

Sustainability Challenge Traditional Market in the Face of Digital market in East Java

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ABSTRACT

The purpose of this study is to formulate a strategy model for Sustainability Challenge Traditional Market in the Face of Digital Market in East Java. The problem of the existence of digital markets due to the development of internet technology has changed consumer shopping behavior from shopping offline or traditionally to shopping online. As a result, many traditional markets that sell their products offline are unable to compete and close their businesses. The problems are first, How dynamics of change shopping behavior in East Java. Second, How does digital market influence the traditional market in East Java. Third, What are the sustainability strategies traditional market in the face of digital market in East Java. The result of the study that there are five strategies for traditional market in the face of digital market. There are Service Excellent, Morality Value, Customer Database, Adaptation, Digital Literacy. This research uses qualitative approach, by interviewed key informant using snowball sampling technique. This informants of study were 49 people, with the criteria 18 people traditional market 's customers, 18 people online shoppers and 12 people sellers in traditional market, and one person as staffing in the traditional market.

Keywords: Digital Market, Motivation, Sustainability, Traditional Market.



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INTRODUCTION

Technology as an evolution product likes a double edged sword. In the first side, technology has a great potential to support human beings in the better quality life. Other side technology can plunge the people into destruction. Almost ten years, technology influences people's behavior in all life line. It also changes shopping behavior of people. Shopping behavior can be changed rapidly by the internet. Formerly, People buy their needs at the traditional market, but today they can buy everything that they want in the digital market. It can be called as e-commerce. As a result, traditional market started to be abandoned by customer. Traditional markets are the basis of the people's economy that have great potential in driving the economy. However, nowadays, traditional markets have been abandoned by consumers. In the midst of the increasingly unstoppable flow of

modernity and investment liberalization, traditional markets have been increasingly squeezed by the emergence of modern markets, such as malls, minimarkets, supermarkets, hypermarkets, and so on, which offer more advantages in terms of commodities, prices and convenience. This reality has made people abandon traditional markets which are the community's economic assets and tend to prefer shopping in modern markets that offer better facilities and services.(Riani & Syafruddin, 2024). This condition is very worrying, because traditional market is one of pillar the Indonesia economy. It also supports the growing of the national economy. Traditional market is the place where small and medium enterprises get together to sell the products. Government should be concerned with the existence of SME. However, today digital market or online shop can reduce buying interest in traditional market so that the profit seller significantly decreased. The competition that occurs between traditional market and digital market needs to find the solution. According to (Anugrah, 2020) the effectiveness of implementation online strategy by UMKM in PSBB (Large Scale Social Restriction) because of covid 19, that The Internet using growing rapidly in the economic transaction, but unfortunately it cannot be anticipated by traditional market so that the profit of traditional market reduced significantly. Today the condition of traditional market tends to be quiet, because of online shopping. (Istiarohmi & Airlangga, 2024). Policies and regulation that favor traders in traditional market needs to implemented so that loss of profit of the seller can be avoided.(Utari & Indrawati, 2023). Formulation of the problems are first, How dynamics of change shopping behavior in East Java ? Second, How does digital market influence the traditional market in East Java ? Third, What are the sustainability strategies traditional market in the face of digital market in East Java ?. The objective the research to identify the motivation people buying in traditional market and online shop. Second, this research will explore the shifting shopping behavior from traditional market to online shop.

According to the results of research by (Sarie, 2021)several interviews that have been conducted by the authors strongly suspect that the interests of the woman of the city of Surabaya at this time tend to prefer shopping for daily vegetable needs and side dishes in modern retail than shopping in traditional market. Today, consumer begin to buy their needs in online shop. According to (Priyambada et al., 2023) e-commerce, has many advantages for the customer. It gives easier access, extensive and efficient to shopping using internet. Observing the phenomenon of changes people's shopping behavior, especially from traditional market to digital market. the number of traditional markets in East Java is 2813 markets (Traditional et al., 2024)

Table 1. The Allocation of the Number of Markets

No	City	Number of markets
1	Surabaya	173
2	Sidoarjo	19
3	Malang	26
4	Gresik	100
5	Jember	31
6	Banyuwangi	10

Source : BPS (2024)

The author thinks that East Java that are Surabaya, Malang, Jember, Gresik, Sidoarjo, Banyuwangi are the suitable location to be object place for this research because there are many traditional retails spread out where consumer can go shopping to fulfill their needs. However when viewed from the above phenomena, the problem formulation is obtained, Formulation of the problems are first, How dynamics of change shopping behavior in East Java ? Second, How does digital market influence the traditional market in East Java ? Third, What are the sustainability strategies traditional market in the face of digital market in East Java ?. The objective of the research to identify the motivation people buying in traditional market and online shop. Second, this research will explore the shifting

shopping behavior from traditional market to online shop. Third, Formulating sustainability strategies traditional market in the face of digital market.

The novelties of the research are first, there are sustainability strategies for seller in traditional market can be implemented to survive from widespread of online shop. Second, East Java as a research object, has purpose the result of the observation and interviewing will give various answers.

METHODS

Qualitative method is chosen in this research. The approach of this research to the phenomenology model. Phenomenology used in this study, is empirical phenomenology which emphasizes data collection based on the experiences of various individuals who have experienced in the phenomenon. (Oberg, H., & Bell, 2012) The use of empirical phenomenology provides information that is the informant of the carried out so far customer shopping in traditional market, customer shopping in online shop and sellers of traditional market. This study using snowball sampling with the first criteria being the subjects in this study were people who shop in traditional market. To determine the number of informants of consumer who shop in traditional market by interviewing one person first, then finding another informant from the information of the first informant and so on until the saturation point. Determination of 49 informants consisted of with the criteria 18 people traditional market 's customers, 18 people online shoppers and 12 people sellers in traditional market, and one person as staffing in the traditional market.

Table 2. Informant

Informant	Number	Information
Traditional Market Customer	3	Surabaya
Online Shop Customer	3	Surabaya
Traditional Market Customer	3	Gresik
Online Shop Customer	3	Gresik
Traditional Market Customer	3	Sidoarjo
Online Shop Customer	3	Sidoarjo
Traditional Market Customer	3	Malang
Online Shop Customer	3	Malang
Traditional Market Customer	3	Jember
Online Shop Customer	3	Jember
Traditional Market Customer	3	Banyuwangi
Online Shop Customer	3	Banyuwangi
Seller Traditional Market PGS	2	Surabaya
Seller Traditional Market Larangan	2	Sidoarjo
Seller Traditional Market Tanjung	2	Jember
Seller Traditional Market Lawang	2	Malang
Seller Traditional Market Driyorejo	2	Gresik
Seller Traditional Market Muncar	2	Banyuwangi
Staff of Regional Enterprise's Traditional Market	1	Surabaya

Source: Processed Data (2024)

Table 3. Data Analysis

Variable	Category	Total
Gender	Male	15
	Female	34
Status	Married	22
	Single	27

Age	20-30	15
	30-40	10
	40-50	12
	50-60	7
	> 60	5
Education	High School	38
	Bachelor	11
	Postgraduate	0
Income	2-3 million	25
	3-4 million	12
	4-5 million	7
	>5 million	5

Source: Processed Data (2024)

The technique in this research using is an in-depth interview which is in its implementation using semi structured interview that aim to find out more about how consumers shopping motivation in online shop and traditional market in East Java. Researchers interviewed consumers who became sellers in traditional market in some towns. Informants gave information such as storytelling and the information is recorded as documentation material. Interviews by informants were conducted of approximately 20 to 30 minutes. This interviewing using of semi-structured interviews by preparing a set of questions for the interview in designated place. It taked by offline. Design questions compiled by the author that relate to consumer shopping behaviour that is about shopping motivation, what products are purchased, how the process and services to consumers such as: a) What are the motivation for shopping in traditional market and online shop. b) What problems are in traditional market and online shop. c) What products are bought in traditional market and online shop. During the interview, the researcher guided the informant following the arrangement of the questions that had been prepared. In this semi structured interview, the informants are allowed to give a free response, which can then be categorized.

RESULTS AND DISCUSSION

In the sub-discussion of the results of this study, answer the first research objective, which are the themes that are the motivations for consumers, to shop in traditional market. The results of research on themes using manual data analysis because the informant only 49 people. It showed that the motivation of consumers to buy in online shop are shown with 12 themes, namely: It is not necessary to go out, It can choose the payment's system, The payment can be Cash On Delivery (COD), Complete product, Cheaper Price, Lot of Promotion, Many variance Products, Efficiency, Easy to find product, Avoid physically contact and crowd, It doesn't waste energy, Cash Back, free delivery

Table 4. Online Shop Consumer Research Theme

Theme	Quotes
It is not necessary to go out	I go shopping at online shop because it is not necessary to go out (student, 21 years old)
It can choose the payment's system	We can pay by transfer or cash, there is system can be choice (student, 24 years old)
The payment can be Cash On Delivery (COD)	Sometimes I use COD to pay my order, it is make me easier. (housewife, 30 years old)
Complete product	I buy product at online shop because, I can find many things. Complete, everything is available. (student, 22 years old)
Cheaper Price	Shopping in online shop cheaper than traditional market (student, 26 years old)

Lot of Promotion	Lot of promo, sometimes if we are lucky we can get free. (student, 22 years old)
Many variance Products	There are many variances for the product, I can chose size, color, and price. (employee, 25 years old)
Efficiency	Buying in online shop is very efficient (housewife, 28 years old)
Easy to find product	Sometimes, there isn't product in market, I can find in online shop (students, 25 years old)
Avoid physically contact and crowd	I buy something in online shop to avoid physically contact and crowd. (employee, 30 years old)
It doesn't waste energy	If I buy product in online shop, It is very efficient and doesn't waste time. (student, 20 years old)
Cash Back, free delivery	Usually I buy in online shop if there is free delivery. (student, 22 years old)

Source: Processed Data (2024)

In the sub-discussion of this study, answer the second research objective, which are the themes that are the motivations for consumers, to shop in traditional market. There are 12 themes of the results of what are the purposes customer buy in traditional market: Economized, Complete Product, Fresh Product, Negotiable Price, Many Sellers, Good Quality Products, Resale, Multiple purchase, Buying product in small quantity, Social Interaction

Table 4. Traditional Market Consumer Research Theme

Theme	Quotes
Economized	If I go shopping in traditional market, it will more efficient (housewife, 30 years old)
Complete Product	I can buy anything in traditional market. The items are very complete (government employee, 39 years old)
Good Quality and Fresh Product	I go shopping in traditional market because the vegetables and fishes always fresh and in good quality. (housewife, 40 years old)
Negotiable Price	I go shopping in traditional market because I can make bargaining with the seller (student, 23 years old)
Many Sellers	The are many sellers, we can choose the best product Everything are available in traditional market (housewife, 34 years old)
Cheap Price	I buy in traditional market because it is cheaper than modern market and mall (housewife, 60 years old)
Many Options	If We go shopping in traditional market there are variety of chickens, there are ducks and fish. Everything are available. (housewife, 36 years old)
A lot of purchase	If I have party, I usually buy to traditional market because I need a lot of purchase. (housewife, 45 years old)

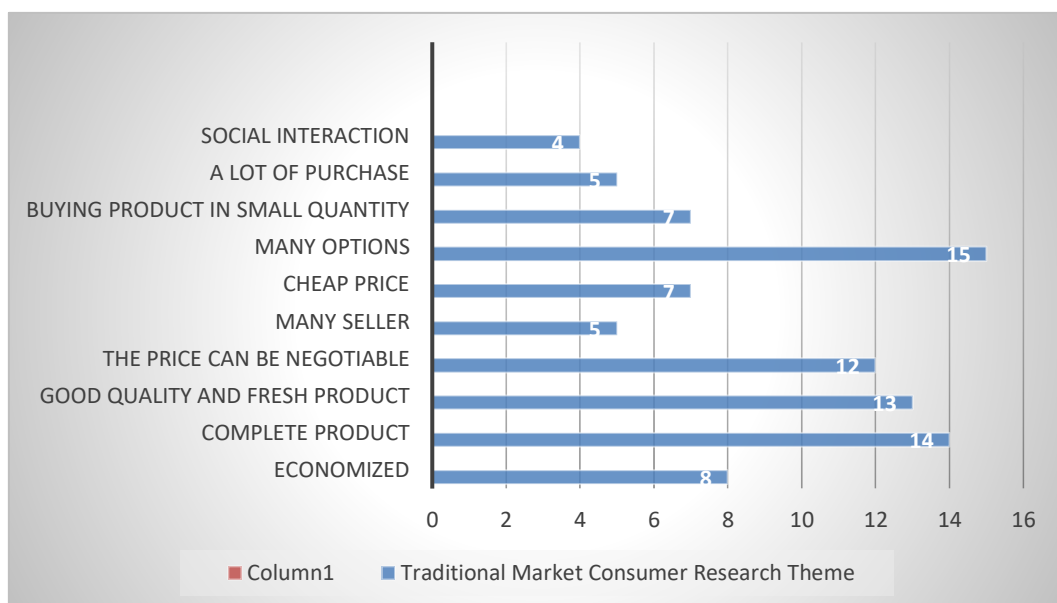
Buying product in small quantity

Usually if I buy vegetable, The seller permits me to buy in small quantity. I buy onion and chili only 5000 rupiahs. (housewife, 35 years old)

Social Interaction

I can meet my neighbor and my friends in traditional market, and the sellers are hamble. (students, 21 years old)

Source: Processed Data (2024)



Based on analysis above, it is necessary to make effective and efficient strategy to face challenges of digital market, for the sustainability traditional market today. Sustainability Strategy for traditional market facing digital market are 1) Service excellent. 2) Morality Value. 3) Customer Database. 4) Adaptation. 5) Digital Literacy.

Understanding about excellent strategy for the purpose to face challenge from digital market is needed to sustain traditional market. Excellent Service is the important strategy have been implemented to serve the customer. Seller provides courtesy and friendly offering products to the customer. One of the seller from Tanjung Market in Jember said, "I don't sell my product in online shop, but I don't worry about my shop, because I always friendly to my customer. If I sell my product in online shop, it is difficult thing, because it needed double wrapping, but the customer only buys one product."

Thus, excellent strategy can be implemented to face digital market by cooperated and synergy between traders, traditional market manager, and customer. Government also expected to create traditional market in good condition, orderly, tidy, secure, clean and hygiene. (Adeliana et al., 2019)

Second strategy for the sustainability traditional market is Morality Value. Morality value is one of strategy which needed for seller to service the customer. The important values in trading are Honestly and Trusted. Seller have to be honest and trusted because if they cheat about the product, customer will disappointed and they will not make rebuying. Seller have to offer a good product in a good price. Sometimes, to get much profit, they make bargaining in the process of transaction. Seller is expected to honest about the price and the product quality. On the contrary, one of the benefit of online shop, there is review from customers who have bought the product. They gave good commands or not about the product. So customer can make decision to buy or not this product.

Traditional market is a place where transaction occurs between seller and customer to obtain their needs and wants (Weruin, 2024), so that it is necessary to strive for moral market, namely a market that is able to uphold justice, equality, and welfare for society especially those who lose in market competition.

Third strategy is Customer Database. Traditional market's buyers usually are customers. Online shop has grown up significantly since pandemic covid 19 until today. It gives impact of a quiet traditional market. Nevertheless, traditional market still has survived because customers loyalty. They are woman who always shop to traditional market everyday. Average of them in 30 up to 60 years old. They prefer go shopping in traditional market than online shop. As stated by Ms. SR, "I prefer go shopping in traditional market and become customer almost 30 years." "It is not necessary to make shopping application. "I can directly buy the product without waiting for a few days. Ms. IDH also stated, I have been a customer in traditional market for a long time, and I am happy for that because The seller always gives me a gift for each Idul Fitri. They are friendly and kindly. If our money is not enough for shopping today, we can pay for tomorrow. The seller should have database of the customer so that be able to maintain the customer for always buying in traditional market. Database also can be functioned to handle customer's complains and to introduce new products.

Actually processing data base is needed to have computerized information in all business. It provides information quickly and accurately. A good database can make it easier for business owners to determine what actions to take to increase sales of goods. (D. Tri Octafian, 2015)

Forth strategy is adaptation to technological changes. Staff of Wonorejo stated, "Trader should adapt to current conditions by using the technology they have to market their products. Today, everybody has a mobile phone. "It can be used minimally to open pre order or promote and tell the new product." "We as market party are also improving ourselves to maintain market conditions so that they are comfortable and safe for shopping.

In the midst of a competitive crisis due to all needs shifting to the digital world, one of the keys to success for MSMEs is adjusting or adapting their social media strategy with a new approach, namely increasing the frequency of posting, using more interactive content and utilizing the features provided by social media platforms. (Sukoco & Aldila Krisnaresanti, 2024)

The last strategy that can be done for the sustainability of traditional markets is with Digital Literacy, namely being technologically literate. Understanding how to use digital technology today is a necessity. Both strategies, namely Adaptation and Digital literacy, are absolutely necessary, especially for products that are sold in online stores, specially fashion products, cosmetics, household needs and electronics. According to Mr. AGS, he also said, "Traders need to have digital literacy, namely digital knowledge when trading today." "Indeed, the government of Industry and Trade and the Ministry of SMEs need to provide training for traditional traders to use digital devices in trading. In the digital era, businesses are faced with rapid and complex changes. Rapid technological developments, changes in consumer behavior, and increasingly complex global challenges require companies to adopt effective adaptation strategies. In a rapidly changing business environment, companies need to develop the ability to adapt to these changes, identify new opportunities, and address emerging challenges.(Rahmasari, 2023)

Digital literacy education is important for micro and small business actors in the process of developing their businesses in the digital economy era so that the products they make can compete in the digital market by utilizing their abilities. If micro and small business actors are more aware of the importance of digital literacy, they can take advantage of the benefits offered in the digital economy era as long as the abilities they have are directly proportional to their needs in the digital economy era, for example the need to increase sales results must be supported by abilities in the field of digital technology in this case digital marketing based on the use of social media(Muzakki et al., 2022)

The implication of this research are firstly, that traditional market traders need to understand the need for relational marketing by providing the best service to consumers. Second, Traditional market traders should understand how to create a good impression for consumers by providing pleasant shopping experiences so that they will continue to make repeat purchases. Finally, Traditional market traders must make an effort to understand technology, especially digital marketing, in order to adapt to the progress of the times.

CONCLUSION

Based on the results of this study, some suggestions need to be done to improve the quality of service in traditional market. Traditional market should emphasize the quality of service provided to consumers, make it comfortable. Mostly Traditional markets are crowded, muddy, smelly, and narrow. Sometimes Informants are difficult to find the parking because the infrastructure is not big enough to accommodate the vehicles. So that The government is also expected to participate in maintaining the existence of traditional markets and helping traders to improve MSMEs through various programs. The government can provide training to market traders so that they can learn and understand marketing techniques well, and improve more efficient businesses. The government can also motivate traditional market traders to adapt to increasingly sophisticated technological developments, this is done so that traditional markets continue to exist and can compete with the Digital Market.

The government also should make a fair regulation among traditional market and modern retail. The government together with other related agencies, should protect to create a fair business competition climate. In general people in traditional market work in the informal sector that has independent money and sometimes have no associations. The attention of the government will be able to help them become one of the pillars of the strength of the national economy. The amount of traditional

market is quite large. It can potentially support the widespread economic growth, so that the distribution of social justice for all Indonesian people can be achieved.

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