



MARKETING STRATEGY OF TRADITIONAL MARKET TRADERS TOWARDS MODERN MARKETS IN MMTC

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ABSTRACT

In Indonesia, markets can be categorized into two primary types: modern markets and traditional markets. Contemporary markets encompass expansive shopping centers, minimarkets, supermarkets, and malls, whereas traditional markets consist of local markets, street vendors, and micro enterprises. While both types of markets play a significant role in the economy, modern markets evolve at a quicker pace than traditional markets. The proximity of modern markets to traditional markets and small retail businesses generates a notable economic influence on the surrounding environment. Changes in consumer behavior patterns represent a significant impact. Consumers in contemporary markets are increasingly transitioning their shopping preferences from traditional venues to modern establishments, which provide enhanced convenience and a broader range of products. Qualitative research employs data collection methods that are often unstructured and adaptable, including in-depth interviews, participant observation, and focus group discussions. The approach employed by conventional traders in the mmtc market to promote their products involves direct promotions and effective communication, which positively influences traders and facilitates various aspects for consumers. Traders who maintain a welcoming demeanor tend to attract a larger customer base, as their quality service encourages consumers to purchase their products.

Keywords: Traditional Market, Modern Market, Marketing Strategy

1. INTRODUCTION

The Indonesian economy has experienced significant growth, driven by the development of various sectors, including the retail sector which includes modern markets and traditional markets. Currently, markets in Indonesia can be divided into two main categories, namely modern markets and traditional markets. Modern markets include large shopping centers, minimarkets, supermarkets, and malls, while traditional

markets include people's markets, street vendors, and micro-enterprises. Although both types of markets play an important role in the economy, modern markets are growing faster than traditional markets (Lubis et al., 2020; Melni et al., n.d.).

The presence of modern markets located very close to traditional markets and other small retail businesses creates a significant economic impact on the surrounding environment. In particular, changes in consumer behavior patterns are one of the main impacts. Consumers around modern markets tend to shift their shopping choices from traditional markets to modern markets, which offer convenience and a more complete variety of products. In addition, the existence of modern markets also affects the competitiveness of small retail businesses in the surrounding area, which have to deal with differences in prices and quality of service offered by modern markets (Atrizka et al., 2022; Handayani et al., 2022; Purba et al., 2019).

The existence of modern markets close to traditional markets in MMTC has the potential to affect the sales turnover of traditional traders. The close distance and changes in people's shopping habits have caused some traditional traders to experience a decline in sales, especially for those who sell similar goods to those sold in modern markets. This condition is further exacerbated by the slow turnover of goods in traditional markets, while modern markets offer convenience and a more complete variety of products. In order for traditional traders to survive, they need to plan good strategies, such as improving the quality of products and services (Atrizka et al., 2022; M. A. Panjaitan et al., 2023; Purba et al., 2019).

This scientific article focuses on the development of traditional market trader UMKM in competing with modern markets. In previous studies, it can be seen from the results of research Based on Reardon and Hopkins (2006) quoted in Sarwoko's research (2008), problems related to retail business competition between traditional markets and modern stores have been ongoing issues in many countries for years. This competition involves aspects such as price, convenience, product quality, and security. A similar phenomenon also occurs in developing countries, including Indonesia, where retail competition between traditional markets and modern stores reflects the general dynamics of the globalization era.

(Research by Sari and Rahmawati 2018). This study analyzes the comparison of marketing strategies between traditional markets and modern markets in Surabaya. The results of the study show that traditional markets rely more on personal selling strategies and interpersonal relationships between traders and consumers. Meanwhile, modern markets prioritize discount and advertising-based promotion systems. This study also found that although traditional markets have advantages in terms of closeness to local consumers, limited facilities and use of technology are major obstacles in increasing the competitiveness of traditional markets against modern markets.

Based on the results of previous research that have been written above, it can be concluded that the problems in the competition between traditional markets and modern markets are comfort, product quality and security. In addition, other obstacles that are also problems are the lack of use of technology in traditional markets.

2. RESEARCH METHOD

This research is a type of field research, which aims to study in depth the background and conditions at the research location. This research was conducted by collecting data directly from the research location, which focuses on the marketing strategies of traditional market traders in facing competition with modern markets in MMTC. This research is descriptive analytical, namely a type of research that aims to provide a detailed description of the object being studied. This research focuses on presenting data that is in accordance with the actual conditions that occur in the field. The data collection techniques used by the author in this study are observation, interviews, and documentation. This technique is used for data collection when researchers want to conduct initial studies to identify problems that need to be studied, or when researchers want to dig deeper information from respondents, especially if the number of respondents is relatively small. In this study, an unstructured interview technique was used, namely a direct and open interview method with business actors. This technique aims to understand and identify obstacles and strategies faced by business actors in the MMTC market

3. RESULT AND DISCUSSION

Description of Research Location

According to Yusrita and Andriany (2015), location is one of the most crucial factors in running a business. Therefore, an entrepreneur cannot ignore the importance of choosing a location for their business. Many businesses are successful in a particular location, but have proven to fail when run elsewhere. The research location is on Jl. Wiliam Iskandar Block B No. 30 MMTC Complex, Medan Plantation Village, Percut Sei Tuan District, Deli Serdang Regency, North Sumatra Province. Which location is close to Medan State University and also the State Islamic University of North Sumatra.

Market (Multimedia Training Center) Medan is one of the quite famous shopping centers in Medan, North Sumatra. This market has unique characteristics because it combines elements of a traditional market with modern facilities, making it an attraction for the surrounding community. MMTC Market also faces challenges from the existence of modern markets such as malls and supermarkets in the vicinity. However, the advantages of this market lie in its competitive prices, friendly atmosphere, and the diversity of goods sold, which are often not found in modern markets.

Inhibiting Factors of Traditional Market Competitiveness Against Modern Markets

In general, traditional markets or commonly called people's markets are places provided by the government where traders and buyers can meet their needs, both in the form of goods and services. Goods and services sold in the market are then exchanged for payment instruments or money, namely the part of the economy that regulates and allows buyers and sellers to exchange goods (Devia). While modern markets are markets built by the government, private sector, or cooperatives in the form of malls, supermarkets, minimarkets, department stores, and shopping centers. Its management is carried out in a modern way with a focus on shopping convenience, where management is centralized, has relatively strong capital, and is equipped with clear price labels, in accordance with

the provisions of the Decree of the Minister of Industry and Trade Number 420 / MPP / Kep / 10/1997 (Rusham, 2016).

The results of an interview conducted with Mrs. Desi as a buyer at the MMTC market said "The presence of modern markets that offer convenience makes many people reluctant to shop at traditional markets. Some of these reasons include the wet and smelly market conditions, inconvenience in bargaining, security issues (such as pickpocketing), the risk of reducing the weight of goods, crowds, and other reasons. However, traditional markets also have several advantages that modern markets do not have, one of which is the existence of social interaction through the bargaining process between traders and buyers, which is not found in modern markets, where consumers must accept a predetermined price.

The results obtained from the study on the factors that inhibit the competitiveness of traditional markets compared to modern markets are that traditional markets face many challenges, with the existence of modern markets on a large scale, small traders are faced with very tight open competition. This competition is unbalanced, because there is a difference in capital between traders in traditional markets and modern markets which is very different. The capital of traders in traditional markets usually comes from individuals with a small nominal amount while the capital of modern traders is large and uses an online system. In addition to capital, economy and other obstacles, traditional markets also lose in terms of location, where the existence of traditional markets is often discussed as a problem that often occurs, markets that have poor infrastructure including damaged roads, unstable networks, and uncomfortable access to market locations, can hinder the development and increase in production costs and market distribution, things like this that cause a lack of consumers who will visit traditional markets. However, it should be noted that traditional markets also have several advantages compared to modern markets, such as in traditional markets buyers or consumers can negotiate prices with traders and the proposed prices are quite profitable for both parties.

Traditional Market Marketing Strategy to Increase Competitiveness Against Modern Markets

With the rapid growth of modern retail, competition in the world of trade is getting fiercer. For traders who are not ready to face the many new competitors who offer various attractive marketing strategies, modern technology, and better management, the competition will be even tougher. Those who cannot see the existing business opportunities will be threatened with losing and being left behind in the competition. (Kevin Pradipta Sitepu).

Based on the results of interviews conducted by researchers with traders in the MMTC market, namely Mrs. Puji, it can be concluded that "the strategy used by traditional traders in the MMTC market to market their products is to use direct promotions and establish good communication which has a good impact on traders and can make it easier for consumers in various ways".

Friendly traders are visited more by consumers because they provide good service so that they attract buyers to buy their goods. With this strategy, traders can maintain their sales. Good service and appropriate promotions can provide satisfaction to consumers because consumers feel that they are appreciated in buying from these traders.

In addition, promotions that are carried out directly such as price offers, as well as the quality of the products they sell can attract customers to buy their goods and prices that can be negotiated provide their own satisfaction for consumers. Moreover, if the consumer is already a loyal customer, it is likely that the consumer will be given advantages or cheap prices but will not harm the seller.

However, researchers found problems with traders or clothing sellers. When compared to vegetable traders or fruit sellers, clothing sellers are more severely affected, because they have to be able to compete and adapt to current technology. Moreover, in this online era, many people prefer to shop online rather than having to come directly to traditional stores.

The interview conducted with Reni as a clothing seller said

"since sales can be done online, many of our merchandise have not sold because people are now reluctant to buy directly by coming to the store. This is because shopping online is easier and you don't have to bother coming directly to the store. People now prefer to shop for clothes through mass media such as Oren stores or Shopee, and also TikTok and several other social media. This is because of the large discounts given and the savings in time. "

Therefore, clothing traders in traditional markets must be able to adapt to technological developments in order to continue to compete with modern markets. Because if they do not rely on social media as their marketing, then the market or their business will go bankrupt.

For traders such as vegetables or fruits, they can still survive even though they do not use technology. This is because people still prefer to buy vegetables and fruits in traditional markets or buy directly. This is because if you buy in a modern market the price offered is relatively more expensive compared to that in a traditional market. In a modern market the price is according to quality, for example in supermarkets or other modern markets the price of vegetables or fruits is more expensive because of the quality and also the way it is served which is cleaner and has been packaged so that it adds to the selling value of the vegetables and fruits.

After conducting field observations and interviews with traditional markets in MMTC, researchers concluded that in order to survive in the face of modern markets, traditional traders must have several strategies. Most of the strategies carried out in the market are carried out through direct promotion, which means they directly offer their merchandise and provide services and sell quality goods.

Basically, every trader certainly has their own problems to face, but they solve them by creating new strategies that are relatively easy to do and not detrimental, such as taking advantage of prices, maintaining cleanliness around the business to attract consumers, and maintaining good relationships with consumers (Sihombing, 2018). With good interactions in the market, it can provide benefits and attract consumers to continue making transactions in the market. The social interactions that occur are not just transactions between traders and traders, or traders and buyers, but these interactions play an important role in forming broader social relationships. (Risma Anindia, 2024)

From several of these findings, it shows a correlation and similarity in each survival strategy carried out by traders, these strategies are not much different between one trader and another, but in their implementation they certainly give different results. Through the

implemented strategy, it can certainly support the development of traders' businesses periodically and sustainably.

The Influence of Cleanliness and Facilities of Traditional Markets on Consumer Attraction to Modern Markets

The influence of cleanliness and facilities of traditional markets on consumer appeal compared to modern markets is an important topic to discuss. Traditional markets are often considered less attractive due to the lack of cleanliness and adequate facilities. Meanwhile, modern markets offer comfort, cleanliness, and more complete facilities, such as air conditioning, large parking areas, and a more organized shopping atmosphere. This difference makes consumers tend to prefer modern markets, even though the products sold in traditional markets are often fresher and cheaper.

The influence of cleanliness and facilities in a traditional market is a problem that often occurs in society. Many people or consumers prefer to shop in modern markets such as malls, irian, supermarkets, alfamart etc. Based on the results of interviews conducted with Rahmi as buyers, it can be concluded "that the reason they prefer to shop in modern markets is because of the strategic location, providing comfort, and already applying online payments, while transactions made in traditional markets still use direct payments and the location is still dirty ". Therefore, to compete with modern markets, traditional markets need to improve their cleanliness and complete their facilities so that they remain the choice of consumers and apply sales through sales. The influence of cleanliness and facilities of traditional markets on consumer appeal compared to modern markets is an important topic to discuss.

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The results of the study show that traditional markets rely more on personal selling strategies and interpersonal relationships between traders and consumers. Meanwhile, modern markets prioritize discount-based promotion systems and advertising. This study also found that although traditional markets have advantages in terms of closeness to local consumers, limited facilities and use of technology are major obstacles in increasing the competitiveness of traditional markets against modern markets. (Sari Dan Rahmawati 2018) Based on the researcher's view after conducting direct observations in the field, each trader certainly has their own survival strategy to continue to support the sustainability of

their business. However, it cannot be denied that the strategies carried out by traders in the market are more or less similar as seen in the strategy of traditional markets where traders often promote their merchandise directly.

4. CONCLUSION

The Indonesian economy has experienced significant economic growth, in the development of various sectors, including the retail sector which includes modern markets and traditional markets. Modern markets have a significant economic impact on the surrounding environment, namely traditional markets including people's markets, street vendors, and micro-enterprises. The existence of modern markets adjacent to traditional markets in mmtc has the potential to affect the sales turnover of traditional traders.

The conclusion from the discussion above is that traders in traditional markets use or have their own ways and strategies in marketing their merchandise, namely by conducting direct promotions starting from offering prices, talking to customers, and providing comfort to buyers in the form of cleanliness in their merchandise. With this strategy, traditional market traders in the mmtc market can survive and compete with modern markets which are now increasingly developing.

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