

The Impact of the Existence of Minimarkets on the Existence of Traditional Stores Reviewed from Turnover

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Abstract

The purpose of this study is to analyze the changes in the turnover of traditional stores before and after the existence of modern franchise stores in Tarakan City. Thus, it will be known how the local government's policy to maintain the existence of traditional stores to continue to exist with an increasingly thin segment. This research was carried out in Tarakan City, North Kalimantan, where this study took the observation period of 2020-2023. The population of this study is respondents of traditional shop owners in Tarakan City, which is the location of the most franchise businesses in North Kalimantan Province, with a sample of 40 business actors. The results of the study prove that there is a significant difference in the sales turnover of traditional stores before and after the existence of modern franchise stores in Tarakan City

Article History:

Keywords:

Traditional stores;
Modern stores;
Turnover;
Minimarket

1. Introduction

The existence of a franchise business as a business has its own characteristics in economic life, but it can also cause problems in the legal field because this franchise business is based on an agreement that gives rise to the rights and obligations of the parties, so that there is a need for mutually beneficial legal protection for each party (Explorer, 2020; Kane et al., 2016). One form of franchise in Indonesia is Indomaret/Alfamart. Seeing the state of the growth of modern stores controlled by a certain company, it is clear that there is an effect or impact on small business actors in the area visited by the modern store, in this case those who will be directly affected by the growth of outlets, both Indomaret and Alfamart are grocery store entrepreneurs. In Tarakan City itself, which is the capital of North Kalimantan Province, modern minimarkets have also begun to mushroom. The proliferation of modern minimarkets occurs because of various things, including the increasing population and increasing daily needs (Rizki & Sri, 2020).

According to Law No. 6 of 2013 concerning Market Structuring, Modern Stores are stores with a self-service system that sells various types of goods at retail in the form of minimarkets, supermarkets, department stores, hypermarkets or wholesalers in the form of supermarkets. The implementation of the establishment of Modern Markets and Modern Stores must comply with the provisions of (Law No. 6 article 16 of 2013 concerning Market Planning): a. Taking into account the socio-economic conditions of the community and the existence of Traditional Markets, small businesses, medium enterprises and cooperatives in the area concerned; b. Pay attention to the distance from other Traditional and Modern Markets; c. Providing facilities that ensure a clean, healthy, safe, orderly, and comfortable modern market; d. Providing business premises facilities for small and medium enterprises in a mutually beneficial position; e. Provide adequate parking facilities for motorized and non-motorized vehicles in

the building area; f. Provide firefighting facilities and safety lines for officers and users of Modern Markets and Modern Shops (Fakhrur & Zainuri, 2023).

The establishment of modern markets, especially minimarkets, is prioritized to be given to business actors whose domicile is in accordance with the location of the minimarket (CMA, 2023). The large number of minimarkets in Tarakan City is one of the backgrounds for the region to become a case study in this study, where the existence of minimarkets has begun to shift traditional market traders. Research by (Frihatni, 2020; Kusuma, 2015; Tandiayu & Papalangi, 2023) related to the influence of traditional store turnover before and after the emergence of franchise businesses, it is known that the presence of modern franchise markets is considered by various circles to have cornered the existence of traditional markets in urban areas. The modern market in Indonesia grew by 31.4% per year, while the traditional market shrank by 8% per year. The results of a study by the Ministry of Cooperatives and SMEs (2020) show that the presence of modern markets has threatened the existence of traditional stores (Fauziah & Arif, 2023). The impact of the existence of modern markets on traditional stores is in terms of declining sales turnover (Susilowati, 2014). Similarly, the results of Murniati & Pasundan (2020) research on the comparison of traditional markets (*wet markets*) with modern markets in Malang stated that although the wet market remains dominant, there has been a decrease in the share of wet market consumer spending .

At this time, the construction of modern minimarkets by Alfamart and Indomaret waralana continues to be carried out considering that the daily needs of the community have increased due to the increasing population in the area. From the problem of the number of *modern minimarkets*, it will have an impact on the continuity of the grocery business owned by the surrounding community.

The purpose of this study is to analyze the changes in the turnover of traditional stores before and after the existence of modern franchise stores in Tarakan City. Thus, it will be known how the local government's policy to maintain the existence of traditional stores to continue to exist with an increasingly thin segment.

2. Method

This research was carried out in Tarakan City, North Kalimantan, where this study took the observation period of 2020-2023. The population is the overall subject of the study, where the population in this study is the respondents who own traditional shops in Tarakan City which is the location of the most franchise businesses in North Kalimantan Province. Sampling in this study is based on the purposive sampling method. Purposive sampling is sampling by paying attention to the considerations made by the author based on certain criteria. The following are the sampling criteria in this study: a. Number of traditional shops in Tarakan City; b. Traditional Shops have been established 1 year before the establishment of the minimarket; c. The Traditional Shop has a radius of 100 meters from the minimarket.

The comparative analysis technique is one of the quantitative analysis techniques used to test hypotheses regarding whether or not there is a difference between the variables or samples being studied. If there is a difference, is the difference significant or is it just a coincidence. In comparative research that compares the mean of one or two samples, that is, whether the mean of one or two samples that are compared or the difference is found is indeed different, or whether the difference occurs because of chance. The analysis technique uses the T-Test, which is one of the statistical tests used to test the correctness between two mean samples taken randomly from the same population (Riyanto & Hatmawan, 2020).

3. Results and Discussion

3.1 Results

The description analysis in this study is related to the sales turnover data of traditional stores before and after the existence of modern franchise stores. It is known that the description data from the results of interviews with traditional shop owners totaling 40 traditional shops, it can be known that the sales turnover of traditional shops before the existence of modern franchise stores in Tarakan City has an average turnover of Rp. 5,790,000/month. The sales turnover of traditional stores after the existence of modern franchise stores in Tarakan City has an average turnover of Rp. 3,500,000/month and an

average decrease in turnover of Rp. 2,290,000/month. This description analysis also gives an idea that all traditional stores experienced a decrease in sales turnover after there were modern franchise stores. This condition certainly makes traditional stores experience a decrease in the number of buyers and many people prefer to shop at modern franchise stores compared to traditional stores.

Normality Test

The analysis technique used in this study is parametric statistical analysis, so the first step taken by the author before testing the hypothesis is to conduct a normality test. The data normality test is carried out with the aim of obtaining information about whether the data is normally distributed or not. In addition, the data normality test will also determine the next step that must be taken, namely what statistical analysis should be used, whether parametric or non-parametric statistics. The normality test of the output produced by the SPSS version 25 program in this study used the *Kolmogorov Smirnov test* (K-S test). The following are steps related to the provisions of the normality test in the decision criteria:

- The value of sig, or probability < 0.05 (abnormal distribution),
- The value of sig, or probability > 0.05 (normal distribution),

The following are the results of the normality test of the research data that have been obtained from each group of research samples in Table 1

Table 1. Data Normality Test

	<i>Kolmogorov-Smirnov</i>		
	<i>Statistic</i>	<i>df</i>	<i>Sig.</i>
Sales turnover of traditional stores before the existence of modern franchise stores	0.318	40	0.211
Sales turnover of traditional stores after the existence of modern franchise stores	0.318	40	0.233

From the table above, the results obtained are as follows for the normality test using *Kolmogorov Smirnov* ;

The sales turnover data of traditional stores before the existence of franchise modern stores has a probability value (Sig.) of 0.211, where the value of $> \text{Sig}$ is 0.05, so that the sales turnover data of traditional stores before the existence of franchise modern stores is normally distributed.

- The sales turnover data of traditional stores after the existence of franchise modern stores has a probability value (Sig.) of 0.233, where the value of $\text{sig} > 0.05$, so that the sales turnover data of traditional stores after the existence of franchise modern stores is normally distributed.

Uji Homogenitas

After the normality test is carried out and the data of this study has been distributed normally, the next step is the homogeneity test. The homogeneity test was carried out to find out whether the data used in the *t-test* had the same variance or not.

Decision Criteria:

- The value of Sig. or probability value < 0.05 , the data comes from populations that have unequal variance (Not Homogeneous).
- Sig. value or probability value > 0.05 , data comes from populations that have the same variance (Homogeneous).

Table 2. Homogeneity Test

Levene Statistic	df1	df2	Sig.
0.324	1	104	0.866

Based on the results of the homogeneity test with *Levene's statistics*, it shows that the probability value (Sig.) = 0.866. Probability value (Sig.) = 0.866 > 0.05 ; Therefore, the data of this study is homogeneous or has the same variance.

Uji t-test

The *t-test* in this study uses *the paired samples t-test*, which aims to find out the difference in sales turnover of traditional stores before and after the existence of modern franchise stores in Tarakan City.

Data processing was carried out using SPSS statistical software version 25. The decision-making provisions are based on the following provisions:

Hypothesis:

H0 = There is no significant difference in the sales turnover of traditional stores before and after the existence of modern franchise stores in Tarakan City.

H1 = there is a significant difference in the sales turnover of traditional stores before and after the existence of modern franchise stores in Tarakan City.

Decision Criteria:

a. If the probability (Sig.) > 0.05 then H0 is accepted,

b. If the probability (Sig.) < 0.05 then H0 is rejected.

The following are the results of the independent t test:

Tabel 3. Uji Paired Sample t Test

		Pair 1
		Before - After
Paired Differences	Mean	479245,28302
	Std. Deviation	331870,27735
	Std. Error Mean	45585,88845
	95% Confidence Interval of the Lower	387770,50560
	Difference Upper	570720,06044
t		10,513
df		40
Sig. (2-tailed)		0,000

From the *Paired Sample t Test* test above, it can be explained that the value of the t test of the difference in the average sales turnover of traditional stores before and after the existence of modern franchise stores in Tarakan City is 10.513 with a significance value of 0.000; where the value of the sig < 0.05; then Ho is rejected, which means that there is a significant difference in the sales turnover of traditional stores before and after the existence of modern franchise stores in Tarakan City

3.2 Discussion

This study shows that there is a significant difference in the sales turnover of traditional stores before and after the existence of franchise modern stores in Tarakan City with a significance value of 0.000 (sig value < 0.05), where the average sales turnover of traditional stores before the existence of franchise modern stores is Rp. 3,568,868; while the average sales turnover of traditional stores after the existence of modern franchise stores is Rp. 3,089,623. From the average sales turnover of traditional stores before and after the existence of franchise modern stores, traditional stores experienced a decrease in sales turnover of Rp. 479,245/month.

The presence of modern stores that are mushrooming in number in Tarakan City is also unsettling for small traders and small businesses around modern stores. Many people feel threatened by the proliferation of modern stores, this is because the irregular location makes small businesses in the community squeezed and left out (Nasution et al., 2024). The emergence of modern stores does not necessarily bring change or goodness to all groups (consumers and small traders/wholesalers). The spread of these outlets even has a quite negative impact on wholesalers who also offer goods such as in modern store outlets (Caroline, 2017). However, modern store outlets are not individual businesses but one business entity that is managed with a business system. The above further deteriorates the turnover of traditional store traders who only offer prices according to usual (Akhmadi & Rosfadhila, 2007). Modern store outlets also innovate shopping features, namely selling electronic credit, train tickets, gas and also aqua gallons that are still in stock (Tiwari, 2023). This makes the public's interest very high in doing shopping activities at modern store outlets, because of the reasons of comfort, convenience and the many features and promos offered (Masruroh, 2016)

4. Conclusion

Based on the results of the discussion, it can be concluded that there is a significant difference in the sales turnover of traditional stores before and after the existence of modern franchise stores in Tarakan City. The average sales turnover of traditional stores before the existence of franchise modern stores is greater than the average sales turnover of traditional stores after the existence of franchise modern stores. This shows that there is a decrease in the sales turnover of traditional stores before and after the existence of modern franchise stores, so that the income received by traditional store owners has decreased from year to year and it is possible that many traditional stores around modern stores are in danger of going out of business.

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