

# Ideal Business Policy Model For Small Traders

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## Abstract

This study purpose is to find an ideal business policy model for small traders. The research object is small traders who have traditional shops in Singosari, Malang Regency. The samples are eight traditional shop owners. One mini market manager and one local community store are selected as key informants to decide other informants with snowball sampling. The grounded theory approaches is followed based on Strauss and Corbin (1998), namely: 1) Important Statements, 2) Open Coding, 3) Axial Coding, 4) Selective Coding, and 5) Existing Models. This study found five propositions. Proposition 1, Strengthening the rules, protecting the government, and community role affect to the strengthen of PERDA (regional regulations) on ideal business for small traders. Proposition 2: Increased marketing, entrepreneurship, and experience affect to improve ideal traditional shop models for small traders. Proposition 3: Religious enhancement affect to increase ideal traditional shop models for small traders. Proposition 4: Higher threats, family coverage, and management weaknesses affect to increase ideal traditional shop models for small traders. Proposition 5: Strengthening traditional shop excellence and social capital affect to increase ideal traditional shop models for small traders.

**Keywords:** traditional shops, small traders, mini markets, business policies, grounded theory

## INTRODUCTION

### 1. Background

Mini markets such as Indomaret, Alfamart and others have been growing rapidly in all regions of Indonesia, including in Malang region. Head of Integrated Licensing Service Agency (BP2T) of Malang City, Indri Ardoyo, said that in 2015 the number of modern shops available in Malang City is 223 units (<http://surabaya.tribunnews.com/2015/05/07/pemkot-malang-perketat-izin-minimarket>, accessed September 1, 2018). Likewise, those in Malang Regency are more than 223, because the district is wider in area. The number could grow to three times the number 223 in 2018.

Malang City Government began to tighten permits to make modern minimarket or shop. The location to make minimarkets and modern shops should not coincide with traditional markets. The distance of establishment location at least 500 meters from traditional market. Indri Ardoyo said that government will not extend the operational permits of modern stores whose locations coincide with traditional markets. Likewise, application for establishment of a modern store permit will also be tightened. Before issuing a permit, BP2T will check the location. If the location of establishment of a modern shop is not in accordance with rules, then BP2T does not issue a permit. The rules for establishment of modern stores are in accordance with Regional Regulation Number 8 of 2010 concerning the Implementation of Industrial and Trade Businesses. Article 23 Paragraph 2 of Regional Regulation stated that establishment of modern stores must be 500 meters away from traditional market location. But, minimarkets that are in residential areas, we return to local community. If the community needs a minimarket in that environment, it means that there is no problem, "said Indri Ardoyo (<http://surabaya.tribunnews.com/2015/05/07/pemkot-malang-perketat-izin-minimarket>, accessed September 1, 2018)

Central government has also set the establishment location of modern stores through Presidential Regulation no. 112 of 2007. Article 3 paragraph 1 of this PP stated: The location to establish Shopping Center and Modern Store must refer to Regency / City Spatial Plan, and Regency / City Spatial Detail Plan, including its Zoning Regulations. This is done to make existence of modern stores does not weaken small traders (Sheehy, 2006; Singh et al., 2014; Basker, 2007) with because they more complete, clean and comfortable facilities (Mishra, 2007; Ali and Moorthy, 2010). This happens because small traders have low bargaining power (Wang et. Al., 2010) and inadequate social capital (Leksono, 2009; Seiders and Tigert, 2000). Therefore, small business actors need to be improved the knowledge in order to be able to catch market opportunities, obtain credit from banks or improve the quality of goods and services offered (Lahiri and Kumar 2010).

The existence of modern stores in Malang Regency is questioned by Indonesian Traditional Market Traders Association (IKAPPI). They urge the revision of Regional Regulation (Perda) Number 3 of 2012 concerning the protection and empowerment of traditional markets. The Head of IKAPPI Malang Regency, Agus Sa'dullah, said that aside from distance, regulation still provides protection for traditional markets. In fact, it threatens the existence of traditional shops. "The distance is determined to be 1.5 kilometers, but the fact is different. Not to

mention sudden issue of permits issued without the consent of surrounding community (<https://news.detik.com/berita-jawa-timur/d-3459259/toko-modern-in-regency-poor-questioned>, accessed September 3, 2018).

Mini market exists also has positive effect, for example, visible urban progress, increased consumerism, and so on. However, many economic pillars of people, namely traditional shops that suffer from this situation. Traditional shops are also sometimes called *klontong* shops, become the main source of small people to support their families. What is their fate? In all matters, starting from prices, availability of merchandise, renewal of merchandise, services, capital, access to funding sources, and so on, all are inferior to mini market. Will we allow this situation to continue without a solution?

This research tries to find a solution for traditional small shop traders to create right trade policy for them. How the way? There are four propositions and existing traditional shop models ideal for small traders that have been found in year as the basis to review the right trade system policy model for small traders. Traditional shop traders also have their own uniqueness in managing their business. The results of research by Nasharuddin Mas (2014) found that one of things to makes traders in traditional markets can survive is because of social capital, feelings of compassion, a close relationship between traders and their customers, and so on. What kind of policy model? Is it more focused to protect them or empowering then by strengthening their capital? Or what else? These questions will be explored with a grounded theory qualitative approach.

## 1.2 Research Focus

This research object is traditional shop traders in Singosari District, Malang Regency. Other objects are loyal customers of traditional stores, community leaders, local policy makers, and various other stakeholders. Phase I research has found four propositions, namely: Increased marketing, business experience, entrepreneurship, religious, social capital, and advantages of traditional shops are variables to build traditional shop models (propositions). In addition, management weaknesses, family dependents, and threats, are variables affecting traditional shop models (propositions). These four propositions will facilitate to find the right business policy model for small traders.

## 1.3 Problem Formulation

What is the right business (business) policy model for traditional small shop traders?

## LITERATURE REVIEW

### 1. Research Consistence with Prior Research Results

Davids, Sexton, Dunkelberg and Cooper, Sutton, Welsh and White, Timmons, and Welsh and White, suggested several characteristics of entrepreneurs (entrepreneurship) such as: Ambition, energetic, independence, responsibility, and self confidence (Gray, 2010). Why can traditional small shop traders survive? They may be confident or independent. Jones et. al, (2009) mentions growth oriented, achievement motivation, and locus of control, training, personal value orientation, source of formal authority, self-discipline and perseverance, desire to succeed, action orientation, and energy level Scheiner as supporting factors (2009).

### 2. Business Policy for Traditional Stores

Alexander James Nicholls, (2002) found that main driving factors the growth of fair trade are ethical consumerism. Meanwhile, Peter Davis, (1982) said that there are several factors to influence the business policy. Therefore, it is important to explore the views of consumers, retail trade, and suppliers.

Peter, Jones, et.al (2003) found that labeling has provided an opportunity to introduce fair trade food products to most consumers in UK through conventional retail channels. Their case studies outline the characteristics and development of fair trade concepts, review the extent to which major food retailers have incorporated fair trade products into their offerings and discuss some of current issues surrounding fair food trade in retail.

Eleanor Fisher and Sergi Corbalán, (2013) found that introduction of fair trade products into procurement of public products in Europe was marked by legal ambiguity. But the potential for future expansion of public sector "market" for fair trade needs to be approached with caution

### 3. Relationship between Small Traders' Survival Ability and Social Capital

Mahmud Tang (2010) found that Arab Muslim community in Netherlands bought a large house, some of it was used as a mosque, and another partition was used as a shop. After worship, they go shop. This social capital also exists in Singosari Market. The people shop because compassion to see the seller neighbours in village, and friendships (Nasharuddin Mas (2014). Tolciu (2010) has investigated the success factors of migrant entrepreneurs Turkey in Hamburg Germany, he found that key factors in success of Turkish migrant entrepreneurs were their social capital and economic resources, and Leksono (2009) conducted a qualitative study in Pasar Besar Malang, and found that main cause of traditional market was grimmer. because of collapse of social capital, there is no trust between them, both among traders, suppliers, and consumers. ) Sandhu et al.

(2010) found that lack of social networks owned by student entrepreneurs in Malaysia was hindering their entrepreneurial tendencies.

### RESEARCH METHODS

This study uses the Grounded Theory Method (Strauss and Corbin, 1998), namely: 1) important statements, 2) open coding, 3) axial coding, 4) selective coding, and 5) existing models, also checking the validity of data (Myers, 2009). Snowball sampling techniques (Stake, 2010) was used to get 10 key informants: 1) Mr. Mukhtar (Guardian Shop), 2) Mr. Gufron (community role model), 3) Mr. Perwira Jaya Negara (Indomaret manager), 4) Mrs. Edo (Edja Corner Shop), 5) Mr. Hamim (Hamim Shop), 6) Mr. Sukoyo (Kebat Jaya Shop), 7) Mrs. Is (Barokah Shop), 8) Mr. Subiri (Subiri Shop), 9) Mrs. Sri (Biru Shop), and 10) Mrs. Amelia (Amelia Shop). The interview results can be described below.

Interview with Mr. Mukhtar (Guardian Shop) obtained an incident (important statement), namely: "The Mini market should be disciplined, do not open in village". The output of this incident is sub-category of "Mini markets do not open in village". The examples of Sub-Categories are below.

Table 1. Sub-Categories

No	Sources	Incident (Important Statement)	Sub-Categories
1	Mr. Mukhtar (Wali Shop)	It has large impact on small shops, it does not benefit my shop	Competition damages the traditional shop
2	Mr. Mukhtar (Wali Shop)	Mini markets should be disciplined, do not open at the village	Mini markets do not open in village

Sub-categories of "Mini markets do not open in village" creates sub-category of "Pressure". Axial coding looks for groups of sub-categories to create categories. The axial coding stage search groups of similar sub-categories of "Pressure", it creates "Rules" category. Other sub-categories of open coding is "We are small people can not do anything", will form a sub category of "Pressure". Furthermore, this sub-category will create the "Rules" category. The example of Open Coding to Axial Coding is shown in table 2. Table 2 show the categories group with similar meaning.

Table 2. Axial Coding 1: Search for sub-category groups to create categories

No	Sources (FN)	Sub-categories	Categories
1	Mr. Mukhtar (1, 2, 6, 7, 8, 9, 10); Mr. Gufron (20, 300; Mrs. Edo (55)	Pressure	Rule
2	Pak Mukhtar (2, 5, 11); Pak Gufron (13, 25, 26, 29); Bu Edo (62); Mr. Hamim (66)	Hope	
3	Mr. Gufron (18, 19); Mrs. Edo (56, 57, 58, 63)	Permit	

Table 3. Axial Coding 2: Search for sub-category groups to create main categories

No	Categories	Main Categories
1	Rules	
2	Government Protection	Local Rules
3	Society Role	
4	Service Quality	
5	Customer Behavior	Marketing
6	Smooth	
7	Creativity	
8	Innovative	Entrepreneurship
9	Optimism	
10	Learn to trade	
11	Background	Experience
12	Heredity	
13	Belief	
14	Action	
15	Outcome	Religiosity
16	Giving	
17	Physical Sustenance	
18	Competitors	
19	Capital	Threats
20	Mini Market Excellence	
21	Responsibility	Family Responsibility
22	Expensive Cost	Management Weakness
23	Solidarity	
24	Network	Social Capital
25	Culture	
26	Facility	
27	Flexible	
28	Tradisional Shop Service	Traditional Shop Excellence
29	Physical of Tradisional Shop	
30	Capital of Future Tradisional Shop	

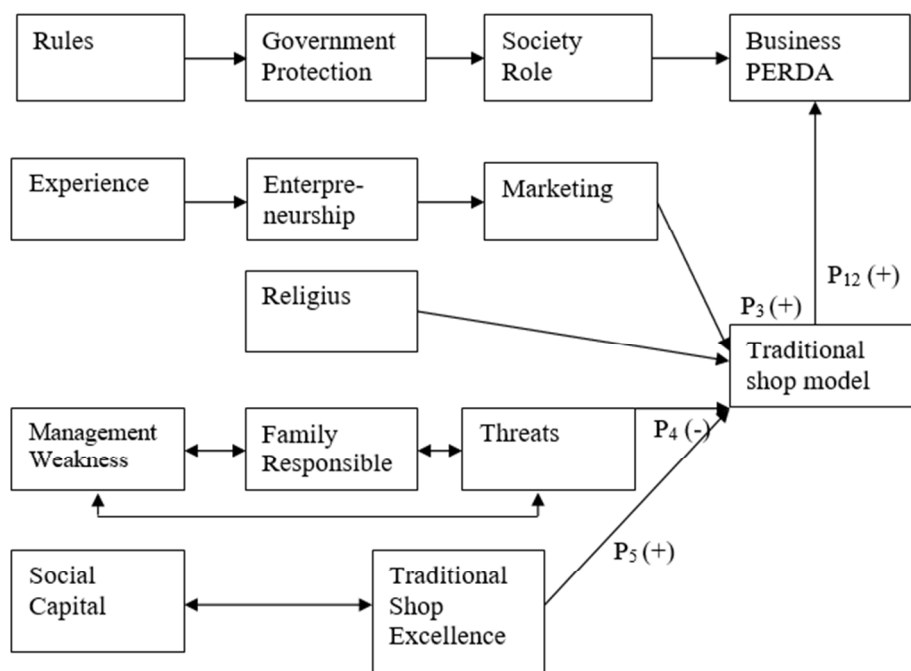
### Selective Coding

The selective coding stage will connect the main categories to create the following propositions:

- Proposition 1: Strengthening the rules, protecting the government and community role influences to strengthen of PERDA (local regulations) that is ideal for traditional small shop traders.
- Proposition 2: Higher marketing, entrepreneurship, and learning to trade affect the improvement of ideal traditional shop models for small traders.
- Proposition 3: Religious reinforcement influences the improvement of ideal traditional shop models for small traders.
- Proposition 4: Higher threats, family coverage, and management weaknesses influence the improvement of ideal traditional shop models for small traders.
- Proposition 5: Strengthening traditional shop excellence and social capital has an effect on improvement of ideal traditional shop model for small traders.

### Existing Model

These propositions are transformed into a model called the existing model. It is business policy in form of ideal PERDA (regional regulations) for traditional small shop traders, as shown in figure 1 below.



Source: Research Propositions, Processed

Note: P1 = First Proposition, P2 = Second Proposition, P3 = Third Proposition, P4 = Forth Proposition, and P5 = Fifth Proposition.

The sign (+) is a positive proposition

The sign (-) is a positive proposition

## DISCUSSION

The first proposition of this study shows that one most urgent things to do to protect traditional small traders are to create PERDA (regional regulations). The findings show that strengthening the rules, government protection, and community role influence the strengthening of PERDA. PERDA at this time less effective to regulate mini markets. Why? The answer to this question is not easily. There are many factors to influence the effectiveness of this business regulation, for example the financial strength of these big investors, as well as the management advantages to do things easily. For example, to open a new shop in village, they approach the surrounding community, Chairperson of RW / RT, as well as local officials. If so, then any rules that hinder can easily be broken. Therefore, community role also greatly determines the strength of PERDA.

It should be noted that existing Government Regulations and Regional Regulations only regulate between modern shops (mini markets) and traditional markets. For example, the distance from modern shops to traditional markets minimal 500 meters. The traditional markets here are Singosari Market, Lawang Market, Belimbing Market, and so on. Therefore, existing PP and PERDA do not regulate the protection of traditional shops owned by small people who sell in their own homes. This study results found three important categories that could strengthen PERDA, namely: the rules themselves, government protection, and community role.

Traditional small shop traders know the term "*lumintu*", it means some buyer buy to them even though don't boom. The word *lumintu* means continuity. Modern western management introduced this term. The company survival is more important than the others. It would be better if today the shopping was mediocre but they were loyal to shopping to our business. Continuity come from west, in Japan it is known as Kaizen, the means same as *lumintu* from Java. The little swordsmen really believe this, they believe they will get buyers, according to them sustenance does not run if it is their sustenance.

Generally these small traders have limited formal education and are even very low. However, they learn to trade based on everyday experience. The proverb says that best teacher is experience. These small traders learn to understand buyer, what he wants, when it's time for people to shop, understand best-selling times, how to sell cash or provide delayed payments. Sometimes they can also understand economy, for example why the price of rice rises, because it hasn't been harvested, why is LPG rare, buyers are busy shopping for new payday or new dates, and so on. They have also been able to estimate profits, perhaps because they have been trading for a long time so that their knowledge capable to predict.

The second finding (proposition 2) said that religion affect the improvement of ideal traditional shop models for small traders. We may ask, what the relationship between religion and business success. Today many large companies believe the relationship between increasing profits and religious. Large supermarket chain in

Italy provides special time for all of its employees to pray in morning before starting work, this prayer event is carried out jointly, and as a result, this company increases sustainable profits. What is the traditional shop model in relation with religious? There are five categories to create the main religious categories, namely: 1) belief, 2) action, 3) outcome, 4) alms, and 5) physical sustenance.

**Belief.** Generally small traders in Singosari believe to *suut*, means the star is shining again. Traditional shop traders believe that if someone is experiencing a *suut*, then whatever he does will succeed. If he trades, then the merchandise will sold out and having a lot of profit. They usually dare to take risks (risk taking) if they feel the star is shining again. All of them have a time. If indeed it's time (Javanese, *wayae*), surely it will be achieved. *Tawakkal* is also one categories of belief. *Tawakkal* is to submit the full decision to Supreme Lord, only dependence only on Creator of universe. According to traditional shop traders, trade needs to be resigned. Every time they open the shop, they read *Bismillahi Tawakkaltu Alallahi Lahaula Walakuwwata Illabillah*. Likewise with sincerity, which is only because of God? So, everything else is done there is no other purpose except the Almighty God. The small traders in Singosari believe sincerity will create blessing, even though the profit small, but sufficient. Indeed, in realm of scientific rationale, perhaps this is paradoxical, a little time can suffice. But, at level of confidence, things can happen, and that is what is meant by sincerity. A hadith said Prophet SAW along with his 70 companions drank milk from a small container, but they were all full and not thirsty anymore. This is what *barokah* (value add) brings. Why is it blessed? The answer is because of sincerity. We hope that these religious issues can be a solution in future business management.

**Actions.** Religion related to actions is morality, prayer, endeavour, recitation, worship, and *istiqomah* (consistent). The Prophet Muhammad said I was only sent to perfect morals. The main purpose of Lord to send His messengers is to improve their morals or civilization, including in trade. Generally, small traders in Singosari diligently attend recitation and prayer together or *istigotsah*. There is a routine recitation often followed by traders, namely the "*Slosoan*" recitation, because it is held every Tuesday morning. The number of participants can be up to 300 hundreds people. They came from several regions of Pasuruan and South Malang. Traders believe that the prayer of *Kyai* (Islamic leader) is "*mandi*", meaning his prayer is granted, so that merchandise is sold out. In addition to participating in "*ngaos*" or recitations and *istigotsah*, these small traders also have other worship services, such as praying to mosque, go to God guardian grave, pilgrimage, and so on. Of course, they do not leave efforts, meaning to keep working open the store.

**Outcomes.** Religion related to outcomes is gratitude, honesty and blessings. God has said in Qur'an that anyone who grateful for blessings received, then God will add to that favor, but who is not thankful, then God will revoke that favor (punishment). This is the grip of traditional small shop traders in Singosari. Even though the business is "*Senin Kamis*", meaning that profit are relatively small, but this small people are always grateful, because they believe that if grateful, their sustenance will be added, and more importantly is blessing. A little but sufficient, food and clothing needs are met, and their children can also go to school. In addition, these small traders always maintain their words to always honest. According to them, once we are not trusted, it is very difficult to rebuild that trust.

**Alms** - Prophet Muhammad told us that alms can bring sustenance and cure illness. The traditional small shop traders in Singosari generally give charity. They usually give alms and donation on Fridays. They give alms and donations to mosques or orphanages. This small trader sure that shop will be smooth if they are diligent to give alms and donation.

**Physical sustenance.** Our observations show that this category determines the traditional shop model. They believe to a sustenance ruler, namely *Ar Razzak* or Who Divides Sustenance. Traditional small shop traders in Singosari strongly believe that if you want a business, you can get a fortune. They are not worried about competition if they talk about sustenance. According to them, profit is consistent with sustenance. They believe that everyone has their own dose of sustenance, and it has been established before humans are born into this world. Therefore, traditional shop traders still dare to open a shop, even though there were Indomaret and Alfamart nearby. They are not shaky because they believe there is still a buyer, because God share the sustenance.

The third finding (proposition 3) of this study states that threats, family responsibilities, and management weaknesses influence the improvement of ideal traditional shop models for small traders. This proposition includes a negative relationship with following indicators.

**Competitors** - Traditional shops face heavy rivals from modern stores such as Indomaret, Alfamart, and like. This mini market has arrived in villages and the location even beside the small shops owned by small people. Anyone who looks it will say that this competition is not health, like a bull pitted with a goat, not balance. Mini Market cheaper, brighter and air conditioned than the traditional shop. It also often gives discounts, so it is expected to threaten the sustainability of this small business that uses their sustenance for their children's lives and school. In addition, there is also a new rival, shop house. Singosari has many shop houses have also been built to open a traditional shop. It's not the same as a modern shop, but it's almost like it. This is a threat to traditional shops.

**Capital.** Traditional small shop traders are constrained by capital. They do not have access to banks funding. Their managements are not suitable with creditor's criterion. They need to give collateral to get credit. Actually, KUR (people fund) funds from government already exist, but the amount is limited, at most Rp. 25 million, and even then still asking for collateral certificates.

The main categories of family dependents are responsibility. Every good person has responsibility to his family, children and wife, as well as those who are in their responsibilities. The family head has responsibility to prepare sufficient cloth and food. For this reason, everyone must work, including these small traders who sell in their modest shops. When asked what drives them to open a shop, generally spontaneous answers are demands of kitchen and to support their families, children's schools, so that traders prioritize life-saving, saving will become rich, he said.

The main categories of management weaknesses are high costs. As mentioned earlier, one constraint of traditional small shop traders is the capital. They do not have access to large banks to get cheap and fast credit. So, many of these small traders are entangled by expensive financing from bank *titil*. This small bank continues to seduce traders with various lures, for example directly liquidated without collateral. But the problem arises because the interest is very large, it can be three times that of large banks. Because the management of these traders is not perfect, where the business finances are still mixed with family finances, so sometimes they have difficulty to pay instalments. They were forced to owe another bank to cover the bill, following term "dig a hole in hole".

The first finding (proposition) of this study states that advantages of traditional shops and social capital have an effect to increase ideal traditional shop models for small traders. The main categories of traditional shop excellence are formed by four categories, namely: 1) facilities, 2) flexible, 3) traditional shop services, 4) traditional physical shops.

**Store position and location.** Almost all *klontong* shops (traditional shops) together with owner's home. The size varies, 3 x 5 meters or 2 x 3 meters, depending on area of the house. The store is always placed in front of garage or living room. One of advantages is directly approach the road passing by buyer. Buyer can directly shop there. This is one of advantages of traditional shops. Along with development and progress, these small traders began to renovate many of their shop buildings. They are worried that if they do not develop, buyer might go to Alfamart or Indomaret. Lighting is added, as well as painting, this is all the convenience of buyer and owner of shop.

**Simple, easy and fast.** Traditional shop is simple. Once standing in front of shop, items you want to buy are immediately visible. We just need to point it while saying "I want to buy cigarettes", then immediately get service. If we go to Indomaret, surely we must take the goods first to cashier, and even then often the queue is long. But, in traditional shops is fast and simple.

**Independent to manage store opening hours.** Traditional shop buildings generally blend with homes. So, this traditional shop owner independently determines when to open the store and when to close the shop. There is no pressure at all from other party. One advantage is the store opening hours can be early. Closing hours can also be more nights, depending on buyer. If there are still buyers who knock on door, even though it's late at night, it's usually still served if the owner hasn't rested. However, average they open above 9 pm.

**Deferred payments.** One advantage of traditional shops than its competitors is deferred payments given to trusted neighbours and acquaintances. Deferred payments are given usually up to a month. So, if shopping today is 11 October 2017, then the payment can be in November 2017, it can be at beginning of month or until the end of the month.

**Foodstuffs.** Selling basic needs is the main advantage of traditional shops. Rice and eggs is the best-selling commodity. Although modern stores also sell rice and eggs, but these two commodities are cheaper at traditional store. In addition, the quality is better, because the turnover is higher. The rice is also directly from the producer, and widely available. In addition, delivery services are also provided, such as rice and LPG. So, in future the traditional shop model must strengthen the sales of food, both the price, quality and service.

**Delivery.** Traditional shops provide delivery services for certain commodities, such as rice and LPG. However, their competitor, modern store, has also prepared an delivery service for a certain amount of spending. This is a challenge for traditional shops. Traditional shops are still superior because even though only one 3 kg LPG can also be delivered.

**Wholesale and retail.** There are some traditional shops that serve as wholesalers, but more to retail. Indeed there is wholesaler place in Singosari, but the price is not far from retail price. So, most traditional shops in Singosari sell retail only.

**Store layout.** Traditional shop room area is relatively narrow, at least 3 x 5 m. This room is full of a large amount of merchandise and a bit troublesome to set it up. However, if the shop cannot wider because the area is not available. However, according to small traders, this narrow room is even better because the merchandise looks crowded and shopper sees various kinds of merchandise. Usually the layout of traditional shops is arranged with a glass display cabinet as a barrier between buyers and shop owners. Merchandise like shampoo is hanged

to make it look attractive and crowded; cigarettes have their own glass window. Fish and vegetables are usually placed at front on wooden or bamboo cots. The rice, eggs, sugar, water, and LPG are one place.

#Various merchandise and merchandise completeness - If you are looking for market snacks, such as spring rolls, nagasari cakes, and like, it's certainly a bit of a hassle if you look for it in a modern store. However, most traditional shops are always available, especially if the morning sale of cake is still warm. Likewise with vegetables and fish, and spices are in traditional shops. There is a unique thing in a traditional store, which is that many merchandise is sold but the brand is not so well known. For example, soy sauce, if the soy sauce sold in modern stores must be well-known such as ABC, Indofood soy sauce, and others. However, in traditional shops the soy sauce brand is not the famous brands. Most are used by stalls and meatball sellers. Cooking oil is also the same, most of which are sold are typical, sometimes there is no brand, or known as bulk cooking oil.

It was mentioned earlier that there are two main categories discussed in proposition 4, namely the advantages of traditional shops and social capital. the first one has been discussed above, while those related to social capital will be discussed next. The main categories of social capital are formed by three categories, namely: 1) solidarity, 2) networks, and 3) culture. These three categories will be discussed as follows:

**Pity.** There are shopping behaviors that are unique to Indonesians, namely: there are some of them who buy something not solely based on mere rationality considerations, for example, only seeing the price, quality of goods, cleanliness and convenience of shop. But, not a few people who shop for consideration of feelings, like feeling sorry for seller. This is the advantage of Indonesian society that may not be known in western countries. Maybe even a class of Peter Drucker or Philip Kotler did not understand this. If you are allowed to compare and we want to say honestly, what is left by a modern store for traditional shops, price, quality of goods (except groceries), everything is tasted by modern stores. But, in fact there are still those who shop to traditional shops with consideration of compassion, and want for sustenance. When it comes to consideration of feelings, then the scientific domain is quantitatively clear. Therefore, this study tries to study it with a qualitative grounded theory approach, and one of biggest findings is the discovery of a category (variable) of solidarity.

**Harmony** - As is well understood that important thing in life is the peaceful and peaceful life of peace. Everyone wants this, including traditional shop traders. Traders still maintain harmony with citizens who also become consumers who are shopping for them, for example by attending RT and RW meetings, or *tahlilan* events every Friday night.

**Family involvement** - *Pracangan* businesses (traditional shops) generally become family businesses. That is, usually all family members are involved in helping sales, but the decision maker is still one person. How much is the price of this item, where do you go, it is still decided by one person. However, those who help sell their children sometimes when they are at home, wife or husband.

**Social networks** - Small shops of traditional shops are actively building social networks, for example by building *ukhuwah* (brotherhood), building friendships, attending invitations, Javanese term "*bowo*", and attending religious associations, such as Riyadul Jannah. Generally, traditional shop traders in Singosari actively participate in such activities,

**Supply network** - Traditional small shop traders also build networks with distributors. Actually, if we open a store, there will be lots of distributors of various types of products offering their products. There are those who buy the system directly, but most of systems are first, new behavior is calculated.

**Indigenous** - As is well known that Java is very rich in customs. Any activities carried out that always stand out are *adat*. For example, parents who will marry their children, start looking for good days with certain calculations that are very complicated, and various other customs. Likewise in business affairs, it also does not escape the nuances of custom. For example, most Javanese people do not open shops or do not sell on Friday night. They did not dare to break the habit. According to them, they are afraid of being "good", meaning that they are afraid of bad luck. Javanese are known as *manut* (obedient) culture. That is, if you can take his heart (on lap), then your relationship will last and become a loyal business partner.

**Norms** - Small traders usually uphold religious norms and community norms, for example they do not dare to sell illicit goods openly, such as alcohol. Decency norms are also highly upheld, for example the way of dressing closes genitals. This is also needed in business matters.

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