



SURVIVAL STRATEGIES FOR TRADITIONAL MARKET TRADERS IN THE DIGITAL ERA

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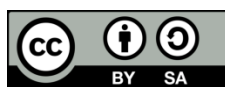
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ABSTRACT

Traditional Markets are facing great challenges from the development of digital technology. This research aims to explore the survival strategies of traditional market traders in the Pajak USU Medan in facing changes in the digital era. The method used is qualitative descriptive with a field approach based on data analysis obtained from interviews and observations. It was found that the results of the study showed that developments in this digital era have a considerable impact on traders in the Pajak USU as for the impact, namely a decrease in the level of buyers, as for the survival strategies carried out by traders, namely by following market trends, maintaining the quality of goods sold, trying to offer their products through social media, and providing the best service to visitors.

Keywords: Traditional Market, Survival Strategy, Digital Era, Impact of Digitalization



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1. INTRODUCTION

The development of digital technology has brought significant changes in various sectors, including trade. The emergence of e-commerce platforms and online shopping applications has changed people's consumption patterns who tend to prefer the convenience and comfort of shopping from home. This trend poses a big challenge for traders in traditional markets, including at the Pajak USU Medan, North Sumatra.

In today's era, people have become accustomed to existing technology, so it has become a habit to explore the virtual world wherever they are. Accessing the internet, whether to find the latest information or use social media to interact with distant friends, has become commonplace. With the development of the times, social media such as Instagram and Facebook are used as buying and selling platforms. Social media users are not only young

people, but also from all walks of life who are aware of digital literacy and keep up with technological developments. Business actors are now using information and telecommunication technology to run and support their business activities. The rapid change in trading towards digitalization forces traders to adapt to these changes.

Traditional markets, which have been the backbone of the people's economy, face various problems, such as a decrease in the number of visitors, competition with modern markets, and a lack of adaptation to digital technology. Traditional market traders often lack the knowledge and resources to leverage digital technology to support their businesses. As a result, their competitiveness tends to weaken compared to traders who already utilize digital platforms. Traditional markets used to be popular, but now they are starting to disappear as people's lifestyles change rapidly and e-commerce adapts to their dynamic evolution. This is due to innovation and technology. As a result, the majority of apparel merchants' revenues declined, and some were even forced to close.

Micro, small and medium enterprises (MSMEs) have become an important part of the national economic system, especially encouraging the allocation of economic growth through the mission of providing business opportunities and jobs, increasing people's income and playing a role in increasing foreign exchange income.

This pajus is known as a student tax, but not only students who come to shop are worshipped but also for all groups. Where the abbreviation of pajus used to be a Pajak USU, but now the abbreviation of pajus is a tax for all because the visitors are for the general public for anyone who wants to visit. People in Medan say that the market is a tax. Now pajus is more and more neatly arranged, not only using tents but now using concrete buildings with iron doors, ceramic floors, and the atmosphere of the street has also been paving blocks. In addition to being filled with traders who are in the cafeteria, pajus are also filled with various bazaar traders. "The kiosk and bazaar vendors are approximately 250 stalls. This place sells various kinds of daily necessities, including (office stationery), accessories, mobile phones, printers, culinary, clothes, bags, imported products, sandals, and others. Where this pajus drives the economy in the city of Medan, it will more or less affect regional income.

In the midst of digital market competition, several traders at Pajak USU Medan are able to survive and even continue to grow. Their survival strategies are interesting to research, especially in the context of adapting to the digital era. Understanding this strategy can provide valuable lessons for other traditional market traders, as well as be an input for the government or related parties in developing policies that support the sustainability of traditional markets.

Based on the above phenomenon and explanation, the researcher is interested in researching "Survival Strategies of Traditional Market Traders in the Digital Era (Case Study: Pajak USU Medan North Sumatra)"

2. RESEARCH METHOD

This research was carried out on November 13 and 19, 2024, which is located on Jalan Jamin Ginting, precisely at the Pajak USU Medan, North Sumatra. This study uses a qualitative method that is descriptive. The purpose of qualitative research focuses on a deep understanding of a phenomenon, experience, or perspective of an individual or group. The subjects of this study are hijab traders, clothing traders, and accessories

traders in the Pajak USU in North Sumatra. The data collection techniques in this study are by conducting interviews, observations, and documentation.

3. RESULT AND DISCUSSION

Description of Research Location

Pajak USU (Pajus) is one of the shopping centers in the city of Medan, precisely in the USU campus area. Initially, the Pajak USU (Pajus) was a collection of several traders who set up tents to sell various foods under oil palm plantations. Then after the fire that hit this area, the Pajak USU (Pajus) was improved even better by the University of North Sumatra so that it is growing until now (Pajus) is known to the people of Medan because it sells various needs of the community, especially students and young people. For example, stationery, accessories, clothes, shoes, gadgets and equipment, food, drinks and so on. Because of the many items offered, most consumers say they prefer to shop at this tax rather than at supermarkets and plazas because the prices are much cheaper with the same quality. Therefore, consumers who shop at Pajak USU (Pajus) are not only from USU students but also from other universities, junior high school students, high school students and the general public.

Pajak USU (University of North Sumatra) started from street vendors around the USU Source Gate. In 2000, this area was filled with stationery and macho (choyak magazines) traders, the name for magazines whose covers had been torn because they did not sell or return. Because it often causes congestion, in 2001, a location was prepared on the sidewalk in front of the Faculty of Law and the Faculty of Arts. Here, culinary traders have begun to appear.

Discussion

Survival Strategies for Traditional Market Traders in the Digital Era

According to Istifhama (2017), traditional markets are considered important, including: traditional markets are a form of community economic business, teaching people as business actors, not as job seekers, as independent economic actors so that they do not depend on wages and educate to build independent businesses. The existence of traditional markets contributes to increased employment opportunities, product growth, gross regional domestic and average income of the community as well as a reduction in poverty rates.

Traditional markets are a gathering place for buying and selling and as a center for people's socio-economic activities, with a pattern of economic relations that results in the establishment of close social interactions between traders and buyers, traders and traders, and traders and suppliers.

Traditional markets also have their own attractions, namely prices that are relatively in accordance with the quality of materials and there is an opportunity to bargain so that buyers can get satisfaction with the price agreed upon between sellers and buyers.

And with the existence of e-commerce not only knows how individuals use the internet, but also has an impact on changes in the traditional market, so that marketing and purchases usually have a significant impact on sales. This is due to the fact that the

expression of traditional market traders feel that their sales have no effect, because according to them the existence of this e-commerce has been for a long time, only the traders continue to stick with the quality that they maintain according to the price.

Along with the advancement of technology that has given rise to new trading systems for purchases and promotions, especially online purchases or advertising through smartphone applications, traders are required to consider other ways to survive. One of the things that Pajak USU traders do is to promote their traders from the Facebook application, WhatsApp status, and other application features. To get out of this predicament, where a lack of capital can force traders to go out of business, which means that traders must consider strategies to survive and to attract customers and maintain the long-term trading relationships they have built.

And the ways that are done to maintain a business that has been going on for a long time, traditional tax traders usu apply certain strategies, namely;

- a) Following the trend of the goods sold: where buyers definitely want to follow the trends that exist today, it's just that there is a slight difference between buying goods online and those who see or visit in person.
- b) Give discounts (discounts): Where online buyers are usually known for discounts / you can say such as: free shipping, there is a minimum discount of 30 percent, while buy directly is different only there is no use of discounts, but buy directly can also be known as bargain prices
- c) Maintain the quality of the goods sold: where there are definitely pluses and minuses in every purchase, such as online stores, the price may attract many consumers because they are interested in the cheap price but the materials must be a little minimal, compared to buying directly.
- d) Improving services to buyers; Which is like in an online store where buyers can only see from the purchase rating, store replies, and others, while buy directly we can interact directly with the seller and can see the goods directly and can judge the seller Rama or not.

The Impact of Technological Developments on Traditional Traders

The presence of technology such as e-commerce has had a significant impact on economic dynamics and business competition with traditional markets. In terms of turnover and traders' income, there is a quite striking gap between these two types of markets. Traders in traditional markets have experienced an average turnover decline of 30-40% since the rise of modern markets around their locations. Meanwhile, the modern market recorded stable revenue growth, with an increase in annual turnover reaching 10-15%. This difference is not only due to consumer turnover, but also due to the ability of modern markets to manage profit margins more efficiently through modern inventory management systems and large-scale purchases.

Price competition is a crucial factor in the dynamics of competition between these two types of markets. Modern markets have an advantage in terms of economies of scale, where they can reduce prices through purchasing large quantities directly from producers or distributors. They also implement aggressive marketing strategies through discount programs, member cards, and bundling promotions that attract consumer interest. On the other hand, traditional market traders, who generally have small capital, find it difficult to

compete in terms of prices due to limited access to large suppliers and relatively high operational costs per unit of goods. However, traditional markets still have a competitive advantage in fresh products such as vegetables, fruits, and meat, where they can offer more competitive prices with better quality.

The decline in the number of buyers in traditional markets is a real indicator of shifting consumer preferences. Surveys show that visits to traditional markets have declined by about 50% in the past decade, especially in urban areas. Factors such as limited operating hours, uncomfortable physical conditions of the market, and limited supporting facilities such as parking and toilets, are the main reasons why consumers are switching to the modern market. The younger generation, in particular, tends to prefer shopping in the modern market because it is considered more prestigious and in accordance with the modern lifestyle.

The impact of the rise of digital sales to be felt by sellers of the traditional market Pajak Usu:

1. Their sales are not as much as in the past where buyers still shop for goods directly to their stores.
2. Because of digital sales, buyers buy more digitally because the price is cheaper and they will also get discounts or cashback from buying the item so that consumers feel more to buy digitally.

4. CONCLUSION

Based on research conducted on the survival strategies of traditional market traders in the Pajak USU Medan during the digital era, several significant findings emerge. Some traders in the Pajak USU do not utilize online platforms to promote their goods, while others have embraced digital platforms, such as social media, to advertise their products.

The presence of digital platforms has been found to have a considerable impact on increasing traders' sales revenue, according to the information gathered during the research. To remain competitive and sustain their businesses in this digital age, traders can adopt strategies such as ensuring the quality of their goods and maintaining a friendly attitude toward their customers.

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