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## Synthesis of Traditional Marketplace Studies in Indonesia

Raden Aswin Rahadi<sup>1</sup>, Fajar S.A. Prabowo<sup>2</sup>, Alia Widyarini Hapsariniaty<sup>3</sup>

<sup>1</sup> Senior Researcher, RA+ Center for Real Estate Studies (RA+CRES), Bandung, Indonesia.

<sup>2</sup> Lecturer, School of Economics and Business, Telkom University, Bandung, Indonesia.

<sup>3</sup> Researcher, RA+ Center for Real Estate Studies (RA+CRES), Bandung, Indonesia.

Corresponding email: [aswin.rahadi@gmail.com](mailto:aswin.rahadi@gmail.com), [fajarmotekar@gmail.com](mailto:fajarmotekar@gmail.com), [hapsariniaty.alia@gmail.com](mailto:hapsariniaty.alia@gmail.com)

### Article Information

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### Abstract

The purpose of this study is to address the categories of attributes that influence traditional market condition in Indonesia. This study acted as a preliminary study with the final goal of creating a conceptual model suitable for the traditional market condition in Indonesia. Twelve research papers specifically discussing the traditional market condition in Indonesia are analysed and synthesized. The findings of this study suggested that from the papers synthesis, there are ten major groups of categories that influence the current traditional market condition in Indonesia. The categories are government involvement, marketing strategy, market management, physical qualities of the traditional marketplace, the condition of the product being sold in the traditional marketplace, traditional marketplace consumer behaviour and demand, locational attributes, price of the product, the vendor's behaviour, and other influencing categories. This study shows the silver lining of categories of attributes of the traditional market condition in Indonesia. As most of the previous studies only view the outcome from one or several point of perspectives, the study originality derives from the authors' effort to create a general conceptual model for the traditional market condition in Indonesia.

### INTRODUCTION

Over the past few decades, traditional marketplace in Indonesia, has come to a worrying state now. With the increasing number of new foreign and local hypermarket and supermarket, flooding either the large and small cities in Indonesia, the condition of the traditional marketplace in Indonesia has been slowly decaying at an alarming rate.

Coupled with the somewhat seemingly high reluctance level of traditional marketplace visitation by the new generation of consumers in Indonesia, the number of the traditional market in Indonesia has reduced in a fast rate. According to the survey performed by surveyor AC Nielsen and Indonesian Marketplace Vendor Association or IKAPPI in 2013, the results showed that since 2007 the number of traditional marketplace in Indonesia has shrunk, from 13.550 in 2007 to 13.450 in 2009, up to 9.950 in 2011 (Latief, 2014) (Khamdi, 2014).

This condition leads to several academic studies, performed by researchers to uncover and learn more about the influencing factors for the reduction of traditional marketplace numbers in Indonesia. However, all of those studies have been performed locally in several separate locations in Indonesia. No primary model has been conceived from all of the available literature.

This study aims to bridge those research gaps. With the final goal of creating a synthetic model explaining the issue currently faced by the traditional marketplace in Indonesia, this paper will deliver the first stage of the study: literature synthesis of traditional market research in Indonesia. The findings in this study will become the benchmark for the next phase of the research.

Synthesis of the study in this paper will then be used to create guidelines for future research with statistical analysis. Qualitative and quantitative studies are expected to be performed in the next studies. The final results of the study will be beneficial in theory and practical implications, as it will help all of the stakeholders to perform necessary actions to preserve the cultural significant traditional marketplace in Indonesia.

## RESEARCH METHOD

This manuscript presents the first phase of the long-term study planned by the authors, to uncover the categories of attributes influencing traditional marketplace condition in Indonesia. As presented in figure 1, the results of this study would be valuable for the authors to create question lists that will be applied in the next phase: qualitative research process.

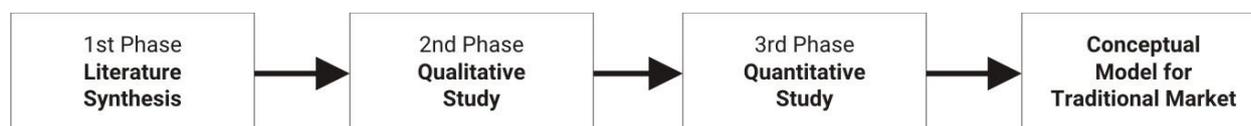


Fig. 1.  
Research Phases for this Study

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## DISCUSSIONS AND RESULTS

Based on the findings, we can see that most of the literatures deal with the problems that the current traders are facing. The problems include services, delivery, payment, constraints of time, weather constraints, establishing a relationship with the middleman, consumers, vendors, and officers. Additionally are the hard work of the merchants, saving behavior and religion of the traders (Sutami, 2012).

There is also still a sense of beliefs that the help of wong pinter or paranormal medium is also playing a vital part in the success of the traditional market vendors (Indrasuari, 2012).

Next are the factors of location, product divergence, price, and service quality that should be improved to attract more consumers to visit a traditional marketplace (Fure, 2013).

For specific goods, such as traditional cake, there are eight buying factors to be considered: price, promotion, culture (in this case Javanese culture), knowledge, place, experience, and lifestyle (Yuliati, 2011).

Historically, as seen in the timeline of marketplace development in Semarang, the problem faced by the current traditional marketplace condition is the form of regulation, market management, and government revitalization plan (Wijayati, 2009)

Other variables that influence the income level of a traditional marketplace vendor are the following: work time, initial working capital, location, and product type (Chintya & Darsana, 2013).

The traditional market has a positive role in the development of the hospitality industry in the city above. The strategies to develop this include: facilitation of fund, facilitation of policy, preservation of marketplace as an artefacts and tourist attraction, integration with other tourism program, and management optimization as a tourist destination (Aliyah, Daryanto, & Rahayu, 2007).

When designing a traditional market, there are three primary traits that should be considered. The current local architecture, function standards, and creation of the local wisdom. The current local architecture is built based on the sub-attributes of interconnection with the environmental functions, accessibilities and external circulation system, and the responses to the shape and form of the city. The function standards is consisted of several sub-attributes of type and size of the kiosks, efficient use of space, width of the circulation lane, zoning, accessibilities and air circulation system, lighting system, common facility availability, clean water utility, wastewater utility, and waste management. For the last category of local wisdom creation, the sub-attributes consisted of physical look, the experience of space, and socio-cultural space (Ekoady & Hidayatsyah, 2012).

A research in Depok city in 2011, suggested that the best alternative for Depok citizen to shop, from the first rank to the last is supermarket/ hypermarket (44,1%), traditional marketplace (22,4%), and grocery store (12,6%). The result suggested that current Depok citizen is switching their preference for shopping to the hypermarket. The criteria used to calculate the value of this study consisted of the attributes of price, quality, service response, and facilities (Aryanti, 2011).

Using porter's diamond analysis, a study to analyze determinant factors and potentials influencing traditional marketplace competitiveness suggested that income variables, shopping intensity, product quality, market cleanliness, and market livability all affect the competitive edge that a traditional marketplace has (Nurmalasari, 2007).

A study to analyse the attributes to improve physical qualities of the traditional marketplace in Bandung was conducted in 2008. Three traditional marketplaces were reviewed with seven attributes were examined for this research: accessibility, safety, security, health, livability, facilities, and aesthetics. The results suggested that although the safety and security attributes have been achieved in those traditional marketplaces, the aesthetics condition, and the facilities condition should be improved (Tristyanthi, 2008).

A comparative study between traditional marketplaces versus modern marketplace was analyzed in 2011. There are several empirical findings which suggest that capital turnover rate, item turnover rate, price margin, price, service hospitality, definite measurement units, location, and outlet's atmosphere (security, safety, cleanliness) (Utomo, 2011).

A study on the design on the traditional marketplace in Bandung, Indonesia was also conducted in the year 2011. The main conclusions from the study suggested that the design aspect of the traditional marketplace is not the main contributing factors to help increase the visitation rate of a traditional marketplace. Other important aspects such as product price, product quality, and product availability plays a more significant part in attracting consumers to traditional marketplace (Rahadi & Hapsariniaty, *Lifestyle and Architecture: A Consumer Perception Exploratory Study on Well Designed Marketplace in Bandung*, 2011).

A follow-up study on the primary contributing attributes for consumers to become a repeat buyer in the traditional marketplace was conducted in 2011. The results of the study suggested that quality of service (ability to deliver service, helpfulness, hospitality, store comfort, and product availability) and Self-Identification (understanding needs, special products, consumer recognition, and special price) are all forming the relevant categories for consumers to become a repeat buyer (Rahadi, *Repeat Consumption Behaviour in Traditional Markets: Bandung and Surrounding Regions*, 2012).

The keywords of the synthesis can be found in the following figure:



Fig. 2. Summation of Keywords from Literature Synthesis Summary

Based on the findings above, we were able to create a mapping of the attributes and categories influencing the traditional marketplace visitation and preferences performed by their consumers. The results suggested that the characteristics affecting the sustainability of a traditional marketplace can be divided into ten categories of government involvement, marketing strategy, market management, physical qualities of the traditional marketplace, the condition of the product being sold in the traditional marketplace, traditional marketplace consumer behavior and demand, locational attributes, price of the product, the vendor’s behavior, and other influencing category.

Each of the categories presents different characteristics. For government involvement, the attributes include preservation of the traditional marketplace as tourism artifacts, a form of the regulations, government revitalization plan, and overall government policy. Next is the marketing category, consisted of promotions and integration with another tourism program.

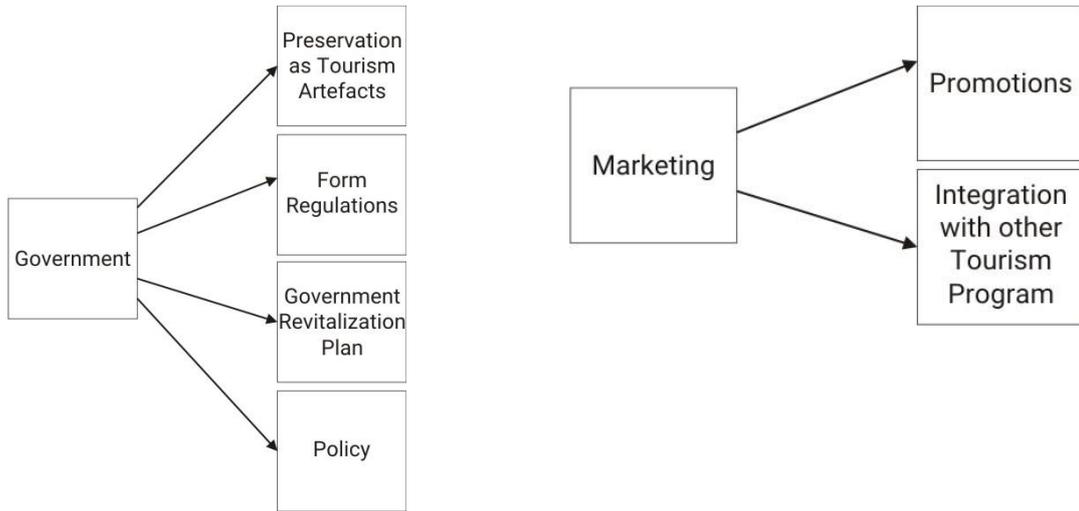


Fig. 3.

[a] Cluster of Government Influenced Attributes [b] Cluster of Marketing Influenced Attributes

The third category is the marketplace management itself. The group consisted of traditional marketplace management optimization and the capital turn-over rate. The fourth category is the location group. It consisted of the attributes of place, accessibility, security, safety, local wisdom, and facilities.

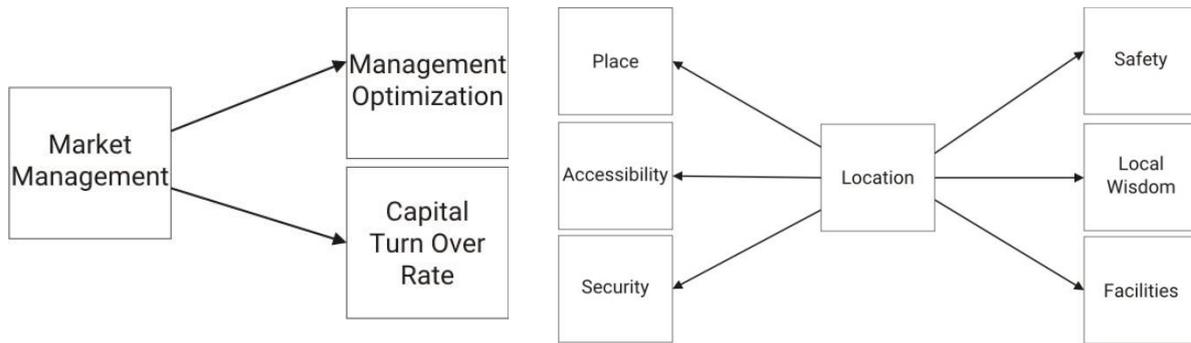


Fig. 4.

[a] Cluster of Market Management Influenced Attributes [b] Cluster of Locational Influenced Attributes

Next is the category of physical qualities. The attributes grouped into current local architecture value, the design of the marketplace, and the esthetic value of the traditional marketplace. The sixth category cluster is the product sold in the traditional marketplace. The attributes grouped in this category include product quality, product turn-over rate, delivery of the products, availability of the products, the presence of particular products, product variations, and product type.

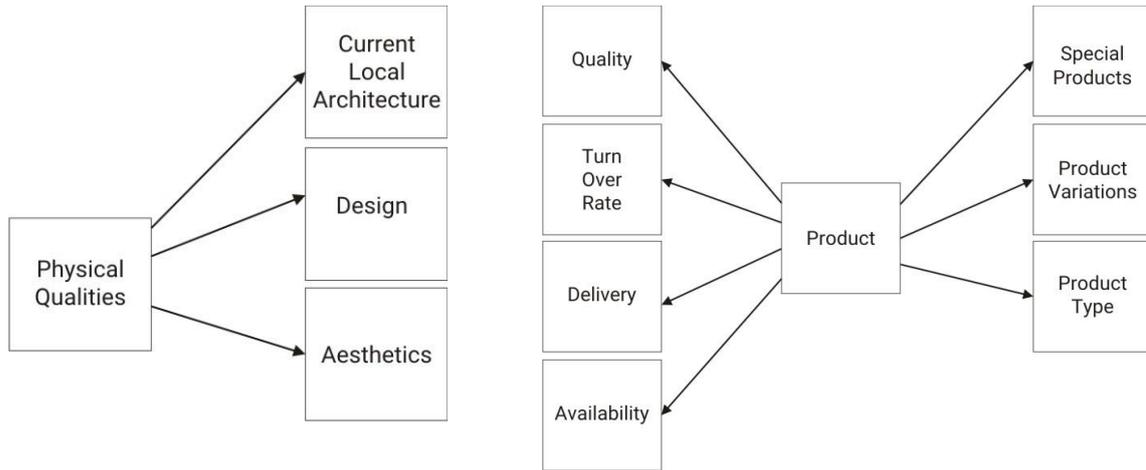


Fig. 5.

[a] Cluster of Physical Qualities Influenced Attributes [b] Cluster of Product Influenced Attributes

The seventh category grouping consisted of the attributes of the product price. The attributes are the presence of product unique price and the margin of product’s price. Next is the category of consumers of the traditional marketplace. The attributes present here include: lifestyle of the consumers, service delivery satisfaction, traditional marketplace experience, quality of service received, shopping intensity, health consciousness, marketplace vendor comfort level, understanding needs, level of cleanliness of the marketplace, the knowledge standards of the marketplace, and consumer recognition by the vendors.

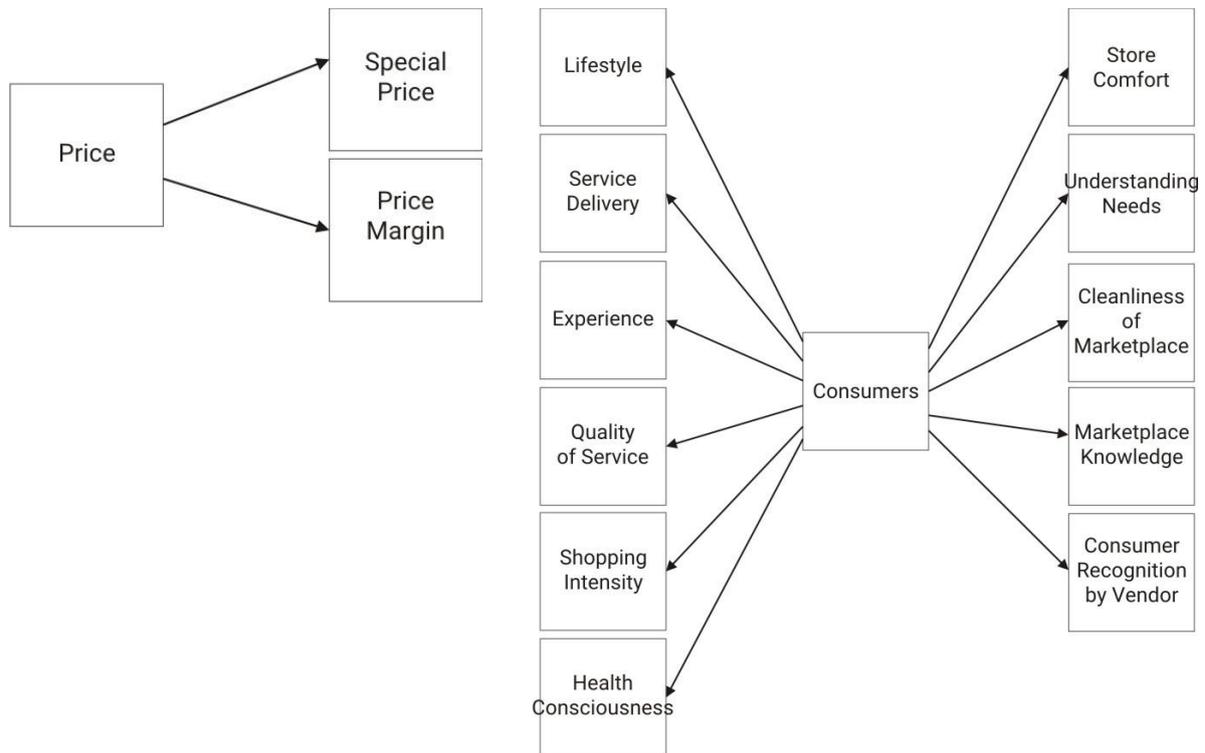


Fig. 6.

[a] Cluster of Product Price Influenced Attributes [b] Cluster of Consumers Influenced Attributes

The ninth category present in this study is the category of vendor. The attributes include: funding availability for the operational of the store, religious believe of the vendor, the presence of paranormal medium during their

operation, vendor helpfulness, work time of the vendor, definitive measurement units delivered by the vendor, vendor hospitality, income variables, the responsiveness of the vendor, the saving behavior of the vendor, and the work ethics of the vendor in conducting business. The last category presented in this study is grouped as other influential attributes. The grouping consisted of external attributes influencing the sustainability of the traditional marketplace. The attributes in this category consisted of the culture of the traditional marketplace, the presence of middleman, and constraints of weather condition.

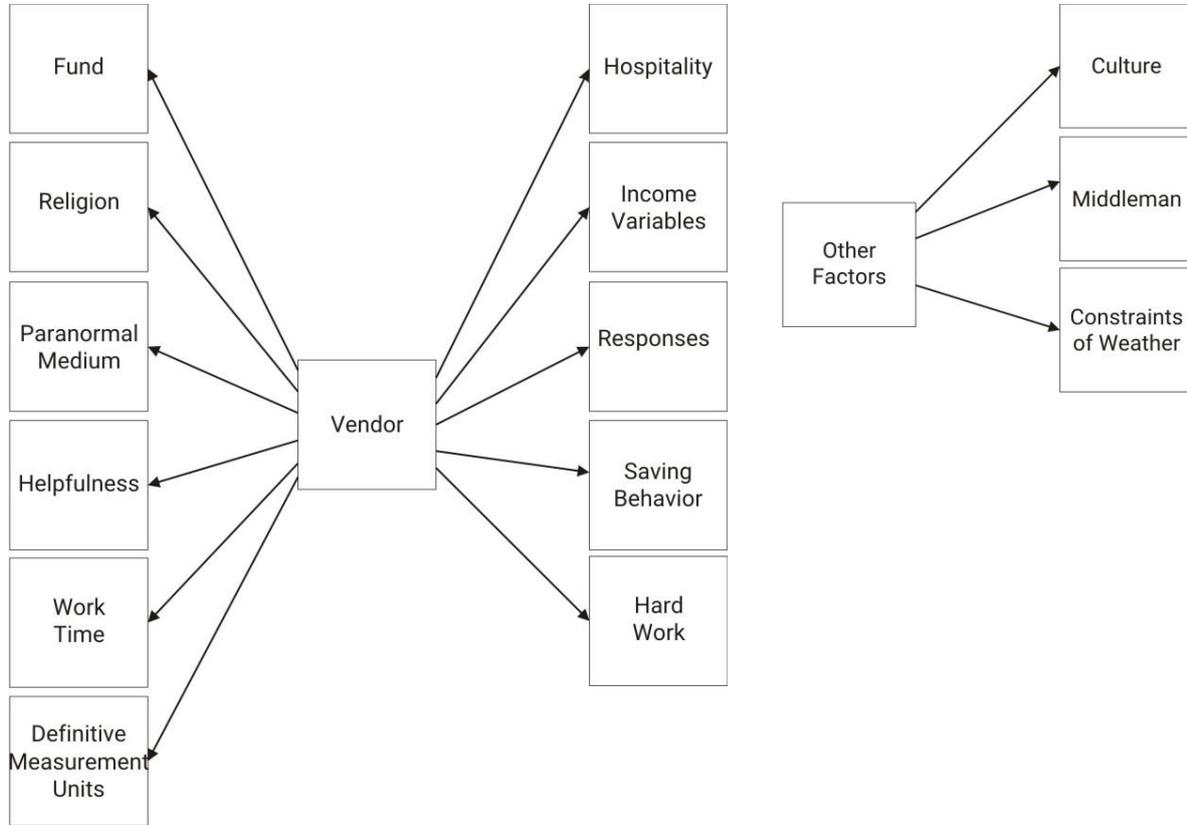


Fig. 7.

[a] Cluster of Consumers Influenced Attributes [b] Cluster of Other Influencing Attributes

**CONCLUSION**

In this paper, we analysed twelve different research studies on the traditional market situation in Indonesia. The study itself is a part of a long-term examination of the traditional market in Indonesia. This preliminary study results will be useful as the first step to creating a list of questions for further research. The final goal of the overall study is to create a model explaining the traditional market condition in Indonesia.

The findings of this study suggested that there are ten categories of attributes that influence the condition of a traditional market in Indonesia: government involvement, marketing strategy, market management, physical qualities of the traditional marketplace, the state of the product being sold in the traditional marketplace, traditional marketplace consumer behavior and demand, locational attributes, price of the product, the vendor’s behavior, and other influencing category.

The objectives of this research are to create a preliminary list of attributes influencing traditional market condition in Indonesia, and it have successfully been obtained in this study via literature synthesis.

**FUTURE RESEARCH**

The categories and attributes found in this study are useful to construct the first questionnaire list on the traditional market condition in Indonesia. As the findings in this manuscript can be considered as the first phase

of the overall research, as mentioned in Figure 1, we will be able to continue to the second phase of the study, which is the qualitative research process. By interviewing influential figures in traditional market industry such as the vendors, consumers, government officials, and other researchers, we are hoping to produce a complete list of questionnaire items, which are then, will be used in the third phase of quantitative research process.

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