

## **Analysis Of Competitive Strategy For Grocery Stalls (Study On Herianto's Grocery Stalls, Camba-Camba Village, Batang District, Jeneponto Regency)**

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### **ABSTRACT**

This study aims to determine how the competitive strategy of Herianto grocery stalls and inhibiting and supporting factors in Herianto grocery stalls, Camba-camba village, Batang district, Jeneponto regency. This type of research is descriptive qualitative research. Data collection techniques in this study through observation, interview, and documentation methods. Data analysis techniques in this study use data condensation, data presentation and conclusions. The results of this study show that in order for Herianto grocery stalls to remain competitive in the same industry, Herianto grocery stalls can choose several strategies that are in accordance with the internal and external conditions of grocery stalls. The strategy that can be used at Herianto's grocery stall is to use the WO strategy where the purpose of the WO strategy is to improve internal weaknesses by taking advantage of external opportunities. The strategy is obtained from the results of SWOT analysis and by looking at business competition factors, namely, the threat of substitute poduk, the threat of competitors, the threat of new competitors, the bargaining power of suppliers, the bargaining power of consumers. The inhibiting factor is the lack of business capital so that consumers still cannot buy wholesale and the stall building is still narrow. The supporting factors are the completeness of goods, ease of shopping by implementing a 2-week payment system and implementing a delivery system.

**Keyword:** Competitive Strategy, Grocery Stalls, Batang District

### **INTRODUCTION**

Grocery stalls are businesses that are included in MSMEs (Micro, Small and Medium Enterprises) which continue to grow and mushroom in the community, both from small shops to large ones with a variety of goods. In general, grocery stall

businesses sell daily necessities at affordable prices such as basic necessities, soap, snacks, stationery, electrical tools, electric pulses and others (Indrawan, 2019).

Grocery stalls play a very important role both from the point of consumers and from the point of producers. From the point of producer, grocery stall business actors are seen as an expert or party in selling their company's products, he is the spearhead of the company who will greatly determine whether or not the company's products are sold. Meanwhile, from the consumer point of view, grocery stall business actors also have a very important role, because they act as agents who buy, collect and provide goods to meet the needs or needs of consumers.

The existence of grocery stalls is still quite necessary in the context of serving the lower economic segment. However, technological advances and the increasing demands of consumer needs are driving changes in business orientation within the scope of grocery stalls. If at first many stalls were quite managed traditionally, without adequate technological support, without a modern management approach and without focusing on comfort and the desire to meet customer needs.

The shift in customer shopping behavior patterns detected from a number of studies conducted shows that customer shopping activities are not only in an effort to meet the needs for necessities of life, but rather lead to the fulfillment of the need for recreation and relationships. This condition encourages Herianto grocery stalls to begin to be sensitive to responding to unmet *customer needs* if grocery stores want to survive in an increasingly sharp business competition environment. Providing an understanding of the concepts of grocery stall management is very important to understand, considering that failure in management will cause a considerable risk of loss. Meanwhile, if grocery shop business owners persist with traditional business management, it is not possible to have a sustainable competitive advantage when faced with the increasing number of modern retailers managed with considerable capital or changes in consumer spending patterns that have consequences for their changing needs for the existence of a business.

For businesses that are not ready for the entry of new entrants with better and attractive appearance, modern technology and better management then they are likely to lose competition. In the management of grocery stalls, it is not only opening a store and preparing complete goods, but also must have good service to consumers. The management of grocery stalls must see and follow the development of marketing technology in order to expect and have a competitive advantage.

Seeing the fact that basic necessities and pulses are the daily commodities of every human being. Therefore, it is needed by the stall community who sell various kinds of daily needs such as primary needs and secondary needs. According to Kotler

(2009), in classifying the types of retailers, one of them is a grocery stall, which is a trader who sells a limited variety of community products (convenience), generally relatively small and located in residential areas, with long opening hours and high turnover. Auladi and Sudrajat (2015) define grocery stalls as places of buying and selling between buyers and sellers who can still bargain.

Building a business is never free from obstacles or problems that arise, so for that it is very necessary a strategy or steps that must be carried out by a company in Achieving goals, with a strategy or step in doing good marketing will have an impact on increasing revenue. This income will play an important role in the survival of the community. Conversely, if the company carries out ineffective marketing strategies or steps, it will have an impact on the survival of the company or the company will go bankrupt or go out of business. In view of the breadth of problems that exist in the company, a comprehensive plan is needed to be used as a guideline for the company's segment in carrying out its activities (Wibowo et al, 2015)

Companies today are required by the conditions to be more creative and innovative by offering something of more value, than competitors do. This is the focus or target to compete as market demands. In general, companies strive to meet long-term expectations between the company and its customers. This relationship must be improved from time to time for example service, product price, product quality, product completeness and so on. That way the company can create satisfaction with consumers can also create a commitment to use or buy products that the company will offer in its target market. This can be created by using strategies that are suitable for the company.

Competition determines the activities necessary for a company to excel, such as innovation, a cohesive culture or good implementation. A company in a very attractive industry may still not earn attractive profits if it chooses a bad competitive position. Conversely, a company that has a very good competitive position may be in an industry that is not very profitable and efforts to strengthen its position are certainly less useful. Similar to Herianto's grocery stall, they must implement a good strategy in order to survive in business competition.

Strategy is important in the survival of a business / company to achieve goals or objectives effectively and efficiently. According to David (2013) strategy is an action that has power, which is needed for decision making in top management. Strategy has multifunctional and multidimensional consequences and needs to consider external and internal factors faced by the company. According to Yatminiwati (2019) strategy is a unified, broad and integrated plan that links the company's strategic advantages with environmental challenges designed to ensure that the main objectives of the company can be achieved through proper implementation by the organization.

According to Porter (2007), competitive strategy is to develop a general formula for how a business will compete, what should be its goals, and what policies will be needed to achieve those goals. Competition is one of the factors that can affect the company's goals that cannot be avoided just like that. Where competition is one that is very effective for encouraging thinking.

In Camba-camba village there are approximately 20 grocery stalls, where the distance between stalls starts from  $\pm 20$  meters to  $\pm 200$  meters. This research will focus on one of the grocery stalls in Camba-camba village, namely Herianto grocery stall. Herianto grocery stall is one of the new grocery stalls established in Camba-camba village precisely in 2017 but has a plus value in the village community because it can develop faster than other grocery stalls in Camba-camba village.

Of the large number of grocery stalls in Camba-camba Village, Herianto grocery stalls are more in demand by the people of Camba-Camba Village as a place to shop. In addition to the completeness of grocery stall merchandise, Herianto also applies a receivables payable system to his business, as an attraction for consumers to shop, with a grace period agreement of 1 to 2 weeks.

Herianto grocery stall is one of the grocery stalls that provides almost all of the daily needs of the people of Camba-Camba village which is located in Bontolaya Hamlet, Camba-Camba Village, Batang District, Jeneponto Regency, South Sulawesi. The business was founded by Herianto with small capital and only sold a few goods. Then by collecting a small amount of profit and getting additional capital from the Herianto family, the business that originally stood without a physical building in the form of a stall has now seen its existence in the Camba-Camba Village community.

Until now, Herianto's grocery stall has been able to stand and survive despite the many competitions from various other grocery stall businesses. But it does not rule out the possibility that Herianto's grocery stall will experience conditions where it will face a lot of competition and innovations, and advice from other grocery stalls. Therefore, the right strategy is needed to develop creativity by prioritizing customer satisfaction so as to encourage to improve the quality of Herianto's grocery stall by using *strength, weakness, opportunities, therats* (SWOT) analysis to find out the inhibiting factors and supporting factors in a business in order to minimize or even overcome the weaknesses and threats that exist in a business.

Based on the background previously described, the researcher is interested in raising the research title "Analysis of Grocery Stalls' Competitive Strategies (Study on Herianto's Grocery Shop Business, Camba-camba Village, Batang District, Jeneponto Regency)"

## **METHOD**

The approach used in this study is a qualitative approach with a type of qualitative descriptive research. The purpose of using a qualitative approach so that this research can obtain results from an empirical picture of reality behind the phenomena that occur related to the Competitive Strategy of Grocery Stalls (Study on Herianto Grocery Stalls Business, Camba-camba Village, Batang District, Jeneponto Regency) in depth, detail and thoroughly. The research stage includes the pre-field stage, research stage, analysis stage and conclusion drawing stage. The types and sources of data, namely primary data and secondary data, according to Arnita (2021) the data source in this study is a very important factor, because the data source concerns the quality of the results of a study. Furthermore, in this study, the researcher himself became the main instrument that went into the field and tried to collect information. The data analysis technique used in this study is using data analysis techniques in accordance with the theory of Miles, Huberman, and Saldana (2014), namely with three steps, namely: data condensation, presenting data and drawing conclusions or verification.

## **RESULTS AND DISCUSSION**

### **1. Competitive Strategies Used at Herianto Grocery Stalls**

From some of the statements above, researchers can analyze the competitive strategies used in grocery stalls Herianto, grocery stall owners have carried out or implemented several sales strategies that I think are right to reach the target market by looking at the business competition factors proposed by Porter (2007), namely:

#### **a. The threat of substitute products**

The threat of substitute products is a threat that occurs to companies when there are competitors who offer consumers different product choices, but can meet the same needs. In this study, researchers found that the threat was able to affect sales and customer loyalty attitudes at Herianto's grocery stall because they had to move shopping places to get the goods they wanted. So that Herianto's grocery stall could lose some of its customers. From the results of interviews with consumers to date, the substitute products provided by Herianto's grocery stall and sought after by consumers are corn rice, a substitute for pure rice, in addition to being a substitute product, the price is fairly cheap, and also obtained directly from farmers in Camba-camba village. This is one of the strategies of grocery stalls to keep consumers from moving shopping places because they can provide various consumer needs.

#### **b. Competitor threats**

This competitor threat considers the number of competitors in the market and how strong the company is. It also compares the quality of each competitor's products and services. Competition in the industry is low if several companies offer the same product. There will be more opportunities to grow and be profitable, but it can be influenced by various other competitors as well, differences in product and service quality, customer loyalty to grocery stalls. As obtained from the results of research that it turns out that there are many grocery stalls that go bankrupt, they are forced to close their businesses because they do not get profit / profit and are the result of a lack of strategy by grocery shop owners in Camba-camba village. In contrast to Herianto's grocery stalls that provide satisfaction to stall consumers by offering diverse and complete products, very friendly service, a sales system that is different from other grocery stalls, namely the installment payment system and shopping can be from home (*delivery*) at no additional cost. (Kotler and Armstrong, 2016) the marketing concept states that in order to be successful, a firm must provide greater customer value and satisfaction than its competitors.

#### **c. The threat of new competitors**

The threat to Herianto's grocery stall comes not only from existing competitors but in newcomers as well. New entrants referred to here are companies that enter the industry, bringing new capacity and want to gain good market share and profits. However, new entrants also cannot necessarily enter the industry because there are threats for new competitors to enter the business world, namely capital needs, experience and government control. If these three things are not met, then new competitors if they impose the desire to enter their industry will not survive in the midst of fierce business competition because they do not have enough experience in business. As previously explained by researchers from observations and interviews with several sources that they will go bankrupt or close their business if they are not really ready for similar business competition. The point here is to do business monotonously not create new things.

#### **d. Bargaining power of suppliers**

Suppliers are organizations that provide inputs to companies such as raw materials, services and labor. Supplier bargaining power shows that the ability for suppliers to increase the company's production prices even though it provides poor quality. Therefore, for Herianto grocery stalls, it is very important to maintain good relationships with suppliers, because the role of suppliers in Herianto grocery stalls is very important. Due to the Herianto grocery stall, it is facilitated to provide stock by means of products/goods delivered directly to Camba-camba village at the Herianto grocery stall by the supplier, however, the supplier still provides low prices. (David, 2010) The strength of supplier bargaining power affects the intensity of competition in

an industry, especially when there are a large number of suppliers, when there are few good substitute raw materials, or when the cost of switching to other raw materials is very high.

#### **e. Consumer bargaining power**

The bargaining power that consumers/buyers have can affect profits in a particular industry. Hitt Michael et al (2013), consumers compete with industry by forcing prices down, bargaining for higher quality and better service, and acting as competitors with each other. Herianto grocery stall responds to this by trying to provide as much comfort and satisfaction as possible to consumers in shopping. This is trying to be realized by paying attention to the quality of the products offered, especially during the product expiration period and the quality of service at grocery stalls. Then buyers have also not bargained with grocery stalls because certain products have been given price labels that indicate that the product is non-negotiable and of course all products offered at Herianto grocery stalls have been given fairly cheap prices, discounts / discounts and in the form of other gifts from Herianto grocery stalls directly with a maximum purchase. This will not create competition between grocery stalls and consumers.

### **2. Inhibiting and Supporting Factors at Herianto Grocery Shop**

The following are the inhibiting and supporting factors of Herianto's grocery stall in Camba-camba Village, Batang District, Jenepono Regency, namely:

#### **a. Inhibiting Factors**

Inhibiting factors are other circumstances or causes that hinder something, hinder the progress or achievement of something (Muliati & Bulan, 2022). The inhibiting factors for Herianto's grocery stall business are:

##### **1) Lack of working capital.**

Business capital is property used to start a business. Listyawan Ardi Nugraha (2011), business capital is money used as principal (parent) for trading, releasing money, and so on; material possessions (money, goods, and so on) that can be used to produce something that adds wealth. Business capital is very important, because without business capital, the business will be difficult to develop and progress. The lack of business capital at Herianto's grocery stall makes grocery stall consumers unable to buy wholesale / still sell at retail. And in the stall building that is still very narrow, making the arrangement of goods less neat so that buyers find it difficult to take the goods needed also in an unorganized parking lot.

##### **2) Lack of promotion through social media**

Promotion is one of the determining factors for the success of a marketing program to provide information about the existence of a product (Tjiptono, 2008). From the definition above, it is said that promotion is a way for companies to introduce their products and influence consumer purchasing decisions. Promotion, also called a product communication tool, has experienced a development where marketers are easier and faster in promoting their products. The lack of promotion at Herianto's grocery stall makes the majority of consumers only from Camba-camba village.

## b. Supporting Factors

A supporting factor is something that supports, launches, supports, and helps (Muliati & Bulan, 2022). The supporting factors for Herianto's grocery stall business are as follows:

### 1) Completeness of merchandise.

Completeness of goods is the availability of all types of products offered to be owned, consumed or spent by consumers, and become an influence or attraction on people's shopping interests. The products offered by Herianto's grocery stall are, basic necessities, toiletries and washing, drinks and snacks, LPG gas, medicines, atk, cosmetics, cellphone accessories, credit, data, electricity token *topup*, *ewallet topup* (dana, shoppe, ovo), *game topup*, interbank transfer via application, receive print out and photocopy. And some of the products offered at Herianto grocery stalls are not found in other grocery stalls in Camba-camba village such as, cosmetics, atk, cellphone accessories, credit, data, electricity token topup, ewallet topup, *game topup*, *interbank transfer*, *printout* and *photocopy*.

### 2) Implement a 2-week pay system.

The 2-week payment system is a gradual / installment payment, namely the payment method by installments, not immediately paid off. This system is one of the best strategies of Herianto's grocery stall by making it easy for every family with a low income level or people who do not have a monthly income.

### 3) Implement a delivery system.

The delivery message system is one form of service provided by the seller to prospective buyers or customers in order to place an order by calling the number provided by the seller, then the ordered goods are processed and sent to the buyer's or customer's address with an agreement for prepayment or paid after the goods are sent. This system is actually not something new among the community, it's just that so far

there have been no grocery stalls that implement the delivery system. The delivery system implemented by the Herianto grocery stall itself takes examples from online shop and minimarket marketing systems such as Alfamart / Indomaret.

In addition to making it easier for consumers to shop for grocery stall destinations, Herianto applies a delivery system because it follows the current times, seeing the current era that has entered the 4.0 era that utilizes technological media.

### **CONCLUSION**

The competitive strategy carried out by Herianto grocery stalls in winning market share by using indicators of competition factors between competitors from Porter as a benchmark for grocery stalls, namely the threat of substitute products, the threat of competitors, the threat of new competitors, the bargaining power of suppliers, and the bargaining power of consumers. That in determining a good strategy by looking at the competition factors above and using SWOT analysis. The goal is to make it easier for grocery stalls to see the competitiveness of grocery stalls. The results obtained from the analysis are that Herianto's grocery stall uses the WO strategy in order to continue to compete among grocery stalls in Camba-camba village. In implementing a competitive strategy, there are supporting and inhibiting factors. The supporting factors at Herianto's grocery stall are implementing a delivery system, completeness of goods and a payment system that can be paid in installments or paid for 2 weeks which is very different from other grocery stalls in Camba-camba village, Batang district, Jeneponto regency. The inhibiting factor in general is the lack of business capital which makes Herianto's grocery stall unable to sell wholesale and the stall is still very narrow, making the arrangement of goods at the grocery stall less neat.

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