

# THE IMPACT OF THE ESTABLISHMENT OF MODERN SHOP IN THE MIDDLE OF GROCERY SHOP (Survey on Grocery Stores in Cisaga District, Ciamis)

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## ABSTRACT

*This research is analyzing about solution of impact of appearance modern stores toward grocery stores at subdistrict in Ciamis. This research indicate that appearance of modern stores and the distance between modern store and grocery store affect the change of sales turnover and profit of grocery stores. The purpose of this research is to find out solution about impact of appearance and the distance between modern store and grocery store affect the of change of sales turnover and profit of grocery stores.*

*This research use descriptive analysis based on data collecting by interview, observation and literature study to explain affect from appearance and the distance between modern store and grocery store toward change of sales turnover and profit of grocery stores.*

*Consistent with prior researches, the result based on data collecting by interview, observation and literatures study show that the grocery stores in subdistrict Ciamis can't compete with modern stores, it showed from the decreased of sales turnover and profit in grocery stores. The average decrease of sales turnover in grocery store is 34,21%, while profit have the average decrease 35,26%. The other result show decreasing of sales turnover and profit is more significantly when the distance between grocery store and modern store between one to two kilometer.*

**Keyword:** grocery store, modern store, sales turnover, profit and distance.

## Introduction

In Indonesia, so far development has been prioritized in the economic sector, while other sectors only support and complement the economic sector. One form of development in the economic sector is the emergence of modern shops (minimarkets).

The presence of minimarkets will certainly affect the grocery stores around, this is because most consumers choose to shop at minimarkets. In addition to providing local goods, minimarkets also provide imported goods with more guaranteed quality because they go through a strict prior selection so that goods that do not meet the classification requirements will be rejected. In terms of price, minimarkets often hold promotions with attractive discounts and have a price tag that definitely allows middle

and lower consumers to access minimarkets. These are some of the factors that cause people from all walks of life to be interested in shopping at modern stores or minimarkets.

The entry of modern shops into every road network system in the form of minimarkets has threatened the existence of grocery shops in the surrounding area, where grocery shops are stores that provide household needs such as basic necessities, food and beverages. Grocery shops are businesses that are owned by some people and are used as their livelihood. In addition to being easy in terms of establishment with a small capital, this business also has the potential to generate profits directly. Grocery shops in general are family businesses that do not rule out the possibility to also absorb labor.

Along with the development of the times, grocery stores are increasingly experiencing setbacks, this happens because of the emergence of modern shops on each road network system which is considered quite potential by retail businessmen. Based on data obtained from the Association of Indonesian Retailers (media data), the number of minimarkets in West Java spread across cities and in each road network system to date has amounted to 1,300 minimarkets, of which are located on the road network system located in Cisaga District, Ciamis.

The owners of grocery shops in Cisaga Sub-district complained about the presence of minimarkets in their area, according to them, this has created an unbalanced competition in the area, especially for grocery shops located in villages that are close to the existence of the minimarket. Mudrajad Kuncoro, a member of the Indonesian Chamber of Commerce and Industry (Kadin) Economic Team in Bisnis Indonesia (2008), stated that the sales turnover of small traders decreased tremendously and was more significant if the distance between their kiosk or shop from a modern shop was less than one kilometer. Of course there must be an alternative solution for grocery shop owners in order to survive in the midst of the rise of minimarkets that are standing.

### ***Literature Review***

Residents in meeting their needs carry out economic activities both in the formal and informal sectors. The high population growth in urban areas has led to reduced employment opportunities in the formal sector. This is what causes informal sector activities to be used as an alternative livelihood for the community [1]. Most of this informal sector occurs in urban areas, which are dominantly areas that have great opportunities to find work. Limited capital, resources, access to finance, not bound by time and labor that comes from the family environment, make grocery shops have characteristics similar to the informal sector. Along with the development of the era, the existence of grocery shops based on the people's economy has decreased. This is due to the emergence of a modern market which is considered quite potential by retail businessmen. Modern retail that is experiencing rapid growth at this time is Minimarket with a franchise concept [2].

Grocery shops are actually almost the same economic function as modern shops, but based on the term grocery shops tend to be simple, and grocery shops are generally associated with places where food and beverages are sold. Physically, modern shops seem luxurious in terms of building architecture compared to grocery shops. Generally, grocery shops can be found in residential or residential areas, on the outskirts of urban areas or on the streets. Grocery shops are often also known as grocery stores. Grocery shops have the meaning of small shops where they sell grocery or food items, while *kelontongan* has the meaning of flexing tools that are always sounded by merchandise vendors to attract the attention of buyers and goods for daily needs.

Grocery shops are usually located not far from the owner's house, although there are still many grocery shops which are located far from the shop owner. Grocery shops are the foremost means in serving the needs of the community before modern

shops. Not a few of these grocery shops are used as the main source of income for some people, so that shop owners can support their family members, not even a few shop owners can send their children to university level.

Grocery shop businesses or better known as grocery stores have a market structure that tends to be monopolistic. This is due to the large number of sellers and the goods being sold are of the same type but different in style (varies). Grocery shops are a form of small industry or family business because the number of workers is small, which is around 1-5 people who are usually members of their own family. With a relatively small capital, this type of grocery shop business is relatively easy to enter the industry or market to set up. In terms of price, stores have little power to influence prices. The price applied is adjusted to the amount of profit desired by each shop owner individually.

Regulation of the Minister of Trade of the Republic of Indonesia No 53/M-DAG/PER/12/2008 states that a modern store is a store with a self-service system, selling various types of goods in retail in the form of minimarkets, supermarkets, department stores, hypermarkets or wholesalers in the form of wholesalers. Another definition of a modern market is a market that is managed with modern management, generally in urban areas, as a provider of goods and services with good service quality to consumers (generally members of the upper middle class) .

Presidential Regulation No. 112 of 2007 "Regarding the Arrangement and Development of Grocery Markets, Shopping Centers and Modern Stores" Article 5 Paragraph 4 states that minimarkets may be located on any road network system. The Presidential Regulation triggers retail entrepreneurs to open minimarkets on every road network system that is considered to have very good potential.

The use of the word minimarket when viewed word-by-word becomes mini which has a small meaning and market which has a market meaning, if interpreted freely minimarket has the meaning of a small market. Remind someone of the market, where there are various kinds of products for sale. This means that the store sells goods that are quite varied so it is likely that the product that the customer needs will be there. The understanding that arises in people's minds is the concept of procurement of goods, where the goods available in the store are quite varied. The next definition of minimarket is a store that fills the community's need for a store with a modern format that is close to residential areas so that it can outperform grocery stores [3].

Based on the description above, it can be concluded that the definition of a minimarket is a kind of "grocery store" or one that sells all kinds of goods and food, but it is not as complete and as big as a supermarket. In contrast to grocery stores, minimarkets apply a self-service system, where shoppers pick up the items they need from the merchandise shelves and pay at the cashier.

The emergence of modern markets, especially minimarkets in Indonesia, will eventually shift grocery stores. This happens because of consumer patterns in shopping and it is necessary to realize that every consumer has different needs. Consumer needs can be classified into two categories, namely functional needs (functional needs), these needs are directly related to the form or appearance (performance) of the product and psychological needs (psychological needs), these needs are associated with the mental needs of consumers that can be met by shopping. or buying and owning a product [4].

Many products can meet functional needs as well as psychological needs. With the higher level of consumer income, the higher the psychological needs as well. This is what causes the need for convenience shopping, good service, branded and trendy products is more important for consumers in urban areas compared to consumers in rural areas whose income levels are clearly different.

The law related to the regulation of modern shops is contained in Law no. 25 of 2007 concerning Investment and Law no. 20 of 2008 concerning Micro, Small and Medium Enterprises. UU no. 25 of 2007 concerning Investment mandates the

government to determine business fields that are reserved for micro, small, and medium enterprises, as well as cooperatives, and for business fields open to large businesses must cooperate with micro, small and medium enterprises, as well as cooperatives.

UU no. 20 of 2008 concerning Micro, Small, and Medium Enterprises states that Large Enterprises that expand their business by means of franchising provide opportunities and prioritize Micro, Small, and Medium Enterprises that have the ability.

These restrictions seem to be ignored by modern shop entrepreneurs, so that the peak is the establishment of modern shops that are out of control and threaten the surrounding economy. The impact of the emergence of minimarkets into each road network system on the existence of the above grocery shops is contrary to the Presidential Regulation of the Republic of Indonesia No. 112 of 2007 "Regarding the Arrangement and Development of Grocery Markets, Shopping Centers and Modern Stores" in article 4 paragraph 1 (a) it is stated that modern shops must take into account the socio-economic conditions of the community, the existence of grocery markets, small and medium enterprises in the area. concerned. The implementation of the above regulations has been carried out by entrepreneurs at the time of the establishment of minimarkets, but this does not prevent the existence of unbalanced competition between minimarkets and grocery stores in the area concerned. Whereas the form of grocery shop business is a mainstay business for some people who must maintain its existence, because grocery shops are the main source of income for them.

**Privious Research**

The results of the three researchers in Table 2.1 show that the existence of modern markets or modern shops, especially mini-markets, has a negative impact on grocery markets and shops. This can be seen clearly with the results of the study showing that grocery shops which are less than one kilometer away from minimarkets experienced a significant decrease in profits, another impact was a decrease in working capital, reduced store opening hours, a decrease in the number of sales of goods, a decrease in the number of buyers and a decrease in the income of grocery stores. The conclusion is that modern markets or modern shops (minimarkets) have a negative influence on MSMEs in the trade sector.

*Table 2.1*

Previous Research

No	Researcher	Title	Result
1.	[5]	Analisis Pengaruh Perubahan Keuntungan Usaha Toko Tradisional Dengan Munculnya Minimarket (Studi Kasus di Kecamatan Pedurungan Kota Semarang)	Grocery shops which are less than one kilometer from minimarkets experience a significant decrease in profits.
2.	[6]	Dampak Keberadaan Pasar Modern Terhadap Kinerja Ekonomi Regional	The presence of modern markets has a negative influence, one of which is on the MSME trade sector.
3.	[7]	Dampak Minimarket Terhadap Eksistensi Toko Tradisional di	The impact of the existence of minimarkets on the existence of grocery stores is the decrease in

Kota Singaraja

working capital, reduced store opening hours, a decrease in the number of sales of goods, the number of buyers and the income of grocery stores.

### **Methodology**

#### **Research Design**

This research design is descriptive qualitative by conducting direct observations or observations, interviews and documentation. Descriptive method is a method used to examine the status of human groups, an object, a condition and a system of thought and events that will occur.

The purpose of a descriptive study is to make an exploratory picture or painting in a systematic, factual and accurate way about the facts, characteristics and relationships between various phenomena to be studied. Based on these thoughts and by using direct observation methods, interview guides, conducting in-depth interviews and document studies, a description of what happened and trying to get facts related to modern shops (minimarkets) with grocery stores will be analyzed to then analyze solutions that can be used by grocery stores. to survive.

#### **Research Target**

The population of this study were grocery shops and minimarkets in Cisaga District, Ciamis Regency, but because the data regarding the number of grocery shops could not be obtained, the research population was determined using the target population by giving certain criteria to members of the population. The criteria used for the target population in this study are as follows:

1. A grocery shop that is one to two kilometers away from a mini market.
2. Grocery stores that have existed before the emergence of minimarkets, namely grocery stores that have existed before 2005.

Based on the criteria above and the results of the survey, it can be concluded that there are 42 grocery shops that are not more than 2 kilometers away from minimarkets and the number of grocery shops that existed before the emergence of minimarkets, namely before 2005 was 19 stores. So it can be determined that the total population is 19 grocery shops.

#### **Data Collection Technique**

To obtain the required data, the author uses several techniques in data collection when viewed in terms of the method or technique of data collection can be done by interview (interview), [8]questionnaire (questionnaire), observation (observation), and a combination of the three. The data collection techniques that researchers use are as follows:

1. Interview

Namely direct and face-to-face interview techniques by asking a number of questions to the parties involved in obtaining information and data needed in research.

2. Observation

That is the method of collecting data by observing directly the implementation activities in the field.

3. Library Research (Library Research)

That is research by reading literature books, diktat, papers, and other legislation needed in connection with the problem under study.



**Data Analysis Techniques**

To analyze the data obtained in this study, the authors used descriptive analysis techniques, namely the method by compiling the data obtained and then interpreted and analyzed so as to provide information for solving the problems encountered, according to the research design. The results of interviews and observations were collected, reviewed and concluded. In addition, researchers also tried to analyze the results of the study in the form of a SWOT analysis (Strength, Weakness, Opportunity, Threat) which can be used as a solution for grocery stores in order to survive in the midst of the proliferation of minimarkets. The data that has been collected, processed and analyzed descriptively using a SWOT analysis tool which is a qualitative analysis carried out by examining internal and external factors. Internal factors in this case are Strength (strength or potential) and Weakness (weakness or constraint). External factors consist of Opportunity (opportunity) and Threat (threat).

According to [9] the performance of a company or organization can be determined by a combination of internal and external factors. Both of these factors should be considered in a SWOT analysis. SWOT analysis compares external factors which are opportunities and threats with internal factors which are strengths and weaknesses. The combination of internal factors with external factors, namely:

1. SO Strategy (Strengths Opportunities)

SO strategy is a strategy that is made based on the object's way of thinking, namely by using all strengths to seize and utilize the SO strategy is a strategy that is made based on the object's mindset, namely by using all strengths to seize and take advantage of opportunities as much as possible.

2. ST Strategy (Strengths Threats)

ST strategy is a strategy that uses the strengths of the object to deal with threats.

3. WO (Weaknesses Opportunities) Strategy

This WO strategy is determined based on the utilization of existing opportunities by minimizing existing weaknesses.

4. WT Strategy (Weaknesses Threats)

The WT strategy is based on activities that are defensive in nature and seek to minimize existing weaknesses and avoid threats.

Table 3.1

SWOT Matrix

Internal	<b>Strength (S)</b> Determine the internal strength factors	<b>Weakness (W)</b> Determine the internal weakness factors
External		
<b>Opportunities (O)</b> Determine the external opportunities factors	<b>S-O strategies</b> Create strategies that use strengths to take advantage of opportunities.	<b>W-O strategies</b> Create strategies that minimize weaknesses to take advantage of opportunities.
<b>Threat (T)</b> Determine the external Threat factors	<b>S-T strategies</b> Create strategies that use strengths to overcome threats.	<b>W-O strategies</b> Create strategies to minimize weaknesses and avoid threats.

Sumber: (Rangkuti 2008:31)

### **Result and Discussion**

This study was made with the aim of describing the impact of the establishment of minimarkets on grocery shops in Cisaga District. The following are the results of the research.

#### **Result**

#### **Descriptive Analysis of Changes in Sales Turnover of Grocery Stores Due to the Emergence of Minimarkets**

Based on data obtained from grocery shop owners directly regarding changes in sales turnover due to the emergence of minimarkets, where they stated that there was a decrease in sales turnover due to the emergence of minimarkets. The following is data regarding the decline in sales turnover of grocery stores due to the emergence of minimarkets:

Based on Table 4.1, the Decrease in Sales Turnover of Grocery Stores Due to the Emergence of Minimarkets shows that the smallest decrease in sales turnover was 10% experienced by one of the grocery stores. The biggest decline in sales turnover was experienced by two grocery shops, which was 75%. While the average decline in sales turnover of grocery stores due to the emergence of minimarkets in Cisaga District is 34.21%. The data above shows that the emergence of minimarkets causes a decrease in sales turnover of grocery stores in Cisaga District.

*Table 4.1*

Decrease in Grocery Store Sales Turnover  
The Consequences of the Emergence of Minimarkets

No	Store	Decrease in Sales Turnover (%)
1	Toko Kurnia	75
2	Toko Asli	75
3	Jaya Mukti	60
4	Karya Mekar	50
5	Pak Ramdan	45
6	Toko Rasi	40
7	Toko Santi	30
8	Pak Maman	30
9	Ibu Neneng	35
10	Revan Putra	30
11	Pak Aan	30
12	Pak Wawan	30
13	Toko Rizal	20
14	Boengsoe	20
15	Ma Entar	20
16	Toko Mernah	15
17	Pak Ondo	20
18	Ibu Nyai	10
19	Toko Cecep	15
Average		34.21%

Source: grocery store owners (2013)

### Changes in Profits of Grocery Stores Due to the Emergence of Minimarkets

Based on data obtained from grocery shop owners directly regarding changes in profits due to the emergence of minimarkets, where they stated that there was a decrease in profits due to the emergence of minimarkets. The following is data regarding the decline in grocery store profits due to the emergence of minimarkets.

Based on Table 4.2 Changes in Profits of Grocery Stores Due to the Emergence of Minimarkets, the smallest decrease in profit is 10% experienced by one of the grocery shops. The biggest decrease in profits was experienced by two grocery shops, which was 75%. Meanwhile, the average decrease in profits for grocery stores due to the emergence of minimarkets in Cisaga District is 35.26%. The data above shows that the emergence of minimarkets causes a decrease in the profits of grocery stores in Cisaga District.

*Table 4.2*

Changes in Grocery Store Profits Due to the Emergence of Minimarkets

No	Store	Profit Change (%)
1	Toko Kurnia	75
2	Toko Asli	75
3	Jaya Mukti	65
4	Karya Mekar	50
5	Pak Ramdan	45
6	Toko Rasi	40
7	Toko Santi	35
8	Pak Maman	30
9	Ibu Neneng	35
10	Revan Putra	30
11	Pak Aan	30
12	Pak Wawan	30
13	Toko Rizal	25
14	Boengsoe	20
15	Ma Entar	20
16	Toko Mernah	20
17	Pak Ondo	20
18	Ibu Nyai	10
19	Toko Cecep	15

**Source: grocery store owners (2013)**

### Distance from Grocery Stores to Minimarkets

The distance between grocery stores and minimarkets based on the criteria set in the target population is grocery stores that have a distance of 1 to 2 kilometers from minimarkets, because grocery stores with these criteria are indicated to be directly affected by changes in profits due to the emergence of minimarkets. This is based on the results of research conducted by Mudrajad Kuncoro, a member of the Indonesian Chamber of Commerce and Industry (Kadin) Economic Team in Bisnis Indonesia (2008), who stated that the decline in sales turnover of small traders was tremendous and more significant, if the distance between the kiosk or the shop was from the store. modern under one kilometer. In order for the results of data analysis to vary, the researchers determined that grocery stores that fall into this criterion are



stores that are close to a minimarket between 1 to 2 kilometers, so that it can be seen the difference in turnover changes and profits of grocery stores due to the emergence of minimarkets between stores that are less than 1 kilometer away. with shops that are more than 1 kilometer away. Table 3.2 presents data on the distance between grocery shops and minimarkets obtained from the statements of grocery shop owners.

Based on Table 4.3, the Distance between Grocery Stores and Minimarkets shows that grocery shops which are located from 0 to 1000 meters (m) with minimarkets are 14 shops, while grocery shops are located from 1001 to 2000 meters (m) with 5 minimarkets. shop.

Tabel 4.3

*Distance from Grocery Stores to Minimarkets*

No	Store	Distances (m)
1	Toko Kurnia	30
2	Toko Asli	30
3	Jaya Mukti	30
4	Karya Mekar	50
5	Pak Ramdan	50
6	Toko Rasi	200
7	Toko Santi	400
8	Pak Maman	500
9	Ibu Neneng	600
10	Revan Putra	800
11	Pak Aan	800
12	Pak Wawan	1000
13	Toko Rizal	1000
14	Boengsoe	1000
15	Ma Entar	1050
16	Toko Mernah	1500
17	Pak Ondo	1500
18	Ibu Nyai	1800
19	Toko Cecep	2000

**Source: grocery store owners (2013)**

**SWOT Analysis**

The results of the research above explain that grocery stores cannot compete with minimarkets, but that does not mean that minimarkets do not have weaknesses that can be exploited by grocery stores as a gap so that grocery stores can compete competitively with minimarkets, because even grocery stores based on observations have several advantages. . The following are the advantages and disadvantages of minimarkets and grocery shops, and with a SWOT analysis the author intends to provide solutions for:

1. The advantages and disadvantages of minimarkets
  - a. Strength:
    - Has an interesting shape
    - Have comfort in space and cleanliness
    - Good service to buyers

- Always bring up new promos in products accompanied by discounts (discounts)
- Strict screening is carried out on the products sold, so that in terms of quality there is no doubt about it
- b. Weakness:
  - The price is right, so the price is non-negotiable
  - Can't buy retail
  - Some SPGs are sometimes unfriendly or disrespectful
- 2. Advantages and disadvantages of grocery shops
- a. Strength:
  - Friendly to buyers
  - Price is negotiable
  - Can buy retail
  - Can fulfill orders for customers
  - Can be owed and paid later
- b. Weakness:
  - Unattractive shop form
  - The layout of the goods in the store is not arranged comfortably
  - Not always paying attention to comfort and cleanliness
  - Incomplete items
  - Lack of lighting
  - Lack of capital

### ***Discussions***

Based on the data obtained regarding changes in sales turnover, distance and also changes in profits, where the decline in sales turnover is tremendous and significant if grocery stores are located at a distance of less than 1 kilometer from minimarkets. Grocery stores with a distance of less than one kilometer from minimarkets experienced a decrease in sales turnover by an average of 40.71%, where the largest decline in sales turnover was experienced by grocery stores with a distance of 30 meters (m) from minimarkets, which was 75%. Meanwhile, the lowest decline in sales turnover was experienced by grocery stores which were 1000 meters (m) away from minimarkets, which was 20%. Meanwhile, grocery shops with a distance of more than one kilometer from minimarkets on average experienced a decrease in sales turnover by 16%, where the largest decline in sales turnover was experienced by grocery stores with a distance of 1050 meters (m) from minimarkets, which was 20%. Meanwhile, the lowest decline in sales turnover was experienced by grocery stores which were 1800 meters (m) away from minimarkets, which was 10%.

Likewise, the change in profits for grocery stores due to the emergence of minimarkets, where profits drop dramatically and significantly if grocery stores are located less than 1 kilometer from the minimarket. Grocery shops with a distance of less than one kilometer from minimarkets on average experienced a decrease in profits of 41.79%, where the largest decrease in profits was experienced by grocery shops with a distance of 30 meters (m) from minimarkets, which was 75%. Meanwhile, the lowest profit decline was experienced by grocery stores which were 1000 meters (m) away from minimarkets, which was 20%. Meanwhile, grocery stores with a distance of more than one kilometer from minimarkets experienced a decrease in profits by 17% on average, where the largest decrease in profits was experienced by grocery stores with a distance of 1050-1500 meters (m) from minimarkets, which was 20%. Meanwhile, the lowest profit decline was experienced by grocery shops which were 1800 meters (m) away from minimarkets, which was 10%.

a) The description above shows that the results of the study indicate that the decline in turnover and profits of grocery stores is influenced by the establishment of

minimarkets that are located within a distance of one to two kilometers. Based on the literature and research results, the author tries to suggest the factors that influence the low perception of traders on efforts to protect grocery markets in Cisaga District, Ciamis Regency, among others:

b) The government is considered less responsive in responding to the development of minimarkets in supermarkets around Cisaga District.

c) There has not been a strong commitment from the parties, so far it is felt that there is no common understanding about the importance of structuring and fostering grocery shops and minimarkets.

d) The unavailability of human resources who are at least able to make simple financial records.

e) Poor service and Lack of guidance for grocery shop business actors.

Most of the reasons above can be overcome by shopping at minimarkets (supermarkets) that prioritize the concept of convenience for consumers, including product completeness, which in this case is basic household products for minimarkets, good product layout and not mixed, the location is close to the settlement, and the price is not too high. [10]state that the impact of minimarkets on grocery stores will affect capital, business activity patterns, sales turnover, consumers, and income. According to [11]states that the distribution of grocery shops is influenced by population, population density, number of households and the percentage of households with children. Residents are the main target of grocery shop businesses, namely as consumers. The more the population in an area, the greater the potential for that population to become consumers.

According to [11]states that the even distribution of modern retail (minimarkets) is influenced by planning policy factors (KP). Determining the location of the minimarket depends on the planning policy, which is to ensure that in an area it is allowed to establish a minimarket, it must first consult with local planners and see the land use in the area. This is done to ensure that the location where the minimarket will be set up is projected for the trading area. If the local planning authority limits and prohibits the construction of mini-markets in that location because the trade structure in the area is no longer open for large-scale trading or mini-markets to be built, then mini-markets cannot be built at that location so that the establishment of mini-markets is limited to certain locations in accordance with obtaining a permit from the local government. Government.

Another study that is in line with this study states that the presence of modern markets has a negative influence, one of which is on the MSME trade sector, one of which is grocery stores which are less than one kilometer from the minimarket, which has decreased profits significantly [12] and the impact of the existence of minimarkets on the existence of minimarkets. grocery stores, namely decreasing working capital, reduced store opening hours, decreased sales of goods, number of buyers and income of grocery stores [12]

In addition, another impact is creating competition between minimarkets and grocery stores. Based on the observations made by the researchers, there are several phenomena that explain the occurrence of competition between grocery stores and minimarkets, which can be seen from changes in business activity patterns, changes in the number of consumers, as well as the advantages and disadvantages of minimarkets and grocery stores. Next, the researcher will explain each of the phenomena that occur.

Changes in the pattern of business activities can be seen from two aspects, namely changes in the use of labor and changes in the length of shop opening hours. From the observations of the researchers, some grocery shops choose to reduce the number of workers and there are even some grocery shops that no longer use labor services, with the aim of reducing their burden in terms of spending on labor salaries, because they experienced a decrease in sales turnover due to the

emergence of mini Market. Another purpose of the decline and even eliminating labor services at grocery stores, due to the reduced number of consumers, so that buying and selling activities in their stores are not as busy as the situation or situation before the emergence of minimarkets, where they still have a lot of customers.

The length of opening hours for grocery shops shows that there is a change in the length of opening hours due to the emergence of minimarkets. This situation can be seen from the various changes in the length of opening hours of grocery stores, some choose to reduce opening hours due to lack of buyers and some increase their opening hours with the aim of attracting consumers when the minimarket has closed. In terms of competition between grocery stores and minimarkets, it is clear that after the emergence of minimarkets, grocery stores have experienced some changes in the length of their opening hours due to a decrease in the number of consumers during the normal opening hours of each grocery store. The decrease in the number of consumers has resulted in grocery stores choosing to close early due to lack of buyers, it is different with some grocery shops who choose to increase their opening hours due to the lack of buyers during normal opening hours in the hope of attracting consumers after minimarket operating hours have ended. Minimarket opening hours are consistent, which is 14 hours/day. Changes in the length of opening hours indicate that grocery stores are unable to compete with minimarkets due to a decrease in the quantity of consumers to shop at grocery stores, because most consumers prefer to shop at minimarkets during normal operating hours of grocery stores.

Based on observations made by researchers, the number of consumers of grocery stores tends to decrease due to the emergence of minimarkets. This situation can be seen from the increasingly lonely consumers who shop at grocery stores. Before the advent of minimarkets, consumers routinely shopped for their daily needs at grocery stores. However, after the emergence of minimarkets, there was a change in consumer habits to buy daily necessities, this change in habits can be seen from the many shopping activities for daily necessities at minimarkets that occur at the beginning of every month, where most consumers prefer to shop for daily necessities at minimarkets. in large quantities with the aim of meeting their daily needs for a full month, and even if their daily needs are not sufficient for a full month, most of them still fulfill it by shopping at minimarkets. This shows that the number of grocery shop consumers has decreased due to the emergence of minimarkets.

There must be a solution so that grocery stores can continue to survive in the midst of the rise of minimarkets. The following table presents a SWOT analysis that can be used as a strategy for grocery store owners.

*Tabel 4.4*

SWOT Matrix for Grocery Store

s	<p>Strength (S)</p> <p>Friendly to buyers</p> <p>Price is negotiable</p> <p>Can buy retail</p> <p>Can fulfill orders for customers</p> <p>Can be owed and paid later</p>	<p>Weakness (W)</p> <p>Unattractive shop form</p> <p>The layout of the goods in the store is not arranged comfortably</p> <p>Not always paying attention to comfort and cleanliness</p> <p>Incomplete items</p> <p>Lack of lighting</p> <p>Lack of capital</p>
<p>External Opportunity (O)</p>	<p>Grocery shop owners can take advantage of the weaknesses of minimarkets to</p>	<p>In order to survive grocery shop owners can do the following:</p>

<p>The price is right, so the price is non-negotiable                  Can't buy retail                  Some SPGs are sometimes unfriendly or disrespectful                  Items that can be purchased are only items on the display.</p>	<p>survive, namely by:                  It can directly provide price flexibility while still paying attention to profits                  Continue to maintain sales of goods whose quantity is according to customer needs.                  As the direct owner of the shop and the caretaker, you must feel you have more than a minimarket that is guarded by other people, of course you must be more friendly in service, more familiar.                  Want to fulfill what the customer ordered for the next shopping and inform if the order already exists.                  Provide debt service only to trusted customers.</p>	<p>Although in terms of the appearance of the place and the layout of the goods, the price flexibility side must be utilized while still paying attention to profits. The appearance of the place and the layout of the goods must be attempted by the owner to be improved.                  Cleanliness and comfort must be maintained. It could be by providing a seat for those waiting for shopping, by putting on music that is liked by many, adequate lighting, etc. to better satisfy customers. Items that do not exist can be handled through an order facility that is not provided by the minimarket.                  Lack of capital can be overcome by only providing goods with a fast turnover frequency. For items that are not available, it can be handled with the order facility earlier.</p>
<p>Threat (T)                  Has an interesting shape                  Have comfort in space and cleanliness                  Good service to buyers                  Always bring up new promos in products accompanied by discounts (discounts)                  Strict screening is carried out on the products sold, so that in terms of quality there is no doubt about it</p>	<p>Minimarkets have many advantages, but grocery stores also have advantages. The following things can be done:                  By setting aside a portion of the profits, grocery store owners can renovate a few stores. Of course, the cost will not be as big as a minimarket renovation. Create a cheap but unique concept. And remember any effort requires sacrifice                  Promos, although not as many and as big as minimarkets, can still be done by grocery shop owners. In terms of prices, grocery shop owners can be more flexible in setting prices directly while paying attention to profits. Make a list of the cost of goods as a benchmark price.                  Take advantage of the advantages of being able to fulfill customer orders for goods not available when we shop for supplies. Usually grocery store owners shop for supplies with rapid intensity, even daily.</p>	<p>Although minimarkets have many advantages, don't focus too much on competing with their advantages. It is certain that grocery shops will find it difficult to compete with their limitations.                  The following things can be done:                  The comfort and cleanliness side can still be maintained in different ways, for example providing a seat to wait if there are many customers. Put on music like a convenience store.                  Look for bigger wholesalers who provide cheaper prices than minimarkets, even though they can't retail. In this way, grocery stores can sell at the same price or even below the price provided by minimarkets, even if only for certain goods if small capital buys goods with high sales intensity. Based on the experience of many wholesalers who can provide goods that are much cheaper, even if not retailed.</p>

**Conclusion**

Based on the results and discussion described above, the conclusions of the study are as follows:

1. The impact of the establishment of minimarkets in the midst of grocery stores reduces the level of sales turnover and profits of grocery stores.\
2. The impact of the distance from the establishment of minimarkets reduces sales turnover and profits of grocery stores.

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