

Analysis of The Socio-Economic Impact of Alfamidi's Existence on Grocery Stores in Heram District, Jayapura City

KEYWORDS

Alfamidi, Grocery Store, Socio-Economic Impact, GIS, SWOT.

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ABSTRACT

This study examines the socio-economic impact of Alfamidi minimarkets on traditional grocery stores in Heram District, Jayapura City. Using mixed methods including surveys, interviews, and Geographic Information System (GIS) analysis, the research analyzed distribution patterns and competitive dynamics between modern and traditional retail. Results reveal a uniform distribution pattern of Alfamidi outlets strategically positioned near arterial roads, providing competitive advantages through modern facilities and digital services. This has resulted in up to 30% revenue decline for traditional grocery stores. The study employs SWOT analysis to identify challenges and opportunities, recommending zoning regulations and business collaboration to maintain local economic sustainability. The findings contribute to understanding retail transformation dynamics in developing urban areas and highlight the need for balanced economic growth strategies.

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INTRODUCTION

Modern minimarkets, such as Alfamidi, have grown rapidly in Indonesia. Not only present in big cities, but this minimarket also penetrates suburban areas, including the Heram District in Jayapura City. According to BPS Papua data (2022), Jayapura City has a population of 403,118 people, which also triggers a high need for easily accessible shopping facilities (BPS Papua, 2022). This demographic trend aligns with Suryadarma et al. (2010) who note that urban population growth directly correlates with modern retail expansion in Indonesian cities (Suryadarma et al., 2010).

The existence of Alfamidi affects the dynamics of the local economy, especially grocery stores. This minimarket offers strategic locations, modern facilities, and a variety of payment methods, which provides attraction for consumers. However, its existence also raises concerns for local grocery stores regarding the decline in revenue. As highlighted by Utomo (2011), the entry of modern retail into traditional market territories creates significant competitive pressure on small retailers.

This study aims to analyze the distribution pattern of Alfamidi in Heram District and its impact on grocery stores (Utomo, 2011).

The main problems that are the focus of this study include two main things. First, what is the distribution pattern of Alfamidi outlets in Heram District, Jayapura City? Second, what are the social and economic impacts felt by grocery stores due to the existence of Alfamidi in the region? The formulation of this problem departs from the concerns felt by small traders related to the competitiveness and sustainability of their business, a phenomenon also documented by (Setyorini, 2013) in other Indonesian regions.

This study aims to understand and analyze the distribution pattern of Alfamidi in Heram District. In addition, this study also aims to identify the socio-economic impact caused by the existence of the minimarket on local grocery stores. Thus, this research can provide relevant recommendations to maintain an economic balance between modern and traditional stores.

LITERATURE REVIEW

Location Theory and Spatial Patterns

According to Christaller (1933), the central location theory explains that a region tends to have a hierarchy of economic activity concentration, where strategic location is the main determinant of the success of a business (Christaller & Baskin, 1966). The distribution pattern of Alfamidi in Heram District can be analyzed using this concept. The theory is also relevant for understanding the interaction between modern and traditional economic centers, such as Alfamidi and grocery stores.

Hidayati (2018) added that the selection of strategic business locations, such as close to highways or densely populated settlements, increases the potential for profits (Hidayati, 2018). This is true for minimarkets that tend to take advantage of areas with high traffic flow to attract more customers.

Informal Sector

Grocery stores are part of the informal sector, which often does not receive financial protection from the government (Susilo, 2011). This business plays an important role in supporting the economy of families and local communities. According to Alisjahbana (2003), the informal sector has seven main characteristics, including small scale, operational flexibility, and labor-intensive. These characteristics allow grocery stores to survive despite facing competition from modern convenience stores.

Modern Franchise

Minimarkets such as Alfamidi provide modern services, including ease of payment and attractive store designs. This makes consumers prefer to shop at minimarkets rather than traditional stores (Ma'ruf, 2005). In a study by Putri and Santoso (2020), it was revealed that factors such as cleanliness, convenience, and product variety are the main attractions of modern minimarkets compared to grocery stores.

Socio-Economic Impact Analysis

Research related to socio-economic impacts shows that minimarkets can affect people's consumption patterns. According to Rachbini (2011), minimarkets often shift consumer preferences from traditional stores to modern stores (Rachbini, 2011). However, this impact can be minimized

with collaboration strategies between grocery stores and local governments, such as small business management training.

Geographic Information System (GIS)

The Geographic Information System (GIS) is an important tool in analyzing the spatial distribution of businesses, such as Alfamidi. ESRI (2018) states that GIS can help in identifying strategic locations and measuring economic impacts on the surrounding area (ESRI, 2018). Apps like Avenza Maps allow for accurate location mapping even in conditions without an internet network, making field research easier.

METHOD

Research Location

The research was conducted in Heram District, Jayapura City, which has seven Alfamidi outlets: Padang Bulan 1, Padang Bulan 2, Waena 1, Waena 2, Waena 3, Expo Waena, and Teruna Bakti. This region was chosen because of the high concentration of Alfamidi adjacent to grocery stores.

Data Collection Methods and Techniques

The research uses a mixed method, including:

1. Survey: Using questionnaires for consumers and grocery store owners.
2. Interviews: Conducted with local traders to explore the economic impact.
3. Spatial Analysis: Uses Avenza Maps software to map the location of Alfamidi and grocery stores.

Data Analysis Techniques

1. SWOT analysis: To evaluate strengths, weaknesses, opportunities, and threats.
2. Comparative Analysis: Comparing the service pattern of Alfamidi with grocery stores.

RESULT AND DISCUSSION

Distribution Pattern

Based on the analysis of the Nearest Neighbor Average, the z-score value is 4.078518 and the result of 1.8 shows that the distribution pattern of Alfamidi in Heram District is uniform. This pattern supports regional economic growth but also creates competitive pressure on traditional retail. According to Tarigan's (2006) spatial pattern theory, this uniform distribution maximizes market coverage while minimizing competition between franchise outlets (Tarigan, 2016). However, this strategic positioning aligns with Weber's industrial location theory, which emphasizes proximity to transportation networks and consumer markets (Haggett, 2001).

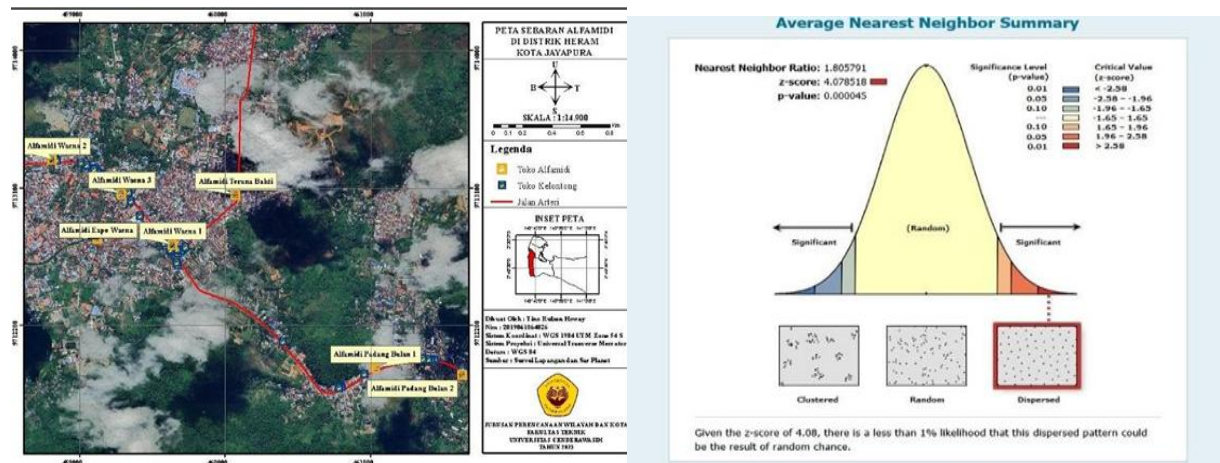


Figure 1. Map of Alfamidi Distribution Patterns

Service Range

The results of the buffer analysis show that Alfamidi reaches settlements effectively, with strategic locations near arterial roads and collectors. This makes it easier for the public to access services. This finding supports Lösch's (1954) market area theory, which explains how businesses arrange themselves spatially to maximize profit through market coverage (Losch, 1954). The optimal arrangement found in Heram District demonstrates a calculated approach to market penetration by Alfamidi, similar to findings by Soliha (2008) in other Indonesian urban areas (Soliha, 2008).

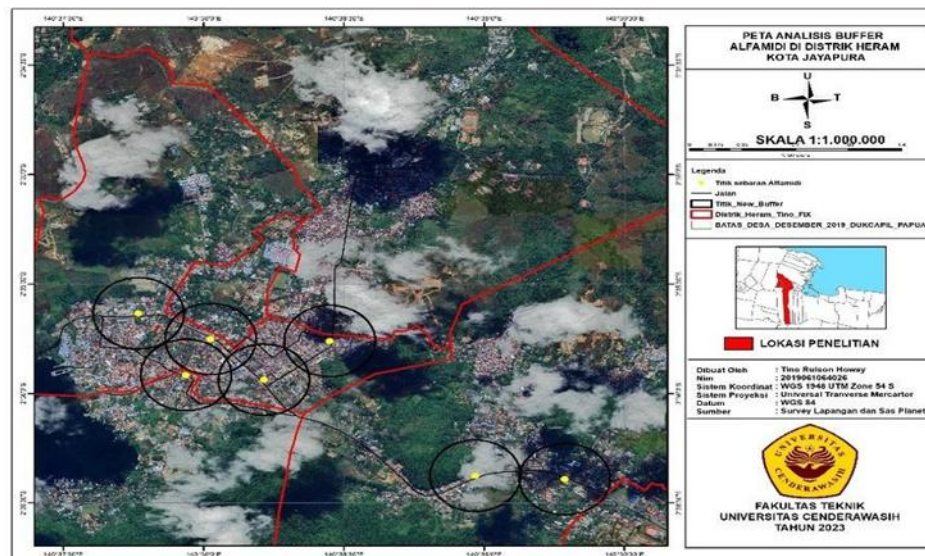


Figure 2. Service Range

Road Network Analysis

Alfamidi outlets are located on arterial and collector lines, so they have high appeal. Modern physical buildings and parking facilities are an advantage over grocery stores. This strategic positioning exemplifies what Reardon et al. (2012) describe as "supermarket revolution" characteristics, where modern retail facilities deliberately position themselves along transportation

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corridors for maximum accessibility (Reardon & Timmer, 2012). The data supports Jones Lang LaSalle's (2018) research findings that retail location decisions increasingly prioritize transportation network proximity over population density alone (LaSalle, 2018).

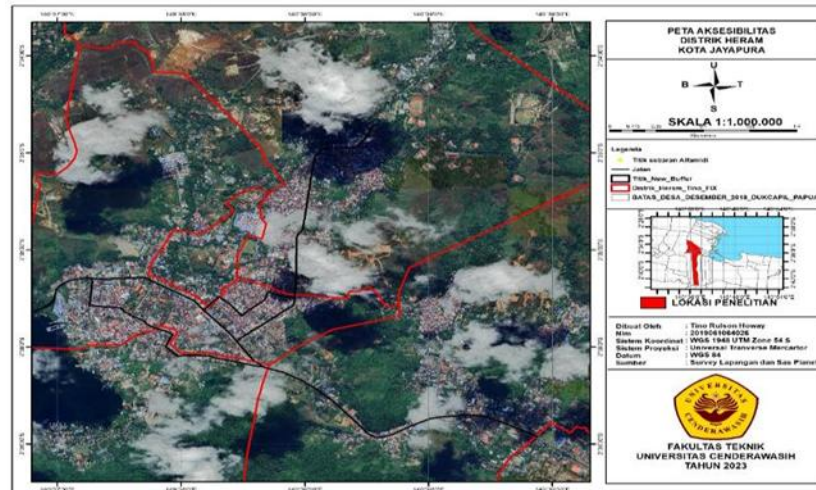


Figure 3. Road Network Analysis

Socio-Economic Impact on Grocery Stores

Based on a survey of 50 grocery store traders:

1. Revenue Decline: 70% of traders reported a decrease in revenue of up to 30% since the arrival of Alfamidi. This figure aligns with Suryadarma et al.'s (2010) findings that traditional retailers typically experience 20-40% revenue reductions following modern retail entry into their market areas.
2. Consumer Preferences: Consumers prefer Alfamidi because of its cleanliness, product completeness, and ease of payment. Consistent with Kotler and Keller's (2016) consumer behavior framework, these preferences reflect the growing importance of shopping experience and convenience in consumer decision-making processes (Kotler & Keller, 2016).

In addition, the results of the interviews showed that grocery stores had difficulty competing in terms of convenience and product variety. Consumers prefer Alfamidi because it has a digital payment system that is increasingly relevant in the modern era. Pandin (2009) similarly notes that payment method diversity has become a significant competitive advantage for modern retailers across Indonesia (Pandin, 2009). The following table provides a more detailed comparison overview:

Table 1. Comparison of Alfamidi and Grocery Stores

Aspects	Alfamidi	Grocery Store
Location	Strategic (near the main road)	In alleys/residential
Operating Hours	07.00 - 21.00 WIT	Flexible (12-24 hours)
Payment Methods	Cash, Debit, E-money	Cash
Outlet Atmosphere	Clean, modern	Traditional
Product Variations	Complete	Limited

Comparison with Grocery Store

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Alfamidi offers a more comfortable shopping experience, quality products, and competitive prices. Grocery stores, despite having the advantage of locality, often lose out in terms of amenities and product variety. This dynamic reflects what Reardon and Hopkins (2006) term the "competitive displacement effect," where modern retail gradually captures market share through superior service offerings rather than price competition alone (Pandini, 2009).

Table 2. Comparison of Service Types

Service Type	Alfamidi	Grocery Store
Tangibles	✓	✓
Reliability	✓	✓
Responsiveness	✓	✓
Assurance	✓	×
Empathy	✓	×

Applying Parasuraman's (2005) SERVQUAL framework to this comparison reveals that traditional grocery stores maintain parity with Alfamidi in basic service dimensions but lag in more sophisticated aspects of service quality (Parasuraman et al., 2005). This service gap creates what Natawidjaja (2006) describes as a "modernization imperative" for traditional retailers who must adapt or face marginalization (Natawidjaja, 2005).

SWOT Analysis

1. Strengths: Product completeness, ease of transactions, and modern facilities. These advantages align with what Utami (2010) identifies as key drivers of retail patronage in contemporary Indonesian consumer culture.
2. Weaknesses: Some products are more expensive, and there are complaints about the service. This contradicts Porter's (1980) cost leadership strategy, suggesting Alfamidi employs a differentiation approach rather than competing primarily on price (Porter & Strategy, 1980).
3. Opportunity: Creating jobs and supporting the local economy. Reardon and Timmer (2012) note that modern retail can create net employment benefits when considering both direct and indirect economic effects (Reardon et al., 2012).
4. Threat: Reducing grocery store revenue and increasing unfair competition. This confirms Coe and Wrigley's (2007) observations about the disruptive effects of retail modernization on traditional distribution systems (Coe & Wrigley, 2007).

The interplay between these SWOT elements creates what Giddens (1984) calls a "structuration" process, where both modern and traditional retail actors continuously adapt to changing market conditions. The spatial analysis combined with the socio-economic impact findings suggests a potential "retail darwinism" scenario as described by Brown (1987), where traditional retailers must evolve their business models or face extinction.

CONCLUSION

This study concludes that Alfamidi's strategic distribution pattern, close to dense settlements and main roads, has succeeded in attracting more consumers. Alfamidi's presence has had a significant economic impact on grocery stores, especially in the form of decreased income and

consumer switching. Socially, the impact can be seen from the loss of customer loyalty to small stores, especially those located close to Alfamidi outlets. Theoretically, these findings support Christaller's Central Place Theory, while also showing how modern retail strategies can change the traditional retail landscape in developing countries. Further research is recommended to explore the adaptation strategies of traditional stores that are able to survive, as well as conduct longitudinal studies to observe changes in consumer preferences in an ever-evolving retail environment.

Recommendations

To create balance in the local retail ecosystem, the government needs to tighten the zoning rules for minimarkets, so that they do not operate too close to small businesses. On the other hand, grocery stores need to increase their competitiveness through service improvements and product diversification. In addition, cooperation is needed between the government, small business actors, and Alfamidi management to encourage synergy that supports local economic growth in a fair manner.

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