in this research is a development of SMART (strategic measurement and reporting technique) pyramid by Lynch and Cross as a hierarchical model as described by Neely (1999). SMART shows an organization needs based on internal and external measurement to achieve a goal.

Table 2. Research Steps

Preparation Step

Pilot Study-1: Study of the first year research result **Pilot Study-2**: Observing the retail problems from the model of retail business design **Literature Review:** Using several theories, the effort of implementing the model from literature review on the performance measurement strategy in creating competitive advantage Attaining work permit, deciding the preferable criteria for the location of retail business

Implementation Step

Designing the types of performance measurement in traditional markets

Data Processing Step

Recapping the result of performance measurement Processing the result of interview and FGD Analysing the performance measurement data

Result Step

Implementing the policy

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4. RESULTS AND DISCUSSION

Tangerang Regency is located in Banten Province, Indonesia. Tigaraksa is the capital of the regency. This regency is located on the west of Jakarta; bordered by Java Sea on the north, Tangerang City, South Tangerang City, and Jakarta on the east, West Java and Lebak Regency on the south, and Serang Regency on the west. The economic growth of Tangerang increases rapidly, notably after the Presidential Instruction Number 13 Year 1976 on Development of Greater Jakarta, in which Tangerang Regency is established as the buffer zone for Jakarta. The business growth is evident on many sectors, such as: property, trade, culinary, hotel, and retail, for both traditional and modern retailers. Retail sector in Tangerang Regency displays a rapid growth, in which most of the traditional retailers have been revitalized into semi-modern retailers. Traditional retailers studied in the pilot project in this research have gone through the revitalization process as regulated by the government. Tangerang Regency has traditional markets in each of its district. The traditional markets are managed by Niaga Kerta Raharja Trading Company. Since 2009, government has begun revitalizing traditional markets into modern markets, such as Kelapa Dua Market, Sentiong Balaraja Market, Bintaro Mas Market, Bojongnangka Market, Cikupa Market, Serpong Market, Jombang Market, Paramount Market, and Sinpasa Market. Until this date, the government has revitalized traditional markets in 7 locations each year to speed up its growth. In this research get four locations and four retail store.

The secondary data of the traditional retail sectors retrieved from the field study done by the Ministry of Cooperative, Industry, and Trade for Tangerang Regency is as following:

Kelapa Dua Market	Bonang Market	Sinpasa Market	Cikupa Market
Kelapa Dua Market is located in Kelapa Dua, a district in Tangerang Regency, Banten Province, Indonesia. Kelapa Dua Market was established in 1992 as a public gathering of small sellers In the early years, the market condition was relatively understated and substandard. After a market revitalization in 2009, Kelapa Dua Market started operating again since 2011. Kelapa Dua Market has 797 store spaces, consisting of 446 kiosks, 92 counters, and 269 shanties. One of the retailers selected for the pilot project is : Ridho Collection Store, a specialty store selling clothing for men and women, also selling uniform for elementary, secondary, and high school	Bojong Nangka Market is located in Dasana Indah SC-01 Number 6, Bojong Nangka, Kelapa Dua, Tangerang, Banten Established in 1999, built on ± 4436 m² land. Commodities sold in Bonang Market are vegetables (20.34%), Clothing (15.12%), Daily Needs (9.78%). Bojong Nangka Market is classified as a traditional market in Tangerang Regency, Banten Province, which will be transformed into a semi modern market to improve the service quality for the customers. This transformation aims to increase the customer satisfaction. One of the retailers selected for the pilot project is : Hen Hen Collection Store	Sinpasa Market is located in the SMS Gading Serpong business district, Kelapa Dua District, Tangerang Regency, Banten Province, Indonesia. Sinpasa Market is a part of a Central Business District (CBD), built on a 3.300 m² land. Sinpasa Market has 282 kiosks and shanties. In 2005, Sinpasa Market received an award for the best management of marketplace environment. One of the retailers selected for the pilot project is : Meily Collection Store	Cikupa Market is located in Raya Serang street, Cikupa District, Tangerang Regency, Banten Province, Indonesia. Cikupa Market was established on 1926 by H. Sapri, H. Pengkidan, and Ki Galeong as a village marketplace. One of the retailers selected for the pilot project is :Hikmah Store
students. The store was first established in 1995, located in Malabar Market. After a market revitalization, the store moved to Kelapa Dua Market in 2011.	Established in 2007 by Hen-Hen from Ciamis. Hen-Hen Collection sells clothing for men, women, and children from Tanah Abang Market. Operational hours : 8.00 am to 12.00 pm. Selling discounted products with famous brands and offering a negotiable price.	Established in 2004 by Meily and her husband. The store currently employed 1 sales attendant.	A specialty store selling various kind of fashion products in different sizes. Hikmah Store was established by Lisa, as the owner and sales attendant at the store. Hikmah Store has been selling fashion products in Cikupa Market for 12 -15 years.

Source: Interview with Traditional Retailers

Figure 2.
Identification of the Location and Retail Stores in Traditional Markets

Based on the opinion of previous researchers, there are numbers of model suitable to measure a business performance. However, there has not been any model that can be used specifically to measure the performance of traditional retailers. This is due to the fact that most traditional retailers do not keep a proper record of sales and business activities in general. For that reason, the measurement focuses on the perception of the retail stores owners. The measurement model in this research is a development of SMART (strategic measurement and reporting technique) pyramid by Lynch and Cross as a hierarchical model as described by Neely (1999). SMART shows an organization needs based on internal and external measurement to achieve a goal. The development of this model creates models in performance measurement which are classified into internal and external models.

To achieve this developed model requires the internal performance measurement determines the success of a business. Based on the information obtained from traditional and modern retailers, there are four dimensions used in measuring the internal performance:

1. Human resource, including all the workers involved in selling merchandise in retail store, capability in managing the business, and skills possessed to achieve the goal of the business. Human resource is the prominent factor in running a retail business. The success of a retail business is determined by the capability of the store owner and employees to manage the store.

Information of the performance measurement for the human resource aspects includes: owner and employee's level of education, leadership, experience, lifespan of business, motivation, skills, salary rate, and salary payment.

2. Finance, the amount of financial assets possessed by the organization. Including all the capital sources used to fund the business and the financial management in capital preservation. The main information includes: owner's capital, loans, profitability rate, inventory turnover, capital accumulation, operational expenses.

3. Technical and Operational, including the assets owned by the organization to run the business, availability of facilities supporting the production and sales of products. Information for this aspect includes: store location, inventory planning, computer, cash register, and payment terminal.

4. Market and Marketing, a measurement of the market demands, including the marketing activities performed to attract customers. Information related to this aspect includes: market demands, competitive pricing policy, distribution channel, and marketing area.

All mentioned above are necessary to be used as information to measure the performance and condition of retailers objectively. An instrument is designed to evaluate the performance of retailers. The performance measurement model is as shown in the following Figure:

Sources: Developed by researcher
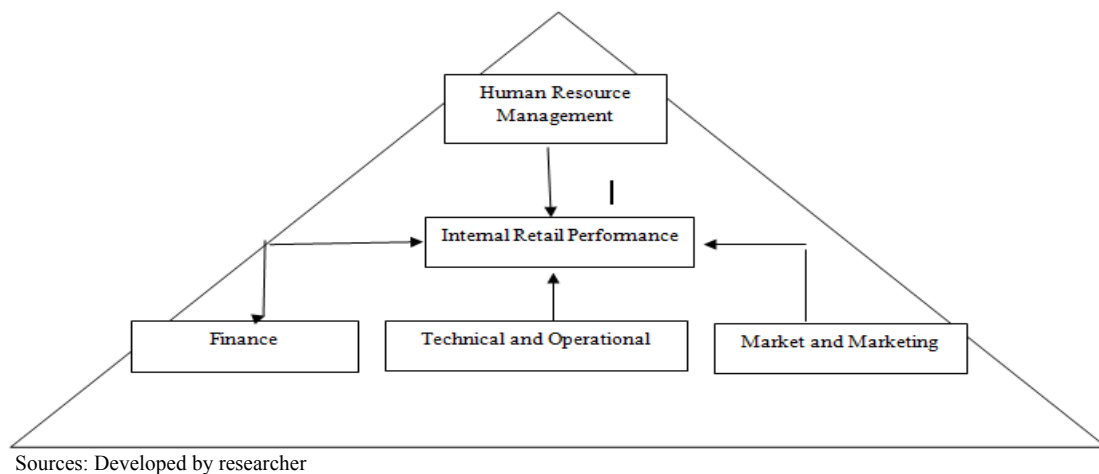
Ficture 3.
Development of Internal Retail Performance Measurement Model

To interpret the diagram above, a question list is designed to measure the retail business performance:

1. Human Resource Management

- Owner's level of education

- Employee's level of education

- Leadership

- Experience

- Number of employee

- Motivation

- Skills

- Salary Rate

- Salary Payment

2. Finance

- Owner Capital

- Loans

- Profitability Rate

- Capital Accumulation

3. Technical and Operational

- Store Location

- Inventory Planning

- Monthly Salary

- Computer

- Cash Register

- Payment Terminal

4. Market and Marketing

- Market Demand

- Pricing Policy

- Promotional Activities

- Distribution Channel

- Marketing Area

- Other Problems

Based on the external performance measurement, there are a lot of stakeholders involved for this research. The stakeholders involved for the external performance measurement are:

1. Government/ Department of Industry, Trade, and Cooperatives, giving information for performance measurement, regarding: routine visits, giving awards, protection, monitoring managers, market/mall policies, communicativeness, helping to solve the market problems, motivation.

2. Marketplace Managers. As the authority involved in running the marketplace and creating marketplace regulation for retailers. giving information for performance measurement, regarding: retailers rent payment, service charge payment, retailers participation in a trade fair, sales development, customer visit rate, and organizing events.

3. Distributor, Wholesalers, and Suppliers. Suppliers provided merchandises for retailers, giving information for performance measurement, regarding: numbers of shipment, inventory backup, return and allowances, payment system, merchandise availability, communicativeness, beneficial cooperation, Convenience of payment method.

4. Competitors, as other retailers operating in the vicinity, giving information for performance measurement, regarding: availability of similar merchandise in other store, number of competitor, competitor's customer service, competitor resource, attractiveness of competitor, and competitive advantage.

5. Customers, as the user of the retail products, giving information for performance measurement, regarding: customer service, store reputation, employee manners, employee performance, comfort in shopping, safety, product quality, payment system, purchase frequency, and customer satisfaction.

6. Retail owners, giving information for performance measurement and a brief description regarding: Description of the early history of the business, strategies in running the business at the introductory stage, problems and threats, achieved results, competitor condition, and devopment plan for the future.

All the stakeholders are needed to obtain information in measuring the performance and condition of retailers objectively. An instrument is designed to measure the performance. The performance measurement model involving all the stakeholders above is as shown in the following diagram:
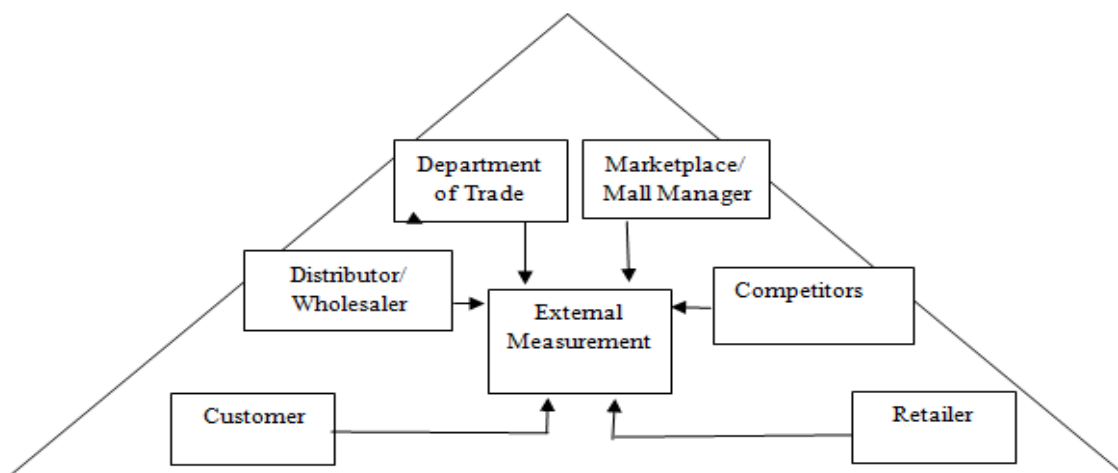
Sources: Developed by researcher

Ficture 4.
Development of External Retail Performance Measurement Model

Based on the external performance measurement, the measurement model involves: Government/ Department of Industry, Trade, and Cooperatives of Tangerang, distributor/supplier/wholesaler, traditional market managers, competitors, and customers. The measurement model creates an instrument which is arranged as:

- Government/Department of Trade

- Marketplace Managers:

- Distributor/ Wholesalers/Suppliers

- Competitor

- Customers

- Retail Owner

Based on the internal performance measurement model on the traditional retailers, the analysis of the retailers' activities is pictured as following:

1. Human Resource Management Aspect: In general, traditional retailers have a low educational level, with the employees only managed to graduate from secondary school. Some employees only managed to graduate from elementary school.

Owners displays a Situational Leadership style without a proper understanding of a good leadership. As a result, retail store owners in average have not been able to manage the employees properly. Retailers are relatively highly motivated, while the employees show a low motivation level. In traditional markets, most of the retail store owners inherit the stores from their parents or family members. Therefore, supporting the skills and experience sharing with their predecessors. Most of the employees are unskilled, and the employee turnover rate is high. For that reason, retailers need to improve the human resource condition and adapt with the technological change. The human resource measurement involves: a) Performance Measurement from The Manager Perspective, manager has an important role in measuring the employee perforamance as one of his or her duty. Therefore, employee performance measurement must be done as objective as possible.

The result of the performance measurement must be presented in the company annual meeting. With this, a discussion regarding the promotion and salary can be considered for accomplished employees. This would strengthen a trust-based relationship between a manager and an employee. A manager believes in his employees' capabilities in delivering a satisfactory result, and the employees believe in their manager to measure their performance objectively. b). Performance Measurement from the Employee Perspective, all forms of mistakes done by the employees can be fixed using the performance measurement, with the result directly informed to the employees by their manager. Employees are expected to do their best to fix their mistakes as an effort to give more contribution to the company. With a constructive and objective feedback, employees would feel more appreciated and motivated. They would learn to accept critics and improve themselves for the better.

2. Finance Aspect. Finance Management aspect has not experienced any crucial problem. Retail owners provide the funding themselves (without receiving any bank loan). The limited funding alternatives restrict the retailers in developing their business, the cash flow accounting is mixed up with personal expenses, poor accounting system, and deploying unskilled salespersons. Retailers had made attempts to apply for bank loan to expand their business, yet their poor business performance and financial statement made it difficult for them to receive the funding from the banking institutions.

3. Technical and Operational Aspect, Retail business activities are relatively. It started with the purchase of merchandise based on the condition and trend of market. There are also high seasons such as the month of Ramadhan, Christmas, New Year, school breaks. For examples, during the back-to-school season, retailers keep a higher level of school equipment inventory. Facilities useful to support sales are not really required by the retailers. Half of the retailers still rent the store spaces, while the others have full ownerships of their stores or kiosks in these traditional markets. They prioritize simplicity in displaying their products, not equipping any air conditioner in their stores and optioning to ceiling fans instead, providing cash payment system with low use of modern technology. Most of the retailers purchase their merchandises from the same or very similar suppliers. This causes difficulties for the retailers to compete in prices. Most of the suppliers operate in Tanah Abang and Mangga Dua Wholesalers Center. Retailers often sell very similar, undifferentiated products. This condition restricts their chances to achieve a higher profit level.

4. Market and Marketing Aspects. A measurement on the market demand, including the marketing aspects in running a business. In general, traditional markets have a high product demand. Customers visit the traditional markets to straightly find what they need, not just for a leisurely visit as usually seen in the modern markets. The unavailability of the products hinders the customers to purchase their needs, which would slow the market growth. Other marketing policies such as distribution only covers the markets in which retail owners rent or own the kiosks, has no other branch stores to expand the product channel. This limitation is caused by the very few funding alternatives. A very competitive price war happens among the retailers. Price has to be set accordingly with the market price, or the merchandises will remain unsold. This condition restricts their chances to achieve a higher profit level, also worsens by the fact that they sold undifferentiated merchandises obtained from the very similar suppliers. Promotional activities have never been implemented in the traditional retail stores, only relying on the display of product, mouth-to-mouth marketing, in which customers spread the words about the store to their neighbors, family members, and relatives. Other than that, Customer has high loyalty to their preferred store to the point that they find it hard to switch to other retailers.

Based on the external performance measurement model of traditional retailers, an analysis is performed on the traditional retailers as described in the following points:

1. Government/ Department of Industry, Trade, and Cooperatives

• Most Retailers have no awareness of the importance of stores hygiene.

• Most Retailers have no awareness in improving customer's eagerness to shop.

• Employees are considered not friendly enough, opening the store behind schedule.

• Employees are not well dressed

• Low work motivation

• Pakaian tenaga kerja kurang rapi, sehingga terlihat tidak menarik

• Motivasi usaha rendah

2. Marketplace Manager

• A lot of retailers delay the stores rent payment

• Delayed monthly charges payment

• Low sales development, only high in particular days

• No marketplace events organized

• Customer visit rate increased

• Retailers have low participation in marketplace events

3. Distributor/Wholesaler/Supplier

• Merchandise shipment is done twice in a month

• Unstable merchandise prices depending on the demand and economic fluctuation

• Low inventory backup, especially for cash payment

• Material shipment quantity varies depeneding on the volume of demands

• Payment system accepting the post-dated cheque.

• High frequency of returning unsold products

• Other problem, such as: Delayed merchandise purchase payment

4. Competitors

• High availability of similar products in other stores

• High attractiveness of competitors

• Competitors resources in each store varied

• Competitors' customer services are similar

• Competitor with larger capital has a superior competitive advantage

• Giant retailers have better performances.

5. Customers

• Employees display low enthusiasm at work

• Employees are unable to give a good and friendly service to customers

• Customers are not satisfied with the store's customer service

• Customers are doing mouth-to-mouth marketing to promote the store indirectly to potential customers

• Customers do not feel comfortable to visit the store

• Lower product quality compared to shopping malls'.

• Prices can be high at times if retailers are not accepting bargain.

• Only accepting cash payment, debit cards are not usable.

6. Retail Owner

• Profile of Embroidery Retail Store: Meily collection was established in 2004 by Meily. Meily personally runs the store with her husband, employing one sales assistant to help the customers. The store is opened daily. Operational hours: 6:00 AM - 5:00 PM.

• The business strategy is starting the business, searching for funding alternatives, purchasing merchandise from Tanah Abang Wholesale Centre or importing from China. Merchandise supplies quantity depends on the amount of capital available.

• The Main threats are the new competitors

• In the last 2 years, the business achievement has been decreasing.

• Competitors sell similar products

• Innovation will always be a priority but the limited amount of capital is a major problem.

Retail performance model is based on a lot of sources which guarantees its objectiveness.

Sekulić (2009) defined performance as a display of a condition in whole of a company in a certain period, as a result or achievement influenced by the operational activities of the company by utilizing the available resources. The model of the performance measurement can be implemented with several techniques. Murphy et al., (1996) stated that retail performance is measured with sales volume, business effectiveness, customer loyalty, and customer utility. Performance of a business differs for each type of business, there is no exact right method to measure the performance of a business. Studies found that several factors are usable to measure the success of a business. Research results discover the performance model based on the internal measurement model on retailers which includes aspects such as, human resource management aspect, finance aspect, technical and operational aspect, market and marketing aspect. Other aspects are also usable to measure growth, such as, sales growth, capital growth, number of workforce increase, and profit growth. Each aspect has its own strength and weakness. Recommendation given to the traditional retailers based on the performance measurement models from the human resource mangement aspect advises the retailers to improve the leadership quality and the employees' skills in giving better service to the customers.

From the finance management aspect, retailers need to improve their finance management and achieve a better understanding of funding alternatives. From the technical and operational aspects, retailers need to control the inventory level, choose the right supplier offering reasonable prices. From the market and marketing aspects, the number of visitors are relatively large and the market has a good location, which will help increasing the market demand for the retailers. The high bargaining power causes the retailers to find difficulties in achieving higher profit, especially when the suppliers also increase their prices.

Customers of the traditional market are from low to middle classes in income. They have the tendency to bargain and negotiate for a lower price and discounts. This situation triggers a price war among the retailers. Another internal factors are used in measuring performance of each retailer. In general, the result of the analysis above shows that the increase of sales growth, capital growth, number of workers and profit growth are not considerably high. These are due to the decrease from each growth aspect shown on the tables above. Performance measurement can be done on the external conditions around the retailers, involving: Government/ Department of Industry, Trade, and Cooperatives, distributor/supplier/wholesaler, traditional market managers, competitors, and customers. Each retail store performance has not been able to meet the expectation to achieve a long-term business sustainability. Kellen (2003) concluded that the main condition required to maintain the retail performance is the company's capability to sustain for the long term, and the manager's capability to deal with the managerial challenges. For the external factor variable, the involvement of internal and external stakeholders is important to improve the performance of retail business.

5. CONCLUSION

The purpose of the research was to create a model of performance measurement for retailers in traditional market located in Tangerang Regency. Retail performance model involves four internal aspects: human resource management aspect, financial aspect, technical and operational aspect, and market and marketing aspect. Traditional retailers have weaknesses, mostly on the human resource management aspect and capital sources. External measurement is done involving: Government/ Department of Industry, Trade, and Cooperatives of Tangerang, distributor/supplier/wholesaler, traditional market managers, competitors, and customers. As described above, the retailers condition is not sufficient to increase the retail performance in traditional markets. There are several recommendations for the retailers, specifically on the human resource management aspect and capital sources.

Recommendations
1. Traditional retailers are supposed to focus on three competitive advantages to complement and increase the retail performance.
2. The result of performance measurement indicates that retailers still have weaknesses that require improvement.
3. Among the numbers of performance measurement model, a further research can be performed to determine if the evaluation result of the experiment on 4 traditional retailers can be developed for other retail stores.
4. Further research can determine the most dominant performance measurement. A development of instrument in large scale is expected so that the instrument can be validated internationally.

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