THE IMPACT OF DIGITAL MARKETING ON TRADITIONAL MARKET CLOTHING TRADERS (CASE STUDY OF THE INPRES MARKET IN PALU CITY)

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Abstract

This research aims to determine the impact of digital marketing on traditional clothing traders in Palu City and how traditional clothing traders respond to online traders. The type of research used was quantitative descriptive with a total of 150 clothing traders in traditional markets as respondents. Relationship variables were examined and analyzed using SPSS version 27 software. Based on the analysis results, it was found that there was a significant influence of digital marketing on traditional clothing market traders at the Inpres Market in Palu City.

Keywords: Digital Marketing, Traditional Market, Inpres Market

INTRODUCTION

In the ever-growing digital era, digital marketing has drastically changed business patterns, including traditional markets. One impact that can be felt is a decrease in the number of customers in traditional markets. With the ease of shopping online, consumers tend to turn to e-commerce platforms to fulfill their needs. This may result in a decrease in customer traffic at traditional brick-and-mortar stores. Apart from that, digital marketing also allows consumers to compare prices instantly and look for the best deals without having to go around physical stores. This can result in decreased income for business owners in traditional markets who may find it difficult to compete with the prices offered by online sellers. However, it is important to remember that digital marketing can also provide new opportunities for traditional markets. By using effective digital marketing strategies, business owners can expand their market reach, increase their awareness, and attract potential consumers to visit their physical stores. According to (Assauri., 2010), marketing is a human activity directed at fulfilling wants and needs through exchange. Now marketing is no longer conventional, where there is a meeting between sellers and buyers directly, but with advances in technology, it makes it easier for us to market and purchase goods or services. According to (Purwana et al 2017), digital marketing is the activity of promoting and finding markets through digital media online using various means such as social networks.

The large number of people who use the internet increases business opportunities, especially for online businesses. All business activities carried out online, including contract discussions and completing transactions without the need to physically interact with customers, including selling goods or services. With the rise of online business, traditional markets can no longer compete with sales made there. This is because consumers who previously made purchases from physical stores have switched to online stores in increasing numbers. For example, clothing traders in traditional markets experience a lack of buyers and some traders even go bankrupt because their consumers prefer to shop via e-commerce. Apart from that, other negative impacts were also felt by traditional traders, such as experiencing a decrease in turnover, and the number of commodities such as milk, rice, children's snacks, bread, instant noodles, types of drinks, detergent, cooking oil, eggs, soap, shampoo and other basic necessities. experienced a decline which was seen from the decline in income of grocery traders.

Some research shows that digital marketing has an influence on traditional market traders. According to (Kotler, 2012) social media is a means for consumers to share text, image, video and audio information with each other. The influence of digital marketing on online purchasing decisions can be seen that Shopee is an online market application, Shopee provides various kinds of products such as electronics, mother and child needs, fashion, make up and skin care, even fresh vegetables are sold at Shopee. It cannot be denied that the development of digital marketing is growing very rapidly. Sánchez-Franco et al., (2014) define digital marketing as the result of evolutionary marketing. The evolution occurred as companies used digital media channels for the majority of their marketing. Digital media channels are addressable and allow for continuous, two-way, and personal conversations between marketers and consumers.

Digital marketing has a big influence on physical shop traders in traditional markets because consumers are more inclined and interested in shopping online, what's more, the marketing method is very good and attracts consumer interest. With the development of digital marketing, this research will provide understanding and knowledge about the business world that will be easily accessible with digital marketing media so that what is far away will feel closer. With digital marketing, it can open up opportunities for traditional market traders to advertise and be able to promote their merchandise without having to have a large physical shop or large enough capital to rent a strategic place, but with the existence of social media such as Facebook, Instagram and marketplace platforms it makes it easier for traders clothes to sell without high operational costs and breaking down physical capital limitations which are often the main obstacle for small traders.

In 2020, Indonesia experienced the spread of Covid-19 so that some traders, especially clothing traders, began to utilize digital marketing. In that year, not many people used digital marketing as a place to promote their merchandise because there were still many who didn't understand how to use digital, and even now there are still some who don't understand how to use digital. So the local government must provide training to traditional market clothing traders so that they can adapt to current developments.

The socio-economic impact in the Palu City area may have different economic, social and cultural characteristics from other traditional markets in big cities such as Java and Sumatra. Further research regarding digital marketing transformation is very necessary. Because until now there has been little research on the impact of digital marketing on traders in traditional markets. Apart from that, people also do not support the sustainability of traditional markets, this shows that they are less enthusiastic about buying goods at traditional markets. However, the goods on the market are real and can be seen directly and can be chosen according to individual tastes compared to online shopping, the goods offered are only in the form of pictures or photos. Based on this, the researcher raised the title "The Impact of Digital Marketing on Traditional Market Clothing Traders" (Case Study at the Impres Market in Palu City). This research has the novelty of understanding changes in consumer patterns in the impression market location environment which previously relied on direct face-to-face contact but is starting to be influenced by developments in digital technology and it cannot be denied that in the future shopping and carrying out transactions can be done digitally. This research aims to provide information that digital developments are now very developed and the clothing trade can be done digitally.

REVIEW OF LITERATURE

Digital Marketing

Digital marketing refers to marketing efforts that use digital channels such as social media, search engines, email, and websites to reach consumers. According to Chaffey and Smith (2022), digital marketing includes strategies for building relationships with customers through data-based technology and direct interaction.

Digital marketing consists of various main elements that support each other: first, search engine optimization (SEO): A strategy to increase website visibility in organic search results. Second, pay-per-click advertising (PPC): The use of paid advertising on platforms such as Google Ads to increase website traffic (Ryan, 2023). Third, social media: Platforms such as Instagram and Facebook function as a means of branding and direct communication with customers (Zhou et al., 2023). Fourth, Content Marketing: Creating informative and interesting content that can increase customer engagement. Fifth, Email Marketing: Used to maintain relationships with customers through newsletters or special promotions.

Digital marketing provides opportunities for traditional merchants to expand customer reach without geographic boundaries. According to Kotler et al. (2023), traditional traders can utilize digital technology to overcome capital limitations by (1) using social media for low-cost promotions. (2) building an online store as an alternative to physical locations. (3) utilize customer data for more personalized marketing strategies.

Traditional traders often face obstacles such as limited digital literacy, technological resources, and adaptation to changes in consumer behavior (Sarker & Zhang, 2023). Therefore, digital training and providing an easy-to-use platform can be a solution.

Research on the impact of digital marketing on clothing traders in traditional markets can use the Diffusion of Innovations theory (Rogers, 2003) to understand how digital technology is adopted by traditional traders. This theory explains that technology adoption is influenced by factors (1) Compatibility of technology with user needs, (2) Relative advantages compared to traditional methods, and (3) Ease of use

Traditional Market

Traditional markets are places where transactions between traders and buyers usually take place directly, with the main characteristic being bargaining over prices. According to Kotler and Keller (2016), traditional markets are a form of retail market that has an important role in meeting people's daily needs, especially in developing countries. Traditional markets tend to be informal, both in management and regulation, and are often a symbol of local culture and the people's economy.

Characteristics of traditional markets include (1) social interaction: transactions not only involve buying and selling, but also social communication between traders and buyers. (2) Local Products: Most of the goods sold are local products, thereby supporting the economy of the surrounding community (Tjiptono, 2019). (3) Non-Formal Management: In contrast to modern markets which are managed professionally, traditional markets are often managed by local traders' associations or local governments without structured management.

Traditional markets face various challenges, especially due to the development of modern markets and e-commerce. Schiffman and Kanuk (2020) stated that clothing traders in traditional markets face challenges such as: (1) price competition: Clothing products sold online often have lower prices due to minimizing space rental costs. (2) Changes in Consumer Preferences: Modern consumers tend to choose more convenient and faster shopping in modern markets or e-commerce platforms. (3) Lack of Innovation: Traditional market traders often do not have access to training or technology to increase their competitiveness (Rustiana, 2021).

A study by Prahalad and Hart (2018) shows that digitalization can be a solution to maintain the sustainability of traditional markets. Clothing traders can take advantage of social media or marketplaces to expand their market reach. Apart from that, using a digital payment system can also increase transaction efficiency. According to the consumer behavior theory of Fishbein and Ajzen (1975), purchasing decisions in traditional markets are strongly influenced by consumer attitudes toward price, product quality, and shopping experience. Factors such as convenience and availability of goods are the main considerations for consumers in choosing traditional markets as a place to shop.

RESEARCH METHOD

The research method used is quantitative descriptive research. This research is intended to highlight the facts, circumstances, and phenomena that occur. Quantitative descriptive research is used to describe the impact of digital marketing. Researchers use quantitative research. According to Sugiyono (2014), the type of explanatory research is research that explains the causal relationship between variables that influence the hypothesis. In this research, there are at least two variables that are connected and this research functions to explain, predict, and control a symptom.

The regression model used is multiple linear regression. The population and sample in this research were all market clothing traders in Inpres, namely 150 clothing traders. This research uses a questionnaire or questionnaire to collect data. The regression model used is multiple linear regression. The population and sample in this research were all market clothing traders in Inpres, namely 150 clothing traders. This research uses a questionnaire or questionnaire to collect data from the population using a Likert scale. The validity test in this research uses content validation by experts and contract validity. Measuring the level of construct validity of instrument statement items uses the Pearson Product Moment correlation technique with the help of SPSS 27.

The statement item is declared valid if rcount ≥ rtable with a significance level of 0.05 (5%), namely rtable is 0.160. The reliability test uses the Cronbach's Alpha formula with the SPSS 27 program where the instrument is reliable if the Cronbach's Alpha value is > 0.70. Data analysis was carried out descriptively and inferentially. Inferential analysis includes prerequisite tests (normality, linearity, multicollinearity, heteroscedasticity) and hypothesis testing (correlation test, multiple linear regression, t-test, F test, coefficient of determination) using SPSS 27.

RESULTS AND DISCUSSION

Respondent Characteristics

Data collection was carried out by distributing questionnaires to clothing traders in traditional markets while conducting interviews with clothing traders. Data collection was carried out in August 2024, with respondents as many as 150 clothing traders at the impres market in Palu City. Respondents came from gender, length of time in the clothing trade, and age. Based on gender characteristics, the percentage shows that there are 81 women dominated with a percentage of 54%, while there are 69 men with a percentage obtained of 46%. Based on the characteristics of age respondents, aged 15 - 20 years there were 31 people or 20.7%, then aged 21 - 25 years there were 31 people or 20.7%, aged 26 - 30 years there were 29 people or 19.3%, aged 31 - 35 years old totaling 24 people or 16%, aged 36 - 40 years old totaling 19 people or 12.7 %, aged 41 – 45 years there are 3 people or 2%, aged 46 – 50 years there are 6 people or 4%, aged 51 – 55 years there are 7 people or 4.7%.

Based on the characteristics of respondents who have been in business for a long time in traditional markets, there are 54 traders with a period of entrepreneurship in traditional markets of 0 - 5 years or 36%, traders with a period of entrepreneurship in traditional markets of 6 - 10 years as many as 63 people or 42%, traders with a period of entrepreneurship in traditional markets 11 - 15 years as many as 14 people or 9.3%, traders with a period of entrepreneurship in traditional markets 16 - 20 years as many as 10 people or 6.7%, traders with a period of entrepreneurship in traditional markets of 21-25 years as many as 7 people or 4.7%, traders with a period of entrepreneurship in traditional markets of 26-30 years as many as 1 person or 0.7% and traders who are entrepreneurs in traditional markets aged 31 - 35 years are 1 person or 0.7%.

The results of instrument testing were carried out at a traditional market, namely the impress market in Palu City, with a total of 150 respondents from clothing traders in the impress market with 42 questionnaire questions being declared valid, this can be proven by obtaining a corrected item-total correlation coefficient value greater than or equals 0.160.

In this research, hypothesis verification was carried out using multiple linear regression analysis. Based on the results of data processing with the help of SPSS 27, the results of multiple linear regression analysis were obtained in the following table.

Table 1.
Results of Multiple Linear Regression Analysis

Model Regression	B	Std. Error	Beta	T	t table	Sig.
Use of Digital Marketing (X1)	0,246	0,076	0,208	3,250	1,655	0,001
Challenges and Obstacles (X2)	-0,380	0,081	-0,317	-4,682	1,655	0,000
Digital Marketing Strategy (X3)	0,258	0,080	0,237	3,237	1,655	0,002
Help Collaboration (X4)	0,135	0,064	0,153	2,095	1,655	0,038
Perceptions of the Future of Digital Marketing (X5)	-0,210	0,069	-0,209	-3,048	1,655	0,003
Overall Evaluation (X6)	0,169	0,074	0,205	2,291	1,655	0,023
Comparison of Traditional and Online Markets (X7)	0,359	0,050	0,530	7,152	1,655	0,000

Constanta	5,745	F statistics :	38,649
R Square :	0,656	F table :	2,07
Adjusted R Square :	0,639	Sig :	0,001
R :	0,810		

Based on the calculation results in the table above, the regression equation is obtained which is stated as follows:

Y = 5,745 + 0,246 (X1) + (-0,380 (X2)) + 0,258 (X3) + 0,135 (X4) + (-0,210 (X5)) + 0,169 (X6) + 0,359 (X7)

The multiple linear regression model equation above shows that the seven independent variables have two negative influences and five positive influences. The coefficient value (R) of 0.810 indicates that there is a strong influence between the variables

Simultaneous Influence of Variables

The results of this research show that the variables use of digital marketing (X1), challenges and obstacles (X2), digital marketing strategy (X3), collaboration and assistance (X4), perception of the future of digital marketing (X5), overall evaluation (X6), comparison of traditional and online markets (X7) has a simultaneous and significant influence on clothing traders in traditional markets (case study at the impres market in Palu City). From the results of the analysis, it can be concluded that the simultaneous influence of these seven variables has a significant impact on the performance of clothing traders in traditional markets. The correct application of digital marketing, accompanied by effective strategies, collaboration, and regular evaluation, can overcome existing challenges and bring traders toward a more modern and efficient business transformation. So that digital marketing can have a positive impact on the development of traders in traditional markets, increasing competitiveness and providing new opportunities in this increasingly developing digital era. These factors show that traders in traditional markets who are able to adapt to technological changes have a greater opportunity to remain relevant and develop in the digital era. Adoption of digital marketing combined with good management will encourage increased sales, competitiveness, and sustainable business growth.

The Use of Digital Marketing for Clothing Traders in Traditional Markets

The use of digital marketing has a significant influence on clothing traders in traditional markets. The use of digital marketing by clothing traders in traditional markets, such as the impression market in the city of Palu, affects the traders' ability to reach a wider range of customers, increase product visibility, and speed up the transaction process. The application of social media, e-commerce, and other digital platforms increases trader interaction with buyers, thereby increasing the competitiveness of traditional traders. Although there are still challenges that must be faced, such as a lack of technological knowledge and limited infrastructure, digital marketing offers great opportunities for traders to develop their business more broadly and competitively. Adopting the right digital strategy will help merchants stay relevant amidst increasingly fierce competition, both in physical and online markets.

Challenges and Obstacles for Clothing Traders in Traditional Markets

Challenges and obstacles have a significant negative effect on clothing traders in traditional markets. Challenges and obstacles in implementing digital marketing include a lack of understanding of technology, limited internet infrastructure, and resistance from some traders who still rely on conventional methods. The challenges and obstacles faced by clothing traders in traditional markets, both in terms of technology, competition, capital, infrastructure, and changes in consumer behavior, require serious attention. To face these challenges, traders must be given access to better training and technological support and encouraged to adopt digital marketing. In addition, support from governments, organizations, and e-commerce platforms is needed to create a more inclusive ecosystem for traditional traders in adopting technology.

Digital Marketing Strategy for Clothing Traders in Traditional Markets

Digital marketing strategies have a significant influence on clothing traders in traditional markets. Using the right strategies such as optimizing social media and marketing content will help merchants maximize digital marketing potential and increase customer loyalty. Although most merchants are still accustomed to conventional marketing methods, adopting digital marketing strategies offers various advantages that can strengthen their position amidst increasingly fierce competition from e-commerce platforms and modern shopping centers. By leveraging the right digital platforms, they can expand their markets, increase marketing efficiency, and build stronger relationships with consumers. However, successful implementation of this strategy requires improved technological skills, adequate infrastructure, and support from the government and related institutions.

Collaboration And Assistance to Clothing Traders in Traditional Markets

Collaboration and assistance have a significant influence on clothing traders in traditional markets. Support from external parties such as the government, digital platforms, and business communications also plays an important role. Assistance in the form of training, providing an easily accessible platform, and guidance on how to use this technology can accelerate digital marketing adoption. Support in the form of training, infrastructure, capital, and collaboration with e-commerce platforms allows traders to expand markets, increase operational efficiency, and innovate in the face of competition. Without this help and collaboration, traditional traders will have difficulty competing in an increasingly competitive digital era.

Perception of the Future of Digital Marketing for Clothing Traders in Traditional Markets

Perceptions of the future of digital marketing have a significant negative effect on clothing traders in traditional markets. Merchants' perceptions of the future of digital marketing determine the direction of adoption of this technology. If the majority of traders see digital marketing as a bright future, this will motivate more traders to switch to using digital technology. The perception of clothing traders in traditional markets regarding the future of digital marketing tends to be optimistic but filled with challenges. Most merchants understand that digital marketing will be an integral part of their business in the future, and they see huge opportunities in expanding market reach and increasing sales. However, to reach the full potential of digital marketing, merchants need support in the form of training, technology, and infrastructure. The transformation towards a hybrid business model, which combines the advantages of physical and digital markets, is considered an ideal future solution for traditional traders

Overall Evaluation of Clothing Traders In Traditional Markets

The overall evaluation has a significant effect on clothing traders in traditional markets. The overall evaluation of the implementation of digital marketing in traditional markets includes an analysis of the benefits, limitations, and results that have been achieved. An overall evaluation of clothing merchants in traditional markets shows that although they face various challenges in terms of technology adoption, competition with e-commerce, and limited resources, opportunities to survive and grow remain. With the right support from various parties, collaboration, and the adoption of digital marketing strategies and hybrid business models, traditional traders can transform and remain relevant in an increasingly digital market. Adaptation and innovation are the keys to the success of traditional traders in the future

Comparison Of Traditional and Online Markets with Clothing Traders In Traditional Markets

Comparison of traditional markets has a significant effect on clothing traders in traditional markets. A comparison of traditional and online markets shows that both have their respective advantages and disadvantages. Online markets offer ease of access and wider reach while traditional markets offer more personal, direct interaction.

A comparison between traditional and online markets shows that each has its advantages and challenges. Traditional markets offer personal interaction, product uniqueness, and a direct shopping experience that online markets cannot replicate. However, online marketplaces excel in terms of market reach, flexibility in uptime, and potential for faster growth. For clothing traders in traditional markets, adopting a hybrid strategy, namely combining the strengths of traditional and online markets, can be the best solution. By maintaining personal and unique interactions in physical markets, while expanding their reach through digital platforms, traditional traders can survive and thrive amidst increasingly competitive market changes.

CONCLUSION

This research was conducted to find out how big the impact of digital marketing is on clothing traders in traditional markets. Shows that digital marketing has brought about significant changes in the operational and sustainable business of clothing traders in traditional markets, especially in the impress market in the city of Palu. So it is found that the results of this research use of digital marketing have a significant positive effect on clothing traders in traditional markets, challenges and obstacles have a significant negative effect on clothing traders in traditional markets, digital marketing strategies have a significant positive effect on clothing traders in traditional markets, collaboration and assistance have an influence positive and significant for clothing traders in traditional markets, perceptions of the future of digital marketing have a negative but significant effect on clothing traders in traditional markets, overall evaluation has a positive and significant effect on clothing traders in traditional markets and comparison of traditional and online markets has a positive and significant effect on clothing traders in traditional markets. It can be seen that digital marketing has great potential to help traditional market traders remain relevant and develop in the digital era, but support is needed in training and access to technology so that all traders can take advantage of this opportunity optimally.

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