Socioculture Analysis of People's Market Competitiveness in West Java

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Abstract

The aims of this study are (1) How does Socioculture (X1) influence the competitiveness (Z) of people's markets in West Java (2) Sociopreneurship strategy (X1) influences competitiveness (Z) through socioculture (Y) People's Markets in West Java (3) The sociopreneurship strategy (X1) influences socioculture (Y) at the People's Market in West Java. The methodology used is Smart-PLS. The results of the research are that the repair and revitalization of the Cihapit Market which has been carried out is not necessarily a solution to the problems faced by the Cihapit Market. There are at least 3 main problems of Bandung Cihapit Market (1) Reducing Visitors Shopping at Cihapit Market (2) Market Infrastructure Conditions that need to be repaired immediately (3) Market Revenues Are Minimal and Only Depend on Retribution.

Keywords: Socioculture, Competitiveness, Sociopreneurship, People's Market

Introduction

A traditional market is a place provided by the government for trade purposes. The surrounding community uses it as a meeting place between buyers and traders in buying and selling activities, as well as other social activities. Traditional markets generally provide daily necessities. The market location is not far from the residential area, making the relationship between traders and buyers look very familiar. (https://www.beritaarea.co.id/2021/02/18/7-provinsi-dengan-nomor-pasar-rakyat-terbanyak-di-indonesia/)

There is another unique thing in traditional markets, namely traders and buyers' transaction by way of bidding. This transaction system is also outlined in Law No. 7 of 2014 concerning trade, where buying and selling transactions occur after a price agreement is made through a bidding process. In traditional markets or people's markets (SNI: 825, 2015) apart from providing a variety of basic goods, other food and clothing can also be found to meet community needs. People's markets have existed and developed since ancient times, but with

a shift in generations, the market's existence has decreased. On the other hand, the rapid growth of modern markets, malls, supermarkets, department stores, shopping centers, mini markets have caused concern for the future of people's markets. So, it is necessary to increase the competitiveness and existence of the people's market so that it becomes popular again. (https://www.beritaarea.co.id/2021/02/18/7-provinsi-dengan-nomor-pasar-rakyat-terbanyak-di-indonesia/)

People's Market occupies a strategic position in the Indonesian economy, where the determining indicator prices for clothing and food are carried out through the market, so that the existence of the People's Market still needs to be maintained. However, with the development of other trading centers, buyers began to switch from traditional markets, shopping to shops or modern markets that have products with better selling value, so that many markets were abandoned by buyers. In conditions where people's markets are starting to fade and modern shops are mushrooming both in urban and regional areas, the market needs to be rearranged so that it becomes a shopping destination for visitors. (https://www.mind-rakyat.com/bandung-raya/pr-01301544/60-persen-pasar-tradisional-di-indonesia-conditions-tak-layak-430650)

Trade competition between people's markets and modern markets is good from commodity products and other facilities, can divert consumer interest to choose a shopping destination is unavoidable. In modern markets, shopping convenience facilities and consumer needs are very much considered, starting from access to market entry, orderly placement of trading rooms and completeness of products that make it easier for consumers to choose their needs. For consumers who need ready-to-eat processed food products, they are also available in the modern market. For consumers who just want to eat or wait for their family to shop, modern markets also provide culinary locations that provide various types of cuisine. When compared with the equipment at the People's Market, whose management is still traditional, the building structure and layout to attract loyal visitors to shop is a separate obstacle. Moreover, with the increasingly irregular trade areas and the completeness and facilities offered, it is easy for consumers to switch from traditional markets to modern markets.

When viewed from the numbers, it is clear that traditional/people's markets dominate at the 74% level. While supermarkets only account for 16%, the remaining 11% are other shopping centers. Thus, in terms of quantity, people's markets are very large compared to other shopping centers, but there are various factors that make traditional markets still the choice of consumers for shopping. As said by ((Ansoff, 1969) cultural, social, personal, and psychological factors. Graph 1.1 illustrates the distribution of traditional markets compared to trade centers in West Java in 2019.
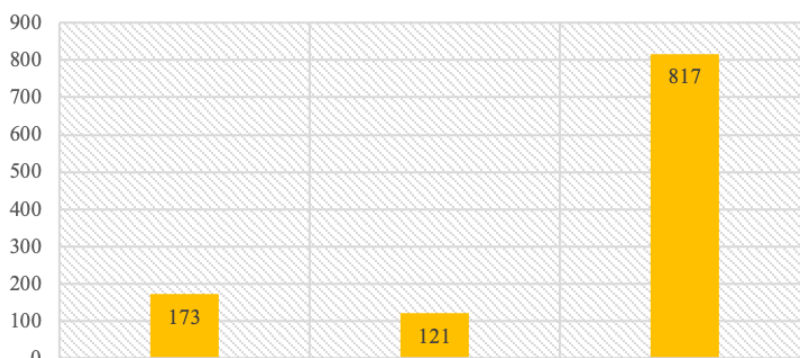

Figure 1.1. *West Java Shopping Markets and Centers in 2019*
Source: bps.go.id

From the graph above, in fact there are many people's markets and then the emergence of modern markets that have penetrated remote areas, creating a threat to the people's economy, because buyers will choose markets with more modern management. According to research ((Brata, 2012)), that the existence of modern markets which have also reached remote villages, with longer operating hours, will narrow the space for small traders and reduce the presence of visitors at people's markets. Restricting operating hours with trading activities carried out in the morning until noon, while consumer needs cannot be limited. Meanwhile, in the Modern Market there are no time restrictions on visiting hours and shopping facilities.

Related to commodities of daily needs, people's markets provide food and household equipment for consumers. As in table 1 about the main commodity groups of people's markets in West Java. The completeness of the products offered by the people's market does not rule out the possibility for supermarkets and modern markets to sell and provide goods that are more attractive to consumers.

Table 1. *Main Commodity Groups of West Java People's Market*

No	Main Commodity Groups	Total
1	School Equipment and Office Stationery	0
2	Crafts and Art	1
3	Electronics and Household Equipment	2
4	Textiles/Goods from Textiles	30
5	Livestock/Pet Animals	32
6	Seafood and Fishery Products	26
7	Processed Food, Beverages, Cigarettes and Tobacco	44
8	Foodstuffs	671
9	Others	11
	Total	**817**

Source: bps.go.id

Without realizing it, people's markets are important. Aside from being a means of distributing the need for goods and services from producers to consumers, people's markets need to strengthen their competitiveness so that they are able to carry out their role in regional and even national economic resilience. The condition of the people's markets, both in West Java and Indonesia, is indeed quite apprehensive. In 2019, the Executive Director of the Indonesian Market Management Association (Asperindo) said that 60% of people's markets in Indonesia were in inadequate condition. This is because the physical condition is old, dirty, dirty, and even prone to fire. (https://www.beritaarea.co.id/2021/02/18/7-provinsi-dengan-nomor-pasar-rakyat-terbanyak-di-indonesia/)

BPS data shows that of all the People's Markets in West Java, almost 39% of them have been operating for more than 30 years. Thus it can be said that the People's Market in West Java is no longer feasible both from the condition of the infrastructure, infrastructure and management.
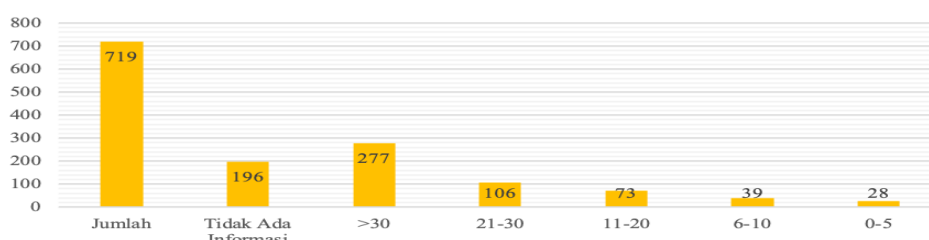
Source: bps.go.id

Figure 1 *Operational Age of the People's Market in West Java*

The graph in the figure shows the age (years) of the renovation of the people's market in West Java. A total of 223 markets or about 31% have been renovated within 5 last year. However, there is a small portion, namely around 3%, which has been renovated more than 30 years ago and about 8% of people's markets in West Java have never been renovated.

In conditions where people's markets are starting to fade and modern shops are mushrooming, especially in areas and even urban areas, the West Java Provincial Government is working with the Regional Government through collaborative and innovative activities to rebuild markets, both in terms of infrastructure, management and infrastructure, so that people's markets can be popular again and remain the people's choice for shopping. By launching a superior program which later became a strategic program called the West Java Champion People's Market Festival. In 2018 the West Java Government, in collaboration with Regional Governments in 27 Regencies / Cities to encourage people's markets to make changes and progress. The joint revival of markets in West Java is a hope in implementing market standardization, carrying out physical revitalization of infrastructure, infrastructure, and improving services as a non-physical development for the market environment. At the same time, on August 22 2018, apart from laying the first stone for the construction of the Cisarua market, Bogor Regency, the wife of the Governor of West Java was also appointed as the Ambassador of the West Java People's Market.

Sociopreneurship can be a model and a basic foundation in helping business actors who have social problems, or are unable to develop a business. Such as: running out of capital for living expenses, being in debt with moneylenders and other problems, which ultimately hindered their business activities. In dealing with changes, traders need assistance and guidance, so they can adapt. Based on initial observations in several people's markets, mentoring activities have been carried out. So it was obtained from 27 affiliated district cities 87 people's markets which can be said to meet the requirements as a pilot market and regional superior., Axelrod, & Jervis, 1998)

Formulation of the Problem

1. How's socioculture (X1) affects the competitiveness (Z) of the people's market in West Java
2. How's Sociopreneurship strategy (X1) affects Competitiveness (Z) through Socioculture (Y) People's Market in West Java
3. How's Sociopreneurship Strategy (X1) affects Socioculture (Y) in the People's Market in West Java

Research Methodology

The research object taken by the author is Sociopreneurship (X1), Collaboration (X2), Innovation (X3), Sociocultural (Y) and Competitiveness (Z). The research was conducted at Cihapit Market and Cimahi Upper Market in West Java. The two loci were chosen because the two markets have undergone revitalization so that they are in accordance with the object to be studied.

1. Sociopreneurs are expressed as exogenous variables , hereinafter referred to as variable X1.
2. Collaboration is expressed as an exogenous variable, hereinafter referred to as the X2 variable.
3. Innovation is expressed as an exogenous variable, hereinafter referred to as the X3

4.   Sociocultural variable, declared as an intervening variable, hereinafter referred to as the Y variable. Competitiveness is expressed as an endogenous variable, here in after called Z

Population

(Fukuyama, Axelrod, & Jervis, 1998) said the population is a generalized area consisting of objects or subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions. The population in this study were traders at Cihapit Market and Pasar Atas Kota Cimahi in West Java, totaling 105 and 423 traders respectively.

Sample

The sample according to (Fukuyama, Axelrod, & Jervis, 1998) is a part of the population to be studied and is considered to be able to describe the population. In general, the sample size for the model. (Athapaththu, 2016) in (Brata, 2012) suggests that the ratio between the sample size is 5-10 times the estimated parameters, suggesting that the lowest ratio of 5 respondents per observed variable will suffice for a normal distribution when a latent variable has several indicators (variables observed). The number of observed variables (indicators) in this study is 49 items, based on theory (Baskaran & Mehta, 2016) which assumes that for 1 observed variable or manifest variable or indicator represents 5 respondents. So, the number of samples participating in this study were: 49 indicators x 5 respondents = 245 samples.

Discussion

Average Variance Extracted (AVE) Initial Output

Construct	Average Variance Extracted (AVE)	Competitiveness
Innovation	0.802	Valid
of	0.958	Valid
Collaboration	0.499	Invalid
Socioculture	0.524	Valid
Sociopreneurship Strategy	0.598	Valid

Source: *Data processed from SmartPLS 3.0 output.*

When the initial output results show invalid results (below 0.50), the steps taken are to eliminate indicators that have values below the limit we set, then do the first test and so on until the results obtained are valid. With a minimum record of indicators that must remain in each variable are 3 indicators, the following is a picture of the results of the first test in this study.
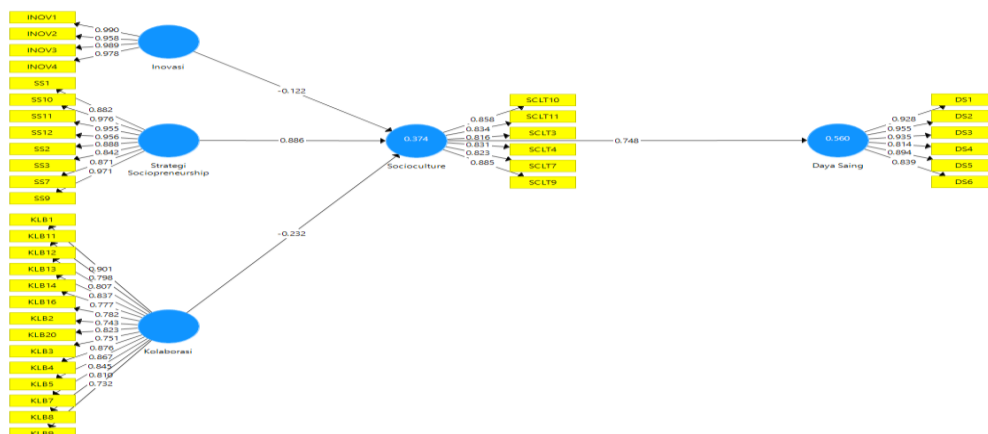

Figure 4. *The results of the first PLS Algorithm Test*
Source: Primary data, processed in 2022

An indicator is declared valid if it has a loading factor above 0.70 for the intended construct. SmartPLS output for loading factor gives the following results:

Table 3. *Outer Loadings*

	Competitiveness_Innovation_Collaboration_Sociocultural				Sociopreneurship Strategy
DS1	0.928				
DS2	0.955				
DS3	0935				
DS4	0814				
DS5	0894				
DS6	0.839				
INOV1		0.990			
INOV2		0.958			
INOV3		0989			
INOV4		0978			
KLB1			0.901		
KLB11			0.798		
KLB12			0.807		
KLB13			0837		
KLB14			0.777		
KLB16			0.782		
KLB2			0.743		
KLB20			0.823		
KLB3			0.751		
KLB4			0.876		
KLB5			0867		
KLB7			0.845		
KLB8			0.810		
KLB9			0.732		
SCLT10				0.858	
SCLT11				0.834	
SCLT3				0.816	
SCLT4				0.831	
SCLT7				0.823	
SCLT9				0.885	
SS1					0.882
SS10					0.976
SS11					0.955
SS12					0.956
SS2					0.888
SS3					0.842
SS7					0.871
SS9					0.971

Source*: Data processed from SmartPLS 3.0 output.*

Besides being seen from the loading factor value, convergent validity can also be seen from the Average Variance Extracted (AVE) value. In this study the value of AVE each construct/variable is above 0.50.

Table 4. *Average Variance Extracted (AVE) Value of First Test*

Construct	Average Variance Extracted (AVE)	Status
Competitiveness	0.802	Valid
Innovation	0.958	Valid
Collaboration	0.660	Valid
Socioculture	0.708	Valid
Sociopreneurship Strategy	0.844	Valid

Source: *Data processed from output SmartPLS 3.0*

Table 5. *Cross Loadings*

Construct	Competitiveness	Innovation	Collaboration	Socioculture	Sociopreneurship	Status
DS1	0.928	0.364	0.360	0.719	0.507	Valid
DS2	0.955	0.324	0.387	0.706	0.519	Valid
DS3	0.935	0.328	0.358	0.669	0.512	Valid
DS4	0.814	0.398	0.490	0.722	0.621	Valid
DS5	0.894	0.359	0.367	0.616	0.465	Valid
DS6	0.839	0.244	0.271	0.556	0.368	Valid
INOV1	0.354	0.990	0.823	0.338	0.734	Valid
INOV2	0.411	0.958	0.869	0.415	0.816	Valid
INOV3	0.340	0.989	0.816	0.319	0.721	Valid
INOV4	0.365	0.978	0.762	0.327	0.710	Valid
KLB1	0.509	0.882	0.901	0.536	0.885	Valid
KLB11	0.243	0.445	0.798	0.276	0.606	Valid
KLB12	0.282	0.460	0.807	0.319	0.616	Valid
KLB13	0.186	0.526	0.837	0.193	0.557	Valid
KLB14	0.110	0.566	0.777	0.114	0.439	Valid
KLB16	0.104	0.571	0.782	0.112	0.442	Valid
KLB2	0.310	0.843	0.743	0.295	0.665	Valid
KLB20	0.354	0.990	0.823	0.338	0.734	Valid
KLB3	0.315	0.820	0.751	0.310	0.710	Valid
KLB4	0.518	0.767	0.876	0.564	0.958	Tidak Valid
KLB5	0.444	0.800	0.867	0.453	0.908	Tidak Valid
KLB7	0.228	0.554	0.845	0.266	0.584	Valid
KLB8	0.225	0.468	0.810	0.266	0.616	Valid
KLB9	0.300	0.424	0.732	0.310	0.532	Valid
SCLT10	0.529	0.296	0.414	0.858	0.472	Valid
SCLT11	0.854	0.314	0.396	0.834	0.576	Valid
SCLT3	0.564	0.265	0.326	0.816	0.408	Valid
SCLT4	0.501	0.283	0.266	0.831	0.420	Valid
SCLT7	0.560	0.232	0.304	0.823	0.419	Valid
SCLT9	0.652	0.408	0.487	0.885	0.606	Valid
SS1	0.571	0.508	0.602	0.594	0.882	Valid
SS10	0.523	0.750	0.881	0.551	0.976	Valid
SS11	0.514	0.758	0.864	0.560	0.955	Valid
SS12	0.543	0.781	0.881	0.574	0.956	Valid
SS2	0.496	0.823	0.901	0.494	0.888	Valid
SS3	0.411	0.635	0.856	0.459	0.842	Valid
SS7	0.558	0.665	0.628	0.531	0.871	Valid
SS9	0.507	0.733	0.870	0.541	0.971	Valid

Due to no problems with convergent validity, then the next thing to be tested is the problem related to discriminant validity. Discriminant validity can be tested by looking at the cross loading table in table 5 below:

The table above shows that the loading value of each item against its construct is greater than its cross loading value except for the KLB4 and KLB5 constructs. The results of this test show that all indicators of the four variables are declared valid. This test is declared valid because the convergent validity and discriminant validity values are above 0.50. To ensure that there are no problems related to measurement, the last step in evaluating the outer model is to test reliability by looking at composite reliability. Composite reliability results will show a good/satisfactory value if it is above 0.70. Here is the composite reliability value at the output:

Table 6. *Composite Reliability Value*

Construct	Composite Reliability	Status
Competitiveness	0.960	Reliable
Innovation	0.989	Reliable
Collaboration	0.964	Reliable
Socioculture	0.936	Reliable
Sociopreneurship Strategy	0.977	Reliable

Source: *Data processed from SmartPLS 3.0 output.*

The table above shows that the composite reliability value for all constructs is above 0.70 which indicates that all variables are declared reliable. The reliability test can also be strengthened with Cronbach's Alpha where the output of SmartPLS 3.0 gives the following results:

Table 7. *Cronbach's Alpha*

Construct	Cronbach's Alpha
Competitiveness	0.950
Innovation	0.985
Collaboration	0.963
Socioculture	0.918
Sociopreneurship Strategy	0.973

The recommended value is above 0.60 and in the table above shows that the Cronbach's Alpha value for all constructs is above 0.60 which indicates that all variables are declared reliable.

Structural / Inner Model Test

After the estimated model meets the criteria for the outer model, the following is a test of the structural model (inner model). The following is the R-square value or what is often called the Coefficient of Determination R^2.

Table 8. *Coefficient of Determination*

	R Square	R Square Adjusted
Competitiveness	0.560	0.555
Socioculture	0.374	0.355

Source: *Data processed from SmartPLS 3.0 output.*

The table above shows that the coefficient of determination R^2 or R-square in this study, namely:

1. Shows that competitiveness is affected by socioculture by 56%, the remaining 44% is influenced by other factors not contained in the model.
2. Shows that socioculture is influenced by innovation, sociopreneurship strategy, and collaboration by 37.4%, the remaining 62.6% is influenced by other factors not contained in the model.

Hypothesis Test
Table 9. *Path Coefficients (Mean, STDEV, T-Values)*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Innovation --> Competitiveness_	-0.092	-0.096	0.139	0.660	**0.660 0.510**
Innovation --> Socioculture	-0.122	-0.129	0.187	0.654	**0.513**
Collaboration -> Competitive power_	-0.174	-0.168	0.169	1.028	**0.305**
Collaboration -> Socioculture	-0.232	-0.225	0.229	1.014	**0.311**
Socioculture -> Competitive power_	0.748	0.751	0.040	18.657	**Sociopreneurship**
Socioculture	0.663	0.670	0.145	4.568	**0.22**
Sociopreneurship Strategy --> Socioculture	0.886	0.894	0.193	4.592	**0.000**

Source: *Data processed from SmartPLS 3.0 output.*

Discussion Results the influence between variables is as follows:

- Socioculture (X1) influences competitiveness (Z)
- Sociopreneurship strategy (X1) influences competitiveness (Z) through socioculture (Y)
- Sociopreneurship strategy (X1) influences socioculture (Y)

Conclusions

1. From the results of the PLS test found that Socioculture (X1) had an effect on competitiveness (Z) in the people's market in West Java. But other variables such as innovation (X2) have no effect on competitiveness (Z). Likewise Collaboration (X3) has no effect on competitiveness (Z) at the People's Market in West Java.
2. The sociopreneurship strategy (X1) influences competitiveness (Z) through socioculture (Y). However, another variable, namely innovation (X2), has no effect on competitiveness (Z) through socioculture (Y). Likewise Collaboration (X3) has no influence on competitiveness through socioculture (Z) at the People's Market in West Java.
3. The sociopreneurship strategy (X1) influences socioculture (Y) at the People's Market in West Java.

Suggestions

Pasar Rakyat with its various problems must struggle to face various cultural changes that occur in society. Not only that, People's Markets must also be able to compete with the rise of modern markets and mini markets, which not only target upper-middle-class buyers but are now the choice for lower-middle class. With all its limitations, the People's Market must

quickly keep up with the times and be competitive. Currently, the People's Market, especially those in the West Java Provision, are improving towards SNI Markets. This research tries to find various examples of problems that exist in people's markets, the advantages and strengths possessed by people's markets and see the potential possessed by the market from various perspectives, both from the internal market, namely market managers and traders, as well as from external markets, namely buyer. This Socio Culture Study was carried out in order to find out market needs and preparation for an SNI market, there were 2 markets which were case studies of this research, namely the Cihapit Market and the Upper Cimahi Market. Exploration of the problems and conditions of each market is carried out through direct field observations, including conducting in-depth interviews with traders and people's market managers. Meanwhile, the buyer's point of view was obtained from the results of filling out a questionnaire with a number of respondents who were spread throughout West Java Province.

Problems faced the repairs and revitalization of the Cihapit Market that have been carried out are not necessarily a solution to the problems faced by the Cihapit Market. There are at least 3 main problems of Bandung Cihapit Market:

1.   Reduced Visitors Shopping at Cihapit Market
2.   Market Infrastructure Conditions that need to be repaired Immediately
3.   Market Revenues Are Minimal and Only Depend on

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