THE APPLICATION OF BUSINESS PARTNERSHIPS IN THE MODERN RETAIL MARKET IN HELPING THE CONTINUITY OF MICRO, SMALL AND MEDIUM ENTERPRISES AFTER THE PANDEMIC COVID-19 IN SIBOLGA CITY

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Abstract
The Covid-19 pandemic that occurred in 2022-2022 has had a huge effect on various sectors of human life. The economic sector is one of the sectors that are very largely affected. In the last 2022 study, researchers have conducted research on the business model of partnership relationships between modern retail businesses and Micro, Small and Medium Enterprises (MSMEs) in Medan City. The goal is to find a form of mutually beneficial partnership between modern retail businesses and MSME players in an effort to maintain MSME business continuity. The result obtained is the need for ease of partnership requirements, flexible payment systems, and fulfillment of goods supply standards. This PTPI theme research pilots the application of the partnership model between MSMEs and retail businesses after the COVID-19 pandemic as a result of previous research conducted in Medan City to Sibolga City. After the implementation, an evaluation was carried out through the questionnaire method and also interviews with MSMEs and modern retail businesses in Sibolga City. The questionnaire is used to measure the level of satisfaction, using the Customer Satisfaction Score (CSAT) model. The results of the questionnaire and interviews were discussed in the Forum Group Discussion (FGD) to see the suitability of the partnership relationship model between MSMEs and modern retail businesses in Sibolga City which was the result of previous research in Medan City. The results of the research and FGD show that the MSME partnership relationship that applies in Medan City is also suitable to be applied in Sibolga City.

Keywords : Partnership, MSME, Modern Retail Market

INTRODUCTION

Background
Indonesia, like other countries in the world, also experienced a tremendous impact when the COVID-19 pandemic occurred in 2020-2022. All aspects of people's lives were stopped due to the lockdown, or in the Indonesian government's term Large-Scale Social Restrictions (PSBB). Also experiencing the tremendous impact of this condition is the economic sector, including the retail sub-sector.

Figure 1. 1. Indonesia's Economic Growth YoY 2019-2022
From the data above, it can be seen that the Indonesian economy has contracted very sharply from the beginning of 2020 to 2021. The recovery phase began in early 2022. During the Covid-19 pandemic, all economic sectors really experienced a major impact, including the MSME sector. Sibolga's economic growth had dropped sharply from 5.2% in 2019 to -1.36% in 2020. But in 2021, our economy rose to 2.10%, and in 2022 it rose to 4.15% (Sibolga in 2023 Figures). This shows that the economy of Sibolga city has begun to rebound after the Covid-19 pandemic but has not been able to reach the conditions when the pandemic has not occurred.

Sibolga, the smallest city in North Sumatra Province and also in Indonesia. Sibolga, which is located on the west coast of North Sumatra Province, certainly has different economic conditions from Medan City. If this application trial is successful, it can be concluded that the results of research in Medan City in 2022 can be applied in most cities in North Sumatra Province which will support regional economic recovery. The partnership between MSMEs and modern retail businesses is one of the opportunities for MSMEs to maintain their business continuity, especially after the Covid-19 pandemic took place. The results of this study show that the ease of requirements, payment systems, compliance with standards, and the implementation of strict regulations are recommendations for the modern retail market, MSME players and the Medan City government in forming a mutually supportive partnership model between MSME business actors in Medan City.

The impact of the COVID-19 pandemic is certainly not only felt in big cities like Medan. All regions in Indonesia have experienced the impact of the pandemic, one of which is Sibolga City. As a city located on the west coast of North Sumatra Province, the impact of the pandemic is also felt very large. The economic growth rate of Sibolga City based on data from the Central Statistics Agency in 2022 for the last 2 years is 3.13%. Therefore, it is certainly necessary to make efforts to restore the condition.

**Problem Formulation**

In many places, the existence of modern retail businesses is considered to be a competitor for MSMEs. The existence of modern retail businesses is considered to directly or indirectly turn off MSMEs around modern retail business locations.

With the right cooperation formulation, the existence of a modern retail market can help the sustainability of MSME businesses, and vice versa. Therefore, the formulation of the problem in this study is:

1. Whether the modern retail market cooperation model with MSMEs in Medan City can also be applied in Sibolga City.
2. Whether the cooperation model applied helps the business sustainability of MSMEs in Sibolga City.

**Research Limitations**
This research limits the scope to the modern retail market which has many networks and MSMEs from various types of businesses located and running their businesses in Sibolga City. The research was conducted through interviews and questionnaires to MSMEs and modern retail businesses in Sibolga City during the period when this research was conducted. The assumption used is that modern retail businesses have been trying in Sibolga City for at least the past year.

LITERATURE REVIEW

Definition of Retail

Retail comes from the French word "retailleur", which means to cut or break something. According to the Big Indonesian Dictionary, Retail means one-on-one, little or one-on-one directly to the end consumer for personal, family, or household consumer needs and not for business purposes (resale). According to Sunyoto (Danang Sunyoto, 2015) "Retailing is all activities that involve marketing goods and services directly to customers." Retailers are all business organizations that derive more than half of their sales from retailing." So the target consumers of retailing are end consumers who buy products for their own consumption.

Retail Type

Types of Retail types of store retailers can be distinguished based on their level of service according to Kotler (Kotler &; Amstrong, 2016), are as follows:

a) Self services
b) Self selection
c) Limited service
d) Full service

Micro, Small and Medium Enterprises (MSMEs)

MSMEs play a very large role and contribution to Indonesia’s national GDP, therefore the government until now is very serious in fostering and forming new MSMEs in Indonesia. The government is aware that the role of MSMEs in Indonesia is very large in increasing economic growth in Indonesia.

There are different definitions of MSMEs based on the interests of the institution that defines them. According to the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop and UKM), that what is meant by Small Enterprises (UK), including Micro Enterprises (UMI), is a business entity that has a net worth of at most IDR 200,000,000, excluding land and buildings for business premises, and has annual sales of at most IDR 1,000,000,000. Meanwhile, Medium Enterprises (UM) is a business entity owned by Indonesian citizens who have a net worth greater than IDR 200,000,000 to IDR 10,000,000,000, excluding land and buildings.

RESEARCH METHODS

At the beginning of this research, the Sibolga City government applied the MSME partnership model with the modern retail market from the results of the 2022 research that is suitable for Medan City. For measurement, this study uses the CSI (Customer Satisfaction Index) customer satisfaction measurement model which is a measurement model of customer satisfaction with products, services, or experiences they receive for a product or service. This measurement aims to understand the extent to which MSME players are satisfied with the
application of the partnership model with the modern retail market in Sibolga City. In addition, measurements are also carried out using the IPA method to map the relationship between importance and the performance of each attribute offered. The results of this research were then discussed in a Focus Group Discussion (FGD) filled with 2 speakers in the field of cooperatives and MSMEs and attended by MSME players and modern retail markets in Sibolga. From the calculation results, it can be seen about the suitability of the MSME partnership model with the modern retail market in the city of Medan with in the city of Sibolga. The use of CSI method and IPA method can help the Sibolga City Government in determining the MSME partnership model with the modern retail market in Sibolga City next.

RESULTS AND DISCUSSION

Research Results

Based on previous research conducted in 2022 in Medan City, the partnership model that is being tested for its application in 2023 in Sibolga City can be detailed as follows:

1. The consignment model is intended only for products with long durability, while for products that have limited durability, it is carried out with a direct buying and selling system

2. Product specification requirements are also made more logically, with the principle of equality, where for products with good quality, of course, the price is higher

3. The unilateral pricing policy of the modern retail market is eliminated, replaced by a fair price agreement

4. Payment for products from MSME entrepreneurs is shortened, a maximum of 1 week after the goods are received by the modern retail market, so as not to burden MSME players in Sibolga City

5. MSME players in Sibolga City are recommended to have packaging, BPOM labels, health labels, product packaging aspects, the presence of P-IRT, expiration dates and have an NPWP that allows their products to be accepted by the modern retail market

6. The Sibolga City Government as the regulator is advised to be more assertive, as well as monitoring modern retail market partnerships and MSME business actors in Sibolga City and evaluating modern retail market licenses that do not establish partnerships in accordance with the provisions for MSME business actors in Sibolga City

Data analysis result method

Descriptive Method and Qualitative Approach

The descriptive method is used to find the elements, characteristics, properties of a phenomenon which in its implementation is carried out through survey techniques. Meanwhile, the quantitative approach means the collection of data to be processed in the form of numbers.

Customer Satisfaction Index Method

Customer Satisfaction Index (CSI) can be used to measure a person's level of satisfaction with a product/service. The CSI method has 5 stages, which are as follows:

a. Determine Mean Importance Score (MIS) and Mean Satisfaction Score (MSS)

MIS is the average of importance and MSS is the satisfaction of each respondent.

b. Creating Weight Factor (WF)
WF is the weight of the presentation of the MIS value per attribute against the total MIS of all attributes,

c. Create Weight Score (WS)

WS is the weight of multiplication between WF and the average satisfaction level of each attribute or MSS.

d. Determine the scale of CSI

The consumer satisfaction scale commonly used in index interpretation is a scale of 0 to 1 or zero to one hundred.

Importance Performance Analysis Method

The IPA method is used to map the relationship between importance and the performance of each attribute offered. Questionnaire is the main instrument to be used in the science method. The importance and level of performance are measured using Likert scale weighting which has a scale of 1 to 5 with the following explanation:

1. Importance Variable (Y) The stages of work on this method are as follows:

   a. Determine the level of conformity between the level of importance and the level of performance Level of conformity to determine the order of priority of improving factors that can affect the quality of service. With the following formula:

   \[ \text{Level of Conformity} = \frac{\text{Importance Score} \times \text{Performance Score}}{2} \]

   b. Determine the average score of performance level and importance level

c. Determine the average performance and

The relationship between satisfaction level (performance) and importance level is determined using a cartesian diagram. Formula for obtaining x and y points on a cartesian diagram:

DISCUSSION

Tabel Hasil Perhitungan Customer Satisfaction Index (CSI)

<table>
<thead>
<tr>
<th>No</th>
<th>Indikator</th>
<th>MIS</th>
<th>MSS</th>
<th>WF (%)</th>
<th>WS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jenis model kemitraan</td>
<td>4,89</td>
<td>3,81</td>
<td>13,28%</td>
<td>0,51</td>
</tr>
<tr>
<td>2</td>
<td>Sifat diskusi dalam menjalin kemitraan</td>
<td>4,22</td>
<td>3,51</td>
<td>11,46%</td>
<td>0,40</td>
</tr>
<tr>
<td>3</td>
<td>Spesifikasi produk yang dipersyaratkan</td>
<td>4,51</td>
<td>3,49</td>
<td>12,25%</td>
<td>0,43</td>
</tr>
<tr>
<td>4</td>
<td>Variasi dari jenis produk</td>
<td>4,32</td>
<td>3,12</td>
<td>11,74%</td>
<td>0,37</td>
</tr>
<tr>
<td>5</td>
<td>Kebijakan dalam penentuan harga</td>
<td>4,83</td>
<td>3,78</td>
<td>13,12%</td>
<td>0,50</td>
</tr>
</tbody>
</table>
From the calculation results, it can be seen that respondents who are MSME players see that specifications, variations and payment terms are priorities to be improved in terms of partnerships with the modern retail market.

**Focus Group Discussion**

The results of this research were then discussed in a Focus Group Discussion (FGD) filled with 2 speakers from Medan City who are experts in the field of MSMEs and followed by MSMEs, modern retail markets, government and academics in the field of MSMEs in Sibolga. Based on the results of the research conducted, it can be seen that the partnership model between MSMEs and the modern retail market in Medan City is suitable to be applied in Sibolga. The results of the discussion and input from the speakers showed that the partnership policy of MSME players with the modern retail market in Sibolga is to emphasize the ease of receiving various types of products and also a supportive payment system. Support from the Sibolga City government in issuing regulations regarding partnerships between the MSME sector and the modern retail market is a factor that also supports the development of the MSME sector in Sibolga City.

**CONCLUSIONS AND ADVICE**

**Conclusion**

The results of the study with CSI results of 72.2% show that MSME players in Sibolga City have been satisfied with the implementation of the partnership model between MSMEs and the modern retail market taken from the results of the previous year's research applied in Sibolga City. The form of partnership, the ease of the payment system, are some points that are expected to be maintained in the partnership between MSME players and the modern retail market in Sibolga City.

The attribute suitability rate of 87.06% also shows that MSME actors in Sibolga City are very satisfied with the results of the implementation of the partnership model carried out. The results of the FGD which concluded the ease of receiving various types of products and also the ease
of payment further strengthen the form of mutually supportive partnerships between MSME players and the modern retail market in Sibolga City.

**Suggestion**

The suggestion from the results of this study is the need for the Sibolga City government to be a regulator that maintains the form of partnership from the results of this research is maintained to be implemented. The modern retail market must maintain its commitment to support the development of MSMEs in Sibolga City by implementing the partnership model that has been obtained. The existence of regulations from the Sibolga City government will certainly also support this matter to continue to run well.

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