# ANALYZING THE IMPACT OF TRADITIONAL MARKET RELOCATION IN SURROUNDING TRADERS AND COMMUNITIES (CASE STUDY OF DEMAK MRANGGEN MARKETS)

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#### **ABSTRACT**

Traditional markets are markets that are built and managed by local governments. Relocation of a transfer of supporting facilities and infrastructure activities from one place to another in order to enhance the security, comfort and legality factors. Mranggen traditional market is one of the markets located in the village of Mranggen which is increasingly experiencing an increasing number of traders. For this reason, the Demak Regency Government decided to relocate the market, one of them is the traditional Mranggen market, the government's purpose of relocating Mranggen's traditional market to tidy up the former market which had not been neatly arranged. Mranggen's market relocation had an impact or pros and cons for traders and the surrounding community. The problem in this study is the impact of market relocation of Mranggen's traditional market relocation to traders in the surrounding community. The aim of the study was to determine the impact of Mranggen's traditional market relocation to both traders and the surrounding community with market relocation.

The research design used in this study is a holistic single case study. This study uses a qualitative approach. The types and sources of data used in this study are primary data and secondary data. The object of the research was conducted at the temporary shelter of Mranggen village. Informants are traders and communities around the shelter. Data collection techniques with triangulation. As for eclectic data analysis techniques. In this study, the validity of the research data was tested by credibility, transferability, dependability test, and confirmability test.

The results of our research on the impact of relocation on product quantity is the reduction in product quantity ranging from 30% to 50%. With regard to operating hours the impact of this relocation is a reduction in operating hours of only 6-8 hours per day. For the position of the stall The inconvenience of the stall position, the stinging smell of garbage, and when the rainy season often floods and lacks security. In terms of ease of reaching the location, the traders complained about the location of the remote relocation and the narrow road to relocation which affected the consumers' desire to buy. With this relocation, sales turnover has decreased from 75,000-250,000/day.

**Keywords**: Traditional Market, Market Relocation, Traders

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#### INTRODUCTION

The type of market according to its services and equipment includes traditional markets and modern markets. Traditional markets are markets managed by the government including cooperation with the private sector with business places in the form of shops, stand, kiosks or tents which are owned by traders and with buying and selling process through bargaining process. In its activities, traditional markets in Indonesia are still struggling with internal market issues such as lack of professionalism in management and shopping inconvenience. These activity was ruled based on Presidential Regulation in Indonesia number 112 of 2007 concerning Structuring and fostering traditional markets, shopping centers and modern shops. But, it hasn't been able to bring any improvements to traditional markets. One way taken by the government is to manage and empower traditional markets, which aim to: (a) create traditional markets that are arranged, safe, clean and healthy; (b) improve services to the community; (c) making traditional markets a driving force for the regional economy; and (d) creating traditional markets that are competitive with shopping centers and modern stores.

The Traditional Market of Mranggen, which is located in Mranggen, Demak is one of the traditional markets undergoing renovation and construction of the modern market. Its location is very strategic because it is located between residential areas in the middle of the town of Mranggen District. The slum market conditions and many uninhabitable buildings have caused the local Government plan to empower Mranggen traditional market. The Market is renovated and rebuilt into a modern market in the same location. Demak is the region with the most assistance from Regional Budget (APBD) of Central Java Province. (Merdeka.com-Central Java, Monday 15/5).

The construction of Mranggen Market has been started since 2014. After being stopped in 2016, the market development which is located on Jalan Semarang - Purwodadi was start over in July 2017 through an auction process. The market, which is built on an area of 12,000 square meters, is planned to spend as much as Rp. 25,027,000,000, which is taken from the budget from Regional Budget of Demak and Rp. 6 billion from regional budget of Central Java. In relation to the implementation of the redevelopment and renovation of the Mranggen traditional market, a temporary shelter was prepared in Mranggen Village Field. The number of registered traders is currently 897 traders.

In relation to the market, consumers will generally choose markets that are close to where they live. The choice of market location is an important competing factor in attracting consumers. Consumers tend to choose to shop at traditional markets that are located close to the consumers' houses and its easy to access with various city transportation. The location of temporary shelters in Mranggen Village field is less strategic than Mranggen's traditional market location and can only be reached by city transportation, resulting in reluctance from old consumers to shop at temporary shelters. This results in many Mranggen traditional market traders losing their customers.

Sales is an important activity in marketing. The success or failure of a business operation depends on the sales function section. It can be said that the sales turnover of traders in

traditional markets is the amount of money that is received by traders which is the result of the number of sold goods accumulated in one day or one month. Sales turnover will be investigated further in this study so, it can be seen whether there is a decline in turnover of merchant sales in traditional markets as a result of relocating to temporary shelter in Mranggen Village Field and also how the community perceives or views the market relocation policy.

Gibson, Ivancevich, and Donnelly (1996) state that perception is a process of someone in understanding their environment which involves organizing and interpreting as stimuli in a psychological experience. Individuals use the five senses to get to know the environment, thus perception can be interpreted as organizing information from the environment. Every person gives its own meaning to any stimulations, so that each individual is different in "seeing" the same thing in a different way. From the description of the perceptions above, the perceptions that will be examined here are perceptions or views from the community of traditional market relocation policies and the impact of traditional market relocation on traders.

Astuti (2005) states that sales volume is the amount of goods or services sold in a certain period of time that can be expressed in units or rupiahs. Increasing the sales volume will directly or indirectly affect the profits obtained by the seller.

A previous study conducted by Erleine Rastiani Utami Putri, Y. Bagio Mudakir (2013), Impact of Semarang City Cluster Arrangement on Food Merchant Revenue, results were obtained, there were differences in the variables of food traders around the intersection before and after the Simpanglima City Semarang area. It is known that each variable in this study experienced a significant decline after the relocation, the variable number of consumers decreased by 45.66%, the variable number of production decreased by 48.90%, the labor variable decreased by 40.00%, income turnover variable has decreased.

Then Susilowati (2015) in her study entitled Impact of Traditional Market Relocation on Dinoyo Malang Market Traders obtained results Location of Merjosari TPS has only a significant or significant relationship to sales turnover of traders in traditional markets with a *contingency* coefficient of 0.261, so there are no more dominant variables.

Tia Candra Dewi, Mit Witjaksono, Yohanes Hadi Soesilo (2015) said that analysis of Post-Trader Behavior Relocation of Dinoyo Market to Merjosari was obtained. The transfer of traditional market locations from Dinoyo to Merjosari had an impact on the behavior of traders' economic performance. The impact on the behavior of the traders' economic performance is seen from 5 (five) indicators that represent the economic performance of traders, namely in terms of operating hours, quantity, quality, position of powder and ease of reaching locations. Based on the five indicators there are 4 (four) indicators that experience changes, they are operating hours, quantity, bed position and ease of reaching locations affecting economic performance. Changes from these interconnected indicators resulted in a decrease in turnover and an increase in merchant operating costs. Thus, merchant income decreases. This is what causes the economic performance of traders in the Merjosari market to decline.

#### **Problem Formulation**

Based on the description above, the researcher formulated the problem as follows:

What is the impact of Mranggen Demak's traditional market relocation on traders and the surrounding community?

#### LITERATURE REVIEW

#### Relocation

The definition of relocation in the Indonesian Dictionary is translated as rebuilding a new place, assets, including productive land and public infrastructure on another location or land. In the relocation of objects and subjects subject to tax in the planning and construction of locations. Literally relocation is a rearrangement with a new place or a transfer from the old place to the new place.

# **Understanding Traders**

Sujatmiko (2014) states that traders are people who trade, trade goods that are not self-produced, to obtain a profit.

# **Definition of Traditional Markets**

In the Regulation of the Minister of Trade of Republic of Indonesia Number 70 Article 1 point page 4 states that traditional markets are markets that are built and managed by the Government, Regional Government, Private Sector, State-Owned Enterprises and Regionally Owned Enterprises including cooperation with the private sector in the form of business shops, kiosks, kiosks, and tents owned / managed by small, medium, community-based traders or cooperatives with small-scale businesses, small capital, and with the process of buying and selling merchandise through bargaining.

## METHOD, DATA AND ANALYSIS

# Design of the study

The design of the study used is a *Holistic single case study*, which is a study that places a case as the focus of research.

# Approach of the study

The approach was used is a qualitative approach that is the approach used by researchers by basing on the data used by respondents.

#### Types and Sources of Data

The type of study is descriptive research with a qualitative approach. The resources used in this study are:

a. Primary data is data obtained directly from the parties involved (informants), to obtain this data, researchers conducted in-depth interviews directly with the parties mentioned above.

b. Secondary data is data obtained from information or knowledge obtained indirectly through library studies, official documents, books, research results in the form of reports, diaries and other written sources.

# Object of the study

The Study was conducted in the temporary shelter of the traditional market traders of Mranggen in the field of Mranggen Village, Mranggen District, Demak.

# Informants of the study

Informants taken were traders and the surrounding community who were placed in temporary shelters in the Mranggen Village field.

# **Data Collection Technique**

Locke (2001) states that the purpose of proof by using many sources is that qualitative research relies on "triangulation", which is collecting data from various sources, all of which are relevant to the phenomenon whivh was under investigation. Proof with these various sources allows researchers to pay attention to issues from a broader perspective, both historically, attitudes, and behaviors. That is why qualitative research emphasizes verification (compare with validity and reliability tests on quantitative research). The dual sources in question include "documentation, interviews, participant observation, field observations, and material / record files, and physical artifacts" (Yin, 2003)

#### **Data Analysis Techniques**

According to Tesch (Ihalauw, 2016) in qualitative research data analysis is classified as eclectic, there is no "right way". Metaphors and analogies are just as appropriate as open questions. Data analysis requires researchers to feel in accordance with building categories and making contrast comparisons. Likewise, researchers are open to any possibilities and look for conflicting explanations or alternative explanations for research findings.

# **Testing the Validity of Data**

According to Sugiyono (in Sutarwi, 2008) the validity test of data in qualitative research includes credibility test / internal validity, transferability test (transfer value / external validity), dependability test (auditability/ reliability), and confirmability test. In this study a validity test of the data was carried out.

#### **RESULTS AND DISCUSSION**

# General Description of the Objects of the study

Mranggen Market is one of the traditional markets in the area of Mranggen Village, Mranggen District, Demak. And as one of the trade centers, Mranggen market, which is located on the outskirts of Demak, which borders between Semarang region, is one of the fastest growing traditional markets. With its location bordering Semarang area, and with the passing of the market as an out-of-town route in the direction of Semarang - Purwodadi and Surabaya so Mranggen market is one of the markets that should be taken into account.

The increasing number of traders selling in the Mranggen market, and increasingly crowded market as a traditional market, especially with the passing of Mranggen market as a crosscity line between Semarang-Purwodadi-Surabaya, Demak Government considers it necessary to carry out the market renovation.

Presidential Regulation of Indonesia No. 112 of 2007, states that traditional markets are markets that are built and managed by the Government, Regional Government, Private Sector, State-Owned Enterprises and Regional Owned Enterprises including cooperation with the private sector in the form of shops, stands, kiosks, and tents owned / managed by small, medium, community-based traders or cooperatives with small-scale businesses, small capital and with the process of buying and selling merchandise through bargaining. Furthermore, according to the Regulation, traditional markets may be located on any road network system, including the local road network system or the environmental road in the city / regency or local part of the service area (housing) in the city or district.

So to realize this as stipulated in RI Presidential Regulation No. 112 of 2007 moreover Demak Regency was the region with the most assistance from the Regional Budget of the Regional Budget (APBD) of Central Java Province. (Merdeka.com-Central Java, Monday 15/5). So the relocation began with traders to facilitate the development of the Mranggen traditional market.

The construction of Mranggen Market has been started since 2014. After being stopped in 2016, the market development located on Jalan Semarang - Purwodadi and itwas startedagain on July 2017 through an auction process. The market, which is built on an area of 12,000 square meters, is planned to spend as much as Rp. 25,027,000,000, which is taken from the regonal budget of Demak and the Central Java Provincial Budget for Rp. 6 billion.

However, after being relocated to the temporary transfer location, and disbursing such a large amount of funds, until now the traditional market development that has been done starting in 2014 has not yet been able to be completed. With the stalling of the market development, it affected the traders who were relocated to the temporary shelter, and the community around the location of the temporary shelter relocation.

# **Profile of Key Informants (Key Respondents)**

Informants are a very important source in qualitative research, important because informants are a source of information from the research that will be conducted. The informants who were respondents from this study were traders and the community around the temporary shelter location.

#### Informant I (Fruit Trader)

The first informant was Mrs. Maryamah, 35 years old. This informant is a fruit trader. The informant has been trading since 2008.

#### Informant II (Grocery Trader) The second

The second informant is Mrs. Fatikah 58-year-old. This informant is a grocery trader. The informant has been trading since 32 years ago.

# Informant III (Meat Trader)

The third Informant is Mrs.Sri Rohayatun 45 years old. This informant is a meat trader. Informants trade since 1995 until now.

#### Informant IV (Apparel Trader)

Informant IV is Mrs.Sumiatun 68 years old. This informant is a clothing trader. The informant has been trading clothes since 1972. The business he was engaged in was a hereditary effort from the family.

#### **Informant V (Neighborhood Community)**

Informant V is Mrs. Sunardi, having his address at Perum Pondok Majapahit II Rt 4 Rw 11, where informants are residents who reside around the relocation or temporary shelter of merchants in the area of Mranggen. Informant is 47 years old.

## **Description and Discussion of the Study**

Relocation of traders to temporary shelters is carried out by local governments not without a reason. There are several reasons that underlie the government's policy in relocating Mranggen market to temporary shelters, which is due to the condition of the market that has not been well organized, the slum market environment and many additional kiosks in public facilities such as roads and parking lots. So that the facility is narrowed.

With the relocation of traders to temporary shelter locations, of course it has an impact on some interested parties especially for traders and the surrounding community. The impact can be seen from 5 indicators that represent the behavior of traders, including the quantity of goods sold, the quality of goods sold, hours of operation, location of merchant stalls and ease of reaching locations.

# Summary of Findings Description of the Results of the Study

The results of interviews with several respondents consisting of 5 informants can be seen in the following table:

Research Questions		Re		Pattern and			
	Maryamah	Fatikah	Sri Rohayatun	Sumiatun	Sunardi	Categories	Concept
How the quantity of goods sold	1. Decreases 2. Not as much as before	1. Can not sell much 2. Many consumers are lost	1. Fixed price but reduced quantity	1. Quantity Decreasing 2.Consumer	1. Goods sold not as much as in the old market	1.Decreased Decreasing 2. Not much 3. Consumers lost a lot 4. Decreasing	Factors affecting decreasing quantity are consumers decreasing
How quality of goods sold	1. Fixed price 2. Good quality	Quality is same     Stay complete	1. Quality remains the same 2. Does not change	1. Quality of goods remains the same 2. Price is the same, remains	1. Goods have the same quality 2. The price is the same in general	1. Fixed price 2. Good quality 3. Complete	Factors that affect quality do not exist

Research Questions		Re		Dattary and			
	Maryamah	Fatikah	Sri Rohayatun	Sumiatun	Sunardi	Categories	Pattern and Concept
What are the hours of operation	1. The operating hours start at 7 am to 4 pm 2. Suppliers arrive later	1. Operational hours start at 8 to 4 o'clock in the afternoon 2. Suppliers arrive late in the afternoon	Operational hours start at 6 to 2-3	O'clock Operational hours start at 7 to 3 pm	Operational hours relocate from 6 to 6 pm	Operational hours start at 6 am until 6pm	The factors that affect operating hours are the loneliness of customers and suppliers who arrive later in the afternoon
What about the position of lapak Stalls-stalls	1. Position Not strategic 2. Small 3. Not used, happy contracts 4. Loss 5. Unsafe	1. Long-distance stalls in the middle 2. Lonely 3.Contract Unsecured	Deep inside and not strategic     Contract	1. Small Stalls-stalls 2. There is a stamps ownership letter 3. Many are closed because they are quiet	1. Location is too close to people's homes 2. If it rains in floods 3. Smells of garbage 4. Lots of closed stallsstalls	1. Non-strategic 2. Far in the middle 3. Small 4. Quiet 5. Contracts 6. There is a letter 7. Floods when it rains 8. Smells of garbage 9. Many close 10. Close to houses 11. Unsafe	Factors that affect the position of the stalls are not strategic, deep, small, quiet, contracted, flooded, smell of garbage, unsafe
How to ease the location	1. Walk away 2. Narrow path route	1. Narrow road 2. Consumer reduced 3. Add costs	1. Not traversed route 2. Add costs	1. Add costs 2. Far and not traversed route	1. Very close 2. Crowded until evening 3. Traffic	1. Walking away 2. Road narrow 3. Consumers reduced 4. Not traversed route 5. Add costs 6. Crowded until evening 7. Traffic 8. Near home residents	Factors that affect the reduction of consumers is the inability to reach the location, too far, narrow roads, not traversed routes, added costs, traffic costs
What about turnover before and after relocation	Before 100,000 / day after 75,000 / day	Before 400,000 / day after 250,000 / day	Before 200,000 / day after 150,000 / days	Before 300,000 / day after 200,000 / day		Before 100,000- 400,000 / day after 75,000- 250,000 / day	

# **DISCUSSION**

Based on the results of this study which was obtained from the interviews conducted with the 5 informants, the researcher found 5 variables as a result of the relocation of traders:

1. Impact of Relocation on Product Quantity

Mranggen market relocation had an impact on the quantity of goods sold by traders most traders of various types of goods sold. The traders feel the quantity of their merchandise is

reduced because many customers are missing. So that affects the quantity of goods they sell. The reduced quantity ranges from 30% to 50%. Automatically with the reduced quantity of goods sold due to reduced customers is the decrease in income they earn.

Impact of Relocation on Operating Hours

Mranggen market relocation also affected the operating hours of the traders. Most traders reduce the number of operating hours in trading activities. If before the average trader sells for 10 hours, after being transferred to a temporary shelter location they sell for only 6-8 hours. This is due to the lack of visitors at the temporary shelter location, which results in a reduction in the income they earn.

3. Impact of Relocation on Stands Position

Mranggen market relocation to the new Stands had an impact on the traders. Factors that affected the inconvenience of the stall position were the location of stalls which were considered not strategic because they were inside, the size of the stands were small, because the location was inside, the buying and selling is often quiet, so many traders choose to leave the stands which was given to them and choose to contract to the stands which were located in the front, the smell of garbage that stings, when the rainy season occurs flooding because the gutters around the stands do not function other than small closed garbage. And these conditions are also coupled with insufficient security despite paying security money.

4. Impact of Relocation on Ease of Achieving Location

Mranggen market relocation to the new Stands also affected traders and customers. Factors affecting the reduction of consumers by moving locations to temporary shelters are consumers complaining about the inability to reach the temporary market location because the road leading to market relocation is not passed by every public transportation and too far, especially the road to the location is a narrow village road and is considered add to the costs that need to be spent to achieve it. Moreover, the road to the location of the relocation of traders is always jammed.

5. The Impact of Relocation on Traders Turnover

Mranggen market relocation to a temporary shelter which is conducted by Demak Government, many traders complained about the decline in their sales turnover. Before the relocation of sales turnover from fruit, grocery, meat and clothing traders ranged from 100,000-400,000/day. After relocating turnover, merchant sales range from 75,000-250,000/day.

#### **CONSLUSION**

Based on the results obtained from this study, the conclusions are:

1. Relocation or transfer of location from Mranggen market to the temporary shelter location in Mranggen field has an impact on traders behavior seen from 5 indicators which represent goods quantity, quality goods, operating hours, position of stalls and ease of reaching locations.

2. After looking at these five indicators, there are 4 indicators ehich is changed. They are operating hours, quantity, position of the stands and ease of reaching the location of the four indicators that affect the behavior of traders and the surrounding community. The change in the four indicators resulted in a decrease in turnover and an increase traders operating costs and an unfavorable environment.

#### **SUGGESTIONS**

Based on the results of the discussion in this study, there are several suggestions that can be put forward:

- 1. The government as a policy maker should consider all inputs and interests of all relevant stakeholders.
- 2. We recommend that in the making temporary shelter locations, the government should also pays attention to the place or location.

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