

# Traditional Market Management Model Based on Digital Marketing

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## Abstract

The goal of this study was to see how traditional market management based on digital marketing is done in Medan. This study also looked at how the factual model worked at a typical market in Medan City..Researchers also intended to examine the conceptual model and the performance of marketing management models in conventional market centers in Medan City using digital marketing..The research and development (R&D) approach was applied in this study. The conceptual model, theoretical model, hypothetical model, and final model were all stages of the development model in this study. The process of building a.. traditional market management model based on digital marketing was divided into three groups of activities: (1) preliminary investigations (pre-development), (2) model development, and (3) testing are all steps in the development process (model application). The data gathering strategies used in this study were qualitative and quantitative research approaches. Observations, interviews, and document studies were used to collect qualitative data. Meanwhile, a questionnaire was provided to 65 vendors in 6 Traditional Market Centers in Medan City to collect quantitative data. Based on the outcomes of research conducted in six (six) traditional market centers in Medan City, it may be inferred (1) Traders have used social media platforms to communicate with their clients, according to factual model studies based on interviews and observations in 6 (six) traditional market places in Medan City.The utilization of digital platforms, on the other hand, is inefficient because it fails to capture the attention of consumers. Traders will need to be original and creative in order to capture clients' attention through digital marketing in this situation. (2) It can be concluded, based on a study of a digital marketing-based traditional market management conceptual model conducted in 6 (six) traditional market centers in Medan City, that digital marketing-based traditional market marketing management in Medan City tends to be in the category "Not enough." It suggests that significant changes are needed to increase and improve the accuracy of traditional market marketing management based on digital marketing. (3) It may be decided that the digital marketing-based traditional market management model is "Enough" based on the effectiveness of the digital marketing-based traditional market management model in 6 (six) traditional market centers surrounding Medan. This implies that each indicator met or exceeded expectations, and that the trend will "be even better" if it continues.

**Keywords:** Marketing Management, Traditional Market, Digital Marketing

## Introduction

The corporate environment is becoming increasingly modern and complex. The ways in which people use technology and information are becoming more varied and sophisticated. [1] A new era of digital marketing has entered

modern society's practice. The internet has given rise to new marketplaces and producers. [2] According to figures from the Association of Indonesian Internet Network Providers (APJII), more than half of Indonesia's population has access to the internet. According to a survey conducted in 2020, 175.4 million Indonesians had access to the internet. [3]



Figure 1. Online Shopping Activities  
Source: Digital 2021, Global Overview Report

According to the graph above, 81.5 percent of internet users look for goods or services online, 90.4 percent visit online merchants, 69.4 percent use PCs or laptops to conduct online transactions, and 76.8% use smartphones to make online transactions. This suggests that the market for online shopping and the usage of the internet as a marketing tool is fast expanding [4].

In everyday life, we as a society cannot avoid the difficulty of purchasing and selling essential necessities such as clothing, food, and housing in order to meet our basic requirements. The market is a place where traders and buyers congregate to conduct business. We can sell or acquire the commodities and services we require. The survival of traditional markets in the modern period, however, is beginning to be abandoned by the community as the era progresses. Some people's desires in terms of obtaining a basic necessity have switched to the modern market. [5]

"The establishment of a modern market in Indonesia has been extraordinarily rapid. Hypermarkets had the highest growth rate (25%) according to Euromonitor (2004), followed by cooperatives (14.2%), minimarkets/convenience stores (12.5%), independent grocers (8.5%), and supermarkets (8.5%) and supermarkets (3.5%). (Anonymous, 2010). In Indonesia, there are 13,450 traditional marketplaces with 12.6 million small vendors (Kompas 2006). The contemporary

market in Indonesia is rising at a rate of 31.4 percent each year, whereas the traditional market is falling at an annual rate of 8%, according to A.C. Nielsen's data. According to Smeru (2007), the existence of modern, rapidly developing marketplaces poses a threat to traditional markets. [6] Several industrial sectors are considering adopting the digital world as a result of significant advancements in information technology. Of course, as technology advances, so do people's demands for useful products. The business sector is feeling the consequences of technological improvements, and many entrepreneurs are turning to digital marketing to promote their wares. Digital marketing is a form of advertising that makes use of electronic media. Only a few examples include websites, social media, e-commerce, digital advertising, and so on [7]

Medan is a large metropolis with a population of 2.9 million people. Medan's population is split between 17 sub-districts and 151 urban settlements. In this scenario, a huge number of markets (Tax in the words of the people of Medan) are also following this phenomena, particularly traditional marketplaces. The Main Market, Olympia Market, Central Market, Sambas Market, Sukarame Market, Simpang Limun Market, and other traditional markets in Medan City. Some of these markets are open as early as 1:00 a.m., and some are even open 24 hours a day. [8]

## 2. Literature Review

### 2.1. Marketing Management

The marketing idea encompasses all of the company's marketing planning operations aimed at achieving customer happiness as the company's primary goal. The marketing management will be controlled in the future based on all operations that comply to the marketing strategy.

Marketing management, according to Buchori and Djaslim (2010), is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services in order to produce exchanges that satisfy individuals while also satisfying corporate goals [9]

Marketing management, according to Tjiptono (2011), is a set of business operations focused at designing, pricing, and distributing products, services, and ideas that satisfy the needs of the target market in order to achieve organizational goals [10]

According to Kotler and Keller (2011), marketing management is the art and science of identifying target markets and attracting, retaining, and growing customers by creating, supplying, and communicating general customer value [11].

### 2.2. Traditional Market

"A traditional market is an open area where buying and selling transactions take place, allowing for bartering. "Visitors do not always become purchasers at traditional markets, but they can also become sellers, and anyone can offer their items in traditional marketplaces. Traditional markets are a vital economic sector for the majority of Indonesia's population."

Wicaksono et al. (2011) define traditional markets as places where vendors and purchasers meet and are characterised by direct buyer-seller interactions. Outlets, booths, and open grounds are commonly seen in buildings that are opened by the vendor or a market management [12].

### 2.3. Digital Marketing

"Digital marketing, according to Heidrick & Struggless (2009:1), is the emergence of digital marketing via the web, mobile phones, and game devices, allowing new access to unnoticed but extremely influential advertising [13].

Digital marketing, as defined by Urban (2004:2), is the use of the internet and information technology to supplement and expand traditional marketing functions [14]. Digital marketing, according to Kleindl and Burrow (2005), is the process of developing and implementing a concept, price, promotion, and

distribution. Simply said, marketing is the process of establishing and maintaining mutually beneficial relationships between companies and their customers [15]

According to Chaffey (2002:14), digital marketing is the use of digital technologies to create online marketing channels (websites, e-mail, databases, digital TV and through various other latest innovations including blogs, feeds, podcasts, and social networks). Which are beneficial to marketing efforts.[16]

3. Research Method

This investigation used a research and development (R&D) strategy. The development model in this study included the conceptual model, theoretical model, hypothetical model, and final model. The conceptual model is an analytical model that specifies product components, investigates them thoroughly, and displays the relationship between the components that must be manufactured. A theoretical model is one that provides a framework of thought that is built on applicable ideas and is

supported by actual data. During focus group discussions, experts and practitioners assisted in the development of the hypothetical model (FGD). A model that has been empirically tested is the final model.

There are three stages to developing a traditional market management model based on digital marketing: (1) preliminary studies (pre-development), (2) model creation, and (3) testing (model application).

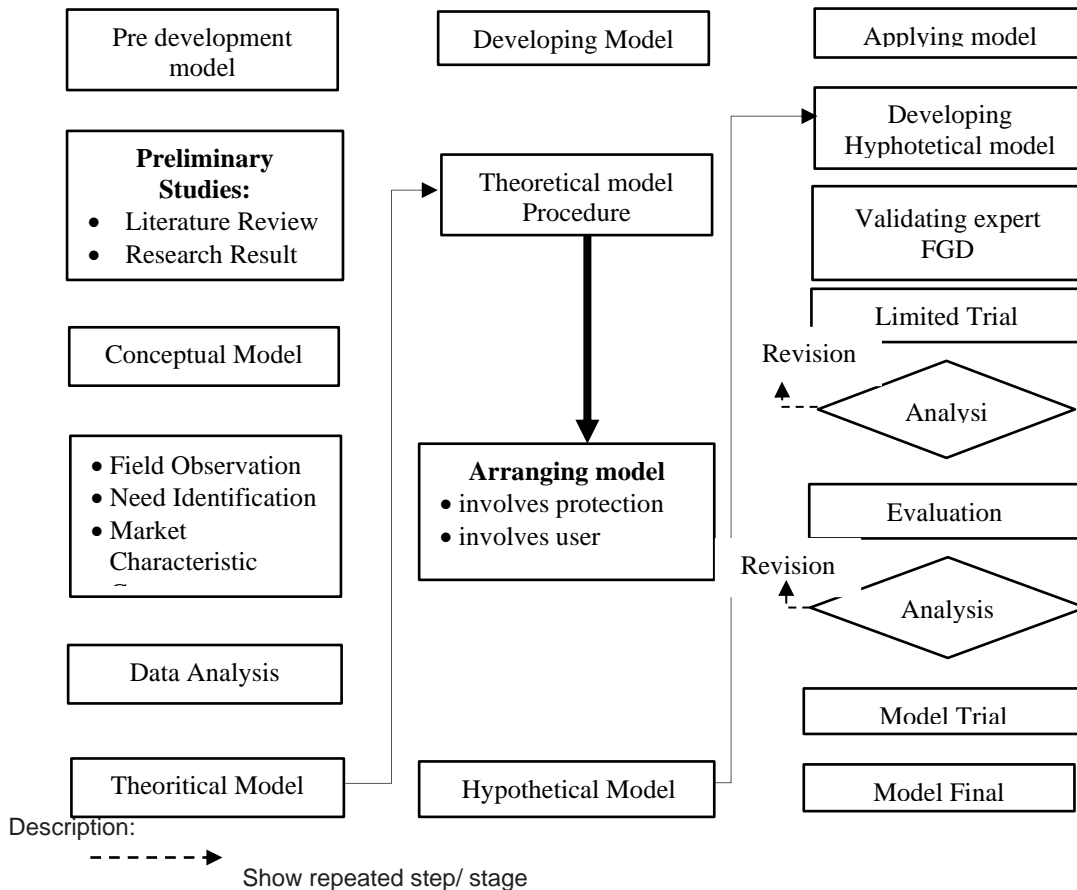


Figure 2. The procedure for developing a Digital Marketing-Based Traditional

Market Management Model

The qualitative and quantitative research approaches used in this study were used to acquire data. Qualitative information gathered through observations, interviews, and document reviews. Meanwhile, a questionnaire was provided to 65

vendors in 6 Traditional Market Centers in Medan City to collect quantitative data. The following is the population and sample distribution from this study:

No	Market	Total Population	Sampels
1	Main Market	32	23
2	Olympia Market	14	7
3	Sentral Market	18	9
4	Sambas Market	10	6
5	Sukarame Market	17	12
6	Simpang Limun Market	9	8
Total		100	65

Table 1. Population and Research Sample  
 Source: Processed Data, 2022

# GENERAL MANAGEMENT

No	Commodity
1	Foodstuff
2	Textiles
3	Fruits and vegetables
4	Livestock
5	Marine and fishery products
6	Crafts and art tools
7	Others such as flowers, used goods, car or motorcycle spare parts

Table 2. Types of Commodity Traders studied  
Source: Processed Data, 2022

## 4. Result and Discussion

Based on.. the findings of in-depth interviews and observations with.. informants who worked as traders in the heart of Medan City's traditional markets. "Traditional.. market center traders in Medan City are being forced to change due to technological advancements, particularly in the marketing process. Traditional market center sellers in Medan City can now attract and communicate directly with customers through digital marketing techniques such as "social media, social chat, marketplaces, and other platforms."

## 1.Factual Model of Traditional Market Marketing Management in Medan City

Food, "textiles, ..agricultural products, livestock, marine and" fishery products, crafts and art instruments, and other traders were among the informants in this study, who came from six traditional market centers in Medan City. Traditional market center shopkeepers in Medan City said that using technology makes them feel more empowered, especially given that everyone is on social media and most people prefer to shop online.

No	Commodity	Type of business
1	Foodstuffs/vegetables/fruits	Groceries, fruit and vegetables
2	Textiles	Clothes
3	agricultural/plantation products	coffee, cloves, pepper, cassava/yam
4	livestock	chicken, beef, mutton
5	Marine and fishery products	fish, and seafood
6	<b>Crafts and art tools</b>	bags, shoes, wood carving
7	Other	such as flowers, used goods, motorcycle or car spare parts

Table 3. Informant Data  
Source: Processed Data, 2022

Overall, traders in traditional market centers in Medan City used social media to provide information and connect with customers, with 15 traders utilizing social chat to communicate and convey information to clients, and 7 traders in traditional market centers in Medan City.

Traditional market center traders in Medan used marketplaces like shopee, tokopedia, and lazada to promote their businesses, with 23 using Facebook, 12 using Instagram, 6 using YouTube, and 2 utilizing website media.

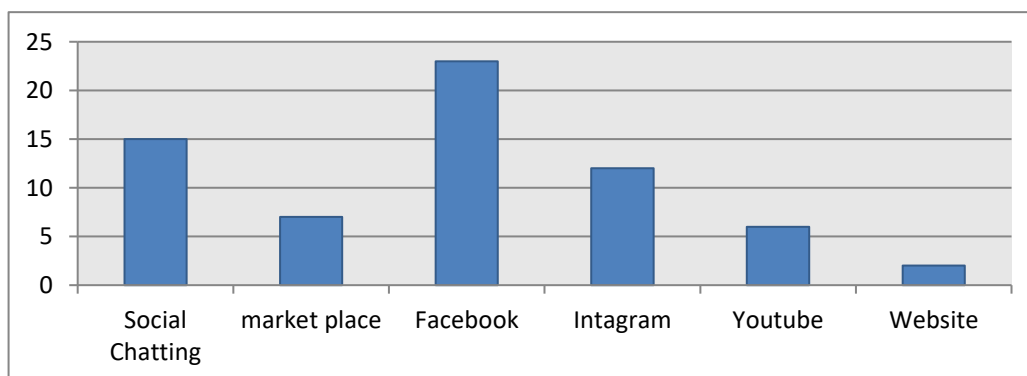


Figure 3. The Use of Digital Marketing in Medan City Traditional Market Center

Some traditional market center traders in Medan City updated product information on social media and other platforms once a day, up to 67% of the time, while others

updated product information every hour or every week. If merchants update product information more frequently, consumers will be more likely to buy their products.

# GENERAL MANAGEMENT

Frequency	Total	Persentation
Every hour	15	18%
Everyday	35	67%
Every week	15	18%
Every month	0	0%

Table 4. Information Update Frequency  
Source: Processed Data, 2022

## 2. Conceptual Model of Traditional Market Marketing

To begin the evaluation of the digital marketing-based traditional market management model, a questionnaire was sent out to see how current digital marketing-based traditional market management results were. A total of 65 dealers received this questionnaire. The state description of traditional

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market marketing management implementation based on digital marketing at the traditional market center in Medan City is as follows, according to the findings of the questionnaire distribution.

Range	Observation Frequency	Relative Frequency	Category
153-190	-	-	High
115-152	26	46,06%	Enough
77-114	39	53,94%	Less
38-76	-	-	Low
Total	65	100%	

Table 5. Trend Level Traditional Market Marketing Management Conceptual Model Based on Digital Marketing in Medan City  
Source: Processed Data, 2022

"The trend level of digital marketing-based traditional market marketing management data scores revealed that 26 respondents (46.06 percent) were in the sufficient category, 39 respondents (53.94 percent) were in the less category, and there were no respondents in the high and low categories, according to the table. Overall, it can be determined that" traditional market marketing "management based on digital

marketing in Medan City" falls into the "Less" category. It signifies that each of the given indicators fell short of the aim. This number, however, did not differ significantly from the moderate category. It means that considerable modifications are required to improve and align digital marketing-based traditional market marketing management.

## 3. The Effectiveness of Digital Marketing-Based Traditional Market Management Model in Medan City

The questionnaire distribution shows that after implementing digital marketing-based traditional market management, there was a considerable change in how digital marketing-based traditional market management was done. After a brief trial was run on 5 merchants on this responder for

the application of the model, this questionnaire was circulated to the same 65 traders. The following is a state description of digital marketing-based traditional market management implementation based on the questionnaire results distribution:

Range	Observation Frequency	Relative Frequency	Category
153-190	-	-	High
115-152	43	81,25%	Enough
77-114	22	18,75%	Less
38-76	-	-	Low
Total	65	100%	

Table 6. Trends in the Effectiveness of Marketing Management Implementation Traditional Market Based on Digital Marketing in Medan City  
Source: Processed Data, 2022

The trend level of data scores showed that 43 respondents (81.25 percent) were in the sufficient group, 22 respondents (18.75 percent) were in the less category, and no respondents

were in the high or low categories, according to the table. Overall, it can be argued that the traditional market management model based on digital marketing falls into the

"Enough" category. It signifies that each indication reaches or exceeds the predicted aim, and that if the trend continues, it will be much better.

## 5. Conclusion

Traders were already using social media platforms to interact with their customers, according to a study of factual models based on interviews and observations in 6 (six) traditional market centers in Medan, but their use of digital platforms was not optimal, causing them to fail to attract consumers' attention. In this case, traders will need to use originality and innovation to attract clients through digital marketing.

According to the results of a study on the "conceptual model of digital marketing-based traditional market management conducted in 6 (six) traditional market centers in Medan, traditional market management based on digital

marketing in Medan tends to be in the "least" group. It means that each of the specified indicators failed to meet the goal. This number, on the other hand, was not statistically different from the moderate category. It indicates that significant changes are required to better and match traditional market marketing management with digital marketing.

Based on the results of an efficacy study of the digital marketing-based traditional market management model in six (six) traditional market centers in Medan, it can be determined that the digital marketing-based traditional market management model is "Good." This suggests that each indication reaches the predicted aim and, if maintained, can improve even further.

The government must provide socialization opportunities for traditional market center traders in Medan. So that they can learn about marketing management and how to use a digital marketing platform to help dealers gain more customers.

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