



## ANALYSIS OF MONZA TRADERS' SURVIVAL STRATEGIES IN FACING THE DIGITAL MARKET

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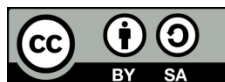
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### ABSTRACT

*This study aims to examine the survival strategies of Monza traders in Pajak Melati, Medan, in facing the challenges of digitalization that change traditional trading patterns to technology-based ones. Digitalization provides opportunities to expand the market, but also presents challenges in the form of tight competition with e-commerce platforms and low adoption of technology by traditional traders. This study uses a descriptive qualitative method with data collection through in-depth interviews, participant observation, and documentation studies. The research subjects consisted of five Monza traders who were selected purposively to ensure data diversity. The data obtained were analyzed using a thematic approach to identify survival strategies as well as obstacles and opportunities in adopting digital technology. The results of the study show that Monza traders implement survival strategies such as improving personal customer service, product diversification, implementing a hybrid system that combines physical and digital transactions, and competitive pricing strategies. The main obstacles found were low digital literacy of traders, limited capital to invest in technology, and tight competition with digital platforms that offer lower prices and wider market reach. On the other hand, there are great opportunities such as access to a wider market through digital media, operational efficiency with technology, changes in consumer shopping patterns that are more online, and support from government programs in the form of training and subsidies. This study concludes that Monza traders in Pajak Melati are able to adopt various creative strategies to survive in the digital era, although they still face obstacles that require systematic solutions such as increasing digital literacy and access to capital. This study contributes to providing insight into the adaptation of traditional traders to digitalization, especially in the traditional market sector with specific local characteristics.*

**Keywords:** Survival Strategy, Monza Traders And Digital Markets

## 1. INTRODUCTION

In the increasingly advanced digital era, technology-based economic transformation has significantly changed trade patterns. The development of the digital market provides great opportunities for business actors to expand market reach and improve operational efficiency. However, on the other hand, this change presents serious challenges for traditional traders, including Monza traders in Pajak Melati, who have so far relied on conventional trading methods.

Monza traders in Pajak Melati face pressure from various e-commerce platforms that offer convenience, comfort, and competitive prices. Data shows that digital transactions in Indonesia continue to increase significantly every year, while the attractiveness of traditional markets is starting to decline due to changes in consumer preferences. This condition is exacerbated by the low level of technology adoption among traditional market traders, which hinders their ability to compete in the midst of digitalization.

Through this research, it is hoped that applicable and contextual solutions will be found, such as the adoption of simple technology, the development of digital marketing strategies, or the formation of business communities that support digital transformation. This research can also provide insight for policy makers in designing programs that support the empowerment of traditional traders.

This research is unique in its focus on the survival strategies of Monza traders, which have not been widely explored in the context of traditional markets in the digital era. Previous studies have focused more on macro e-commerce transformation or digitalization strategies in the modern sector. With a micro approach, this study provides a new perspective that is relevant to local conditions.

Several previous studies, such as research by Tjiptono (2020) on the adaptation of MSMEs to digitalization and research by Hasan et al. (2019) on the sustainability of traditional markets, show that small business actors can survive by adopting certain technologies. However, these studies do not specifically discuss the traditional market trader community in the context of competition with the digital market. This study fills this gap by emphasizing the specific experiences and strategies of Monza Pajak Melati traders.

With this background, research on the survival strategies of Monza traders in Pajak Melati is expected to make a significant contribution to the scientific literature while providing a real impact on local business actors.

## 2. RESEARCH METHOD

This study uses a qualitative approach to analyze the survival strategies of traders at the Monza Pajak Melati Market in the face of digital market competition and the role of social and cultural interactions in the sustainability of traditional markets. Data collection techniques include direct observation of market activities, informal interviews with traders to explore their challenges and strategies, and how they adapt to digital technology. The subjects of the study consisted of traders, consumers, and social interactions in the market. Data were analyzed by data reduction to focus on relevant information, followed by narrative presentation of findings. Conclusions are drawn based

on thematic and narrative analysis, which identify patterns of trader strategies and the impact of digitalization. The objectives of this study are to analyze traders' survival strategies, explore the role of social interactions in traditional markets, and identify challenges in adopting digital technology.

### 3. RESULT AND DISCUSSION

#### **Strategies Implemented by Monza Traders in Melati Tax to Survive Competition with the Digital Market**

Based on the research conducted, Monza traders at Pajak Melati implemented several strategies to survive in competition with the digital market, namely:

a. Improving Customer Service

Monza traders in Pajak Melati realize the importance of personal customer service as one way to survive in the competition with the digital market. One of the advantages of traditional markets is direct interaction between traders and consumers, which cannot be found in digital transactions. Monza traders prioritize friendly and open relationships, as well as flexibility in price negotiations, which provide a more intimate shopping experience and build customer trust. This service also includes aspects of speed in responding to consumer complaints or requests, thereby creating loyalty and increasing the likelihood of repeat visits. In the digital market, although the ease and convenience of shopping are attractive, the inability to interact directly with sellers can make some consumers prefer traditional markets that provide convenience in transactions.

b. Product Diversification

Product diversification is one of the important strategies implemented by Monza traders to face competition in the digital market. Traders try to offer products that are unique and difficult to find on digital platforms, providing added value that differentiates them from online stores. These products often emphasize uniqueness, quality, and authenticity that cannot be easily copied by e-commerce platforms.

c. Hybrid System Implementation

The implementation of a hybrid system is an increasingly popular strategy among Monza merchants in facing competition with digital marketplaces. Although digital marketplaces offer greater convenience and access, Monza merchants do not neglect the existence of their physical marketplaces. This hybrid strategy allows them to take advantage of both worlds—maintaining personal relationships with customers in physical stores while reaching younger, more tech-savvy consumers who prefer to shop online. In this way, they not only maintain the sustainability of traditional marketplaces but also embrace the potential of digital marketplaces.

d. Competitive Pricing Strategy

In facing price competition with digital marketplaces, Monza merchants implement a competitive pricing strategy by offering direct discounts or product bundling. Discounts and attractive promotions are often used to attract price-sensitive customers, while product bundling allows shoppers to get more items at a more affordable price, thus providing more value. Although digital marketplaces often offer lower prices due to economies of scale and reduced operational costs, Monza

merchants can provide additional benefits such as guaranteed product quality, as well as a more satisfying shopping experience. This competitive pricing strategy allows merchants to remain relevant in a market that is increasingly dominated by digital platforms.

e. Product Quality Improvement

One of the main factors that differentiates traditional markets from digital markets is product quality. Monza traders in Pajak Melati focus on the quality of the goods they sell as an effort to maintain customer loyalty. Because the products sold can be directly checked and felt by buyers, traders have the opportunity to ensure that the quality of the goods they offer always meets high standards. This gives more confidence to consumers who may be doubtful about the quality of products sold online without being able to check them directly. By improving product quality, Monza traders can maintain a loyal customer base, who prioritize quality products and a trustworthy shopping experience.

f. Local Collaboration

Collaboration with local communities is also one of the strategies implemented by Monza traders to attract more customers to traditional markets. Monza traders work with local communities and organizations to hold events or bazaars that attract visitors and increase traffic to Pajak Melati. Activities such as festivals, night markets, or promotional events involving local products can strengthen the relationship between traders and the surrounding community and attract new consumers. In addition, these events also provide an opportunity for traders to introduce their products directly to customers, as well as build brand awareness in the local community. This collaboration not only increases visits to the market but also creates opportunities for merchants to increase sales and introduce their products to a wider audience.

Overall, the strategies implemented by Monza traders in Pajak Melati illustrate creative and dynamic adaptation efforts to survive in the increasingly tight competition with the digital market. By combining the strengths of the traditional market and the opportunities offered by digital technology, Monza traders can strengthen their position and remain relevant in this digital era.

### **Barriers and Opportunities for Monza Merchants in Melati Tax in Adopting Digital Technology**

Barriers Include:

a. Lack of Digital Literacy

Most Monza merchants in Pajak Melati still face obstacles related to digital literacy. Many merchants do not yet understand how to utilize digital technology for their business interests, especially in terms of managing social media and using marketplace platforms. Low digital literacy causes dependence on traditional methods of marketing and sales, which limits merchants' ability to reach a wider market. Therefore, improving digital skills is essential to support the success of digital transformation among Monza merchants.

b. Old Customer Preferences

Many Monza customers are accustomed to conventional shopping methods in traditional markets. This preference creates its own challenges for merchants in encouraging the adoption of digital technology. Old customers who are comfortable with the direct shopping experience, asking questions about product quality directly, and interacting with merchants face to face, may be less interested in switching to online platforms. This causes Monza merchants to feel no need to maximize the use of digital technology, because they still have a fairly loyal customer base in the traditional way.

c. Tight Competition on Digital Platforms

After deciding to utilize digital technology, Monza merchants face major challenges in terms of competition. The digital market is already filled with big players, such as big brands and companies that have more resources to advertise and market their products. Monza merchants have to face stiff price competition with more established online stores, which can offer lower prices and faster delivery. This requires Monza merchants to find innovative ways to compete, whether in terms of price, quality, or product differentiation.

Opportunity Factors Include:

a. Wider Market

One of the biggest opportunities offered by digital technology is the ability to reach a wider market. Through the e-commerce platform, Monza merchants can introduce their products to customers outside the Melati Tax area, even outside the city or province. This provides an opportunity for merchants to expand their customer network and increase their sales volume without being limited by geographical location. With the adoption of digital technology, Monza merchants' market is no longer limited to local customers, but also includes a more global market.

b. Operational Efficiency

Digital technology can help Monza merchants improve their operational efficiency. The use of a digital-based inventory management system allows merchants to monitor stock more easily, reducing the risk of running out of stock or excess goods. In addition, product promotion can be done more targeted and efficiently through social media or e-commerce platforms, which allows merchants to reach the right consumers. Communication with customers also becomes more effective, because product information can be conveyed clearly and quickly through various digital channels, such as email, chat applications, or websites.

c. Changes in Shopping Patterns

Consumer shopping patterns that are increasingly shifting to online shopping provide opportunities for Monza merchants to adopt digital technology to meet changing consumer needs. More and more consumers prefer to shop from the comfort of their homes, especially after the COVID-19 pandemic which has encouraged online shopping habits. By adopting digital technology, Monza merchants can seize this opportunity by providing convenience for consumers to shop online, as well as simplifying the transaction process and product delivery.

d. Government Program Support

The Indonesian government has launched various programs to help MSMEs adapt to digital technology, including digital-based training and capital subsidies for technology. Monza merchants in Pajak Melati can take advantage of these programs to get the training they need to manage digital platforms and online marketing. In addition, financial support provided by the government can help merchants overcome the capital constraints they face, allowing them to invest in better digital tools and e-commerce systems. With this assistance, digital transformation becomes more affordable and accessible to small merchants.

#### 4. CONCLUSION

The survival strategies implemented by Monza traders in Pajak Melati in facing the digital market include various adaptation steps that focus on strengthening their position in the traditional market. Monza traders utilize the existence of a physical market as an advantage by improving service quality, offering unique products that are difficult to find on digital platforms, and expanding market reach through social media and e-commerce platforms. This strategy allows them to maintain customer loyalty and create more personal relationships with buyers.

It can be concluded that Monza traders in Pajak Melati have adopted various strategies to survive in competition with the digital market. The main strategies implemented include improving customer service, product diversification, and implementing a hybrid system that utilizes social media and marketplaces to expand market reach. By focusing on product quality and operational efficiency, Monza traders strive to maintain customer loyalty and create competitive advantages in both physical and digital markets.

However, in adopting digital technology, Monza traders face several significant obstacles, such as limited digital literacy, lack of capital for investment in technology, and logistical constraints in the product delivery system. On the other hand, there are a number of opportunities that can be utilized, such as increasing market reach through digital platforms, support from government programs for MSMEs, and the potential for increasing operational efficiency by using the right digital technology. By overcoming these barriers and taking advantage of the opportunities that exist, Monza merchants can increase their competitiveness and ensure business sustainability in the face of increasingly fierce competition.

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