

THE IMPACT OF MODERN MARKETS TOWARD INCOME OF TRADITIONAL MARKET TRADERS

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Abstract: *The Way Jepara traditional market is a market whose management is still carried out conventionally and the interaction between traders and buyers is very intense. There is a bargaining process between traders and buyers to reach a price agreement that is considered appropriate for both parties. This condition is in stark contrast to the modern market which is starting to grow and develop rapidly in Way Jepara whose management concept is already organized and systemized. In modern markets, the interaction between traders and buyers is minimal because they have implemented the concept of self-service, which means that buyers serve themselves. This study aims to determine the difference in the income of Way Jepara market traders before and after the existence of the modern market. This research method uses a comparative research type to determine the difference in the income of Way Jepara market traders before and after the existence of the modern market. The data analysis used is the Related Sample t-Test because the income data used in this study is ratio data. The results of this study indicate that there is a significant difference in the income of Way Jepara traditional market traders between before and after the existence of the modern market. Thus the research hypothesis is accepted.*

Keywords: *Income, Traditional Markets, Modern Markets, Traders, Economics*

1. Introduction

The market as one of the shopping facilities has been integrated and has an important place in people's lives. The market is not just a place where sellers and buyers meet to make transactions, but also a place for social interaction and representation of traditional values.

Technological developments in the last decade have brought changes in various aspects of people's lives, including in this case changes in people's shopping patterns to fulfill their daily needs and desires. Before the emergence of modern markets, the people of Way Jepara Subdistrict used traditional markets as the only place for them to fulfill their needs and desires. Lately, there has been a visible change in the shopping patterns of the Way Jepara people who prefer to shop at modern markets to fulfill their needs and wants.

The Way Jepara traditional market is a market whose management is still carried out conventionally and the interaction between traders and buyers is very intense. There is a bargaining process between traders and buyers to reach a price agreement that is considered appropriate for both parties. This condition is in stark contrast to the modern market which is starting to grow and develop rapidly in Way Jepara whose management concept is already organized and systemized. In modern markets, the interaction between traders and buyers is minimal because they have implemented the concept of self-service, which means that buyers serve themselves.

In the Way Jepara sub-district there are many modern markets (MM 1000, MM 46, Strawberry acc, GP Muhamadiyah, Toko Parjo, Distro, Indomart and Alfamart) that have been established. These modern markets have started operating in the Way Jepara sub-district since 2009. Four of them are located in the vicinity of the Way Jepara traditional market with very close proximity. Besides being close to traditional markets, these modern markets also have a very close distance between one modern market and other modern markets. The phenomenon of the rise of modern markets is perceived as a threat to traditional market traders. Until a certain moment, market traders carried out demonstrations at modern markets around the Way Jepara traditional market.

This study aims to determine: Is there a significant difference in the income of traditional market traders before and after the existence of the modern market.

2. Literature Review

Income

The purpose of business activities is not just to survive, but also to get maximum profit. The main point of running a trading business is to earn income, where the income can be used to meet the necessities of life and the survival of the trading business. Income can also be used as a tool to measure the economic condition of a person or household. Income shows all the money or other material results achieved from the use of wealth or services received by a person or household during a certain period of time in an economic activity (Winardi, 2013). Meanwhile, according to PSAK No. 23 paragraph 06 Indonesian Institute of Accountants (2010; 23.2), states that: "Revenue is the gross cash inflow of economic benefits arising from the normal activities of a company during a period. If the inflow results in an increase in equity, which is not derived from the contribution of investors.

According to Kieso, et al. (2011), explaining the definition of income is as follows: "Gross inflow of economic benefits during the period arising in the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants". From the information above, it can be concluded that revenue is an inflow or settlement of obligations (or a combination of both) from the delivery or production of goods, providing services or carrying out other activities which are the main activities or ongoing activity centers.

Income is money received by a person or company in the form of salaries, wages, rent, interest, profit, etc., together with unemployment benefits, pensions, and so on. In microeconomic analysis, the term income is specifically used with respect to the flow of income in a period of time originating from the provision of factors of production (natural resources, labor and capital) in the form of rent, wages and interest, as well as profits, respectively. sequentially (Jaya et al, 2021). The income factors according to Markus, (2014) are as follows:

1. Business Capital

The amount of funds used by traders to provide their wares every day. This business capital unit is expressed in rupiah issued by traders every day.

2. Level of Education

The last education taken / completed by the trader. Where the education in question is formal education and for the level of education includes; Elementary, Middle School, High School, College.

4. Length of Business

The length of business is the length of time the trader has spent in running his business, indicated in years.

5. Working Hours

Working hours are the length of time used/dedicated to trading every day. Working hours are calculated in units of hours each day.

From this definition it is clear that every household in a three-sector economy generally earns income from economic activities that take place in the market. For consumption households, they will receive income from the provision of factors of production (natural resources, labor and capital) in the form of rent, wages and interest, as well as profit, respectively. For production households, they will earn income from the profit of selling goods and services. Meanwhile, government households will get income from taxes or fees on infrastructure and policies that have been given or provided. From the description above, it can be concluded that income is the total amount of money received by a person or household in return for services given or sacrificed during a certain period of time.

Modern market

The modern market is a type of market or a place where transactions between sellers and buyers occur at fixed prices so that no bargaining occurs. In this modern market, goods that are traded are of good quality and market conditions are clean and comfortable. According to Siburian et al. (2022), the modern market is a market where buyers and sellers do not transact directly. Buyers only see the price tag on a product package and the buyer is served independently by sales assistants, for example: supermarkets, minimarkets, hypermarkets, etc.

Modern markets are markets managed by modern management, generally found in cities as providers of goods and services with good quality and service to consumers. In modern markets, sellers and buyers do not transact directly but buyers see the price tags listed on the goods (barcodes), are in buildings and services are carried out independently (self-service) or served by sales assistants. (Widaningsih, Ariyanti, 2018; 12).

The definition of a modern shop according to Article 1 number 5 of Presidential Decree 112/2007 is a shop with a self-service system, selling various types of goods in retail in the form of minimarkets, supermarkets, department stores, hypermarkets or wholesalers in the form of wholesalers. Every modern shop must take into account the socio-economic conditions of the surrounding community and the distance between the modern shop and the existing traditional market (Article 4 paragraph (1) of Perpres 112/2007). Modern markets are markets that are managed in a modern way with better facilities than traditional markets, modern markets have parking facilities, air-conditioned rooms, cashiers that are lined up, clean and spacious. (Yuyun alamsyah 2014).

In terms of quantity, modern markets generally have a measurable inventory of goods in warehouses. In terms of price, the modern market has a definite price tag (includes the price before and after being taxed). A modern market or also called a modern outlet is the arrangement of goods according to the same needs grouped in the same section that can be seen and taken directly by the buyer, the use of air conditioning and the presence of a professional salesperson. According to Sukirno, S. (2013) the factors that influence modern markets are as follows:

a. Price

The price issue between traditional markets and modern markets has a significant difference. The price of an item in a traditional market can even be one-third of the price of the same item sold in a modern market. In addition, in traditional markets there is price bargaining, buyers can get lower prices if they are able to bid and can get higher prices if they are not good at bidding. While in the modern market the selling price of goods has been determined, for some events the selling price of goods in the modern market is discounted.

b. Facility

The Modern Market is a new phenomenon in society, which has facilities such as good and luxurious physical buildings, complete infrastructure with air conditioning, escalators, parking, toilets, cleaning services, security.

c. Service

The modern market prioritizes friendly, polite and courteous customer service to customers. Because this is a strategy of the modern market to attract consumers to shop.

The different characteristics of minimarkets, supermarkets, hypermarkets, department stores and wholesalers according to the Regulation of the Minister of Trade No. 53/MDAG/PER/12/2008 are distinguished based on the floor area limitations, namely having the following characteristics:

1. Minimarkets

There was a growth of 1,800 units during the ten years until 2002. The area of minimarket space is between 50m² and 200m².

2. Convenience Stores

Convenience Stores are similar to minimarkets in terms of the products sold, but differ in terms of price, opening hours, space and location. There are convenience stores that are open 24 hours with a floor area of less than 350 square meters and are located in strategic places. This outlet has limited product variations and types. Convenience store is usually defined as a mini supermarket that sells only a limited line of various daily necessities with a relatively high turnover. Convenience stores are aimed at consumers who need purchases quickly without having to spend a lot of effort in finding the products they want. Products sold are usually set at a higher price than in supermarkets.

1. Specialty Stores

Some people prefer shopping at stores where a complete selection of products is available so they don't have to look for it at other stores. The variety of products accompanied by prices that vary from affordable to premium makes Specialty stores superior.

2. Factory Outlets

Is the term used for a clothing store that sells apparel with well-known brands and is (mostly) leftover clothing for exports with different qualities.

3. Distro or distribution outlets.

Is a distribution store / store distribution. Which can be interpreted as a shop that specializes in distributing their own products.

4. Supermarkets

Small supermarkets have an area of between 300m² and 1,100m², while large supermarkets have an area of between 1,100m² and 2,300m².

5. Department Store or department store (convenience store)

This type of outlet has various sizes of spaces, ranging from a few hundred m² to 2,000 - 3,000 m². Department store is a type of retail that sells a wide variety of products and various types of products using several staff, such as customer service.

Traditional market

Traditional markets are places where sellers and buyers meet to conduct transactions, in which case the existing market organization is still very simple, the level of efficiency and specialization is low, the physical environment is dirty and the building pattern is narrow (Aryani, 2011). Traditional markets are built and managed by the government, regional government, private sector, state-owned enterprises and regionally-owned enterprises. According to Widaningsih, Ariyanti (2018; 12) traditional markets are places where sellers and buyers meet

and are marked by direct seller and buyer transactions. , buildings usually consist of kiosks or outlets, stalls and open grounds opened by sellers or a market manager.

In Regulation of the Minister of Trade No. 53/M-DAG/PER/12/2008 explains that traditional markets are markets built and managed by the government, local government, private sector, state-owned enterprises and regionally-owned enterprises including cooperation with the private sector with business premises in the form of shops, kiosks, booths and tents owned/managed by small, medium, non-governmental traders or cooperatives with small-scale businesses, small capital and with the process of buying and selling merchandise through bargaining.

According to Aryani (2011) some of the potential and characteristics of traditional markets, namely:

1. The ability of traditional markets to absorb local commodities from the surrounding area.
2. Functioning as a supplier for various agricultural inputs, housing, as well as the basic needs of society at large.
3. Traditional markets have their own market segments, which differentiate them from modern markets.
4. The traders who operate in the market are generally women so it is very beneficial for increasing business opportunities for women, in the sense that women generally have an advantage over men in serving consumers.
5. The market potential will be increasingly important because the market turn over is quite fast with the cash payment system

The hallmark of traditional markets is the presence of tents where sellers market their wares, as well as buyers who walk back and forth to choose and bid on the goods they will buy. The space for selling in traditional markets is not wide, adequately lit, and without air conditioning. Cleanliness is also often lacking. Garbage is scattered a lot so it smells. As a result, when it rains, traditional markets look muddy and dirty.

Advantages and Disadvantages of Traditional Markets; The advantages of traditional markets, Competition in a natural market, Strategic location, Prices are relatively cheaper, There is a bargaining process between buyers and sellers, One of the boosters of the economy of the lower middle class, Lack of Traditional Markets, The location is less clean and dirty, It is not trusted that the goods sold are carried out by unscrupulous sellers who are not responsible, Areas that are naturally open and not air-conditioned.

Trader

The definition of a trader according to the Big Indonesian Dictionary is a person who makes a living by trading. Traders are people who run a selling business, craft business, or small carpentry business (Sudirmansyah, 2016). Traders can be categorized into ; Wholesalers, operate in the distribution chain between producers and retailers. Retail Traders, also known as retailers, sell commodity products directly to consumers.

According to Hentiani (2011) in traditional markets traders are divided into two, namely stall traders and non-kiosk traders; Kiosk traders are traders who occupy kiosk buildings in the market, Non-kiosk traders are traders who occupy places other than kiosks, namely inside stalls, outside booths, platforms and pavilions.

Research Model

To provide a temporary answer to the problem to be studied, so that it will be able to clarify and broaden the course of the research to be studied, a research model is needed. The picture of the research model of this research is as follows:

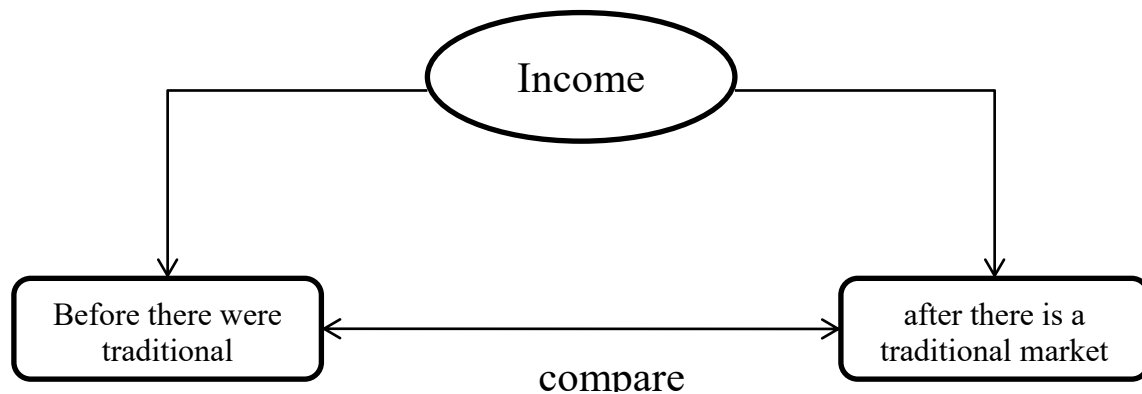
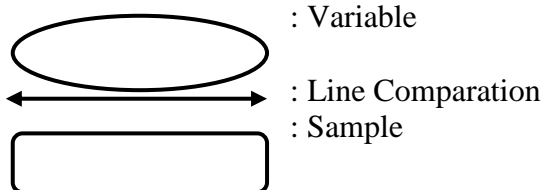


Figure 1. Research Model

Noted :



Research Hypothesis

From the various theories that have emerged and the various phenomena that exist in the field, the researcher hypothesizes "there is a significant difference in the income of Way Jepara market traders before and after the existence of the modern market.

3. Research Method

Type of Research

The form in this study uses a comparative research type or comparison with a before after design. In this study the variable used is the variable income of traditional market traders before and after the existence of the modern market.

Concept boundaries

Revenue is the net cash inflow received by Way Jepara traditional market traders before (2010) and after the existence of the modern market during one accounting period (2021)

Data collection technique

In this study, the data used is documentary data from the average income earned by traders in the Way Jepara traditional market, the number of which is 131, with product lines being sold in the form of clothing, household needs and groceries, of course, these product lines are the same as those sold. selling in modern markets around the Way Jepara market. The data that will be used is time series data from January to December 2021 and average income before the modern market was taken in 2010.

Data analysis technique

This different test model is used to analyze the pre-post or before and after research model. This test is used to evaluate one variable with the same two samples but with different time periods. The two-sample dependent t-test is used for data that has a normal distribution. Test criteria for decision making to accept or reject the hypothesis are as follows.

1. If $t \text{ count} < \text{Sig. (0.05)}$ then the hypothesis is accepted.
2. If $t \text{ count} > \text{Sig. (0.05)}$ then the hypothesis is rejected.

4. Results and Discussion

3.1. Results

From the documentation data obtained from traders, most of them are still in the form of notes which cannot yet be classified as financial reports, so researchers need to compile the data so that the data is truly valid as trader income data which will eventually be analyzed. After going through a long process and finally the data can be finalized as tabulated as follows:

Table 1. Income of Traditional Market Traders in Way Jepara District Before and After the Modern Market

Month	Income	
	Before	After
January	Rp. 2.230.000	Rp. 3.230.000
February	Rp. 2.250.000	Rp. 3.450.000
March	Rp. 2.740.000	Rp. 3.300.000
April	RP. 3.125.000	Rp. 4.250.000
May	Rp. 2.610.000	Rp. 2.790.000
June	Rp. 2.645.000	RP. 3.125.000
July	Rp. 2.230.000	Rp. 2.610.000
August	Rp. 2.250.000	Rp. 2.250.000
September	Rp. 2.740.000	Rp. 3.230.000
October	RP. 3.125.000	Rp. 4.250.000
November	Rp. 2.610.000	Rp. 3.740.000
December	Rp. 2.645.000	RP. 3.125.000

Source : primary data is processed, (2022)

Uji T (paired sampel t-test)

Paired Samples Test

	Paired Differences				t	df	Sig. (2-tailed)	
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower				Upper
Pair sebelum 1 - sesudah	56.790	30.159	3.351	50.121	63.459	16.947	130	.000

3.2. Discussion

Based on calculations using the paired sample t-test it is known that the impact of the existence of modern markets on the income of traditional market traders obtained a t value of 16,947 with Sig. (2-tailed) is 0.000. With sig $0.00 < 0.05$, the researcher's hypothesis that there is a significant difference in the income of traditional market traders before and after the modern market is accepted.

5. Conclusion

Based on the research results obtained, it can be concluded as follows:

1. Based on calculations using a paired sample t-test, the calculated t value of 16,947 is known to be the Sig. (2-tailed) is 0.000 because $\text{sig} < 0.05$, then the hypothesis is accepted, there is a significant difference in the income of Way Jepara market traders before and after the existence of the modern market
2. This study does not take into account various factors such as differences in data collection at different times, different exchange rates and different inflation.

Suggestion

Based on the conclusions stated above, the authors propose suggestions that can be considered by traditional market traders and local governments, namely:

1. For Traditional Market Traders

Traditional market traders should make efforts to maintain their business existence, for example by improving business management, increasing business capital and improving the quality of their business services so they can compete with the modern market.

2. For Local Government

Local governments should really implement regional regulations on modern markets so that the establishment of modern markets does not harm other parties, such as micro businesses, retail businesses and traditional market traders.

3. For the Community

For the people of Way Jepara to be expected to shop at traditional markets to maintain continuity and maintain capital flight out of the region so that the regional economy is increasing.

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