**ECONOMIC BEHAVIOR OF TRADITIONAL MARKET TRADERS IN RELATIONSHIP**

**WITH THE EXISTENCE OF MODERN MARKET**

HAMODAH

Brighamyoung University

Email :[syaidah744@gmail.com](mailto:syaidah744@gmail.com)

**ABSTRACT**

This task aims to determine the economic behavior of traditional market traders in the midst of the existence of a modern market.This research uses a qualitative research type. Data collection techniques were carried out by observation, interviews, and documentation. Informants in this study are traditional market traders.The results of the research obtained are 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. In improving the quality of products, traditional market traders sort the goods taken from the canvas in order to avoid damage to the product. Meanwhile, in improving the quality of service, traditional market traders serve buyers one by one, in that way buyers can also ask directly about the products to be purchased.

***Keywords: economic behavior of traders, traditional markets, the existence of modern markets***

PRELIMINARY

In this era of globalization, it has brought changes to the pattern of life and the needs of the community. The existence of modern markets is felt by many parties, including traditional market traders[[1]](#footnote-1). The market as one of the shopping facilities has been integrated and has an important place in people's lives. For the community, the market is not just a meeting place for sellers and buyers but also as a place for social interaction.

Traditional markets are places where sellers and buyers can bargain directly and the goods traded are basic necessities[[2]](#footnote-2). This traditional market plays an important role in advancing economic growth in Indonesia, where the existence of traditional markets is very helpful for people who depend on trading activities for their lives.

In a traditional market, a trader does not just receive money and other parties receive goods, but there are social needs to be obtained from other parties, namely reciprocal appreciation that takes place in an equal relationship, a personal emotional bond is established. Likewise, consumers/customers do not only get the goods they need, but there are other "satisfactions" that are needed, including the place and with whom the seller is dealing[[3]](#footnote-3). In eastern culture, shopping while socializing is more of a preference than shopping individually, so shopping while talking is one of the modes of satisfying needs, or as a part that accompanies commodities that must be fulfilled.

The existence of a modern market has become a demand and a modern lifestyle that is developing in our society, this makes one of the factors that influence the economic behavior of traditional market traders where traditional market customers are starting to switch to modern markets which causes fewer consumers to shop at traditional markets. Therefore, the increasing competition between traditional markets and modern markets which has an impact on traders, the researchers are interested in conducting research related to how the economic behavior of traditional market traders in the presence of modern markets. Based on this, researchers are interested in conducting a study entitled "Economic Behavior of Traditional Market Traders in Relation to the Existence of Modern Markets"

Behavior is a trait that exists in humans, human behavior is simply driven by certain motives. According to the Big Indonesian Dictionary, behavior is a response or individual reaction that is manifested in movement (attitude), not only body or speech. While the etymological understanding of traders is people who trade or can be referred to as merchants. Traders can also be referred to as people who trade, trade goods or products that are not produced themselves for profit.

All individual behavior, including economic behavior, must refer to the moral norms found in society. Subjective economic behavior can not only be seen in the behavior of consumers, but also the behavior of traders. As with consumer behavior, the behavior of traders is not solely influenced by their rational knowledge but also by the value system they believe in[[4]](#footnote-4).

There are several factors that can influence the behavior of traders, namely:

1. Quality of goods or products

The quality of goods/products is the level of good or bad or the level of a product. Product quality is a number of attributes or properties that are described in the product and used to meet customer expectations. Product quality is an important thing that every trader must strive for if they want the goods produced to compete in the market to satisfy the needs and desires of consumers.

1. Service quality

Service is helping by providing everything that is needed by other people such as guests or buyers. Serving buyers well is a must so that customers are satisfied. A seller needs to listen to the feelings of the buyer. The quality of this service is not a permanent thing but is flexible and can change. This change is of course in the form of improving the quality of service to be even better. In the process of changing the quality of service to customers, including in the form of input, opinions and feedback about the services that have been provided.

1. Price

Consumers tend to prefer shopping places that have lower prices. Traders are also supposed to keep books in the form of financial information, such as the cost of purchase, which is accompanied by financial statements. As a trader, you are required to record every transaction made.

According to the service quality class, it can be classified into traditional markets and modern markets:

1. Traditional market

Minister of Trade Regulation No. 53/MDAG/PER/12/2008 explained that traditional markets are markets that are built and managed by the government, local governments, private sector, state-owned enterprises and regional-owned enterprises including cooperation with the private sector with business premises in the form of shops, kiosks, stalls and shops. tents owned/managed by small, medium-sized traders, non-governmental organizations or cooperatives with small-scale businesses, small capital and with the process of buying and selling merchandise through bargaining[[5]](#footnote-5). Infrastructure problems that have become a serious problem in traditional markets are the lack of parking space, the condition of the buildings, cleanliness and garbage disposal are still poorly maintained, and poor air circulation.

1. Modern market

Minister of Trade Regulation No. 53/M-DAG/PER/12/2008 concerning Guidelines for the Arrangement and Development of Traditional Markets, Shopping Centers and Modern Stores[[6]](#footnote-6), defines a modern store as a store with a self-service system that prioritizes professionalism and service quality to attract as many consumers as possible in the form of Minimarkets or Supermarket.

The characteristics of the modern market are:

1. Building layout design
2. Cozy room
3. Easy access by public transportation
4. Selection of goods
5. There is a barcode on every item
6. Service that really pampers consumers
7. Convenient payment

**RESEARCH METHODS**

This research uses qualitative research in descriptive form. According to Moleong (2019), this type of qualitative research intends to understand what is experienced by behavior, perception, or action holistically and by way of description in the form of words and language. The research was conducted at Moderen Market. Subjects in this study were determined by the purposive sampling technique , the issues in this study were seven people consisting of the principal Moderen Market. The data collection techniques in this study were interviews, observation, and documentation. To check the validity of the data using triangulation techniques, namely source triangulation and technical triangulation. According to Moleong (2019) triangulation is a technique of checking the validity of data that utilizes something other than the data for matching purposes or as a comparison against the data. Data analysis activities include data reduction, data presentation, and verification/conclusion

**RESEARCH RESULTS AND DISCUSSION**

Data exposure

1. Determining the price

In essence, 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 which is impossible to get when shopping in modern markets, because in modern markets the price is fixed which is marked with a price tag.

1. Improve product quality

Product is one element of the marketing mix that can satisfy the needs and desires of consumers. It is hoped that through the purchase of these products, consumers can fulfill their satisfaction. Product quality is the advantage of a product that will be felt by consumers.

1. Improve service quality
2. Service quality is a measure of how well the level of service provided is able to match customer expectations.

**Determining the price**

Price is one of the success factors of a company because the price determines how much profit the seller will get. Setting the price too high will cause sales to decline, but if the price is too low it will reduce the profits that will be obtained. In establishing prices in traditional markets, there must be a price agreement between the seller and the buyer.

Buyers and sellers can bargain. Bargaining is intended to reach an agreement on the price of the product. Bargaining will continue until the price can be accepted by the seller and the buyer. Usually, the price demanded by the seller is higher than the price desired by the buyer.

the price issue between the traditional market and the modern market has a significant difference. Consumers can get a lower price if they are able to bargain for the price of the item. In contrast to the case in modern markets where a fixed price tag is printed, modern markets carry out price and non-price strategies, for example by providing price discounts at certain times, non-price strategies in the form of advertisements and free parking[[7]](#footnote-7).

**Improve product quality**

In running a business, the products sold must have good quality or in accordance with the price offered. So that a business or company can survive in the face of competition, especially competition in terms of quality. Consumer perceptions of product quality, can be influenced by product prices. Consumers have a perception that the higher the price of a product, the higher the quality of the product. Consumers can have such a perception when they do not have other clues or references to product quality[[8]](#footnote-8).

In traditional markets, goods such as vegetables, fish and fruit are fresher because they are supplied directly in the morning and usually not in large quantities and the process takes place every day. while in the modern market the freshness of the product is unbeatable also because of the freezer.

**Improve service quality**

Service is an action taken or carried out in order to attract buyers so that they want to use the products offered with the ultimate goal of making transactions. In this effort can not be separated from the service[[9]](#footnote-9). Excellent service is able to retain existing customers. Service quality is the level of excellence to meet customer desires.

**CONCLUSION**

Based on the results of the discussions that have been carried out in traditional markets, it can be concluded that the condition of traditional markets in the midst of the existence of modern markets greatly affects the income of traditional market traders, which is marked by a drastic decrease in income.

Traditional market traders in determining their market prices still follow market prices by applying a bargaining system and buyers who take their wholesale goods are given lower prices. Meanwhile, in maintaining the quality of its products, namely by re-checking the goods that have been taken by the box car (Kampas) for sale in the market and replacing new products if there is damage to the products purchased by consumers. And for the quality of service in traditional markets, namely by serving consumers one by one at prices not listed on the packaging.

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