The Existence of Traditional Markets in the Face of Modern Markets (A Case Study of Traders in Wamena, Papua)

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ABSTRACT

The domination of Modern Markets over Traditional Markets has made it difficult for Traditional Markets to gain access to the economy, resulting in opportunities for monopolistic practices and dirty games for investors. Competition that occurs between Modern Markets and Traditional Markets is a familiar phenomenon, especially in the era of globalization and the rapid development of science. The aim of this research is to find out how the existence of traditional markets compares to the existence of modern markets in Wamena. The type of research used is a qualitative descriptive research method with a phenomenological approach with data sourced from observations and interviews with informants.

Keywords: Existence, Traditional Markets, Modern Markets, Wamena Traders

INTRODUCTION

In Indonesia, the existence of traditional markets is not merely an economic matter but goes beyond cultural norms as well as civilizations that have lasted for a long time in various regions in Indonesia. In the midst of modernity, the existence of Traditional Markets as a national culture is currently trying to survive and develop itself in order to be competitive in the midst of the current Aliyah city constellation. The Traditional Market also has several potential strengths, especially the socio-emotional strength that the Modern Market does not have. The strengths of traditional markets can be seen from several aspects, including relatively cheaper prices that can be negotiated, close proximity to settlements, and a large selection of fresh products. then small capital, and with the process of buying and selling merchandise through bargaining (Mariane & Kartini, 2019). Another plus is the shopping experience of directly holding products that are generally still very fresh. Even so, the existence of these advantages does not mean that traditional markets are not without weaknesses. So far, traditional markets are better known for having many weaknesses, including the impression that markets look muddy, dirty, smelly, and that the traffic of buyers is too dense (Ferricha & Fauzan, 2020). Added to this is the threat that the social conditions of society are changing, where women in urban areas generally have careers so they hardly have time to shop at traditional markets.

The fact that investment liberalization is increasingly unstoppable creates problems that have pushed Traditional Markets even closer with the emergence of Modern Markets that offer more commodities, prices and convenience. So that the facts on the ground show that the threat to the existence of traditional markets can be seen from market conditions that are increasingly devoid of buyers. Then, (Njonjie & Posi, 2022) This fact has made the Indonesian people turn away from the cultural aspect and turn to a modern,
practical life with minimal close social relations. Another fact is that Traditional Markets are synonymous with dirty environments, Modern Markets are just the opposite, so this has resulted in a change in the mindset of (urban) people, especially in making transactions to meet their daily needs (Saraswati & Wenagama, 2019). People tend to switch to Modern Markets which are more promising in terms of convenience and security for buying and selling transactions. The emergence of various types of Modern Markets which are growing rapidly like mushrooms in the rainy season, Modern Market outlets such as Minimarkets and Supermarkets are now being seen in every corner of the city, Even in sub-urban areas which should still be a place for traditional markets to grow and develop, modern market outlets can also be seen. Some of the advantages of modern markets compared to traditional markets are prices and shopping places that are always recommended by consumers (Priatana & Supiandi, 2021).

The emergence of modern markets and shops is an indicator of regional success in increasing regional economic capacity. But of course the existence of these modern markets and shops will result in intense competition among existing business actors, so the arrangements must be aligned with existing policies to avoid negative impacts, especially for small business actors who have (Mahardika & Rizki, 2021). Some people think that expanding the establishment of modern markets will have an impact on improving economic growth and the investment climate, as well as increasing regional income through regional taxes and fees (Sumilat, 2021).

Conceptually, many people assume that modern markets and traditional markets have different market segments. However, in reality this is not the case because the modern and traditional market segments are the same and they compete freely. As a result, of course, traditional markets lose because of the several advantages that exist in modern markets such as being able to sell products at lower prices, guaranteed product quality, shopping convenience, and many choices of payment methods. To anticipate the possibility of a negative impact on small and medium business actors, the government has regulated the operation of trading actors through Presidential Regulation Number 112 of 2007 concerning Arrangement and Development of Traditional Markets, Shopping Centers and Modern Shops; which was then followed up with implementation guidelines with Regulation of the Minister of Trade number 53/MDag/Per/12/2008 concerning Guidelines for Structuring and Fostering Traditional Markets, Shopping Centers and Modern Shops. This regulation should really be obeyed by trade actors, especially for modern markets/shops.

The research results from (Ayyub, 2019) suggest that the existence of modern markets greatly affects the income of traditional market traders which is marked by a very drastic reduction in income. As for determining the price, traditional market traders use a bargaining system and an agreement between the seller and the buyer. Hence the role of the government must pay attention to the existence of traditional markets as one of the public facilities that support people’s economic activities (Mokalu et al., 2021). The development of the era and changes in lifestyle promoted so intensely by various media have made the existence of traditional markets a little disturbed. However, traditional markets are still able to survive and compete amidst the onslaught of modern markets in various forms (Widodo, 2021).
Other research from (Sitepu, 2020) said that the presence of modern markets had a negative influence on MSMEs in the trade sector, on the other hand the agricultural sector and the manufacturing sector complemented each other. The presence of modern markets will directly compete with SMEs in the trade sector, and in this case the turnover of SMEs in the trade sector will decrease. The rise of modern market development has made traditional market traders unable to survive (Zikwan & Susanti, 2020). Some of the latest news in the mass media say that not a few traditional markets scattered throughout Indonesia have collapsed, this is allegedly the result of the increasingly widespread development of modern markets in Indonesia. From the various research results cited by the author, the business conditions and performance of traditional markets show a decline after the operation of modern markets. This includes performance: assets, sales turnover, merchandise turnover and profits and income of traditional traders (Setiadi & Aidar, 2022).

Based on the conditions that occur, it can be seen the difference between modern markets and traditional markets as shown in the following table:

### Table 1. Differences between Modern Markets and Traditional Markets

<table>
<thead>
<tr>
<th>No</th>
<th>Aspect</th>
<th>Traditional market</th>
<th>Modern market</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Historical</td>
<td>Long Evolution</td>
<td>New phenomenon</td>
</tr>
<tr>
<td>2</td>
<td>Physical Building</td>
<td>Not good</td>
<td>Nice and luxurious</td>
</tr>
<tr>
<td>3</td>
<td>Ownership</td>
<td>Community/village, local government, a little private</td>
<td>Individual/private</td>
</tr>
<tr>
<td>4</td>
<td>Capital</td>
<td>Weak/subsidized/community self-help</td>
<td>Strong/ driven by the private sector</td>
</tr>
<tr>
<td>5</td>
<td>Consumer</td>
<td>Lower middle class</td>
<td>Upper middle class</td>
</tr>
<tr>
<td>6</td>
<td>Transaction Method</td>
<td>Served and able to bargain</td>
<td>Served but not negotiable(sure)</td>
</tr>
<tr>
<td>7</td>
<td>Land Status</td>
<td>State owned</td>
<td>Private/individual owned</td>
</tr>
<tr>
<td>8</td>
<td>Entry Opportunity</td>
<td>Bulk</td>
<td>Limited</td>
</tr>
<tr>
<td>9</td>
<td>Development</td>
<td>Conducted by local government/village/community</td>
<td>Done by the private sector/individuals</td>
</tr>
<tr>
<td>10</td>
<td>Network</td>
<td>Regional markets, specific regional cities</td>
<td>National corporate chain system</td>
</tr>
</tbody>
</table>

The decline in the performance of Traditional Markets was not only caused by the presence of Modern Markets, but also due to the weak competitiveness of traditional retailers. The condition of Traditional Markets in general is apprehensive due to the unkempt Traditional Markets with the various advantages offered by Modern Markets. So that the Traditional Market...
is threatened by the existence of the Modern Market. The existence of modern markets amidst traditional markets causes traders and their turnover to decline. These weaknesses have become basic characteristics that are very difficult to change (Adnyana et al., 2021). Market design and appearance factors, atmosphere, layout, layout, variety and quality of goods, promotion of spending, limited market operating hours, 

Another factor that also causes the underdevelopment of traditional markets is the lack of carrying capacity of the characteristics of traditional traders, namely poor planning strategies, limited access to capital due to insufficient guarantees, lack of economies of scale, no cooperation with large suppliers, poor procurement management, and inability to adjust to consumer desires (Khaeruman & Hanafiah, 2019). Another problem experienced by traditional market traders is the high level of competition between traders so that the only strategy that is often taken to get buyers is the pricing strategy, namely providing the lowest price desired by buyers in the bargaining process so that buyers do not move to other stores.

The culture that is still strong in the local community of the Wamena district is the pattern of selling vegetables with noken which still uses a barter system or vegetables are sold at cheap prices if they feel that vegetables are selling well in Wamena.

**METHOD**

The research method used is descriptive qualitative research method (Ramdhan, M. (2021) with a phenomenological approach by trying to describe the existence of traditional markets against modern markets in the Wamena region of Papua. The location of this research was carried out on traditional traders and modern market players in Wamena Papua. (Makbul, 2021) data collection technique, namely by conducting participatory observations and in-depth interviews with informants who are considered capable of providing information in accordance with the reality that is happening. Furthermore, the data in this study were then analyzed descriptively qualitatively to produce a new result or finding.

**RESULT and DISCUSSION**

The Impact of Traditional Markets on Modern Markets in Wawena

The problem experienced by market traders in Wamena is the high level of competition between traders, so the only strategy that is often taken to get buyers is the pricing strategy, namely providing the lowest price desired by buyers in the bargaining process so that buyers do not move to other shops. If viewed from the perspective of the Traditional Market, the existence of the Modern Market which is located close to the Traditional Market greatly influences the condition of the trading business. Testing the impact of modern markets on the marketing performance of traditional market traders in this study uses turnover, profit, and perception criteria by analyzing the changes that occur after the operation of modern markets around traditional markets. The differences between modern markets and traditional markets can be seen in table 1 below:

<table>
<thead>
<tr>
<th>No</th>
<th>Description</th>
<th>Modern market</th>
<th>Traditional market</th>
</tr>
</thead>
</table>

Table 2. Comparison of Modern Markets and Traditional Markets of Wamena Papua
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Understanding</td>
</tr>
<tr>
<td></td>
<td>Modern markets are not much different from traditional markets, however, in this type of market, sellers and buyers do not transact directly, but the buyer sees the price tag listed on the goods (barcode), is in the building and the service is carried out independently (self-service) or served by a salesperson. Items sold, other than food ingredients such as; fruit, vegetables, meat; most of the other items for sale are durable items</td>
</tr>
<tr>
<td>2</td>
<td>Price of goods</td>
</tr>
<tr>
<td></td>
<td>Goods sold in traditional markets and modern markets have quite significant price differences. The price of an item in traditional markets can even be a third of the price of the same item sold in supermarkets, especially for fresh products such as vegetables and spices.</td>
</tr>
<tr>
<td>3</td>
<td>Bargaining</td>
</tr>
<tr>
<td></td>
<td>In the modern market, it is impossible for buyers to bargain because all goods are set at fixed prices.</td>
</tr>
<tr>
<td>4</td>
<td>Discount</td>
</tr>
<tr>
<td></td>
<td>On the modern market massive discounts.</td>
</tr>
<tr>
<td>5</td>
<td>Shopping convenience</td>
</tr>
<tr>
<td></td>
<td>Supermarkets have a larger area, are clean, neat, and are equipped with air conditioning.</td>
</tr>
<tr>
<td>6</td>
<td>Product Freshness</td>
</tr>
<tr>
<td></td>
<td>Most of the products on the modern market have indications of preservatives.</td>
</tr>
</tbody>
</table>
With large capital, supermarkets are able to buy more product supplies. Thus, they use preservatives to preserve the stock of goods.

Source: Processed from various sources, 2023

Based on the table above, it shows that the product quality competitiveness of traditional market traders in Wamena in the formal market is still very low. Limited capital is also an important factor in marketing its products because it affects the desired payment procedure/mechanism. Even though traditional market traders are an important factor in driving the regional economy, in reality there are still difficulties and problems for traditional market traders.

As the results of interviews with informants as traditional market traders said that:

"So far, most workers in traditional market shops are generally because of the workers' own will to find another job, not because business profits have decreased so traders in traditional markets have to reduce labor costs by laying off workers." (Interview with Mrs Bety March 2023).

The results of the interviews above lead to business capital problems and production marketing problems that cause the underdevelopment of traditional markets, namely the lack of carrying capacity of the characteristics of traditional traders, namely poor planning strategies, poor procurement management, and inability to adapt to consumer desires. One of the characteristics of traditional markets is the existence of family relationships that are fostered both between traders and between traders and workers. Besides that, generally workers who work in traditional markets are from the family or neighbors of the traders themselves, so layoffs rarely occur.

Then the researcher's interview with the head of the Perindakop Service said that:

"Changes in consumer lifestyles in buying behavior in modern markets are influenced by the convenience and quality assurance of modern markets, among others, through their economies of scale, modern markets can sell more products of higher quality at lower prices." (Interview with LK Informants March 2023).

The results of the interviews above lead to consumers in Wamena belonging to consumers who are very price sensitive, when the low price factor which was previously an advantage of traditional markets can be taken over by modern markets, relatively there is no reason for consumers from the lower middle class not to participate in shopping to the modern market and leave the traditional market.

Then wholesalers in the market environment are also the cause of reduced profit levels for traders, because traders in traditional markets often also take merchandise at wholesalers, while wholesalers also serve retail purchases from consumers whose price difference is not too much with purchases made by shops at wholesalers, so the profit margin earned by traders becomes smaller to keep getting buyers.

Furthermore, the results of interviews with informants as modern market traders said that:

"The people of Wamena Papua still find it difficult to leave the culture of shopping with a bargaining system to get maximum satisfaction, namely getting the most desired price through a
bargaining process, which will not be obtained in modern retail.” (Interview with Informant Sunaryo March 2023)

The results of the interview above direct sellers and buyers to bargain. Bargaining is intended to reach an agreement on the price of the product. Bargaining will continue until the price is acceptable to sellers and buyers.

Usually, the price demanded by the seller is higher than the price desired by the buyer. In addition to bargaining price agreements, it can also establish communication between sellers and buyers because economic activity can be said to be running if there are trade transactions between sellers and buyers. The price issue between traditional markets and modern markets has a significant difference. Consumers can get cheaper prices if they are able to bid on the price of these goods. In contrast to the modern market where a definite price tag has been printed, the modern market adopts a price and non-price strategy, for example by giving a price discount at a certain time, a non-price strategy in the form of advertising and free parking.

Another cause, and often the main reason, is that modern retailers are able to establish partnerships with large suppliers, so that by buying in large quantities they get discounts, so they can sell cheaper. One of the advantages of modern retail is that it has an extensive network or several outlets scattered in several locations, so that it can collect goods from suppliers in large quantities, to be distributed to each supplier, while traders in traditional markets, because the collection from suppliers is limited to capacity, the store itself, so it is impossible to collect in large quantities, so the acquisition price from distributors is more expensive when compared to modern retail. Another problem experienced by traditional market traders is the high level of competition between traders, so that the only strategy that is often taken to get buyers is the pricing strategy, namely providing the lowest price desired by buyers in the bargaining process so that buyers do not move to other stores. In addition, competition also occurs between traders (shops) and street vendors scattered throughout the market area.

The problems faced by traditional market traders related to the real price aspect can be overcome in order to be able to compete with modern retailers. The low price competitiveness of traders in traditional markets compared to modern retail is the inability to take advantage of discount opportunities applied by wholesalers for purchases in large quantities as practiced by modern retailers. The classic problem faced by traders is still weak capital because MSEs have limitations in accessing capital from banks. This condition can be overcome, if traders in traditional markets are able to apply a joint purchasing strategy, namely shops or traders with similar merchandise characteristics jointly so that they are able to purchase from wholesalers in large quantities to get price discounts.

Another solution, traders usually have an association of market traders, which is of course a sizable potential for raising/collecting capital through daily savings managed by the traders’ association. weak in terms of capital will be able to obtain greater capital even without cost, rather than accessing capital from loans with interest charges.

Setting Prices

Price is one of the success factors of a company because the price determines how much profit the seller will get. Setting a price that is too high will cause sales to decrease, but if the price is too low it will reduce the profit that will be obtained. Modern markets and traditional markets have their respective advantages
where market segmentation is different from one another. In traditional markets there is still a price bargaining process that allows for personal and emotional closeness between sellers that is impossible to obtain when shopping in modern markets. As stated by the informant as a modern market trader, the results of the interview said that:

“So far we are still implementing a bidding system, but apart from selling retail here we also sell wholesale and of course the prices are definitely different, because for wholesale they want to resell so the price must also be cheaper than those who buy for daily needs at home. (Alex Interview March 2023).

The results of the interviews above lead to the fact that in traditional markets in determining prices, bargaining is still held between sellers and buyers which allows for personal closeness to be established. However, unlike the case with buyers who buy goods wholesale, they are given a lower price than the unit price.

Furthermore, the results of interviews with informants as traditional market traders suggest that:

“As for the price issue, it's clear that we are cheaper than modern markets, but usually when we sell vegetables, fortunately a few are important enough for our daily needs. Then, if we have vegetables, we don't sell them cheaply. Compared to those in the modern market, they usually set the usual price plus an additional 10 percent, while if you donate here, you don't add the price. (FA Informant Interview March 2023).

The results of the interviews above lead to a comparison of product prices in traditional markets and modern markets, but it turns out that product prices in traditional markets are lower.

Consumer perception of product quality can be influenced by product prices. Consumers have the perception that the higher the price of a product, the higher the quality of the product. Consumers can have such perceptions when they have no clues or other references for product quality. Sales can have resulted in quality if the product or service sales meet or exceed customer expectations.

Then the results of interviews with informants as consumers said that:

“Actually it's better to shop at traditional markets because it's actually cheaper here than at modern markets, maybe because the people there have high taxes. So it's common for consumers to say it's cheaper at traditional markets because the difference is usually around 2,000” (Interview with Informant Mrs. Hatta March 2023).

The results of the interview above point to the fact that the price of goods in traditional markets is cheaper compared to prices in modern markets, but usually consumers shop at modern markets only because they are influenced by discounts (promos) that can attract consumers to shop at modern markets whereas in the pricing strategy in traditional markets it depends on where the product is taken. According to Fahmi, S., & Aprialdi, D. (2021) the deal in a market is the synergy between producers, consumers, distributors and the government. When the four elements above work together, all parties will benefit, there will be no loss for small parties for the benefit of various parties.

Improving Product Quality

Product is one element of the marketing mix that can satisfy the needs and wants of consumers. It is hoped that through the purchase of these products consumers can be satisfied. Product quality is the superiority of a product that will be felt by consumers. Product quality usually has its own standards.
Merchants must pay attention to the quality of the products they sell in order to create trust from consumers about the quality of the products they sell. As the results of interviews with market consumers researchers suggest that:

"The inability of local people to bring in products has made modern markets more attractive to the public so that traditional markets have decreased in terms of consumers and income." (Interview with Mrs. Hatta March 2023).

The results of the interviews above lead to operationally the traditional market is still conducting sales that focus on local products with various types of local products such as sago vegetables, fruit and others, the impact of inadequate space and increasingly unfavorable market conditions. If the seller pays little attention to product quality issues, there will be a decrease in the level of purchase, but if the seller is very concerned about product quality, there will be an increase in the number of purchases due to the level of consumer satisfaction due to the good level of product quality. In running a business, the products sold must be of good quality or in accordance with the price offered. In order for a business to survive in the face of competition, especially competitive in terms of quality.

Then the results of interviews with informants as traditional market traders said that:

"Government involvement is certainly needed in providing solutions by trying to fix market needs, with traditional markets there must be assistance, through market programs and production which must start from downstream and it is hoped that further attention will be made so that traditional markets in the Papua Wamena region are more Good." (Interview with Informant Mr. Zulfika March 2023).

From the results of the interviews above it leads to uncertainty that traditional markets must be revamped with an empowerment pattern by the relevant agencies. Product quality is an important thing that every trader must strive for if the goods produced can compete in the market to satisfy consumer needs and desires.

Furthermore, in interviews with informants from the Perindakop Service, they said that:

"There are several markets in Wamena including the sinakma market, new market, woma market and potikele market. The existence of traditional markets in Wamena is budgeted for by the Special Autonomy Fund which makes policies for constructing and constructing buildings or traditional market places for mothers and market players in some of these areas. (Interview with Informants LW March 2023).

The results of the interviews above point to the development of traditional markets that have become a concern of the government with the existence of a budget that is budgeted from the Special Autonomy Fund, in contrast to markets from several entrepreneurs outside the regional special autonomy funds. Access to traditional markets is still a bit difficult to reach due to market conditions that are still having problems with clean water and electricity.

Alternative strategies for developing traditional market traders to increase competitiveness can be pursued by several strategies Wibowo, F., Khasanah, AU, & Putra, FIFS (2022), including: Increasing access to market information and improving infrastructure facilities by market managers so that market traders traditional is more updated with the times. Increasing strategic partnerships
between traditional market traders and modern markets so that they can work together to meet market needs according to their respective segments.

CONCLUSION

As the data that has been produced in research on the influence of modern markets on the income of traditional market traders, namely market dynamics brings the consequences of competition between traders. The competition occurs between Modern Markets and Traditional Markets, between fellow Modern Markets, between fellow Traditional Markets, and between suppliers (suppliers). The competition that is most felt is the competition between the Modern Market and the Traditional Market. Where Traditional Markets must be increasingly marginalized by the presence of Modern Markets which are able to present consumer needs with better facilities and lower prices. Competition between modern markets is more segmented, that is according to their class. But each has a unique competitive strategy. Not infrequently in price competition there is an open price war. In addition to price competition, there is also competition in services that provide convenience to consumers. But the existence of the Modern Market in Papua City has not fully had a significant impact on the traders of the Papua City Market. This is proven by conducting interviews and questionnaires with traditional market traders directly. Traders who were distributed questionnaires as key informants in the study answered that there was no significant effect when people’s standard of living increases, besides requiring the availability of a complete variety of goods from primary needs to tertiary needs. Society also needs supporting facilities such as comfort, freedom, or guarantees of low prices and good quality. Modern markets do not have a significant effect on traditional markets. From Tables 2 and 4 it can be seen that out of 100 traders only 14 were affected and the remaining 86 traditional market traders were not affected by the presence of the modern market.

REFERENCES


pasar modern di Kota Serang dalam penerapan strategi pemasaran. Majalah Ilmiah Bijak, 16(2), 110–120.


