



EXAMINATION OF TRADITIONAL MARKETS IN SUSTAINING SOCIAL, CULTURAL, AND ECONOMIC INTERACTIONS AMIDST THE DIGITAL ERA

Rizki Ramadhan Tanjung¹, Umi Hasanah², Amanda Putri Salsabila³, Radja Janna Lubis⁴, Ahmed Fernanda Desky⁵

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

*Corresponding Author: hasanah205010@gmail.com

Article Info

Article history:

Received :

Accepted :

Published :

Available online

<http://aspublisher.co.id/index.php/perspektif>

E-ISSN: 3063-3494

How to cite:

Tanjung et al., (2024). "Examination of Traditional Markets In Sustaining Social, Cultural, And Economic Interactions Amidst The Digital Era". *Perspektif: Journal of Social and Library Science*, vol. 2, no. 3, pp. 148-156, 2024. doi: 10.70489/perspektif.

ABSTRACT

This study seeks to examine traditional markets in their role of sustaining social, cultural, and economic interactions within the context of the digital era. This research method employs qualitative techniques, utilizing field observation and conducting interviews with informants, while also integrating theoretical considerations. The findings of this study indicate that numerous traders in the Central Market continue to operate in a traditional manner, resisting contemporary developments. This approach is driven by their desire to foster interaction with buyers, ensuring that customers receive the quality goods they expect. Some traders leverage advancements in the digital age by employing social media to promote their products, ensuring that a wide audience is aware of the high quality of their offerings and can view their stores directly.

Keywords: *Traditional Market, Social Interaction, Culture and Economy, Maintaining, Digital Era*



This is an open access article under the [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license

1. INTRODUCTION

The fast-moving digital era is an impact of the rapid flow of globalization. This digital development brings convenience to various community activities without any limitations of space and time. Convenience can be felt by the community because this technological advancement has influenced all aspects of human life including education, economy, social and culture.

Rapid technological development is a driving factor for the progress and sophistication of the internet (cyberspace). The internet functions not only as a source of information but as a medium for transactions and information. Technological developments make it easier for someone to communicate over very long distances in the fields of information and technology. With this development, online markets have emerged with various advantages that can facilitate their users (Wibowo et al., 2022). A market is a place where sellers and buyers meet to transact a service or goods (Fitriana et al., 2021). A market is defined as a place where buying and selling activities take place with more than one seller, such as malls, plazas, traditional markets, shopping centers and others as stated in Presidential Regulation No. 112 of 2007. The market is a place where buyers and sellers exchange services or goods using procedures, systems, communication and interaction, so that buyers can meet their needs at the right price. This means that the market is not only a place for economic activities, but also social activities (Khadijah et al., 2023).

The market has an important role in the economy, because the market is a place where the transaction process takes place, determines prices and a place to obtain necessary equipment (Rahmania, 2023). The market is interpreted more broadly as a form of communication in a social order that includes various social groups, such as ethics, values, culture, social relations, methods and networks. With the exchange of goods or services, information and other social forms will form a person's social culture.

The market is divided into two types, traditional markets or conventional markets and modern markets. Markets operated by private companies, governments, cooperatives or local communities with various types of businesses, such as shops, tents, stalls, kiosks or the like with a small scale and capital run by small traders through the process of buying and selling and bargaining (Permendagri No. 42 of 2007). The function of traditional markets as centers of socio-economic activities of the people because the pattern of economic relations that occur there creates close social interactions between market actors such as buyers and traders, suppliers and traders, traders and traders which are a legacy of social needs between individuals (Aliyah, 2014).

Modern markets are regulated by modern management and are mostly managed by large companies. These markets are usually located in urban areas and provide goods and services with good quality and service to customers. Therefore, payments cannot be made through the bargaining process because the price is already listed on the product label. Modern supermarkets also sell various goods, including household needs or daily needs (Fahad & Sohaib, 2016).

The existence of modern markets is widely favored by the upper class to shop there, but in the end many modern markets make price cuts or promotions to lower prices so that the community and the lower class can enjoy the results of the modern market and compare prices with traditional markets around them. In addition, choosing products becomes easier and faster thanks to the development of online stores, which of course makes everyone feel easy and does not need to make a lot of time and money. With the development of modern markets, which previously did not threaten traditional markets, they have now become a threat to traditional markets (Fitriana et al., 2021).

An online shop is a place to offer various kinds of goods and services via the internet so that everyone can see the products in online-based stores (Hasanah, 2021). An online shop or online store is a place to carry out buying and selling activities carried out on the

internet. Online shops provide convenience for their customers, such as cost savings, the presence of COD (cash on delivery) or transfer features and cheaper prices.

The presence of online shops has marginalized conventional traders and reduced their income. The presence of online shops is a threat to conventional traders, so traders are forced to take initiatives on their products so that consumers are interested in products with guaranteed quality that is not disappointing and at appropriate prices. Traders are expected to try as hard as possible to maintain their business and customer loyalty which is influenced by service, attitude, product diversity, product quality, promotion and price. In this context, the Central Market in Medan City is a concrete example of how traditional markets play a significant role in shaping and maintaining the social, cultural and economic values of the local community. However, the rapid development of technology in the digital era has brought major challenges to the existence of traditional markets, including the Central Market. The Central Market in Medan City is also a means of preserving local culture through the products sold, such as regional specialties, handicrafts, to the tradition of bargaining which is part of the identity of the community, the diversity of traditional products that reflect local culture, ranging from ulos cloth, Batak specialties, to agricultural products from the surrounding area.

However, the challenges faced by the Central Market in Medan City do not only come from changes in people's consumption patterns, but also from aspects of market infrastructure and management. Many traditional markets still face problems such as inadequate facilities, poor cleanliness, and less modern management systems. These factors make traditional markets increasingly lose their appeal, especially for the younger generation who are more interested in modern shopping experiences in shopping centers or online platforms. In fact, if managed properly, traditional markets have great potential to remain relevant in the digital era by utilizing technology as a supporting tool without losing their traditional essence.

Based on the explanation and phenomena that have been described above, the Central Market in Medan City was chosen as the research site, because the market sells various types of clothing and others. The strategic location of the market near the city center makes the market continue to run, even in the midst of the pressure of online shops that occur.

2. RESEARCH METHOD

This study employs descriptive analysis, systematically presenting a description and explanation through the author's own sentences, in alignment with the data collected and its theoretical implications. This approach outlines the ways in which traditional markets uphold social, cultural, and economic interactions within the context of the digital age. This study employs a qualitative approach, providing a detailed explanation and description of the data collected from various sources concerning a social phenomenon within society. This study involved conducting direct, face-to-face interviews with traditional traders and consumers at the Medan City Central Traditional Market.

3. RESULT AND DISCUSSION

History of Central Market

The central market or Medan residents often call it the Central Tax was first opened in 1933. This market is located on Jl. Pusat Pasar, Kec. Medan Kota, North Sumatra. This market was initially not occupied by many traders for reasons of poor economic conditions and because of the difficulty of moving kiosks from their original place to the market center. This was resolved by lowering the rental of kiosks at the cheapest possible price and the amount of payment was adjusted to the tenant's ability.

The central market initially had six buildings, in 1971 there was a fire in the central market that had consumed 4 buildings and the fire occurred again in 1978 so that the building burned down. As a result of the fire, traders sold their merchandise on the streets so that they could continue to sell. Then the government built a new building to replace the building that had burned down, the building was more neatly arranged than before. In the 1990s, Medan Mall was built which was then used as a connector so that visitors could move easily

The Impact of the Digital Era on the Central Market

The digital era is generally interpreted to include major changes in all aspects of life, from how we get information to how we do business. In this era, the shift from analog technology to digital technology allows for more efficient data processing, storage and distribution. Electronic devices such as computers, smartphones and the internet have become an important part of everyday life in the digital era. This builds a rapidly growing digital economy and a connected society around the world. In addition, advances in digital technology have significant social, cultural and financial consequences (Elfianis, 2020).

The digital era has had a major impact on economic activities in society, one of which is the activity that occurs at the Central Market. At the beginning of the opening of the Central Market, many traders sold their merchandise in the market, because the net income generated per day still made a large profit. But now, competition in the central market has become very tight, due to the presence of online shops that make it easier for people to shop anytime and anywhere.

The presence of online shopping platforms has had a major impact on traditional markets, especially the Central Market. Traders feel uneasy, because their income has decreased, previously they could get a turnover of 3 million rupiah per day, now to get 1 million is hard. So from the reduced income generated, traders find it difficult to turn over capital and pay the annual building rent which continues to increase. Therefore, many shops, Ios, kiosks or others are closed because of their inability.



Figure 1. Shops are no longer operating at Central Market

Digital era has changed consumer behavior, especially the younger generation, who prefer to search for goods via the internet. This reduces direct visits to traditional markets and makes traditional markets face stiff competition from online shopping platforms that offer convenience, fast delivery, and digital payment options. Consumers now prefer to shop online because of its efficiency.

Traditional Markets Maintain Social, Cultural and Economic Interaction in the Digital Era

A market is a place where transaction activities take place and where buyers and sellers meet. Shopping centers for goods or services carried out by sellers and buyers in the form of shops, malls, plazas, traditional markets and others (Pereira et al., 2020). A market is a meeting between demand and supply driven by time, place and processes that impact sellers and buyers (Damsar and Indrayani, 2019).

The following are the functions of the market as a place for public services according to the field (Bangsawan, 2019), including:

- a) Economy, namely a place of transaction between producers and consumers who act as demand and supply.
- b) Socio-culture, namely a social contract that is carried out directly and has become a tradition of society with interaction patterns between formal and informal sectors.
- c) Architecture, namely the market shows regional characteristics such as the physical forms of the buildings it owns.

Traditional markets are part of the people's economic activities that contribute greatly to the pillars of the Indonesian economy. The survival of the market and the resilience of traditional markets have an impact on the condition of the national economy. Therefore, the government must ensure that traditional markets continue to exist. Traditional markets are responsible for strategically absorbing labor (Mokalu et al., 2021).

Traditional markets that function as meeting places, exchange of information, folk art events and even tour packages. Therefore, conventional markets function as a means of the economy of a region and as a link to social relations in society. The shift in people's shopping habits from traditional markets to modern and semi-modern markets has

caused a decline, so that economic activities have gradually declined in traditional markets (Nengsih & Kurniawan, 2021).

Therefore, traders as business actors must be creative in running a business. This creativity aims to ensure that traders can maintain their businesses and not lose out to similar ones, especially now that this competition cannot be seen but has a direct impact on business owners due to the development of online shopping platforms. A trader must have a creative spirit, such as being responsible, being able to manage risks, originality, always wanting to learn, having high imagination, being able to manage risks and accepting other people's opinions.

Traders in the Central Market must be able to maintain social, cultural and economic interactions in the Digital Era. Social interaction, according to Gillin in Soekanto (1982) refers to social relationships between individuals, groups of people with other individuals and organizational groups. When two people meet each other, they experience this social interaction such as shaking hands, talking, reprimanding each other or even fighting (Mu' Arofah, 2019).

As done by a trader named Mrs. Wati, that mother still sells in a traditional way that still offers to buyers by shouting, "bro, buy bro, what are you looking for, bro, come over bro" and others. This is the uniqueness of the Central Market, a social interaction that is still maintained so that the relationship between traders and buyers is closer. The interaction carried out by traders is not only calling their buyers, but also showing the goods that the buyer wants and a bargaining process occurs, so that traders get regular customers.

The explanation above means that traditional markets create a direct, intimate relationship between sellers and buyers. The bargaining process is one form of interaction that strengthens this relationship. And traditional markets are often a gathering place for people, not only for shopping but also for sharing information and strengthening social relations in the community.

The Central Market has a distinctive atmosphere because it has a long history, so it is not only a place for shopping but also for historical tourism. This market has been around for a long time, but the building is still well-maintained and has a unique classic feel. This market sells a variety of goods, in addition to accessories and clothing, such as flowers, ceramics, food and household goods at affordable prices and friendly traders, so that visitors feel comfortable because of the warmth of the traders.

Meanwhile, economics is how humans meet their needs with limited resources, while human needs are unlimited. This means that people must make decisions to meet their needs. However, economics covers various aspects of the economy, such as consumption, distribution, production, trade and various policies used to regulate the economy by the government (Tifani, 2023). To maintain the economy in this digital era, some traders follow the development of the era, as Mrs. Dini and her friends do by marketing their products through live TikTok and Instagram so that their products and physical stores in the Central Market are known more widely.

Not only appearing on social media, we also use merchandise to attract buyers to stop by our store. And our turnover has skyrocketed due to the existence of social media such as TikTok, Instagram and Facebook which are used to market their products so that they can help the economy in the store increase.

Because traditional markets play an important role in supporting the local economy. Most of the goods sold come from small producers or local traders, Traditional markets provide employment opportunities for various groups, from traders, daily workers, to logistics service providers, and With prices that are usually more affordable than modern shopping centers, traditional markets are an option for lower middle class people.



Figure 2. Researchers and Traders with their merchandise

Research conducted by (Wibowo et al., 2022) shows that the presence of modern markets in Wonogiri Regency has positive and negative impacts, this is almost similar to the rampant digital era on the central tax of Medan city has positive and negative impacts too, the positive impact is for traders in the central tax who follow the development of the times and use technology and social media as a marketing medium for their merchandise, their shops will be widely known by many people and will increase their income turnover, but the negative impact is for traders who do not participate in technological changes and the development of the digital era they can only expect customers who come to the central tax, and make their turnover decrease because there are not many people coming to the central tax due to the existence of online shopping platforms. With their decreasing turnover, some traders can no longer survive in the central tax because they are unable to pay the rent for kiosks/shops whose prices have soared.

4. CONCLUSION

Following the research on the Analysis of Traditional Markets in Maintaining Social, Cultural, and Economic Interactions in the Digital Era concerning the Medan City Central Tax, several key conclusions can be drawn. Social, cultural, and economic interactions are highly pertinent to the traditional central tax market, particularly from the perspective of social interaction. Traditional markets serve as a gathering place for individuals, facilitating not only shopping but also the exchange of information and the enhancement of social relationships within the community. Culturally, these markets reflect diversity through the availability of local products, including traditional foods, handicrafts, and art

objects. Traditional markets significantly contribute to the support of the local economy. The majority of goods available for sale are sourced from small producers or local traders.

Traditional markets create employment opportunities for a diverse range of individuals, including traders, daily laborers, and logistics service providers. Additionally, these markets typically offer prices that are more accessible than those found in modern shopping centers, making them a viable option for the lower middle class. Certain traders in the central tax sector do not utilize online platforms for marketing their products, while others actively engage in digital platforms, promoting their merchandise on Shopee, TikTok, and various social media channels. The information we received indicates that the presence of this digital online platform significantly enhances their sales revenue. To thrive in the current digital platform era, it is essential to offer high-quality materials for merchandise and enhance the perception of traditional markets. This can be achieved by emphasizing cultural values and the nostalgia associated with these markets, such as promoting unique local products that are not readily available on modern platforms, ensuring continued relevance to consumers. And enhance the presentation of their products to consumers through unique and creative concepts.

References

- Aliyah, I. (2014). Penguatan Sinergi ANtara Pasar Tradisional dan Modern dalam Rangka Mewujudkan Pemerataan Pembangunan Ekonomi Kerakyatan. *Jurnal Arsitektur Universitas Bandar Lampung*, 1(1), 22–31.
- Damsar dan Indrayani. (2019). *Pengantar Sosiologi Perkotaan* (p. 246).
- Elfianis, R. (2020). Pengertian Era Digital, Karakteristik, Peran, Dampak dan Tantangan. https://Ritaelfianis.Id/Pengertian-Era-Digital/#google_vignette.
- Fahad, F. A., & Sohaib, O. (2016). Enhancing innovative capability and sustainability of Saudi firms. *Sustainability (Switzerland)*, 8(12), 103–111. <https://doi.org/10.3390/su8121229>
- Fitriana, L., Fitlayeni, R., & Akbar, W. K. (2021). Strategi Bertahan Pedagang Konvensional di Tengah Perkembangan Pasar Online (Studi Kasus pada Pedagang Konvensional di Pasar Nagari Air Bangis Kecamatan Sungai Beremas Kabupaten Pasaman Barat). *Horizon*, 1(3), 543–553. <https://doi.org/10.22202/horizon.v1i3.5169>
- Hasanah, N. U. (2021). Strategi Pemasaran Pada Pedagang Pakaian Selama Pandemi Covid-19 Di Pasar Rakyat Rengat Ditinjau Menurut Ekonomi Syariah. *Skripsi Universitas Islam Negeri Sultan Syarif Kasim Riau*, 1(1), 1–74. <https://repository.uin-suska.ac.id/48744/>
- Khadijah, S., Pinoa, W. S., & Tetelepta, E. G. (2023). Strategi Pedagang Konvensional Di Era Perkembangan Online Shop Di Pasar Batu Merah Kota Ambon Provinsi Maluku. *Jurnal Pendidikan Geografi Unpatti*, 2(1), 89–97. <https://doi.org/10.30598/jpguvol2iss1pp89-97>
- Mokalu, T. M., Nayoan, H., & Sampe, S. (2021). Peran pemerintah dalam pemberdayaan pasar tradisional guna meningkatkan kesejahteraan masyarakat. *Jurnal Governance*, 1(2), 1–11.

- Mu' Arofah, S. (2019). POLA INTERAKSI SOSIAL ANTAR PEDAGANG BUKU DI PASAR WILIS KOTA MALANG. In *Journal of Art, Design, Art Education And Culture Studies (JADECS)* (Vol. 4, Issue 1).
- Nengsih, T. A., & Kurniawan, F. (2021). Analisis Perbandingan Keputusan Membeli di Pasar Tradisional dan Modern. *IJIEB: Indonesian Journal of Islamic Economics and Busines*, 6(1), 17–31.
- Pereira, N. A. D. S., Herlambang, S., Rahardjo, P., & Santoso, S. (2020). Studi Transformasi Pasar Tradisional, Objek Studi Pasar Ciputat, Kota Tangerang Selatan. *Jurnal Sains, Teknologi, Urban, Perancangan, Arsitektur (Stupa)*, 2(2), 2719. <https://doi.org/10.24912/stupa.v2i2.8848>
- Rahmania, L. N. (2023). Strategi Bersaing Pasar Tradisional Di Era Digital (Studi pada Pasar Warujayeng Tanjunganom Nganjuk). *Electronic Theses Institut Agama Islam Negeri Ponorogo*, september, 15–20.
- Tifani. (2023). Pengertian Ekonomi Menurut Para Ahli dan Jenis Jenisnya. <https://katadata.co.id/ekonopedia/istilah-ekonomi/64f713a1dff6a/pengertian-ekonomi-menurut-para-ahli-dan-jenis-jenisnya>.
- Wibowo, F., Khasanah, A. U., & Putra, F. I. F. S. (2022). Analisis Dampak Kehadiran Pasar Modern terhadap Kinerja Pemasaran Pasar Tradisional Berbasis Perspektif Pedagang dan Konsumen di Kabupaten Wonogiri. *Benefit: Jurnal Manajemen Dan Bisnis*, 7(1), 53–65. <https://doi.org/10.23917/benefit.v7i1.16057>