



TRADITIONAL MARKET VS DIGITAL MARKET: ADAPTATION IN SOCIAL INTERACTION AMONG GROCERY TRADERS

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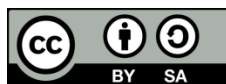
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ABSTRACT

This research seeks to examine the social adaptation strategies employed by traditional traders in Sukaramai Market, Medan, in response to the evolution of the digital marketplace. This study employs a qualitative descriptive approach to examine the interactions of traditional traders and their strategies for sustaining their businesses in response to evolving consumer preferences that increasingly favor online shopping. Data were gathered through interviews with three informants: one core informant (Grocery Trader) and two additional informants (Buyers), along with observation and documentation. The study's findings indicate that traders in Sukaramai Market employ various adaptation strategies, including enhancing social relations with buyers, ensuring product quality, providing competitive pricing, and sustaining their business locations. Nonetheless, the uptake of digital technology remains limited due to insufficient knowledge and resources. This study emphasizes the significance of government support in assisting traditional traders to adapt to technology, thereby reinforcing the viability of traditional markets in the digital age.

Keywords: Traditional markets, digital markets, social adaptation, social interaction, survival strategies

1. INTRODUCTION

One of the traditional markets in the heart of Medan City, North Sumatra, is Sukaramai Market. This market has long been one of the centers of local economic activity, attracting traders and consumers from various backgrounds. Due to its strategic location on Jl. A.R. Hakim, which has a three-story building with 475 stalls and 285 stands, this market is the main location to meet daily needs and is easily accessible from the surrounding environment. According to Suwarno, the Advisory Board of the United Market Traders Brotherhood (P4B), Sukaramai Market has around 250 traders.

Rapid technological advances have drastically changed every aspect of people's lives, especially in Sukaramai Market. Digital markets have emerged in Indonesia as a result of the growth of the internet user base in this country. Currently, what is being developed is the Digital Market (Modern), one of the international trading platforms. A marketplace is a digital platform that acts as an intermediary between buyers and sellers, allowing online transactions between them. To facilitate transactions, marketplaces usually offer a number of other services such as payment processors, product search tools, and logistics integration. When the marketplace first appeared in 1995, Amazon and Ebay dominated it. The existence of marketplaces such as Shopee, Tokopedia, Lazada, Bukalapak, Bliz, Instagram, WhatsApp, Facebook, and Tik Tok Shop is one proof of the development of online trading.

Market Place is an electronic product marketing site that brings together many customers and merchants to facilitate online sales for merchants. It is undeniable that people are increasingly choosing to shop online to get the goods they want, making it easier to transact at affordable prices and good product quality without having to spend a lot of time and energy. Online shopping has emerged as a new form of purchasing and is now widely accepted. Even changes in the way people shop through online media have changed the social values that existed when market transactions were carried out verbally. However, now that technology has advanced, transactions including buying and selling are carried out virtually through chat, not in person.

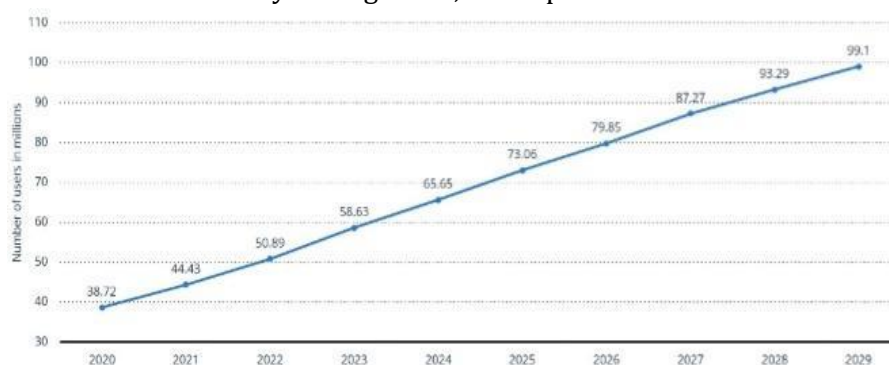


Figure 2. data on the number of e-commerce user growth from 2020-2029

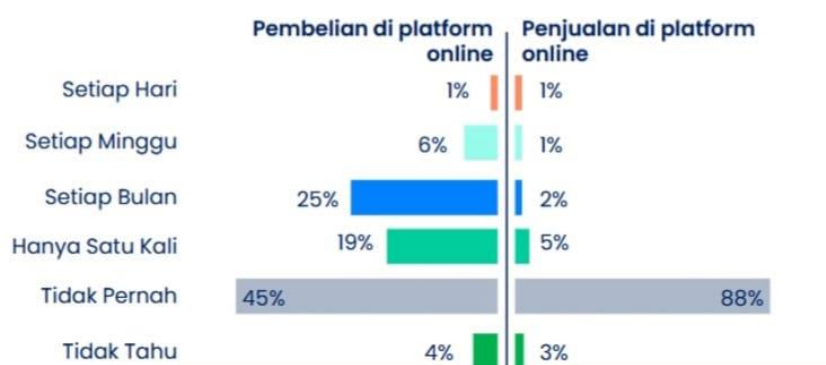


Figure 2. Data on the number of purchases and sales via online platforms

According to research published by Komdigi on IMDI, 45% of respondents are aware of online purchases, while only 3% are unaware of online sales. This shows the depth of Indonesian people's understanding of the digital market. On the other hand, 88% of

respondents have never sold on an online platform, and 45% have never made online transactions. The conclusion that can be drawn is that although Indonesian people are aware of digital platforms, their use is still rather limited. Conventional traders at Sukaramai Market no longer make big profits after the emergence of the Digital (Modern) Market and feel they are losing out to online traders. Interestingly, despite being hit by the Digital (Modern) Market, a number of traditional traders continue to survive in other ways, even though their income has started to decline due to market growth. This is in line with Alfatusy Syifa's thesis at the Ar-Raniry State Islamic University at Simpang Peut Market and research in the journal of Lifa Fitriana, Rinel Fitlayeni, and Waza Karia Akbar at Air Bangis Market (2021). Furthermore, their research identified a number of adaptation techniques in interactions, namely:

1. Improving social relationships
2. Providing price discounts
3. Maintaining the quality of goods by always providing old stock of good quality goods
4. Policy of places that do not move
5. Participating in the market place

This study examines how the adaptation strategy of social interactions in Sukaramai Market is related to the development of the Digital (Modern) Market which influences the communication and interaction patterns of buyers and sellers, using the context and development of the Digital (Modern) Market mentioned earlier.

2. RESEARCH METHOD

This study uses a descriptive methodology with a qualitative approach. This study uses a qualitative research methodology because it interprets things such as behavior, perception, motivation, actions, and so on that are directly experienced by the researcher. As mentioned in Abdul Fattah Nasution's book "Qualitative Research Methods" about qualitative objectives to reveal an event or fact, condition, phenomenon, variable, and condition that occurs during the study by presenting what actually happened and creating an accurate picture of a group, explaining the mechanism in a process or relationship, and providing basic information about a relationship before being analyzed to collect data and information.

The research subjects in this study were market players who made transactions in the Sukaramai market. There were 2 types of informants in this study. Core informants, namely traders who own one of the shops in the Sukaramai market with the initials (A) aged 73 years. While there were 2 additional informants, namely buyers who made transactions in the Sukaramai market with the initials (AS) aged 41 years and (M) aged 40 years.

3. RESULT AND DISCUSSION

Description of Research Location

One of the famous traditional markets in Medan City, North Sumatra is Sukaramai Market. This market has a long history and plays an important role in the socio-economic

life of the Medan community. Jl. Arief Rahman Hakim, Sukaramai II, Kec. Medan Area, Medan City, North Sumatra 20227 is the address of Sukaramai Market. Sukaramai Market, which was built in the 20th century during the Dutch colonial period, was established in 2014 and has three floors, a land area of 2630 m², and a building area of 4715 m². Its strategic location in the middle of the city makes this market often used by traders and the surrounding community to sell.

Sukaramai Market developed rapidly as a center for trading clothing, textiles, and everyday goods in the 1970s and 1980s. This market was developed with the help of many traders from various ethnic groups, including Chinese, Minangkabau, and Karo, and as a result, this market represents the cultural diversity of Medan.

One of the many fire tragedies that hit Sukaramai Market occurred in 2016. Market activities were hampered and traders suffered significant losses due to this incident. The market was restored and rebuilt with a more contemporary design after the fire, although it still functions as a traditional trading center. For Medan residents, this market functions as a place for social and cultural interaction in addition to buying and selling. In addition to providing daily necessities, Sukaramai is known as a place to hunt for traditional fabrics and clothing at relatively affordable prices.

RESULTS

Interview with Informant 1 (A, 73 years old, Grocery Trader)

"This is my family's business that has been passed down from generation to generation and since I was little, it has always been in the same place here. Now it's getting quieter because there's an online market, people shop a little bit, a kilo, two kilos. It used to be busy before there was an online market, now it's quiet and income is also small because it can't compete with online markets. We also don't use online applications or use regular Gojek. Our payments are still cash. Even though there's an online market now, it's not likely to close, because we earn a living from here. We sell retail to mothers who often come to buy because they really need it so they come to buy again, buy again. There hasn't been any change in the way we sell, it's still the same as before. I'm not good at using a cellphone either, so selling is just normal. We also don't use any members, our own family runs it. We also don't get or ask for help from the government, so we just run it with the capital we have. Often buyers get angry if we raise the price a little, so we just sell it cheaply so that buyers come back to buy here again".

The conclusion of the interview above is that traders carry out interactions that are used by strengthening social networks through traders who continue to come and continue to use cheap prices so that buyers continue to come to the trader's shop.

Informant Interview 2 (AS, 41 years old, Buyer) & Informant 3 (M, 40 years old, Buyer)

"Mother chooses to shop at this Sukaramai market because it is close to home and everything we are looking for is here.

"Mother never shops online.

"Mother prefers direct social interaction in traditional markets rather than online, so it is easier to bargain for prices.

"Mother has never shopped at grocery traders online, yes, because it is easier to bargain if you buy directly or pay in cash."

The conclusion of the interview above is that buyers, namely informants, still choose to shop at the Sukaramai market because of the close distance and the completeness of the

goods they need. Informants prefer to shop at Sukaramai market rather than online because there is no interaction of bargaining and paying in cash.



Figure 3. The process of collecting information and research data using the interview method

DISCUSSION

Adaptation in Social Interaction of Traditional Traders in the Development of Digital Markets

According to Talcott Parsons' adaptation theory, adaptation is a process in which a social system adjusts to changes in its surroundings. Based on the results of interviews with informants, a 73-year-old grocery trader at Sukaramai Market (A) revealed that they did not change their sales strategy significantly. They continue to use conventional buying and selling techniques, such as dealing with customers directly and accepting cash payments. Due to the lack of educational and technological resources, this indicates a minimal level of adaptation. George Simmel highlighted the importance of social interaction patterns, which are still highly valued by conventional traders in this environment. For loyal customers who value interpersonal relationships more than the effectiveness of internet transactions, direct communication is the main attraction.

In the current era of technological advancement, where conditions demand continuous adaptation, traditional traders at Sukaramai Market must continue to have the ability to adapt both actively and passively, especially in terms of business. Otherwise, adaptation will be increasingly difficult. Because traditional traders at Sukaramai Market cannot be separated from technological advances, especially in the trading system, they must be realistic about the reality of online trading.

For traditional traders who want to incorporate Islamic values into their business activities, this adaptation is a form of accountability. Traditional traders in Sukaramai Market have adapted to various opportunities and challenges in the digital era while maintaining religious values, adhering to Islamic teachings, and implementing sustainable business practices. One of the impacts of the growth of information technology infrastructure is the widespread use of the internet. As a result of this development, a new paradigm has emerged in carrying out business activities, namely by utilizing the internet and information technology infrastructure. As a result, an electronic market was created which is also called a market place or digital market.

According to (Cinner, 2018), adaptive capacity describes a state that allows people to predict change, reduce its impact, bounce back, and seize new opportunities. A group of people with adaptive capacity can manage uncertainty and encourage the creation of creative solutions to reduce risks caused by environmental changes. As a result, adaptive capacity affects resilience and allows a system to return to its normal state. Because consumers are more interested in buying online than in traditional markets, internet sales activities indirectly weaken the existence of traditional traders in the market. Traditional traders in Sukaramai Market are also negatively impacted by the existence of the digital market. Traditional Sukaramai Market traders must consider how they can adapt to the various changes resulting from the introduction of a new trading system. The fluctuating conditions in Sukaramai Market have caused traders' income to decline and the number of buyers to decrease. Because trade is their only main source of income, they seek solutions to their problems. To maintain the continuity of their business, traders have strategies to be able to adapt to existing conditions. The strategies used are adjusted to their abilities and needs.

In addition to having become a trading culture that is inherent in them, so that they are more accustomed and more comfortable, age factors also contribute to traders' lack of understanding of online sales. Sukaramai Market traders decided to continue running their business because they have been involved in it for a long time and are ingrained in the knowledge and skills of trading. However, they realize that society and online markets are increasingly modern, which causes people's purchasing power to weaken and sales turnover to continue to decline.

Traders at Sukaramai Market are trying to survive by competing in order to continue selling in the market. Updating stock or releasing new items, providing comfortable storage for customers, and choosing a strategic main location for customers are some of the initiatives taken. To implement the adaptation plan, Talcott Parsons proposed the idea of structural functionalism, which states that a trader must be able to adapt to his environment in order to meet its demands. Because of the digital market, traders at Sukaramai Market continue to adapt to the latest technological advances while maintaining their merchandise. Improving quality, business location, and paying attention to business capital, seeking information related to goods that are in demand by buyers.

Traditional Traders' Survival Strategy and Efforts to Increase Profits Amidst the Development of the Digital Market

A strategy is a long-term plan or effort to achieve a certain goal. In this case, strategy refers to the tactics used by conventional traders in an effort to increase revenue while the digital market is growing.

- a. The first is by offering affordable prices. According to discussions with primary sources, this is in line with offering competitive and affordable prices to attract potential customers. This is also consistent with Dhia Farhanah's research (2022) which found that wholesalers in this market maintain the quality of the products they sell by offering competitive prices, even though the profit margin is lower.
- b. Offline sales are the second strategy. However, due to technological limitations and their trust in online platforms, the author's main informants prefer to stick to conventional business practices. Therefore, this contradicts the theory put forward. In

addition, this contradicts the findings of Emaya Kurniati et al. (2020), who found that some traders adapt by selling products online.

- c. Social networks and trust are in third place. Making customers come back if they have to buy the same item according to the results of interviews with primary sources. This is also in accordance with the thesis, "Survival Strategy of Conventional Traders Amidst the Rise of Online Shopping (Case Study of Traders in Sungguminasa Traditional Market, Gowa Regency)" written by Dhia Farhanah, a student of Alauddin State Islamic University Makassar, Department of Sociology of Religion, Faculty of Ushuluddin and Philosophy, 2022, which emphasizes social networks and trust.

Traders can take advantage of the digital market to reduce marketing costs, increase brand exports, and reach a wider audience. By becoming more competitive, traders can increase their income, create jobs, and support economic expansion. All things considered, the digital market plays an important role in helping traders become more successful and competitive in the digital era. The goal of conventional traders in Sukaramai Market is to make a profit, but to do so, they must also comply with Islamic business rules. This is because, even though they conduct electronic or online transactions, they still follow Islamic law to ensure that the profits are halal and free from elements that can harm third parties.

Conventional traders usually have sufficient initial capital to start a business. Traditional traders also need to consider where they will sell. Traditional traders' activities, including working hours, sales systems, sales locations, products sold, staff, sales capital, income, and costs, are all part of their daily lives. Traditional traders need to have their own competitive skills in order to survive in business when they compete with the rapidly developing digital era with sophisticated technology. Developing new business strategies that are more in line with the demands of today's society is one of them.

A company's ability to succeed is mainly based on how well its marketing campaigns work. In other words, the goal of a marketing initiative is of course to generate a good reaction from customers to the goods being promoted, which indirectly benefits the seller. To sell goods and services, media and channels are needed, depending on the role and objectives of marketing itself. This is not only necessary for traditional organizations; online businesses also need to identify media and channels that will be profitable and have a positive impact on their brands. Anyone can run an online business anytime and from any location without having to spend a lot of time outside the home. Online marketing will continue to grow along with the emergence of new technologies, as well as online marketing channels. Currently, online marketing can utilize one of the interesting channels on the internet, namely through websites.

In Sukaramai Market, traders admit that one of the most effective strategies is to market their merchandise online, but they do not do so due to lack of technological knowledge, and the market conditions are crowded with shops, making it difficult to make buyers feel comfortable with the environmental conditions. Despite these shortcomings, traders admit that the strategies that have been implemented along with the use of social capital are considered capable of maintaining the continuity of their businesses.

The Impact of Technological Changes on Social Interactions of Traditional Traders

As a result of the emergence of digital markets, social relationships that previously only existed in traditional markets have begun to change. George Herbert Mead's symbolic interaction theory, which states that interactions have changing meanings, is in line with this. Customers prioritize the ease of online transactions over the social atmosphere of the market. However, according to an informant from AS (41 years old) who believes that conventional markets offer a more individual purchasing experience, some consumers still visit conventional markets because of the desire to communicate directly. According to research by Lifa Fitriana et al. (2021), customers still make purchases at conventional markets mainly to experience direct interaction.

Sukaramai Market functions as a center for social interaction in addition to economic activities. Mulyadi (2013) emphasized that historical markets are a representation of a unique social life that cannot be imitated by contemporary markets. Traditional markets remain important because they protect social and cultural values, especially in dealing with technologically alienated urban communities.

The main obstacle for traditional traders in Sukaramai Market is the lack of assistance, funding, and technological expertise from the government. According to informants, the government does not help them become more competitive. In contrast, Qodri and Tesniady's (2021) research found that traders who received training from the government tended to be able to adapt to the digital market.

4. CONCLUSION

In Sukaramai Market, traditional traders face significant obstacles due to the development of the digital market. However, even though competition is getting tougher, most traders still use the old ways of adapting to social interactions such as the bargaining process, maintaining price quality, maintaining the quality of goods and product stock, giving discounts to regular customers, direct social contact, friendly attitudes, and Integrity is the main principle that is upheld to retain customers. The strategies and efforts made by conventional traders to maintain their profits and business are by; a). Offer affordable prices and competitive prices to attract potential customers, b). Stick to conventional business practices, c). Building social networks and trust with customers.

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