

One of the biggest company in Indonesia which is PT Hero Supermarket still survived, even though they didn't immune to this phenomenon but they are able to manage to stay, why is that possible? Because at the end of July 2021 they decided to close all Giant supermarket outlets that they essentially own, Giant itself isn't exactly a small outlet, but not as big as Carrefour or other outlets in Indonesia, but why do they want to close all of their outlets?

This is because they want to improve their finances after 34 percent year-on-year (yoy) to Rp 1.7 trillion (US\$118 million) in this year's first quarter. That condition is obviously very bad for the company, so it was a sensible move to close everything. PT Hero Supermarket president director Patrik Lindvall once said in an interview that "This decision was not easy, but we believe this is the best decision in Hero's long-term interest and for employees under the company." with such a big move to close every Giant supermarket, why the director seems confident that the move is the best for the company as a whole?

This is because they planned to focus on expanding 3 of their other retailers, which are IKEA furniture retail, Guardian pharmacy, and Hero supermarkets outlets. They also stated that they planned to convert five of the Giant outlets into IKEA stores and several others. This sound does not make sense for the average person to kill one company in exchange for others so why they decided to convert one to another? In the same interview, he expressed confidence that demand for household appliances, beauty products, and daily needs for upper-class Indonesians had strong growth potential.

In the first quarter of 2021, Hero's revenue drop was almost matched by a 33.2 percent year-on-year decline in expenses, such that the company booked a Rp 1.64 billion (\$114.470) net loss, this revenue drop is huge for the company so why is that possible in the first place that makes Hero close every Giant retail? This is due to the country's policy since April last year to implement large-scale social restrictions (PSBB), this decision made the offline retail struggle.