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ANALYSIS OF GOODS DISTRIBUTION IN TRADITIONAL MARKETS: A STUDY OF CIWASTRA TRADITIONAL MARKET IN BANDUNG CITY

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ABSTRACT

A traditional market is a place where there are many transactions between buyers and sellers. The development of traditional markets is currently getting worse, due to many modern retailers, and also consumers who seek convenience when shopping. Therefore, research is needed that focuses on the analysis of arrangements other than spatial planning, namely the analysis of the distribution channel of goods. This research method uses descriptive research, with data collection techniques through observation and interviews with traders in the Ciwastara traditional market in Bandung City. The results of the research obtained, namely the distribution of goods carried out involves suppliers, merchants/retailers and consumers/buyers. Another result found that, a retailer can also act as a supplier, when the available items have run out before delivery is made. In this case, It can be concluded that most of the traders in the Ciwastara traditional market in Bandung City apply semi-direct distribution, and indirect distribution.

KEY WORDS

Market, distribution, buyer, seller, consumer.

The market is a place used to carry out goods distribution activities, and services from producers to consumers. The market has a role related to the distribution function, to facilitate the distribution of goods to consumers. In addition, markets have a function to bring consumers closer to producers when transactions. The impact of the existence of the market is to make goods produced by producers can be enjoyed by consumers, through both traditional and modern markets. The point is, the market is where the process of distributing goods to consumers takes place (Kastori, 2022).

Distribution of goods carried out, one of which is carried out by small merchants in traditional markets. Markets spread across all cities in Indonesia, one of which is the city of Bandung. Bandung City is the capital of the province of West Java, Indonesia, which has a traditional market. The distribution of traditional markets, divided into 4 regions in Bandung City, namely West Bandung, East Bandung, North Bandung and South Bandung (Aurelli, 2022).

Other than that, the existence of traditional markets is increasingly losing its role to modern markets/retailers. This is due to the uncertainty of various commodity prices, to the convenience offered such as digital transactions, so traditional merchants need innovation and problem solving. Another problem is the impact of the weak competitiveness of traditional markets, which causes the number of visitors to traditional markets to decline over time (Ritonga, 2022).

The same thing was stated by Purwanti *et al.*, (2018), There are problems related to the competitiveness of traditional markets in Bandung City, among others: 1) unprofessional management of traditional markets, although traditional market revitalization has been implemented by the government. 2) a decline in traditional market visitors, caused by the emergence of modern markets and related to the convenience of consumers when shopping. 3) price competitiveness in traditional markets is quite low, location and convenience perceived by consumers have a high difference compared to conditions in modern markets/retailers.



Efforts to overcome this problem, management are needed by the younger generation to organize creative spaces. Ritonga (2022) explained, in addition to management in terms of spatial planning, solutions related to the distribution of goods are also important. Goods distribution activities are related to the distribution management function which consists of: 1) Market segmentation, 2) determining the right mode of transportation, 3) coordination and collaboration of information systems, 4) delivery performed 5) determination of schedules and routes, 6) inventory management of finished goods, handling of return goods, 7) determining targets and service levels (Pangestu, Perwitasari, and Sumilah, 2020).

Distribution is a marketing activity that aims to expedite, and facilitate the delivery of goods from producers to consumers. So that in its application, distribution must be in accordance with what is needed, including type, quantity, price, place, and time (Oentoro, 2010). Therefore, the selection of appropriate distribution channels will be beneficial in achieving the expected sales goals (Lubis, 2004; Raharja and Arifianti, 2013).

Small producers or companies with limited financial resources unable to grow the organization by direct selling. Distributors seem to be more effective in bulk sales, because the scale of their operations with retailers needs to be matched by their specialized expertise. Quite modern factory owners prefer to use their money for expansion, instead of conducting promotional activities. Retailers sell goods with large sales volumes, prefers to buy its assortment from one wholesaler rather than buying directly from each manufacturer (Raharja and Arifianti, 2013; Suwarno, 2006).

But in reality, these small traders have not been able to predict the inventory of goods to be sold. Therefore, when the inventory runs out at a faster time, they prefer to source goods to retailers outside of their cooperation. This reality will have an impact on consumer purchasing power, because most retailers' prices are higher than those of manufacturers. So that, referring to the background and existing phenomena attracts researchers to conduct research related to the analysis of the distribution of goods in traditional markets. Analysis of this distribution, expected to build an option for the merchants in the traditional market. Other expected outcomes are, can maximize the role of distribution as an effort to increase sales, as well as providing an overview in the form of inventory forecasting arrangements for merchants in traditional markets.

METHODS OF RESEARCH

The descriptive research method according to Sugiyono (2018) is a study conducted with the aim of knowing the value of independent variables, either one or more variables (independent) without making comparisons or linking to other variables. The point is, the research carried out aims to find out how the variable conditions themselves, without discussing the influence or relationship to other variables. Data collection techniques in this study can be classified as follows:

- Literature study: related to the book used in supporting the research being conducted;
- Field study: checking in the field by looking directly at the condition of the traditional market that is used as the object of research;
- Interview: conducted interviews with traders and suppliers who supply goods to traditional markets. The main informants in this research are the merchants in traditional markets in Bandung City, who operate in Ciwastra traditional market.

Data analysis method using descriptive analysis, namely analyzing data by describing or describing data that has been collected and obtained based on the results of interviews with merchants in Ciwastra traditional market. The analysis technique in this research by using source triangulation. The source of the research is the traders in Ciwastra Market, Bandung City.

RESULTS AND DISCUSSION

Traditional markets are places where transactions between buyers and sellers occur. In carrying out its activities, there will be distribution activities of goods sold to buyers.



Distribution is an activity related to the delivery or distribution of goods after they have been produced. Distribution needs have a big role for a country's economy. From an economic perspective, distribution activities are an important activity in the relationship between consumers and producers.

In this case, distributors are the link in an economic activity (buyers/consumers and merchants). Goods that have been delivered will be consumed by consumers/buyers, and producers can make a profit from their production. Distribution of goods in brief according to Oentoro (2010) There are three types, namely direct distribution (suppliers with direct consumers), semi-direct distribution (supplier-middleman-consumer), and indirect distribution (supplier-large, merchants-small, merchants-retail, merchants-consumers).

Ciwastra traditional market conducts its distribution activities, directly and semi-directly. Direct distribution is where the merchant acts as a distributor when the goods purchased by other merchants run out before the delivery period is carried out. In addition, semi-distribution, where the supplier sends the goods, the merchant acts as an intermediary, and the existence of consumers as buyers. Furthermore, Distribution channels based on observations and interviews with merchants in the Ciwastra traditional market in Bandung City, can be explained as follows:

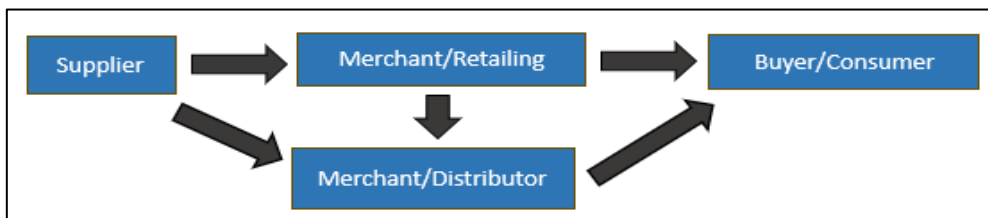


Figure 1 – Distribution Channel of Ciwastra Traditional Market Merchants in Bandung City

Suppliers are generally individuals or companies that supply or sell raw materials to other parties, be it to individuals or companies so that they can be made into mature products (goods or services). A business actor has cooperation with these suppliers for a long period of time. Cooperation by the merchants is related to the supply of raw materials, beverages and packaging of goods.

Suppliers will usually deliver goods to traditional market merchants based on an agreement. This activity applies to the merchants in the traditional market. These suppliers will distribute goods to traders with a period of 2 weeks specifically for goods that have a long shelf life, such as coffee, chili sauce, kitchen bubu, etc. But for goods in the form of fish, chicken, or tofu and vegetables will be sent every day to the merchants.

Suppliers will send a large stock of goods depending on the demand from merchants. If the merchants are out of stock, then it will be transferred to the merchant who acts as a distributor. In the pricing of goods, the supplier will provide a discount of 30 percent of the value of the goods to be sold to consumers. If the stock of goods exceeds the target, the supplier will usually provide a discount for the seller so that this benefits traditional merchants.

Delivery of goods using land transportation services using vehicles such as freight trucks. When on the move, if the goods sent are lost or the vehicle has an accident or collision, the supplier will replace the goods. In other words, the goods distributed are insured.

When the storage warehouse for the shipped goods experiences a disaster such as an earthquake or volcanic eruption, the storage warehouse will be transferred to another place. For example, if Cianjur City experiences an earthquake, and the storage warehouse is in that city, the supplier will look for another warehouse in a different city. The goal is to provide fast service to merchants.

Retailing is the activity of selling goods and services directly to end consumers, either for personal use or for business. Meanwhile, Retailers are traditional merchants who sell goods to buyers/consumers. Merchants here can also act as wholesalers because they buy



a large stock of goods; when the merchants run out of goods to sell and the delivery time is still long, then the supplier will appoint this wholesaler to supply the existing goods to the merchant. Merchants in traditional markets are usually directed to take goods to these large traders. This will make the selling price different, and can even make consumers think about buying the item again.

But some merchants are suppliers to restaurants such as fresh chicken (skin and meat) merchants, who will supply more than 10 kilos or more to restaurants. Thus, they open at night around 3am and will prepare the merchandise to be delivered to the destination restaurant. The merchant in determining the price of goods, based on his wishes not input from the supplier, causing the price of each merchant to have a difference. Sometimes, the merchants have the same price, so that consumers feel comfortable because there is no difference.

Some merchants in promoting their merchandise use WhatsApp, they usually provide photos of items that will be sold on this day. Usually, the items sold are perishable and fresh items such as chicken, or fish. Promotions for other items are never publicized to consumers; they will know when they shop at the kiosk. For example, if a buyer buys 3 pieces of kara brand coconut milk, the price will be reduced to Rp 9,000 with the addition that the buyer is given a gift. Many merchants said that the promotion was given by the supplier indirectly to the buyer.

Some merchants also provide discounts, when consumers buy large quantities of goods. Suppose the consumer / buyer buys a pack of 12 ladaku (kitchen spices) products at a price of IDR 10,500., but if you buy only units, you will be given a price of IDR 1,000 per sachet of the spice. This indicates that there is a price difference for buyers according to the quantity of products/goods purchased. There are also merchants who provide ordering services using telephone services. They will tell you the certainty of the delivery time according to the density of serving buyers/consumers. If the distance is short, there is no charge for the delivery service. Delivery service applied by sellers who sell goods without preservatives (fish, vegetables, meat, etc). On the other hand, delivery services can also be applied to buyers for certain other goods such as rice, groceries, etc.

They apply this to goods/products that weigh >5 kilos. Then, in the shipping process, it is also inseparable from the packaging process. Packaging depends on the type of goods/products ordered by the buyer. Usually, items such as fresh fish or rice will use secondary packaging, Ordered, items are wrapped and then will be wrapped again using plastic bags or boxes.

Consumers/buyers are people who make purchase transactions for the products offered. In this case, the consumer makes a payment transaction to own the product by conducting transaction activities with the merchant. Consumers are people who use or consume the products offered. In marketing practice, consumers are not necessarily people who make a purchase transaction for a product. If a person consumes a product purchased by someone else, that person is called a consumer while the person who makes the payment is called a customer. In essence, consumers are parties or individuals who utilize goods or services and try to fulfill their desires (Sakinah, Nabila, and Aisyah, 2022).

Consumers or also called buyers are people who make purchase transactions with sellers. The average consumer who buys and visits traditional markets is housewives or household assistants. They make purchases at traditional markets almost every day, but sometimes on weekends are filled with consumers such as young mothers or mothers of office workers. This shows that the number of buyers in Ciwastra traditional market often occurs on weekends. In addition to housewives and workers, consumers are also traders who buy for resale such as vegetable vendors who will make transactions in the middle of the night, or food vendors who buy raw goods to be made into finished food.

The condition of traditional markets is sometimes not like modern markets/retailers that are comfortable and organized, and even on average the conditions are not conducive. This sometimes makes visitors or buyers uncomfortable because the market air emits pungent odors, and also the density causes queues or pressure when buying goods/products in one place. This usually happens in the morning, because most of the housewives have to



prepare food for their families at that time. This is different when the market is in the afternoon around 10:00-12:00, conditions are not so many buyers, indicating consumers or buyers feel comfortable when shopping.

CONCLUSION

Distribution channels among Ciwastra traditional market merchants in Bandung City, involving suppliers, sellers and buyer. In its implementation, there is good continuity and coordination between these actors. Another unique thing found is that, retailers in the Ciwastra traditional market in Bandung City can also act as suppliers, if the item in stock has run out before delivery is made. The core findings in this study show that, most traders in the Ciwastra traditional market in Bandung City, many apply semi-direct distribution and also indirect distribution (involving many Intermediaries).

The limitation of this research is that it was only conducted on the merchants in one of the traditional markets in Bandung City, namely Ciwastra traditional market. The hope for future research, which examines the distribution of goods, can conduct research by comparing several traditional markets in Bandung City to find various distribution options for traditional market merchants. Then, the implication of this research is that it is expected to provide an option or description for the merchants in the traditional market of Ciwastra Bandung City. The purpose is to be able to consider aspects of forecasting the demand for goods, which will affect consumers through time, price, type, quantity, and time.

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