

Market Metamorphosis: Decoding The Marketing Mix Landscape in The Traditional Market of Cisalak, Depok, Indonesia, Amid The E-Commerce Epoch

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Abstract

The rapid development of e-commerce and the COVID-19 pandemic have led consumers to adopt new shopping habits from home. This situation initially resulted in the closure of offline stores and traditional markets. Currently, some offline stores have begun to reopen, and traditional markets have played a role in the local economy. Amid the current rapid development of e-commerce and the changing consumer behavior, the phenomenon of traditional markets that continue to thrive is intriguing to investigate. This research aims to understand consumers' perceptions of Cisalak Market, Depok, and e-commerce regarding products, prices, promotions, and locations. This study employs descriptive methods and validity, reliability, and Mann-Whitney tests with 100 respondents from Cisalak Market consumers in Depok. A questionnaire collects data on variables such as products, prices, promotions, and locations in traditional markets and e-commerce. The results show that customer perceptions of products in traditional markets differ from those in e-commerce. Meanwhile, perceptions of prices, promotions, and locations do not significantly differ between traditional markets and e-commerce.

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INTRODUCTION

E-commerce has experienced rapid growth since the implementation of the Covid-19 pandemic in Indonesia in 2020. Since then, the economic value of digital trade has increased, reaching a transaction value of IDR 476 trillion in 2022 and rising to IDR 533 trillion in 2023. This market's economic growth rate far surpasses Indonesia's overall economic growth rate of 18.7% (Bank Indonesia, 2023).

This growth is fueled by several factors, including the widespread use of mobile devices, easier and higher-quality internet access, market globalization, and shifts in consumer shopping behavior. Consumers are increasingly turning to mobile devices for shopping due to the convenience and the abundance of products and pricing options. This trend encourages consumers to shop without leaving their homes.

The change in consumer behavior initially led many traditional market vendors, including those in traditional markets like Cisalak, to close their stores (Sukmana, 2021). Merchants panicked due to

the drastic shift in consumer behavior and rushed to adopt e-commerce technology to keep pace with the evolving digital market in selling their goods and services. However, many faced challenges in adapting to this technology.

Currently, traditional markets have returned to normalcy, evident in several adopting a hybrid business model—selling both offline and online. This indicates that merchants are beginning to adapt and coexist with this technology. The market turnover has significantly contributed to the economic cycle, reaching IDR 1,163.25 trillion in 2022. It also plays a substantial role in the retail sales of everyday consumer goods (77%) with a growth rate of 9.9% since 2021 (Yuningsih, 2023).

Depok City has developed traditional markets that support the local infrastructure and economic circulation. In 2019, the city had only nine markets, but by 2022, it boasts 11 traditional markets with 2,601 stalls and 1,844 kiosks available (BPS Kota Depok, 2023).

Cisalak Market is one of the traditional markets in Depok and has survived until now. It is the largest market in the city and is particularly popular in the local social and cultural context. Located in the Cimanggis district, the market spans an area of 3 hectares with 1,292 stalls, offering various basic and non-basic goods, remaining bustling with consumers.

The consumer behavior that remains vibrant in traditional markets, while digital markets are rapidly expanding, is an interesting phenomenon to be investigated. According to (Hayes, 2023; & Guliyev, 2023), this behavior is undoubtedly influenced by consumers' perceptions of products, prices, locations, and promotions in traditional markets. Therefore, this study will examine consumer perceptions in the Cisalak market regarding products, prices, locations, and promotions in both traditional and e-commerce markets, comparing the average values of these variables in each market.

METHOD

The questionnaire in this research is employed to gather primary data using the Likert scale. The operational definition of respondents can be found in Table 1. Considering time availability, human resources, and cost, the total number of respondents is 100 people, selected based on the criteria of being buyers in Cisalak Market. The sampling method utilized is purposive random sampling. The variables in this study include product, price, location, and promotion.

Data processing involves descriptive statistics, and data analysis employs various tests, including validity testing, reliability testing, and the Mann-Whitney test for comparing mean differences.

Table 1. Operational Definition

Variable	Instrument	Reference
Product	Variety of product types	Mushtaq & Salar, 2022
	Product quality	Zhou, 2020
	Product capacity	
Price	Affordability of price	Efendi & Amin, 2021
	Price appropriateness with product quality	Hanaysha, Shaikh & Alzoubi, 2021
	Price appropriateness with product benefits	
Location	Location convenience	Mushtaq & Salar, 2022
	Location coverage	
	Transportation availability	
Promotion	Sales promotion	Eshra & Beshir, 2022
	Direct marketing	Mushtaq & Salar, 2022
	Discounts	

RESULTS AND DISCUSSION

Results

The respondent profile for this research is presented in Table 2. Table 2 reveals a relatively balanced distribution between male (46.00%) and female (54.00%) buyers in this study. Furthermore, the age proportion of buyers aged 17-25 years holds the largest share (54.00%) compared to older age groups. Regarding the types of items purchased by consumers, the majority consists of fresh vegetables (58.00%), followed by groceries (20.00%), clothing (14.00%), and electronics and fragile items, each at 4.00%.

Table 2. Profile of Respondent

Description	Persentase
Gender	
Male	46,00
Female	54,00
Age	
17-25	54,00
26-35	14,00
36-45	16,00
46-55	12,00
> 55	4,00
Product Category	
Groceries	20,00
Fresh Vegetables	58,00
Electronics	4,00
Clothing	14,00
Fragile Items	4,00

Table 3 displays the results of the validity and reliability tests for the variable data. The Corrected Item-Total Correlation values for all variables in both traditional and e-commerce markets are above 0.30. This indicates that all data used in this study is valid. Meanwhile, the Cronbach's Alpha values indicate that all variables are above 0.70, signifying that all variables are reliable.

Table 3. Validity and Reliability Test of Product, Price, Location, and Promotion Variables in Traditional Market and E-Commerce

Variable	Corrected Item-Total Correlation	Cronbach's Alpha
ProductT	,396	,736
ProductE	,396	
PriceT	,398	
PriceE	,398	
LocationT	,455	
LocationE	,455	
PromotionT	,382	
PromotionE	,382	

T: Traditional, E: E commerce

Table 4, Mann-Whitney Test Results indicate that only the product variable exhibits a significant difference in average values between traditional market and e-commerce products. This is evidenced by Asymp. Sig (2-tailed) values smaller than 0.05. However, other variables do not show a significant difference in average values, where Asymp. Sig (2-tailed) values are greater than 0.05. Thus, it can be concluded that the perception of the product variable in traditional markets and e-commerce differs among buyers. Meanwhile, price, promotion, and location variables do not show a significant difference.

Table 4. Mann-Whitney Test of Product, Price, Location, Promotion at Traditional Market and E Commerce

Variable	Asymp.Sig (2-tailed)
Product	,002
Price	,607
Location	,243
Promotion	,517

Discussion

Several factors can contribute to differing consumer perceptions of products between traditional markets and e-commerce, despite similar perceptions of price, promotion, and sales. One such factor is the shopping experience. Shopping experiences in traditional markets and e-commerce differ, involving distinct dynamics and contexts in both environments. Traditional markets facilitate direct interaction between consumers and sellers, creating strong cognitive, affective, and social experiences (Bustamante & Rubio, 2017; Argo & Dahl, 2020). In this setting, consumers can see, touch, and try products directly, an experience not replicated in e-commerce (Liu, Batra & Wang, 2017; Pino et al., 2020). The atmosphere in traditional markets, including various sounds, aromas, and sights, provides a unique experience for consumers (Renko, Štulec & Petljak, 2020; Kasmad, 2022). Additionally, traditional markets allow for price negotiation, providing consumers with a greater sense of ego (Jindal & Newberry, 2018; Souiden, Chaouali & Baccouche, 2019).

On the other hand, e-commerce offers the convenience and accessibility of shopping from home (Pham, Tran, Misra, Maskeliūnas & Damaševičius, 2018; Paz & Paz, 2021). E-commerce provides a

wide and diverse range of products from various sellers, easily accessible (Zhou, 2020). E-commerce features product recommendations and reviews, guiding potential buyers based on previous consumer experiences. It leverages technology to present tailored offers according to consumer preferences, creating a more personalized shopping experience (Pappas, Kourouthanassis, Giannakos & Lekakos, 2017; Camilleri, 2021). Additionally, non-cash payment processes in e-commerce, using credit cards or digital payment methods, facilitate the payment process (Kilay, Simamora & Putra, 2022; Kumar et al., 2023).

Another factor is trust and a sense of security. Trust and security in transactions can influence consumer perceptions of shopping in traditional markets or e-commerce. Some consumers may feel more confident shopping in traditional markets as they can see products, talk to sellers, and obtain products directly (Ananda, Hanny, Hernández-García & Prasetya, 2023).

In addition to trust and security factors, there is a cultural factor (Steenkamp, 2019). Cultural and traditional values associated with traditional markets can color consumer perceptions of products. Some consumers may associate specific values with the shopping experience in traditional markets that cannot be replicated by e-commerce.

A notable advantage of traditional markets is the strong social interaction aspect, such as conversations with friends or sellers and interactions with other consumers. This social dimension significantly influences consumer perceptions of products. In this context, the ability to communicate directly with sellers allows consumers to obtain deeper product information, seek advice, and clarify doubts directly. Interaction with other consumers can also provide shared experiences, opinions, or product recommendations, enriching consumer understanding and shaping their views (Granovetter, 2018).

In some cases, social interactions in traditional markets also have the potential to trigger stronger word-of-mouth processes. Consumers with positive experiences can become effective spokespersons for a specific product or store, spreading positive information within their community. This phenomenon can contribute to brand image and product popularity organically, without active marketing efforts (Cuesta, Gutiérrez & García, 2022; Anggraeni & Dhillon, 2022).

Quality of service in traditional markets is also a crucial aspect influencing consumer perceptions of products. In this context, service includes interactions between traders and consumers, as well as how products are explained by sellers. Personal and interactive service in traditional markets often creates a positive impression on consumers, building strong relationships and enhancing trust in the offered products (Najib & Sosianika, 2017). Factors such as trader friendliness, product knowledge, and ease of communication can be key determinants in assessing the quality of service in traditional markets. Therefore, efforts to improve service quality can positively impact the appeal of traditional markets and consumer satisfaction (Choo & Jung, 2015).

Table 5. Consumer Perception Levels of Traditional Market and E-Commerce Product Instruments and Kruskal-Wallis Test Results

Product Instrument	E Commerce	Traditional
Complete & diverse products	80,80	68,80
Better product quality	78,40	75,60
Available product capacity	78,00	73,20
Chi-Square	0,745	3,716

The results of the Kruskal-Wallis test in Table 5 show that the Chi-Square value is greater than 0.05, both for the product variable in traditional markets and in e-commerce. Thus, there is no significant difference between instruments for the product variable, both in traditional markets and e-commerce, even though the descriptive data analysis results for perception levels show different nominal values. This indicates that consumers do not perceive product completeness, product diversity, product quality, and product capacity as differentiating characteristics in their buying activities, both in traditional markets and e-commerce.

Several research findings indicate that product diversity, quality, and capacity have a significant impact on consumer satisfaction, as seen in the studies of Grubor, Amilićević & Đokić (2018), Yulianto, Santoso & Jatnika (2022), and Raja, Maharani & Raja (2023). The results of this study show that the instruments of product diversity, product quality, and product capacity play a role in consumer purchasing decisions. However, this does not seem to be the case for consumers in traditional markets. Consumers in traditional markets do not consider diversity, quality, and capacity in distinguishing products from e-commerce. They simply believe that products in traditional markets are different from those in e-commerce.

Several factors that may contribute to this include market homogeneity, where products offered by competitors have very similar characteristics. Producers or sellers may struggle to create significant differences in terms of product quality, capacity, or diversity because competitors in the market may use similar technologies, raw materials, or production processes (Smith & Kelle, 2021). Table 2 shows that the majority of buyers purchase fresh vegetables (58.00%), where fresh vegetables do not differ significantly in terms of diversity, quality, and capacity.

Additionally, differences in preferences and income among the population can lead to clustering and homogeneity in some markets (Julien & Musy, 2015). Similar preferences among buyers and a relatively similar income range can result in buyers purchasing the same products repeatedly. This phenomenon occurs repeatedly.

CONCLUSION

Based on consumer perceptions in Cisalak market, consumers have different perceptions between products in traditional markets and e-commerce. Meanwhile, prices, location, and promotions are perceived as not different by consumers, both in traditional markets and e-commerce.

RECOMMENDATIONS

The choice between traditional markets and e-commerce often reflects individual preferences and consumer needs at a particular time. To gain a deeper understanding of the dynamics behind this selection, further research can focus on an in-depth analysis of consumer profiles. By focusing on factors such as age, cultural background, and engagement levels, this research can detail the characteristics of consumer groups more inclined to choose the shopping experience in traditional markets and those more inclined to choose e-commerce for convenience and a wide range of options. Furthermore, future research can explore the influence of demographic factors, such as age, income, and social status, on consumer decisions in choosing between traditional markets and e-commerce. This analysis will help formulate seller marketing strategies more targeted to the preferences of specific consumer groups.

According to Steenkamp (2019), traditional markets are not exempt from the strong cultural contributions of local communities. This culture is embedded in the shopping and consumption behavior of the community, making the presence of markets a reflection of the enduring local culture, including the availability of various culturally unique products. Therefore, further research needs to delve into the cultural contribution in shaping consumer perceptions of products in traditional markets.

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