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Research Article

STRATEGY OF STRUGGLE: TRADITIONAL MARKET vs MODERN MARKET IN INDONESIA

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A R T I C L E I N F O

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A B S T R A C T

Traditional markets have lived and given life for centuries In various big cities in Indonesia, especially in Surabaya, small traders in traditional markets are increasingly squeezed by the increasingly modern mechanisms of trade and economic behaviour. This study aims to examine the powerlessness of traditional markets can occur due to various causes both internal and external causes. This research uses a combination of qualitative and quantitative methods with the foundation of the concept of helplessness indicators.

INTRODUCTION

Traditional markets have lived and given life for centuries. The market of krempyeng and prostitution has proven to give an economic spirit. On the other hand, this sector is a significant hope in breaking the existing economic numbness. Therefore, it is not appropriate if the traditional markets that are managed by the city/regency government are experiencing pressure and weakening by local government policy.

Based on data from the Director of Retail and Business Development of AC Nielsen Indonesia, Yongky Suryo Susilo, the modern market will continue to grow and develop well regarding number of stores and regarding value rupiah (turnover). Moreover, according to him, the market share of the modern market in Indonesia has increased to 26.3% from 1997 to 2006. While on the other hand, the number of traditional markets has decreased by 8.1% per year. Even Yongki dare to estimate in the next two years the modern market share in Indonesia will grow to about 30%, while + 70% is still a traditional market. Referring to the decreasing percentage of conventional market share, in the future, it can be possible that the portion of both markets will be balanced. In various big cities in Indonesia, especially in Surabaya, small traders in traditional markets are increasingly squeezed by the increasingly modern mechanisms of trade and economic behaviour. The presence of hypermarkets and supermarkets are very aggressively exacerbating the existing traditional market conditions.

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Traditional markets are increasingly marginalised, traders who cannot survive eventually have to go out of business (Kompas / 23/11/2005).

Until October 2005, AC Nielsen's data stated that the incessant granting of licenses to establish modern markets by regional governments led to the development of traditional markets experiencing an 8% annual depreciation/depreciation rate. In contrast, the modern market has experienced a growth of up to 31.4% per year.

Because of the program of Gubernur DKI Sutiyoso, in Jakarta the construction of malls can be said to have surrounded the city of Jakarta. This year, according to Chairman of Traditional Market Traders Association of Indonesia, Ibih T. Hasan, seven traditional markets have closed. This is because the malls that are built there are also hypermarket that most franchise that comes from abroad. And with the flood of foreign franchises can cause people's lifestyle to change. This change makes people reluctant to shop in traditional markets. It is the responsibility of the Government to manage traditional markets professionally, so the impression of a dirty, smelly and uncomfortable market for expenditure can be eliminated (TempoInteraktif / 26/10/2005). Besides, PD Pasar Jaya mentioned that the growth of traditional market is four times that of the modern market (21.76%) in 1985. Ten years later, the growth of modern market became 62.25%, while the traditional market was 37.75%. In the city of Bandung, although the regulations issued by the government on the modern market are very protective of traditional markets and other small business forms, in practice, the rule seems unable to resist the proliferation of modern markets in various forms,

so that traditional markets are located adjacent to the mall/hypermarket will become increasingly lonely by buyers / consumers (Kompas / 18/11/2005).

The powerlessness of traditional markets is also experienced in the city of Surabaya. Based on reports from the Association of Indonesian Market Traders (APPSI), out of 81 market units owned by Surabaya City Government, only a third of the existing traditional markets can withstand the expansion of modern market growth and movement. Fatma Erawati M. further stated that PD. The market has assets of 81 markets in Surabaya, but not all of them function as markets. A total of 39 markets are dead and do not contribute at all to the PD. Market (Jawa Pos, 01/06/2007). The growth of modern market is quite high, supported by strong capital from banking syndication, distribution network, product quality assurance and tough management. This condition makes the modern market as a wilderness for the existence of existing traditional markets. Naturally, if the traditional market will face weakness when faced with modern market. Pasar Turi is an example of traditional market fairness in Surabaya. The market that was once designated as the largest and most comprehensive shopping center in eastern Indonesia, is now gradually displaced and abandoned.

Starting off the iconic traditional market in Surabaya is not because the managers are not good at managing the market even though its management is separated from the PD solar market. However, traders are experiencing a sluggish turnover when the local government is reluctant to stop the expansion of modern markets intensively, so that traditional markets can no longer compete in terms of human resources (traders), distribution, capital, structuring, impacts of modern market development, management methods, environment, price, facilities, service, security, hygiene or in terms of physical evidence.

The powerlessness of traditional markets can occur due to various causes both internal and external. Internal factors include the lack of managerial ability of traditional market traders, lack of management methods or marketing methods, lack of solidity of traditional market traders, lack of facilities owned by traditional markets, lack of service factor, low level of traditional market hygiene and also decreasing turnover of traditional market traders. While external factors include the price is too high, the rapid development of modern markets, the uneven distribution of traditional markets, the traditional market regulation is still not optimal because there is no clear legal tools, and public opinion against traditional markets that tend to negative (slums, muddy, less safe and others), and not yet clear direction of traditional market development.

To examine all the identification of the above problems it requires a variety of competencies, both energy, cost and time. Because the researcher has limited competencies, this research will only be limited to uneven distribution pattern of traditional market, the rapid development of modern market, the negative opinion of the society towards the sluggish traditional market, muddy, dirty and others, the direction of the development of traditional markets that have not been clear, the arrangement of traditional markets and modern markets that have no clear arrangement as well.
Further research will be limited only by using data of traditional market participants under the auspices of PD. The Solar Market is 81 markets in 2017.

LITERATURE REVIEW

Helpless indicators

According to Kieffer (1981) and Suharto (997: 215) empowerment includes three dimensions that include popular competence, sociopolitical skills, and participative competencies of Parson *et al*. (1994: 106) also proposes three dimensions of empowerment referring to:

1. A development process that begins with individual growth which then develops into a larger social change;
2. A psychological state characterized by self-confidence, useful and able to control oneself and others;
3. Liberation was resulting from a social movement, beginning with the education and politicization of the vulnerable and then involving the collective efforts of the weak to gain power and change the still-pressing structures (Parson *et al*. 1994: 106).

To know the focus and objectives of empowerment operationally, it is necessary to know various indicators of empowerment that can show a person is powerless or not. So when a social empowerment program is given, all efforts can be concentrated on any aspect of the target of change (e.g. poor families) that need to be optimized. Schuler, Hashemi and Riley developed eight empowerment indicators, which they refer to as empowerment index or empowerment index (Suharto, 2004). The success of community empowerment can be seen from their empowerment concerning economic capacity, access to welfare benefits, and cultural and political capabilities. These three aspects are associated with the four dimensions of power, namely: 'power within', 'power to', 'power over' and 'power with' summarize indicators of empowerment, as follows.

1. Freedom of mobility: the ability of an individual to go outside his home or residence, such as to markets, medical facilities, cinemas, houses of worship, to neighbouring homes. This level of mobility is considered high if the individual can go alone;
2. The ability to buy small commodities; the individual's ability to buy the daily family necessities (rice, kerosene, cooking oil, spices): his needs (hair oil, bath soap, cigarettes, talcum powder, shampoo). The individual is deemed capable of performing this activity especially if he can make his own decisions without asking for his partner's permission; especially if he can buy the goods using his own money;
3. The ability to buy large commodities; the ability of individuals to buy large commodities; the ability of individuals to buy secondary and tertiary goods, such as wardrobe, TV, radio, newspapers, magazines, family clothes. As with the above indicator, a high point is given to an individual who can make his own decisions without asking for his partner's permission; especially if he can buy the goods using his own money;
4. Involved in making household decisions; able to make decisions both alone and with a spouse about family decisions, such as home renovation, purchase of goats for breeding, obtaining business credit;
5. Relative freedom from family domination: respondents are asked whether in the past year there is a person (husband, wife, children, in-laws) who takes money, land, jewellery from him without his permission; which

prohibits having a child, or prohibits work outside the home;

6. Legal and political awareness; know the name of a village government employee / kelurahan; a local DPRD member; name of president; know the importance of having a marriage certificate and inheritance laws;
7. Involvement in campaigns and protests; a person is deemed 'defenseless' if he has ever been involved in a campaign or with others protesting, for example against a husband who beats a wife; a wife who neglects her husband and family; unfair salary; misuse of social assistance; or abuse of police and government officials;
8. Economic guarantee and contribution to the family: owning house, land, productive assets, saving. A person is considered to have a high position if he has these aspects alone or separately from his partner.

METHOD

The approach in this research is using quantitative and qualitative methods. With the use of these two approaches is expected to obtain the results of the maximum analysis as a basis for the formulation of public policies that are applicable. This research is a survey, which is a broad observation of an object to be studied problem-solving. In this case, will be studied about the existence of traditional market in big city, that is in Surabaya, in the face of competition with modern market.

Research Location / Research Setting

According to Sugiyono in his book, the method of business population research is: "The generalization region consisting of subject objects that have certain qualities and characteristics determined by the researchers studied and then drawn conclusions" (Sugiyono, Business Research methods, Alfabheta, Bandung, 2004, p. 72).

Population in this research is society of Surabaya. And in this study will not be done for all members of the population, but only against members of the population selected as a sample. The location of the study was taken from all areas of Surabaya, namely North Surabaya, East Surabaya, South Surabaya, West Surabaya and Central Surabaya, while the market sample was determined by cluster proportional random sampling. This cluster sampling method is used considering that there are two market segments in Surabaya, that is market managed by PD. Market (Surabaya Municipal Government) and market managed by private. Samples are limited only to markets managed by PD. Market only. Furthermore, market sampling using proportional random sampling method, i.e. the number of market samples taking into account the proportion of the number of markets in each region. The number of samples taken as many as 10% of the population. Trader's sampling is determined by proportional random sampling method, which is 10% of each trade group consisting of fish, meat, Palen (groceries) traders, fruits, vegetables, market snacks, spices, and food stalls of 100 traders.

Intake of consumer samples by taking into consideration objectivity and consumer experience in shopping both in modern market and in traditional market, so that samples are taken from households, especially middle to lower income which is assumed as consumer in both market. The classification is approached by consideration of household domicile, where middle-income households are taken from households domiciled in housing and households with small incomes taken from those domiciled outside the housing. The sample size is determined by 300 households in Surabaya city. As proposed by Masri Singarimbun and Sofian Effendi;

* Data analyzed by using statistical analysis, then the number of samples must be large because the value of * value or score obtained by the distribution must follow the normal distribution. Samples belonging to large samples of normal distribution are those, * 30 cases. Or for each variable in the design of the analysis should be 30 cases, Masri Singarimbun and Sofian Effendi, Survey Research Methods, LP3ES, Jakarta, 1995, p.171, so in this study using a sample, i.e. 300 respondents

In this study used questionnaires to measure public responses to traditional and modern markets, using a deferential semantic scale. While the Guttman scale is used to reveal public expectations of traditional markets. Furthermore, to know/measure the impact of modern market development, the method of structural equation modelling (SEM) based on quantitative data (Likert scale) supported by theoretical justification through interview (guide interview) to traditional traders and consumers. This is because the quantitative statistical methods (e.g., SEM) are only able to reveal the phenomenon of causality alone, which in this study is the impact of modern market development on the activity / sustainability of existing traditional markets. So from the need for a qualitative analysis that will support/justify the results of quantitative analysis produced. Based on the problem formulation, research objectives, theoretical studies, research paradigms and conceptual frameworks that have been described above, the hypothesis in this study are as follows;

1. The first hypothesis, * the distribution of traditional markets in the city of Surabaya is not evenly distributed and the turnover of traditional market traders decreased *.
2. The second hypothesis, namely; * there is a significant (positive / negative) impact of modern market development on traditional market activity *.
3. The third hypothesis, namely; * traders' opinions and the public towards the existence of traditional markets are still positive *.
4. The fourth hypothesis, namely; * The formulation of traditional market development patterns is directly affected by the impacts of traditional market activity and indirectly from the development of modern markets *.
5. The fifth hypothesis, namely; * The formulation of traditional market arrangement pattern that aims and leads to the improvement of Surabaya city economy is directly affected by the impact of traditional market activity and indirectly from the development of modern market *

The technique of collecting data is done in two ways, that is primary data collected by interview method, while secondary data is done by way of literature study. An important issue in collecting data that must be considered is that the samples taken can be representative of the research itself. From that matter hence technique of collecting data in this research is as follows:

1. Documentation, i.e., how to obtain data by collecting from the literature and documentation of relevant agencies;
2. Questionnaire; in the survey, the use of questionnaires is essential for data collection, while the questionnaire itself is a list of questions given to respondents to complete the previous data collection techniques because there are likely some answers that are not complete so that required a question in writing;
3. Observation (observation), i.e., techniques or methods of data collection by way of recording carefully and systematically on the subject and or object under study;
4. Interviews, namely; Techniques or methods of data collection conducted by researchers by asking directly with respondents.

Before data analysis, it is preceded by activities in data processing which include:

1. Editing, i.e.; check the list of questions that have been submitted by the data collectors. The purpose of editing is to reduce errors or deficiencies in the completed questions list as far as possible.
2. Coding, i.e., classify responses from respondents into categories. Usually, the classification is done by way of getting sign/code in the form of numbers on each answer.
3. Tabulation, i.e., the job of making labels. The answers that have been coded for answer categories are then entered in the table.

In this study obtained data research both qualitative and quantitative. Qualitative data is the result of direct interviews with 100 (one hundred) market merchant respondents spread across ten markets in 5 (five) areas of Surabaya city. Quantitative data obtained from the tabulation of the results of questionnaires distributed to the respondents as much as 300 respondents of citizens who reside in the modern market and traditional markets. These respondents were chosen with the assumption that the people often shop in modern markets and traditional markets. Qualitative data analysis is referring to the hypothesis that has been compiled in research. The following is a detailed description of the answers to the proposed research hypothesis, namely;

1. The distribution of traditional markets in Surabaya is uneven. The traditional market is still more concentrated in central Surabaya with high population density. And the turnover of traditional traders in Surabaya based on field surveys and direct interviews indicates a declining trend with the development of modern markets, especially the modern market in small-scale spread (e.g., indomart, alfamart, and others).
2. The impact of modern market presence on traditional markets is positive or negative. The detailed impacts of modern market presence on traditional markets are as follows:
3. Excavation of information from traditional market participants (traders); Field findings in this study indicate that more than half of respondents (54 respondents) from traditional markets observed claimed to have felt the presence of a modern market resulted in a decrease in turnover. If detailed according to the location of the survey, it appears that traditional market participants in big cities tend to feel the impact of the presence of modern markets than in small towns. This is shown based on statements of traditional market participants whose turnover decreased by location, ie, where the percentage of traditional market participants whose turnover decreased by 22.5% (average statement of attitude scale of respondents).

Regarding sold commodities, traditional market participants who sell food or food commodities are the least affected by modern market participants (44 respondents from 100 respondents). This is quite a contrast when compared with commodities electric/electronic appliances, where 63 respondents from 100 respondents traditional market players who sell the goods declared a decline in turnover due to the presence of modern markets. Meanwhile, although the number of respondents who declared a decrease in turnover is not too large (55 respondents), commodity goods daily needs to be given special attention. From the traditional market participants side, although there is no quantitative data so far, field research shows that most traditional market players are engaged in the sale of daily necessities. Moreover, this is related to the pattern of public consumption that most of their consumption is in the form of goods * daily necessities (sembako). Therefore, the decline experienced by traditional market participants of daily necessities is expected due to the relatively large sales value of the modern market.

From the tables and pictures above can be seen that the distribution of traditional markets in the area of Surabaya is entirely representative.

Model and Technique of Data Analysis

Based on hypothesis and research design, the data collected in this research will be analysed by using some technical statistical analysis. The quantitative statistical data analysis technique used is Structural Equation Modeling (SEM). To test the effect simultaneously, each research variable used SEM technique. All data analysis will be calculated using SPSS 15 and AMOS 7.0 programs. Structural Equation Modeling (SEM) Technique is a complete SEM modelling basically consisting of Measurement Model and Structural Model. Measurement Model or Model of Measurement is intended to confirm the dimensions developed in a factor, while the structural model or structural model is about the structure of relationships that form or explain the causality between factors.

Quantitative Data Analysis and Qualitative Data

Quantitative Data Analysis

Before analyzing research data then the requirement test that must be done is as follows;

Test of Validity and Reliability of Research Instruments

The results of validity test and reliability test of question items determine the quality of research instruments (questionnaire) is very important to do. Before disseminating the questionnaire to all the targeted respondents, the researchers tested 30 respondents as the basis of the validity and reliability of the instrument. The result of validity test of the five variables has a high enough validity with correlation coefficient value of each item above 0.3.

Table 1 Number of Markets in Surabaya City

No.	Market Name	Clasification	Surface Area (m2)	Year Of Processing	Bulding Area (m2)	Stand	Traders	Land Status
			Eastern Branch					
1	Bunga Bratang	I	5.520,00	1975	2.754	205	147	PD Pasar Surya
2	*Burung Bratang*	I	4.920,00	1979	4.735	277	189	PD Pasar Surya
3	*Inpres Bratang*	II	*552,00*	--	1.132	340	222	PD Pasar Surya
4	*Keputih*	III	657,00	1974	414	54	33	PD Pasar Surya
5	Gubeng Masjid	I	3.448,00	1978	1.029	642	407	PD Pasar Surya
6	*Gubeng Kertajaya*	II	1.218,00	1977	301	164	128	PD Pasar Surya
7	Keputran Utara	I	8.696,00	1918	7.548	1.878	1.042	PD Pasar Surya
8	Keputran Selatan	I	4.100,00	1918	2.213	565	385	PD Pasar Surya
9	*Dinoyo Tangsi*	III	*1.000,00*	1932	548	158	135	PD Pasar Surya
10	*Bunga Kayoon*	I	3.000,00	1957	2.394	112	107	Tanah Dinas Pengairan
11	Kapasan	Utama	6.500,00	1918	16.491	1.241	770	PD Pasar Surya
12	*Aswotomo*	III	686,00	1957	227	208	104	PD Pasar Surya
13	*Kertopaten*	Darurat	*700,00*	--				Jalan umum
14	Kendangsari	III	1.575,00	1957	1.105	137	108	PD Pasar Surya
15	*Panjang Jiwo*	III	*1.000,00*	1985	734	218	145	PD Pasar Surya
16	*Tenggilis*	III	*677,00*	1978		40	27	PD Pasar Surya
17	Pacar Keling	I	*7.103,00*	1974	2.465	607	407	Milik DAOP VIII Perumka
18	*Jl. Kelapa*	III	*400,00*	--	0	66	62	PD Pasar Surya
19	*Ambengan Batu*	III	196,00	1932	0	32	29	PD Pasar Surya
20	*Indrakila*	II		--		42	24	Jalan umum
21	*Indrakila Darurat*	Darurat		--				Jalan umum
22	*Kali Kedinding*	III	*705,00*	--	400			PD Pasar Surya
23	*Sutorejo*	III	3.420,00	1976	179	79	2	Tanah eks kas des
24	Pucang Anom	I	*11.664,00*	1957	4.638	1.712	1.036	PD Pasar Surya
25	Krukah	II	1.321,00	1974	847	295	229	PD Pasar Surya
26	Rungkut Baru	I	2.568,00	--	1.075	168	135	PD Pasar Surya
27	Tambah Rejo	Utama	28.052,00	1972	16.017	3.247	1.788	Sebelum terbakar
			99.678,00		67.246	12.487	7.661	

No.	Market Name	Clasification	Surface Area (m2)	Year Of Processing	Bulding Area (m2)	Stand	Traders	Land Status
			Northen Branch					
1	Blauran Baru	Main	5.550,00	1984	4.831	1.315	1.081	PD Pasar Surya
2	*Kepatihan*	III	700,00	1949	298	102	95	PD Pasar Surya
3	*Koblen*	III	*1.600,00*	1949	312	143	53	PD Pasar Surya
4	Asemrowo	II	3.960,00	1975	757	410	373	PD Pasar Surya
5	*Tidar*	I	3.724,00	--	1.520	55	51	PD Pasar Surya
6	*Tembok Dukuh*	II	1.299,00	1932	518	206	181	PD Pasar Surya
7	Baba*an Baru	I	3.500,00	1916	2.696	512	266	PD Pasar Surya
8	*Kebalen Barat*	Emergency		--				Roads
9	Balongsari	III	2.714,00	1982	1.990	279	214	PD Pasar Surya
10	*Manukan Kulon*	III	*2.600,00*	1984	400	235	212	PD Pasar Surya
11	*Banjar Sugihan*	III	*5.269,00*	1976	520	127	68	PD Pasar Surya
12	Dupak Rukun	II	29.892,00	1977	15.259	637	448	PD Pasar Surya
13	Dupak Bandarejo	II	812,00	1974	863	325	259	PD Pasar Surya
14	*Dupak Bangunrejo*	III	600,00	1977	522	166	51	PD Pasar Surya
15	Simo	II	1.960,00	1975	1.450	241	208	PD Pasar Surya
16	*Simo Gunung*	III	*693,00*	--	572	198	114	PD Pasar Surya
17	*Simo Mulyo*	III	1.490,00	1978	724	274	190	PD Pasar Surya
18	Krembangan	II	1.708,00	1929	455	303	213	PD Pasar Surya
19	*Pesapen*	III	3.100,00	1930	632	236	208	PD Pasar Surya
20	*Pesapen Cikar*	III	1.216,00	1920	930	58	33	Areal Parkir
21	*Jl Gresik PPI*	II	565,00	1957	355	112	78	PD Pasar Surya
22	*Jembatan Merah*	II		--				Areal Parkir
23	Pabean	I	9.600,00	1937	6.222	1.776	1.475	PD Pasar Surya
24	*Jl. Dukuh*	Darurat		--		119	115	PD Pasar Surya
25	*Jl. Bibis*	II	1.000,00	--	791	61	46	PD Pasar Surya
26	Pecindilan	I	3.200,00	1928	2.466	844	545	PD Pasar Surya
27	*Kalianyar*	I	500,00	1918	320	14	11	PD Pasar Surya
28	*Jagalan*	III	728,00	--	250	54	23	PD Pasar Surya
29	*Gembong Tebasan*	II	350,00	--	225	36	111	PD Pasar Surya

30	*DRT Gembong Tebasan*	Darurat		--		118	35	Jalan umum
31	Pegirian	I	3.500,00	1978	1.878	901	699	PD Pasar Surya
32	*Ampel*	III	280,00	1918	72	19	16	PD Pasar Surya
33	*Sukodono*	III	192,00	1918	192	20	17	PD Pasar Surya
34	Wonokusumo Wetan	II	1.825,00	1974	1.351	355	291	PD Pasar Surya
			94.127,00		49.371	10.251	7.780	

No.	Market Name	Clasification	Surface Area (m2)	Year Of Processing	Bulding Area (m2)	Stand	Traders	Land Status
				Southern Branch				
1	Bendul Merisi	II	1.900,00	1977	794	136	91	Milik DAOP VIII Perumka
2	*Gayungsari*	III	2.550,00	1977	283	67	59	PD Pasar Surya
3	*Wonokromo Lama*	II	3.285,00	1950	1.224	107	86	PD Pasar Surya
4	Dukuh Kupang	II	*2.400,00*	1975	1.071	545	355	PD Pasar Surya
5	*Dukuh Kupang Barat*	III	730,00	1975				PD Pasar Surya
6	Karang Pilang	II	966,00	1957	947	202	49	PD Pasar Surya
7	*Lakarsantri*	III	2.437,50	1974	417	76	75	Tanah eks kas desa
8	*Hewan Karang Pilang*	Khusus	6.000,00	1974	154			PD Pasar Surya
9	*Bangkingan*	III	3.437,50	1974	308			Tanah eks kas desa
10	Kembang	I	4.876,00	1929	2.619	1.005	641	PD Pasar Surya
11	*Kedungsari*	II	*618,00*	--	1.105	124	109	PD Pasar Surya
12	*Kedungdoro*	II	*850,00*	--	432	82	58	PD Pasar Surya
13	Kupang	I	*3.000,00*	1929	1.851	419	370	PD Pasar Surya
14	*Pandegiling*	Darurat		--		714	689	Jalan umum
15	Kupang Gunung	II	2.565,00	1975	1.261	370	307	PD Pasar Surya
16	Pakis	II	1.600,00	1952	1.146	246	217	PD Pasar Surya
17	*Wonokitri*	II	1.316,00	1976	946	272	222	
18	Tunjungan Baru	I	*7.726,85*	1979	7.095	294	108	PD Pasar Surya
19	Wonokromo-DTC	I	17.213,00	1955	10.584	3.891	725	PD Pasar Surya
20	Genteng Baru	Utama	4.085,00	1918	11.576	1.216	850	PD Pasar Surya
			67.555,85		43.813	9.766	5.011	
			261.360,85		160.430	32.504	20.452	

Thus from the validity test, the research instrument can be used to collect primary data. While the results of reliability calculations give coefficient results with Cronbach Alpha values above 0.5 which implies that the overall variable reliably. Thus it can be concluded the validity and reliability test results have a level of accuracy and reliability that meet the requirements.

Evaluation of Normality

The purpose of the normality test is to find out whether the distribution of data follows or accepts a normal distribution. The correlation values obtained were compared with the correlation values for normal plots of 0.987 at n = 300 and alpha = 0.05. The obtained correlation value between kai square value with Mahalanobis distance equal to 0,996, so can be concluded that evaluation of normal distribution has been fulfilled.

Evaluation of Linearity

The result of the linearity assumption withdrawal approach used refers to the concept of parsimony, that is, when all models used as the basis for testing are linear, quadratic, cubic, inverse, logarithmic, power S, compound, growth and exponential. The result of the linearity assumption examination of all forms of relationship between the variables contained in the structural model is linear. Thus the assumption of linearity in SEM is met.

Evaluation of Outliers

Examination of univariate outliers can be done by determining the threshold value categorized as an outlier by converting the value of research data into a standard score or commonly called a z-score. Based on kai-square value on the free degree of 19 indicators (number of indicators) at the 0.05 significance level, then obtained kai-square value of 30.144. This implies that some respondents indicated the presence of multivariate outlier symptoms. In this analysis, however, the multivariate outlier arm found in some observation numbers is not omitted from subsequent analysis because there is no particular reason on the profile of the respondent. Thus, multivariate outlier observations remain analyzed.

Hypothesis Test Result (SEM Analysis)

From the results of structural model analysis obtained coefficient (probability) influence as follows:

0,259

Perkembangan Pasar Modern

Aktivitas Pasar Tradisional

Perumusan Pola Penataan Pasar

Tradisional

Perumusan Pola
Pengembangan Pasar Tradisional

Peningkatan
Perekonomian
Kota Surabaya

0,187

0,667

0,256

0,368

*[2]-Chi-square = 665.98
Probability = 0.0045
RMSEA = 0.0064
GFI = 0.9876
AGFI = 0.9222
CMIND/DF = 1.4334
TLI = 0.9801
CFI = 0.9933

From the above mentioned goodness of fit index indicates results that have met the requirements of the structural model with value; (* 2-Chi-square = 665.98; Probability = 0.0045; RMSEA = 0.0064; GFI = 0.9876; AGFI = 0.9222; CMIND / DF = 1.4334; TLI = 0.9801; CFI = 0.9933) each giving the price above the value standard minimum / maximum fit model (fit model). Thus the structure model built in this study can be stated fit (good).

The description of the structural path analysis above can be observed in the following table of coefficients;

Table 3 Structural Model Analysis Results

No	Variabel		Koef.	*p.Value*	Ket.
	Independen	Dependen			
1	Development of Modern Market	Traditional Market	0,259	0,002	Sig.
2	Traditional Market Activities	Formulation of Traditional Market Arrangement Patterns	0,187	0,012	Sig.
3.	Formulation of Traditional Market Setup Patterns	Formulation of Traditional Market Development Patterns	0,368	0,033	Sig.
4.	Formulation of Traditional Market Development Patterns	Improvement of Surabaya City Economy	0,256	0,041	Sig.
5.	Improvement of Surabaya City Economy	Traditional Market Activity	0,667	0,022	Sig.

From the results of SEM analysis as presented in Figure 4.2 and table 4.4 above can be translated as follows: * There is a significant positive impact of the existence of modern market development of the existence/activity of traditional markets in Surabaya. It is shown statistically from the value of its probability value (0.002) which is below the alpha significance level: 5%, with the coefficient matrix value equal to 0.259k count (impact magnitude = 25.9% count). While the formulation of traditional market arrangement pattern is based on traditional market activity with consideration of impact caused by modern market development (koef: 18,7% count, prob. = 0,012). The pattern of traditional market development is referenced from traditional market arrangement which is linear with traditional market activity considering the impact of modern market development (koef: 36.8% count, prob. = 0,033). Thus the improvement of the Surabaya city economy can be expected to flourish / increase with the proper pattern of traditional market development and consider the related aspects (koef: 25.6% count: prob.:0.041)

However, the results of the above analysis are not sufficiently able to specifically exploit the phenomena under study in this study (only at the level of causality). Therefore it is necessary to conduct qualitative testing as supporting theoretical justification to reinforce and sharpen the goals/targets in this study.

Table 4 Percentage of Traditional Market participants who experienced a decline in turnover by the group of sold commodities.

Type of commodity sold	(%) responden
Daily necessities	55
Clothes	50
Food / ingredients	45
Electric appliance/ electronics	63

What is also interesting to note is what kind of modern market players feel the most disturbing turnover of traditional market traders. Table 4.5 shows that 90 respondents of traditional markets around modern minimarkets declared their turnover decreased (55.5%, calculated from the average attitude scale) due to the presence of the minimarket. Meanwhile, for other modern market groups, the percentage of traditional market participants around it who declined their turnover was 50 respondents with a decrease of 32.5 (calculated from the average attitude scale). This indicates that the modern market which is considered as a nuisance by traditional market players is a modern market in the form of current minimarkets. This possibility is caused by the hours of operation of the modern mark*et al*most simultaneously with the traditional market participants, as well as the modern market (minimarket) is in the traditional market environment located close to the traditional market participants. This allows consumers to have an alternative to shopping for the same commodity. On the one hand, the modern market in the form of minimarket has an advantage regarding security, comfort, and completeness of goods sold.

Table 5 Percentage of Traditional Market Traders Who Have Decreased Turnover by Type of Competitor's Modern Market.

Types of modern market competitors	Percentage of traditional markets whose turnover decreased
Hypermarket	10,2
Supermarket	21,5
Minimarket	72,3

Source: Survey

Table 6 Percentage of Traditional Market Traders Experiencing Turnover According to Distance with Competitor's modern Market.

Distance to modern market	Percentage of traditional markets whose turnover decreased
<100 meter	60%
100-<500 meter	42%
500-1000 meter	32%
<1000 meter	00

Source; Survey

Table 4.6 shows that the closer the location of modern markets to traditional markets, the impact of declining turnover of traditional market participants is greater. For example between the distance of the location of fewer than 100 meters with a distance of location between 500 * 1000 meters, the impact of decline in traditional market turnover is very much different. The above data also shows that if the distance between the traditional market and the modern market exceeds 1000 meters, then there is no influence at all.

When viewed from the specifics of daily necessities that traditional market participants are affected by the existence of modern markets include rice, soap/detergent, eggs, cooking oil, noodles, milk, cigarettes, soft drinks, toothpaste and snacks. That is, if there is a decrease in turnover among traditional market participants, not always a decline that occurs for all items of goods they sell.

From the above explanation, based on information obtained from traditional market participants can be deduced that; o The presence of modern markets, especially in the form of minimarkets, causes a decline in the turnover of traditional market participants; o Decrease in turnover of traditional market participants as a whole by an average of 22.5%; o The decline in the value of turnover of traditional market participants due to a decrease in the number of consumers and decline in purchase value. Information on the decline in turnover of traditional market participants needs to be correlated with consumer activity, to see whether the decline in turnover experienced by traditional market participants is caused by changes in consumer spending patterns that shift from traditional markets to modern markets, or a decrease in purchasing power overall or even a combination of the two. Besides, it should be noted that through observation in the field, it appears that many traditional market participants are adopting the marketing strategy of modern market players such as discount boards in front of the store, price tags, delivery service (goods delivered to consumers) and so on. This suggests that there is a positive impact of the transfer of knowledge from modern market participants to traditional market participants, although this is not necessarily explicitly acknowledged by traditional market participants.

Traditional and traditional market traders' opinions about the existence of traditional markets are connected with expectations or expectations of the traders themselves.

Here is a specific picture of expectations from traditional market traders with their various characteristics:

1. Modern markets, supermarkets to be reduced;
2. Street vendors who are on the roadside to be disbanded and controlled immediately;
3. Access road to the market to improve the consumer easier to visit;
4. Rental rates for booths are lowered, and payment mechanisms are made daily, not per month;
5. Promotions from the company to be reduced and not done within the traditional market, as they may damage the selling price;
6. In front of the market to install the floor plan to facilitate visitors to the location in question;
7. Created a strategic and adequate parking facilities;
8. Structuring is done again including the structure and infrastructure as well as highway traffic around the market;
9. A capital credit facility with low-interest rate is required;
10. There is a need to curb street vendors;
11. Taxes/levies are cheaper;
12. The existence of minimarket to be shifted further;
13. Infrastructure and hygiene facilities are more concerned;
14. Traditional market expectations in Surabaya to be used as tourist attractions as well as in Yogya, Bandung, and Bali;
15. The security of the traditional market and the environment around the market is further enhanced;
16. Establishment of market merchant cooperatives;
17. The Government takes into consideration the pricing mechanism of traditional market products to be lower than in the modern market;

While information from consumers based on field findings in this study indicates that shifting consumption pattern of Surabaya society from traditional market to modern market causing decrease of turnover of traditional market participants between before market and afterwards can be detailed as follows (result of interview with 300 respondents)

Table 7 Pattern of public spending for daily needs between before the existence of the modern market and suitably.

Before the modern market		After modern market		
Prosentase Shopping To Traditional Market	Prosentase Shopping To Non Traditional Markets	Prosentase Shopping To Traditional Market	Prosentase Shopping To Non Traditional Market	Prosentase Shopping To Modern Market
85	15	55	20	25

Source: Observation

The main purpose of observation to consumers is to confirm whether the decline in turnover experienced by traditional markets is due to changes in consumer spending patterns (i.e., whether due to the impact of the existence of modern markets) or due to a general decline in consumer purchasing power. It can be identified through the observation of the value of shopping and the share of consumer spending to the modern market and to the traditional market The results of these observations can be seen in table 7.

From table 7. Above shows that there is a shift in consumer behaviour between before and after the modern market. This is evident from the results of interviews of 300 respondents said that before the modern market around the residence. Regarding fulfilment of daily needs of 85% who usually shop traditional market and the rest shop at stores around the residence. However, after the modern market around the shelter there was

a shift of the original shopping place 85% of shopping in traditional markets, now turned into 55% shopping in traditional markets and the remaining 25% shopping in modern markets 20% shopping around the residence (grocery store, merchant around).

The following is the result of quantitative data analysis with graphical description of the responses of respondents to traditional markets and modern markets;

Table 4.8 Respondents Response

Source: Data processing

Source: Data processing

Table 4.8 shows that the reason for choosing to go to the modern market is because of the convenience of shopping, the availability of goods (more complete), ease of parking, quality products, and shop assistants who are ready to help. Meanwhile, consumers who shop at traditional markets are reasoned because of lower prices and location near home. It appears that many motives are used by consumers to shop into the modern market. From the consumer side, the traditional market advantage only if they are closer to home. This is an early indication that when modern markets emerge, there is considerable potential for shifting shopping patterns from traditional markets to modern markets.

Table 9 Difference in Price of Goods in Traditional Markets with Modern Markets for Price Cases in Higher Modern Markets

Types of Goods	Price Gap
Sugar	IDR. 150.
Mie	IDR. 0
Soft Drink	IDR. 250
Cooking Oil	IDR. 500
Cigarette	IDR. 300.
Soap/Detergen	IDR. 500
Snack	IDR.2000
Milk	IDR. 250.
Egg	IDR. 250.

What is interesting to note is the price difference between the modern market and the traditional market to see how significant the influence of price variables in changing consumer spending patterns. Table 4.9 shows that the price difference depends on the type of goods purchased by the consumer. For can drinks (soft drinks) modern market average sells up to Rp.250, - more expensive than the traditional market price. This shows that there is a change in spending patterns among consumers, the change occurs not because it is based on rational economic considerations, but non-economic factors, such as excellent service, comfort and others.

Based on information collected from traditional markets, consumers and other information, it can be concluded as follows:

The decline in turnover experienced by traditional markets is not entirely due to the presence of modern markets, but also by the decline in consumer purchasing power and competition among traditional markets, both traditional markets managed by PD Pasar Surya and those managed by the private sector.

Percentage of shifting consumption pattern of Surabaya society between before and after existence of modern market, according to information from consumer equal to 25%;

The presence of modern markets provides a substantial business opportunity for domestic suppliers.

Innovation and Preference of Research Results

From the various findings described above there are several things that need to get the attention of the government of Surabaya:

1. The most influential modern market in the presence of traditional markets is the modern market in the form of mini market. This requires a regulatory policy on minimarket permissions such as opening hours and locations;
2. Constraints faced by traditional market traders in the form of difficulty to access commodity merchandise with low price (kulakan). This is due to the small amount of capital owned. Therefore, it is necessary to support the government in the form of capital even if it is possible for the government to establish regional companies engaged in the distribution of special goods for traditional traders.

Public Policy Analysis

The pattern of traditional market development seen in Surabaya city government policy is in the form of development of traditional market become semi-modern which combine traditional market and modern market. With the emergence of these policies research shows that there are complaints from traditional traders that exist in the market is related to the high rental prices that cause the decline in competitiveness.

Another excess is the emergence of illegal traders located near the semi-modern market. Given the absence of their ability to buy or rent a stand/kiosk in the market. In addition to causing congestion consumers tend to shop for illegal merchants that can ultimately harm the owner.

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