THE QUANTITATIVE SWOT MODEL OF TRADITIONAL MARKET DEVELOPMENT STRATEGY TOWARD GLOBAL MARKET COMPETITION-THE CASE OF SMALL FIRMS IN BALI INDONESIA

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ABSTRACT

The main objective of this study is to determine two components such as (1) an external factors of opportunities and threats for the development of traditional markets in Bali; (2) The internal factors those are the strengths and weaknesses for the development of traditional market in Bali, and (3) is traditional market development strategy. We have conducted the research location in nine districts in Bali. The research sample of 118 respondents of head family status. To be expanded, this research is developed the market development strategy analysis and traditionally as strategic component is used as SWOT analysis (Strengths Weaknesses Opportunities Threats).

This research have found that traditional market opportunities is an important aspects and needs to be revitalization of the traditional market, stability conductive security and social concern on traditional markets, while the elements that pose a threat is the lack of information technology adoption. The strength in the future is the quality of products, strategic market location, and the availability of parking areas, flexible pricing. Weaknesses fast transaction processing, promotion and cooperation with the tourism industry. Strategy development is a traditional market growth strategy.

KEYWORDS: market, strengths, threats, weaknesses, opportunities, development strategy

I. INTRODUCTION

It is no doubt that the existence of a modern market today has become an interesting topic because of a consequence of modern lifestyles that thrive in the community. Modern market today not only as play important market style in the metropolis but has penetrated to a small town in the country. Some customer considerations, as a matter of facts, that every customer is going easy to find daily needs in minimarkets style, supermarkets and even hypermarkets in urban and rural areas. Places are promising a comfortable shopping at attractive prices for consumers.

Modern market presence that provides a lot of comfort, some communities are reluctant to shop in traditional markets. Various reasons may be leveled society, ranging from market conditions muddy and smelly, lazy bargaining, the safety factor (pickpockets, etc.), reduction of risk weights on purchased goods, crowded, and a number of other reasons. Whereas traditional markets are also still has some advantages not possessed modern market. Among them are still their social contacts when haggling between sellers and buyers. Unlike the modern market are forcing consumers to adhere to the prices already set? However traditional markets better reflect the pulse of the economy of the common people. In traditional markets, there are still many people who depend, ranging from small traders, porters, hawkers, to pedicab drivers.

See the function and role of traditional strategic markets in increasing income and employment, then in the development of the trade sector is one of the priority programs that have been developed starting in 2004-2009 is a program of efficiency improvement of domestic trade. The program simultaneously and synergistically continue to be developed to strengthen the domestic market through the strengthening of supply and ensuring a smooth and efficient distribution of public goods in different regions of the country. Behind the strategic role traditional market the necessary efforts in order to improve the competitiveness of traditional market which is identical with a trade seedy location, chaotic, dirty and is a source of traffic jams.

The image of the traditional markets of poor has been properly received considerable attention because in it related to the livelihood of many people. Settling traditional markets into positive bercitra shopping place is a tough challenge and should be pursued as a sense of responsibility to the public. Revamping the traditional markets of course not the only task of the government but also the public, market managers and traditional traders to synergize erase the negative impression that the traditional market still exist amid increasingly fierce competition.

To overcome these problems, various development policies and measures have been carried out, among others, to provide guidance on the development of traditional markets and sustainable overall among others: through the development and upgrading (renovation) traditional markets,

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management training management of traditional markets and increased knowledge and ability traders.

Traditional and modern market already distinguished by very firmly by the purchaser or consumer. Both cannot be combined because both are needed by the population. Ideally, all of the market into a modern market and is also a dream of all the population, but because of the living conditions of the majority of the population is still low income with the level of knowledge is low anyway, it is still far possibility to think that all the market into modern.

Market developments (retail) modern so far reached 31.4 percent. While growth in traditional markets or the people had been minus 8.1 percent (Bayu Krisnamurti, 2013) the rise of the modern market developments, it is feared could threaten the existence of traditional markets that first exist with various disadvantages. Among the weaknesses is poor management of markets included in the formulation of the vision and mission are unclear, a low understanding of the consumer behavior, lack of attention to maintenance of the infrastructure and facilities market, weak access to financing, financial management is not accountable, lack of quality control of the goods sold, and less assertive in the management of markets including the site and zoning, discipline, cleanliness, the squalor, the scales are not fitting, goods less hygienic, order, neatness, safety, and comfort, can be made competitive to attract customers is very weak compared to modern market.

In addition, the weakening of appreciation and pride of the community, in Bali on matters charged traditionally based on local wisdom was beginning to look at the shift in trends of shopping among the various segments of the traditional markets managed conventionally modern market managed more professionally (Rahyuda et al., 2012). In fact, the appeal of traditional markets as part of the typical attractions that supported the local culture, can in fact be used as an opportunity to work on the whole able to synergize all the potential which in turn can improve the welfare of the community. The development of traditional markets professionals by not leaving the local wisdom, in fact both the strategic position because it can create jobs and employment seeks to involve the livelihood of the people more.

In addition to the problems mentioned above, the condition of traditional market in Bali today, are as follows: (1) the limitations of the traded commodities, (2) the arrangement of goods traded on the market relatively poorly among other merchants selling merchandise adjacent to the living animal food vendors, (3) the traded goods not well organized, especially in terms of setting where types- types of traded goods has not arranged according cluster in particular by groups of goods.

If not immediately anticipated the weaknesses that still exist today, could lead to an increasingly unequal competition between shopping centers traditional markets and modern markets. In fact,

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when it changes people's behavior with a weakening of appreciation and pride in the traditional markets may indirectly lead to impoverishment structured. Therefore, this condition needs serious attention from all sides, ranging from ministries and related agencies, community organizations, up to the universities to conduct research to discover how stretegi traditional market development to be able to compete or to anticipate market growth expected in Bali.

Based on the above issues, it is very interesting to study about the development strategy for the traditional market in Bali. This study aims to support the development of traditional markets in order to grow with the market / modern retail in Bali.

II.   RESEARCH METHODOLOGY

RESEARCH SITES

Research conducted at the largest traditional market in each district / town in Bali, which is a traditional market Buleleng, Jembrana, Tabanan, Badung, Gianyar, Klungkung, Bangli, Karangasem and Denpasar. On the basis of consideration of the entire market, it is very easy to find a variety of basic needs and the specific needs both for daily necessities, agricultural products, industrial products creative, or material religious ceremony, which supported the tradition of bargaining as an integral part of local culture that is distinctive to be relevant to serve as a research location.

POPULATION AND SAMPLE

The population in this study is the head and the secretary of the traditional markets in each study site. The research sample is determined by census of all head and secretary of the traditional markets as many as 18 people. Data were collected, i.e. external factors that are opportunities (opportunities) and threats (threats) for the development of traditional market in Bali, and internal factors that are strengths (strengths) and weaknesses (weaknesses) for the development of traditional market in Bali.

DATA COLLECTION TECHNIQUE

The data collected are external factors which are opportunities (opportunities) and threats (threats) for the development of traditional markets in Bali; consisting of : income levels, the growth rate of inflation, the traditional market revitalization policy, security and stability, social awareness on traditional markets, community awards, changes in public taste, adoption of information technology, modern market as competitors, population growth. And internal factors that are strengths (strengths) and weaknesses (weaknesses) for the development of traditional market in Bali, consisting of; product diversity, uniqueness of local production, quality of products, the arrangement of merchandise, pricing flexible, location of strategic market, the availability of the parking area, the process traksaksi, promotion, cooperation with the tourism industry, orderly tread zoning, the

cleanliness of the market, the availability of public facilities, services. Data were collected by interviewing techniques bepedoman questionnaire.

DATA ANALYSIS

The analysis was done descriptively and the data was processed with several variations of statistical analysis. This research developed the traditional market development strategy based on SWOT analysis (Strengths Weaknesses Opportunities Threats) that is equipped with approach of Internal-External matrix of development from General Electric model to know the position of traditional market business further formulated strategy of traditional market development in Bali. We used and supporting of Minitab 11.50 (Minitab Inc., 2002) and SPSS 11.5.0 were used to assist data analysis.

III.   RESULTS AND DISCUSSION

TRADITIONAL MARKET PROFILE

Management of traditional market in Bali is generally carried out by the Regional Company, technically implemented by the market management and staff head of the market, namely, such as management of kiosks, stalls, shops and market courtyard. Traditional markets operate as the morning market which sells a variety of household goods and the night market which also sells a variety of household goods and food.

EXTERNAL MATRIX ANALYSIS (EFAS) AND INTERNAL (IFAS)

Analysis and diagnosis of internal and external strategic environment is done by pemberiaan weighting to the indicator variable internal and external strategic environment followed by a final determination of the rate and calculated the total score determines the external and internal environment changes provide an opportunity or a threat to the development of traditional market in Bali. IE matrix is based on two key dimensions; total value of IFAs by weight and the total value of IFAs by weight. The total value of EFAS are given a weight of 1.0 to 1.99 are considered low, the value of 2.0 to 2.99 average / medium and a high of 3.0 to 4.0. Similarly, the value of IFAs by weight of 1.0 up to 1.99 indicates a weak internal position, a value of 2.0 to 2.99 are considered average / medium and a value of 3.0 up to 4.0 strong.

The study of EFAS traditional market in Bali is presented in Table 1. The total value of EFAS obtained a score of 3.175 value greater than 3.0 means that the power external traditional market in Bali, including in strong criteria. It shows that external factors capable of utilizing the traditional market opportunities and avoid threats. The results of the identification and evaluation of external factors in Table 1, it can be seen that the most powerful factor affecting the chances of the traditional market is the income levels and policies to revitalize traditional markets with a weight of 0.375. The high interest income levels and revitalization of traditional markets on its traditional market, traders

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have an impact on increasing revenues. The most potent threat factors affecting the traditional market are the modern market as a competitor, with a weighting of 0.350. This factor is very influential on transactions between buyers and sellers. When entering feast of traditional products in the market price rose dibandikan product prices on the modern market is more stable.

Table 1: External Factors Analysis Summary (EFAS) Traditional Market in Bali

No	Statement	Total Answers			Bobot	Rating	Skor
		Low	moderate	High			
1	Community Income Level	2	25	0	0,125	3	0,375
2	The growth rate of inflation	2	20	5	0,100	3	0,300
3	Traditional market revitalization	3	17	7	0,125	3	0,375
4	Stability conducive	0	13	14	0,088	4	0,350
5	Social care on traditional markets	2	9	16	0,100	3	0,300
6	Public recognition of the existence of the market	0	12	15	0,100	3	0,300
7	Tastes change society	0	17	10	0,100	3	0,300
8	Adoption of information technology	4	16	7	0,075	3	0,225
9	The modern market as a competitor	1	10	16	0,088	4	0,350
10	Population growth		19	17	0,100	3	0,300
	Total	14			1		3,175

The study of IFAs traditional market in Bali is presented in Table 2. The total value of IFAS obtained a score of 3,198 value greater than 3.0 means that the internal strength of a traditional market in Bali, including in strong criteria. This shows that the internal market factors traditionally been able to take advantage of opportunities and avoid threats. According to Table 2 it appears that the main factor for the market traditional strength is the quality of the product, indicated by the weight of 0.247. While the main drawback is the quality of human resources (vendors) about the service, as shown by the weight of 0.268.

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Table 2: Internal Factors Analysis Summary (IFAS) Traditional Market in Bali

No	Statement	Total Answers			Bobot	Rating	Skor
		Low	moderate	High			
1	The diversity of products	1	24	2	0,075	3	0,225
2	The uniqueness of local products	0	20	7	0,074	3	0,241
3	quality products	2	13	12	0,075	3	0,247
4	Structuring merchandise	1	22	4	0,074	3	0,227
5	Flexible pricing	2	22	3	0,069	3	0,203
6	The location is a strategic market	3	11	13	0,066	3	0,214
7	Availability of parking area	3	3	21	0,069	4	0,244
8	Process transactions faster	2	14	11	0,069	3	0,223
9	promotion	3	19	5	0,069	3	0,203
10	Cooperation with the tourism industry	9	18	0	0,072	2	0,168
11	Conduct site zoning	3	20	7	0,072	3	0,243
12	Cleanliness market	2	9	16	0,072	3	0,249
13	Availability of public facilities	1	15	11	0,073	3	0,243
14	Friendly service		9	18	0.073	4	0,268
	Total				1		3,198

FORMULATION DEVELOPMENT STRATEGY

Based on the SWOT analysis and dilengkapin with Internal-External matrix developed from the General Electric models show that traditional market positions classified above the cut off, with a value of 3.175 EFAS and IFAS value of 3.198. This condition indicates that traditional markets are in rapid growth that lies in the first quadrant in Figure 1. Thus the relevant strategies adopted by traditional market managers are Growth Strategy (Growth Strategy) with some alternatives, such as vertical integration, market development, market penetration and product development. Implications of the strategy is still geared to further improve the factors that represent an opportunity and the strength of traditional markets such as, chance factor most strongly affecting the traditional market is the level of public revenue and revitalization policies and product quality, carried out selectively and at the same time always trying increase creativity through careful planning in order to change the factors of threats and weaknesses into opportunities.

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Competitiveness of the Company

	High 4	Moderate 3	Low
High 3,0-4,0	I	II	III
3 ... Moderate 2,0 -2,99	IV	V	VI
1,99	VII	VIII	IX

Pull Power Market

Figure 1: Matrix-Market Attractiveness Competitive Power Company

IV.   CONCLUSION

Based on the analysis and discussion can be summarized as follows:

1. The results of the analysis of EFAS is that the traditional market opportunities in the future is need the innovation steps in the point of revitalization of the traditional market, stability conducive security and social concern on traditional markets, while the elements that pose as a threat is the lack of information technology adoption.

2. The results of the analysis of IFAs is that small firms typically in Bali region is needed the strength of the future quality of products, strategic market location, and the availability of parking areas, and also flexible pricing strategy. Weaknesses of the small firms case in Bali region is also connected with time transaction processing, lack of promotion and less cooperation with the tourism industry.

3. The development strategy of traditional markets is the growth strategy with some alternatives, such as vertical integration, the market development, market penetration and product development process.

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