

## RETAILERS' PERCEPTION OF MEDAN CITY MAIN MARKET RELOCATION

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### Abstract

This study aims to analyze the perceptions of retailers towards the relocation of the main market in Medan City from five aspects, namely, accessibility, convenience, quality of vegetables and fruit, completeness of vegetables and fruit and price. Research method In general, retailers have good perceptions and are willing to move markets, but not all retailers have good perceptions of the five aspects. Convenience, quality of vegetables and fruit, and price received good perceptions. Meanwhile, accessibility to the market gets a negative perception from retailers. Accessibility to the relocated market is very limited. Both in terms of location far from the city center, the existence of limited public transportation, and expensive transportation costs. This is one of the reasons retailers are reluctant to be relocated and some who have been relocated choose shopping locations to other markets.

**Keywords:** *Relocated, Market, Perceptions*

### 1. INTRODUCTION

The market plays an important role in business and economic growth. Therefore, the government is very concerned about the need for the existence of a market as a meeting place between wholesalers and retailers. The market also allows consumers to directly enter into buying and selling transactions. So, in an area there must be a Distribution Center or Central Market built. The location of the market which is near the settlement also makes the environment feel dirty. Not to mention the people who also dispose of garbage in the market, while the market itself does not have a good garbage collection system. According to Saladin (2016) , in order to realize a prosperous society, it is necessary to have development in an area, which is directed at improving the quality of life, so as to be able to realize peace and prosperity in people's lives. Development in general means improvement in all sectors, one of which is development in the economic sector, namely market development. Market development is important because people's needs are increasing and the market has become the main pillar of the economy in a region.

Since 1993, the Medan City Market Center is located on Jl. Sutomo, Pandau Hilir Village, Medan City District which was officially opened on March 1, 1933. This market is the center of the vegetable and fruit market that supplies all markets in Medan City and outside Medan, so it is called the main market. As time goes by the number of traders in this market continues to grow so that the layout and arrangement of the market is not regular. As a result, the location of this market becomes rundown and dirty. This market center becomes a meeting place for distributors and retailers, causing heavy and smelly traffic problems for people who pass through Jl. Sutomo and Jl. Veteran. As a result of irregularities and increasingly seedy market locations, the Medan City government since April 2015 has relocated the vegetable and fruit shopping market center to Jl. Lau ChLau Cih Village, Medan Tuntungan District. This market has a land area of 12 hectares and can accommodate around 4,000 traders, providing 820 wholesale units, 320 sub-grocery units and 60 units of fruit tour stands. The development of this market is intended to be the largest market for vegetables and fruit in North Sumatra. This market is then given a name "Medan City Vegetables and Fruits Main Market". The purpose of market relocation is to arrange a good and clean market, so that traders, consumers and the public can shop comfortably (Akbar, 2022; Armi et

al., 2020). In addition, the relocation of traders has a positive impact on the number of traders' income which is better (Handayani, 2022; Khatimah, 2016; Zunaidi, 2013).

However, this relocation was not welcomed by all traders, and resulted in a protracted conflict. Until now there are still traders selling in the old fruit and vegetable market, even though it no longer causes traffic jams and slums. It is hoped that the target for relocating traders to the Tuntungan Main Market by 2022 will have reached 100 percent. But in fact, traders who were evicted from the Jl Sotomo Market Center prefer to move to the Medan Mega Trade Center (MMTC) located in district Percut Sei Tuan, Deli Serdang Regency. This market is a modern traditional market whose management is carried out by a private company, namely PT. Deli Metropolitan on an area of 7 Ha. This market consists of a wet market that sells vegetables, fruit, fish, meat and a dry market that sells clothing, electronics and culinary delights. In fact, since 2018, several traders who initially moved to the Tuntungan Main Market have chosen to move again to the MMTC market.

Market selection by traders or consumers will consider the benefits they get. Someone will feel attracted to enter this economic sector for three reasons, namely (1) there is almost no formal procedure for establishing a business in this sector, therefore it requires almost no cost and takes a long time, (2) the capital requirement is relatively small, and (3) the profit potential is quite good (Hidayah, 2020). The initial goal of the Medan City government was to make the Tuntungan Main Market a market center. However, this goal will be difficult if traders choose to stay in the old Navel Market, or choose to move to the MMTC market. Even further, it is possible that this central market will be deserted and will be abandoned. Thus, in order to maintain the existence and existence of the Tuntungan Main Market as intended, it is necessary to conduct research related to retailer perceptions of the relocation of the vegetable and fruit wholesale market to the Central Market which is located in Tuntungan.

## 2. LITERATURE REVIEW AND THEORETICAL FOUNDATION

The market as a place to trade and shop for many years has its own emotional bond for traders. Changing places to make a living suddenly cannot be adopted by traders. Traders' perception of the existence of a new market will vary. Perception is an act of judgment in one's thinking after receiving a stimulus from what is felt. This stimulus will develop into a thought that ultimately makes a person have a view regarding a case or event that is currently happening (Tompunu, 2014). The existence of guarantees and economic certainty is a determining factor whether they are willing or not to be relocated. Market selection by traders or consumers will consider the benefits they get. Someone will feel attracted to enter this economic sector for three reasons, namely (1) there is almost no formal procedure for establishing a business in this sector, therefore it requires almost no cost and takes a long time, (2) the capital requirement is relatively small, and (3) the profit potential is quite good (Hidayah, 2020).

August Losch published a book in German in 1939. His book was translated into English in 1954 under the title *The Economics Of Location*. Losch said that the seller's location greatly influences the number of consumers he can work with. The further away from the market, consumers are increasingly reluctant to buy because the cost of transportation to go to the point of sale (market) is getting more expensive. Producers must choose the location that generates the largest sales identical to the largest revenue. On the basis of the above view Losch tends to suggest that the production location is in the market. The decision to choose a shopping location is influenced by one's perception of the market location. Both from the consumer side and from the retailer side. According to Lia (2014), location, product completeness, product quality, price, service, convenience, and promotion affect consumer interest in shopping at supermarket X. Market relocation is not necessarily acceptable to retailers. Of the 40 traders recorded, only 18 % of traders in Gengulang Market who agreed to market development and relocation of the old market to the new market. Traders' perceptions of market relocation have received good or positive responses. But the acceptance of this relocation is not solely because of the ease of traffic, convenience and

competition. However, due to local government regulations that "force" traders to move (Putri, 2016).

### 3. RESEARCH METHOD

The research was conducted in March 2022. The research sample is retail traders who shop at the Tuntungan Main Market. What is meant by retailers are traders who shop at the main market and resell it to final consumers in the Medan City area. The sampling method uses random sampling, namely retailers who are randomly encountered by researchers in the market. The distribution of the research sample can be seen in Table 1.

**Table 1** Distribution of Number of Samples

No	Sample	Amount
1	Vegetable Retailer	27
2	Fruit Retailer	16
	Amount	43

The research method uses a qualitative descriptive analysis with the help of a questionnaire in the form of a questionnaire. The questionnaire contains the perceptions or opinions of retailers on the Tuntungan wholesale market seen from 5 aspects, namely, accessibility, convenience, completeness of vegetables and fruit, quality of vegetables and fruit and prices of vegetables and fruit in the market. This perception is measured with a scale of 1-3. Criteria adjusted to each measurement indicator. Score 3 is better than score 2, and score 2 is better than score 1. Then the average score for each aspect of each retailer will be obtained. Then an analysis is carried out which aspects are the main reasons for retailers to keep shopping, and which aspects will be the reasons for retailers to switch markets later. Each aspect and indicator observed can be seen in Table 2 below:

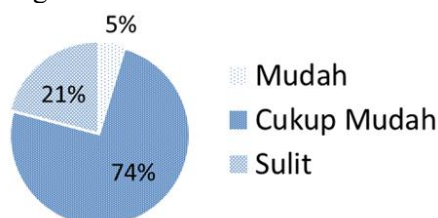
**Table 2** Measurement Aspects and Indicators

No	Aspects analyzed	Measurement
<b>1</b>	<b>Accessibility</b>	
	Mileage to the Main Market	(3)Close, (2)quite close, (1)far
	Road quality	(3)Good, (2)fairly good, (1)bad
	Traveling time	(3) fast, (2) fairly fast, (1) long
	Transportation costs	(3) cheap, (2) fairly cheap, (1) expensive
	Availability of public transportation	(3) Easy, (2) fairly easy, (1) difficult
<b>2</b>	<b>Comfort</b>	
	Vehicle parking facilities	(3) Easy, (2) fairly easy, (1) difficult
	Convenience around the market	(3) Easy, (2) fairly easy, (1) difficult
	Kiosk condition and kiosk layout	(3) Good, (2) not good, (1) bad
<b>3</b>	<b>Product Completeness</b>	
	Completeness of vegetables and fruit	(3) Complete, (2) incomplete, (1) incomplete
<b>4</b>	<b>Product quality</b>	
	Freshness and quality of vegetables and fruit	(3) Fresh, (2) not fresh, (1) not fresh
<b>5</b>	<b>Product Price</b>	
	Vegetable and fruit prices	3) cheap, (2) fairly cheap, (1) expensive

#### 4. RESULTS AND DISCUSSION

##### 4.1 Accessibility

Accessibility in the form of a statement of market distance, road quality, transportation costs, availability of public transportation, and travel time. This factor is the cause for retailers in choosing markets so they are willing to be relocated to the main market.



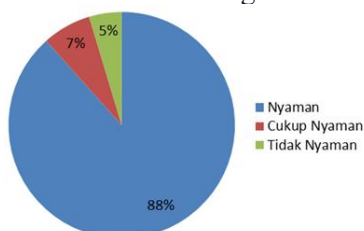
Picture 1 Perceptions of accessibility

Retailers' perceptions of easy accessibility to the market can be seen in Figure 1. Of the 43 retailers who were given a questionnaire, only 5% stated that access to the main market was easy. The rest say quite easy and difficult. The distance to the main market from the center of Medan City is 15 km, with an effective distance of approximately 30 minutes. On the other hand, there is the MMTC market, a fruit and vegetable market which is only 4 km from the center of Medan City. Even though this market is in the geographic area of Deli Serdang Regency. As many as 76% of retailers who were sampled stated that the most difficult accessibility was in terms of the amount of transportation and the distance to the location which was far from the city and settlements and was at the edge of the city limits of Medan. According to (Ria et al., 2014), location has a positive and significant effect on a person's shopping decision at a minimarket.

Accessibility is a factor that greatly influences retailers to choose whether to stay at the Relocated Main Market for shopping or instead move to other markets such as the MMTC market. The long distance from the city center and the absence of public transportation to this market can be the reason for morning traders to gradually leave it. According to Suharman (2019), vegetable and fruit traders who sell at the MMTC market are new traders and also traders who come from various moving markets, one of which is moving from the Main Tuntungan market. This move is based on a location that is close to the city, easy to reach and comfortable. This opinion is reinforced by research Hasibuan (2017), that traders do not agree to be relocated because the selling location is not crowded with buyers due to the lack of transportation that passes through this market area. Accessibility greatly influences a person's decision in choosing or determining something. This means that accessibility plays an important role in determining the location of both markets and other locations of economic value. Some research results state that accessibility has a significant and positive effect on visiting decisions (Adi Saputra et al., 2022; Ayu Widiati & Oetarjo, 2022; Baihaqi, 2019; Chelviani et al., 2017; Keumala & Zainuddin, 2018; Listianingrum, 2019).

##### 4.2 Convenience

Comfortable is a condition where we feel ourselves valued, feel safe, happy and have no burden on our minds. Comfort needs to be obtained by everyone in every activity, because if it is not comfortable, something that is done will not produce maximum results. The retailer's perception of the convenience aspect can be seen in Figure 2.

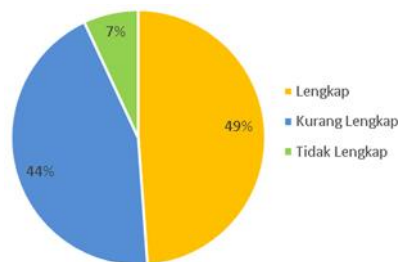


Picture 2 Perception of comfort

Convenience referred to in this study is limited to the ease of parking the vehicle, the ease of going around the market, and the condition of the kiosk. Of the 43 samples, 88% stated that the main market after being relocated to Tuntungan was comfortable. From this percentage, it can be said that convenience is the main factor for retailers willing to be relocated to the main market.

#### 4.3 Completeness of Vegetables and Fruits

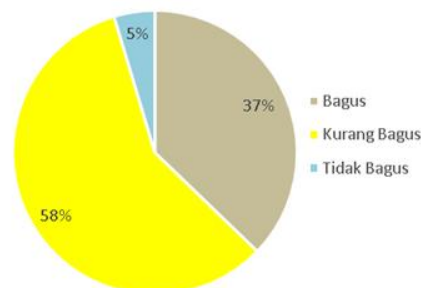
Product completeness is one of the factors for retailers in choosing shopping locations. According to Wahyuni (2020) In addition to price and service, the completeness of the product influences consumer decisions in making purchases, including choosing where to shop. The following is the retailer's perception of the completeness of products in the Main Market that have been relocated to Tuntungan. This statement is also the same as research Aini & Andari (2016). Retailer perceptions based on the completeness aspect of vegetables and fruit can be seen in Figure 3. Based on Figure 3, of the 43 retailer samples interviewed, 44% stated that the newly relocated Main Market had complete vegetable and fruit products. While only 7% said it was incomplete. The completeness of the product is one of the reasons for them to be willing to move to the Tuntungan Main Market.



Picture 3 Perception of the completeness of vegetables and fruit

#### 4.4 Quality of Vegetables and Fruits

Product quality reflects the level of freshness and quality of fruits and vegetables at the relocated Central Market. Guaranteed freshness and quality of vegetables and fruit at the new location is a consideration for retailers whether or not they are willing to buy vegetables and fruit at the new location. Retailers' perceptions of the quality aspect of vegetables and fruit can be seen in Figure 4. Out of 43 retailers, 58% stated that the quality of vegetables and fruit at the relocation market was not good, while 37% stated that the quality of vegetables and fruit was good, and the remaining 5% of retailers said that the quality of vegetables and fruit is not good.

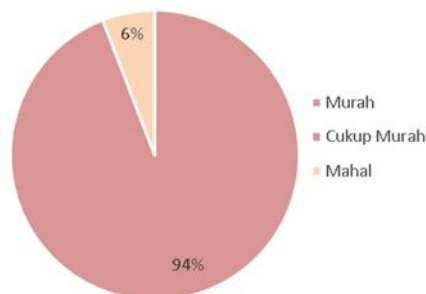


Picture 4 Perception of the quality of vegetables and fruit

#### 4.5 Prices

Price is indeed a determining factor for a retailer in choosing a location to buy his wares. However, price was not the problem that occurred in the relocated Main market. Prices for vegetables and fruit in this market are still relatively affordable and the same as the old vegetable and fruit market and other markets. Retailers' perceptions of the price aspect can be seen in Figure 5. According to the retailers who were sampled, out of 43 people, as many as 94% stated that the

prices for vegetables and fruit in the relocation market were quite cheap and affordable. Only a few of them (6%) said it was expensive. The purchase price level affects the resale price by the retailer to the final consumer.



Picture 5 Perceptions of vegetable and fruit prices

## 5. CONCLUSION

The vegetable and fruit market center after being relocated to Tuntungan District under the name Main Vegetables and Fruits Market in Medan City received a good response from traders, both wholesalers and retailers. However, not all traders, especially retailers, are willing to be relocated to this market. The results showed that the general perception of retailers was good in terms of product quality, convenience, and fruit and vegetable prices. But the perception of retailers in terms of accessibility can be said to be negative, so this will cause retailers to choose shopping locations in other markets. The main objective of the Medan city government is to make the Tuntungan Main Market a wholesale market that brings together traders from various districts in North Sumatra, which will be difficult to achieve.

Accessibility to the relocated market is very limited. Both in terms of location far from the city center, the existence of limited public transportation, and expensive transportation costs. Meanwhile, the convenience factor and the quality of vegetables and fruit are the reasons for retailers to keep shopping at the relocated wholesale markets. Thus, the Medan City Government should provide, encourage and open up opportunities for city-bound public transportation to this market, both operating according to market hours (23.00-03.00) or throughout the day.

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