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Retailers Preferences in Choosing Wholsalers in Paringin, South Kalimantan

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ARTICLE INFO	ABSTRACT
<p><i>Article History:</i></p> <p><i>Received 11 Juli 2021</i></p> <p><i>1st Received in revised form 12 Agustus 2022</i></p> <p><i>2st Received in revised form 05 September 2022</i></p> <p><i>3nd Received in revised form 17 Oktober 2022</i></p> <p><i>Available online 31 Oktober 2022</i></p> <p>Keywords: <i>Preferences, retailers, and wholesalers</i></p>	<p><i>The background of this research is that there are differences in preferences of retailers in choosing wholesalers in Paringin, South Kalimantan. This study aims to find out the factors that influence the preferences of retailers in choosing wholesalers. This research is a qualitative approach using observation, interviews, and documentation. Then the data is analyzed by descriptive analysis techniques qualitative. The results of the study found factors that influence the preferences of retailers in choosing wholesalers, there are: 1) Easily accessible location, 2) complete item, 3) item availability, 4) getting item practically, 5) Long opening time, 6) Price, 7) speed of service, and 8) goods benefits.</i></p>

1. Introduction

Economic activity has existed since humans were on earth thousands of years ago. Humans are the first to depend on economic activities directly from nature (food gathering) such as food, clothing, housing, and transportation (Mannan, 1986). One of the economic activities carried out to meet their needs is through trade routes.

In a trade so that goods can reach the final consumer, distribution channels or marketing channels are needed, namely a form of the business field consisting of interrelated institutions starting from the place where the product is made to the last trader to transfer the product and

ownership to the final consumer. are individual customers or business consumers (Setyaningrum, 2015).

In general, there are two types of intermediary traders, namely wholesalers and retailers (Setyaningrum, 2015). Wholesale (wholesale) is a part of the line of business that buys and resells goods to traders and sellers as well as corporate, institutional, and profitable consumers. Wholesalers do not sell significant quantities to the final consumer.

Retailing is an activity that is directly related to goods and services to end customers for personal use and not for resale. In distribution channels, retailers generally get merchandise to get goods from wholesalers (wholesalers) and then sell them to final consumers. As in the table above, it is a pattern of distribution of goods from producers to final consumers (Setyaningrum, 2015).

The relationship between wholesalers and retailers is interrelated in the distribution channel system where to get merchandise to be resold to final buyers or consumers, retail traders shop at wholesalers, the system of this distribution channel is wholesalers buy goods in large quantities. from producers and agents to be sold to retailers who then resell it to the final consumer.

Along with the development of time, various wholesalers have emerged who sell their goods in different ways, so retailers have various preferences to determine which wholesaler they decide to shop with. As happened in Paringin sub-district, Kab. Balangan, South Kalimantan. Some residents of Paringin District have opened retail stores, to get store supplies to be resold to final consumers, so retail traders shop at wholesalers with various preferences. So based on this explanation, researchers are interested in raising this issue in a study entitled RETAILERS' PREFERENCES IN CHOOSING WHOLESALERS IN PARINGIN, SOUTH KALIMANTAN.

2. Literature Review

Consumer Preference

The term "preference" is used to describe a person's preference for or towards a product or service in general. Consumer preferences show preferences for the various service options currently available. It is also claimed that the term "preference" refers to the consumer's cognitive traits, emotional feelings, and desires to act on objects or ideas (Kotler & Keller, 2009). A person's attitude is also an expression of their inner feelings, such as whether they are happy or sad, agree or disagree with an object. Perception of objects through the five senses of sight, sound, smell, touch, and taste in the context of consumer behavior. In the end, preferences will be formed based on ideas that have been settled and attached to them (Lolowang, 2019).

Consumer preferences are defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. They permit the consumer to rank these bundles of goods according to the levels of utility they give the consumer. Note that preferences are independent of income and prices. The ability to purchase goods does not determine a consumer's likes or dislikes (Guleria & Parmar, 2015).

If consumer preference is the degree to which a person likes or dislikes a particular product. A person's food preferences are a description of their attitudes towards food, and products containing at least two different types of food are available to choose from (Kotler & Keller, 2009). It was later stated that young people's food preferences are temporary, while older peoples are permanent, and can eventually become a lifestyle. The choice characteristics of adults are influenced by the visual appeal of the product and the resulting advantages. Various types of products will ultimately affect the product preferences of all consumers (Abubakar, 2018). In economic studies, there are 4 indicators of consumer preference, namely: 1) Completeness, 2) Transitivity, 3) Continuity, 4) More Is the Better (Al Arif & Amalia, 2016)

Retail Traders

Retailers or often referred to as retail traders (retailers) are business activities selling goods or services to individuals for their own, family, or household needs (Ma'ruf, 2005). Retailers are intermediaries in the marketing output system. In traditional marketing channels, retailers acquire goods from manufacturers and/or wholesalers, and then sell them to final consumers.

Retail business is all activities in selling goods or services directly to final consumers for personal and non-business needs. Retail is an important chain of distribution channels that connects the whole of business and people which includes the physical movement and transfer of ownership of goods or services from producers to consumers (Kotler & Keller, 2009).

There are 4 main functions of retail traders, namely 1) intermediary between distributors and final consumers, 2) collection of various categories of types of goods that become consumer needs, 3) reference points to obtain goods needed by consumers, and 4) determining the existence of goods from manufactures in the market. consumers (Sujana, 2005).

Wholesalers

Wholesale is one distribution channel after distributor, which is one distribution channel after distributor sub-distributor. Wholesale is the sale of merchandise in bulk to retailers. Wholesale includes all aspects of selling goods or services to those who buy them for resale or commercial use. Producers and farmers are excluded from wholesale or wholesale trade because they are mainly involved in the production and do not include retailers (Wahyu, 2019).

Customers can differentiate between a retailer and a wholesaler in several ways. As a first step, wholesalers don't have to worry about promoting their products because they are dealing with businesses, not consumers. Second, wholesalers usually have a larger trading area than retailers, and their transaction value is usually higher. Third, the tax laws and regulations that apply to wholesalers and retailers are different (Wahyu, 2019).

Wholesalers are intermediaries who buy goods in very large quantities and then resell them to wholesalers and other retailers and other agencies or institutions. Usually, producers need the presence of wholesalers to distribute goods produced by producers to retailers if wholesalers can carry out their functions properly (Pride dkk., 2014).

Wholesalers are independent companies and have ownership rights to all traded goods. (They buy them in advance) and perform most of the wholesale functions. The classification of wholesalers is divided into 2 types, namely: 1) Full-Service Wholesalers are merchant wholesalers who provide storage services, have transportation equipment for sales, sell with a credit system, distribute goods, and provide management assistance, 2) Limited-Service Wholesalers are offering limited services to their suppliers and customers (Tjiptono, 2019).

3. Research Method

The type of research used by researchers in this study is field research using a qualitative descriptive approach, namely an approach to a particular behavior, phenomenon, event, problem, or situation that is the object of investigation; whose findings are in the form of meaningful sentence descriptions that explain specific understandings (Leksono, 2013). The subjects in this study were retail traders in Paringin District. The object of research in this study is the factors that influence the preferences of retailers in choosing wholesalers.

Data sources consist of 1) Primary data, namely data that comes directly from the main source or research subject, with data collection techniques using interviews and observations. 2) Secondary Data, namely data obtained from secondary sources or from supporting sources containing the required data.

4. Result

From the results of the research conducted, several factors influence the preferences of retail traders in choosing wholesalers in Paringin sub-district, namely:

1. Easily accessible location.

One of the factors that become a preference for retail traders in shopping is an easily accessible location because retail traders have the perception that with easy access shopping activities become more efficient. Because, with these factors, it will make less energy and costs incurred.

2. Goods equipment.

The completeness of the goods offered makes retailers happier in shopping so they have more options in choosing more complete goods. According to Philip Kotler in Hutagaol, product completeness is the availability of all types of products offered to be owned, used, or consumed by consumers produced by producers (Hutagaol, 2019). If the store provides a variety of products, it will make it easier for the store business to attract consumers to visit the place. Because the more choices provided by the store, the easier it will be for consumers to choose products according to their wishes (Sadema & Loebis, 2020).

3. Availability of goods.

The availability of the desired goods provides benefits for retail traders because with that retail traders can get the desired goods right away without having to look elsewhere, if the desired goods are not available, retail traders must shop elsewhere to get the goods. desired, so that of course it makes the time and energy spent to be greater.

4. Practicality in getting the goods.

Getting practical goods is also a factor where this has to do with the ease of getting goods because there is a perception that prioritizing practicality in obtaining goods, saves time, cost and energy in shopping activities for their stores. One way to make customers or buyers feel satisfied is by providing practicality in shopping with the pick-up method or visiting buyers directly where buyers don't have to bother shopping.

5. Longer load time.

The longer open time factor has a relationship with other busyness of retail traders where there are two informants from this study who have a preference for longer opening times because they have a main job besides opening a retail store so that to shop for their store supplies, the factor used is the opening time of the wholesaler so that it can make shopping time more flexible by following the opening schedule of the wholesaler.

6. Price.

Wholesalers with lower prices of goods offered then become one of the factors of retail traders, it relates to the fulfillment of maximum profits. Retail traders make comparisons between one type of wholesaler to another wholesaler where wholesalers who are considered able to provide the cheapest prices can provide more profits because retail traders cannot just set the selling price to the final buyer because indirectly there is a retail price standard prevailing in society.

The functions of the price are: attracting shopping interest, setting a target market, forming margins, forming an image, and winning the competition. The cheapest price is one of the factors that influence the preferences of retail traders

7. Service speed

Services carried out at a relatively faster time than wholesalers will provide benefits for retail traders because a shorter time in shopping activities will provide time advantages. Fast service is always responsive in receiving complaints or wishes from its members, excellent service which means providing maximum service or good service and is a key success factor

in the company. Excellent service is based on the efforts of business people to provide the best service as a form of the company's concern for customers/consumers. One form of primary service is to serve buyers fairly quickly (Barata, 2003).

8. The usefulness of the goods.

The usefulness of the goods offered by wholesalers is one of the preferences of retailers, so they can buy goods that have benefits (maslahah). The word of Allah SWT, surah Al-Baqarah verse 168, that two things are the content of maslahah, namely halal and tayyib. This means that a consumer will get maslahah when the food consumed is permissible or halal food, and at the same time, it is pure, clean, healthy, useful, and does not contain any harm, both for the body and for the mind as the meaning of the word tayyib. In modern economics, tayyib refers to the term utility, while the word halal is expressed by the term blessing (Zamzam & Aravik, 2020).

5. Conclusion

Based on the results of the research that researchers have done about the preferences of retailers in Paringin District in choosing wholesalers, it can be concluded that in choosing wholesalers for shopping, there are factors that influence the preferences of retailers including the following: 1) Location that is easily accessible, 2) Completeness of goods, 3) Availability of goods, 4) Practicality in shopping, 5) Longer opening times, 6) Prices, 7) Speed of service, and 8) Benefit of the goods offered.

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