

Beyond Location's Promise: An Interpretative Phenomenological Exploration of Disparities in two Warung Madura outlets

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ABSTRACT

This qualitative study employs Interpretative Phenomenological Analysis (IPA) to examine income disparities between two Warung Madura outlets in Malang, Indonesia, both owned by the same entrepreneur, yet located in seemingly advantageous areas. One outlet on Jl. Candi Telagasari in the Blimbing district and another on Jl. Surabaya, just 100 meters from the State University of Malang (UM) campus—approximately 4 km apart—reveals contrasting outcomes despite shared ownership. Through in-depth interviews and observations involving the owner, managers, staff, and customers, the research uncovers how micro-location nuances, tailored marketing mixes, and human-centered customer interactions drive these differences. Findings highlight that while macro-location provides a foundation, success hinges on adaptive strategies like specialized product assortments for student demographics and relational engagement fostering loyalty. These insights offer practical guidance for micro, small, and medium enterprises (MSMEs) in urban Indonesia, emphasizing humanistic elements in traditional retail amid digital shifts.

Keywords: *keluargaan, family social capital, bonding ties, migrant entrepreneurship, Warung Madura resilience, relational engagement, MSMEs kinship.*

Introduction

Micro, Small, and Medium Enterprises (MSMEs) form the backbone of the Indonesian economy, constituting 99% of all businesses and significantly contributing to employment and GDP growth [1, 2]. Within this vital sector, Warung Madura—small, often 24-hour convenience stores operated primarily by Madurese migrants—serve as essential community pillars. These establishments provide daily necessities and build local economic resilience through strong social networks [3]. Originating from Sumenep Regency in East Java, these outlets have successfully expanded into cities like Malang, leveraging social capital and proximity-based customer loyalty to thrive [4, 5, 6].

However, a puzzling phenomenon persists: even among outlets sharing an identical business model and strategic macro-location under a single owner, significant income variations can occur. This study examines two such Warung Madura outlets in Malang's dynamic economy. Both are situated in high-potential areas, yet one consistently outperforms the other. To unravel this paradox, we adopt a phenomenological approach, exploring the lived experiences of the owner and stakeholders. We focus on how nuanced elements of the marketing mix (the 7Ps: Product, Price, Place, Promotion, People, Process, Physical Evidence), micro-location specifics, and the depth of customer engagement contribute to these performance gaps [7]. While traditional retail theories heavily prioritize location [8], this research argues for a deeper, more humanistic understanding of operational subtleties and relational dynamics, offering insights crucial for MSME sustainability in an increasingly digital retail landscape [9, 10].

2. Literature Review

2.1. Retail Marketing Mix and Strategies

The extended marketing mix framework (7Ps) provides a comprehensive lens for analyzing retail operations, moving beyond the core 4Ps to include People, Process, and Physical Evidence [11, 12]. For warungs, product variety must closely align with the daily consumption patterns of the local community, while pricing strategies cater to frequent, low-value transactions [11]. The 'Place' element extends beyond mere macro-accessibility to encompass micro-factors like pedestrian flow and parking availability [8]. Promotion in such intimate, small-scale settings often rely on organic, word-of-mouth communication within the community [13]. The 'People' element—embodied in staff-customer interactions—and 'Process'—referring to service efficiency—are fundamental in building trust and repeat business [12]. Finally, 'Physical Evidence,' such as store cleanliness and ambiance, directly shapes customer perceptions and their overall experience [11]. In this context, genuine customer engagement, often achieved through personalized service, is a key driver of loyalty in traditional retail settings [14].

2.2. Factors Influencing Business Success and Income Disparity

The success of MSMEs is influenced by a confluence of factors. Effective micro-location targeting involves understanding and serving the specific needs of distinct demographic groups, such as students versus families [8, 4]. Operational adaptability, demonstrated during crises like the COVID-19 pandemic, is also a critical determinant of resilience [15, 16].

Furthermore, social capital, often manifested through the cultural principle of "kekeluargaan" (familial ties), provides a robust support network that facilitates resource sharing and mutual assistance among migrant entrepreneurs [6, 17]. As Indonesia's retail market continues to grow despite pressures from e-commerce, such localized and adaptive strategies become increasingly important for survival and growth [9, 10].

2.3. Qualitative Phenomenological Research

Interpretative Phenomenological Analysis (IPA) is a qualitative research approach well-suited for exploring subjective business experiences. It prioritizes idiographic depth and detailed understanding of individual cases over broad generalizations [18, 19]. This methodology is particularly effective for uncovering how entrepreneurs interpret and navigate challenges, making it ideal for dissecting the nuanced reasons behind performance disparities in seemingly similar business outlets [20]. Previous studies on small business dynamics have successfully employed IPA to unravel the complex interplay of factors affecting income [21, 22].

3. Methodology

3.1. Research Design

This study employs a phenomenological design adopting Interpretative Phenomenological Analysis (IPA) to interpret the lived experiences of stakeholders regarding income disparities between two Warung Madura outlets [18]. The idiographic focus allows for a deep examination of individual perceptions within their specific contexts, facilitating a comparative analysis of a unified ownership model across two distinct locations [19]. The research adhered to strict ethical standards, including obtaining informed consent, using pseudonyms for all participants, and ensuring data confidentiality, with approval from the institutional review board.

3.2. Research Objects and Location Selection

The two outlets, located approximately 4 km apart in Malang, East Java, were purposively selected for their strategic placements yet divergent performances [23]. Warung A, on Jl. Candi Telagasari (Blimbing), operates in a mixed residential-commercial area but underperforms relative to its potential. In contrast, Warung B, on Jl. Surabaya adjacent to the UM campus, consistently exceeds its revenue targets by catering primarily to a student demographic. Both outlets operate 24/7 under the same owner, allowing this study to isolate and examine factors beyond ownership that influence performance [3, 23].

3.3. Population and Sample

The study population encompasses all stakeholders involved with Warung Madura in Malang. A purposive sample of 11 participants was selected to ensure rich, diverse insights: the owner (Pak Jupri, a pseudonym for a Madurese entrepreneur in his late 40s), two managers (Mbak Siti, late 20s, for Warung B; Mas Bowo, early 30s, for Warung A), four staff members (two from each outlet), and six customers (three frequent visitors from each outlet) [24]. This sampling strategy prioritized capturing a wide range of perspectives on daily operations and customer loyalty dynamics [25].

3.4. Data Collection Techniques

Data were collected through semi-structured interviews, each lasting 60-90 minutes, which were audio-recorded and transcribed verbatim.

These interviews explored participants' experiences concerning location advantages, business strategies, and customer engagement [26]. Furthermore, participant observation was conducted for over 20 hours at each site to capture authentic interactions and operational dynamics [27]. Additional documentation, such as price lists and informal sales notes, was collected to triangulate and validate the findings.

3.5. Data Analysis Techniques

The data analysis followed the established six-step IPA procedure: familiarization with the data, generating initial notes, developing emergent themes, searching for connections across themes to form superordinate clusters, conducting a cross-case comparison focused on identifying the roots of disparities, and producing an interpretive report supported by verbatim participant extracts [18]. NVivo software assisted in organizing and managing the thematic data. To ensure analytical rigor, member checking with participants was conducted, and a clear audit trail was maintained throughout the process.

4. Results

4.1. Profile of Warung Madura A (Blimbing Area)

Established seven years ago on Jl. Candi Telagasari, nestled among residences and small workshops, Warung A stocks staple goods like rice and basic household items targeting local families. Despite offering 24-hour service, the owner, Pak Jupri, reported, "Our sales targets are often not met, even though the area seems busy." This sentiment was echoed by the supervisor, Mas Bowo, who noted, "It sometimes gets quiet during certain hours."

- **Product:** The assortment is broad to be a one-stop shop, but staff member Ibu Nur observed issues with slow-moving inventory: "Some items just don't sell for a long time."
- **Price:** Pricing is competitive, aiming for volume sales to a price-sensitive clientele.
- **Place (Micro-location):** While residential density provides a steady customer base, limited parking space discourages larger purchases. A customer, Bapak Rudi, commented, "It's difficult to park if you want to do a big grocery run."
- **Promotion:** Promotion is primarily organic, relying on word-of-mouth reputation. Occasional bulk discounts are offered, but there is no presence on social media.
- **People:** Service tends to be transactional. Staff member Budi described it as, "They come, buy, and leave." A customer, Ibu Ani, added, "They are friendly, but we're not close."
- **Physical Evidence:** The layout is clean and functional, designed for quick in-and-out stops.
- **Process:** Inventory and sales are tracked using simple manual ledgers.

4.2. Profile of Warung Madura B (Near UM Campus)

Opened three years ago on Jl. Surabaya, Warung B strategically caters to the student population from the nearby university, offering instant noodles, snacks, beverages, and stationery. It consistently meets its financial targets. The manager, Mbak Siti, emphasized their adaptive approach: "University students prefer instant and practical food items."

- **Product:** The inventory is carefully tailored to student needs. A customer, Diva, praised this, saying, "It's complete for our late-night study sessions."

- *Price*: The outlet offers creative bundles like "economy packs" that align with tight student budgets.
- *Place* (Micro-location): Its position ensures consistently high student foot traffic. The provision of outdoor benches has transformed the space into a casual social hub. A customer, Aldi, noted, "It's easy to stop by every day."
- *Promotion*: Promotional tactics are personal, involving friendly chats and deals written on a whiteboard. Another customer, Lisa, shared, "Mbak Siti feels like a friend."
- *People*: The service is distinctly relational. Mbak Siti views her customers as "like younger siblings," a philosophy mirrored by her staff, Deni and Ayu, in their interactions.
- *Physical Evidence*: The ambiance is inviting, with seating that encourages customers to linger.
- *Process*: While not advanced, the outlet employs basic digital tracking for sales, which helps in identifying trends and managing inventory more responsively.

The stark contrasts between the two outlets, rooted in their localized adaptations and relational approaches, clearly explain Warung B's competitive edge.

5. Discussion

The findings reveal that while the two outlets share ownership and seemingly beneficial macro-locations, their performance is ultimately dictated by micro-dynamics and human-centric elements. Warung A's strategy of serving a broad demographic, coupled with practical constraints like limited parking, results in a more passive and transactional customer flow [8]. In contrast, Warung B's sharp focus on the student demographic, enhanced by amenities that encourage socializing, significantly amplifies customer engagement and frequency [4].

Tailoring the product assortment to the immediate needs of students at Warung B leads to faster stock turnover and reduced waste [11], while strategic product bundling enhances perceived value for its budget-conscious customers [13]. Crucially, the relational approach championed by Mbak Siti embodies the cultural principle of "kekeluargaan," fostering a strong sense of loyalty that transcends mere commercial transactions [6, 17]. This stands in sharp contrast to the more functional and impersonal interactions observed at Warung A. Furthermore, small operational improvements, such as the basic digital tracking at Warung B, signal a capacity for adaptability that can provide a long-term advantage [15]. These observations align with established retail theory, underscoring that the 'People' element often serves as the key differentiator for MSMEs in a competitive market [12, 14]. A limitation of this study is its relatively small sample size from a specific context; future research could employ mixed methods to quantify the impact of these relational factors on revenue.

6. Implications of Findings

For MSME owners and practitioners, this study underscores that business success requires more than a good address. It demands a keen understanding of micro-location advantages and the implementation of humanistic strategies to build a sustainable competitive moat, especially against the tide of digital retail [9, 10]. Owners of traditional warungs should prioritize developing demographic-specific marketing mixes and invest in staff training that fosters genuine relational bonds with customers, thereby enhancing business resilience in Indonesia's urban centers.

7. Conclusion

This IPA study demonstrates that income disparities between two Warung Madura outlets under single ownership stem from critical differences in micro-location nuances, adaptive marketing strategies, and the depth of customer-centric engagement. Warung B's focused, relational, and student-tailored model proves more effective than Warung A's generalist approach. The research highlights the indispensable role of localized, humanistic elements in the sustainability and growth of MSMEs. These insights provide a valuable guide for entrepreneurs seeking to navigate and thrive in competitive urban markets.

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