



ANALYSIS OF TRADITIONAL MARKET TRADERS' SURVIVAL STRATEGIES AND SOCIAL, CULTURAL, AND ECONOMIC INTERACTIONS IN THE DIGITAL ERA

Dhea Rahma Novita¹, Assyfa Urrahman², Rahmad Ismail Lubis³, Aldy Fauzan Darmawan⁴, M Taufik Hidayat⁵, Ahmad Fernanda Desky⁶

^{1,2,3,4,5,6}Universitas Islam Negeri Sumatera Utara, Indonesia

*Corresponding Author: dhea29434@gmail.com

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ABSTRACT

This research aims to explore the strategies adopted by traditional market traders, particularly the groceries traders at Pajak MMTC Medan City, in responding to the development of the digital market. The approach used in this research is qualitative with data collection methods through in-depth interviews, participatory observation, and documentation studies. The data analysis techniques used include data reduction, data presentation, and conclusion drawing. The research findings show that although Sembako traders in MMTC face challenges from the digital market, they implement various strategies to survive, such as adapting to technology, improving service quality, and strengthening social relationships with consumers. Social interactions rich in local cultural values and mutually beneficial economic relationships are the main factors in maintaining their business continuity. This research is expected to provide deeper insights into the dynamics of traditional markets in the digital era and provide policy recommendations to support the survival of traditional market traders in big cities.

Keywords: Survival Strategy, Traditional Market Traders, Digital Market, Social Interaction, Culture, Economy

1. INTRODUCTION

In recent years, technology has developed rapidly in Indonesia, fuelled by widespread internet access, widespread use of smartphones, and increasing consumer confidence in digital transactions, Online Shop platforms offer various advantages, such as ease of shopping from home, time flexibility, secure payment systems, and efficient delivery of goods. This transformation not only changes people's consumption patterns, but also affects almost all business sectors, including traditional markets, which have been the

centre of economic activity for local communities. The shift in consumer preferences to online shopping poses significant new challenges for traditional markets, which have historically served as an important element in the economic, social and cultural sustainability of communities.

Traditional markets, particularly those at MMTC Medan City, play a vital role as a place for the distribution of daily necessities, a space for social interaction, and a custodian of local cultural values, such as the tradition of bargaining that is part of the consumer experience. However, with the rise of online shops, traditional markets are facing a real threat, especially in urban areas such as Medan City. A decline in the number of customers, pressure to offer competitive prices, as well as increased operational costs due to having to adapt to technology have led to a decline in the income of merchants in traditional markets. On the other hand, these changes also create new opportunities for traditional market traders who are able to adopt technology to expand their market reach through digital marketplaces. (Siahaan, 2024)

Medan City, as one of the highly urbanised and digitalised regions, offers an interesting case study to understand the Survival Strategies of Traditional Market Vendors and their Social, Cultural and Economic Interactions in the Digital Market Era. Traditional markets in the city are still an integral part of the community's economic activities, despite facing increasingly complex challenges due to the development of online shopping platforms. This research not only aims to measure the impact of the Digital Market on the sustainability of traditional markets, but also to understand how traders respond to these changes, as well as what strategies can be done to maintain the competitiveness of traditional markets in the digital era.

2. RESEARCH METHOD

This research uses a qualitative approach with interview techniques and a data analysis model developed by Miles and Huberman. According to this model, qualitative analysis is carried out interactively and takes place continuously until a comprehensive conclusion is obtained. This research approach is systematic to develop theory based on data obtained from the field, interview transcripts, or related documents, in order to explore concepts, categories, and relationships between them. This research was conducted at Pajak MMTC Medan City, which was chosen due to its proximity to the research object and efficient access for observation and data collection. The market also reflects relevant social, cultural and economic aspects, enabling a deeper understanding of its impact on the local community.

3. RESULT AND DISCUSSION

Description of Research Location

Under PT. Administrasi Deli Metropolitan, Pasar Raya Medan Mega Trade Center was established on October 7, 2016, and officially opened on October 15, 2017. Pasar Raya Medan Mega Trade Center, covering an area of 7 hectares, is located on Jl. Williem Iskandar in Kenangan Baru, Percut Sei Tuan District, Deli Serdang Regency, North Sumatra.

Merchants and buyers meet directly at the Medan Mega Trade Center, the research site, to conduct buying and selling transactions, which often involve haggling and cash payments. Usually, traders or market managers oversee the stalls and wholesalers in this market building. Daily necessities including food (natural products, vegetables, eggs), clothing, and other items are usually available at this market.

The market head, assisted by staff and several officials, including the trader coordinator, cleanliness coordinator, and market security, oversees the smooth operation of this market. Because marketing activities in this market involve intermediaries such as distributors, agents, and traders, there is not always a fair distribution channel between producers and consumers. All related parties should be able to easily utilize the existing infrastructure and facilities, and these infrastructure and facilities should be adequate.

Survival Strategies of Traditional Market Vendors in the Digital Market Era

In traditional markets, buyers and sellers interact directly and bargain. These markets are built by the government, private sector, cooperatives, or non-governmental organisations that provide space for transactions in the form of shops, stalls, tents, or kiosks. Buying and selling transactions are conducted by bargaining in these traditional markets, which are managed by small and medium-sized traders with limited capital and small businesses.

Traditional markets usually sell fresh food, produce, vegetables, eggs, meat, textiles, clothing, electronics, and other daily necessities. In addition, some markets also sell snacks and desserts. This type of market is still widely found in Indonesia and is usually located in residential areas making it easier for buyers. (Pramudyo A., 2014)

The problem experienced by traditional market traders in Pajak MMTC is the high level of competition between traditional market traders and digital markets. So it seems that the way that is often done to attract buyers is to utilise the potential that exists in traditional markets. The potential that exists in the Pajak Traditional MMTC is first, a large market, with large land, traders can rent land to expand their shops so that buyers feel comfortable.

Second, potential costs. One of the main factors considered by consumers, especially housewives, in buying daily necessities is price. Cheaper prices are certainly more attractive, because they can reduce spending on daily needs, allowing budget allocations for other needs. (Wahdania, 2020). Pajak traditional MMTC are able to compete with digital markets by offering lower prices than online stores. Affordable prices in traditional markets are attractive to shoppers, especially because of the opportunity to bargain.

In addition, the potential of human resources (HR) owned by traditional markets is also very important. Improving the quality of human resources that can adapt to the changes offered by digital marketing is needed. Digital marketing is a marketing method that utilises advertising through online digital media, such as social media. Marketing through online media not only facilitates promotion and opens up new opportunities, but also brings significant changes to business actors, because it makes it easier for customers to choose and get information about the products they need. (Sifwah, 2024)

With digital marketing, communication and transactions can be done anytime in real-time and have a global reach. Along with the growth of chat-based social media users, this opens up a great opportunity for MSMEs to expand their market through their

smartphones. (Ratna Gumilang, 2019). In order to get merchants interested in using digital marketing, the government can provide training for them to be more adept at utilising social media as a means of promotion to buyers.

At this point, the last potential that traditional markets have is the benefit to the neighbourhood. This attractive benefit can be one of the potentials of traditional markets to compete with digital markets. By creating an atmosphere of mutual respect and friendliness, traditional markets can attract shoppers to make repeat purchases. However, there are important things that must be considered by traders, namely in addition to maintaining cleanliness, they also need to improve service quality so that customer satisfaction can be guaranteed. (Sutiani, 2023). Pajak Traditional MMTC have great benefits and are environmentally friendly. These advantages can be utilised to attract customers to choose to shop at traditional markets, by offering an experience that is closer to nature and supports environmental sustainability.

Digital Market Changes and Their Impact on Social and Cultural Aspects

In traditional markets, social activities carried out by traders also produce values and standards that can be clearly seen, one of which is the emergence of social values from interactions between traders. These values include gotong royong, helping each other, greeting each other, and caring for each other. Although trust is highly dependent on the individual choices of traders, the social interactions that occur in traditional markets, such as in Pajak MMTC, involve participation and trust. The existence of this cooperation dimension shows that economic exchange activities in traditional markets do not only focus on financial gain, but also on building family relationships and intimacy.

For example, at the market, a shopper who wanted to buy chicken stamp rice that was not available at Sembako A was advised by the shop owner to buy at Sembako B. This action shows that the traders not only care about their stock, but also support each other. This action shows that the traders not only care about their stock, but also support and care for each other. This action shows that the merchants not only care about their stock, but also support and care for each other. This illustrates the solid social relationship between them, where caring and kinship are valued more than profit. (Istifhama, 2017)

Communication and culture are two concepts that cannot be separated. Culture, by its very nature, consists of values that are recognised, either directly or indirectly, and passed on through social interaction over time. In fact, sometimes these values continue in the subconscious and are passed on from one generation to the next. Communication, as an integral part of human life as social beings, enables people to connect with each other in daily life, work, as well as in a market context.

The market, as a medium of social communication, is often referred to as a place where sellers and buyers meet, characterized by coordinated buying and selling exchanges often accompanied by bargaining. These buying and selling activities are carried out by traders and buyers who share the same goal, which is the exchange of goods for money. The economic system created through trade in the market involves negotiation agreements between sellers and buyers. The market is an economic institution that encompasses various perspectives of society and reflects a nearly comprehensive socio-cultural world within itself. (Nurmawaddah, 2022)

The Impact of Digital Markets on the Economic Condition of Grocery Traders at Pajak MMTC

The existence of markets, especially traditional markets, is one of the important indicators of economic activity in a region. The government needs to pay special attention to traditional markets as public facilities that support the community's economy. Although the passage of time and lifestyle changes driven by various media have disrupted the existence of traditional markets, these markets are still able to survive and compete amid the rapid development of digital markets in various forms.

Traditional markets in Indonesia, such as Medan City's Pajak MMTC, have long been an economic pillar for local traders. However, with the rapid development of technology and the internet, especially with the emergence of online stores, there has been a significant shift in consumer shopping behaviour. The existence of traditional markets in Indonesia continues to fade, and the impact is very much felt, especially for traditional markets that were once the belle of the ball in the local trade ecosystem. Once the heart of local economic activity, markets are now facing serious challenges due to intense competition from online stores. The price advantage, convenience, and variety of product choices offered by online stores have threatened the competitiveness of traditional markets. Grocery traders in several Pajak MMTCs have experienced a significant decline in income as most consumers have switched to online stores. (Muhammad Hanif Arkan, 2024)

Technological developments are not the only reason why traditional markets continue to experience a decline in revenue. Many factors have caused this to happen, one of which is the price offered at online stores which is much cheaper compared to the price commonly sold in traditional markets. This has severely disrupted the sales ecosystem of the Pajak MMTC, especially offline. Moreover, with more and more celebrities and influencers selling basic necessities such as groceries that people are supposed to buy in the market, this is taken over by celebrities and influencers. And this causes many people to rarely buy directly in traditional markets and prefer to shop online where consumers can buy retail at wholesale prices. This can certainly disrupt market prices, thus affecting the income of traders in traditional markets, especially Sembako traders at the Pajak MMTC in Medan City.

4. CONCLUSION

Based on the research conducted, it can be concluded that Sembako traders at Pajak MMTC in Medan City exhibit various survival strategies that focus on preserving close social and cultural relationships with buyers. Strong social interactions, with specialised approaches and trust built over the years, have been one of the main strengths of traditional market traders. From an economic perspective of the challenges of the digital marketplace, Sembako traders can still compete by capitalising on their advantages in terms of more sensitive pricing. However, the changing behaviour of shoppers who are increasingly open to technology and online shopping requires the Pajak MMTC to adapt, both through digital marketplaces and by leveraging technology to speed up transactions and expand market reach.

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