

THE EXISTENCE OF TRADITIONAL MARKET TOWARD MODERN MARKET IN TOMOHON CITY

KEBERADAAN PASAR TRADISIONAL TERHADAP PASAR MODERN DI KOTA TOMOHON

By

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Abstrak: *Persaingan antara pasar tradisional dan pasar modern mendapat perhatian yang lebih, karena invasi dari pasar modern mengganggu pasar tradisional. Meskipun demikian, keberadaan pasar tradisional telah menjadi bagian terpenting bagi masyarakat perkotaan dan pedesaan. Penelitian ini bertujuan untuk menganalisis dampak pasar modern terhadap keberadaan pasar tradisional dan mengetahui strategi pasar tradisional untuk menghadapi pasar modern. Penelitian ini menggunakan metode kualitatif untuk menggambarkan topik ini. Hasil penelitian menunjukkan bahwa pasar tradisional masih bisa bertahan karena berbelanja di pasar tradisional merupakan budaya masyarakat Tomohon. Kebersihan di pasar tradisional meningkat dari tahun ke tahun. Harga di pasar tradisional lebih murah daripada pasar modern karena transaksi tawar-menawar. Sebaliknya, penjual ayam mengalami penurunan pendapatan karena harga ayam di pasar modern lebih murah daripada di pasar tradisional. Pemerintah memiliki kebijakan untuk membuat pasar tradisional tetap eksis dengan revitalisasi. Pedagang pasar tradisional harus mempersiapkan strategi untuk menghadapi pasar modern, seperti menjaga kebersihan, menjual produk dengan kualitas bagus, dan jujur dalam hal timbangan.*

Kata kunci: *keberadaan, pasar tradisional, pasar modern*

Abstract: *Competition between traditional market and modern market have most attention, because modern market invasion interrupt traditional market. Nonetheless, the existence of traditional markets have become an integral part of urban and rural communities. This study aims to analyze impact of modern market on existence traditional market and to know the traditional market strategy to facing modern market. This research is using qualitative method to describe the topic. The research results showed that traditional market still exist because shopping in traditional is culture of Tomohon people. Cleanliness in traditional market is growth in year to year. Price in traditional market is cheaply than modern market because the bargaining transaction. In contrast, chicken sellers has decreased in income because the price of chicken in the modern market is cheaper than in traditional market. Government has a policy to make traditional market still exist with revitalization. Traditional market trader must provide the strategy to face modern market, such as maintain cleanliness, selling the good quality product, and honest in scales.*

Keywords: *existence, traditional market, modern market*

INTRODUCTION

Research Background

Nowadays, the competition between modern markets with traditional markets in Indonesia is intensive. Traditional markets is currently in weak position in the presence of Modern market. Nonetheless, the existence of traditional markets have become an integral part of the lives of urban and rural communities. It is become the cultural value which is offering a widespread of trading activities such as hospitality in transaction to reach an agreement of price (Prastyawan, Suryono, Soeaidy and Muluk, 2015).

The presence of modern market in Indonesia started with the emergence of department store in 1966. As time goes by, the competition in the retail business has changed completely. Foreign investors began to invest their capital in retail trade in Indonesia (including a Carrefour, Makro, Belhaize, Giant, and etc). By offering a variation of products, good product quality, good facility, comfortability which have made many of the modern market has a better competitive advantage compared to the traditional market. So it is not wrong if they can evolve and captivate the public so quickly (Prabowo, Madi, Safri, and Lustrilanang, 2014).

APRINDO on Marketing (2013), from the year 2007-2012, the number of modern market outlets in Indonesia experienced an average growth of 17.57% per year. Until 2015, the number of modern markets rose significantly with the number 36,000 outlets. Differences with the modern market, the traditional market. In 2007, total traditional market is 13,550. In 2009 the number dropped to 13,450 markets, and in 2011 amounted to 9,950 (Republika, 2013). In Tomohon city, there is only traditional market namely *Pasar Beriman Tomohon*. The market is open every day to meet the needs of Tomohon city and surrounding communities. PD. *Pasar Beriman Tomohon* stated that number of permanent traders around 850 traders and for temporary traders at around 450 traders with presentation (daily average) is traders active up to 70%.

Research Objectives

The objectives of this research to analyze:

1. Issue related to the modern market reducing sales of traders in traditional market.
2. Current strategies from traditional market traders to face modern market invasion in Tomohon.

THEORETICAL FRAMEWORK

Marketing

McDaniel, Lamb, and Hair (2011:3), marketing has two facets. First, it is a philosophy, an attitude, a perspective, or a management orientation that stresses customer satisfaction. Second, marketing is activities and processes used implement this philosophy. The aim of marketing is to know and understand the customer so well that the product or service itself. Ideally, should result in a customer who is ready to buy. All that should be needed then is to make the product or service available.

Traditional Market

Sadilah (2011:66) traditional market are an outdoors place, which process of buying and selling with bargaining process. Traditional Market has characteristics that place is not too extensive, the goods sold are not too many kinds, the management system is still simple, does not offer the convenience of shopping. There is still haggling prices with merchants, products are sold not on display are open so that customers do not determine whether the retailer has the items sought or not.

Modern Market

Modern Market is actually an expansion of traditional traders, which in practice to apply the concept of modern, technology utilization, and accommodate the progressive trend in society (consumers). Ma'ruf (2005:7) modern market is the arrangement of items grouped according to the same purpose the same section that can be seen and taken directly by the buyer, the use of air conditioning, professional salesperson.

Traditional Trader Perception about Modern Market

Secretary General of the Association of traditional market traders (APPSI) Mr. Ngadiran on Okezone (2017) said Invasion minimarket as well as killing the traditional market and kiosk slowly. Therefore, traditional trader perception about invasion of modern market massively is make the income of traditional trader decrease.

Competition Scope of Traditional Market and Modern Market

Utomo (2011) Competition traditional market and modern market include both internal factors and external factors.

Empirical Study of Competition between Traditional Market and Modern Market:

The research that have been conducted by the expert found the empirical phenomena of competition between traditional market and modern market.

Income

Tambunan on Utomo (2011) states, from interviews the research team with some traders in Mampang Prapatan Market (Jakarta), that some traders have the same opinion about the influence of modern market on their sales. Since the presence of modern market is Hero Supermarket and Golden Truly who later became Alfa Supermarket), the traders felt that their revenues declined from year to year.

Price

The prices of goods in traditional markets could even be a third of the price of the same goods sold in supermarkets. With bargain price, the buyer can get a cheaper price if they can afford to bid. In contrast, Susilowati (2014) said that the advantages of modern market advantage over traditional markets is that they can sell the same product at a relatively cheaper price.

Service Quality

Susilowati (2014) found that survey revealed that shopping at a traditional market in Malang are said to be less convenient because there is no air-conditioning facilities (AC), narrow passageways and jostling, and merchants tend to be less friendly and less trained to serve the buyers.

Location

Yaningwati, Fauzi, and Susilowati (2012) main problem between modern market supermarkets and minimarket especially with traditional market, especially in the city is the location, where modern market with exceptional capital strength developed so rapidly that are located adjacent to the traditional market locations are already located at the site

Cleanliness

Cleanliness is the condition of a place free of dirt, including dust, and garbage. In determining customer satisfaction especially where to shop between traditional markets and modern markets, Cleanliness factors also have a very big impact because customers everywhere also have a desire. Tumbuan and Shiratake (2009) Convenience is one of the important thing that influence the customer to select the marketplace between Hypermarket and old market. They are convenience corner, clean place, good customer service, good parking area, safety place, comfortable place, need improvement.

Traditional Market Strategy

Traditional market must provide a strategy to facing modern market because modern market is more existence than the traditional market. Therefore, it is necessary for the strategy of the merchant to maintain the customer and the existence of his business to develop a distinctive and characteristic image plan that can meet the needs and demands of the consumers as the modern market does.

Government Policy

Government policy about existence traditional market should involve local communities. But in reality, the policy does not run as expected. So that between community and district government have a difference of opinion

Previous Research

Susilowati (2014), The Impacts of Modern Market to Traditional Traders (A Case in Malang City - Indonesia). This Research using both quantitative and qualitative methods, this study tries to measure the impact of the presence of modern markets to traditional traders in Malang city. The quantitative methods were conducted using Difference in Difference (DiD), while qualitative method were using in-depth interviews with key

informants. The research found that the major cause of lost traditional markets when competing with modern markets is poor management and poor traditional market infrastructure, not solely because of the existence of the modern market.

Mas et al (2014), *Trader Sturdiness at Traditional Market in Facing Modern Market Progress*. The results of this study will be useful for governments and agencies involved in the development of traditional markets, and can make improvements in terms of the layout and quality of service. At the end of the traditional market will demand back by consumers. This research uses descriptive quantitative research approaches as well as differences in test consumer perceptions of traditional and modern market in terms of layout and quality of service. The research found that an increase in entrepreneurship, religious, and social capital are capable to increase trader's sturdiness, through intervening variable of self-efficacy.

Conceptual Framework

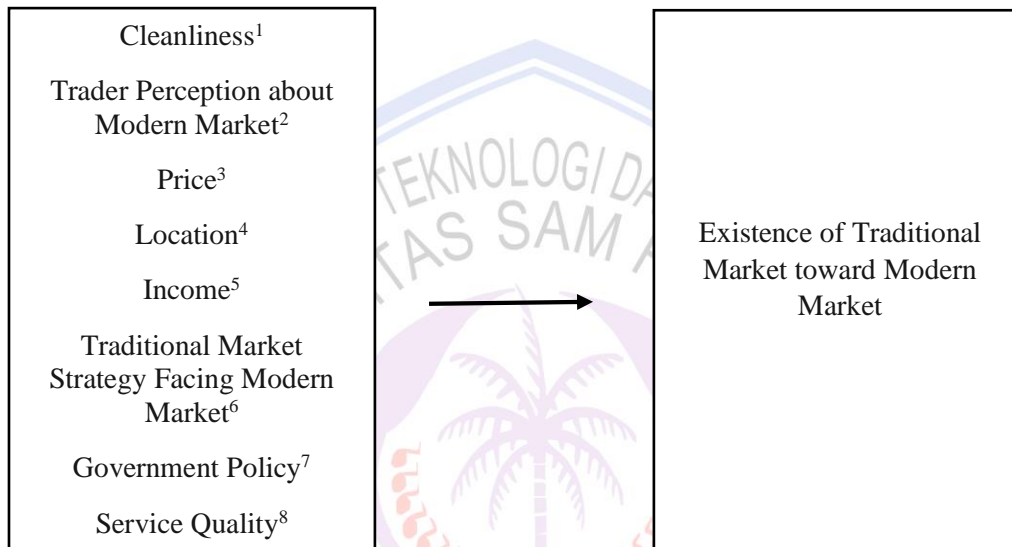


Figure 1. Conceptual Framework

Source: Data Processed, 2017

RESEARCH METHOD

Type of Research

Sekaran and Bougie on Achmad (2015) stated, qualitative data are in form of words, for examples are interview notes, transcripts or focus groups, answers to open ended questions, transcriptions of video recordings. Burns and Grove (2003:201), descriptive research "is designed to provide a picture of a situation as it naturally happens". It may be used to justify current practice and make judgment and also to develop theories.

Phenomenological

Patton on Marshall and Rossman (2011:6) Phenomenological approach seek to explore, describe, and analyze the meaning of individual lived experience;" how they perceive it, describe it, feel about it, judge it, remember it, make sense of it, and talk about it with other".

Place and Time of Research

The research will be taken place in Tomohon, especially in the existed modern market and traditional retail. This research will be conducted in March-June 2017.

Social Situation and Sampling

Place of in this study is modern market, traditional market, and authorities in Tomohon city. The actor will be the informant in this case the traders in market, Manager of minimarket, and Manager of supermarket, Customer, Government. The activity is descriptive observation, Interview the informant observation using the senses there are eyes and ears. Sugiyono (2008:41), Snowball sampling is a technique to collect sample of data

source, which at first taken from little number then the more it is researched, the more and the bigger are the numbers of information or sample. It is taken because at first the sources of data are not explained more complete about the information needed. Then it is develop with more and more number of informants. Just like snow ball that rolls bigger and bigger.

Data Collection Method

Hancock, Ockleford and Widridge (2009). All of the data sources on this research is gathered from the primary data and secondary data. The primary data in this research are interview and document as a secondary data.

Data Validity Method

Sekaran on Rangan (2014) there are two methods that had been developed in enhancing validity of qualitative research:

1. Generalizations by number of events occurring. It can help in addressing concern about the qualitative data reporting
2. Ensuring that every case is represented and inclusion of contradicted cases.

Data Analysis Method

Sugiyono on Rangan (2014) stated, data analysis is the process of systematically searching and arranging the interview transcripts, field notes, and other materials that you accumulate to increase your own understanding of them and to enable you to present what you have discovered to others

RESULT AND DISCUSSION

1. Does the modern market reduce the sales of traders in traditional market?

Based on the interviews results, most informants stated that cleanliness in *Pasar Beriman* is increasing from year to year. But, it is undeniable that cleanliness in modern market is superior to traditional markets. Because modern market is more convenient than traditional markets. Most of informant stated that cleanliness is affect to people buy in traditional markets and modern market.

Customers the perception about modern market is more convenient to visit and people prefer go to modern market than traditional market because the cleanliness. Besides that, the modern market provides goods that are not available in traditional markets such as clothing, food and beverage, drugs, cosmetics, milk, electronic equipment, baby and women's needs. Furthermore, the existence of a modern market to complement the traditional market. Major informant such as customers, modern market managers and the government consider the existence of modern market is very necessary in Tomohon city due to the operational hours of the traditional market is limited, while the operational hours of the modern market until 22:00.

Traditional market traders agree that the modern market is not required in Tomohon city because it reduces the income of traders. Traditional market traders stated, Tomohon city is smallest than other city so that the traditional market is still more suitable than the modern market, and in the traditional market sells all household necessities without having to go shopping in the modern market

The existence traditional market is hereditary culture of shopping in the traditional market is a culture that must be done. In addition, *Pasar Beriman* is a tourist destination for domestic and foreign tourists. One factor that also supports that the modern market does not affect income is, vegetables are sold fresh and freshly picked, without preserved.

Most informant agreed prices in traditional markets are cheaper than modern markets. This is evidenced with bargaining transactions conducted in traditional markets, in addition to prices in the modern market have been added with taxes, operating costs and profits. Chicken trader stated cause of decrease in income of the trader is price in modern market is cheaper than traditional market. The trader estimates a 20 percent decline in income in the presence of a modern market.

The informant argues that the location affects the competition between modern markets and traditional markets due to the ease given to reaching modern markets and traditional markets, locations adjacent to settlements and the availability of transportation. The result of the location is affect the market competition. The informant argues that the location affects the competition between modern markets and traditional markets due to the ease given to reaching modern markets and traditional markets, locations adjacent to settlements and the availability of transportation.

Major of Informant of traditional market stated the establishment of modern market in Tomohon the income is still normal, there is no effect that makes a decrease in income. Because traditional markets sell fresh products without preserved. Furthermore. The customer still love to shop in traditional market and assume that shopping in the market as a culture in Minahasa.

2. What are the current strategies from traditional market traders to face modern market invasion in Tomohon?

The strategies undertaken by trader to make traditional market still exist is;

1. Provide the cleanliness
2. Layout must neat
3. Improving a friendliness to customer
4. Accuracy of the measure
5. Honest about determining the price
6. Provide the best quality of the purchase
7. Give a special price or discount for loyal customer,
8. Certainly ensure the availability of product so that buyers get the product without go to modern market because the product are cheaper and the stock is available.

The strategies that undertaken by *PD Pasar* Tomohon to make traditional market still exist is;

1. Maintain the security and cleanliness,
2. Remind to traditional traders to sell good quality product,
3. Paying attention about the price, so that traders do not arbitrarily raise the price,
4. Management capability and service improvement,
5. Arranged the business location,
6. Infrastructure improvement.

Implementation of government policy is effective for traditional markets fate. This can be seen with better infrastructure development from year to year, creates the *PD Pasar* to manage the market operation. And government has not given more permission to entrepreneur to establish a modern market, stalls arranged according to designation, maintain the security with tasking the municipal police, renewed market design.

Government policy to regulate the modern market and traditional market is contained in Permendag No.70 of 2013 about guidelines for arranging and fostering traditional markets, shopping centers and modern stores. Modern market development refers to the Permendag no 70 of 2013 in terms of zoning with traditional markets and stalls, which are caught by Tomohon city Regulation No.6 of 2014 about spatial. This regulation also regulates the revitalization of traditional markets. Permendag No.48 of 2013 on guidelines for the development and management of trade distribution facilities as a law that regulates so that traditional markets remain competitive with modern markets. Then Tomohon city Regulation No.12 of 2006 on the establishment of Regional Market Company, which serves to manage the traditional market located in Tomohon City.

Government policies make traditional market still exist is revitalization traditional market such as renovation and infrastructure improvement. With revitalization, can be predicted in next few year income from traditional market is increase and able to compete with traditional market. Tomohon government give flexibility to *PD Pasar* as a part of government to manage traditional market. And industry and trade cooperated with agricultural to hold a horticultural market. Lastly, industry and trade cooperated with public works department to improve the infrastructure.

Service quality is affect to people buy in traditional markets and modern market. The customer will feel comfortable if traditional markets and modern markets provide friendly service. Besides that, the products arranged in such a way can help buyers to find the goods. Cannot be denied, there are also unscrupulous traders in traditional markets dishonest with the price of goods and services that are unfriendly. Then, if the product is already packed, although the price is more expensive people are more interested to buy it.

All informants stated that the service quality of the modern market is superior to traditional market service. This can be prove by the different services of traditional markets and modern markets. Modern market waitress is given training by the company or management to serve the customer. But traditional market are not given training. Furthermore, modern market use self-serving concept. In contrast traditional market, the customer must ask to the trader about the product.

Conclusion

Traditional market in Tomohon still exist because hereditary culture of shopping in the traditional market is a culture that must be done. In addition, *Pasar Beriman* is a tourist destination for domestic and foreign tourists. One factor that also supports that the modern market does not affect income is, vegetables are sold fresh and freshly picked, without preserved. Traditional trader must provide strategy to facing modern market invasion. The decrease in only occurs in chicken traders cause of price in modern market is cheaper than traditional market.

Recommendations

For the traditional traders, first it recommends that traditional market need to utilize the cleanliness, friendly service optimally, follow the current trend, honesty, provide the quality product, Clothing properly. So it will make the reputation of the traditional market will decreased. Preferably, modern markets give space to traditional markets to grow their businesses with making traditional markets as partners in business. Government should pay more attention to the fate of traditional market traders such as repairing damaged infrastructure, providing training for merchants to serve customers, and promoting the uniqueness of *Pasar Beriman*. Customer must pay attention to the existence of traditional market amid the onslaught of modern market. Tomohon people must make the traditional market as one of culture.

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