

**COMPETITIVE ADVANTAGE OF LOCAL FRUIT SELLERS IN TOMOHON
(CASE STUDY ON PASAR BERIMAN TOMOHON)****KEUNGGULAN KOMPETITIF DARI PENJUAL BUAH LOKAL DI TOMOHON
(STUDI KASUS PADA PASAR BERIMAN TOMOHON)**

By

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Abstract: Indonesia produces a variety of fruits, especially in North Sulawesi. The demand of fruit in Indonesia has increased by 10% over the last five years creating opportunities for people to sell local fruits at local farmers markets. In order for local fruit sellers to compete in the market, a strategy must be formed to gain competitive advantage. The objective of this study is to identify the competitive advantage of local fruit sellers in Pasar Beriman Tomohon. This research takes a qualitative approach by conducting interviews with 10 local fruit sellers in Pasar Beriman Tomohon as the respondents, which were chosen through purposive sampling and snowball sampling. The findings of this research are there are four variables that local fruit sellers in Pasar Beriman Tomohon consider to gain competitive advantage, which are factor conditions, demand conditions, related and supporting industries and company strategy, structure and rivalry. There are several similarities in factor conditions and related and supporting industries between the local fruit sellers and several differences in demand conditions and company strategy, structure and rivalry that are used as a competitive advantage. Local fruit sellers in Pasar Beriman Tomohon should form a strategy not only based on pricing but also services.

Keywords: *competitive advantage, strategic management, traditional market, qualitative study*

Abstrak: Indonesia memproduksi berbagai macam buah-buahan, terutama di Sulawesi Utara. Permintaan buah di Indonesia telah meningkat sebesar 10% selama lima tahun terakhir menciptakan peluang bagi orang untuk menjual buah-buahan lokal di pasar petani lokal. Dalam rangka untuk membuat penjual buah lokal mampu bersaing di pasar, strategi yang harus dibentuk untuk memperoleh keunggulan kompetitif. Tujuan dari penelitian ini adalah untuk mengidentifikasi keunggulan kompetitif Penjual buah lokal di Pasar Beriman Tomohon. Penelitian ini membutuhkan pendekatan kualitatif dengan melakukan wawancara dengan 10 penjual buah lokal di Pasar Beriman Tomohon sebagai responden, yang dipilih melalui purposive sampling dan snowball sampling. Hasil dari penelitian ini memiliki empat variabel yang penjual buah lokal di Pasar Beriman Tomohon sebagai bagian dalam pertimbangan untuk memperoleh keunggulan kompetitif, yang merupakan faktor kondisi, kondisi permintaan, industri pendukung dan yang terkait dan strategi perusahaan, struktur dan persaingan. Ada beberapa kesamaan dalam kondisi faktor dan industri pendukung dan yang terkait antara penjual buah lokal dan beberapa perbedaan dalam kondisi permintaan dan strategi perusahaan, struktur dan persaingan yang digunakan sebagai keunggulan kompetitif. Penjual buah lokal di Pasar Beriman Tomohon harus membentuk strategi yang tidak hanya didasarkan pada harga tetapi juga layanan.

Kata Kunci: *keunggulan kompetitif, manajemen strategik, pasar tradisional, penelitian kualitatif*

INTRODUCTION

Research Background

There was a new government regulation issued in 2012 by the Susilo Bambang Yudhoyono administration with the main aim to protect Indonesian fruit and vegetable farmers by limiting the amount of imported fruits into Indonesia. Indonesian farmers lack the competitive advantage amid weak local infrastructure, high logistics costs and inefficient farming techniques. Thus, it is often mentioned that imported fruit in Indonesian supermarkets is cheaper than its local (Indonesian) counterparts, a paradoxical situation.

Just a few years ago, in 2014 there was an issue in the fruit industry in North Sulawesi. According to *Tribun Manado* (2014), 16% of the land there was proposed to be turned into a market specifically only selling fruit. It had been observed that there are several booths and trucks selling fruit on the side of the road. Due to this, there is huge potential for the fruit industry to grow in North Sulawesi, so the local fruit sellers want to relocate to a specific place that only sells fruit. One citizen recommended that the reclamation of land in Manado Town Square, Megamas and Bahu Mall are constructed into a fruit market.

In Tomohon, people can find local fruit in the farmers markets in Pasar Beriman Tomohon also known as Pasar Ekstrim Tomohon. People that live in Tomohon prefer to go to this farmer market instead of supermarkets in Tomohon. The advantages farmers markets have selling local fruit than import fruit is that they have more loyal customers, so the seller do not have to worry about their fruit being sold or not, stable revenue in terms of their income, a high supply of fruit per-day from the farmers, consumers demand of fruit, low capital to start selling fruit, able to determine the price of fruit to have more profit, and the seller of farmers markets can work at more affective times than supermarket.

Research Objective

The objective which this thesis intends to achieve is: To know the competitive advantages of local fruit sellers in the farmers market Pasar Beriman Tomohon (Pasar Ekstrim Tomohon).

THEORETICAL FRAMEWORK

Strategic Management

According to Ansoff and McDonnell (1990), strategic management constitutes a systematic approach to the management of changes, comprising: positioning the organization through strategy and planning, real time strategic response through the management of problems, and the systematic management of resistance during strategy implementation. On the other hand, Porth (2002) believes that strategic management is definable as a cross- process of formulation, implementation and evaluation of the decisions that enable organizations to define and achieve their mission and ultimately to create value.

Competitive Advantage

Competitive advantage collection organization unique features that allows it that better performance than their show competitors and competitors are not easily able to simulate (Sadri and Lees, 2001). Competitive advantage for the organization's ability to provide the products its customers that is they know the more valuable of the competitors provide similar cases (Saloner, Shepard and Podolny, 2001). There are four variables of competitive advantage which are factor conditions, demand conditions, related and supporting industries and company strategy, structure and rivalry.

Factor Conditions

Factor conditions are another element of competitive advantages. The nation's position in factors of production, such as skilled labour or infrastructure, necessary to compete in a given industry (Pawar and Veer, 2013). All classical trade theories take land, labour, and capital as factors of production; put Porter (1990) distinguishes between the following categories: human resources, physical resources, knowledge resources, capital resources and infrastructure. Basic factors such as unskilled labour, raw materials, climatic conditions and water resources are inherited (Gawad, Alkhteb and Intezar, 2014). The basic factors are used as the indicators of factor conditions in this research.

Demand Condition

Demand conditions refer to the nature and size of the domestic demand for an industry's products and services. Porter (1990:79-80) argues that companies are most sensitive to the needs of their closest customers.

Thus, home market demand is of particular importance in shaping the attributes of the companies' products. The more sophisticated and demanding their local customers, the more pressure is created for innovation, efficiency and upgrading product quality. Therefore, it is assumed that with increasing consumer sophistication in their home markets and, consequently, with increasing pressure on local sellers, their competitive advantage will escalate. The indicators of demand conditions used in this research are home demand, market and demand size, market growth and buyers' sophistication.

Related and Supporting Industries

The term "related and supporting industries" is defined as "the presence or absence in the nation of supplier industries and related industries that are internationally competitive" (Porter, 1990:71). The indicators of relating and supporting industries used in this research are farmers, distributors, transportation and delivery services, market and cleaning services.

Company Strategy, Structure and Rivalry

This aspect of company strategy, structure and rivalry refers to the contemporary of capable, locally-based suppliers and competitive related industries. Cooperation between companies and their suppliers creates innovations (Zhang, 2006), because it is necessary to those companies to exchange knowledge and technologies about new services and products. The indicators of this variable used in this research are company structure, goals, company strategy and rivalry.

Traditional Market (Farmers Market)

According to Payne (2002:173), a farmers market is defined as a common facility or area where multiple farmers/growers gather on a regular recurring basis to sell a variety of fresh fruits, vegetables and other farm products directly to customers.

Previous Research

Gawad, Alkheteeb and Intezar (2014) made a study focusing on testing the determinants of competitive advantage of dates marketing from Saudia Arabia through multi-regression model based on Porter's diamond. Pawar and Veer (2014) conducted research with the objective of analyzing factors of competitiveness of nation or retail industry and relate Porter's diamond framework to India's retail industry. Pawar and Veer (2013) discusses the competitive advantage of India for FDI in retail sector with the help of national diamond model suggested by Porter (1990) for competitive advantage of nations.

Conceptual Framework

Conceptual framework is an arrangement of logical construction that is regulated in order to explain the variable in the research. With the conceptual framework the research will be more focused.

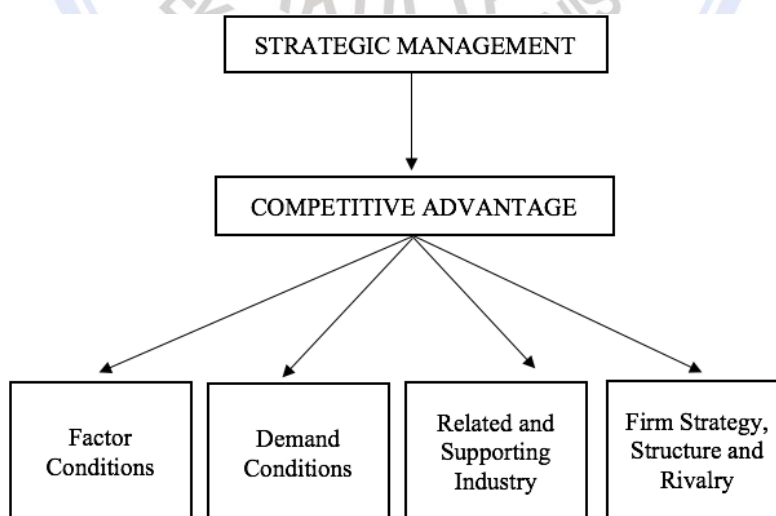


Figure 1. Conceptual Framework

Source: Articles and Journals, 2018

RESEARCH METHOD**Type of Research**

In conducting this research, the researcher used qualitative analysis interview method to analyze competitive advantage of local goods and import goods against fruits in Tomohon. According to Denzin and Lincoln (1998), qualitative research involves the collection of a several of empirical materials case study, personal experience, introspective, life story, interview, observational, historical, interactional, and visual texts that describe routine and problematic moments and meanings in individuals' lives.

Place and Time of Research

This research was conducted at the farmers market Pasar Beriman Tomohon This research was conducted on March – April 2018.

Population and Sample

According to Sugiyono (2007), in qualitative research there is no population term but only social situation, which consists of three elements: place, actors and activity. The social situation of this research is all elements that can be respondents about competitive advantage of local fruit at the farmers market Pasar Beriman Tomohon.

According to Sugiyono (2007), sample in qualitative research is not called as respondent instead as a sources, participant, informant, friend and teacher in research process. This research uses the sampling methods of purposive sampling and snowball sampling. The sample in this research is the sellers of local fruit at the farmers market Pasar Beriman Tomohon. The total amount of informants are 10 sellers.

Data Collection Method

The data used in this research are primary data and secondary data. According to Hair, et al (2003), primary data are the result of conducting some type the needed for this research were gathered through interview and observation in the social situation. According to Sekaran and Bougie (2009), secondary data are data that have already gathered by researchers, data published statistical and other journals, and information available from any published or unpublished source available either within or outside of organization, all of which might be useful to the researcher.

Data Validity and Reliability

To ensure reliability and validity of qualitative research, it is helpful to use triangulation. Triangulation is the effort to check the accuracy of data or information obtained by researchers from a variety of different perspective by reducing as much as possible the differences that occur when we collect data analysis (Moleong, 2008).

RESULT AND DISCUSSION**Interview Result****Informant 1**

The first informant is a 26-year-old female who is a local fruit seller in the farmers market Pasar Beriman Tomohon. This informant stays in Talete 1, Tomohon. She has been selling local fruit at there for 5 years. Regarding factor conditions, this informant does not hire employees for unskilled labor; raw materials came from North Sulawesi, Palu and Mamuju; available fruits depended on climatic conditions; water resources are not used to wash fruits. Regarding demand conditions, she responds to home demand by considering customers' wants and needs; the market for watermelons, mangoes, lemons, apples, grapes and avocados have a high demand size for their customers, so those fruits are the fruits sold, and during high season, the market for seasonal fruits (durian, rambutan, langsung) increases the demand size of customers which is taken advantage of; market growth is followed by restocking fruit once per week since there are around 50 customers per day reaching a profit of around 1,500,000 rupiahs per day and twice as much on Tuesdays, Thursdays and Saturdays; buyers' sophistication is not taken into consideration. Regarding related and supporting industries, this informant does business with local farmers, a watermelon distributor from Palu, a lemon distributor from Mamuju and Pasar Beriman Tomohon. Regarding company strategy, structure and rivalry, it is a family business; the goal is to sell all fruit while they are still fresh; the strategy is to sell fruit at high prices on arrival

while they are still fresh and at best quality; rivalry motivates the informant to provide the freshest fruit possible.

Informant 2

The second informant is a 50-year-old female who is a local fruit seller in the farmers market in Pasar Beriman Tomohon. This informant stays in Kakaskasen 3, Tomohon. She has been selling local fruit there for 35 years. Regarding factor conditions, immediate family members are hired for unskilled labor; raw materials come from Palu, Kotamobagu and Jakarta; available fruits depend on climatic conditions; water resources are not used to wash fruits. Regarding demand conditions, she responds to home demand by considering customers' wants and needs; the market for avocados, dragon fruit, watermelons, salacca, apples, bananas, pineapples, pears, grapes, melons, papayas and mangoes have a high demand size for their customers, so those are the fruits sold, and during high season, the market for seasonal fruits (dragon fruit and mangoes) increases the demand size of customers which is taken advantage of; market growth is followed by restocking fruit three times per week since hundreds of fruit are sold each day reaching an income of around 3,000,000 rupiahs per day and twice as much on Tuesdays, Thursdays and Saturdays; buyer's sophistication of Chinese tourists as customers determines the type of fruits sold at good quality. Regarding related and supporting industries, this informant does business with a watermelon distributor from Palu, fruit distributors from Kotamobagu, PT Laris Manis Utama and Pasar Beriman Tomohon. Regarding company strategy, structure and rivalry, it is a family owned business; goal is to sell all fruit before they go rotten; strategy is to gain loyal customers by being friendly, building relationships, offering bonus fruit and having bargainable prices; rivalry makes them motivated to provide best quality fruits.

Informant 3

The third informant is a 51-years-old female who is a local fruit seller in the farmers market in Pasar Beriman Tomohon. This informant stays in Talete 1, Tomohon. She has been selling local fruit there for 7 years. Regarding to factor condition, high school graduates are hired for unskilled labor; raw materials come from Central Sulawesi; Climatic conditions do not affect the availability of fruit; water resources are not used to wash fruits. . Regarding demand conditions, she responds to home demand by considering customers' wants and needs; The market for pineapples, papayas, apples, bananas, mangoes, salacca and star fruit have a high demand size for their customers, so those are the fruits sold; market growth is followed by restocking fruit twice a per week since there are around 50 customers each day reaching an income of around 1,500,000 rupiahs per day and twice as much on Tuesdays, Thursdays and Saturdays; buyers' sophistication is not taken into consideration. Regarding related and supporting industries, this informant does business with fruit distributors from Central Sulawesi and Pasar Beriman Tomohon. Regarding company strategy, structure and rivalry, there's one owner with 3 employees; goal is to sell all the fruit while still fresh; strategy is to gain customer loyalty by being friendly and building relationships; rivalry encourages them to have strong working morals.

Informant 4

The fourth informant is is a 20-year-old male who is a local fruit seller in the farmers market in Pasar Beriman Tomohon. This informant stays in Paslaten, Tomohon. He has been selling local fruit there for 1 year. Regarding to factor condition, high school graduates are hired for unskilled labor; raw materials come from Palu, Central Sulawesi; available fruits depend on climatic conditions; water resources are not used to wash fruits. Regarding to demand condition, he responds to home demand by considering customers' wants and needs; the market for dragon fruit, star fruit, watermelons, avocados, pineapples, mangoes, bananas and papayas have a high demand size for their customers, so those are the fruits sold, and during high season, the market for seasonal fruit (durian) increases the demand size of customers which is taken advantage of; market growth is followed by restocking fruit once per week since there are an average of 20 sales per day reaching an income of around 750,000 rupiahs and twice as much on Tuesdays, Thursdays and Saturdays; buyers' sophistication of restaurant owners as customers determines the type of fruits sold at good quality. Regarding related and supporting industries, this informant does business with fruit distributors from Central Sulawesi and Pasar Beriman Tomohon. Regarding company strategy, structure and rivalry, there's one owner and one employee; goal is to reach an income of 3,000,000 rupiahs per month after fixed and variable costs; strategy is to provide lower prices than competitors; rivalry motivated him to provide the lowest prices.

Informant 5

The fifth informant is a 55-year-old female who is a local fruit seller in the farmers market in Pasar Beriman Tomohon. This informant stays in Tumatangtang, Tomohon. She has been selling local fruit there for 5 years and 10 months. Regarding factor conditions, high school graduates are hired for unskilled labor; raw materials come from Central Sulawesi and North Sulawesi; available fruits depend on climatic conditions; water resources are not used to wash fruits. Regarding demand conditions, she responds to home demand by considering customers' wants and needs; the market for papayas, mangoes, soursop, coconuts, salacca and avocados have a high demand size for their customers, so those are the fruits sold, and during high season, the market for seasonal fruits (durian, langsung / duku and rambutan) increases the demand size of customers which is taken advantage of.; market growth is followed by restocking fruit twice a week since there are an average of 30 sales per day reaching an income of around 1,000,000 rupiahs and twice as much on Tuesdays, Thursdays and Saturdays; buyers' sophistication of loyal customers determines the type of fruits sold at good quality. Regarding related and supporting industries, this informant does business with local farmers, fruit distributors from North Sulawesi and Pasar Beriman Tomohon. Regarding company strategy, structure and rivalry, there's one owner and four employees; goal is to make at least 30 sales per day; strategy is to sell fruit at bargainable prices and to position the stand at a visible place; rivalry motivates her to provide bargainable prices.

Informant 6

The sixth informant is a 24-year-old male who is a local fruit seller in the farmers market in Pasar Beriman Tomohon. This informant stays in Talete 2, Tomohon. He has been selling local fruit there for 3 years. Regarding factor conditions, no employees are hired for unskilled labor; raw materials come from Palu, Jakarta and local farmers; available fruits depend on climatic conditions; water resources are not used to wash fruit. Regarding demand conditions, he responds to home demand by considering customers' wants and needs; the market for papayas, watermelons, pineapples, apples, cucumbers and dragon fruit have a high demand size for their customers, so those are the fruits sold, and during high season, the market for seasonal fruits (durian and langsung / duku) increases the demand size of customers which is taken advantage of; market growth is followed by restocking papayas three times a week and the rest of the fruits once a week since there are an average of 20 sales per day reaching an income of around 750,000 rupiahs and twice as much on Tuesdays, Thursdays and Saturdays; buyers' sophistication of business owners determines the type of fruits sold at good quality. Regarding related and supporting industries, this informant does business with local farmers, fruit distributors from Palu, PT Laris Manis Utama and Pasar Beriman Tomohon. Regarding company strategy, structure and rivalry, there's one owner and no employees; goal is to make at least 20 sales per day; strategy is to give discounts and bonuses to loyal customers; rivalry motivates him to provide discounts.

Informant 7

The seventh informant is a 41-year-old male who is a local fruit seller in the farmers market Pasar Beriman Tomohon. This informant stays in Talete 1, Tomohon. She has been selling local fruit there for 9 years. Regarding factor conditions, immediate family members hired for unskilled labor; raw materials come from Palu; available fruits depend on climatic conditions; water resources are not used to wash fruit. regarding demand conditions, he responds to home demand by considering customers' wants and needs; the market for papayas, pineapples, apples, avocados, salacca and watermelons have a high demand size for their customers, so those are the fruits sold. during high season, the market for seasonal fruits (durian and duku / langsung) increases the demand size of customers which is taken advantage of; market growth is followed by restocking fruits twice a week since there are an average of 25 sales per day reaching an income of around 850,000 rupiahs and twice as much on Tuesdays, Thursdays and Saturdays; buyers' sophistication of loyal customers determines the type of fruits sold at good quality. Regarding related and supporting industries, this informant does business with fruit distributors Palu and Pasar Beriman Tomohon. Regarding company strategy, structure and rivalry, it is a family own business; goal is to maintain income of 850,000 rupiahs per day; strategy is to gain customer loyalty by being friendly and giving discounts; rivalry encourages him to have strong working morals.

Informant 8

The eighth informant is a 51-year-old female who is a local fruit seller in the farmers market in Pasar Beriman Tomohon. This informant stays in Paslaten, Tomohon. She has been selling local fruit there for 10 years. Regarding factor conditions, immediate family members hired for unskilled labor; raw materials come from Central Sulawesi; available fruits depend on climatic conditions; water resources are not used to wash

fruit. regarding demand conditions, she responds to home demand by considering customers' wants and needs; the market for apples, pineapples, watermelons, avocados and melons have a high demand size for their customers, so those are the fruits sold, and during high season, the market for seasonal fruit (durian) increases the demand size of customers which is taken advantage of; Follows market growth by restocking fruits once a week since there are an average of 25 sales per day reaching an income of around 1,200,000 rupiahs and twice as much on Tuesdays, Thursdays and Saturdays; buyers' sophistication is not taken into consideration. Regarding related and supporting industries, this informant does business with fruit distributors Palu and Pasar Beriman Tomohon. Regarding company strategy, structure and rivalry, it is a family own business; goal is to sell all fruit before they become rotten; strategy is to make customers feel like they are getting the best deal; rivalry to provide bargainable prices.

Informant 9

The ninth informant is a 23-year-old male who is a local fruit seller in the farmers market in Pasar Beriman Tomohon. This informant stays in Kamasi Lewet, Tomohon. She has been selling local fruit there for 2 years. Regarding factor conditions, no employees are hired for unskilled labor; raw materials come from Tmaarenja and local farmers; available fruits depend on climatic conditions; water resources are used to wash apples and pineapples. Regarding demand conditions, he responds to home demand by considering customers' wants and needs; the market for salacca, rambutan, mangoes, orange fruit, langsung / duku and mangosteen have a high demand size for their customers, so those are the fruits sold; market growth is followed by restocking fruits once a week since there are an average of 40 sales per day reaching an income of around 1,700,000 rupiahs and twice as much on Tuesdays, Thursdays and Saturdays; buyers' sophistication of Chinese tourists determines the type of fruits sold at good quality. Regarding related and supporting industries, this informant does business with local farmers, fruit distributors from Tamarenja and Pasar Beriman Tomohon. Regarding company strategy, structure and rivalry, there are two owners; goal is to make at least 40 sales every day; strategy is to give discounts to customers who purchase fruit in large amounts; rivalry motivates him to make customers feel like they are getting the best deal.

Informant 10

The tenth informant is a 33-year-old female who is a local fruit seller in the farmers market in Pasar Beriman Tomohon. This informant stays in Woloan 2, Tomohon. She has been selling local fruit there for 11 years. Regarding factor conditions, no employees are hired for unskilled labor; raw materials come from Palu and East Jakarta; climatic conditions do not affect the availability of fruit; water conditions are used to wash apples and grapes. Regarding demand conditions, she responds to home demand by considering customers' wants and needs; the market for watermelons, grapes, melons, apples, lemons and star fruit have a high demand size for their customers, so those are the fruits sold; market growth is followed by restocking fruits once every two days since there are an average of 35 sales per day reaching an income of around 1,200,000 rupiahs and twice as much on Tuesdays, Thursdays and Saturdays; buyers' sophistication is not taken into consideration. Regarding related and supporting industries, this informant does business with fruit distributors from Palu, local farmers, PT Laris Manis Utama and Pasar Beriman Tomohon. Regarding company strategy, structure and rivalry, this is a family owned business; goal is to keep making 1,200,000 rupiahs in sales per day; strategy is to have a strategic location on the side of the road; rivalry motivates her to attract more customers.

Factor Conditions used as a Competitive Advantage

Local fruit sellers who run a family business and only hire immediate family members to handle operations have a competitive advantage. Several studies exist in literature describing how family businesses should operate for long term sustainability, survival and growth (Korsching and Allen, 2004; Sharfman and Dean, 1991). It is proven that family businesses tend to stay stable for a long period of time.

Fruits from local farmers are fresh and full of flavor. When grown locally, the crops are picked at their peak of ripeness versus being harvested early in order to be shipped and distributed (Klavinski, 2013). Getting fruits from local farmers gives local fruit sellers in Pasar Beriman Tomohon a competitive advantage.

Climatic conditions play a major role in ensuring growth and production of quality (Karuoya, 2014). Local fruit sellers in Pasar Beriman Tomohon who sell seasonal fruits during high season have a competitive advantage over those who do not.

Using water resources means that hygiene is considered. Local fruit sellers who choose to use water resources to wash their fruits are their customer's health and hygiene into consideration. Hygiene factors are

essential criteria that customers consider (New, 1992). Local fruit sellers in Pasar Beriman Tomohon who wash their fruits before they sell them have a competitive advantage over those who do not because consumers will consider the cleanliness of the products.

Demand Conditions used as a Competitive Advantage

Responding to home demand gives local fruit sellers in Pasar Beriman Tomohon an advantage because when knowing the needs and desires of their customers, they can make more sales. Home demand also creates competitive advantage because in order to meet the home nation buyer's needs, local firms can innovate and adapt faster (Porter, 1990).

Porter (1985) stated "profits are a function of the balance between supply and demand. If demand is greater than supply, this leads to high profitability." Local fruit sellers in Pasar Beriman Tomohon who follow the market and demand size of fruits have a competitive advantage since they know which fruits are of high demand, especially following each season.

Identified by Aaker and McLoughlin (2010:61), growth rate of a market is one factor that strategic decisions on a target market are based on. Local fruit sellers in Pasar Beriman Tomohon who follow market growth can make strategic decisions that gives them a competitive advantage.

Local fruit sellers that consider buyers' sophistication have a competitive advantage because they can gain loyal customers this way. The significance of buyers' sophistication stems from the fact that sophisticated and demanding buyers exert pressure on firms to excel in quality of the product, features, and service and thus help for sustaining the acquired advantage (Porter, 1990).

Related and Supporting Industries used as a Competitive Advantage

Local fruit sellers who do business with local farmers have a competitive advantage over those who do not. Porters (1990) stated perhaps the most important benefit of home-based suppliers, however, is expressed in the process of innovation and upgrading. It refers to a mutual influence between firms and their suppliers.

Local fruit sellers in Pasar Beriman Tomohon who do business with the fruit distributor PT Laris Manis Utama have a competitive advantage over those who do not. this fruit distributor already has a good reputation of providing good quality fruits, excellent services and having good working morals, so local fruit sellers in Pasar Beriman Tomohon have a competitive advantage doing business with this company.

Company Strategy, Structure and Rivalry used as a Competitive Advantage

Local fruit sellers in Pasar Beriman Tomohon who build their company structure restricted to only family members have a competitive advantage. A family business has a strong sense of loyalty, identity, unique social system, integrity, commitment to building enduring relationships and "familiness" (Habbershon, Williams and MacMillan, 2003).

Cardello and Schutz (2002:22) argued that the taste of the food was found to be the most important driver of purchase interest, with freshness having equal importance to such factors as convenience, healthfulness, and retail source and assess the factors that contribute to the concept of the food freshness and relative importance of freshness to other product variables. Local fruit sellers who set a goal to sell all their fruits while still fresh have a competitive advantage.

Local fruit sellers in Pasar Beriman Tomohon who use a strategy that revolves around both prices and working morals to gain customer loyalty have a competitive advantage. Peppard (2000) stated that the relationship between customers and companies has strongly developed to a direction where the customers have a dominating position in a sense of bargaining power. With this power, customers have become more demanding towards services.

According to Porter (1990), domestic rivalry creates visible pressures to innovate, pushing each other to lower costs, improved quality and service. Each local fruit seller has their own competitive advantage when dealing with rivalry causing their business to grow in different ways.

CONCLUSION AND RECOMMENDATIONS

Conclusion

1. Local fruit sellers in Pasar Beriman Tomohon who only hire immediate family members for unskilled labor, get their fruits from local farmers in North Sulawesi, consider climatic conditions by selling seasonal fruit and use water resources to wash their fruits have a competitive advantage.

2. Local fruit sellers in Pasar Beriman Tomohon who respond to home demand by considering customers' wants and needs, provide fruits that are most demanded by their customers, restock their fruits by following market growth and according to their average amount of sales and consider buyers' sophistication have a competitive advantage.
3. Local fruit sellers in Pasar Beriman Tomohon who do business with local farmers in North Sulawesi and PT Laris Manis Utama have a competitive advantage. As for the indicators market, transportation and deliver services and cleaning services, all local fruit sellers in Pasar Beriman Tomohon use the same industries.
4. Local fruit sellers in Pasar Beriman Tomohon who build their company structure restricted to only family members, set a goal to sell all their fruits while still fresh, use a strategy that revolves around both prices and working morals to gain customer loyalty and are motivated by rivalry have a competitive advantage.

Recommendations

1. Local fruit sellers in Pasar Beriman Tomohon should wash their fruits before selling them.
2. Local fruit sellers in Pasar Beriman Tomohon should put more consideration into buyers' sophistication by observing what fruits most restaurant owners, small business owners and tourists demand.
3. Local fruit sellers in Pasar Beriman Tomohon should get more of their fruits from local farmers in North Sulawesi to support the local community and have lower delivery costs and transportation time.
4. Local fruit sellers in Pasar Beriman Tomohon should form a strategy not only based on pricing but also their services, such as their working morals to gain customer loyalty.

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