

EMPOWERMENT OF TRADITIONAL MARKET TRADERS THROUGH THE USE OF SHOPEE E-COMMERCE APPLICATION TOWARDS DIGITALIZATION IN KAJEN MAIN MARKET PEKALONGAN

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Abstract

This research aims to empower clothing traders in the Kajen Main Market Pekalongan, through the use of the Shopee e-commerce application. The method used in this research is a qualitative approach, with data collection techniques in the form of in-depth interviews and observations of clothing traders. The results show that although merchants are aware of the shift in consumer behavior towards online platforms, they still face various barriers in adopting technology, such as limited technological knowledge, inadequate internet access, and difficulty adapting to digital selling models such as Shopee Live. In addition, merchants also face challenges in overcoming the perception that e-commerce such as Shopee is a complicated platform and does not fit their habit of selling in person. This research has implications for the importance of technology-based empowerment to support digital transformation among traditional market traders, which can expand their market access and improve competitiveness in the digital era.

Keyword: *E-commerce, Market traders, Digital*

A. INTRODUCTION

In today's digital era, technological developments have changed almost every aspect of life, including the way we shop. Consumers are now increasingly choosing to transact online, utilizing e-commerce applications to buy various products using only their smartphones. E-commerce is a buying and selling process carried out with the help of electronic devices and various business applications that connect producers with consumers. The market reach is very wide, covering inter-island, inter-provincial, and inter-country areas (Haholongan et al., 2024). Online shopping apps have revolutionized traditional buying patterns, offering convenience and increasing shopping activities. However, traditional market traders, especially clothing traders, face challenges in keeping up with this change.

The early development of e-commerce began in 1960-1979, characterized by transactions over a primitive computer network known as EDI (Electronic Data Interchange). At that time, EDI networks were used to send documents between machines to companies, as well as transferring financial data between companies. In the early 1990s, commercial technologies such as e-commerce began to emerge. Over time, online shopping applications such as Shopee, Tokopedia, Lazada, Zalora, and TikTok Shop were born. The presence of these apps gradually changed people's shopping culture. The ease of shopping and prices that are often cheaper than offline stores are the main reasons people switch to a new way of shopping (Nadia, Shalsa, Wafiatul, 2023).

In Kajen Main Market Pekalongan Regency, in the process of direct buying and selling interactions, shoppers interact directly with merchants, asking about products, negotiating prices, and trying on goods before deciding to buy. Merchants benefit from the crowds of shoppers who come to shop and enjoy the unique experience that can only be found in traditional markets (Reyhan et al., 2024). But now, many clothing merchants are facing the fact that their sales are declining. One of the main causes is the lack of understanding and skills in using digital technology. Many of them have yet to fully utilize digital technology and e-commerce applications, causing them to miss out on the opportunity to compete in an increasingly cyber-focused market. This difficulty is largely due to a lack of understanding and skills in using relevant gadgets and apps, such as Shopee. Shopee Live, a digitalization marketing feature, allows traders to sell products directly through live streaming broadcasts, allowing them to interact with consumers and expand their market reach, making it a significant impact on traditional market traders (Posumah, Syarifuddin, Lasut, Tuerah, Riantung, 2024).

The research aims to empower Pasar Induk Kajen clothing traders by implementing Shopee application and Live feature, offering training programs and technical support to overcome technical barriers and increase sales. The initiative aims to empower traditional market traders in Pasar Induk Kajen, Pekalongan Regency, by introducing them to e-commerce applications like Shopee and the Shopee

Live feature. This will help them expand their market reach and adapt to changing consumer behavior. The initiative also aims to build awareness of digitalization's importance, improving digital literacy, and promoting sustainability for businesses. This research will pave the way for a broader digitalization process.

B. METHOD

This qualitative study, conducted in KAJEN Main Market, Pekalongan Regency, uses in-depth interviews with traders to understand their barriers and opportunities in adopting digital technology. It also reviews relevant scientific journals and previous research to gain a comprehensive understanding of digitalization challenges among traditional market traders. The researcher selected clothing merchants with over two years of experience to understand their perceptions and challenges in adopting digital technology. The study aims to provide insights into empowering traditional market traders and implementing recommendations for digital transformation.

C. RESULT AND DISCUSSION

Pasar Induk KAJEN's clothing sales are declining due to a shift in consumer behavior towards e-commerce platforms like Shopee. This shift offers convenience, diverse product choices, competitive prices, and ease of delivery, but some merchants still feel that traditional markets have their own appeal. Adoption of e-commerce is low due to factors like limited technological knowledge, capital concerns, and perception of traditional markets' stability. Proper empowerment efforts, including training on technology, online selling strategies, and digital interactions, are expected to help merchants make the most of e-commerce, increasing sales and customer networks.

1. Challenges Faced by Clothing Merchants in Adopting Digital Technology

The digital era has changed consumption patterns and the way people shop, causing a decline in turnover in traditional markets. This coincides with the massive expansion of modern stores nationwide and the rise of online buying and selling through marketplaces. Payment systems and financial services in modern and online markets are fully digitalized, so competition has become unbalanced and traditional markets are left behind. As a result, the gap between traditional markets, modern markets and online markets is widening (Purwani, Pratiwi, Puspitasari, Virga, Nusa, 2023). This decline in sales turnover is particularly pronounced for clothing merchants who are one of the most affected segments. Consumers who used to come directly to the market are now more likely to turn to online platforms like Shopee to find the products they need. This raises concerns for merchants, because in addition to having to compete with online stores, they are also faced with technological challenges that they have not fully mastered.

As found by Dyah Ratna in the same place as the author, the decline in sales turnover among traditional market traders is increasingly felt after the rise of online markets, especially among clothing traders. This is in line with the results of this study, which show that clothing traders in Pasar Induk KAJEN also experienced the same thing. However, Dyah Ratna added that the decline in turnover was not as significant for vegetable, groceries and fish traders. Consumers still prefer to buy these goods in traditional markets because of the affordable prices and lower risk compared to buying online. Products such as vegetables and fish are perishable, making it inefficient to buy them online due to the risk of loss for the buyer (Rohmania, 2023).

Similar findings were also revealed by Aidil, who conducted research at Pasar Senggol Parepare. He mentioned that although online shops are not the only factor affecting the income of traders in the market, online platforms have a significant influence in decreasing turnover, especially for clothing traders. Aidil highlighted that besides competition with online shops, there are other factors such as changes in consumer behavior and economic conditions that also contribute to the decline in traders' income. However, the role of online shops remains the main reason that can be used as a justification for the decline in turnover that they experience (Aidil, Akhsan, Ladung, 2024). Pasar Induk KAJEN clothing merchants face challenges in adopting e-commerce technology like Shopee due to limited technological knowledge, unstable internet access, and perceived foreignness to traditional business models. Aging merchants feel uncomfortable switching to online systems and struggle with extensive preparation. To overcome these barriers, intensive interventions like technology training and continuous mentoring are needed.

2. Potential and Opportunities of Shopee App Usage for Traditional Market Traders

E-commerce is a system of selling, buying, and marketing products by utilizing electronic devices. Pasar Induk KAJEN clothing traders face challenges in adopting e-commerce technology, but Shopee offers potential for growth. As a popular marketplace, it allows small entrepreneurs to reach a wider market

and increase sales. Traditional merchants are aware of the rapid growth of online sales, with 90% believing they will continue to do so. This suggests the need for empowerment and training to prepare them for the digital era (Ardiansari, 2022).

Digital marketing is a marketing method carried out through digital media and is considered effective for reaching a wider market. This is due to the high number of digital media users and the ability of information to spread quickly, both at the national and international levels (Fitri, Affandi, Jonatan, Ramadhan, Chakafhorti, Margareth, 2024). One such example is Shopee's Shopee Live feature, where merchants can go live to showcase their products in real-time. This feature allows merchants to interact directly with buyers, just like selling in a market. With this format, merchants can still maintain personal interactions with customers even through a digital medium. This is important to bridge the gap between the traditional market shopping experience and online shopping, so that customers feel more connected to the merchants.

Shopee offers unique features such as discount promotions, vouchers, and free shipping, making it a competitive online store. Its flagship service, free shipping, is available throughout Indonesia under certain conditions. E-commerce platforms like Shopee also provide convenience in stock and transaction management, allowing merchants to track sales and see customer trends. This data helps them make informed decisions about stock management and sales strategies. A study by Cinta Rahmi found that online shopping saves time, transportation costs, and energy, and helps students avoid product shortages and unstable prices in traditional markets. This is in contrast to online platforms that offer more promos and discounts, making them more attractive to consumers (Rahmi, Maulana, Matahari, Syahrani, Anwar, Yuningsih, 2024). E-commerce offers merchants the opportunity to reduce operational costs, manage time and business operations more effectively, and make payments digitally. Platforms like Shopee allow for instant payments, speeding up transactions and providing convenience for customers. By leveraging e-commerce platforms, merchants can grow their brand, expand their market reach, and build a loyal customer base, allowing them to survive and thrive in the competitive digital era.

Overall, although the adoption of digital technology requires adjustment and training, the huge potential offered by e-commerce platforms such as Shopee is extremely lucrative. With features such as promotions, discounts, and various payment methods, the Shopee platform provides an efficient solution for MSME players to market their products to a larger audience (Fitri, Affandi, Jonatan, Ramadhan, Chakafhorti, Margaret, 2024). By capitalizing on this opportunity, traditional market vendors can expand their business scope, compete more effectively with other online stores, and stay relevant amidst changing consumer shopping patterns. This shows that digitalization is not a threat, but a great opportunity for traditional market vendors to thrive in the modern era.

3. Empowerment through Training and Mentoring: An Effective Strategy Towards Digitalization

In the digital era, e-commerce is becoming an important element in digital marketing strategies. Therefore, MSMEs need to implement effective marketing strategies to increase their sales and tap into the vast potential of the online market (Rizqi, Prasetyo, Sutrisna, Widyaningrum, Sin, 2024). To overcome the challenges faced by clothing traders in Pasar Induk Kajen in adopting e-commerce technology, focused and sustainable empowerment efforts are needed. One of the most effective strategies is through training and mentoring. This training not only focuses on introducing technology, but also provides hands-on mentoring so that traders can apply what they have learned in their daily operations. In this way, merchants are not just knowledgeable, but also truly capable of using digital platforms like Shopee. Shopee is the leading marketplace in Indonesia, with most of the population having an account to conduct buying and selling transactions. This is due to the ease of accessing the platform as well as a wide selection of features that make it easier for both consumers and sellers. As such, Shopee is highly recommended for MSMEs that want to transition to digitalization and grow their business online (Purnamasari, Rani, Prasetyani, Kurniawati, 2024). Suci's research at Sunan Drajat Market in Lamongan found that traders who received digital marketing training and online stall creation showed positive results. They understood basic concepts and successfully applied them, enabling them to conduct transactions independently. This suggests that digital training can enhance merchants' adaptability and market reach (Setyowati, Suci, Ismiasih, Mustika, 2023).

The training activity aims to provide MSME players with an understanding of the importance of utilizing digital platforms to promote and sell their products. Currently, the existence of digital platforms is crucial for MSMEs because it allows their products to be reached by anyone, anywhere, and anytime, through these platforms (Ramadhan & Pertiwi, 2024). The training provided should be tailored to the level of technological knowledge of the merchants. Given that many of them are not familiar with smartphones or e-commerce applications, basic training that addresses the use of technological devices is

very important. The first step that can be taken is an introduction to the basic features of Shopee, from how to create an account, upload products, to how to interact with buyers digitally. This training can be done directly in the market to facilitate traders' access.

The training and mentoring program for traditional market traders should include psychological and social aspects to help them feel more confident in interacting with technology. This includes providing assistance from experienced mentors or facilitators, teaching how to improve customer service, and ensuring long-term mentoring to ensure traders apply the knowledge gained in their daily lives. Local government and related parties are crucial in this empowerment effort, as training programs can be more effective when organized in collaboration between local governments, e-commerce platform providers, and market trader associations. This collaboration can provide technical training, internet access, subsidies for digital devices, and promotional assistance to increase sales on e-commerce platforms. Incorporating traditional elements into e-commerce training can make merchants feel more comfortable transitioning to a digital platform. Digital financial management can also be introduced, allowing merchants to track income, expenses, and profits in a structured manner. This empowerment program can improve the competitiveness of merchants in the digital era by allowing them to compete with large online stores and expand market share. Utilizing digital media like YouTube as an initial introduction can help merchants understand the basic steps in using e-commerce without feeling pressured. The gradual approach to training allows merchants to adapt to the technology without feeling rushed and build confidence before jumping into e-commerce. Hands-on training focusing on practice will teach traders to try out the material, with facilitators or mentors helping overcome technical obstacles. In conclusion, the training and mentoring program should provide short-term solutions but equip traders with relevant skills for the long term.

D. CONCLUSION

This study investigates the challenges faced by Pasar Induk Kajen clothing traders in adopting e-commerce technology, including limited knowledge and internet access. Despite these obstacles, they realized the importance of online selling and its impact on sales. Empowerment through digital marketing training and platforms like Shopee can help traditional traders adapt to changing times, expand their markets, and increase sales. Further research should explore factors influencing successful adoption, compare traditional markets, and explore the long-term impact of digital empowerment on income and business sustainability.

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