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**INDOMARET AND ALFAMART'S PRESENCE: THE EFFECTS OF
MICROENTERPRISES' EXPANSION AND DEVELOPMENT IN THE INDRAGIRI
HULU REGENCY COMMUNITY**

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Abstract

In addition to having an impact on people's economies, the downstreaming of Alfamart and Indomaret minimarkets in terms of market share has intensified competition among company owners, particularly with respect to traditional stores and kiosks. The purpose of this study is to characterize its effects on traditional stores and kiosks as well as the community's economy. Interviews and observations are the methods used to obtain research data, and the data used are primary data. Purposive sampling was used to choose the study's sample. Miles and Huberman's analysis is the method used to analyze research data. The study's findings indicated that the presence of Alfamart and Indomaret minimarkets in terms of market share had a favorable effect on the people's economy, specifically the availability of product differentiation, comparatively low prices, labor absorption, and first-rate customer service. A number of small-sized kiosks have closed because they were unable to compete, and traditional businesses and kiosks have seen a rather considerable loss in income.

Keywords: *Downstreaming of Alfamart and Indomaret, Community Economy, Modern Markets and Traditional Markets.*

INTRODUCTION

There is little doubt that the existence of contemporary markets in the market share will have an effect on business actors' competition. The availability of items traded in the market share for relatively homogeneous customer requirements typically causes competition to arise.

The prosperity of Indragiri Hulu's development has encouraged the operation of several minimarkets in this Regency, including Alfamart and Indomaret. This minimarket serves as a supplier of different goods that residents or customers need to be supplied. Every residential neighborhood has this minimarket, which has surpassed conventional stores and kiosks run by people from lower socioeconomic classes. This minimarket is run in a modern manner, making its services a unique draw for customers (parents, teens, and kids). In particular, customers are really satisfied with the high caliber of the services provided. In order to keep customers feeling cool while they buy, this is also supported by the provision of air conditioning facilities, comfort, safety, and cleanliness.

This industry is now present in low-, middle-, and upper-class residential complexes where small businesses already operate similarly to conventional stores and kiosks. Even though Alfamart and Indomaret are relatively small examples of unregulated medium-sized businesses, they represent a sizable sector nonetheless. The reach between Alfamart and Indomart will become a parasite for small enterprises in the form of kiosks or small businesses managed by low-income households because even the distance between these contemporary shops is pretty close.

It is a fact of life in this day and age that old markets, including brick-and-mortar stores, have given way to modern markets. This is a result of capitalists' unethical commercial activities and monopolistic practices. Especially in the current period, the intense competition that exists between modern market players and conventional markets is a classic issue from time to time. This whole thing is a product of how quickly science and technology are developing. One of the things that allows minimarkets to compete is this, which has led to the closure of a number of traditional shop and kiosk operators.

LITERATURE REVIEW

Franchise for a minimarket

Regarding franchises, PP RI No. 42/2007 defines special rights that individuals or business entities possess to a system that has unique business features in order to market products and/or services that have been demonstrated to be productive and that other parties may use in accordance with a franchise agreement.

Earnings

Earnings is any financial resources that a business receives from the selling of goods to customers and the provision of services to other parties (Harnanto, 1999:14). In terms of economics, income is the most that may be spent by an individual within a given time period with the expectation that their circumstances will remain unchanged at the conclusion of the period. Put differently, income is the overall results obtained throughout a time, not simply the results consumed, plus the quantity of assets at the start of the period.

Food stores or small traders.

Small businesses are defined by Law No. 9/1995 as people's economic activities with a maximum net worth of Rp. 200,000,000,- (two hundred million rupiah), excluding land and buildings where the business is located, or that are owned by Indonesian citizens and have

annual sales results of up to Rp. 1,000,000,000,- (one billion rupiah). A grocery store is a type of store that sells food, household products, and the nine basic essentials (sembako) needed for daily living. Stores that sell groceries are usually located in alleys or next to houses owned by people who live close to the neighborhood.

RESEARCH METHODS

The approach employed in this study is qualitative research since achieving the study's goals necessitates precise, comprehensive, reliable, and significant data. The research questions that need to be answered make sense in light of the research guidelines, which is why the qualitative technique is employed. The source and method of data collection are exclusively determined by the study's objectives. In this study, the term "sample of data sources" refers to the purpose sampling that is based on the emic perspective. Stated differently, the informant's perspective serves as a separate point of reference for comprehending an existing entity or issue.

Observations and interviews provided the data for the study. The reality that is encountered at the research location is the main focus of the research object's observations. Additionally for interviews done with pre-selected informants. The primary research instrument is the individual conducting the study, and if the study's objectives are well-defined, a basic research instrument is used to support the data gathered from observations. The Miles and Huberman paradigm involves data reduction, data display, verification, and conclusions. This model is used in data analysis. All research analysis operations are conducted and ongoing until the data are deemed legitimate, consistent, and saturated. It is utilized as thorough discussion material that is sequential, comprehensive, and methodical, and is based on the findings of the prior data analysis.

FINDINGS AND DISCUSSION

Alfamart and Indomaret Minimarkets' development in Indragiri, Hulu

Indragiri Hulu has seen a significant rise in the number of Alfamart and Indomaret minimarkets over time. This is because Indragiri Hulu is undergoing constant transformation and development. Furthermore, the establishment of Alfamart and Indomaret minimarkets may be accomplished very easily due to the comparatively low capital needs for both local and national enterprises. In Indragiri Hulu, Alfamart and Indomaret stores can be found around community settlement centers, provincial roads, city roads, district/sub-district roads, and/or the National Road corridor. This phenomena will undoubtedly have both beneficial and negative

implications.

Alfamart and Indomaret's Effects on the Local Economy

People's lives are undoubtedly improved by the Alfamart and Indomaret minimarkets. Because it affects people from various socioeconomic backgrounds and at all levels of society, this beneficial effect is not universal. The following are some advantages of having Alfamart and Indomaret minimarkets nearby:

1. Product Diversity or Differentiation Factor

There's no doubt that the variety of goods available at Alfamart and Indomaret affects the community's capacity to provide for a number of basic needs. The assortment of products is much smaller than that of traditional stores and kiosks. Another element influencing the community is the quality of the goods sold. There is more guarantee for the products' quality regarding its sanitary consumption and lifespan when chilled. If the goods are priced fairly, society may maximize its revenue to meet all of its demands. The community's capacity to meet its demands is growing as a result of low prices' effect on the community's purchasing power. One may contend that when the requirements of the community are increasingly satisfied, the level of wellbeing in the community will inevitably increase.

2. Goods' Price Elements

The existence of minimarkets like Alfamart and Indomaret undoubtedly fosters rivalry amongst different contemporary markets, particularly when it comes to setting prices for necessities. Setting prices that are reasonably reasonable for the community is one strategy used by contemporary markets to defeat rivals for market share. People will have more purchasing power as a result of the goods in the market share having relatively low pricing. It is possible to maximize the income received to cover all of the community's demands if the commodities are priced similarly. In light of the fact that reasonable prices have a positive impact on the community's ability to satisfy its demands, the purchasing power of the community is rising. It might be argued that when the requirements of the community are met, the welfare level of the community will rise naturally.

3. Labor Absorption Factors

A significant number of workers will be needed to support the presence of various trade businesses, particularly minimarkets. Because the Alfamart and Indomaret minimarket

sector is growing so quickly each year, it employs a sizable number of people. There were 25 Alfamart and Indomaret minimarkets according to survey data collected in the two years since the two minimarkets opened for business, from 2023 to 2024. One Alfamart and Indomaret minimarket outlet employs five workers on average. The number of workers absorbed is 125 when multiplied by the entire number of minimarkets that have been open in Indragiri Hulu. Absorption of labor undoubtedly generates revenue for previously unemployed workers. This income will boost the community's purchasing power to meet its needs, resulting in a rise in community welfare.

4. The closure of several small kiosks

The growth of Alfamart and Indomart minimarkets has undoubtedly created victims who are unable to compete.

Several kiosks have closed, particularly small kiosks located near Alfamart and Indomart minimarkets. The kiosks closed because the quantity of things sold was extremely limited due to their inadequate capital. Thus, kiosk business actors are unlikely to have additional money to cover their families' daily necessities. Finally, the welfare of kiosk operators does not improve because they are unable to compete with Alfamart and Indomaret minimarkets located adjacent to their trading operations. Meanwhile, none of Sorong City's traditional shops have closed as a result of the operation of minimarkets near traditional shops. This is because, despite a huge drop in income, the shops can still compete with minimarkets. Traditional stores can still compete with Alfamart and Indomaret minimarkets because there are usually significant bargains/discounts for each purchase. Traditional shops, on the other hand, continue to exist in competition with Alfamart and Indomaret minimarkets since the merchandise sold is somewhat diverse/varied.

5. Dropping Income Level Alfamart and Indomaret minimarkets will have an impact on the income of traditional shop and kiosk owners. Income has reduced over time as the two minimarkets have grown in popularity. Customers who used to buy at traditional shops and kiosks have since shifted to minimarkets like Alfamart and Indomaret.

6. Close to their trading

Minimarkets beside traditional shops in Indragiri Hulu have not caused them to close. Despite revenue declines, retailers remain competitive with minimarkets. Traditional shops can still compete with Alfamart and Indomaret minimarkets because there are usually significant bargains/discounts for each purchase. Traditional shops, on

the other hand, continue to exist in competition with Alfamart and Indomaret minimarkets because they sell a diverse range of items.

CONCLUSION

The results of the discussion that has been described above, then we will get the conclusion that: a. The presence of Alfamart and Indomaret minimarkets into the market share in Indragiri Hulu has had a positive impact on the economy of the community, which includes: 1) the availability of diversity/differentiation of goods so that people's needs are met, 2) the price of goods is relatively cheap so that people's purchasing power increases, 3) the absorption of unemployed workers, and 4) the existence of excellent service for the community in shopping. b. The negative impact received by traditional shops and kiosks after the operation of Alfamart and Indomaret minimarkets in Indragiri is a decrease in income and the closure of several small kiosks.

LIMITATION & FURTHER RESEARCH

The limitations of the study are those characteristics of methodology that impacted or influenced the interpretation of the findings from the research. Further research should suggest the number of gaps in our knowledge that follow from our findings or to extend and further test of the research. It is necessary to explore more about Indomaret-Alfamart Consumers' on job performance.

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