

Conventional Traders' Survival Strategies in the Middle of Online Shop Development (Case Study of Clothing Selling)

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ABSTRACT

Currently internet users are increasing. Starting from parents to teenagers use the internet. The use of the internet is not only carried out by the upper levels of society. All levels of society can now access the internet easily and at affordable prices. The development of the internet has created a new lifestyle for people. People choose to do all activities using the internet, including shopping. Nowadays people prefer online shopping instead of coming directly to the store. This lifestyle change has an impact on conventional traders. The existence of conventional traders is starting to be threatened in the midst of the rise of online traders. To anticipate this, conventional traders need to implement survival strategies that can maintain their business continuity. The strategy carried out is related to product, price, and location aspects. This competitive strategy is carried out in accordance with local conditions and current developments. Suggestions that can be given to conventional traders need to increase their social capital. Having strong social capital can create an advantage over online shopping. Product prices can also compete with online stores that are considered to have low prices. Without having to give more discounts, ordinary conventional traders compete.

INTRODUCTION

Currently the development of the internet is very advanced. Internet users are increasing day by day. Currently, internet users are not limited by gender, occupation, or whereabouts. Everyone today owns and uses the internet. Not only in big cities, but in small cities also use the internet for all aspects. Even today, almost all people depend on the internet.

The very high use of the internet is followed by changes in people's lifestyles. One of them is that society is now more consumptive. With the internet, it is easier for people to make purchases from anywhere and anytime. People prefer to use the online market to meet their needs. The online market is a place to buy and sell goods or services remotely or not face to face, online transactions carried out between buyers and sellers use technology such as mobile phones. The existence of traders through online markets is increasing inversely with conventional traders. Currently shopping is more practical by using e-commerce. E-commerce platforms provide many conveniences and discounts so that the prices offered are cheaper than prices in

ordinary stores. Payment can be made by transferring money through an account and can also be paid on the spot, the seller can deliver the goods that have been ordered by the consumer according to the address provided by the buyer.

This situation makes people prefer shopping at online stores compared to shopping at conventional traders. Some conventional traders are now turning to online media. This is because traders feel it is easier because they do not require a place to rent. But some other traders still persist as conventional traders. This is due to a lack of knowledge about online shops or e-commerce systems (Bakshi et al., 2009).

Conventional traders feel that their customers will still be interested. This is especially true for traders who are outside big cities. For some traders who sell traditional or antique goods, they feel they can survive in the era of the online market. However, for other traders, a way is still needed to be able to compete with other online merchants. This fact causes conventional traders to have to work hard on defensive strategies in order to be able to run their business in the long term (Weltevreden & Riet-

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bergen, 2009). Conventional traders need the right strategy to be able to survive in the midst of rampant online shopping (Khayru, 2021). For this reason, this research was conducted to determine the survival strategy carried out by conventional traders in the midst of the development of online traders.

RESEARCH METHOD

The design of this study is a descriptive analysis of the description of the condition of clothing traders at Wadung Asri Market in Sidoarjo Regency. Literature study as an analysis of the literature to identify and evaluate the author's ideas about the condition of traders. Correlation analysis was used to examine the relationship between the existence of e-commerce and the intention to stay with the clothing business. There were 37 clothing vendors who were used as sources of information.

RESULT AND DISCUSSION

Processing the data obtained an R value of -0.658 and a significant value of 0.000. This means that there is a real relationship between the existence of e-commerce and the intention to survive. The strength of the relationship between these two things reached 65.8% in the category of a fairly strong relationship. The more existence of e-commerce that is perceived by conventional traders, the lower the intention to stay in the business.

Conventional and Online Traders

Weltevreden and Rietbergen (2007) define that the market is like a series of social institutions where a large number of commodities of various types and dimensions are exchanged regularly and sometimes mediated by these institutions. In other words, the market is an expression of the pattern of exchange in a particular social order that links various social types, such as social ties, networks, values and methods, ethics and culture. Conventional traders are buying and selling transaction activities with the condition that the seller and buyer meet physically (Khasanah, 2010). Likewise in the market, conventional traders become a buying and selling interaction system that emphasizes physicality. Paşcalău and Urziceanu (2020) explain that conventional traders have a place of business so that buyers and sellers face each other or face to face for the delivery and receipt of goods.

Online business is a business that is marketed through the internet in various ways so that it can make money (Darmawan, 2021). This online store changes the paradigm of the process of buying products or services that are limited by shops or malls. Akroush and Al-Debei (2015) state that the online

market is a place to buy and sell goods or services remotely or not face to face, online transactions carried out between buyers and sellers use technology such as mobile phones. Al-Maghrabi et al. (2011) said the presence of traders through the online market is increasing inversely with conventional traders. E-commerce as a new market that offers new types of commodities, namely digital products through digital processes and part of a business development approach that involves the application of information and communication technology at the level of production and distribution of goods and services on a global scale (Muntaqheem & Raiker, 2019).

Defensive Strategy

Survival strategies are interesting to study as an understanding of how households manage their resources and capital assets through certain selected activities.

Lovette (1966) defines survival strategy as a person's ability to apply a set of ways to overcome various problems that surround his life, this problem-solving strategy is basically the ability of all family members to manage the assets they have.

Lok (2005) states that companies must try to create a new competitive environment or dimension, if necessary, always compete to determine new rules of the game. In order to survive in a more competitive environment, companies need to implement strategies, which were previously formulated through external and internal analysis (Mardikaningsih, 2017). Strategy is something dynamic, so the learning aspect is vital. Strategy is often confused with operational effectiveness. As has been stated by several experts that what is meant by business strategy is a basic decision taken by top management which determines in what line of business the organization will move now and in what business field the organization will move in the future.

Pearce and Robinson (2007) mention that one of the characteristics of strategic issues is future orientation. According to Porter (1996), there is a relationship between strategy and competitiveness. Strategy involves making difficult choices and dealing with trying to be different, and often has to do with what to do. Strategy is more than just increasing efficiency but how to survive in the midst of competition.

Conventional Trader Defense Strategy

Traders carry out various strategies to survive in their industry. Various aspects are considered in order to be able to compete with online merchants. The first strategy is product improvement.

The product is the first and most important element in the marketing mix. Marketing mix planning begins with formulating an offer that can meet the needs or desires of consumers. A product is anything that is offered to the public, to be seen, held, bought and consumed. Defensive strategies that can be carried out from product aspects, for example 1) Product variants. Products sold must have many variants. Clothing traders, for example, need to provide various types of products such as men's clothes and women's clothes. Traders also provide product variants for various ages; 2) Quality. Product quality needs attention. This is an advantage over conventional trade, consumers will be able to know more about the quality of the product if it comes to the place directly; 3) Service. Service when consumers come to the store will increase consumer repurchase interest. Merchants need to be patient and implement the buyer is king. Service alertness can also be a pull factor so that consumers return to buying goods directly to the store. In addition, following the trend of goods being sold because today's society is a consumer society who is thirsty for new goods by following the current model, buyers will be interested, as at this time culottes are a trend in society, so culottes must be sold. Then display new items on the front that by laying out new items on the front will attract buyers who pass by, as at this time many new models of gamis come out, so traders must sell them and display them on the front, increasing social networks with buyers.

Price is an element of the marketing mix that generates sales revenue, while the other elements only generate costs (Sinambela, 2017). Because it generates sales revenue, the price affects the level of sales, the level of profit that can be obtained by the company. The strategy is to apply competitive prices. Not always cheap but in accordance with the benefits obtained. Traders do not set large profits. With competitive prices, it is expected to attract the attention of consumers. In addition, traders can provide discounts that people act because they are looking for cheap prices to attract buyers, people are interested in the actions of a human being when they see an item being sold has a discount then he will be interested in buying it (Weltevreden & Rietbergen, 2007).

The next strategy is to choose a location. A strategic place or location will be one of the advantages for the company because it is easily affordable by consumers, on the other hand a less strategic location will require more expensive marketing costs to attract consumers to visit. Decorations and designs are often the main attraction for target consumers. The condition of the building is also a requirement that provides comfort.

In this case the place or location is defined as a distribution channel where all the activities of the

organization or company operate. Companies also need to think about how the distribution process with the chosen place so that the business can run smoothly. Distribution can be interpreted as a marketing activity that seeks to facilitate and facilitate the delivery of goods and services from producers to consumers so that their use is as needed. The location strategy can also be done by providing parking space or being close to the highway. In addition, the location of the store if it is in the market is expected to provide directions. This ease of access will make people feel comfortable shopping at conventional traders.

CONCLUSION

This study shows that the more existence of e-commerce perceived by conventional traders, the lower the intention to stay in the business of selling conventional clothing. For efforts to survive in this business, all aspects of the strategy are aimed at efforts to maintain business and be able to compete with merchants through e-commerce. One strategy that must be applied is a defensive strategy.

The survival strategy should be carried out by conventional traders because it has a clear pattern with the aim of being able to continue to operate in the long term. They will be faced with increasingly fierce competition with fellow conventional traders and online shop traders. Conventional traders need trading patterns that can attract consumers to come directly to the store. Clothing traders at Wadung Asri Market apply a survival strategy by providing competitive prices and not much different from the prices prevailing in online stores. Moreover, buyers can bid goods directly to the seller.

The next strategy implemented by traders at Wadung Asri Market is to improve the quality of the products sold. The advantage of buying goods directly is that customers can know the quality of the product. If you make a purchase at an online shop, the buyer cannot know for sure about the quality of the product to be purchased. In addition, traders at the Wadung Asri market also provide various product variants. The products offered are also the same as the products sold online. In this study, traders sell various types of clothing for men and women. In addition, the clothes sold are not only for adults but also for children. The quality provided is also in accordance with the price. So that buyers do not need to buy to another store again.

The next strategy offered is the service strategy. By directly buying into the store, the buyer will be served immediately. Buyers don't have to wait. In addition, buyers can take home the desired goods directly without having to wait. Conventional traders

have the advantage of paying off. Conventional traders can provide a sense of security to buyers because the exchange of goods for money is carried out directly. With this, it is less likely to commit fraud as is often the case with online sales. However, there are still many clothing traders at Wadung Asri Market who do not have a payment method using bank media or other electronic money. For some buyers this of course becomes inefficient.

Based on this research, researchers can provide suggestions. Conventional clothing traders at Wadung Asri Market are expected to use a defensive strategy by strengthening social capital. By having a strong social capital, the chances of survival will be stronger. Conventional traders need to strengthen relationships with suppliers of goods. With this, traders will always get clothing models that are currently in demand at low prices. In addition, traders can also introduce their shop to suppliers to be introduced to other social groups. The biggest opportunity by having large social capital is marketing that can be done by word of mouth. Thus, without using social media, the store will still be known by the wider community because of its social capital.

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