

CHAPTER I INTRODUCTION

1.1 Background

There are two types of markets, namely modern markets and traditional markets. Modern market is a place where people can buy goods with comfortable and clean. The traditional market can be defined as a meeting place for sellers and buyers. As for the society market as a place for social interaction and market is also the economic backbone of the community.

The type of market according to its services and equipment includes traditional markets and modern markets. Traditional markets are markets managed by the government including cooperation with the private sector with business places in the form of shops, stand, kiosks or tents which are owned by traders and with buying and selling process through bargaining process. In its activities, traditional markets in Indonesia are still struggling with internal market issues such as lack of professionalism in management and shopping inconvenience. Competition between traditional retail and modern retail has most attention, because it puts one party (the traditional retail) in a weak position.

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. The overall development of the Indonesian economy after the monetary crisis showed a significant increase, this was indicated by the proliferation of various trading businesses in the community. From those who do small businesses, to medium and large scale.

Indomaret on the one hand, shows good economic development. The growth of minimarkets to the regions is an exception to the progress of the Indonesian economy at a macro level. But on the other hand, the economic passion that turned out to trigger unrest among traditional traders. The presence of

modern retail has created unfair competition that is detrimental to traditional traders.

The increasing number of Indomaret causes intense competition between traditional traders and Indomaret. For example, we can find franchised minimarkets with a distance of a few meters and not infrequently facing each other. With such conditions, the existence of traditional traders is increasingly squeezed in this intense competition. Currently, Indomaret is growing very rapidly, this is reinforced by the presence of a subsidiary Indogrosser with a wholesale business concept.

Where the researchers conducted research, there were also several problems related to business competition, it was seen that 6 Indomaret outlets in Bengkalis had been established which were very close to small traders. This condition causes many consumers to switch to shopping at Indomaret outlets, even though before the establishment of these outlets consumers did shopping at small traders. Likewise, at this time there has been no action by the local government to control Indomaret outlets, which have been established in Bengkalis city, the regional apparatus seems to have spread this condition. If this condition continues, it will have a negative impact on business competition, the worst thing is that conventional store could go out of business due to the daily declining turnover caused by this condition so that they are no longer able to rotate their capital.

The buying and selling system in modern times includes several price and non-price strategies, to attract buyers, they carry out various price strategies such as price limit strategies, predatory pricing strategies, and inter-temporal price discrimination. . For example, providing price discounts on weekends and at certain times. Meanwhile, non-price strategies include advertising, opening outlets longer, especially on weekends, bundling/tying (combined purchases), and free parking. (Suryadarma et al, to be published).

The emergence of this outlet does not necessarily bring change or goodness to all people (consumers and conventional store/ wholesalers). The spread of these outlets actually has a negative impact on traders who also offer

goods such as Indomaret outlets. This is due to reduced consumer interest in shopping at regular wholesalers, they are more comfortable shopping at wholesale Indomaret which has 6 outlets in the city of Bengkalis, in addition to being a comfortable place, the services provided by store employees are also very satisfying to consumers, especially promos and discounts. prices given for household staples. Meanwhile, conventional storeonly provide household staples without any promotions or discounts to consumers, this is because the business capital they spend is not so much that they only provide prices that are in accordance with the business capital.

However, indomaret outlets are not individual businesses but a business entity managed by a wholesaler system, namely the goods to be marketed are obtained from PT. Indomarko so that the goods will always be there regardless of business capital. This makes it even more difficult for conventional storeto run their business. Conventional storehave to turn their heads to think about procuring goods and reselling them to consumers at prices that can be said to be ordinary. Meanwhile, Indomaret outlets do not have to think about the supply of goods to be sold because every month the goods to be sold are still brought in so that the turnover of trade in goods is not interrupted and inventories of goods are maintained.

Indomaret outlets also innovated shopping features by selling electronic credit and train tickets, gas and gallons of mineral water. So 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. Because of these social phenomena and facts that have been described based on these descriptions, the authors are interested interested in examine the relationship and influence between conventional stores and the existence of Indomaret in 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 to know How the Inluence of the

existence of Indomaret in conventional store in Bengkalis City in terms of sales turnover and number of buyers.

1.3 Purpose of the Study

From the formulation of the problems that have been stated, the objectives of this study are :

1. To know the Influence of Indomaret on Sales Turnover at conventional stores in Bengkalis City.
2. To Know the Influence of Indomaret on the Number of Buyers at Conventional Stores in Bengkalis City.

1.4 Significance of the Study

This research is expected to be useful for interested or related parties. The significance of this research are :

1. This research is expected to be used as a comparison between theory and facts or facts that occur in the field, especially regarding the description of buying interest in Indomaret, Bengkalis City.
2. The research is expected to be used as a reference material in the field of similar research and the development of further research
3. Community benefits from the results of this research are expected to be useful for the development of knowledge regarding increasing sales income, especially for conventional store about the impact of the existence of Indomaret.

1.5 Scope and Limitation of the Problem

Research limitations are very important because they can be used to guide analysis and data collection. In addition, to avoid the possibility of errors in the interpretation of the title. Therefore, so that the research being studied is clear and can move his attention quickly, the author deliberately conducts limited research.

The limitations of this research are :

1. The subject of this research, observation and research is limited to Conventional Store in Bengkalis city.
2. The object of the research is a the owner of Conventional Store near Indomaret in Bengkalis city.

1.6 Writing Systematics

In order for the writing of this thesis report to be systematic and neatly arranged, a systematic report writing is needed. The following is a systematic thesis report writing :

CHAPTER 1: INTRODUCTION

Chapter 1 explains the background of the problem, problem formulation, research objectives, research benefits, research scope and problem boundaries as well as report writing systematics.

CHAPTER 2: LITERATURE REVIEW

Chapter 2 explains the literature review and the previous theoretical basis that will be used in completing the research.

CHAPTER 3: METODE DAN ACCOMPLISHMENT PROCESS

In Chapter 3 will be explained about the implementation plan, starting from the location, time and object of research, types and sources of data, data analysis methods, types of research, research schedule and budget.

CHAPTER 4: RESULTS AND DISCUSSION

In Chapter 4, we will explain the results and discussion of the research.

CHAPTER 5 : CONCLUSIONS AND SUGGESTIONS

In Chapter 5, we will explain the conclusions and suggestions from the research conducted.

BIBLIOGRAPHY

ATTACHMENTS