

# The Impact of Modern Retail on Traditional Retail Traders in The Mengwi, Badung District

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**Abstract** Indomaret is a mini retail network that sells a variety of basic necessities as well as daily necessities. This retail uses overall system cost advantages or cost leadership. This cost advantage, making Indomaret ready to become a manufacturer with a low cost to the industry. Minimarket even this development is so rapid. This development was also accompanied public interest to shop at the minimarket is increased because of the opinion that the modern market (including minimarket) is neat, clean and practical than traditional retail. This thing become a big challenge for traditional retailers. This research is an observational research in a research objects within a certain period conducted in the traditional retail the title is Dampak Indomaret Terhadap Pedagang Ritel Tradisional di Desa Mengwi Kabupaten Badung. The purpose of this study was to determine their impact on traditional retail Indomaret including mini market in Mengwi. This study is a quantitative study using survey research methods. Survey research is a quantitative study using structured questions / systematic same to many people, then all the answers obtained by researchers recorded, processed, and analyzed. The results of research that Indomaret a significant impact on the existence of traditional retail merchants.

**Keywords:** *Manufacturer, Mini market, Quantitative method, Retail*

## I. INTRODUCTION

A modern store is a self-service store that sells various types of goods at retail. Modern stores are divided into minimarkets, supermarkets, hypermarkets, department stores and wholesalers. The distinction of the modern store is based on the floor area and the variety of merchandise. Minimarkets, supermarkets and hypermarkets sell consumer goods, especially food products and other household products in retail. Department Stores sells consumer goods primarily clothing products and equipment in retail. Wholesaler sells wholesale consumer goods. (Peraturan Presiden No. 112 Tahun 2008)

Minimarkets have the smallest floor area among modern store types, which is less than 400 m<sup>2</sup>. Local investors can easily establish minimarket franchise because the required capital is not too large. The size of the business space that is not too wide allows the opening of greater opportunities to enter in the

franchise system (franchise). The public interest for shopping in the minimarket also increased due to the notion that the modern market (including minimarkets) is more neat, clean and practical than traditional retail. Retail growth in Indonesia is reflected by the rapid growth of mini market as one of modern and retail market in Indonesia. This is clearly evident with the emergence of mini market outlets within a radius of at least 500 meters and has now entered the dense settlements and even housing complexes (Megawati, 2006).

In relation to the activity undertaken, retail indicates an attempt to break down goods or products produced and distributed by manufacturers or companies in large and bulk quantities to be consumed by end consumers in small quantities as required (Utami, 2010: 5).

Retailers try to satisfy the needs of consumers by trying to meet the suitability of the goods they have in terms of price, place, and time as customer wishes. Retail also provides a market for producers to sell their products. This shows that retail is the last activity

in the distribution line that connects producers and consumers.

This research is an observational research on a research object in a certain time period which is done on traditional retail with title Indomaret Impact on Traditional Retail Traders in Mengwi, Badung District.

The purpose of this study is to determine the impact of indomaret on traditional retail including small shops located in Mengwi Village.

### 1.1 Research Questions

Based on the description of the background, then the problem in this research is to conduct a study and field survey related to the existence of indomaret impact on traditional retail traders in Mengwi Village Badung Regency. Issues raised:

- 1) What is the impact of Indomaret's existence on the development of traditional retail traders in Mengwi Village, Badung Regency?
- 2) What is the public preference for traditional retailers and indomaret in Mengwi Village, Badung Regency?

### 1.2 Research Purposes

Based on the description on the background, subject matter, and title of research, it can be formulated research purposes as follows:

- 1) To measure the impact of Indomaret existence on the development of traditional retail traders in Mengwi Village, Badung Regency.
- 2) To find out public preference toward traditional retailers and indomaret that exist in Mengwi Village Badung Regency.

### 1.3 Research Significances

This study is expected to provide the following benefits.

#### 1) Theoretical Impact

This research is expected to provide additional useful repertoire of science in the field of retail business especially about the existence of traditional retail traders and modern retailers.

#### 2) Practice Impact

This research is expected to be useful as a consideration, input and information for traditional retail traders and for the government in taking policy for the development of retail in Mengwi Village Badung regency.

According to Christina Whidya Utami (2006), retail comes from the French (*ritellier*) which means to cut or break something. Retail or retail business can be understood as all activities involved in the sale of goods or services directly to the end consumer for personal use. The activities undertaken in the retail business are to sell various products, services, or both to consumers for both personal and collective consumption. Thus retail is the last activity in the distribution channel that connects producers with consumers.

In the management of retail business is not just to open the store and preparing complete items, but more than that. The management of retail business should see and follow the development of marketing technology in order to succeed and have competitive advantage (Usaman Thoyib, 1998).

Retailing is the final stage in the distribution process that shapes businesses and people involved in a physical movement and transfer of product ownership from producers to consumers. In a distribution channel, retailing plays an important role as an intermediary between manufacturers, agents and suppliers with final concessions. Retailers satisfy their producers / suppliers by purchasing large quantities of some of their limited products. Meanwhile, to satisfy consumers retailers offer various types of products collected from various sources and sell them in small quantities. With the variety of products offered, it is possible for consumers to do one-stop-shopping.

### Types of Retail Business

The retail sector is one of the fastest growing segments in many countries including Indonesia. Most retailers include the sale of goods or services from the manufacturer, wholesale / bulk sales, agents, importers or other retailers and sales to consumers for personal use. Here are the types of retail business.

#### 1) Retail Store

Today's retail situation consists of a variety of independent stores, shopping centers, discount companies, retail stores offering shopping convenience, national and international retailers, conventional supermarkets and other large-scale companies.

#### 2) Specific Retail

Many stores can be owned and run by one person with modest help. Compared to manufacturing operations, specialty retail businesses are relatively easier to build initially financially and management. But bad effort and inadequate market analysis.

## II. LITERATURE REVIEW

### Retail: A definition and its function

### 3) Non-Store Retailers

These businesses mostly relate to retail sales of products through TV, electronic shopping, electronic paper and catalogs, door-to-door prompts, home demonstrations, portable kiosks, retailers, and mail ordering.

### 4) Booking Via Post

From books to basic brochures, catalogs are well known to those who live away from the crowds of shopping malls. Catalogs are also familiar to seniors. Those who love goods / services that are not sold freely or have less common specifications, and for people who do not like to shop crowded.

### 5) Internet

The Internet has changed the conditions of today's retail industry, connecting companies with other companies and other markets and individual customers. Retailers who do not understand the impact of the internet on their stores and catalog channels have the opportunity to underestimate investment on the internet.

### 6) Auto Reseller Engine

The auto reseller engine has been a proven business concept for over a century. In developed countries like the United States, snacks and soda scooped up more than \$ 20 billion in sales in 1999. In detail, there are four types of retail businesses: 1) based on business ownership, 2) based on merchandise categories, 3) based on sales area, and 4) based on retailers without stores.

#### 1) Type of retail business based on business ownership

##### a. Franchise Store

A franchise store is a retail store built on a franchise-sharing contract between individual investor entrepreneurs and franchisees who are licensors / store names, sponsors and business managers, such as fast food restaurants, workshops, optical shops or supermarkets McDonald's, Indomaret, Alfamart).

##### b. Chain of Retail Store

This type is a retail store with many branches and is generally owned by a non-individual business agency, but in the form of the company. Shaped like a mini store chain or mega hyperstore, for example Hero supermarket, Sogo Departement Store & Supermarket, Matahari Mall, Ramayana Mall, and so on.

#### c. Single Store Retail

Single store retailers are the largest number of retail businesses with store sizes generally below 100 m<sup>2</sup>, ranging from kiosks or shops in traditional markets to modern minimarkets and individual holdings.

#### 2) Type of retail business based on merchandise category

This type of business includes specialty stores, department stores, department stores, and hyperstores.

##### a. Speciality Store

A specialty store is a retail store that sells one item or a relatively small range of categories of goods, such as pharmacies, art shops, jewelry stores and bookstores.

##### b. Toserba

Grocery store retail stores that sell most of the goods categories are daily necessities, fresh food, and cosmetic.

##### c. Departement store

In this type most of the assortments sold are non basic items or non-basic items, fashionables, and branded items or branded, with more than 80% consignment patterns, grocery items if sold only as a complement, for example in Ramayana Mall, Borobudur, Pasaraya, and so on.

##### d. Hyperstore

This type of retail business sells goods within a very broad range of goods categories that sell most of the consumer goods of each layer, thus requiring at least 10,000 m<sup>2</sup> of storefront and area in Indonesia.

#### 3) Type of retail business based on the area of sales

a. Small store is a small shop, like a kiosk, which is generally a traditional retail store, operated as a small business with a sales area of less than 100 m<sup>2</sup>.

b. Minimarket, operated with an area between 100 s / d 1,000 m<sup>2</sup>.

c. Supermarket, operated with an extensive sales of between 1,000 s / d 5,000 m<sup>2</sup>.

d. Hypermarket, operated with an area of sales area of more than 5,000 m<sup>2</sup>.

#### 4. Type of retail business based on retailers without stores

This type of retail business includes multi level marketing (MLM), mail & phone retail order, and internet / online store / e-commerce.

- a. MLM, is a sales model of goods directly with a system of sales commissions rated based on membership status in distribution ratings.
- b. Mail & phone retail order, is a company that makes sales by order by letter and or phone. The principle of this company compensates for the overhead cost of operating a store (physically) with the operation of delivery services.
- c. Internet / online store / e-commerce, is a sales model of goods that make sales by order via the internet.

### **Customer Shopping Process**

According to Christina Whidya Utami (2006), several stages in the customer shopping process are as follows.

- a. Introduction Needs
- b. Information Research
- c. Evaluation as an Alternative

There are various factors affecting spending decisions Shopping decisions are influenced by trust, attitudes and customer values, as well as various factors in the customer's social environment (Christina Whidya Utami, 2006). The decision process of choosing goods or services is influenced by environmental factors and personal factors within a person.

- 1) External Factor. External factors that affect spending decisions, among others:
  - a. Family.
  - b. Group References.
  - c. Culture.
- 2) Internal Factor. The personal or internal factors within a person that influence the spending decisions include:
  - a. Personal Aspects A customer will have differences with other customers because of different personal factors such as the stages of age, financial condition, lifestyle, personality, and self-concept.
  - b. Psychological aspects Psychological factors that affect a person in the act of buying a good or service based on motivation, perception, belief, and behavior as well as the learning process through which the consumer.
  - c. Make a selection. After evaluating the various alternatives that the customer has set, the customer is at the stage of determining which retail option to choose.

- d. Shopping transactions. When the consumer has chosen the retail to be visited then the consumer will make a purchase transaction at the retail.
- e. Shopping Evaluation

The shopping process does not end when customers buy a product. After shopping, customers use the product and then evaluate this experience to determine whether the product is satisfactory or not.

## III. RESEARCH METHODS

### 3.1 Research Context

Realized or not, government policy by allowing the entry of modern retailers gradually began to shift the existence of traditional retailers. Not a few people who complained about their stores are increasingly quiet day. Is it true that the main reason for the lack of traditional markets is due to the operation of modern retail.

The rise of modern retail development such as hypermarkets and supermarkets has cornered traditional retail in urban areas, because it uses the concept of selling products more fully and managed more professional. The rapid development of strong capital market and controlled by one management is triggered by government policy to strengthen foreign investment policy.

Letting traditional retailing as it is and asking the government to hinder the development of modern retail will not help traditional retailers to survive. Communities as consumers increasingly demand comfort, and if it cannot be met traditional retail, then automatically they will switch to modern retail. The existence of traditional retail cannot be regulated or protected by any government regulation. Traditional retailing can only be maintained if they are in a special place that is comfortable and that is far from modern retail. For that reason, modern retail cannot be blamed.

### 3.2 Research Design

This research is a kind of quantitative research by using survey research method. According to Prasetyo (2005), survey research is quantitative research using the same structured / systematic question to many people, then all the answers obtained by the researcher are recorded, processed and analyzed.

Structured questions are usually called questionnaires. The questionnaire contains questions that will be asked to the respondent to measure the variables,

relate among variables, or it could be the experiences and opinions of the respondents. Then, according to Sukardi (2007) survey research is a research activity that data at a certain time with three important goals, namely: 1) describe the natural state of life at that time, 2) identify measurably the present state to compare, and 3) determine a relationship something Live among specific events.

The survey method is an investigation carried out to obtain facts from the existing symptoms and to seek factual information about the social, economic, or political institutions of a group or region (Masyhuri & Zainuddin, 2008). In simple terms survey research is a way to collect information by using research instruments (interview or questionnaire guidelines) submitted to respondents who aim to examine the characteristics or causes of effect between variables without any intervention researchers.

#### IV. RESULTS AND DISCUSSION

##### Data Description

Mengwi Village is one of the villages in Mengwi District. Desa Mengwi Kec. Mengwi in the presence of Taman Ayun Temple, which is unique in its original architectural style and its home industry and handicraft products. Rmainya visit tourist attractions Pura Taman Ayun this resulted in many emerging traders / shops that offer various products. Many emerging stores such as self-service or minimarkets managed independently or individually. But there is also 1 (one) modern retail that is not foreign to us is Indomaret.

After the data collected from the data collection and research activities, then performed data analysis activities. The activity of analyzing this data consists of three stages, namely: 1. Stage of Preparation In this preparation stage conducted several activities, among others: a. Checking the name and completeness of the respondent's identity b. Checking the contents of the instrument charging data c. Checking the data entry. 2. Tabulating Tabulation activity is the activity of grouping data into the frequency to facilitate in analyzing. Tabulation activities in this case, namely: a. Coding, which is the code for each data that has been edited b. Scoring, ie scoring of respondents' answers to obtain quantitative data required.

In this research, the likert scale has been modified to determine the score. In the likert scale the answers given all have positive or favorable perceptions. C. Stage of data application Data analysis used in this research is qualitative and strongitative analysis. Presentation of data is made in the form of descriptive

which aims to give description about research subject based on data from variables obtained from the subjects group studied by using tabulation technique, by presenting the results of research tables of frequency distribution with percentage for each group. Tools needed to process statistical data frequency and percentage using computer help with microsoft office program, excel. While qualitative analysis is used to determine the variables that will be used as a reference in determining the impact of Indomaret on traditional retailing in Mengwi Village, Mengwi Sub-district, Badung Regency. This analysis is depicted in the form of words or sentences, separated by category to obtain conclusions (Arikunto, 1998: 245).

##### Results

From the questionnaires found some data relating to the results of research establishing self-service indomaret to the existence of traditional retailers in Mengwi Village.

**Tabel 4.1 Respondent Characteristic**

Number	Distance from Indomaret (meter)	Kind of Goods that Sell	Number	Distance from Indomaret (meter)	Kind of Goods that Sell
1	3	a b c d	26	12	a c d
2	100	a b c d	27	15	a b c d
3	12	a b d	28	30	a b c
4	120	a b c d	29	120	a b d
5	15	a b c	30	15	a b c d
6	10	a b c d	31	20	a b d
7	30	a b d	32	30	a b d
8	200	a b c d	33	9	a b c d
9	100	a c d	34	50	a c d
10	50	a b c d	35	20	a b c d
11	40	a b c	36	30	a b c
12	100	a b d	37	200	a b d
13	200	a b c d	38	120	a b c d
14	250	a b c d	39	15	a b c d
15	300	a b c d	40	20	a b d
16	150	a c d	41	30	a b d
17	60	a b c d	42	200	a b c d
18	5	a b c	43	120	a c d
19	10	a b d	44	150	a b c d
20	55	a b c d	45	200	a b c
21	25	a b d	46	30	a b d
22	500	a b c d	47	200	a b c d
23	300	a b d	48	7	a b d
24	100	a b c d	49	500	b c d

25	135	a b d	50	400	a b c d
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Source: Data processed in 2016

Information:

- a. Staples
- b. Snacks
- c. Stationary
- d. Household Equipment

To answer some formulation of existing problems, researchers conducted interviews and distributed questionnaires to 150 respondents consisting of 100 general public and 50 traders / retailers traditional. The research team went directly to the field to distribute the questionnaire, especially for the merchant respondents.

1) Impact of Indomaret on Traditional retail

To find out the impact of Indomaret on Traditional Market, the researcher distributed questionnaires to 50 traders who owns traditional stores less than 500 meters away from the modern shop (indomaret). The characteristics of respondents presented as Table 4.1.

**The Description of Research Variables**

Describe the assessment of respondents about each variable used begins with the determination of the frequency distribution based on the value of the interval. The formula in determining the interval value according to Nata Wirawan (2016).

From the results of the above interval obtained average scores based on criteria for this study as follows:

- 1,00 – 1,80 = very low
- 1,81 – 2,60 = low
- 2,61 – 3,40 = enough
- 3,41 – 4,20 = high
- 4,21 – 5,00 = very high

**Description of Indomaret Impacts on Traditional Retailers**

Based on the results of the respondents' answer is Indomaret Impact on Traditional Retail Traders in Mengwi Village can be presented in Table 4.2. The 50 respondents had responded to the questionnaire distributed. Table 4.2 shows 5 questions posed to traditional retail traders on the existence of indomaret in Mengwi Village, Mengwi Sub-district, Badung Regency with an average grade of 3.65 in the high category. The highest statement of 4.07 with traditional retailers' statements declined after the existence of a modern store (indomaret). This indicates that traditional retailers have decreased sales after indomaret. Similarly, for the statements of traditional retail store customers turning to indomaret

and statements of many traditional retailers have closed their businesses since the presence of indomaret. Both of these statements scored high.

While on the statement Traditional retail traders decreased sales turnover after the Indomaret with a score of 3.17 with enough category. This indicates that traditional retailers have suffered a decrease in sales turnover after Indomaret. Similarly, for Indomaret Attendance statements have a negative impact on traditional retailers got a value of 3.40 which means Indomaret presence quite a negative impact on traditional retailers.

**Table 4.2** Description of Indomaret Impacts on Traditional Retailers

Indicator	Answer Scores					Acc. Score	Average	Category
	1	2	3	4	5			
Traditional retailers have decreased sales after the existence of a modern store (indomaret)	0	1	7	11	11	122	4.07	high
Traditional retailers have decreased sales turnover after Indomaret	3	5	10	8	4	95	3.17	Enough
The presence of indomaret has a negative impact on traditional retailers	3	4	6	12	5	102	3.40	Enough
Traditional retail store customers switch to indomaret	0	0	9	13	8	119	3.97	High
Many traditional retailers have closed their businesses since the arrival of Indomaret	0	0	16	9	5	109	3.63	High
<b>Rata-rata</b>							<b>3.65</b>	

Source: Primary Data in 2016

In terms of number of customers ie traditional retail store customers switch to indomaret get a score of 3.97 with high category. This means traditional retail store customers are turning to indomaret, high. As for the statements of many traditional retail closed business since the presence of indomaret is also high this is seen from the score obtained that is equal to 3.63.

**Description of Public Preference to Indomaret Presence**

Public preference (respondent) to the presence of indomaret in their village that is Mengwi Village will be presented in table. Of the 100 questionnaires that have been distributed 100 questionnaires again as well, because researchers spend time enough to wait for the filling questionnaire.

**Table 4.3** Description of Public Preference to Indomaret Presence

Indicator	Answer Score					Acc. Score	Average	Category
	1	2	3	4	5			
The quality and durability of an item sold in Indomaret is no different from the existing products in traditional markets / shops.	1	1	22	55	21	394	3.94	High
Products sold in Indomaret more complete	0	2	28	51	19	387	3.87	High
Products sold in Indomaret more variative	1	6	32	44	17	370	3.70	High
The price of goods in Indomaret is more expensive when compared to those sold in traditional markets / shops.	0	7	30	41	22	378	3.78	High
Prices sold in Indomaret are still accessible to the public.	1	2	21	48	28	400	4.00	High
Price determination of goods in Indomaret more certain and stable	0	5	23	55	17	384	3.84	High
The location of Indomaret is too close to traditional market / store	1	11	33	37	18	360	3.60	High
Indomaret building is better compared to traditional market / shop	3	9	26	47	15	362	3.62	High
Services that exist in Indomaret better, faster and more practical	1	2	26	47	24	391	3.91	High
Service in Indomaret more friendly, more trusted, more orderly	1	6	26	45	22	381	3.81	High
<b>Rata-rata</b>							<b>3.81</b>	

Source: Primary Data in 2016

Based on Table 4.3 people's preference for the existence of indomaret in Mengwi Village, Mengwi Sub-district, Badung regency got an average score of 3.81, included in the high category. The ten statements got a score above 3.40 indicating a high category. The quality and durability of an item sold in Indomaret is no different from the existing products in traditional markets / shops. This means that the quality of goods in traditional retail traders with indomaret is not much different. The products sold in Indomaret are more

complete than the products sold by traditional retailers.

Furthermore, product statements sold in Indomaret more more varied with a score of 3.70. This means that indomaret products are more varied than those sold by traditional retailers. In terms of price, consumers or the public are aware that the price of goods in Indomaret is more expensive when compared to those sold in traditional retail. Nevertheless, consumers still want to choose to spend money in indomaret. This can be seen from the statement that the price sold in Indomaret is still accessible by the public, this statement got a score of 4.00 which is the highest score with high category. Besides, the pricing of goods in Indomaret is more certain and stable. This statement got a score of 3.84 is a high category.

Statement Location of Indomaret establishment too close to traditional retail merchant got score of 3.60 that is high category. Indeed, the existence of indomaret stores is very close even around traditional retailers. Indomaret building is better than traditional merchant shop. This by the community has been assessed and scored 3.62 is a high category. Even indomaret outlets are very easy to recognize.

It cannot be denied that the existing services in Indomaret better, faster and practical. Almost all people feel this because the existence of indomaret is indeed a well-organized minimarket. Similarly, the service in Indomaret friendlier, more trusted, more orderly.

## V. DISCUSSIONS

The results of a survey of 50 traditional retail merchants whose store locations are located around indomaret (less than 500 meters) show the following conclusions:

- Based on the results of surveys and interviews shows that traditional retailers 36.7% strongly agree their merchandise decreased sales after the indomaret. Then 36.7% agreed, then the usual 23.3%, and 3.3% disagreed with the statement. Decrease in sales of goods especially on snacks / snacks and school equipment. The reason for their merchandise is decreased because the items in indomaret are more complete, practical and interesting presentation, besides the price in indomaret tends to be stable / certain, while the

goods sold in traditional retail traders more often up and down the price.

- b. When traditional retailers were asked about the difference in sales turnover after the presence of a modern store in their sekiatar, the traditional traders' answers varied. 13,3% of respondents answered strongly agree, 26,7% respondents agreed, 33,3% respondents answered usual, 16,7% respondents did not agree, and 13,3% of respondents strongly disagree the question. The decline in the level of sale of goods in traditional retail, resulting in revenue (omzet) of traders every month. The average income of traditional retail traders after indomaret decreases every month. This is experienced by traders whose location is quite close to indomaret. However, because in Mengwi Village there is only 1 indomaret outlet so there is no decrease drastically
- c. Related to the existence of traditional retail merchant customers who switch to indomaret since the presence of this modern shop, it turns out as much as 16.7% of the respondents answered strongly agree, then 40% of respondents answered agree, 20% of respondents answered usual, then 13.3%, And there are 10% of respondents answered strongly disagree. But there are still many traditional retailers who survive because it can offset the service with a modern store (indomaret). Especially innovation on product components, price, place or means of promotion.
- d. When traders of traditional markets / shops were asked to relate to traditional retail retention after the establishment of modern stores around them, the traditional traders' responses varied. A total of 26.7% of the respondents answered strongly agree, then 43.3% of respondents answered agree, 30% of respondents answered usual. Traditional traders expect the Government to take its role to keep allowing no more modern storefronts. In Mengwi Village to open a modern network-based retail is very difficult to get a permit. Traditional traders also expect intensive coaching from local governments and related parties to make traditional retailers compete with modern stores (supermarkets). Local governments are also asked to intensively provide capital assistance to traditional retailers. The conclusion is the existence of Indomaret as a modern retailer impact on the sustainability of traditional retail traders. Although not all traders feel the impact, but the traders

whose shop is less developed, especially those selling limited product variety are deeply affected.

## VI. CONCLUSION AND RECOMMENDATION

### Conclusion

Based on the results of the discussion it can be concluded, the impact of indomaret against traditional retailers:

- a. Traditional retailers have decreased sales after the existence of a modern store (indomaret)
- b. Traditional retailers have decreased sales turnover after Indomaret
- c. The presence of indomaret has a negative impact on traditional retailers
- d. Traditional retail store customers switch to indomaret
- e. Many traditional retailers have closed their businesses since the arrival of Indomaret

While the results of research conducted on 100 respondents from elements of society related to their preference to indomaret with traditional retailers. The outline is presented as follows:

- a. The majority of people feel that the quality and durability of an item sold in indomaret is no different from the products that exist in traditional retailers. However, the majority of people agree if the products sold in indomaret more complete and more varied.
- b. The majority of people agree that the price of goods in indomaret is more expensive when compared to those sold in traditional retailers. Although expensive, but respondents replied that the price sold in indomaret still can be reached by the community. In addition, according to society, the pricing of goods in Indomaret is more certain and stable, while in traditional retailers tend to go up and down.
- c. The majority of respondents answered that the location of the establishment of a modern store is too close to the traditional market / store. In addition, respondents acknowledge that the building of indomaret is better when compared with traditional retail.
- d. The majority of respondents feel that the services available in Indomaret are better, faster and more practical, compared to traditional retailers. Not only that, people also agree that the service in indomaret friendlier, more reliable, more orderly.

### Recommendations

- a. There needs to be a more intensive selection and

study of licensing of modern stores, especially in some mushroomed areas

- b. Traditional traders need to improve mentoring, especially regarding innovations in products, prices, services, places, and competitiveness.
- c. Relevant agencies should follow up the results of this research as an effort to improve and develop the competitiveness of traditional shops / markets against modern stores

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