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Conclusions and Recommendations

8.1 Introduction

The previous chapters presented the development of super- and hypermarkets in West Java, Indonesia and its impacts on consumers shopping behaviour (section 4.4), agricultural producers and food processors (chapter 5), wholesalers (chapter 6) and traditional retailers (chapter 7). This chapter synthesises and draws conclusions from the study. The first section summarises the content and empirical findings of the study. In the next section, the conclusions are formulated and the last section presents the contributions of the study.

The study proposes four recommendations to retail practitioners, particularly owners and managers of modern retail, traditional retailers, suppliers and government. All members in the chain should benefit from the development of modern retail; in this study the focus is on super- and hypermarkets development in West Java, Indonesia.

The study also contributes to the literature of retailing of which the majority of literatures in retailing presents the concepts and practices in developed countries. This study enriches the literature with its conceptual framework and findings that focussed in a developing country, which has different market characteristics, environment and challenges.

8.2 Findings

Rapid urbanisation, retail liberalisation and mass investments in urban real-estate have led to the development of modern retail, particularly the rise of super- and hypermarkets in Indonesia after the political and financial crisis in 1998. Retail development encourages the local economy not only by preventing leakage of money out of the area, through providing services and facilities that stimulate people to stay in the area to make use of them, but also by supporting local producers, processors and wholesalers. However, super- and hypermarket development also brings controversy regarding its impact on local small producers and traditional retailers.

This study tries to answer whether the development of super- and hypermarkets in Indonesia, particularly in West Java encourages the local economy through benefits acquired by local producers, local processors and wholesalers by becoming supply sources for super- and hypermarkets. The study also investigates the impacts of modern retail development on consumers and traditional retailers. The study uses the case of Bandung, West Java, Indonesia. Bandung as the capital of the province of West Java, faces a dynamic development in its retail sector, in particular the development of modern food retail, such as mini-, super- and hypermarkets. The study finds that super- and hypermarkets development in West Java supports the actors on the upstream side of the value chain, which are part

of the local economy through their benefits for agricultural producers, local food processors and wholesalers. Consumers shift their store preferences from traditional retailers to modern retailers, due to some main reasons such as product availability, product quality, price and assortment. Consequently, traditional retailers, particularly traditional markets experience negative impacts due to the entry of modern retail, which causes their sales and number of buyer decrease.

The development has seen the emergence of some controversies, despite its contributions to the local economy. Super- and hypermarkets threaten traditional retailers who usually have no competitive advantages over modern retailers, due to a lack of capital and skills. Another issue is whether the development of super- and hypermarkets benefits their suppliers (producers, processors and wholesalers), particularly small and medium scale suppliers. The study focusses on the fresh goods category including fruit, vegetables, meat and local dairy products considering that those particular goods are supplied by local producers and/or local processors. Local fruit and vegetables producers in West Java benefit from the development of super- and hypermarkets in this province even though imported fruit dominate the assortment in super- and hypermarkets fruit category. The development of super- and hypermarket increases sales of local dairy products such as tempe and tofu increase and meat, particularly processed meat such as meatballs, nuggets and sausages. The result of regression shows that local food processors benefit from the rise of super- and hypermarkets in West Java.

This thesis has three main parts. Part one of the thesis presents background introduction and research objectives. Part two presents conceptual framework and the hypotheses built from previous studies, and research methods performed in the study. The last part of the thesis presents the analysis of modern food retail development and its impacts on consumers, agricultural producers local food processors, wholesalers and traditional retailers.

In chapter 1, the phenomena of modern food retail development was introduced, this included the main factors causing the development and problems faced, due to the the rise of super- and hypermarkets in Indonesia. Moreover, previous research on modern food retail development and its impacts were also presented to show the major focus of that research. The reality described in this chapter and previous research on modern food development, particularly super- and hypermarkets, uncovers the impacts of super- and hypermarket development in Bandung, West Java on the actors in the value chains as part of the local economy. This impacts are measured by the benefits acquired by agricultural producers, local food processors and wholesalers. The study focusses on fruit and vegetables producers and wholesalers, and local dairy products processors. The study also presents findings from the investigation of modern food retail development on consumers preferences and traditional retailers.

In chapter 2, six theoretical sections are presented. The food system is closely related to agricultural system and local economy, which means that a more sustainable food and agriculture system focussed on local markets, can contribute to the society (Natawidjaja et al. 2007; Conner et al. 2008). However, the food system does not only involve the producers e.g. agriculture producers and consumers or societies, but also retail companies at the bottom of the economic food chain (Brammer and Tomasik 1995). Their framework proposes that retail development, which is indicated

by the growth of modern food retail such as supermarkets in urban areas make the local economy larger and more self-sufficient by keeping retail purchases inside the local economy. The development brings some economic benefits to the local economy e.g. tax revenue, jobs and incomes, increase of productivity, increase of standards of living, value increase of land and building, and decrease prices which give more benefits to consumers (England 1997; Pittman and Rhonda 1995; Brammer and Tomasik 1995; Phillips 2000, Basker 2005). With regards to those previous studies, this study presents a comprehensive analysis of the effects of super- and hypermarkets development on consumers, local producers and processors, wholesalers and traditional retailers in a developing country. The conceptual framework and hypotheses of the study are built on previous studies. From it, the analytical framework is derived and the operationalisation variables is provided in chapter 3.

In chapter 3, the research methods of the study are presented. This includes the units of analysis, sampling method, data collection techniques, and general analytical model conducted to test the proposed hypotheses. Modern food retail in the study is defined as super- and hypermarkets, while agricultural producers are local fruit and vegetables farmers who sell their produce to super- and hypermarkets in West Java. Local food processors are local companies that produce local dairy products and meat, and sell them to super- and hypermarkets in West Java. The wholesaler in the study are independent merchants who buy or collect fruits and vegetables in large volume and supply that produce to super- and hypermarkets in West Java. A survey using questionnaires and interviews was conducted to collect data from consumers, retailers, agricultural producers, local food processors and wholesalers in West Java. Non-parametric statistical tests, such as McNemar and Chi-Square tests were conducted to test the hypotheses in consumers and traditional retailers studies, while regression analysis was conducted to test the hypothesis that modern food retail development benefits agricultural producers, local processors and wholesalers.

In chapter 4, the impact of modern food retail development on consumer preferences was studied and a survey of 550 respondents in three cities in West Java was performed. The survey collected data on consumers store preferences for shopping groceries before and after modern retail entry and consumers perceptions on the store attributes of modern retail. McNemar and Rank Spearman tests were performed to test the hypotheses. The study found that product availability with good quality, prices, and assortment were the main reasons why consumers shifted their store preferences from traditional retailers to modern retailers. The next section, chapter 5, presented a thorough analysis on the development of super- and hypermarkets in West Java and their impact on agricultural producers of fruit and vegetables and on local processors of dairy products and meat.

Chapter 5 starts with an overview of food consumption and the value chain of fruit, vegetables, dairy products and meat, the results in chapter 5 identify that traditional agricultural producers or farmers and small scale processors face difficulties with the modern retail procurement systems. Sales of fruit and vegetables in super- and hypermarkets increased, but the share of local fruit in modern retail was low because super- and hypermarkets prefer to sell imported fruit due to the lower prices and consistency in supply and quality. The results of this hypothesis testing indicate that agricultural producers and local food processors benefit from the development of super- and hypermarkets in West Java. However, on average, almost 65% of local dairy products sold in super- and hypermarkets



are sourced from local dairy producers, while the share of local processed meat products was only 13%. Consumers still prefer to buy meat and processed meat products in the traditional markets due to cheaper prices and freshness. Local meat processors also prefer to supply their products to traditional retailers, because there are no trading terms and complicated procedures such as the procurement systems of modern retail.

Further analysis was conducted to investigate the impacts of development on small, medium and large producers and processors. All fruit and vegetables producers/farmers benefit from the development of super- and hypermarkets in West Java, except for small vegetables farmers. Large local dairy processors dominate the shares of dairy products sold in super- and hypermarkets; however, the shares of local meat products are really low. All local food processors benefit from the development. In chapter 6, the focus is on fruit and vegetables wholesalers. The role of wholesalers in the value chain of fruit and vegetables in Indonesia is quite dominant, because farmers, in particular small farmers, are not able to sell their produces directly to super- and hypermarkets due to their inabilities to guarantee production capacity and quality consistency. As modern retail modernises their procurement systems, the specialised and dedicated wholesaler were introduced and started to replace the traditional wholesalers as a source for modern retailers. One of the success stories of a specialised and dedicated wholesaler is Bimandiri, which is presented in Box 6.1. Bimandiri started his business as a specialised dedicated vegetables wholesaler for Carrefour Indonesia, and the business became bigger along with the development of Carrefour.

Super- and hypermarkets prefer to source fruit from the importers, while large wholesalers are the preferred source for local fruits. The main source for vegetables in modern retail are specialised dedicated wholesalers and commercial farmers. Super- and hypermarkets start to reduce traditional wholesalers as their sources because: 1) traditional wholesalers are inefficient; 2) traditional wholesalers can not guarantee consistency in volume and quality; and 3) traditional wholesalers have poor handling and packaging. A paired samples tests was performed to find out whether there were any differences between vegetables wholesalers profits and fruit wholesalers profits, due to the development of super- and hypermarkets in West Java. The result shows that the profit of both wholesalers is different; furthermore the hypothesis was tested using regression analysis and the result is found to be significant. The result of regression analysis concludes that the development of super- and hypermarkets in West Java benefits the wholesalers of fruit and vegetables.

The last section in chapter 6 analyses the impacts of super- and hypermarkets development on actors on the upstream side of value chains. Using the proposed conceptual framework of local economy in chapter 2, the study finds that the development of super- and hypermarkets in West Java significantly benefits all actors in the value chains.

Finally, in chapter 7, the impact of modern retail development on traditional retailers was analysed using questionnaires delivered to 300 traditional retailers in three cities in West Java; these included traditional markets, kiosks, convenience stores, and street hawkers. The performance of traditional retailers after the entry of mini-, super- and hypermarkets into their areas was measured using sales and numbers of buyers to find out whether those modern retailers caused decreased sales and numbers of buyers of those traditional retailers.

The result indicates that traditional markets experienced the worst impact of modern retailers, particularly in fresh goods category (fruit, vegetables, meat, and fish), while kiosks, namely warung experienced significant losses in egg and toiletries categories. The Chi-Square test results show that the entry of mini-, super- and hypermarkets in West Java decreased sales and numbers of buyers of traditional retailers.

8.3 Conclusions

The entry and development of modern food retail, such as super- and hypermarkets always brings pros and cons, not only in developing countries but also in developed countries. The rise of super- and hypermarkets in Indonesia started in 1999 and this phenomenon brings debates among retail practitioners, researchers, government, and society. The development of super- and hypermarkets in this country brings benefits for consumers through shopping conveniences with good product quality and availability, and sometimes lower prices compared to traditional retailers. Consequently, as consumers shift their preferences from traditional retailers to super- and hypermarkets, sales and number of buyers in traditional retailers start to decline. Another issue regards the contributions of super- and hypermarkets development to their suppliers, in particular local suppliers include producers, processors and wholesalers.

What makes this study different? Using West Java as the case, this study presents a comprehensive analysis of the impacts of modern food retail development, in this case is super- and hypermarket as part of the local economic development programme on key actors in the value chains; agricultural producers, local food processors and wholesalers. Studies on consumers store preferences and traditional retailers enrich the study. The findings of this study may be used by other countries with similar characteristics, such as Brazil and Thailand to develop their economies, using a retail development strategy.

As consumers shift their grocery shopping to modern retailers, due to the entry and development of modern retail, traditional retailers start to experience the impacts of the development. Unfortunately, traditional retailers, particularly traditional markets experience significant losses in sales and number of buyers. The study finds that modern retailers have competitive advantages over traditional retailers in assuring the availability and quality of products, store conveniences and lower prices. Due to a lack of resources and skills, traditional retailers are difficult to compete with modern retailers. Consequently, there was a significant decline in numbers of traditional market in West Java in the last decade. Old and dirty buildings, poor product handling and quality, poor product display and packaging are major weaknesses of traditional retailers.

Focussing on the fresh goods category, this study shows a consistency between the shift of consumer preferences to super- and hypermarkets, and an increasing trend of fruit, vegetables, dairy products and meat sales in those modern retailers. As sales of those goods increase, super- and hypermarkets need more supplies from the reliable sources to guarantee the consistency of quality and volume. Producers and processors who are able to meet the requirements of super- and hypermarkets procurement systems benefit from the development of super- and hypermarkets.

However, modern retailers prefer not to source directly from small producers due to their inability to produce consistent volume and quality, and their inability to meet the trading terms. Usually small producers, in this case are farmers, sell their produce directly to traditional wholesalers and/or specialised dedicated wholesalers who then sell the collected produce from farmers or farmers groups to super- and hypermarkets. As part of modern retail contributions to the local economy, a large retail chain through its specialised and dedicated wholesalers helps small farmers to upgrade their knowledge and skills in the production of their farms.

Local dairy products have higher shares in the super- and hypermarkets fresh goods category compared to the shares of fruit, vegetables and meat. Local dairy processors acquire significant benefits from the development of super- and hypermarkets, due to their abilities to fulfil the requirements. High shares of local dairy products in super- and hypermarkets indicate that consumers prefer to buy local dairy products, such as tofu and tempe in super- and hypermarkets. An attractive product display, a high quality product with good packaging attract consumers to buy those products in super- and hypermarkets.

The share of local processed meat, such as meatballs, sausages and nuggets in super- and hypermarkets is not high, because local meat processors can not compete with big (foreign) companies with well-known brands. Local food processors of meat also do not prefer to sell their products to super- and hypermarkets, due to the trading terms. Consumers usually prefer to buy local processed meat in traditional markets or directly from the processors. However, the study finds that local food processors, in this case, are dairy processors and meat processors who benefit from the development of super- and hypermarkets.

Another key member in the modern food retail value chain is the wholesaler. The wholesalers play an important role as intermediaries between local fruit and vegetable farmers, particularly between small farmers and modern retailers. Generally, the wholesale sector in Indonesia is characterised as the network of small traders and medium or large wholesalers operating in the field and buying directly from farmers, then passing the product to several parties including wholesale markets, until it reaches the retailer who might be a supermarket or a hypermarket, a small shop, a street vendor, or a traditional market (pasar).

Specialised and dedicated wholesalers have been known since modern retailers modernise their procurement systems. Specialised and dedicated wholesalers collect fruit and vegetables directly from farmers, usually from small farmers or farmer's groups based on orders from super- and hypermarkets. Some specialised wholesalers help farmers by giving assistance in production techniques, production facilities and management and financial skills. Specialised dedicated wholesalers are also gaining support from super- and hypermarkets to help farmers to increase their ability to produce consistency in volume and quality in order to get a better life. However, the study does not differentiate between traditional and specialised dedicated wholesalers. Focussing on the fruit and vegetable category, the results of the regression indicate that by supplying those goods to super- and hypermarkets, wholesalers benefit from the development of super- and hypermarkets in West Java. Finally, the study concludes that due to the super- and hypermarkets an existing value chain got restructured and upgraded. It had consequences for the local actors in the chain. Small producers

and processors have to upgrade their knowledge and skills, thus they can produce consistency in volume and quality in order to become a reliable source for modern retail. As small producers and processors can meet the requirements of modern retail procurement systems, they can directly supply their products to super- and hypermarkets and get benefits from it.

Other local actors in the chain are wholesalers, in this case traditional wholesalers. As modern retailers modernise their procurement systems, super- and hypermarkets start to use specialised dedicated wholesalers, due to a reason that traditional wholesalers are not efficient. Traditional wholesalers should learn how to satisfy their customers, in this case super- and hypermarkets, by upgrading their working systems in order to become more efficient and sophisticated.

Finally, we found that the governance in these chains is concentrated in the super- and hypermarkets as the lead agent of the development. Generally, the development positively contributes to key actors on the upstream side of value chains and also consumers, although not always the same people have the same experiences. Small producers and traditional retailers do not benefit from the development of super- and hypermarkets.

This study strengthens the concept of (global) value chain and local economic development. Using the case of retail development as a strategy to boost the local economy, the rise of super- and hypermarkets in West Java positively influences the value chain of food retail sector. Some actors in the value chain benefit from the development, and some of them have to upgrade their knowledge and skills in order to get the same benefits. It is hoped that the benefits can increase the performances of producers, processors and wholesalers, who furthermore upgrade their standards of living.

8.4 Contributions of the Study

This thesis is the first one to carry out thorough analysis of consumers, agricultural producers, local food processors, wholesalers and traditional retailers makes producing an integrated analysis of super- and hypermarkets development impacts on the local economy.

The thesis shows that, even though consumers shift their store preferences to super- and hypermarkets, which make traditional retailers, particularly traditional markets experience losses in sales and number of buyers, the development of super- and hypermarkets supports agricultural producers, local food processor and wholesalers gain benefits from being parts of the modern retail value chain.

The theoretical contribution of this study is, that modern retail contributions to the local economy can be measured by analysing the contributions on producers, processors and wholesalers as part of the local economy, despite measuring the contributions on labour, productivity and tax revenues. In particular, this study enriches the literature of retailing by introducing retail practices in developing countries, which have different environmental and cultural challenges. The concept of value chain and the local economy is the key component to be included in the analysis of retail sector contributions in order to provide a comprehensive analysis and understanding.

Findings of this study also have practical contribution. Four practical contributions of this study are:

- 1) The analysis of the study provides valuable information for retail practitioners, particularly owners and managers of modern retail. The development of their businesses, which usually use the strategy of adding more stores in potential locations, should consider the impacts of the development on their suppliers and also on consumers and traditional retailers. Consumers are provided many choices and conveniences from the development of modern retail, however, consumers are also faced with the environmental impacts due to the development such as pollution and increased traffic congestion. An intense competition, particularly among modern retailers, and increased consumers' attentions on environmental issues are two important factors that need to be considered by modern retailers. Modern retailers need to pay more attention on winning consumers' hearts by providing their needs in a profitable way .
- 2) The study indicates that modern retailers prefer to source fruit and vegetables from specialised and/or dedicated wholesalers and large commercial farmers, due to the consistency of quality and volume. However, traditional wholesalers are also still used as the source due to the lack of number of both specialised and dedicated wholesaler and large commercial farmers. Both types of wholesalers source from small farmers and create no direct access to the super- and hypermarkets. This fact disadvantages small farmers who usually get only small profits compared to wholesalers. Small farmers have to learn how to overcome their weaknesses in providing consistency in volume and quality, otherwise they do not gain any benefits from the development of super- and hypermarkets. A small farmer does not have enough resources to work alone, thus he/she can work together with other farmers in a group.
- 3) The analysis of the study shows that traditional markets have experienced the worst impact due to the development of super- and hypermarkets. Traditional retailers are faced with difficult challenges when a supermarket or a hypermarket comes into their areas. Generally, traditional retailers can not compete with super- and hypermarkets due to lack of capital and skills. But, based on findings in the study, traditional retailers, in particular traditional markets, still become a favourite place for consumers to buy fresh goods such as vegetables and meat. Consumers often find that shopping in traditional markets is still enjoyable due to the possibilities of bargaining and having direct communication with the merchants. Traditional retailers should be challenged to change by providing more convenience for their consumers, such as cleanliness, interesting merchandise displays and better services. Some of the traditional markets in West Java are starting to increase their services and build convenient stores or shopping centres by entering a collaboration with private companies.
- 4) The analysis of the study presents valuable information for the government, both at a local and a national level to pay more attention on the impacts of modern retail development. It is realised that until now, the government still has not found the most effective way to create a win-win solution for modern retailers and traditional retailers as a result of the development of modern retail. The government should not only consider allowing modern retail to open new stores will create more jobs and tax revenue, but also the negative impacts of the development on traditional retailers and the environment.

8.5 Recommendations of the Study

- 1) Based on findings of the study, this thesis proposes recommendations for scholars, owners/managers of modern retail, traditional retailers, suppliers, and government. The recommendations are:
- 2) This study enriches previous studies on modern retail, particularly in the food sector. Scholars are encouraged to perform future research, which does not focus only on modern food retail, such as super- and hypermarkets. The phenomenon of shopping centres in developing countries as a retail development strategy to boost the local economy is interesting to be studied. A shopping centre offers a one-stop-shopping concept that combines a super- or hypermarket, a department store, tenants, and facilities such as a food court, a cafe, a restaurant, a children's playground, and a cinema. The existence of shopping centres creates impacts on consumer behaviour, environment and the local economy. Another interesting issue to be studied is the environmental impacts of modern retail. Traffic congestion and pollutions are two main environmental issues of the impacts of modern retail, which influences the quality of people's lives.
- 3) This study presents valuable findings for the owners/managers of modern retail, regarding the impacts of their stores' development. The development of modern retail has to benefit all actors in the value chain. Usually, the owners/managers more focus on providing the best services to their customers and have a lack of interests in building good relationships with the suppliers, particularly small suppliers. It is realised that small suppliers have a lack of abilities to fulfil the requirements of modern retail procurement systems. Modern retail can provide assistances and facilities to small suppliers by working together with local government, universities, and wholesalers. For example, a hypermarket in Indonesia, working together with the university and a wholesaler provides training for small farmers and small food producers in production and marketing. This study also recommends that owners/managers of modern retail have to consider the environmental impacts of their store development. Providing online buying for consumers can help modern retail to overcome the environmental impacts due to the store development.
- 4) This study gives recommendations for traditional retailers who experience losses since the entry of modern retail, particularly super- and hypermarkets. Traditional retailers usually do not pay attention on cleanliness and conveniences in their stores. This condition makes consumers have no interests to do their shopping at traditional retailers. Poor merchandise display and product quality also become the weaknesses of traditional retailers. However, based on findings of the study, consumers still prefer to do shopping at traditional retailers, particularly buying vegetables and meat at traditional markets due to the freshness, personal relationships and bargaining opportunity. First of all, traditional retailers have to improve their store environment through providing a clean and convenient environment. Some of traditional markets in Indonesia were renovated through a collaboration between local government and private companies. The new building is convenient and clean with supporting facilities, such

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as air conditioning, toilets, and food courts. It is realised that traditional retailers have limited resources, but it does not hinder them to provide an attractive merchandise display in their stores and to give good services for their customers such as delivery services considering that kiosks and convenience stores are located in the residential areas.

- 5) This study presents a thorough analysis on the impacts of super- and hypermarkets development on their suppliers – agricultural producers, local food processors and wholesalers. Although all suppliers benefit from the development of super- and hypermarkets in West Java, there are some improvements that should be performed, particularly for small farmers and traditional wholesalers. Small farmers face difficulties to meet the trading term of super- and hypermarkets, therefore they cannot sell their products directly to modern retail. It is realised that the intermediaries get bigger benefits than small farmers get. Small farmers cannot work alone to fulfil modern retail requirements, thus, they have to work in a group supported by a wholesaler or even by the modern retail itself. This farmer's group supports their members especially when a farmer has to deal with the modern retail. Another advantage of this group is that they can manage consistency in volume to fulfil the order from super- and hypermarkets by allocating and sharing the production. This group also carries out the role as the communication channel among farmers and between farmers and their customers.
- 6) Then last but not least, the study presents recommendations for government, particularly local government, considering that local government now has the autonomy to allow the development of the retail sector. Government should pay more attention on the impacts, in particular the negative impacts of modern retail development. The implementation of regulations should be consistent without sacrificing some actors in the value chain of the food retail sector. Government has to realise that benefits from the development of modern retail should be enjoyed by all actors in the value chain, such as suppliers and other retailers. Environmental issues and unethical business practices are a main concern to be considered in relation to the development of modern retail.



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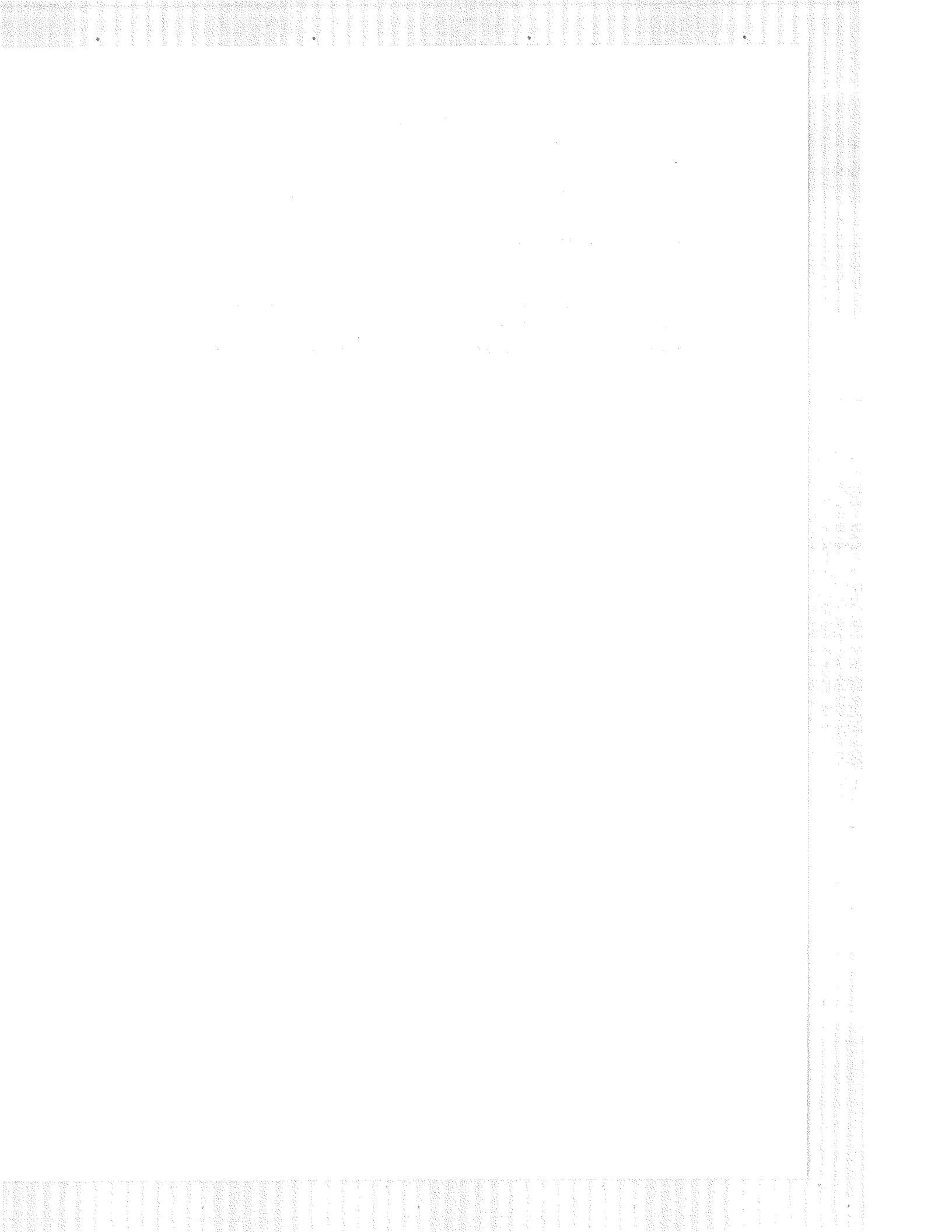
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Sandra Sunanto was born on 28 June 1973 in Bandung, Indonesia. In 1991 she started her bachelor study with the major in marketing management at Parahyangan Catholic University, Bandung, Indonesia. In 1998 she continued her study to obtain her master degree in management from Master of Business Administration Technology program, Bandung Institute of Technology (ITB). In March 2010, she obtained her Master of Philosophy from the doctoral program of Maastricht School of Management, the Netherlands, then she started her Ph.D study in the Institute of Social Studies, Erasmus Rotterdam University. Her research focused on investigating the impacts of super- and hypermarkets development on consumers, agricultural producers, local food processors, wholesalers and traditional retailers in West Java, Indonesia. She is a researcher and assistant professor of Faculty of Economics, Parahyangan Catholic University. She is also the consultant for Yogya Group, one of the biggest retail group in West Java. She specializes in market research and business development, particularly in retail sector.

Journal Publications

- 1) Sunanto, S. and M.P. van Dijk (2013) 'Modern Food Retail Development, Agricultural Producers and Local Food Processors in West Java', *International Journal of Emerging Markets* (submitted).
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Conference Proceedings

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Propositions

THE EFFECTS OF MODERN FOOD RETAIL DEVELOPMENT ON CONSUMERS, PRODUCERS, WHOLESALERS AND TRADITIONAL RETAILERS: THE CASE OF WEST JAVA

Sandra Sunanto

International Institute of Social Studies, Erasmus University Rotterdam

1. Concerning the controversy around the effects of modern retail development, this study shows that, particularly in the food sector, modern retail does not have negative effects only, but it also benefits some of the actors in the value chain and provides in particular an impetus to the local economy. (Chapter 1 and 2)
2. The entry of large modern food retail, such as super- and hypermarkets as part of retail development strategy benefits the local economy by providing jobs, tax revenue and better quality of life through its development. (Chapter 2)
3. The case of West Java is the ideal case to be used for other similar regions in developing countries to study the controversies behind the development of modern retail, in particular super- and hypermarkets development in developing countries. (Chapter 3)
4. The environmental impact of modern retail development in particular its effects on transportation, air pollution and solid waste are interesting topic future research. (Chapter 1)
5. Some actors in the value chain, who serve the modern retailers, benefit from the development of super- and hypermarkets, while some of them have to upgrade their knowledge and skills to enjoy benefits of such developments. (Chapter 8)
6. The development of technology, such as internet, has brought a new lifestyle among Indonesian people; it changes the way how people communicate and do their daily activities including shopping.
7. Price competition is no longer an effective way to win the market. Business should be creative and distinctive to win its customers' heart.
8. Competitive advantage can be achieved through technological progress, organizational and managerial innovations; when it is applied to the regional level, competitiveness refers to how well regions perform in terms of applying skills, resources, technology and information to production, distribution and trade. (van Dijk, 2006)
9. If you want to keep running a good company you need to know what's special about your business; you have to understand what it stands for in the marketplace. It's now or never. And it's all about being unique. (Kunde, 2002).
10. Being a PhD student, the joys of doing research are considerable, and anyone in a position to carry out research is indeed privileged; the enormous feeling of achievement on the award of the degree lasts for many throughout their whole lives. The process is very rewarding, otherwise so many would not have carried it through to success. (Phillips and Pugh, 1994)
11. To get the most out of the writing process of a PhD, we have to start writing before we think we are ready, before we have "thought it all through" – and long before funding runs out. (Nygaard, 2008)

