

The Impact of Minimarkets on the Existence and Sustainability of Traditional Markets in Randuagung District, Lumajang Regency

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Abstract

The purpose of this study was to analyze changes in the number of consumers who came to traditional markets before and after minimarkets, to analyze changes in traditional market sales turnover before and after minimarkets, to analyze the profit levels of traditional markets before and after minimarkets. This study used a descriptive method with qualitative data. Qualitative data were obtained through interviews with 10 traditional shop traders in Randuagung Market, Randuagung District, Lumajang Regency. The results obtained from this study explain that the existence of a mini market in the area has a negative impact, namely a decrease in the number of consumers, sales turnover and profits. So that many traditional market traders complain about the increasing number of minimarkets in the area.

Keywords : Impact of Minimarkets, Traditional Shops, Business Continuity

INTRODUCTION

In 2008, of around 11,866 modern minimarket outlets, around 83% were located on the island of Java. The provinces of Jakarta, West Java and East Java are the areas with the most number of modern minimarket outlets. Modern minimarkets located on the island of Java will never be separated from conditions where they concentrate on the population and economic center in the province, because the number of consumers in Java is higher, modern minimarkets will focus more on their performance on the island of Java so that the profits will increase. The retail sector is the second largest sector in Indonesia in terms of employment. BPS data for August 2011 showed that the retail sector absorbed 23.4 million workers. The retail sector is also arguably the number 2 sector after agriculture which accommodates 39.3 million child workers aged over 15 years. Retail is the most important service industry in the economy in Indonesia, because it contributes the most to gross domestic product (GDP). This service industry ranks second after the processing industry. This condition is believed to be able to restore Indonesia's economic growth after the 1998 crisis (Government, 2012).

In 2016, Indonesia was in fourth place after India, China and Malaysia, in which these countries have the best retail growth in the Asian region. Retail company is a way to sell or introduce a product that covers all market activities, which involves selling goods directly to end consumers for personal use and not business. Institutions, organizations or individuals who run this business are referred to as retail sellers. Retail companies in Indonesia are divided into two, namely: traditional retail companies and modern retail companies.

Randuagung District, to be precise in the Lumajang Regency area, is one of the sub-districts with quite a large population, making it a strategic place for investment and starting a business. It was recorded that in 2020 there were 7,835 population, with an area of 7440 km². This is what supports investors or entrepreneurs to establish modern minimarkets which are currently growing rapidly, even though these minimarkets can be detrimental to traditional markets.

The rapid growth of minimarkets in Indonesia has spread throughout the region, one of which is Randuagung District, Lumajang Regency. The minimarket in Randuagung is always increasing every year. Based on data taken from Disperindagkop in March 2021 it shows that the number of minimarkets in Randuagung District until 2022 is 10 modern minimarkets. Where minimarkets are expanding in 4 Villages 1 District of Lumajang Regency. With this number it is estimated that it will continue to increase every year as the sub-district's physical development and population growth continue, so it is necessary to make directions for the development of an appropriate location so as not to shift the layout of the sub-district that has been designed by the Lumajang Regency Government. The following is data on the number of modern minimarkets in Sleman Regency in 2012 based on the table:

No.	Village	Number of Minimarket
1.	Randuagung	7
2.	Tunjung	1

No.	Village	Number of Minimarket
3.	Ledok Tempuro	1
4.	Gedangmas	1

Minimarket marketing which is more innovative than traditional markets can further increase sales value, even though minimarket outlets are close to traditional markets. However, the proximity of these outlets will lead to monopolistic competition in the area. We can see it in terms of price, even though the minimarket is relatively more expensive, it has variations in determining the price. Such as holding promos at certain times, so that many people are interested in shopping at modern minimarkets.

The very satisfactory quality of minimarket services is one of the biggest causes in attracting the interest of consumers in various regions. Besides that, minimarkets have a comfortable environment such as air-conditioned, clean, safe and moreover some are equipped with entertainment facilities. The traditional market which was originally a shopping place for mothers, will remain the same until now. Meanwhile, modern minimarkets not only attract women, but also men, teenagers and children who will shop on their own.

Basically minimarkets and traditional markets have quite different advantages. In traditional markets there is still bargaining which can bring the seller and buyer closer personally and emotionally which we will not get in minimarkets, because prices are definitely attached to price tags. One of the advantages of minimarkets over traditional markets is the ability to collaborate with large suppliers and for a long period of time, which can increase efficiency through large economies of scale. In addition, they also excel in innovating price and non-price marketing strategies. In pricing, these include price discounts and price discrimination over time, while non-price strategies include advertising, long opening hours and combined purchases.

In addition to the negative impacts that have been mentioned, it turns out that minimarkets also threaten other things. First, the proximity of minimarkets to traditional markets results in the transfer of buyers from traditional shops to minimarkets because of the advantages that minimarkets have. The second relates to the local regional economy. Where the circulation of regional money which was originally a contribution from MSMEs, but along with the reduction of MSMEs and traditional markets because modern minimarkets are developing very rapidly and losing in marketing competition will further reduce their contribution. Meanwhile, the many modern minimarkets located in every village to remote areas have never made a significant contribution or income to the regional economy, because they only contributed from the IMB tax and advertisement tax which were only paid in advance.

With so many minimarket outlets being built and the distance of the buildings close to one another, modern minimarkets violate the Government Regulation of the Lumajang Regency Regent number 13 of 2010 concerning the arrangement of the location of minimarkets and shopping centers. Article 6 of the Lumajang Regent Regulation explains the minimum distance between modern minimarkets and other shops, which is 500 meters from traditional markets and 1000 meters from traditional markets. It is proven that minimarkets have violated this regulation by the establishment of modern minimarkets which are less than 500 meters away from traditional shops in the area of Jalan Randuagung km 6 – km 10, Lumajang, East Java. This can be seen directly along the road along the Randuagung District.

RESEARCH METHODS

This study uses a qualitative approach. This research is used to build knowledge through discovery and understanding of the surrounding environment or the environment to be tested. Qualitative research is research based on an event or social phenomenon and human problems by investigating using discovery and understanding. In this study, the researcher makes a picture, examines the words, reports details from the views of the respondents and conducts a study on the situation experienced.

Qualitative research places more emphasis on meaning and is value bound, and researchers are key instruments. Therefore, researchers must have broad knowledge and insight in order to be able to ask questions, analyze and construct the object under study to be clearer. Basically qualitative research is finding out, analyzing or observing something that exists in the surrounding environment and interacting with it. Try to understand interpretations and language about what they experience, approach people related to research objectives in order to get the desired goals, and explore their views and experiences to get the information needed by researchers.

PLACE AND TIME OF RESEARCH

This study aims to obtain accurate and complete information, as well as clear information in order to facilitate researchers in conducting interviews and observation research. Therefore the researcher determined the research location as the place to carry out the research, the location is located in Randuagung District, Lumajang Regency. This research was conducted for 5 days with 10 informants who had been determined.

DATA COLLECTION TECHNIQUE

According to Moleong (2000), an interview is a conversation between two people who have been determined or targeted, namely the interviewer (interviewer), where the interviewer will ask a number of questions that have been made and the interviewee will give the answers that have been given by the interviewer. In this case, the researcher uses structured interviews, in which the interviewer determines the problem or questions to be asked to find answers to the hypotheses that are strictly arranged by Moleong (2000).

According to Arikunto (2000), in conducting interview techniques (interviews), the interviewer must be able to create good relationships so that informants are willing to work together and feel free to speak so they can provide real information. The interview technique used by the researcher was an unstructured (conversational) interview, namely by first compiling the questions to be conveyed to the informants. This is intended so that the conversation in the interview is more directed and focused on the intended purpose and avoids conversations that will later spread to other topics. Besides that, it is also used as a general standard and can be developed by researchers through questions that arise during interview activities. This interview method is used by researchers to gather data regarding the influence of the development of minimarkets on the continuity of traditional market businesses. The informants to be interviewed are traders in traditional markets.

DATA ANALYSIS TECHNIQUE

- a. Data reduction, is to make an abstract of all the data that has been obtained from all field notes from the results of observations and interviews that have been conducted. Data reduction is a form of data analysis by taking what is important and discarding what is not needed, and classifying data so that it is systematic so that meaningful data conclusions can be drawn without eliminating the value of the data itself.
- b. Presentation of data, is a collection of information that has been arranged and provides the possibility of a conclusion in data collection. The process of presenting the data that will be presented reveals all that has been obtained from the research so that it is easier to read and understand. Presentation of data that is often used in qualitative research is narrative text, where data can describe how the influence of the development of minimarkets has on the continuity of traditional market businesses.
- c. Conclusion and verification of data that has been arranged, arranged and focused systematically and then concluded so that researchers and readers will be able to find meaning in the data that has been found.

RESULTS AND DISCUSSION

The rapid growth of minimarkets has shifted traditional markets, where traditional market consumers are slowly moving to minimarkets. From the informants who have been selected, most traditional markets have had a negative impact with the current existence of minimarkets. 20% of respondents who were interviewed admitted that modern mini-markets did not really affect the continuity of their business, while 80% of respondents who were interviewed felt the negative impact of the spread of mini-markets throughout the city or region. However, after tracing the number of consumers, income, profits and opening hours before and after the introduction of modern minimarkets, overall, it has decreased drastically. The large number of modern minimarkets in Indonesia are widely spread from urban areas to remote villages, resulting in traditional markets including grocery stores experiencing gradual closure and being pushed aside. Today's lifestyle and mindset are more modern, causing people to prefer shopping at minimarkets, because according to them minimarkets are more comfortable, clean and secure than shopping at traditional markets which they consider smelly and dirty. Besides that, minimarket marketing strategies are more innovative, such as price discounts at certain times, lots of advertisements and so on. What's more, the collaboration between minimarkets and online shops or gojek makes it easier for consumers to shop, promos and discounts are also provided through this collaboration so that consumers will be more interested and happy to shop at minimarkets.

The data that has been obtained through interviews with respondents shows that the existence of minimarkets has a negative impact on the continuity of traditional market businesses. It can be seen from the number of consumers, income and profits before and after the existence of modern minimarkets that have decreased very drastically, and it is certain that every year it will decrease with the development of the modern era as it is today. This decline reached 10-50 percent, traditional market traders are currently just waiting to close their shops and move on to other fields and jobs.

CONCLUSION

Based on the results of the analysis and discussion that has been carried out in conducting research on the impact of minimarkets on the sustainability and existence of traditional markets, it is found that the existence of minimarkets has a negative impact on the number of consumers, sales turnover and profits of traditional markets. Everything drops significantly every year, while minimarkets experience an increase every year. Some of the facts and things that have caused a decline in the viability of traditional market businesses that have been obtained include:

1. Many minimarkets have been established in the surrounding areas which are close to each other, so that people prefer to shop at minimarkets.
2. The cooperation of minimarkets with online shopping sites that have many offers makes consumers more interested in shopping at minimarkets.

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