

The Role of The Indomaret And Alfamart Partnership In Increasing The Success
of Micro, Small And Medium Enterprises

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ABSTRACT

This article discusses the role of the partnership between Indomaret and Alfamart in increasing the success of micro, small and medium enterprises (MSMEs). This partnership is one of the strategies used by the two retail companies to develop their store networks by involving MSME players as business partners. In this article, we will discuss several important aspects related to the Indomaret and Alfamart partnership in increasing the success of MSMEs. The research method used for this research is normative type with literature review. Data collection techniques are carried out by collecting literature that is relevant to the research results. Next, relevant literature will be analyzed systematically to identify patterns, trends and conflicts that may occur in the partnership between Indomaret, Alfamart and MSMEs. The research results state that this partnership provides an opportunity for MSMEs to expand their market reach. By becoming partners with Indomaret or Alfamart, MSMEs can access a wider range of customers through a network of stores that are well established and well known by the public. Overall, the partnership between Indomaret, Alfamart and MSMEs offers great potential in encouraging local economic growth and improving the welfare of MSMEs in Indonesia. The strategies implemented by these two large retailers, such as training development programs, providing technological resources, and increasing supply chain efficiency, are important steps in strengthening the position of MSMEs in the competitive retail market.

INTRODUCTION

Indomaret and Alfamart are the two largest and leading minimarket chains in Indonesia. They are growing rapidly and dominating the retail landscape, especially in urban and suburban areas (Soliha, E. 2008). As a result, these chains have become important partners for MSMEs, which are significant contributors to the Indonesian economy. Indomaret and Alfamart offer various forms of partnership for MSMEs, one of which is direct sales. Through this partnership, MSMEs can gain wider market access, improve their distribution network and increase their brand visibility. In addition, this chain provides training and support to help MSMEs improve their product quality, packaging and marketing strategies (Rahmini Yuli Suci. 2017). The partnership between Indomaret, Alfamart and MSMEs can be mutually beneficial. On the one hand, Indomaret and Alfamart can expand their product offerings, increase customer loyalty and strengthen their position in the market. On the other hand, MSMEs can increase their sales, reach new customers and increase their competitiveness.

The partnership between Indomaret, Alfamart and MSMEs provides mutual benefits. For MSMEs, collaborating with large retail companies opens access to a wider market, increases product visibility and expands the distribution network. Meanwhile for Indomaret and Alfamart, partnerships with MSMEs enrich their product portfolio, create differentiation in the market, and strengthen relationships with local communities. Through this partnership, a mutually supportive ecosystem is formed between MSMEs and retail companies, strengthening the competitiveness of MSMEs in an increasingly competitive market. Apart from that, this partnership also reflects Indomaret and Alfamart's commitment to supporting local economic empowerment and sustainable development (Ginting, S. Y. B. 2018). By prioritizing local products and supporting local MSMEs, Indomaret and Alfamart play a role in reducing economic disparities between regions and improving the welfare of local communities. This is in line with the national development vision which emphasizes the importance of economic inclusion and sustainable development at all levels. The success of the partnership between Indomaret, Alfamart and MSMEs is also reflected in its significant impact on the growth of MSMEs and improving the local economy.

However, it should be noted that the partnership between Indomaret, Alfamart and MSMEs is not without challenges. For example, MSMEs may face difficulties in meeting the quality standards and requirements set by the chain. In addition, partnerships can lead to unequal distribution of profits and power, where Indomaret and Alfamart have greater bargaining power than MSMEs (Silaban, B. E. and Arifin, S. 2012). To overcome this challenge, the Indonesian government has implemented various policies and regulations aimed at promoting and protecting MSMEs. For example, the government has established a regulatory framework for partnerships between minimarket chains and MSMEs, which includes provisions regarding fair trade practices, dispute resolution and transparency. The government also provides financial and non-financial support to help MSMEs increase their competitiveness and access new markets (Obisidian Jagadhita. 2019).

So, the partnership between Indomaret, Alfamart and MSMEs plays an important role in increasing the success of MSMEs and encouraging economic growth in Indonesia. By understanding the role and benefits of this partnership, it is hoped that MSME players in Indonesia can make more use of it to achieve success in their business. However, these partnerships require careful consideration and regulation to ensure they are fair, sustainable and mutually beneficial

METHOD

A qualitative type of research method using literature study is an approach used to analyze and evaluate various norms, principles or theories related to a particular topic, without involving direct empirical data collection. This approach focuses more on the analysis of concepts, laws, or principles existing in the literature. In the context of the partnership between Indomaret, Alfamart and MSMEs, this research method will be used to evaluate the relevance, applicability and effectiveness of the norms that apply in the partnership. First of all, the research will begin with identifying and collecting literature related to partnerships between large retail companies and MSMEs, both from academic sources and practitioners in the field. This step aims to gain a deep understanding of the conceptual framework, principles and norms that form the basis of the partnership. Next, relevant literature will be analyzed systematically to identify patterns, trends and conflicts that may occur in the partnership between Indomaret, Alfamart and MSMEs.

Then, the research will involve an evaluation process of the applicability and effectiveness of the norms governing partnerships between Indomaret, Alfamart and MSMEs. This is done by comparing the principles contained in the literature with the practices that occur in the partnership. This analysis will provide insight into the extent to which the partnership complies with existing standards in the literature, as well as identify potential improvements or enhancements that can be made. Next, the research will explore the implications of these findings for the development of policies or practices related to partnerships between Indomaret, Alfamart and MSMEs. This analysis will provide recommendations on steps that can be taken to increase the effectiveness of the partnership, as well as ensure that the applicable norms can produce a positive impact for all parties involved. Apart from that, the research will also consider external factors that can influence the implementation of the partnership between Indomaret, Alfamart and MSMEs, such as government regulations, market dynamics and changes in consumer trends.

This analysis will help in understanding the broader context in which the partnership operates, as well as identifying strategies that can be used to overcome emerging challenges. Finally, the research results will be presented in the form of reports or scientific articles that can contribute to a better understanding of the dynamics of partnerships between large retail companies and MSMEs, as well as provide input for the development of related policies and practices in the future. Thus, it is hoped that this normative type of research method with literature study can provide valuable insights for the development and improvement of partnerships between Indomaret, Alfamart and MSMEs, as well as supporting inclusive and sustainable economic growth.

DISCUSSION

The partnership program between Indomaret, Alfamart and MSMEs is a strategic initiative aimed at supporting the development of MSMEs and increasing market access for local products. Within this framework, Indomaret and Alfamart act as distribution platforms for MSME products, enabling these products to be available in a wide retail network. This program usually involves various stages, from selection and training of MSMEs to marketing

and selling products at Indomaret and Alfamart outlets. First of all, this program begins with the selection stage for MSMEs who want to partner with Indomaret and Alfamart. Selection is carried out based on certain criteria, such as product quality, availability of production capacity, and compliance with certain standards set by the two retailers. MSMEs that pass the selection will then be given training and assistance to increase production, management and sales capacity. Furthermore, after going through the training stage, MSMEs will be included in the Indomaret and Alfamart distribution networks. MSME products will be available on store shelves and can be accessed by consumers throughout Indonesia through thousands of Indomaret and Alfamart outlets spread widely. This provides wider market access for MSMEs, which previously may have found it difficult to reach the consumer market nationally. Apart from that, this partnership program also includes aspects of marketing and promotion of MSME products at Indomaret and Alfamart outlets.

Through various marketing and promotional campaigns carried out by the two retailers, MSME products will gain greater visibility in the market, increase consumer awareness and strengthen the brand image of MSME products. Furthermore, within the framework of this partnership program, Indomaret and Alfamart also provide logistics and distribution support for MSMEs. They provide adequate distribution infrastructure to transport MSME products from manufacturers to their retail outlets efficiently and on time. This helps overcome one of the main obstacles often faced by MSMEs in reaching the national market. Not only that, this partnership program also provides financial benefits for MSMEs, by providing access to a larger market and the potential for significant sales increases. Through selling their products at Indomaret and Alfamart outlets, MSMEs can increase their income significantly, helping in the development of their business and improving their economic welfare. Furthermore, this partnership program also creates mutually beneficial relationships between Indomaret, Alfamart and MSMEs. By expanding their product portfolio through MSME products, Indomaret and Alfamart can offer a greater variety of products to their consumers, while MSMEs gain wider market access and support from a strong distribution network (Indriyo Gitosudarmo. 2014).

The partnership between Indomaret and Alfamart with micro businesses refers to collaboration between the two large retailers and micro, small and medium enterprises (MSMEs) to sell MSME products in their stores. In this context, "micro-enterprise" refers to a small business that has a limited scale of operation, usually with a small number of employees and limited capital. With this partnership, MSMEs have the opportunity to market their products through the extensive distribution network owned by Indomaret and Alfamart. The success of micro businesses in this partnership can be interpreted as the ability of MSMEs to increase sales, market expansion and business growth through the access provided by Indomaret and Alfamart to a wider range of customers (Herik Risma Sunarta. 2011). By selling their products on the shelves of Indomaret and Alfamart stores, MSMEs have the opportunity to reach consumers who may previously have been difficult to access, because these stores are spread across various locations and usually have high customer traffic. Apart from that, the success of micro businesses can also be measured in terms of increasing brand visibility and reputation. With their products available in well-known stores such as Indomaret and Alfamart, MSMEs have the opportunity to expand their brand awareness in the eyes of consumers. In other words, this success includes increasing sales and income for MSMEs, as well as increasing brand awareness and reputation which can strengthen their position in the market. Apart from direct economic benefits, the success of micro businesses in this

partnership can also be seen from increased management and operational capacity. Through the training and mentoring provided by Indomaret and Alfamart, MSMEs can gain the knowledge and skills needed to manage their businesses more effectively. This includes improvements in inventory management, marketing and customer service, all of which contribute to the long-term success of MSMEs.

The partnership between Indomaret and Alfamart has a significant role in increasing the success of micro, small and medium enterprises (MSMEs) in Indonesia. First of all, both retailers provide a broad distribution platform spread across the country. In this way, MSMEs that partner with Indomaret and Alfamart can expand their market reach more effectively, reaching consumers who were previously difficult to reach. This is very profitable for MSMEs because it opens up new opportunities to increase their sales and business growth. Apart from that, partnerships with Indomaret and Alfamart also help MSMEs increase their brand visibility and reputation. MSME products available on Indomaret and Alfamart shelves tend to be more trusted by consumers because these two brands are well established and have a large customer base. In this way, MSMEs can take advantage of the good reputation of Indomaret and Alfamart to gain the trust of new customers and increase their brand awareness.

These results are in line with research conducted by (Kurniawan R, Azhar. 2019) which examined the impact of the existence of modern shops such as Alfamart and Indomaret on the existence of MSMEs in Indonesia. The results of this research state that the existence of modern shops can influence the existence of MSMEs positively and negatively. The positive impact of this modern shop is that the modern shop provides motivation for MSMEs to evaluate themselves from the modern shop. The partnership established by MSMEs with modern shops is the use of business locations provided by modern shops. This partnership can have a positive impact on MSMEs. However, research conducted by (Deti S, Rizal, 2021), stated that the presence of Indomaret and Alfamart could be a threat to MSMEs. The results of the research show that from four aspects such as capital, human resources, production and marketing carried out by small traders in Galing Village, it is far below the capabilities of Alfamart and Indomaret. However, even though it is affected by the presence of Alfamart and Indomaret, the businesses run by Small traders do not immediately close down.

The results of other research by (Tohri, Ahmad and Mastur, Mastur and Habibuddin, Habibubuddin and Syamsiar, Huldiya and Parhanuddin, Lalu. 2023) regarding the negative and positive impacts of the presence of Alfamart and Indomaret are: The social impact of the presence of Alfamart and Indomaret in East Lombok in the form of changes in people's consumption behavior which is increasingly consumptive, able to shift shopping orientation from traditional retail to Modern retail makes the existence and condition of MSMEs increasingly stressed and under pressure. The economic impact of the existence of Alfamart and Indomaret on MSMEs is related to income and economic activity caused by product quality, service, access and consumer behavior. The negative economic impact is shown by indicators of decreasing sales turnover, decreasing income and decreasing business opportunities for MSME players.

This partnership also provides MSMEs access to resources and infrastructure that were previously difficult to reach. For example, Indomaret and Alfamart provide training and assistance for MSMEs regarding management, marketing and improving product quality. This helps MSMEs develop their capacity to manage their business more effectively and

increase their competitiveness in the market. Apart from that, Indomaret and Alfamart also play a role in facilitating MSMEs in terms of logistics and distribution. They provide efficient and integrated distribution channels, thereby enabling MSMEs to reach the market more quickly and efficiently. With this strong distribution infrastructure, MSMEs can overcome one of the main obstacles in developing their business. Not only that, the partnership with Indomaret and Alfamart also opens up opportunities for MSMEs to increase product and service innovation. With greater exposure to markets and consumers, MSMEs are encouraged to continue conducting research and development to improve their products. This drives growth and innovation in the MSME sector as a whole, which in turn increases the competitiveness of the industry. However, there are several challenges faced by MSMEs in establishing partnerships with Indomaret and Alfamart. One of them is the ability of MSMEs to meet the quality and quantity standards set by the two retailers. MSMEs need to improve production processes and quality management to ensure their products meet set standards. Apart from that, competition with other big brands is also a challenge for MSMEs that partner with Indomaret and Alfamart. These big brands also compete for space on store shelves, so MSMEs need to develop effective marketing and product differentiation strategies to remain competitive. In overcoming this challenge, it is important for Indomaret, Alfamart and the government to continue to support MSMEs by providing the necessary training, mentoring and infrastructure support.

These results are in line with research conducted by (Soliha Z. 2020). Based on the growth of modern retail, the government issued regulations regarding the empowerment of MSMEs which are carried out by each modern retailer through partnerships which include training for MSMEs considering that MSMEs are the support of the country's economy. Indomaret as a modern retailer has a partnership program called Indomaret MSME Partners which is carried out using two models, namely: 1) Supplier Partners and 2) Terrace Rental Partners which are given space in front of Indomaret outlets. Becoming an Indomaret partner has the advantage of being a trading location for MSME strategies, then Indomaret partners' working hours are not regulated by Indomaret, and there is training carried out by Indomaret for its partners with the aim of making partners more independent. This research aims to find out what variables can influence/increase the opinions of Indomaret terrace rental MSME partners, the variables chosen include: capital, job opportunities, business location, and training. And the results of this research are: 1) Simultaneously the variables capital, working hours, business location and training have a positive and significant influence on the income of Indomaret MSME partners in Malang City. 2) Partially, the variables capital, working hours, business location and training have a positive and significant influence on the income of Indomaret MSME partners in Malang City.

The challenges faced by MSMEs in partnership with Indomaret and Alfamart are very diverse, ranging from problems with product quality and quantity to intense competition in the retail market. One of the main obstacles is the difficulty in meeting the quality and quantity standards set by these two large companies. MSMEs may face challenges in terms of human resources, technology and capital to ensure that their products meet the requirements imposed by Indomaret and Alfamart. This can be a major obstacle for MSMEs that do not yet have sufficient capabilities or resources to deal with it. Apart from that, logistics and distribution challenges are also significant for MSMEs. The process of procuring, storing and sending products to Indomaret and Alfamart stores can be complicated for MSMEs that have a smaller scale and limited access to adequate logistics infrastructure. This challenge can affect

operational sustainability and product availability in retail stores, thereby potentially disrupting the partnership relationship between MSMEs and the two companies. Furthermore, competition with other big brands in the retail market is also a significant challenge for MSMEs. Apart from Indomaret and Alfamart, there are other big brands that are well established and have strong financial strength and infrastructure. This competition can make it difficult for MSMEs to attract consumer attention and expand their market share. Moreover, big brands often have advantages in terms of branding, promotions and distribution networks that are difficult for MSMEs with limited resources to overcome. To overcome these challenges, a holistic and sustainable approach is needed. First, Indomaret and Alfamart can strengthen training and mentoring programs to help MSMEs improve the quality of their products and meet set standards. Apart from that, investment in technology and logistics infrastructure is also important to help MSMEs optimize their supply chains (Hariyadi, G. T. 2016). This may include using digital platforms for inventory management and product delivery. Apart from that, the government can also play a role in providing financial support and supportive policies for MSMEs to compete more effectively with brands big in the retail market. With an integrated and collaborative approach, the challenges faced by MSMEs in partnership with Indomaret and Alfamart can be overcome, thereby providing greater benefits for both parties.

The strategies implemented by Indomaret and Alfamart to support the success of MSMEs can become a strong foundation for the development of small and medium businesses in Indonesia. One of the main strategies they implemented was the development of training and mentoring programs specifically designed to strengthen the management and operational capacity of MSMEs. Through this program, MSMEs gain access to the knowledge and skills needed to improve product quality, inventory management and marketing strategies. In this way, they can be better prepared to meet the standards set by Indomaret and Alfamart.

Apart from that, these two companies also provide support in providing technology and information resources for MSMEs. This includes the use of electronic payment systems, digital inventory management, and access to e-commerce platforms. With the right technology, MSMEs can optimize their operations, increase efficiency and expand their market reach. Apart from that, access to information about market trends and consumer behavior also helps MSMEs to make more appropriate decisions in marketing strategies and product development (Hadi Hartono. 2017). Increasing supply chain efficiency is also a main focus in Indomaret and Alfamart's strategy. By applying technology and innovation in supply chain management, they can speed up the procurement process, reduce operational costs and increase supply reliability. For example, implementing an automated inventory management system allows companies to manage stock more efficiently, avoid inventory shortages or excesses, and overall improve supply chain performance. Apart from that, Indomaret and Alfamart can also provide direct support to MSMEs through incentive programs, such as affordable financing, product promotions, or providing strategic business locations (Mudrajad Kuncoro. 2005). In this way, MSMEs get more support. holistic approach to strengthen their operations and increase their business success in the competitive retail market. Through close collaboration between Indomaret, Alfamart and MSMEs, opportunities for sustainable and inclusive business growth can become a reality, supporting the local and national economy as a whole.

CONCLUSION

Overall, the partnership between Indomaret, Alfamart and MSMEs offers great potential in driving local economic growth and improving the welfare of MSMEs in Indonesia. The strategies implemented by these two large retailers, such as developing training programs, providing technological resources, and increasing supply chain efficiency, are important steps in strengthening the position of MSMEs in the competitive retail market. By entering the extensive distribution network owned by Indomaret and Alfamart, MSMEs have greater access to national markets, which previously may have been difficult to reach. In addition, through marketing and promotions carried out by the two retailers, MSME products gain greater visibility in the eyes of consumers, increasing brand awareness and overall reputation of MSME products. Apart from the immediately visible economic benefits, this partnership also provides opportunities for MSMEs to increase their management and operational capacity through training and mentoring provided by Indomaret and Alfamart.

By improving their skills and knowledge, MSMEs can more effectively manage their business, improve product quality and respond more quickly to market changes. This provides a strong foundation for the long-term growth of MSMEs and a greater contribution to the national economy. However, the challenges faced by MSMEs in this partnership cannot be ignored. From difficulties meeting quality and quantity standards set by large retailers to fierce competition in the retail market, MSMEs have to face various obstacles in optimizing the potential of their partnerships with Indomaret and Alfamart. To overcome this challenge, collaborative efforts are needed between retailers, MSMEs and the government to provide comprehensive support, from training to the necessary logistics infrastructure.

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