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Study Group : ML-43
ILT-SS-03-AU Critical Thinking Assignment

Who:

- PT Hero Supermarket
- Customers, especially Upper-class Indonesians
- Employees

Situation:

- Hero Group's revenue dropped 34 percent year-on-year to Rp 1.7 trillion (US\$118 million) in 2021's first quarter.
- Due to the pandemic, mobility restrictions limited shop operating hours and shifted more consumption online.

Complication:

- Publicly listed retail group PT Hero Supermarket plans to close all of its Giant supermarket outlets, and convert five of the Giant outlets into IKEA stores and several others into, to improve its finances.

Problem Statement:

5 Whys Analysis

1. Why did PT Hero Supermarket plan to close all of its Giant supermarket outlets?

Answer:

Hero wanted to improve its finances after the pandemic whammed Indonesia's retail industry.

2. Why did PT Hero Supermarket want to improve its finances?

Answer:

It's needed because its revenue dropped 34 percent year-on-year to Rp 1.7 trillion (US\$118 million) in 2021's first quarter.

3. Why did PT Hero Supermarket's revenue drop?

Answer:

Pandemic situations forced Mobility restrictions to limit shop operating hours and shifted more consumption online.

4. Why did PT Hero Supermarket plan to close all of its Giant supermarket outlets if they want to improve its finances?

Answer:

Hero planned to convert five of the Giant outlets into IKEA stores and several others because Lindvall (president director) acknowledged that supermarkets were declining in popularity worldwide.

5. Why did he plan that?

Answer:

Lindvall believed that demand for household appliances, beauty products and daily needs for upper-class Indonesians had strong growth potential.

Root Cause:

PT Hero Supermarket's revenue dropped drastically because of the pandemic and changing in customer's demand.