Differences in Consumer Perceptions of the Determinants of Shopping Places in Indomaret and Alfamart

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ABSTRACT

The purpose of this study is to analyze differences in consumers' perceptions of the determinants of shopping places regarding products, location, prices, shopping convenience, advertisements, and employee services found in Indomaret and Alfamart, and to analyze several types of factors that are the advantages of Indomaret and Alfamart to be able to compete with the other retailers located in Griya Martubung, Urban Village of Besar, Medan Labuhan District. This research is useful to provide information material to Indomaret and Alfamart about differences in consumers' perceptions of the determinants of shopping places regarding products, location, prices, shopping convenience, advertisements, and employee services. For other researchers this study can be used as a reference in conducting studies or research of the same subject matter and as input for those directly interested in this research. The sample consisted of 200 respondents, data collection methods through questionnaires and documentation, the variables studied were consumer perceptions of the determinants of shopping places regarding products, location, prices, shopping convenience, advertisements, and employee services owned by Indomaret and Alfamart, data analysis methods is by chi-square. The results showed that there were differences in the perception of Indomaret consumers and Alfamart consumers' perceptions on location indicators, the completeness of the products offered, prices and advertisements. The difference referred to above be that Indomaret is superior compared to Alfamart. While in terms of shopping convenience and the services provided there are significant differences in the sense Alfamart is superior compared to Indomaret. Based on the results of hypothesis testing by Chi-Square ($\chi2$), it is known that there are significant differences between the perception of Indomaret consumers and Alfamart consumers' perceptions. This is indicated by the value of χ^2-counted ($\chi^2 = 61.72$)> χ^2-table (χ^2-table = 11.07). For Indomaret management it is better to improve policies related to convenience in shopping such as ease of mobility of consumers when shopping and quality of service. As for Alfamart, it is better to evaluate policies related to products, locations, prices and advertisements.

INTRODUCTION

In the current era of globalization, business activities, especially marketing, are increasing from time to time. Lots of companies are trying to win the competition by utilizing existing business opportunities and trying to apply the right marketing strategy in order to dominate the market. Marketing is a social process where individuals and groups get what they need and want by creating and maintaining products and values with other individuals or groups (Irawan, 2001: 10).

Choosing a store is a process of interaction between the retailer's marketing strategy and the individual and situational characteristics of the buyer. This process is illustrated by the purchase decision diagram in general. Individual characteristics such as lifestyle lead to a general view of the activities involved in shopping and search behavior. If past experience is satisfying, then the choice will be habitual, unless other factors have changed since the last visit (Engel, 1995: 252).

In shopping, consumers will have an image of various stores. Consumers sort out or compare the characteristics of the stores that are felt with the evaluation criteria of the core customers. prominent attributes or determinants usually fall into the following categories: (1) location, (2) nature and quality of security, (3) price, (4) advertising and promotion, (5) sales personnel, (6) physical attributes of the store, (7) the nature of store customers, (8) the atmosphere of the store and (9) service and satisfaction after the transaction (Engel, 1995: 157). But here the researchers only took the six most important components, which are considered to have the greatest influence in assessing the store's image, namely location, service, completeness of the products offered, price, advertising, and shopping convenience.

In Indonesia, there are a number of minimarket brands including Circle K, Alfamart, and Indomaret. The minimarket competition in Indonesia is very tight and can be seen from the competition between the two top minimarket retail brands, namely Indomaret and Alfamart. The competition between Indomaret and Alfamart is very tight; these two well-known retail brands continue to fight to mobilize all their strength, ingenuity and strategy. Indomaret is owned by PT Indomarco Prismatama (IP). Alfamart is owned by PT. Sumber Alfaria Trijaya Tbk. (Alfamart / Company).

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Theoretically purchasing decisions made by consumers of the goods offered are greatly influenced by price, product, service, and location of the company or store (Kotler, 1997: 165). But in reality, even though minimarket has characteristics and strategies that are almost the same with each other, their sales levels can be different, such as Indomaret and Alfamart which are usually side by side (Tajwini, Rofian, Marketing magazine: 2004).

This research is expected to be able to identify several effects of different consumer perceptions from various factors in Indomaret and Alfamart, to minimize good performance in Indomaret and Alfamart.

FORMULATION OF THE PROBLEM

1. Are there differences in consumer perceptions of the determinants of shopping places regarding products, location, prices, shopping convenience, advertising, and employee services owned by Indomaret and Alfamart?

2. Are there differences in consumer perceptions of the determinants of shopping places regarding products, location, prices, shopping convenience, advertising, and employee services owned by Indomaret and Alfamart in terms of gender, age, occupation, and income?

LITERATURE REVIEW

1. Definition of Service Marketing

Marketing activities are inseparable from other organizational functions aimed at creating customer satisfaction. According to Yazid (1999), service marketing is planning that moves from a focus on transactions to long-term relationships with customers. Meanwhile, according to Lupiyoadi (2001), service marketing is every action offered by one party to another party that is in principle intangible and does not cause any transfer of ownership. From the definition above, it can be concluded that service marketing is an action offered by the producer to consumers in the sense that the services provided cannot be seen, felt, heard or touched before being bought or consumed.

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2. Service Characteristics

Various research and literature on service management and marketing revealed that services have four characteristics that distinguish goods and services called the IHIP paradigm: Intangibility, Heterogeneity, Inseparability and Perishability (Lovelock and Gummesson, in Fandy Tjiptono and Gregorius Chandra, 2005).

1. Intangibility. Services have the nature of Intangibility meaning services cannot be seen, felt, heard, or touched before being purchased and consumed.

2. Heterogeneity. Services have heterogeneity because they are non-standardized output, which means that the most variations in shape, quality and type, depending on who, when and where the service is produced.

3. Inseparability. Services have inseparability properties, meaning services are first sold and then produced and consumed at the same time and place.

4. Perishability. Services have a perishability meaning that services are commodities that are not durable, cannot be stored for future reuse, resale or return.

Meanwhile, according to Griffin in Lupiyoadi (2001), the characteristics of services are:

a. Intangibility. Services cannot be seen, felt, touched, heard or smelled before they were purchased.

b. Unstorability. Services do not recognize the inventory or storage of products that have been produced.

c. Customization. Services are also often designed specifically for customer needs, as in insurance and health services.

3. Definition of Service Quality

Service quality can be defined as the extent of the difference between reality and customer expectations for the services they receive. According to Lewis & Booms in Tjiptono & Chandra (2005), service quality is a measure of how well the level of service provided is in line with

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customer expectations. Meanwhile, according to Tjiptono (2001), service quality is the expected level of excellence and control over the level of excellence to meet customer desires. Based on the opinion above, the main factors that affect the quality of service are the expected services and perceived services. If the perceived service matches the expected service, the quality of the service will be perceived as satisfying. If the perceived service exceeds the expected service, the service quality is perceived as ideal quality.

4. Definition of Perception

According to Schiffman and Kanuk (2000: 146) "Perception is the process by which individuals select, organizers, and interprets stimuli into a meaningful and coherent picture of the world".More or less that perception is a process that makes a person to choose, organize, and interpret the stimuli received into a meaningful and complete picture of his world.While Kotler and Armstrong (2008: 174) suggest that in the same situation, a person's perception of a product can vary. This is caused by the presence of perceptual processes (related to sensory stimulation), namely selective attention, selective distortion and selective retention.

Everyone's perception of an object will be different. Therefore perception has subjective properties. A person's perception of something is strongly influenced by his mind and environment. The process of forming perception can be described as follows:
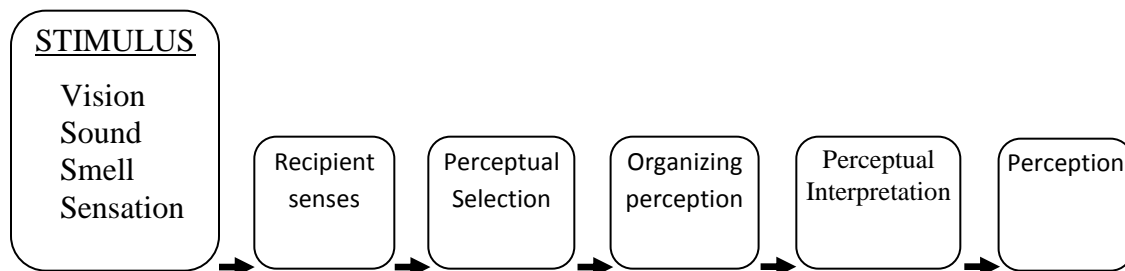
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┌──────────┐   ┌──────────┐   ┌──────────┐   ┌──────────┐   ┌──────────────┐   ┌──────────┐
│ STIMULUS │   │ Recipient│   │Perceptual│   │Organizing│   │  Perceptual  │   │Perception│
│  Vision  │→  │  senses  │→  │Selection │→  │perception│→  │Interpretation│→  │          │
│  Sound   │   │          │   │          │   │          │   │              │   │          │
│  Smell   │   │          │   │          │   │          │   │              │   │          │
│ Sensation│   │          │   │          │   │          │   │              │   │          │
└──────────┘   └──────────┘   └──────────┘   └──────────┘   └──────────────┘   └──────────┘
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Figure No. 2.1: Perception Process

Source:

J. Setiadi, Nugroho, 2003, "Perilaku Konsumen Konsep dan Implikasi untuk Strategi dan Penelitian Pemasaran". Jakarta: Kencana.

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a. Selection of Perception

Perceptual selection occurs when a consumer captures and chooses a stimulus based on a psychological set (various information contained in his memory) possessed by that consumer. The two processes that actually take place in this perceptual selection are attention and selection itself.

b. Organizing Perception

Organizing perception means that consumers group information from various sources into a comprehensive understanding to better understand and act on that understanding.

c. Perceptual Interpretation

Interpretation is based on the experience of using a product in the past and that experience is stored in long-term memory. This stage is called consumer perception of the object or product image as an output of consumer acceptance of the stimulus.

• Marketing Communication

Marketing communication is the company's effort to be able to convey what they offer to consumers and consumers can receive it well. There are several elements of marketing communication, namely advertising, personal selling, public relations, and direct marketing. Some stages that often occur in consumers of retail companies are as follows:
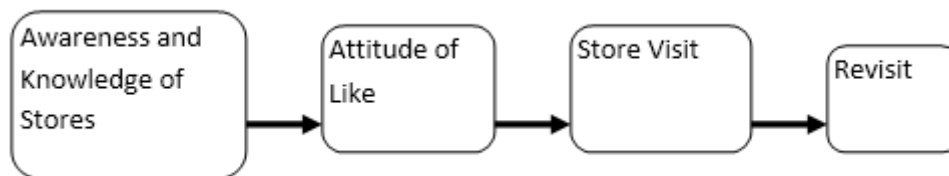

Figure No. 2.2: Behavioral Stages of Retail Consumers

Source:

Amir, M. Taufiq. 2005, Dinamika Pemasaran: Jelajahi & Rasakan, Jakarta: PT. RajaGrafindo Persada.

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The company's goal in conducting marketing communication is:

1. **Positioning.** General impression or perception must be created by the company in the minds of customers and people so that the company looks different or has differentiation from other companies.

2. **Increase in Sales.** It is a company goal that is for the short term that is to make a profit.

● **Outlets and Retailers**

Retailers are entrepreneurs who sell goods or services retail to the public as consumers (Hendri Maaruf, 2005: 71). Individual retailers or small retailers have a variety of outlets, ranging from one outlet to several outlets. The outlets of small retailers consist of two types, namely modern and traditional outlets.

1) Traditional outlets

Traditional outlets are outlets that have long operated in this country in the form of stalls, shops, and markets. Stalls are usually in the form of simple permanent buildings (full walls), semi-permanent buildings (walls as high as 1 meter connected to the board as walls), or solid wood walls.

2) Modern outlets

Modern outlets began operating in the early 1960s in Jakarta; the modern meaning here is the arrangement of goods according to the same needs in groups in the same section that can be seen and taken directly by the buyer, the use of air conditioners, and the presence of professional salespeople.

● **Minimarket**

Minimarkets are self-service stores that only have one or two register machines (http // www.sinarharapan.co.id). Meanwhile, according to Hendri Ma'aruf (2005: 76), which is called a minimarket, the size of the room is usually between 50 m^2 to 200 m^2 and is in a location that is easily accessible to consumers. Minimarkets fill the needs of the community of modern-day food

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stalls. With a minimarket, a little shopping in a close and comfortable place is fulfilled; the behavior of consumers who like shopping places are clean, cool, and neatly arranged, making minimarkets superior to stalls and shops.

The company that first used the minimarket format as a business strategy in Indonesia was PT. Indomarco prismatama which in 1988 established its first minimarket. Another company that also operates a minimarket is Alfaria Trijaya, which in 2004 had 923 outlets under the name Alfamart and planned to develop it to 1800 units throughout Indonesia in 2005 (http // www.kontan-online.com Inc.: 2004).

RESEARCH METHOD

● **Population and Sample**

The population in this study is the entire Griya Martubung community, Urban Village of Besar, Medan Labuhan District. Determination of the sample is done by cluster sampling technique where the selection refers to groups not to individuals. This method is done if there is no or difficult to determine/find a sample framework, although it can also be done in populations where the sample framework of which already exists. Sampling by cluster sampling technique is done in a limited population. In this study, researchers set a sample of 200 people.

● **Operationalization of Variables**

The operationalization of variables in this study is as follows:

1. Product is anything that can be offered to the market to get attention, be bought, used, or consumed that can satisfy your wants or needs.

2. Location / Place is where a business or business activity is carried out.

3. Price is the amount of money charged for a product or service or the amount of value that consumers exchange for the benefits of owning or using the product or service.

4. Advertising is an activity of giving notice or informing a thing, goods, or service through mass media both online and offline.

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5. Comfort is a condition where the basic human needs that are individual and holistic have been met.

6. Service is helping to provide everything needed by others, including buyers.

● **Data Collection Technique**

The data collection techniques used in this study are:

1. Questionnaire technique is done by administrating questionnaires to respondents.

2. The documentation technique is carried out by collecting data that has been previously processed from Indomaret and Alfamart.

● **Analysis Techniques**

The data analysis method used in this study is the Chi-Square analysis technique. The chi-square test was formulated as follows:

$$\chi^2 = \left[\frac{\sum (f_0 - f_e)^2}{f_e} \right]$$

where:

χ^2 = Value of chi-square

f_e = Expected frequency

f_0 = Frequency obtained/observed

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RESULTS OF STUDY AND DISCUSSION

- **General description of the research site**

a) Profile of Indomaret Minimarket (Indomarco Prismatama)

Indomaret is a minimarket network that provides basic needs and daily needs managed by PT. Indomarco Prismatama. The marketing target of Indomaret is consumers consisting of all groups of people, and strategic location of outlets is intended to facilitate Indomaret to serve its demographic targets, namely families. The distribution system is designed as efficiently as possible with a network of suppliers that are reliable in providing well-known and quality products and competent human resources. Indomaret seeks to improve the service and convenience of consumer shopping by implementing a check-out system that uses a scanner at each cashier and installation of BCA Debit payment facilities. The culture that is applied in Indomaret's corporate body is that at work we uphold the values of:

a) Honesty, truth and justice

b) Teamwork

c) Progress through economic innovation

d) Customer satisfaction (source, www.Indomaret.co.id)

b) Profile of Alfamart Minimarket (PT. Alfaria Trijaya)

PT Sumber Alfaria Trijaya (SAT) or Alfamart is a national company engaged in general trading and retail services that provides basic and daily needs. Alfamart can be owned by the wider community by way of partnership.

Business Entity   : PT Sumber Alfaria Trijaya

Shareholders   : HM Sampoerna and Alfa Group

Founded   : June 27, 1999

Number of Stores   : More than 1400

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While the company's mission is:

1. Provide satisfaction to customers/consumers by focusing on superior quality products and services.

2. Always be the best in everything that is done and always uphold the highest behavior/business ethics.

3. Participate in developing the country by fostering an entrepreneurial spirit and business partnership.

4. Building a global organization that is trusted, healthy and continues to grow and benefit customers, suppliers, employees, shareholders and society at large.

- **Characteristics of Respondents**

1. Respondents by Gender

Based on the results of research that has been done, data obtained from the administration of the questionnaire by the sex of the respondents are shown in the following table:

Table No. 1: Characteristic of Respondents by Gender

No.	Sex	Number of Respondents	%
1	Male	73 orang	36%
2	Female	127 orang	64%

Source: Primary data processed, in 2018

The table above shows that those who shop at Indomaret and Alfamart are more dominated by women than men.

2. Respondent's Characteristics by Age

Based on the results of research that has been done, data obtained from the administration of the questionnaire by respondent's age are shown in the following table:

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Table No. 2: Characteristic of Respondents by Age

No.	Age	Number of Respondents	%
1	<20 years	20	10 %
2	20 – 30 years	60	30 %
3	31 – 40 years	64	32 %
4	41 – 50 years	30	15 %

Source: Primary data processed, in 2018

The table above shows that those who shop at Indomaret and Alfamart are more dominated by the age group of 31-40 years.

● **Calculations using the Chi-Square test (χ^2-test)**

The testing steps are as follows:

1. Formulate the null (Ho) and alternative (Ha) hypotheses

Ho: $\chi^2 = 0$, there is no significantly difference.

Ha: $\chi^2 \neq 0$, there is a significantly difference.

2. Generate contingency table

Contingency table is in the form of 2x6 (2 rows and 6 columns). Each box is called a cell, each column contains a sub variable, and each row contains a sub variable.

Table No. 3: Frequency of Observations

Minimarket	Product	Location	Price	Convenience	Advertisement	Service	Total
	fo	fo	fo	fo	fo	fo	fo
Indomaret	600	550	850	900	756	730	4393
Alfamart	800	450	700	800	637	698	4085
Total	1400	1000	1550	1700	1443	1385	8478

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3. Find the expected frequency value (fe)

$$\text{fe for each cell} = \frac{(\text{Total Rows})(\text{Total Coulomb})}{\text{Grand Total}}$$

4. Calculations of *Chi-Square test*

Table No. 4: Calculations of *Chi-Square test*

Minimarket	Product		Location		Price		Convenience	
	Fo	Fe	fo	Fe	Fo	fe	fo	fe
Indomaret	600	725	550	518	850	803	900	881
Alfamart	800	675	450	482	700	747	800	819
	1400	1400	1000	1000	1550	1550	1700	1700

Table No. 5: Calculations of *Chi-Square test* (Continued…)

Minimarket	Advertisement		Service		Total	
	fo	Fe	fo	fe	fo	Fe
Indomaret	756	748	730	717	4393	4393
Alfamart	637	695	698	667	4085	4085
	1443	1443	1385	1385	8478	8478

5. Calculate the value of Chi-Square (χ^2)

$\chi^2 = (600\text{-}725)^2/725 + (550\text{-}518)^2/518 + (850\text{-}803)^2/803 + (900\text{-}881)^2/881 +$

$(756\text{-}748)^2/748 + (730\text{-}717)^2/717 + (800\text{-}675)^2/675 + (450\text{-}482)^2/482 +$

$(700\text{-}747)^2/747 + (800 - 819)^2/819 + (637\text{-}695)^2/695 + (698\text{-}667)^2/667$

$\chi^2 = 61.72$

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6. Determine testing criteria

-   If $\chi2$-counted $\leq$ $\chi2$-table, then Ho is accepted.

-   If $\chi2$-counted $>$ $\chi2$-table, then Ho is rejected.

7. Determine the value of χ^2-table

-   Significance level of $\alpha = 0.05$

-   df = (number of rows -1) (number of columns - 1) = (2-1) (6-1) = 5

-   χ^2-table = 11.07

8. Compare χ^2-counted with χ^2-table

χ^2-counted = 61.72 $\geq$ χ^2-table = 11.07 then Ho is rejected and H1 is accepted, meaning that there are differences in consumers' perceptions of determinants of shopping places regarding products, location, prices, shopping convenience, advertisements, and employee services in Indomaret and Alfamart.
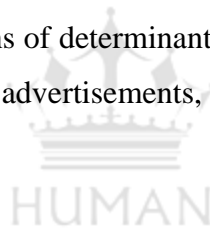
CONCLUSION

Based on the results of data analysis and discussion in this research, several conclusions can be drawn, namely:

1. There are differences in the perception of consumers of Indomaret and Alfamart on location indicators, the completeness of the products offered, prices and advertisements. The difference here is that Indomaret is superior compared to Alfamart. While in terms of shopping convenience and the services provided there are significant differences, where Alfamart is superior compared to Indomaret.

2. Based on the results of hypothesis testing by Chi-Square ($\chi2$) it is known that there are significant differences in the perception of consumers of Indomaret and Alfamart. This is indicated by the value of χ^2-counted ($\chi2$ = 61.72)$>$ χ^2-table (χ^2-table = 11.07).

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SUGGESTIONS

➢ **Indomaret**

1. It is important for Indomaret management to perfect policies related to convenience in shopping such as ease of mobility of consumers when shopping and quality of service.

2. Indomaret management should be able to provide specific services to each consumer of different characteristics.

3. Give more attractive gifts and invite the interests of many consumers.

➢ **Alfamart**

1. Indomaret management should establish shops in community centers/concentrations.

2. There are differences in consumer ratings of several product factors, location, price, shopping convenience, advertising, and employee service in Alfamart by differences in consumer characteristics. Based on this it is important for Alfamart management to be able to understand consumer behavior in shopping.

3. On the outside of Alfamart stores, more adequate facilities should be provided, for example: by providing Wi-Fi services and a place to sit and a small table for consumers to rest for a while enjoying the consumer's shopping items from Alfamart.

4. Give more attractive gifts and invite the interests of many consumers.

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