

# CHAPTER I

## INTRODUCTION

### 1.1 Background

In this modern era, many people are doing business or entrepreneurship with various kinds according to the skills and creativity they have, the goal is to attract customers to come and buy their products. As a place to shop, a small store is one of the places of business that sells a variety of daily needs that use traditional ways in buying and selling transactions. Small shops are much in demand by people because of their distance that is not too far from home and is very profitable for store owners. Sufficient results for the living needs of the owners make the quality of small shop business much in demand by people as one of the home businesses. This business is classified as a business that is not too difficult because the capital needed is not so much and can be done at home, therefore, and more people who set up similar businesses can create jobs for themselves and their families. Their daily needs can also be fulfilled because their income is said to be quite decent.

Nowadays, small shop businesses are starting to be eliminated by larger modern stores like Alfamart. The existence of Alfamart makes small stores lose a lot of customers. The limitedness that small stores have does not allow to compete well with larger stores. The facilities and quality provided by large stores make consumers prefer to shop in such places such as Alfamart and similar minimarkets that are starting to develop (Fitry and Rosita, 2019).

Nielsen's next for southeast Asia report showed that the number of minimarkets in Indonesia reached 43,826 stores in 2017. From year to year, this growth increased by about 3.2%, the number of minimarkets reached more than 40 thousand with an increase of more than 1,000 minimarkets each year (Sandi and Maemunah, 2019). This shows that the growth of modern minimarkets or retail in Indonesia is experiencing very rapid growth.

The spread of minimarkets on the one hand has a positive impact, this proves high economic growth and the occurrence of investment activities. On the other hand, this can cause the lethargy of grocers, even shutting down their business. The presence of modern retail has given rise to a climate of competition that harms grocers (Yolanda and Silvi, 2015).

Modern retail in Bengkalis continues to grow until almost all districts in the city of Bengkalis currently have modern retail. In Bengkalis District itself stands 3 Alfamart since 2019. This is very beneficial to consumers because there is no need to bother to find the desired needs. But not necessarily this also benefits grocers who are around alfamart, it could even affect the development of grocery stores.

Alfamart outlets also innovated shopping features by selling electronic pulses and airline tickets, train tickets and gallon mineral water. While that makes the public's interest is very high in doing shopping activities at this outlet, for reasons of convenience and the many features and promos offered. The increasing number of modern retailers can lead to stiff competition between traditional traders and Alfamart. For example, we can find modern retail with a distance of a few meters and not infrequently facing each other with a grocery store.

Based on the background above, researcher are intrested in conducting research on ***“Income Analysis of The Presence of Alfamart on Grocery Stores in The Subdistrict of Bengkalis”***.

## **1.2 Formulation of the Problem**

Based on the background of the problems described above, the formulation of the problem to be examined in this study is how Income analysis of The Presence of Alfamart on Grocery Stores in The Subdistrict of Bengkalis in terms of sales turnover and number of buyers.

## **1.3 Purpose of the Study**

Based on the formulation of the problem, the objectives of this study are:

1. To find out income analysis of the presence of alfamart on sales turnover at grocery stores in the Subdistrict of Bengkalis.
2. To find out income analysis of the presence of alfamart on the number of buyers at grocery stores in the Subdistrict of Bengkalis.

#### **1.4 Significance of the Study**

Based on this study, the author can divide the significant of the study into three part as follows:

1. Theoretical
  - a. As an information and consideration for groceries store entrepreneurs in attracting consumers so that consumers do not switch to other stores.
  - b. As a comparison and add the same research reference.
2. Practical
  - a. Writer  
To add knowledge and insight and multiply information about the economy impact of alfamart on groceries stores. As well as become one of the requirements to continue education, and as a reference material to conduct further research.
  - b. Student  
The results of this study are expected to be used as a reference in seeking information, adding insight into the impact of business competition and providing conceptual discourse for the development of theoretical studies and economic policy.
  - c. Community  
Provide a more critical picture of the impact of modernization on traditionalism, culture and characteristics of Indonesia. It is expected that this research can be a reference or description for traders, especially small shop traders to make improvements such as improvements in store management and others in order to face competition to modern markets (modern retails) around.

## **1.5 Scope and Limitation of the Problem**

Based on the background of the problem that has been presented, the authors can identify the scope of this study, namely the presence of alfamart in Subdistrict of Bengkalis. Research is limited only to grocery stores around alfamart in Subdistrict of Bengkalis.

## **1.6 Writing System**

The writing of this thesis report to be systematic and structured, it is required to prepare a systematic report. The following is the system of writing a thesis report:

### **CHAPTER 1 : INTRODUCTION**

In Chapter 1 explain about title of thesis proposal, the background of the problem, the formulation of the problem, the research purpose, the research benefits, the scope and limitations of the problem and the writing system of the research.

### **CHAPTER 2 : LITERATUR RIVIEW**

In Chapter 2 describes the literatur review and the basis for the previous theory that will be used in the completion of the research.

### **CHAPTER 3 : METHOD AND ACCOMPLISHMENT PROCESS**

In Chapter 3 will explain about the location and place of the study, starting from the location, time and object of research, types and source of data, data collection teqnique, data analysis method, types of research, schedule and budget of result.

### **CHAPTER 4 : RESULT AND DISCUSSION**

In Chapter 4 will explain about the result and discussion of the research.

### **CHAPTER 5 : CONCLUSION AND SUGGESTION**

In Chapter 5 will explain about the conclusion and suggestion of the research carried out.