

# The Community Perception of Traditional Market Services in Pekanbaru City, Riau Province

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**Keywords:** Community Perseption, Level of Satisfaction, Modern Market, Traditional Market.

**Abstract:** The market existence is one of the most apparent indicators of economic activities. The increasing of modern market development in Pekanbaru cause changing public perception in shopping activity on the use of traditional market facilities. The study purpose is identify community perception of trading facilities on tradisional market to formulate policies relating to improving market services to the community. The analysis technique used quantitative descriptive analysis. Its analyzing the level of customer satisfaction and assessment of service condition; complete and price certainty of goods, market comfort, market cleanliness, availability of facilities, and market security. For traditional market services measured from sellers politeness, sellers readiness and sellers friendliness. Based on research concluded the level of customer satisfaction in the traditional markets is not satisfactory and assessment of service conditions is satisfactory.

## 1 INTRODUCTION

The traditional market is a traditional selling place (hereditary), where the sellers and buyers meet, the goods traded are dependent on the request of the buyer (consumer), the price set is the agreed price through a bargaining process, the trader as a producer offers little above the standard price. In general, traditional markets are places for selling basic needs. Usually traditional markets are active within certain time limits, such as morning markets, afternoon markets, weekend markets and so on. Traditional markets can be managed by the government or the private sector, the available facilities consist of wards, booths, warehouses, shops, booths / kiosks, public toilets and others around traditional markets. In the traditional market, the buying and selling process takes place humanely and communicates with high family values.

Traditional market as a city infrastructure that must be managed regularly and continuously, its condition is highly marginalized by the existence of a modern market with its complete facilities and services. Traditional markets, most of which are administered by the government, serve the segmentation of middle-lows with inappropriate physical conditions such as slum, muddy, crowded, etc (Linda, 2008; Witell et al., 2011). Traditional markets are one of the important sectors that support the people's economy, the interests of small people to the upper mid-

dle class are accommodated (Wardoyo, 2009). Traditional markets are places where sellers and buyers meet and are marked by transactions of sellers and buyers directly.

Based on data released by the Association of Indonesian Market Traders (APPSI) in 2005, the growth of traditional markets was 8.01%, while the growth of the modern market was 31.4% per year. The condition of traditional markets is increasingly marginalized with the existence of a modern market with complete facilities and services. Presidential Regulation of the Republic of Indonesia No. 112 of 2007 concerning the Arrangement and Development of Traditional Markets, Shopping Centers and Modern Stores which were followed up by the Minister of Trade Regulation of the Republic of Indonesia No.53 / M-DAG / PER / 12/2008 concerning the Guidelines for the Arrangement and Development of Traditional Markets, Shopping Centers and Modern Stores is a manifestation of the government's response to the conditions of competition that occur between traditional markets and modern markets. These regulations regulate a number of important matters, including the rules for the provision of compulsory facilities for traditional and modern shop markets, location and licensing rules, sales system rules and working hours, to the rules of partnership with suppliers. Rules regarding gradual administrative sanctions also apply to violations, ranging from written warnings, freezing to

revocation of business licenses (Dasgupta et al., 1994; Bangia et al., 2008).

The recent development of Modern Markets and Modern Stores in Pekanbaru City has increased rapidly, resulting in the emergence of various public perceptions in conducting shopping activities. The limitation of traditional markets in facilitating the completeness of facilities and infrastructure is an important issue in shifting community behavior in shopping activities. This behavior is in the form of consumer perceptions in terms of shopping satisfaction and an assessment of traditional market service conditions.

The customer's perception of the quality of a service and overall satisfaction has several indicators / instructions that must be provided. Traders may smile when they talk about goods or services, they might say good things about goods or services. A smile is proof that someone is satisfied, frowning instead reflects disappointment. Both of the above smile and say good things are manifestations or indicators of a construct called customer satisfaction. Satisfaction is the level of one's feelings after comparing the performance / results they feel with their expectations. While according to (Kotler, 2002) satisfaction is a feeling of pleasure or disappointment someone who appears after comparing between perceptions / impressions of the performance (or results) of a product and its expectations. The level of satisfaction is a function of the difference between perceived performance and expectations. If the performance is below expectations, the customer will be disappointed. If performance is in line with expectations, customers will be satisfied. Whereas if the performance exceeds expectations, customers will be very satisfied. Customer expectations can be shaped by past experiences, comments from relatives and promises and marketing information and things. Satisfied customers will be longer, less price sensitive and have good comments. To create customer satisfaction, it must create and manage a system to obtain more customers and the ability to retain customers (Hill, 1966; Price et al., 2015).

According to Sari (2011) to assess the level of customer satisfaction and assessment of market service conditions can be seen from the completeness of goods, certainty of the price of goods, quality of goods, market convenience, market cleanliness, facilities and market security. As for the assessment of market service conditions, it can be seen from the courtesy of traders, merchant alertness and merchant hospitality. To realize a clean, safe and comfortable traditional market. Need to be supported by the availability of good facilities and infrastructure. Facilities

are supporting facilities that function for the implementation and development of economic, social and cultural life, such as parking facilities, health facilities, facilities of worship. Infrastructure is a complete physical environment that allows the market environment to function properly, such as landfills, drainage networks, sewerage drains, signs.

## 2 RESEARCH METHODS

Perception is the presumption of something or a certain social condition based on the social construction created in the community. Perception is an experience or assessment of objects, events, or relationships that are obtained by deducing information or conveying messages (Hariyono, 2007). The market which is the center of the crowd is perceived by everyone differently. As a means of shopping for the community, the market is able to create perceptions of each visitor about their own functions and benefits. The results of this study will explore the perception of community shopping in the use of trade facilities in Pekanbaru City.

The purpose of this study is to determine the public perception of traditional market services in Pekanbaru City. The scope of the area in this study is the administrative area of Pekanbaru City consisting of ten traditional markets managed by the Pekanbaru City Market Service (Pekanbaru, 2013b), namely:

- Sukaramai Market in Jendral Sudirman Street, Pekanbaru Kota District
- Inpres H. Agussalim Market in H. Agussalim Street, Pekanbaru Kota District
- Senapelan Market in Jendral Ahmad Yani Street, Sukajadi District
- Limapuluh Market in Sultan Syarif Kasim Street, Limapuluh District
- Bawah Market in Saleh Abbas Street, Senapelan District
- Sail Market in Hangtuah Street, Sail District
- Rumbai Market in Kayangan Street, Rumbai Pesisir District
- Labuh Baru Market in Durian Street, Labuh Baru District
- Simpang Baru Market in Soebrantas Street, Tampan District
- Cik Puan Market in Tuanku Tambusai Street, Sukajadi District

The approach used in this study uses descriptive research methods by identifying object of research through a description, understanding or explanation of the analysis that is measurable or not measurable. The field survey was carried out by distributing questionnaires to the public/buyers on traditional markets that were carried out in the morning at 06.00 am until 12:30 am on April 8-23, 2015. The hours were chosen because the majority of traders sell and make buying and selling transactions to buyer at this time.

The sampling technique used is accidental sampling. According to Sugiyono (2010) accidental sampling is a technique of determining samples based on chance, that is, anyone who accidentally meets with a researcher can be used as a sample, if the person who happened to be found is suitable as a data source. According to (Arikunto, 2002) the determination of sampling is if less than 100 is better taken all until the research is population research. If the number of large subjects can be taken between 10-15% or 20-55% or more depending on the ability of researchers related to time, energy and funds, the area of observation of each subject because it involves a lot of funds, and the size of the risk by researchers. The number of samples to be studied is calculated using the Slovin formula (Sangaji, 2010):

$$n = \frac{N}{1 + Ne^2} \quad (1)$$

n = sample size  
 N = population size  
 e = critical value (accuracy limit) desired (0-10%)

According to data obtained from Pekanbaru Central Statistics Agency (BPS) (Pekanbaru, 2013a), the population of Pekanbaru in 2013 was 999,031 people. Then the amount is calculated into the Slovin formula with an estimated error of 6% so that it can be known as follows:

$$n = \frac{999.031}{1 + 999.031(6\%)^2}$$

$$n = \frac{999.031}{1 + 9943(0.06)^2}$$

$$n = \frac{999.031}{3597.5}$$

n = 277,7400 = 278 people

Based on these calculations the total number of samples to be taken is 278 respondents, then for 8 traditional markets consists of 28 respondents and 2 markets with 27 respondents. Distribution of questionnaires was conducted in ten traditional markets in Pekanbaru City. In carrying out this research, data

collection techniques carried out were the distribution of questionnaires or interviews directly with respondents, observations or direct observations in the field to find out market conditions to traders, and documentation. To collect data in this study follows variables and indicators that have been extracted from theories about traditional market services as presented in Table 1.

Table 1: Research Variables

Research Objectives	Variables	Indicators
Identify the level of customer satisfaction in traditional markets	Identification of availability and condition of facilities and infrastructure	1. Completeness of goods 2. Price Certainty 3. Quality of Goods 4. Market Convenience 5. Market Cleanliness 6. Complete Facilities 7. Security
Identify assessments of traditional market service conditions.	Identification of the role of market traders towards consumers	1. Courtesy of merchants 2. Efficacy of traders 3. Hospitality of traders

Field surveys are carried out by distributing questionnaires to the public / buyers. In traditional markets, this research was conducted in the morning at 06.00 WIB until 12.30 WIB on April 8-23, 2015. The hour was chosen because the majority of traders sell and buy and sell transactions to buyers at that hour.

### 3 RESULTS AND DISCUSSION

#### 3.1 Distribution of Traditional Markets in Pekanbaru City

Placement of market location will affect the range of market services for users. Market placement will also affect the perceptions of community shopping. Pekanbaru City is a city with a population of 999,031 people. To fulfill their daily needs, the community conducts buying and selling activities in traditional markets. Pekanbaru City has ten traditional markets under the management of the Pekanbaru City Government, especially the Pekanbaru City Market Service.

Figure 1 is the distribution of traditional markets in Pekanbaru City.

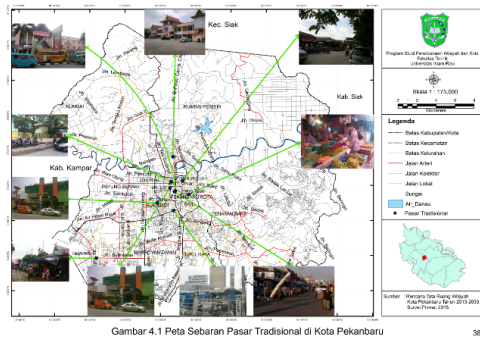


Figure 1: Distribution of Traditional Markets Location in Pekanbaru City

### 3.2 Characteristics of Respondents

The majority of consumers or respondents are female (84.98%) are on average over 30 years old (75.54%). The biggest traditional market user is housewife of 60.43%. The population of Pekanbaru City consists of Malays, Minang, Javanese, Batak Tribe, the remaining various other tribes. Traditional market consumers are dominated by Malays (48.92%) and Minang (32.37%) with the largest number of family members owned by consumers (1-5.75%). The income of visitors/buyers in traditional markets is between Rp. 1,000,000 - 2,900,000 (92.81%) and graduated from senior high school (57.19%).

### 3.3 Identification of Consumer Satisfaction Levels in Traditional Markets

Based on the answers of 278 respondents in all traditional markets in Pekanbaru City, for completeness of the items respondents chose 75.54% at the satisfying level. This is because the fulfillment of all the needs of consumers in buying all their needs. For certainty of the price of goods, highest percentage is at 57.55% where respondents choose unsatisfactory, this is contrary to the characteristics of traditional markets, where in the process of bargaining is created which has no fixed price but consumers here provide sufficient ratings high for certainty of the price of goods. This is because the average price agreed upon by the respondents with all the traders on the market is almost the same, so the respondents chose uncertain price.

The level of consumer satisfaction on the quality of goods can be seen with the highest percentage of

respondents satisfying with a value of 76.98%, where the respondents rated the basic needs here as having good quality because basic goods always change with new and fresh goods fresh supplied from West Sumatra Province and North Sumatra Province. For market convenience the highest percentage of 70.86% of respondents voted unsatisfactory because respondents rated traditional markets on busy days visitors felt very hot and jostling which resulted in inconvenience.

The level of customer satisfaction on market cleanliness, the respondents chose 57.55% to be unsatisfactory. This happened because respondents considered the cleanliness of the traditional market was far from being adequate or satisfying, it was muddy and smelly. However, in some traditional markets, cleanliness has been regularly managed, although it still needs to be improved. For complete facilities the highest percentage is unsatisfactory with a value of 50.00%. This reflects the still many unsatisfactory market facilities that can even be said to be inadequate. This is one of the weaknesses of the traditional market. The level of consumer satisfaction with market security, respondents chose 51.08% to be unsatisfactory. This proves that there is still a lack of market security felt by the respondents, especially the very vulnerable cases of pickpocketing.

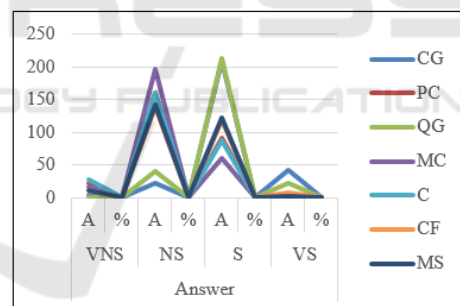


Figure 2: Graph of the Level Satisfaction of Consumer in Traditional Market, Pekanbaru City

### 3.4 Assessment of the Conditions of Service of Traditional Markets

The service quality of market facilities will provide comfort to consumers who will come to shop. Factors that become elements of service include courtesy of merchants, merchant alertness and merchant friendliness. Table 3 shows the community's assessment of traditional market services in Pekanbaru City.

Based on the answers of 278 respondents who were in all traditional markets in Pekanbaru, the assessment of the courtesy of traders in doing service, the highest percentage was in the satisfactory choice

Table 2: Level of Satisfaction of Traditional Market Consumers in Pekanbaru City

SL	Answer							
	VNS		NS		S		VS	
	A	%	A	%	A	%	A	%
CG	4	1.44	22	7.91	210	75.54	42	15.11
PC	22	7.91	160	57.55	91	32.73	5	1.8
QG	1	0.36	41	14.75	214	76.98	22	7.91
MC	17	6.12	197	70.86	61	21.94	3	1.08
C	28	10.07	160	57.55	87	31.29	3	1.08
CF	12	4.32	139	50	119	42.81	8	2.88
MS	11	3.96	142	51.08	123	44.24	2	0.72

Note:

A: Amount; SL: Satisfaction Level; CG: Completeness of Goods; PC: Price Certainty; QG: Quality of Goods; MC: Market Convenience; C: Cleanliness; CF: Complete Facilities; MS: Market Security; VNS: Very Not Satisfying; NS: Not Satisfying; S: Satisfying; VS: Very Satisfying

Table 3: Assessment of Traditional Market Services in Pekanbaru City

ASC	Answer							
	VNS		NS		S		VS	
	A	%	A	%	A	%	A	%
CM	4	1.44	21	7.55	174	62.59	79	28.42
ET	5	1.8	18	6.47	185	66.55	70	25.18
HM	3	1.08	12	4.32	181	65.11	82	29.5

Note:

A: Amount; ASC: Assessment of Service Conditions; CM: Courtesy of Merchants; ET: Efficacy of Traders; HM: Hospitality of Merchants; VNS: Very Not Satisfying; NS: Not Satisfying; S: Satisfying; VS: Very Satisfying

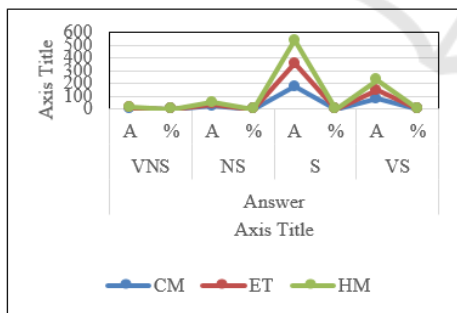


Figure 3: Traditional Market Services Assessment Graph in Pekanbaru City

of 62.82%. This is because the traders are quite polite in serving the respondents and there is an interaction that creates intimacy between the traders and buyers and the traders use neat clothes, good words and always give a smile to the buyers. the results of the percentage to satisfy are quite high at 66.43%. Respondents considered that when the respondents came to the outlets or kiosks of the merchants, they were swift

and deft in welcoming and explaining the items available and had a quick response in serving the buyers.

Friendly is one way to attract customers or buyers. This is what traders on the market do. So that prospective buyers want to buy where they sell. The assessment of merchant friendliness in service to consumers is at a satisfactory level of 64.98%, where the respondents are satisfied with the hospitality that occurs due to direct interaction between sellers and buyers. The hospitality of the merchants was felt by consumers when the respondents passed the shops or shops of the merchants, where they immediately greeted the respondents to be able to stop by where they were selling. The hospitality of traders is able to provide a sense of family and comfort to the respondents or buyers.

#### 4 CONCLUSIONS

Based on the research, the conclusions are as follows:

- The distribution of traditional markets in Pekanbaru City is in close proximity to the city center.

- The level of community satisfaction with completeness, quality, safety, cleanliness and comfort related to the condition of traditional markets in Pekanbaru City is in a condition that is not satisfactory and has not met expectations of the community.
- Community assessment of the merchant conditions services has met criteria expected by the community.

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