COMPARISON OF MODERN AND TRADITIONAL MARKETS FOR VEGETABLE COMMODITIES (*OLERICULTURE*)

(CASE STUDY: LOTTE AND PA'BANG BAENG)

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Abstract - The difference between traditional markets and modern markets which have inversely proportional characteristics is considered to weaken the position of traditional markets. The existence of unclear rules or regulations from the government regarding the modern market industry, especially regarding the distance between market locations, including cleanliness adds to the effort to handle traditional markets. The scope of Comparison of traditional markets and modern markets in this study includes Product, Price, Location and Distribution Channels indeed at least influences traditional markets, but specifically for fresh commodities such as vegetables, traditional markets still have their own market share. Consumers who buy in modern markets also buy in traditional markets and this is not limited to the level or economic class of consumers. However, it still requires a lot of energy to reduce and find solutions to the striking differences between traditional and modern markets. The most likely strategy used by traditional markets is how to establish synergies with modern markets, not by facing each other to attack each other.

Keywords - Traditional Market, Modern Market, Comparison of Traditional and Modern Markets, Vegetable Commodity

I. INTRODUCTION

The market is a link that connects producers and consumers, is a meeting place between sellers and buyers, between the business world and consumers. The market plays a very important role in the modern economy, because prices are formed in the market. With the help of prices in the market, the main economic problems of what, how, and for whom can be solved. The market is one of the most important factors in economic life. A narrow market can be interpreted as a place where goods or services are traded. Whereas in the broadest sense, the market is the process by which buyers and sellers interact with one another to determine or set prices in the market.

The flourishing of modern markets in the form of super mools, super markets, and mini markets, from cities to congestion and villages. This is the reason for the decline of small-scale commercial businesses. It is undeniable that small traders will get business pressure from the modern market. Prices cannot compete, prices are also not attractive, convenience cannot be given. Human nature always looks for convenience and it is all in modern markets and not in traditional markets.

As for some previous studies relating to this research, namely: "Impact of Modern Market Operations on Traditional Market Traders 'Revenue in Pekalongan City" From the *Test Statistics* table *(b), from the Wilcoxon sign test* , it can be concluded that there are differences in traditional market traders' income between before and after the existence of the modern market, even though the ranks can be seen that of 150 traders only 39 are affected and the remaining 111 traditional market traders are not affected by the presence of the modern market. So when viewed descriptively, the presence of a modern market does not significantly influence the income of traditional market traders in the city of Pekalongan because it only affects 39 traders from 150 traditional market traders as a sample, or about 26%.

The author wants to do research on two business communities that have different abilities but must live side by side in economic units. With the aim to analyze how much influence the modern market has on traditional traders ' turn over.

II. DETAILS METHODOLOGY

2.1 Research Type

This research is included in qualitative research, where the researcher aims to describe and analyze the comparison of traditional and modern markets in the city of Makassar.

2.2. Research Location Selection

Research on the management of traditional and modern markets in Makassar is focused on the consideration that Makassar City is one of the economic centers in Eastern Indonesia where in this city many traditional and modern markets are developing.

2.3 Data Sources

Sources of data in this study are the Department of Trade and PD Pasar Makassar Raya Makassar City. In addition, modern market managers and traditional market participants, namely traders and consumers, are the main data sources in this study.

2.4 Data Types

The type of data needed in this study includes primary data and secondary data.

Primary Data

Primary data relates to the opinions of market managers and traditional and modern market participants regarding market management policies in Makassar City . In addition, in-depth information from agencies related to market structuring directly is also primary data.

Secondary Data

Secondary data needed in the form of the number of traditional and modern markets, trade transactions, the licensing process of establishing a modern market, and other things that support the management of the market in Makassar City.

2.5 Data Collection Techniques

Interview Technique

Interview or interviews are data collection techniques by way of asking questions to the respondent or resources. Data or information in the form of responses, opinions, beliefs, feelings, thoughts, or knowledge of someone about everything that is questioned in connection with research problems.

In this study in-depth interviews will be conducted to the Licensing Office and Makassar City Market Management Office. In-depth interviews will also be conducted with a number of traditional and modern market players and consumers selected through purposive sampling.

Documentation Techniques

Documentation technique is a way of collecting data which is done by categorizing and classifying written materials related to research, both from journals, books, newspapers, scientific magazines, and others. Or how to collect written data in the form of archives, including books about opinions, theories, propositions, law, and others related to research problems. In this research the documentation data needed includes: various references for literature review, data from agencies related to market governance in Makassar City, and mass media publications.

2.6 Data Analysis Techniques

The data analysis technique used in this study is a qualitative analysis technique. Data analysis, according to Patton, is the process of organizing data sequences, organizing them into a single pattern, category, and basic description unit (Moleong, 2008).

The data analysis process begins by examining all data that has been obtained from various sources. Then the data is reduced by making abstractions. The next step is to arrange the data in units. The units are then categorized in the next step. The categorization is done while making coding. The last step is to check the validity of the data. After this stage is completed, new data interpretation is done (Moleong, 2008). So that the stages in qualitative data analysis include: data unit processing, data reduction, data categorization including checking the validity of the data, and interpreting the data.

Finally, researchers use a triangulation technique that is through three stages of checking: *First* , triangulation of data sources, which compares data obtained through interview techniques with data from observations and surveys . *Second* , conducting peer reviews to find out the opinions of researchers and other experts who conduct similar research. *Third* , the researcher will triangulate the theory, which is to compare empirical data with theoretical studies that have evolved and are recognized as true.

III. RESULTS AND DISCUSSION

Comparison Traditional Market and Modern in Makassar

The researcher then chose the Pa'bang baeng market as the object of research because it was very close to the Modern market, Lotte Grosir Alauddin.

a) Traditional Market (Pa'bangbaeng)

At first, Pa'bang baeng was owned by the government of Gowa Regency, which then over time and the expansion of Makassar City, Pa'bang baeng was later entered as an asset of Makassar City.

The Pa'bang baeng is also now divided into two, namely the West and East Pa'bang which were originally only one, the cause of this separation was due to market management.

Data Recapitulation of West Paeng Pa'bang Market 2019 according to data from PD Pasar Makassr Raya there are 406 maps of k places for official traders and only 251 actively active while 155 are inactive, for street vendors and 100m radius that is 330 active plots 248 and 82 inactive plots.

While the Data recapitulation Baeng Pa'bang Market East in 2019, according to data from PD Pasar Raya Makassr there are 292 questions k place for formal and active traders to sell only 55 traders seda ngkan 237 inactive, for hawkers da n a radius of 100m which there are 115 62 active plots and 53 inactive plots.

b) Modern Market (Lotte)

Lotte Mart first entered the Indonesian market in September 2008 by acquiring 19 *brands* of the Dutch retail company, Makro. The retail store in Grandaria City in Jakarta is their 20th branch since they promoted the brand name " *Lotte Mart* " in 2010. The Grandaria City branch in Jakarta opened only in August but sales have reached 3 - 5 million US Dollars. Even though the *wholesale* sector in Indonesia is very competitive with European and American companies operating since the early 1990s. But in 2011, in just three years after the

company was founded, *Lotte Mart's* turnover was able to reach 1 billion US dollars from annual turnover, 25 percent jumping from the previous year.
After successfully developing the *Lotte Whole Sale* in Makassar, which was the result of the acquisition of a South Korean retail company with PT Makro Indonesia, PT *LotteMart* Indonesia was established to target Makassar by investing Rp50 billion in investments for *Lotte Mart* in Panakkukang Mall.
The results of the interview with Marketing Department Lotte Alauddin on behalf of Mr. Joenardi:

"Lotte Grand Opening in 2003 and PT. Macro was later acquired in 2008 by PT. LotteMart, 100% of shares from Makro to Lotte South Korea until now with the concept of Wholesale / Wholesaler"

Lotte Alauddin is only a few meters from the Pa'bang-baeng market. For 10 years Lotte developed rapidly as a modern market that offers goods both processed and fresh products including vegetables.

The comparison analysis of Lotte and the Pa'bang Baeng Market for several attributes is as follows:

1. Products
In theory, products are all forms offered to the market to be used or consumed so that they can meet the needs and wants of the market. These market desires can be physical, services, people, organizations and ideas.
Products available in traditional markets, especially vegetable products (*Olerikultura*) are still in great demand by consumers because their products or commodities are still in fresh condition .

Informant bu Ima as a consumer who always shop at Pa'bang baeng :

"I shop here when it's Sunday, usually 2 times in a month for stock at home, even though it's not packaged well but the product can be selected fresh and average fresh"

Although the product y ang Pa'bang Baeng offered by the market as a traditional market is not as good and interesting as Modern markets are Lotte , would be but it is still very popular and in demand by consumers.

2. Distribution Channels
Distribution channels for the Pa'bang baeng market are:

- Farmers - Wholesalers - Retailers - Consumers

Producers, namely vegetable farmers in several regencies in South Sulawesi, are suppliers of vegetable commodities in the Pa'bang baeng market , farmers in Enrekang, Bantaeng and Gowa regencies.
Some retailers immediately take the commodity they will sell to consumers from large traders who directly take the commodity from producers or farmers. Large traders are also found in the Eggplant Market where retailers Pa'bang baeng take the goods.

- Farmers - Retailers - Consumers

Farmers also sometimes choose agents as their distributors to retailers , bypassing middlemen or distributors who then sell directly to retailers.

Distribution Channels at Lotte: Lotte takes vegetable commodities through: Suppliers, existing Suppliers, LDC Vendors, there are also several commodities which directly take from farmers called Contrak Farm (CF).

3. Price
Pa'bang Baeng market as a traditional market certainly offers low prices for consumers because the commodities of vegetables sold are fresh commodities without treatment such as packaging.
Consumer informants explained that:

"I am comfortable shopping at the Pa'bang Baeng market because the price is cheap and the bias is negotiable and the vegetables are fresh"

The results of the interview with Mr. Ahmad as one of the Pa'bang Baeng Market Traders:

"Many people who like to buy vegetables here, the reason is because they are fresh and negotiable, vegetables here such as Potatoes, Carrots, Cabbage, Tomatoes and Chillies have their own customers, it is even from the catering and hotels also take a lot here, usually crowded when it's vacation time, but work days are quiet "

Indef study (2007) found that consumers seat "low price" on the ranking of the first interest (most importantly) in the ten attributes of service for all commodities in traditional markets and hypermarkets. While traditional markets have a comparative advantage in attributes: low prices and negotiable prices .

While for the Modern Market (Lotte), because the system is Wholesale, the prices offered to consumers are on average catering and hotel entrepreneurs are also relatively inexpensive.

Consumer informants from the interviews explained that:

" I like shopping here (Lotte) because the price is cheap especially if you take a lot"

The interview results from the informants proved that the two markets above each have their own consumers.

4. Location

Presidential Regulation (Perpres) No. 112 of 2007 is intended to regulate traditional and modern markets. However, many parties considered that the Perpres had no teeth to protect traditional traders. (Self 06 / XXV / 2009). One of the weaknesses of this Perpres is that it does not regulate the distance or *zonning* between modern markets and traditional markets. Perpres No. 112 of 2007 gave a very large mandate to local governments. This regulation was further strengthened by regional regulations, including the City / Regency Spatial Planning (RTRWK). In fact, many modern retailers are accused of violating zoning rules, namely the minimum distance between the modern market and the traditional market.

Locations The two markets (Lotte and Pa'bang baeng) are very close at around 500m. From interviews with traders in the Pa'bangbaeng Market explained that:

"In the last 5 years, consumers have declined somewhat but there is no significant decrease, maybe it's because Lotte is so close from here"

While the results of interviews with Consumer informants:

" I choose both as a place to shop, if Lotte is usually once a month, while in Pa'bang Baeng it's twice a month for stock needs"

For Locations in Modern Markets such as Lotte, it does have a strategic location, Lotte Alauddin is a former Macro that was taken over by Lotte, its location is on the axis and also has a wide location that makes it easy and gives consumers convenience for shopping.

Some other attributes, such as: cleanliness, comfort, speed of service, number of products available, diversity of product types, brand diversity, promotion (gifts and discounted prices), outlet area, opening hours, and free parking, can also affect consumer preferences for the existence traditional retail and modern retail. The overall study of these attributes, while producing a more complete picture of traditional retail competition and modern retail, will make the study more complex.

IV. CONCLUSIONS

Many of attributes comparison of the market of traditional and market modern with each perbedaa owned indeed the least impact on the traditional markets, but specifically for fresh komditi such as vegetables, traditional market still has its own market share. Consumers who buy in modern markets also buy in traditional markets and this is not limited to the level or economic class of consumers. Nevertheless, still requires energy to mengura ng i and find solutions of the striking difference between the traditional and the modern. The strategy most likely to be used by traditional markets is how to establish synergy with modern markets , not by facing each other to attack each other.

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