

# Location Analysis in Traditional Markets: Case Study of Ciwastra Traditional Market in Bandung

Location Analysis in  
Traditional Markets

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Submitted:  
11 MAY 2024

Accepted:  
21 JUNE 2024

## ABSTRACT

Traditional markets play an important role in the economy, especially for the lower middle class. Even though modern minimarkets are increasingly mushrooming, the existence of traditional markets is still needed to meet people's needs. However, choosing the location of the market is very important because it will influence consumer decision making in purchasing goods. Therefore, it is necessary to analyze traditional markets in densely populated areas such as the Ciwastra traditional market located in Bandung City, West Java. This research uses a qualitative methodology with descriptive analysis methods to explain market location analysis, data collection in this research uses interviews, literature studies, and field observations. The results of this research state that the choice of location for Ciwastra Market was quite appropriate with various aspects taken into consideration. It is hoped that relevant policy makers can develop traditional markets so they can compete with modern markets. Ciwasta Market has succeeded in utilizing the purchasing power of the local community, especially lower-middle income households who are the main customers of this market. Its strategic location in a residential area guarantees high accessibility for local consumers. The unique location of Ciwasta Market, close to residential areas and minimarkets, provides a strategic advantage in reaching household consumers.

**Keywords:** Market, Purchase, Traditional Market, Location Analysis, Economy

## ABSTRAK

Pasar tradisional memerankan peran penting dalam perekonomian terutama bagi Masyarakat menengah ke bawah. Meskipun minimarket modern telah semakin menjamur, keberadaan pasar tradisional masih dibutuhkan untuk memenuhi kebutuhan masyarakat. Akan tetapi, lokasi pemilihan pasar menjadi sangat penting karena nantinya akan berpengaruh kepada pengambilan keputusan konsumen dalam membeli barang. Oleh karena itu perlu dilakukan analisis pasar tradisional di daerah padat penduduk seperti pasar tradisional Ciwastra yang berlokasi di Kota Bandung, Jawa Barat. Penelitian ini menggunakan metodologi kualitatif dengan metode analisis deskriptif untuk menjelaskan analisis lokasi pasar, pengumpulan data dalam penelitian ini menggunakan wawancara, studi literatur, dan observasi lapangan. Hasil penelitian ini menyatakan bahwa pemilihan lokasi Pasar Ciwastra sudah cukup tepat dengan berbagai macam aspek yang dipertimbangkan. Diharapkan pemangku kebijakan terkait dapat mengembangkan pasar tradisional agar dapat bersaing dengan pasar modern. Pasar Ciwasta berhasil memanfaatkan daya beli masyarakat setempat, khususnya rumah tangga berpendapatan menengah ke bawah yang menjadi pelanggan utama pasar ini. Letaknya yang strategis di kawasan perumahan menjamin aksesibilitas yang tinggi bagi konsumen lokal. Letak Pasar Ciwasta yang unik, dekat dengan pemukiman penduduk dan minimarket, memberikan keunggulan strategis dalam menjangkau konsumen rumah tangga.

**JIMKES**

Jurnal Ilmiah Manajemen  
Kesatuan  
Vol. 12 No. 4, 2024  
pp. 971-978  
STIE Kesatuan  
ISSN 2337 – 7860

## INTRODUCTION

The market is a place where sellers and buyers meet to carry out buying and selling transactions, which is divided into two main parts: traditional markets and modern markets (Pramudiana, 2017). Traditional markets use a conventional format in their arrangement, with kiosks and stalls arranged simply. Modern markets are organized in a more modern and contemporary format (Kotler & Keller, 2016). Traditional markets play an important role in the local economy in Indonesia, especially in supporting the economic activities of lower middle-class communities (Arianty, 2013). This market is not only a place for buying and selling transactions, but also functions as a center for socialization and culture for local communities (Harahap, 2018). Traditional markets are now facing quite big challenges. The emergence of modern markets and the development of e-commerce have offered convenience and a wider variety of products, which has become an attraction for consumers. This has resulted in a decrease in the number of visitors to traditional markets and has an impact on demand and competitiveness (Purwaningsih, 2017).

Analyzing the location of traditional markets to understand the factors that influence their desirability and competitiveness, so that appropriate steps can be taken to maintain the role of traditional markets in the local economy (Zhang & Watson, 2020; Jung et al., 2020). Traditional markets are spread throughout cities in Indonesia, including in Bandung City, which is the capital of West Java province. Bandung has around 29 traditional markets spread across four regions: West Bandung, East Bandung, North Bandung and South Bandung (Aurelia, 2022; Arifianti et al., 2023). One of the significant traditional markets in Bandung is Ciwasta Market. This market was chosen as the research object because of its relatively large size and significant influence on the local economy. Based on data from the Bandung City Trade and Industry Service (2020), Ciwasta Market has more than 500 active traders and serves thousands of consumers every day. Even though it has great economic potential, this market also faces various problems. The main challenges faced are competition with modern markets, hygiene problems, and ineffective management (Othman et al., 2020). Overcoming this problem is important to ensure the continuity and competitiveness of Ciwasta Market in supporting the local economy.

Traditional markets are decreasing over time. Because, first, the uncertainty of prices of various commodities and the ease of online transactions requires traditional traders to innovate and solve problems. Second, the number of visitors is decreasing as time goes by (Ritonga, 2022). Strategy so that traditional markets are able to survive the onslaught of modern markets. One of them is choosing a market location (Puspaningrum & Damanuri, 2022). Location is the location of a business or sale of goods determined by a company so that it can be reached by consumers/customers. A strategic location is related to a location that can be reached by consumers/customers and provides various conveniences for consumers/customers in meeting their needs. Decisions regarding location often depend on the company's type of business. Companies often make location decisions related to demand and production capacity, excess capacity, or changes in labor productivity. Choosing a location for trading is an important decision for a business, and this must be able to convince customers/consumers to come to the business to meet their needs. Location is something that is taken into consideration when making purchasing decisions. Consumers/customers expect the right location, such as affordability location, strategic location, convenient transportation, and close to the main road so that the location will support other factors.

## **LITERATURE REVIEW**

Location selection is related to providing operational locations, buildings, and services needed to place, store, and serve people and machines used to make various products and services. Location decisions are synonymous with business type. In industrial location decisions, the strategy usually minimizes costs, whereas for retail businesses and professional services, the strategy is aimed at maximizing revenue. However, the warehouse selection location strategy can be determined by a combination of costs and delivery speed. In general, location strategy aims to maximize the company's location benefits (Heizer & Render, 2006). According to Kasmir (2016) and Cynthia et al. (2022), a location is where a company operates in activities/activities to generate economic profits/profits for the goods or services sold. In essence, location is a significant factor in making purchasing decisions. Location selection influences strategic dimensions, such as flexibility, competitive positioning, demand management, and strategic focus. The flexibility of a location is a measure related to the extent to which a service can react to changing economic situations. Location selection decisions are related to a long-term commitment to capital-intensive aspects.

Therefore, service providers must consider and select locations responsive to possible future economic, demographic, cultural, competitive, and regulatory changes. Competitive Positioning is a method used to develop a company's relative position compared to its competitors. If a company obtains and maintains a strategic location, it can become an obstacle for competitors to gain access to the market (Tjiptono & Chandra, 2005). Heizer & Render (2006) suggest that there are eight components to consider when selecting a location. The purchasing power in the area, which can attract customers, is one. The compatibility between the service and the company's image with the regional demographics that can draw customers is another. Competition in the area must be taken into account. Fourth, the quality of competition is also important, as competition usually occurs among similar services. The uniqueness of the company's location compared to competitors is also a key factor in attracting customers. The sixth component is the physical quality of the facilities and surrounding businesses. The company's operational policies should be considered, as these affect the efficiency and attractiveness of the location. Finally, the quality of management is a crucial factor that determines operational success at the chosen location. By considering these eight components, companies can select the optimal location to achieve long-term business success.

Traditional market location analysis has a vital role in determining the competitiveness and operational success of the market. According to Kotler & Keller (2016), location is one of the four main components in the marketing mix that determines consumer accessibility to products or services. In traditional markets, a strategic location can increase the volume of visitors and daily transactions and strengthen market position amidst competition with modern markets. Purwaningsih (2017) examined the impact of competition between traditional and modern markets. Kalogiannidis (2020) concluded that traditional markets must adapt to modern consumer trends to remain relevant. For example, traditional markets can improve infrastructure and management to increase attractiveness and comfort for visitors. In this case, location analysis is crucial to determining the right improvement strategy so that traditional markets can compete in the era of modernization. Harahap (2018) shows that traditional markets close to residential centers tend to be more crowded with visitors. Accessibility factors such as the availability of public transportation and parking facilities also significantly affect consumer comfort in shopping. Rahmani et al. (2024) also emphasized the importance of integrating traditional markets with the city's transportation network to facilitate the mobility of visitors and traders.

## **METHOD**

This research uses a descriptive analysis method because this approach is efficient in understanding the actual conditions and characteristics of the research object in depth. The descriptive method allows researchers to describe phenomena at the Ciwasta

Traditional Market in detail and comprehensively, including location factors that influence market performance. Thus, descriptive analysis can provide a clear picture of the market situation, including strengths, weaknesses, opportunities and threats. According to Sugiyono (2019), descriptive analysis is an effective technique for collecting information about current status or conditions based on existing data. Descriptive research aims to find the value of independent variables, either one or more variables (independent), without making comparisons or connecting them with other variables. In essence, research is carried out to determine the condition of the variable itself without discussing its influence or relationship with other variables. Data collection techniques in this research are literary studies, interviews and field surveys. Data analysis in this research uses descriptive analysis, namely analyzing data by describing or illustrating data collected based on the results of interviews with companies. The analysis technique uses source triangulation. The source in question is traditional traders.

## **RESULT**

Heizer & Render (2006) state that there are eight components to consider in location analysis. One of these components is purchasing power, which relates to the ability of consumers or the general public to buy and obtain needed goods. The purchasing power of the community encompasses various income levels, ranging from low, middle, to high, thus targeting all market segments (Rizani et al., 2023). Consumers in traditional markets are very diverse, including housewives with various income levels. This also applies to Ciwastra Traditional Market, which is located in a residential area and is easily accessible by transportation. The goods sold in this market are practical and lightweight, with prices that tend to be low and the condition of the goods being new and fresh. The average consumers shopping at Ciwastra Market are housewives residing around the market, but single women are also part of the market's consumer base (Jannah et al., 2022). This diversity of consumers shows that Ciwastra Market has successfully attracted various segments of society, thereby strengthening its position as a local economic center. The match between service and company image with regional demographics that can attract customers. Usually adapted to local customs, such as tribal formats. The situation is adapted to the conditions of the local community. On average, traders come from West Java so there are no obstacles in carrying out their activities because they use the same regional language. A similar thing also happened at the Ciwastra traditional market. On average, traders come from the same or nearby areas. The Ciwastra traditional market is located around a residential complex of approximately 40 residents. If there is activity in the morning it causes traffic jams (Haliza & Sirad, 2023). This position is based on regional demographics because the market segment is housewives.

Competition occurs between traders because, on average, they sell the same goods with the same wholesalers. The location of the Ciwastra traditional market is close to modern minimarkets such as Alfamart and Indomaret. What is unique about traditional markets is that traders sell not only daily goods but also food ingredients that are not available or are not available in minimarkets, such as fresh fish, fresh vegetables, and so on. Ciwastra Traditional Market only competes with minimarkets because other traditional markets, such as the Bandung Kordon Stone Fruit Market and Gedebage Market, are pretty far away, around 5 to 7 kilos. Choosing a location in the Ciwastra area is very strategic because it can reach the local population. Competition usually occurs in connection with selling the same goods (Koch et al., 2021). The uniqueness of traditional markets, especially the Ciwastra traditional market, is that they get goods from the same supplier, and the prices are the same. However, some traders are looking for goods not from the same wholesaler. This is because the available goods run out quickly; sometimes, the goods at the merchant appointed by the wholesaler are unavailable. So, they look for other wholesalers or discounted goods from other supermarkets. Price competition occurs between traders. They usually set the same price, but sometimes wholesalers offer discounts, such as buying cooking spices like my pepper and getting a plate or spoon if you buy three pieces.

Traditional markets are usually placed near residential areas the aim is that the targeted consumers are housewives. The goods offered are consumed daily, such as fish, eggs, vegetables (Gyourko et al., 2021). The unique location of traditional markets is that they are always placed in busy places. Traders who sell in traditional markets are placed in kiosks that they have rented. So sometimes traders selling the same goods are not close to each other. Even if they are close together, they are usually only one or two stalls away (Iwan & Arisman, 2023). Another unique aspect is that the Ciwastra traditional market is close to minimarkets such as Alfa and Indomaret, which means price competition exists between the two. The physical quality of facilities and surrounding businesses is related to the buildings built by a company. Traditional markets are built by dividing the land into stalls for selling. Traders generally buy the kiosk, but there are also those who rent the kiosk from the original owner. A similar thing also happened or was done at the Ciwastra traditional market. The physical quality of the kiosk building is very good. Apart from kiosks, there are also vendor stalls that usually sell fresh vegetables or fish (Dzulfriansyah, 2023). Apart from that, there are parking facilities for buyers/consumers or customers. These parking facilities are located at the front and back of the market. Parking facilities behind the market can be accessed from the entrance to the Batu Raden Ciwastra Bandung housing complex.

The condition of the parking facilities used by customers is quite good. There are rubbish disposal facilities, especially in the parking lot behind the market. According to customers, this disrupts shopping activities at the market (Gandhy et al., 2023). Sometimes when it rains the smell is strong, or the condition of roads that are flooded with water because of the rain is really annoying. Other physical facilities include places of worship for Muslim traders and consumers as well as public bathrooms. For customers or consumers, the condition of the facilities is quite good, the Ciwastra traditional market is close to the Mekarjaya Village and Buah Batu District offices. It's also close to the police station, so it's relatively safe. This factor is usually related to the company's work operations (Romadhany & Hakim, 2024). Ciwastra traditional market operating hours are 05.00 to 15.00. Especially for those selling vegetables or fish, the opening time is 05.00 WIB, and the closing time depends on the availability of goods; therefore, the timing is still tentative. Meanwhile, operational hours for sellers of daily necessities such as eggs, cooking spices, or household equipment such as brooms, pans, etc., start at 06.00. Sellers of goods such as children's clothes, cosmetics or headscarves operate at 06.00 in the morning. Meanwhile, closing time remains the same, namely 03.00 in the afternoon. Management quality is related to the company's leadership or organizational structure (Nadeak & Sukarno, 2024). Traditional markets are under the Bandung City Market Service organization. In every traditional market, a management office will monitor the continuity of the market's operations. This also exists in the Ciwastra traditional market. The Management Office is located behind the market. The management office also manages market activities, including rubbish disposal located behind the market.

## **CONCLUSION**

Based on the results of location analysis research at the Ciwasta Traditional Market in Bandung City, it shows the importance of implementing location components in maintaining the competitiveness and desirability of traditional markets amidst competition with modern markets and trade. Ciwasta Market has succeeded in utilizing the purchasing power of the local community, especially lower-middle income households who are the main customers of this market. Its strategic location in a residential area guarantees high accessibility for local consumers. Services with local demographics, including using regional languages and offering products according to local consumer needs, show that Ciwasta Market has succeeded in attracting customers from the surrounding community. The quality of competition between traders in this market is influenced by the source of the same goods from large traders, so that prices and products tend to be homogeneous. The unique location of Ciwasta Market, close to residential areas and minimarkets, provides strategic advantages in reaching household

consumers. Different kiosk placements allow for a wider variety of products and strategic placement to attract consumers. Ciwasta Market's flexible operational policies, with opening hours adjusted to the type of goods being sold, allow traders to adapt to consumer needs.

This helps maintain business appetite in this market ensures good management by the Bandung City Market Service. This market operates smoothly and operations can be handled well. Having a management office at the market location makes coordination and supervision easier for customers. Improving infrastructure and sanitation and addressing hygiene issues, including more efficient waste disposal management and maintaining cleanliness, are critical to increasing client satisfaction and making the market more attractive. Future research should include longitudinal studies to incorporate changes in consumer behavior and market dynamics over time, particularly regarding the competitive impact of modern markets and e-commerce. Additional studies can be conducted to embed the influence of location on market performance. Improve location analysis by combining comprehensive spatial mapping and studying demographic trends. Analyze the impact of the distance between settlements and transport hubs on the number of people visiting the market and the sales generated.

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