

THE ANALYSIS OF BEFORE AND AFTER THE PRESENCE OF MODERN RETAIL ON TRADITIONAL RETAIL IN MOTOLING*ANALISIS SEBELUM DAN SESUDAH KEHADIRAN MODERN RITEL PADA TRADITIONAL RITEL DI MOTOLING*

By:

Claudia Tumewu¹**James D.D Massie²****Merinda H.C Pandowo³**

¹²³Faculty of Economic and Business, International Business Administration, Management Program, Sam Ratulangi University

E-mail:

¹chlaudyajhuliana@gmail.com²jamesmassie@unsrat.ac.id³merindapandowo@unsrat.ac.id

Abstract: In this era, the development of modern retail minimarkets is growing very rapidly. Not only in the urban areas, but even modern retail has reached in the rural area. This became shared challenges, to maintain local/traditional retail and small businesses, especially those that trade the same goods or services. The objective of this study is to analysis the condition of traditional retail before and after the presence of modern retail minimarkets in Motoling. This research use qualitative method with data collection techniques using in-depth interview. The sample of this study is 6 respondent. The result of this research is the presence of modern retail on traditional retail in motoling, have a negative impact because the number of visitors, sales turnover, and profit is decrease after the presence of modern retail/minimarket in motoling. Based on the result of the interview the researcher recommended the traditional retail have to improve their innovation in product, product diversity, service to the consumers, the price is same with modern retail/minimarket provide, the comfortable places, and neatness stuff. The government should limit the increasing of modern retail in rural area.

Keywords: *modern retail, minimarket, traditional retail, number of visitors, sales turnover, profit.*

Abstrak: Di era ini, perkembangan ritel modern minimarket berkembang sangat pesat. Tidak hanya di daerah perkotaan, tetapi bahkan ritel modern telah mencapai di daerah pedesaan. Ini menjadi tantangan bersama, untuk mempertahankan ritel local atau tradisional dan usaha kecil, terutama yang berdagang barang atau jasa yang sama. Tujuan dari penelitian ini adalah untuk menganalisis kondisi ritel tradisional sebelum dan sesudah kehadiran ritel modern minimarket di Motoling. Penelitian ini menggunakan metode kualitatif dengan teknik pengumpulan data menggunakan wawancara mendalam. Sampel penelitian ini adalah 6 informan. Hasil dari penelitian ini adalah adanya ritel modern pada ritel tradisional di motoling, memiliki dampak negatif karena jumlah pengunjung, omset penjualan, dan laba berkurang setelah kehadiran ritel modern minimarket di motoling. Berdasarkan hasil wawancara peneliti merekomendasikan ritel tradisional harus meningkatkan inovasi mereka dalam produk, keragaman produk, layanan kepada konsumen, harganya sama dengan ritel modern minimarket, tempat yang nyaman, dan kerapian barang. Pemerintah harus membatasi peningkatan ritel modern di daerah pedesaan.

Kata kunci: *ritel modern, minimarket, ritel tradisional, jumlah pengunjung, omset penjualan, laba.*

INTRODUCTION

Research Background

The economy of North Sulawesi in 2018 grew by 6.01 percent, which was driven by growth in all business fields. The highest growth was achieved by the Service business field which grew by 11.84 percent, followed by the field of Health Services and Social Activities business which reached 10.57 percent. Meanwhile, Corporate Services became a business field with the third-largest growth, which grew by 9.04 percent. The economic structure of North Sulawesi according to the business field in 2018 is still dominated by three main business fields, namely: Agriculture, Forestry, and Fisheries (20.95 percent) Large and Retail Trade, Car and Motorcycle Repair (12.15 percent) and Construction (11,78 percent). The sector of wholesale and retail trade is in third place, economic growth in North Sulawesi. Trade is one of the third largest livelihoods in North Sulawesi (BPS SULUT 2019). For it, we can find a variety of businesses from small businesses to large businesses that are growing rapidly in North Sulawesi. For example, the development of modern retail.

In this era, the development of modern retail/minimarket is growing very rapidly. Not only in the urban areas, but even modern retail has reached in the rural area. The company that first used the minimarket concept as a business strategy in Indonesia was PT.Indomart Prismatama, in 1988. All we know is Indomart. According to Nielsen Retail Audit data showed that the number of Indomart outlets in June 2018 increased by 300 units to 15,526 outlets from the January position. Alfamart also increased 32 units to 14,522 outlets and Alfamidi increased 32 units to 1,478 outlets from the beginning of the year. (ANTARA SULUT) According to the head of social statistics Dendi Handiyatmo, viewed from an economic standpoint, the number of villages and sub-districts in North Sulawesi, that have minimarkets increased 78.79% compared to 2014, from 165 villages that had minimarkets to 295 villages in 2018. Of course, this became shared challenges, to maintain local/traditional retail and small businesses, especially those that trade the same goods/services. Motoling is one of the villages affected by the existence of modern retail (minimarkets). Motoling is one sub-district in Minahasa Selatan Regency, is about 86 km from the Manado city, Capital of North Sulawesi. According to the village archives, the number of modern retail (minimarkets) in the village of Motoling is 3 units, and according to (BPS Minsel 2018), the number of traditional retail traders in the Motoling village is 12 units.

According to Utomo (2011). Here are some empirical phenomena on attributes competition between traditional retail and modern minimarket, they are turnover, turnover of merchandise, price margins, price, hospitality service, accurate size, location, outlet environment (safety, comfort, and cleanliness). The problem arises because the product offered by modern retail is generally identical to those products offered by traditional retail with various of superiority in the form of product differentiation and comfortable store that offered by modern retail. The people have the perception to prefer shopping in modern retail rather than traditional retail. This will reduce the ability of traditional retails to reach customer and of course, their turnover and profit will decrease. The powerlessness of traditional retailers as the informal sector and the development of modern retail establishments certainly have various impacts on the sustainability of traditional retails.

Research Objective

Based on research problem, the purpose of this study is to analyze the condition of after and before of the presence of modern retail/minimarket on traditional retail in motoling.

THEORETICAL REVIEW

Marketing

Marketing is a part that has a very important role in a business, because marketing has a function to find, obtain, retain and multiply consumers and dominate the market. According to the American Marketing Association in Kotler and Keller (2009:5), "Marketing is an organizational function and a series of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders".

Retailing

Retailing is a process selling of a small number of commodities to consumers. Increasing levels of consumption and the desire to shop for the community make this industry increasingly ogled by business people .According to Kotler (2000:4), retailing, namely: "Retail sales include all activities that involve the sale of goods and services to end consumers to use that are personal, not business".

Traditional Retail

According to Utami and Whidya (2010:95), traditional retailing is a view that emphasizes retail management using conventional and traditional approaches. Through conventional and traditional approaches, retail businesses are managed in ways that emphasize more on "things that can be prepared by entrepreneurs but are less focused on how consumer needs and desires are understood and even fulfilled".

Modern Retail

Modern retail is an emphasis on retail management by using a modern approach where the concept of retailing management is emphasized from the viewpoint of fulfilling the needs of consumers who are the target market, Utami and Whidya (2010:98). Modern retailers have a digitally integrated distribution chain that creates synergy among its users. Shared standards make information flow more effectively among suppliers, retailers and banks to improve visibility, efficiency and automation processes.

Consumers Preferences

Consumer preference is an attitude of consumers towards a brand choice of product formed through the evaluation of a variety of brands in a wide range of available options, Kotler and Keller (2009:181). According to Engel, James F. (1994:41) attributes that affect consumers in choosing where to shop: Price, Location, The nature and quality of the diversity of goods, Advertising and Promotion, Sales Personnel, Services Provided, Attributes of Physical Stores, Atmospheric of Store.

Sales Turnover

According to Swastha (1993:14), sales turnover is the accumulation of sales activity of product of goods of service that is calculated entirely over a period of time, continuously or in the accounting process.

Profit

According to Nafarin (2007:788) profit income is the difference between income and the balance of costs and expenses for a certain period. According to Halim and Supomo (2005; 139) Profit is the center of accountability whose inputs and outputs are measured by calculating the difference between income and costs.

Business Strategy

Strategy can be interpreted as a tool or an overall approach that is related to the implementation of ideas, planning, and execution of an activity in a certain period of time to achieve a goal in accordance with the opportunities and threats faced by the external environment, as well as internal resources and capabilities. Business/company strategy is a pattern of resource allocation that allows organizations to maintain performance (Barney.1997:27). A strategic initiative in business is an endeavor intended to achieve three interrelated outcomes: A boundary-spanning vision or "strategic intent", Realization of important benefits to "strategic" stakeholders and transformation & alignment of the organization

A strategic initiative is not the same thing as a strategic goal, strategic objective, or a strategic vision. Strategic initiatives are the means through which a vision is translated into practice Strategic initiatives are collections of finite-duration discretionary projects and programs, outside of the organization's day-to-day operational activities, that are designed to help the organization achieve its targeted performance.

Previous Research

According to Durge (2016) Competition from modern trade is increasingly eating into the pie of traditional retailers profits. Fears of traditional retailers being wiped out have held back policy makers from allowing 100% foreign direct investment in multi brand retail in india and without any restriction. Traditional retailers are at point a on the sigmoid curve. The only thing that is indeterminate is the length and duration of each part of the curve. How long do they have is anybody's guess.

According to Lalu, Jumaidi, Akhyar (2018).The implementation of government rule on modern mart is not running well, high negative perception of shop retailer and peddlers toward modern mart, negative impact of modern mart toward shop retailers and peddlers turnover (32% and 29%), income (30% and 17.5%), and customer (32% and 29 %), and there is minimum effort for sustainability by shop retailers and peddlers.

According to Masruroh (2017). That there are significant differences between turnover and market traditional retail store before and after the modern minimarket in the vicinity. This shows that the presence of modern retail stores provide a decrease in turnover and customer impact for traditional retail store. But the research

also shows that traditional retail stores that improve the quality of service and facilities are not effected by the presence of modern retail store in the vicinity.

Conceptual Framework

Conceptual frame work explain about the relation between the variable in this research.

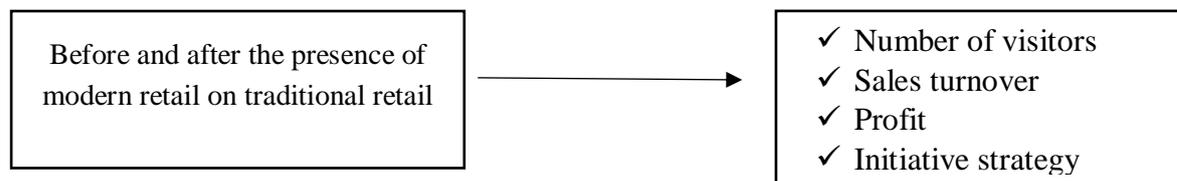


Figure 1. Conceptual Framework

Source: *Data Analysis Method, 2019*

RESEARCH METHOD

Type of research

This research using qualitative method. According to Densin and Lincold (1994) Qualitative research is involves the studied use and collection of a variety of empirical materials (case study, personal experience, introspective, life story, interview observational, historical, interactional, and visual text) that describe routine and problematic moments and meanings in individual lives. The type of this research is case study to know the after and before the presence of modern retail on traditional retail in Motoling.

Population, Sample and Sampling Technique

The target population and sample are explained below, include the sampling technique and sampling size, in order to describe the respondent's criteria before doing the research.

Population

Population is the generalization region consisting of object or subjects that have certain qualities and characteristic defined by the researchers to be studied and then drawn conclusions. The population of this research is Traditional Retail owners in Motoling.

Sample

Sample is a subset of the population. It compares some members selected from it. In other words, some but not all elements of the population of the sample. The sample of this research is traditional retail that has 100-500m radius from the modern retail in motoling.

Sampling Technique

This research uses purposive sampling. Purposive sampling relies on the judgment of the researcher when it comes to selecting the units that are to be studied. The main goal of purposive sampling is to focus on particular characteristic of a population that are of interest. In this research I took 6 respondent of traditional retail owner in Motoling.

Data Collection Method

Data collection method is important to providing the useful information to understand the process before gaining the result. Data collection method are divided into 2 there are primary data and secondary data.

Primary Data

Primary data are data that are collection for the specific research problem at hand, using procedures that fit the research problem. Researcher will collect primary data through observation, in-depth interview, and documentation.

Secondary Data

Secondary data is the existing data which is collected by the previous researcher and use to support the statement that are used in the research analysis (burn and bush.2005:120).The secondary

data is taken from books, journal, and relevant literature from library and internet. These secondary data were used in the background, literature review, research method, and discussion.

Operational and Measurement Variable

This discussion is about the definition of all the variable and factors of this research. The variable are consumer preference, sales turnover, profit, and initiative strategy.

Table 2.Operational Definition of Variable

Variable	Definition	Indicators
Consumer Preference	Consumer preference is an attitude of consumers towards a brand choice of product formed through the evaluation of a variety of brands in a wide range of available options, Kotler and Keller (2009: 181).	✓ Number of visitors
Sales turnover	According to Basu Swastha (1993),sales turnover is the accumulation of sales activity of product of goods of service that is calculated entirely over a period of time, continuously or in the accounting process.	✓ Sales turnover
Profit	The total income minus the total costs	✓ Profit
Initiative Strategy	Strategic initiatives are the means through which a vision is translated into practice Strategic initiatives are collections of finite-duration discretionary projects and programs, outside of the organization's day-to-day operational activities, that are designed to help the organization achieve its targeted performance.	✓ Initiative strategy

Source: Articles and Journals, 2015

RESULT AND DISCUSSION

RESULT

Informant 1: Mrs.Yuliana Tiwa (Owner of Kios Yuliana)

Informant 1, the owner of Kios Yuliana,she started her business in 2017.She said that the presence of modern retail (minimarket) have a positive impact and than have a negative impact too, the positive impact that they can buy a stuff in modern retail when modern retail held a promo and they can resell it again,and negative impact that their sales turnover is decrease and she said the after and before the presence of modern retail have a impact to the consumer because 30% of her consumer is move to modern retail and she said the many of her loyal consumer just come to her store if they don't have a money. The presence of modern retail is very impact my sales turnover decrease to 30%,and the goods/stuff that having decrease is cooking oil, instant noodles and sugar and the promotion through discounted price it's not have an impact for her business because she said the discounted have a positive impact from her, and the promotion through brochure and bonus she said she netral, and she said the presence of modern retail quite disturbing her business because her profit decrease 30% from the previous year, before the presence of modern retail, and for now there is no initiative strategy to be done, she said she will serve with hospitality and a smile.

Informant 2: Mrs.Diane Lombok (Owner of kios vita)

Informant 2, the owner of kios Vita,she started her business in 1998.When she know the presence of modern retail(minimarket) alfamart and indomart in motoling she said to respond with positive mind. The number of visitors/consumer is decrease she said but just 1 or 2 consumer that move to modern retail but their always comeback to buy in here so it's no big problem for her. The new goods/stuff that she not sell is necessarily effects the number of her visitors but she understand it because the consumer searching goods/stuff that they want to get. The turnover of course decrease from 50% to 20%,and the goods/stuff that has decrease sales is Rice, Milk, Egg, Cooking oil, and Snack. The promotion through discounted price what modern retail were doing, it's not have a impact for her business because she said the discounted have a positive impact from her like informant 1 say and

the promotion through brochure and bonus she said is not impact her business. and she said the profit has decrease 20%. For now she said she don't have any strategy but she said she will improve the good service for the consumer, so the consumer keep coming in her store.

Informant 3: Mrs. Masje Tangkere (Owner of kios Injilia)

Informant 3 is the owner of kios Injilia. She started her business in 1995. She said when she knows the modern retail in Motoling she respond is mediocre, because the presence of modern retail is have an a positive impact and have negative impact for her business. The before and after the presence of modern retail of her number of consumers/visitors is decrease, and from 1-10 loyal consumer, 5 is move to modern retail, and the absence of new goods/staff of course impact the number of the consumers/visitors. She said the turnover decrease 30-40% and goods/stuff that have decrease are Rice, Instant Noodles, Cooking oil and snack. The promotion through discounted price what modern retail were doing, it's have an impact for her business and the promotion through brochure and bonus she said have a same impact, because the number of visitors decrease, the sales turnover decrease and the profit decrease 30-40%. For now she said she don't have a initiative strategy to be done because she said she just service the consumers with hospitality and be polite.

Informant 4: Mrs. Jeanete Tompodung (Owner of Kios Cilan)

Informant 4 is the owner of kios cilan, she said she just continue her mother in law business. She said the business started around 2009. Based on she said when she knows the presence of modern retail she respond is mediocre, because the presence of modern retail motoling have a positive impact and have a negative impact, the positive impact that she can buy the goods/stuff that her not have on her store like baby milk and then she can buy a goods/stuff and reseller again and she said the presence of modern retail have an positive impact from infrastructure prespective and negative impact is the number of visitors is decrease because her consumers going to buy goods/stuff in modern retail. Even though she said the number of consumer is netral. The loyal consumers is netral. The updating new goods/stuff is of course impact the number of visitors/consumers and then she said the presence modern retail is have positive impact for consumers. The sales turnover is netral not increase not decrease. The goods/stuff that decrease just Cooking oil because in modern retail have a promotion. The promotion through discounted price what modern retail were doing, it's have an impact for her business and the promotion through brochure and bonus she said have a same impact, and the number of profit is decrease from 100% decrease to 50%. For now she don't have any strategy.

Informant 5: Mrs. Hilda Karundeng (Owner of XY kios)

Informant 5 is the owner of XY kios. Her started her business from 1985. She said the presence of modern retail have a negative impact for her business. Because half of her consumers is move to modern retail. She said she don't have a loyal consumers/visitors because every day the consumers is different because her store is close to the bus station, many people outside motoling like raanan baru, kroit, tondey, pelita come to her store. She said the lack of new goods/stuff has an impact of her number of visitors/consumer. and then her sales turnover is decrease as usually the turnover is 1 million now decrease to IDR500.000, and goods/stuff that have decrease are Cooking oil and sugar. The promotion through discounted price what modern retail were doing, it's have an impact for her business and the promotion through brochure and bonus she said as usually, for now the presence of modern retail have a big impact for her business because her profit decrease 40%. For now she not have any strategy.

Informant 6: Mrs. Sherly Kowureng (owner of kios ipey)

Informant 6 are the owner of kios ipey, she started her business from 2017. When she knows about the presence of modern retail in motoling she said she worry, but she knows the presence of modern retail have a positive impact and of course have negative impact too, because from now the number of her consumers/visitors is keep same, but of course there is a loyal costumer that move to modern retail she said 50% of her consumers is move. The updating new goods/stuff in modern retail of course impact the switching consumer. The sales turnover is decrease 20-30% and no goods/stuff that has decrease because the price that she serve is same like in modern retail, and some time the price that she serve is more cheaper when the modern retail has no promotion again. The promotion through discounted price what modern retail were doing, it's have an impact for her business because consumers sometimes prefer to buying in the modern retail although the price is same, and the promotion through brochure and bonus she said is as usually for now she said the presence of modern retail have a impact for her business because her profit decrease 20-30%. But For now she don't have any strategy.

Discussion

Before the presence of modern retail (minimarkets), traditional retail traders in the Motoling, generally only competed with other traditional traders and this did not significantly affect their Profit and their turnover. The profit of traditional retail traders is fairly stable and even better, daily needs are fulfilled and few traditional retail owners can provide a proper education for their children. Moreover, researchers admit that a large number of traditional retail in Motoling it doesn't reduce the efforts of traditional retail traders, even though there are so many competitors. This business also, is not too difficult because it only needs a small capital amount and place for business, do not need to rent or buy land, just set up a business at home. Because of this, many people open the same business. But nowadays, the traditional retail traders have to feel directly the impact of modern retail (minimarket), and with the limitations of traditional retail, it's very possible to compete with modern retail (minimarket).

The interviews and observations result that researchers have done with traditional retail traders from several informants who said that, before the presence of Indomaret and Alfamart, their profits and turnover were good. But now it's not as usual. From the beginning, traditional retail has a good development, have a loyal customer, but because the change of the lifestyle, such as the point of view of customers towards modern retail (minimarkets), their things that modern retail (minimarket) is a comfortable place, affordable prices, do not need to ask repeatedly about prices and a good facilities for shopping, it's rather than traditional retail stores

As we know that customers feel more satisfied when shopping at modern retail (minimarkets),so because of that traditional retail traders should pay more attention to their services, the goods/items must be arranged so neatly, so the customers do not move to shop in modern retails (minimarkets) and need to remembered so many things offered by modern retail (minimarkets), like fixed prices, self-service systems, air conditioners, and consumers can shop with non-cash payments, this makes consumers interest in modern retail(minimarket). It's very different from what traditional retail traders provide, where they still have limited facilities, payments with a cash system, incomplete items/goods. There is very clear we can see with the presence of modern retail (minimarket) buildings that increases year by year, and greatly impact the continuity of traditional retail traders in Motoling village, From the results of interviews with the traders, they admitted that for the past few years, minimarkets have had a significant impact.

Their profit is decreasing as perceived by one of the informants, which is around 20-50%. The turnover decreased 20-40% and the items that have a significant decreased sales is cooking oil and sugar. The percentage is the highest level of decline. Many of them complained about the decreasing of consumers that shopping at their stores, and so easily to government gave permission to establish modern retail buildings (minimarkets) in Motoling, without regard to matters affect small traders.

However, this is give more advantages for costumers , because it doesn't be difficult to find what they needs, just shopping to modern retail (minimarkets), all goods/items are available or completely sold and arranged very neatly. More and more sellers means more choices for buyers. The seller whose price is higher will certainly be left by the buyer. This is what encourages traders to surrender to following the prices prevailing in the market. The more diverse items sold by a seller mean the more makes the buyer not have the initiative to look for items in other sellers. This also encourages sellers to sell their goods at the same price as the market, because there is no reason for buyers to pay more for the same item. Currently, there are so many self-service stands, even minimarkets or similar ones not only one but there are several standing with a distance that is not far apart, other than what is felt by the trader, it is clear that the trader feels loss because of the presence of modern retail (minimarket). But it still has to compete because there are quite a lot of customers who switch shopping to modern retailers (minimarkets).

Traditional retail traders have various weaknesses that have become basic characters that are very difficult to change. Shop design and display factors, spatial layout, layout, diversity, and quality of goods are limited and they do not understand using sales promotion, and optimization of selling space utilization are the biggest weaknesses of traditional retail traders to facing competition with modern retailers (minimarkets). The marketing strategy is very important for traders. Understanding the strategy here is still limited to the strategy (how to) sell goods in the face of competition. Traders who have more knowledge about consumers and their competitors will be able to develop strategies to market (sell) the right items to defend their customers and face their competitors. Their knowledge is an advantage compared to other traders, including competitors. Traders need to try to make sales at discount prices at certain periods in order to increase sales, as is usually done by traders in modern retail (minimarkets). However, something that is quite difficult is because the backgrounds of all the informants at the highest level of education are high school and some even only graduate from elementary school, this is an illustration that the knowledge of traders is limited to selling and earning sufficient profit to meet their daily needs.

To face competition with modern retailers (minimarkets), traders need to have a specific strategy because, in reality, the ones currently faced by minimarkets are more existence than traditional retail traders. Therefore it is necessary for the strategy of the merchant to retain customers and the existence of the business to build a plan to change the image and type that is able to meet the needs and demands of consumers as done by, modern retail (minimarket).

One reason why traditional retail traders can't maximizing their profits and cannot compete with modern retail (minimarkets), because modern retail (minimarket) are open for 12 hours because many employees of the minimarkets use the working hour's distribution system. Consumers certainly like shopping in a place that is 12 hours because anytime they can shop for their daily needs without fear of no more store being opened. The impact of the presence of modern retail (minimarket) on traditional retail experienced by retail shop traders will be the reason for the rise of modern retail (minimarkets). With very large capital, modern retailers (minimarkets) can implement trading strategies and management that cannot be done by traditional retail traders. Starting from promotions, facilities that modern retail provides to consumers, distribution centers themselves, the large discounts. In fact, many people consider going to modern retail (minimarket) not only aiming at buying and selling transactions but as a place for family recreation. So this raises a new pattern for the community in terms of shopping. In its development, modern retail (minimarket) is increasingly widespread in remote corners of the city. This has taken advantage of the loophole of the strict rules of the government.

The Presidential Regulation No, 112 of 2007 (bphn, 2007), were not able to reduce the breakthrough carried out strongly by the minimarket. After the emergence of regional regulations in each district, it did not have a significant impact on the control of modern retail (minimarkets). The concept of protection only becomes a formal rule without being able to be enforced. The rules regarding the establishment of a minimarket must include the socio-economic impacts of traditional markets and small businesses that have already been around it are not taken seriously.

The Indications towards the game between the group of modern retailers (minimarkets) and the government are increasingly revealing. All these factors separate the sadness of the existence of traders in it. The presence of minimarkets with very large market power, based on capital, is able to erode every opponent including traditional retail. Various business strategies he developed to sustain brand image as a retailer of goods at the lowest price, has always been a trend in its management. In various ways, it must be recognized that modern retail (minimarket) has developed into a trendsetter for Indonesia's retail business. The thing that is also considered extraordinary from the minimarket is that the brand image turns out to be able to push it into a creator of traffic (traffic) for people shopping, in shopping centers (malls).

This is also in line with the results of research and interviews conducted by researchers to traders who became research informants, which shows that traders in Motoling Village often have many children or other family dependents, while the source of their income is only obtained from the trade, which in finally making their family's economic condition low or just enough. There are also traditional retail traders who think about education only to the extent of formality, the important thing is to be able to read, write and count, the average level of their final education is high school, rarely is their education up to university level. Parents prefer to divert the cost of education for other purposes and children prefer to be free from education to help or replace their parents to trade. In terms of mindset and socialization, traders assume that their lives are selling or trading. Parents who trade direct their children to trade as well as they do. Potential education makes their limited space to move more and there is still a lack of awareness that with education one can improve the quality of their living conditions, the trading environment that is attached to a trader like closing other environments of their lives.

There was also information from traders who were used as informants in this study, that in fact they did not only immediately feel rivaled or threatened with the emergence of modern retail (minimarkets) around, but they also enjoyed the presence of modern retail (minimarkets) and not infrequently they buy daily necessities for personal or household needs in modern retail (minimarkets), even more when there is have a discount (discounted price) they buy it to sell it again. In other words, in a competition, there are still advantages and disadvantages from both the interested parties and those that rival those such as traditional traders with modern retailers (minimarkets).

Research conducted in Motoling Village regarding the before and after the presence of modern retail on traditional retail in Motoling has the same results from several results of research conducted by previous researchers. That is, since the presence of the minimarkets it has had a serious impact in the form of a negative impact on the business continuity of traditional retail traders. The number of customers greatly influences the sales turnover & profit of a trader. After the presence of modern retail (minimarket), traders feel disadvantaged because many of their customers are turning to modern retail minimarkets. This is demonstrated by the reduction

in consumer purchasing power and a decrease in profit and turnover each year, and there are some traders who do not feel the negative impact of modern retail, but still feel the decline of their number of consumers, turnover, and profit.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the result and discussion from the previous chapter it can be concluded that, before the presence of modern retail the number of costumers, sales and profit was stable. After the presence of modern retail minimarket, the traditional retail feel treated because many of their customers are turning to modern retail minimarkets. This is demonstrated by the reduction in consumer purchasing power and a decrease in profit and turnover each year, and there are some traders who do not feel the negative impact of modern retail, but still feel the decline of their number of visitors, turnover, and profit. But one of their also enjoyed the presence of modern retail minimarkets because they can buy daily necessities for personal or household needs in modern retail minimarkets to consume or even sell it again. The traditional retail have decreased sales turnover 20-50% after the presence of modern retail minimarket, there are items that have decreased sales, namely Cooking oil and sugar. The profit of traditional retail have decreased 20-50% after the presence of modern retail minimarket in Motoling. And after the presence of modern retail (minimarket) in Motoling there is no initiative strategy that traditional retail provide to the costumer they just service the costumer with hospitality and be polite to their costumer.

Recommendation

The recommendation is the suggestion, advice, and solution offered regarding the topic objective of this research.

1. Traditional retail have to improve their innovation in product, product diversity, service to the consumers, the price is same with modern retail provide, the places is comfortable , and neatness stuff. Traditional retail traders have to know and learn about management business too.
2. The government should limit the increasing of modern retail in rural area and more prudent in regulating clear regulations for modern retail (minimarket) and traditional retail in order to occur more synergistic relationship between them although there is still have competitiveness.

REFERENCES

- Antarasulut. 2019. Tantangan Yang Nanti Di Hadapi Desa di sulut. *Artikel*. Retrieved from: <https://manado.anataranews.com/amp/berita/43294/tantangan-yang-nanti-dihadapi-desa-di-sulut>. Accessed on March 28th 2019.
- Barney,1997. Studylibid.com. Pengantar Materi Distinctive Strategic Management. *Article*. Retrieved from: <https://studylibid.com/doc/201768/pengantar-materi-distinctive-strategic-management>. Accessed on April 15th 2019.
- BPHN. 2007. Peraturan Presiden Republik Indonesia Nomor 112 Tahun 2007. Retrieved From: <http://www.bphn.go.id/data/document/07pr112.pdf> . Accessed on April 9th 2019
- BPS Minsel.2018. *Motoling Dalam Angka 2018*. *Artikel*. Retrieved from: <https://minselkab.bps.go.id/publication>. Accessed on march 26th 2019
- BPS Sulut,2019. *Sulawesi Utara Dalam Angka 2019*. *Artikel*. Retrieved from: <https://sulut.bps.go.id>. Accessed on February 26th 2019
- Burns, A. C., and Ronald, F. B. 2005. *Marketing Research*.4th Upper Saddle River. Pearson Education, Inc, ed. New Jersey
- Databooks.2018. Gerai Alfamart dan Indomart Masih Ekspansi. *Artikel*. Retrieved from: <http://databoks.katadata.co.id/data>. Accessed on March 28th 2019

Denzin, N., and Lincoln, Y. 1994. *Handbook of Qualitative Research*. Sage Publications, California.

Durge, Y. 2016. Grocery Consumers Purchase Preferences for Buying from Traditional and Modern Shops. *Article*. Retrieved From: <https://poseidon01.ssrn.com/delivery.php?ID=pdf>. Accessed on April 1st 2019

Halim, A., dan Supomo, B. 2005. *Akuntansi Manajemen*. BPF, Yogyakarta.

James F. Engel. 1994. *Perilaku Konsumen*. Edisi 6, Jilid 1. Binarupa Aksara, Jakarta Barat

Kotler., Philip., & Keller, K.L. 2009. *Marketing management*. Pearson Prentice Hall, Upper Saddle River.

Kotler., Philip. 2000. *Prinsip-Prinsip Pemasaran Manajemen*. Prenhalindo, Jakarta.

Lalu, T., Jalaludin, J., Akhyar, M. 2018. The Analysis of the Existing of Minimarket Toward the Sustainability of Peddling in Batu Layar and Gunungsari District West Lombok. *IQTISHADUNA*, 8(2), 149-164. Retrieved from: <http://journal.uinmataram.ac.id/index.php/iqtishaduna/article/view/691>. Accessed on April 5th 2019

Masruroh, R. 2017. The Impact of Modern Minimarket Towards the Continuity of Traditional Retail Business. Universitas Kuningan IOP Conf. Series: Material Science and Engineering 180. *Article*. Retrieved from: <https://iopscience.iop.org/article/10.1088/1757-899x/180/1/012005/pdf>. Accessed on April 5th 2019

Nafarin, M. 2007. *Penganggaran Perusahaan*. Edisi Ketiga. Salemba Empat, Jakarta.

Swastha Basu. 1993. *Pengantar Business Modern*. Edisi Ketiga. Liberti, Yogyakarta.

Utami., dan Whidya, C. 2010. *Retail Management*. Salemba Empat, Jakarta.

Utomo. 2011. Persaingan Bisnis Ritel: Traditional vs Modern. The Competition of Retail Business : Traditional vs Modern. *Fokus Ekonomi* 6(1):122–33. Retrieved from: <http://stiepena.ac.id/wp-content/uploads/2012pena-fokus-vol-6-no-1-122-133.pdf>. Accessed on March 5th 2019.