

Sustainability of Traditional Shop in The Middle of Minimarket in Tasikmalaya City

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Abstract— This study aims to maintain the sustainability of traditional shop in Tasikmalaya City. The rapid growth of minimarkets into residential areas, bad for traditional shop so it is necessary to know how its impact and its effect on the traditional shop around it. The specific purpose of this research is to find out the solution for traditional shop remain to survive and do the strategy in its business in the middle of the surrounding minimarket. In addition, this research is expected to be a best model in order to maintain the sustainability of SMEs, especially traditional shop business. The method used is Analytical Hierarchy Process (AHP) method. That is qualitative research aimed at the experts who most know the problems studied. The results show that the best internal solution to maintain the sustainability of traditional shop in the midst of the rampant minimarket is the quality of goods must be maintained, followed by specific characteristic of the shop. While external problems consist of capital support from the financial institutions followed by a Regional Regulation (PERDA) that regulates minimarket hours.

Keywords— Traditional Shop; minimarket; AHP

I. INTRODUCTION

The crisis that hit Indonesia in 1997 was preceded by the crisis of the rupiah against the US dollar and the monetary crisis that had an impact on the Indonesian economy that is economic recession. This is a very important lesson for re-looking at an economic development that really has a strong structure and can survive in any situation. When the economic crisis struck the world, it was automatically worsening economic conditions in Indonesia. When the crisis occurred in the period of 1997 to 1998, it was only the sector of SMEs (Micro and Small Enterprises) are able to remain strong standing. The Central Bureau of Statistics released that the situation after the economic crisis the number of MSMEs was not reduced. The SMEs's growth was increased, even able to absorb of 85 million to 107 million of laborforce until 2012. In Indonesia, development has been prioritized in the economic sector, while other sectors only

support and complement of the economic sector. One of the form of development in the economic sector is the emergence of modern store (minimarket). The presence of minimarket will certainly affect the traditional stores that are in the vicinity. This is because of most of consumers choose to shop at the minimarket. Beside providing the local goods, minimarkets is also provide imported goods with a more secure quality through the selection first strictly, so the goods that do not meet with the requirements (classification) will be rejected. In terms of price, minimarkets often hold promotions with attractive discounts and have a price tag that definitely allows middle to lower consumers to access the minimarket. These are some of the factors that cause people from all of the level to be interested in shopping to modern stores or minimarkets. The existence of this minimarket causes traditional shop in residential areas to lose customers, so that it can reduce the sales turnover. The existence of minimarkets which are very close with the others will certainly create the degree of competition and monopoly in the region. The minimarket is often doing promotions with attractive discounts. So that some of the consumers switch to the minimarket with better service quality than the traditional shop. This is one of the course to make the expectations of the traditional shop owners to get the income to fulfill the daily needs of the profits obtained to be faltered. As consumers, need the different things in shopping activities. This condition increases coincide with the increasing level of knowledge, the amount of income and the number of families with double income (husband and wife), with limited shopping time. Consumers demand to retailers to give more value from each spent of money. On the other hand, retailers should be able to accommodate these demands if they do not want to be abandoned by their customers [1]. The entering of a modern store to every road network system in the form of minimarkets has threatened the existence of traditional shop which located in the surrounding area, where the traditional shop provides household necessities such as groceries, food and beverages.

Traditional shop is a business owned by some people and made for their life support. Besides easy to establish --with the small of capital--, this business also has the potential to generate the profits directly. Traditional shop are generally a family business that can absorb the labor. As the times progressed, traditional shop gradually declined. This happens because of the emergence of modern stores on every road network system which is considered quite potential by the retail businessmen. Based on the data obtained from the Indonesian Retail Entrepreneurs Association (media data), the number of minimarkets in West Java are spread across the cities and in every road network system. Up to now, there are 1300 minimarkets, where are located on the road network system in Tasikmalaya City. Traditional shop owners in Tasikmalaya City complained about the presence of minimarkets in their area. According to them, it creates unbalanced competition in the region, especially for traditional shops located in villages which adjacent to the minimarket. Mudrajad Kuncoro, member of Kadin Economic Team (Chamber of Commerce and Industry) Indonesia in Bisnis Indonesia (2008), argued that the decline in sales turnover of merchants is tremendous and increasingly significant, if the traditional shop distance with a modern store below than one kilometer. Of course, it must be alternative solutions for traditional shop owners to survive in the middle of the rise minimarket. Based on the above explanation, it needs a solution to maintain the survival of traditional shop of SMES on the existence of a modern shop (minimarket) in Tasikmalaya City. So, through this research is expected to find the best solution to answer the existing problems at this time.

II. LITERATURE

Sinaga says that the modern market is a market managed by modern management, generally in urban areas, as a provider of goods and services with good quality and service to consumers (generally members of middle and upper class society) [2]. Modern markets include malls, supermarkets, department stores, shopping centers, franchises, mini supermarkets, supermarkets, department stores and so on. The goods sold here have a variety of different types. In addition to providing local goods, the modern market also provides imported goods. The goods sold have a relatively more secure quality because through the selection first strictly so that the goods that is not meet with the classification requirements will be rejected. In quantity, the modern market generally has an inventory of goods in a measured warehouse. In terms of price, the modern market has a fixed price tag (listed before and after taxes). The Indonesian government uses the term modern market with a modern store as outlined in Indonesia Regulation of the Minister of Trade no. 53/MDAG/PER/12/2008 concerning Guidelines for the Arrangement and Development of Traditional Markets, Shopping Centers and Modern Stores. It is defined that modern shops is shop with self-service, sells various types of goods in retail in the form of minimarkets, supermarkets, department stores, hypermarkets or wholesalers in the form of a mug[3]. Data from Retail Asia Online shows that retail Indomaret and Alfamart ranked 4th and 5th in Indonesia, while the ranking of Asia Pacific (RAP), Indomaret and Alfamart ranks 254 and 263 with turnover in 2007 of Rp 3,035 billion reached Indomaret with the number of outlets reached 1,800, and Rp 2,849 billion achieved Alfamart with the number of outlets 1.475 [4]. The presence of providers of goods and services with good quality

and service to consumers cause many people began to switch to the modern market to shop for everyday needs. Various kinds of modern markets include [5]:

- a) Minimarket: outlets selling retail products such as grocery stores with more modern service facilities. Wide space minimarket is between 50 m² to 200 m².
- b) Convenience store: This outlet looks like a minimarket in terms of products sold, but differs in price, opening hours, and room width, and location. Convenience store there are with a room between 200 m² to 450 m² and located in a strategic place, with a price that is more expensive than the minimarket price.
- c) Special store: is a store that has a complete inventory so that consumers do not need to move to another store to buy something a price that varies from affordable to expensive.
- d) Factory outlet: is a shop owned by a company / factory that sells the company's products, stops trading, cancels orders and sometimes sells quality goods number one.
- e) Distro (Disribution Store): a type of store in Indonesia that sells clothes and accessories that are entrusted by clothing makers, or self-produced.
- f) Supermarket: has a large medium to medium 300-1100 m² large 1100-2300 m².
- g) Replacement or rebate warehouse: sells products in large quantities to final noncustomers for resale or business use.
- h) Super store: is a department store that has a variety of goods more complete and larger than the supermarket
- i) Hypermarket: spacious room above 5000 m²
- j) Shopping center consisting of two kinds of mall and trade center.

Traditional markets are markets that are managed with more traditional and simple management than modern markets. Traditional markets are proprietary ownership. Nordhaus on one end of the spectrum (form of business organization) is a classic individual / private ownership of a small business often called a father and mother shop [6]. A small shop may generate several hundred dollars a day and barely provide a minimum wage for the owner's efforts. This business is large in number but small in terms of total sales. Generally the traditional market is located on the outskirts of urban / road or residential neighborhood. In Indonesia Minister of Trade Regulation explained that the traditional market is a market built and managed by the government, regional government, private sector, state-owned enterprises and regional-owned enterprises, including cooperation with private companies with shops, kiosks, shop and tents owned / managed by small, medium, community or cooperative traders with small-scale business, small capital and by buying and selling merchandise through bargaining [3]. Traditional markets include household shop, stalls shop, street vendors and so forth. The goods sold here are almost the same as those sold in the modern market with a variety of varieties. But traditional markets tend to sell only

local goods and are very difficult to find imported goods. Because goods sold in traditional markets tend to be similar to those in the modern market. Then the goods sold also have a relatively similar quality with goods in the modern market. In quantity, traditional markets generally have an inventory of goods that are slightly in line with the capital owned by the owner or demand from the consumer. In terms of traditional market prices do not have a fixed price tag because the price is adjusted to the amount of profit desired by each business owner individually. In addition, the market price is always changing so that when using the price tag more troublesome because it must change the price tag in accordance with changes in existing prices in the market.

Suryadarma said traditional shop are actually disturbed by internal problems and experience increasingly fierce competition from street vendors. But the rules made by the government should not be discriminatory and do not make the business world stagnate. Small, medium, large, or even intermediary traders or merchants should have equal opportunities in the business [7]. Research conducted by Wijayanti analyzed that the distance between traditional shop with minimarkets affects the decrease of turnover of traditional shop in Padurungan Sub-district, Semarang City [8]. The closer the distance between the two, the decrease in turnover of traditional shop is greater. The proximity of the location between the two can negatively affect the change of profits of traditional shop business. Prices in the minimarket are mostly cheaper than traditional retailers. As a result, close customers will switch if the time and cost to travel that distance is less than the difference between the selling price between the merchants. This is due to the existence of business competition as measured by the meter at the distance between the two. In this study, the minimarket which is a traditional shop contributor gives a negative impact on the change of business profits due to the close distance between the two. The proximity of the distance between them is measured by meters. Where the proximity of the distance between the traditional shop with the minimarket to make the level of competition to become bigger, so there is a change in the profits of traditional shop business. Mudrajad Kuncoro, member of Kadin Economic Team (Chamber of Commerce and Industry) Indonesia in Bisnis Indonesia, points out that the decline in sales turnover of merchants is tremendous and increasingly significant, if the distance between the traditional shop with modern stores below one kilometer. From the statement can be concluded that the distance between traditional shop with minimarkets, the location proximity between them negatively affect the change in profits of traditional shop business. Especially with the current conditions, where the growth minimarket very rapidly until entering the residential area. If the minimarket location is further away from the shop, then the profit earned is greater than the shop that are located closer to the minimarket. This is due to the existence of business competition as measured by the meter at the distance between the two.

III. METHOD

A. Types and Data Sources

The method used in this research is Analytic Hierarchy Process (AHP) which is method of decision making. In the Analytic Hierarchy Process (AHP) method, the data used are primary data obtained from interviews with experts / academics,

practitioners, and regulators, who have an understanding of the issues discussed [9]. Followed by filling the questionnaire at the second meeting with the respondents. Data ready for the AHP is the variables of respondents' assessment of the problem that became the object of the research in numerical scale

B. Population and Sampling

The selection of respondents in this study was conducted by considering the respondent's understanding of the problem under study [10-12] about SME / MSME in Tasikmalaya City running traditional shop business. The number of respondents in this study consists of seven people, with the consideration that they are quite competent in representing the entire population. The population in this survey are observers/academics, regulators, practitioners/professionals, who know the situation especially MSME/SMEs in Tasikmalaya City. In the AHP analysis the number of samples/respondents is not used as a benchmark of validity. A valid respondent's requirement is that they are people who are experts in their field. Questions in the AHP questionnaire consist of pairwise comparison between elements in the cluster to find out which of them is greater (more dominant) and how big the difference is seen from one side. The numerical scale 1-9 used is a translation of the verbal assessment. Filling in the questionnaire by the respondent should be accompanied by the researcher to keep the consistency of the answers given. In general, questions on the AHP questionnaire are numerous. So non-technical factors can lead to high levels of inconsistency.

C. Data Analysis Technique

Data obtained from the study will be analyzed by AHP method which is a method that can be used in various qualitative studies such as decision making, forecasting, evaluation, mapping, strategizing, resource allocation, and so forth. To determine the results of individual assessments of the respondents and determine the results of opinion on a group, an assessment was made by calculating the geometric mean [13]. The question of comparison (Pairwise comparison) of the respondents will be combined so as to form a consensus. Geometric mean is a type of average calculation that shows a certain tendency or value which has the following formula [14]:

$$(\prod_{i=1}^n a_i)^{1/n} = \sqrt[n]{a_1 a_2 \dots a_n}$$

IV. RESULT AND DISCUSSION

A. Result

The research that has been done is in the form of indepth interview to 7 respondents who are competent in the field of SME / MSME traditional shop related to the condition where there is a threat of sustainability of traditional shop in the midst of the rais of mini market. So obtained a solution that can be offered to maintain the sustainability of traditional shop in Tasikmalaya City. From the research, further questionnaires were formed to confirm the final answer of the study. Here is a description of the results of research on sustainability solutions traditional shop to be able to compete and survive with a modern shop (minimarket). The results are divided into two categories of solutions, namely internal solutions and external solutions. Here are the solutions offered according to the respondents:

1. Internal Solutions

There are nine internal solutions:

- Shop has a characteristic
- Quality of service should be better
- Selling price / price tag
- The place should be clean
- Orderly administration
- Structuring the goods should be more neat
- Items should be more varied
- Supply of goods must be maintained

2. External Solutions

There are five external solutions:

- Cooperation with modern market
- The price of goods is the same as minimarket and innovative
- The existence of local regulation regarding mini operational time
- Capital support from financial institutions
- Management training assistance from education and government institutions

“the quality of goods must be maintained” and “orderly administration”.

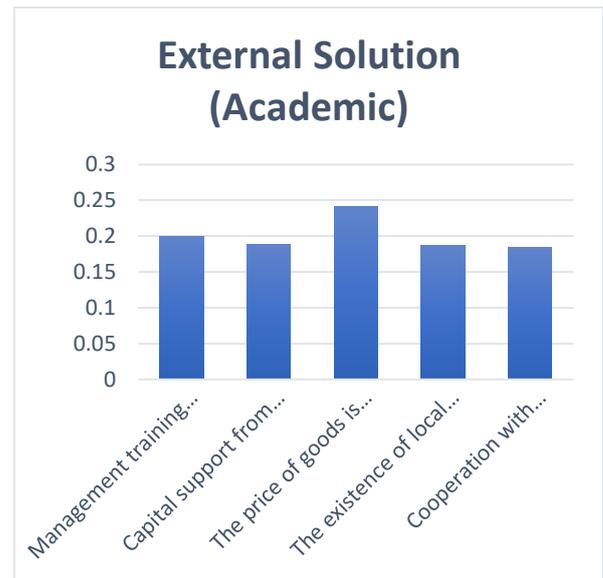


Fig 2. External Solutions Academic Perspectives

Furthermore, to find out the external solution from the perspective of academia can be seen in figure 2. The results of the analysis show that from the overall solution, the best external solution is "Price of goods must be same as in minimarket" and "any management training aid from government / educational institution".

B. Discussion

The results of the analysis using super decision software based on the consensus of the respondents are accounting experts and people who most know the condition of SMEs / SMEs traditional shop in Tasikmalaya both from practitioners, academics and regulations, it is known to solve problems that occur. The solution aspect is divided into two internal solutions and external solutions. In addition to the division of these aspects, the research results are also divided into groups of academic respondents, regulatory respondents (government) and practitioner respondents.

a. Category of academic respondents

The following research results based on academic categories:

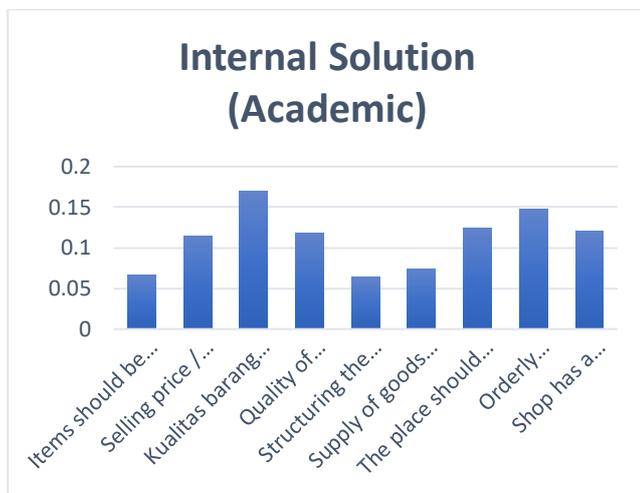


Fig 1. Internal Solutions Academic Perspective

Based on the academic perspective (see figure 1) above, there are two internal solutions that have the highest value of

b. Category of respondents Regulation (Government) The following research results are based on regulatory categories:

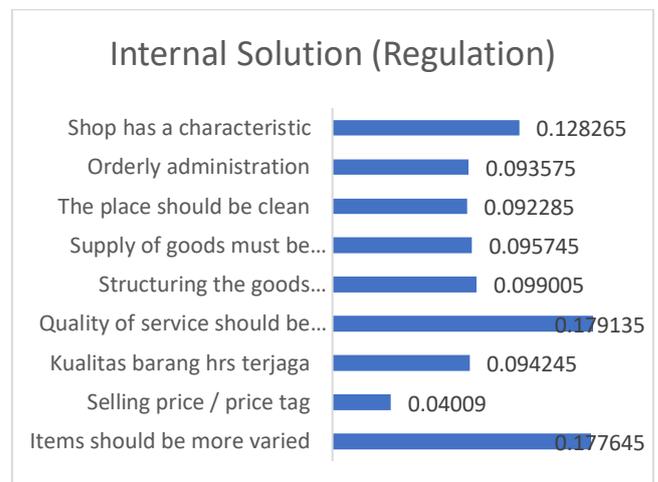


Fig 3. Internal Solutions Regulatory Perspective

Based on the regulatory perspective (see figure 3) above, there are two internal solutions with the highest value being "Quality of service should be better" and "Items must be more varied".

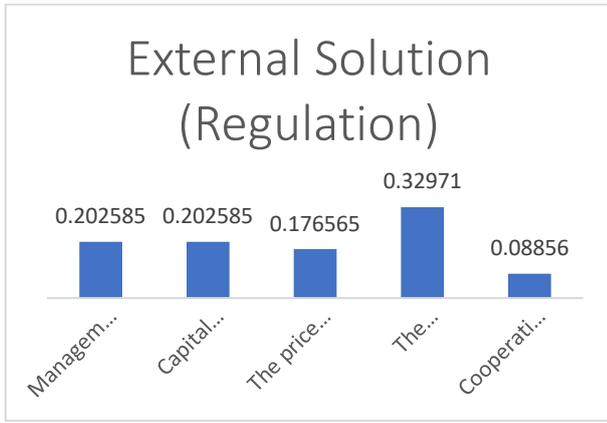


Fig 4. External Solutions Regulatory Perspectives

Furthermore, to find out the external solution from the perspective of regulation can be seen in figure 4. The results show that from the overall solution, there are 3 best external solution that is "There must be regulation which regulate minimarket working hours" followed by "existence of management training aid from government/educational institutions" and "the existence of capital support from financial institutions".

- c. Categories of respondents Practitioners The following research results are based on the categories of practitioners:

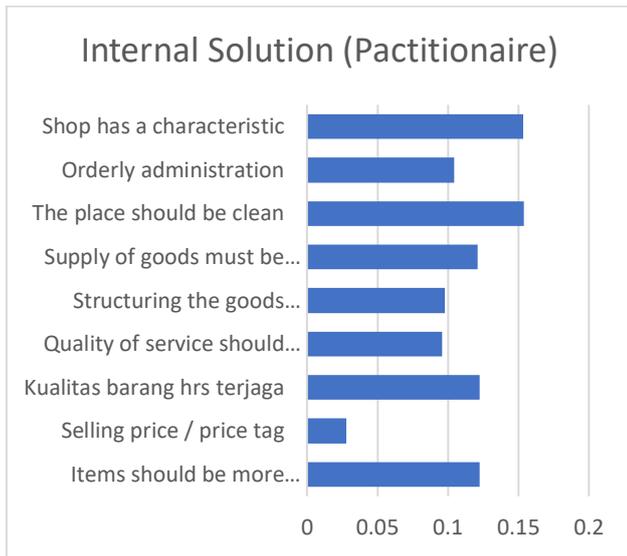


Fig 5. Internal Solutions Practitioner Perspective

Based on the practitioner's perspective (see figure 5) above, there are two internal solutions whose highest value is "Place must be clean" and "Shop must have characteristic".

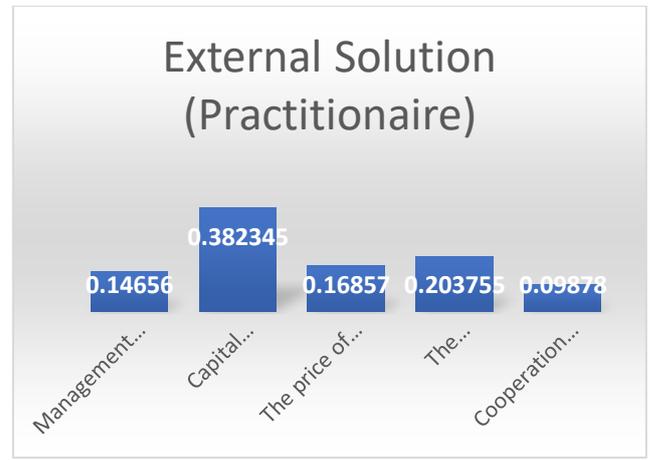


Fig 6. External Perspectives of Practitioner Perspectives

Furthermore, to find out the external solution from the perspective of regulation can be seen in Figure 6. The results show that from the overall solution, there are 2 best external solution that is "the existence of capital support from financial institution" and "there should be regulation which regulate minimarket working hours".

After knowing the solution of each category of respondents, then will be done analysis of the merger of all respondents. The following figure shows the results of research on combined internal solutions:



Fig 7. Internal Solution

Based on the results of research from all respondents, it is known that the best internal solution to maintain the sustainability of traditional shop today is "Quality of Goods must be maintained" followed by "shop have a characteristic". According to the respondents, the most important thing in maintaining the sustainability of traditional shop today is to maintain the quality of goods in order to remain as good as the quality of goods in the modern shop. This has become a challenge for traditional shop that the current merchandise is less awake so that consumers feel less comfortable in buying their

products. Therefore consumers prefer minimarkets than traditional shop. Gradually if this continues to happen then traditional shop will not last long. Therefore this factor becomes the main internal factor according to the views of the respondents. Another reason is that traditional food shop must have special characteristics, such as special sales of vegetables, special foods, specialty distribution, and others. So that people will find it easier to find their needs. If the shop does not have kash characteristics then when the consumer needs an item, the shop does not provide it.

Furthermore, to find out the best external solution of the overall combined respondents can be seen in Figure 8.

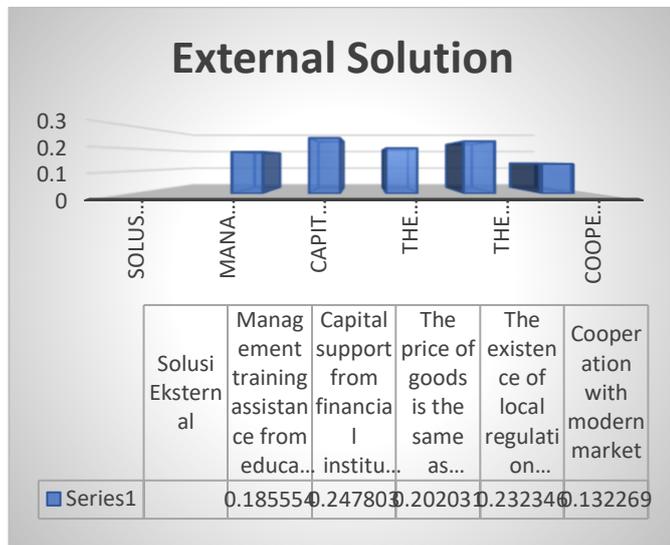


Fig 8. External Solution

Based on Figure 8 it can be seen that the best external solution of all respondents is "The existence of capital support from financial institutions" followed by "There should be a regulation governing mini market hours". The results of this study explain that capital is a very important factor for the sustainability of traditional shop. This is a very classic problem that capital is one of the factors that interfere with the sustainability of SMEs and MSMEs business, including traditional shop. Although this classical problem continues to occur, but according to the views of respondents that capital is indispensable to support the sustainability of traditional shop business. Therefore there must be a good model in solving the problems related to this capital. The second external solution is that there should be a regulation that regulates the working hours of the minimarket. During this minimarket operates for 24 hours, so by looking at the situation that is very precarious for traditional shop, minimarkets that operate for 24 hours greatly reduce the opportunity for traditional shop in obtaining consumers. Therefore it is necessary to support Local Government to issue regulation related to minimarket working hours.

V. CONCLUSION AND SUGGESTION

A. Conclusion

Based on the results of the analysis and discussion in the previous chapter, the results of this study can be summarized as follows:

- 1) Solving solutions to maintain sustainability of traditional shop can be divided into internal and external problems consisting of academic, regulatory (government) and practitioner perspective.
- 2) The results of the whole analysis show that the biggest internal solution is the quality of goods must be maintained, followed by the shop should be has a specific characteristic. While the external solution is the need for capital support from financial institutions followed by Regional Regulation (PERDA) that regulates minimarket working hours.

B. Suggestion

There are some suggestions that the authors convey related to this research, namely as follows:

- 1) It is needed cooperation with the various parties, government, academicians, consultants and other parties to socialize the importance of the management of traditional shop business in order to maintain its sustainability;
- 2) Research respondents can be replicated up to 9 people or 13 people for getting the better research results;
- 3) In relation to the findings of external solutions above, we recommend that the Regional Regulation (PERDA) on Minimarket Arrangement in Tasikmalaya City need to be issued soon which reinforced by the convenience of MSMEs (traditional shop) players in accessing the necessary capital stimulants.

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