

## LITERATURE REVIEW: ONLINE MARKETING ACTIVITIES TOWARDS INCREASING THE INCOME OF TRADITIONAL MARKET TRADERS IN SOUTH SULAWESI

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### Abstract

*Online marketing is one of the main strategies in increasing business income, including for traditional market traders in South Sulawesi. Although internet penetration in Indonesia, especially in South Sulawesi, continues to grow, many traditional market traders have not utilized digital potential to market their products. This study aims to explore online marketing activities implemented by traditional market traders in Gowa Regency, as well as to analyze their influence on increasing income and the factors that influence their success. Based on literature studies, the use of social media and e-commerce platforms has been shown to increase product visibility and attract more consumers, which in turn can increase sales. However, the adoption of digital technology among traditional market traders is still limited, mainly due to the lack of skills in managing social media accounts and digital platforms. This study uses a qualitative approach with interviews and observation methods of traders in traditional markets in Gowa Regency. The results of the study show that online marketing has a positive influence on increasing trader income, but the level of adoption varies based on factors such as age, education, and business experience. Therefore, digital marketing training and support from the government and trader associations are needed to accelerate the adoption of this technology. This study is expected to provide recommendations for the development of more effective digital marketing strategies for traditional market traders in South Sulawesi, in order to increase competitiveness and strengthen the local economy.*

**Keywords:** *Digital Marketing, UMKM*

### 1. INTRODUCTION

In today's digital era, online marketing has become one of the main strategies in increasing business income, including for traditional market traders. Traditional markets in South Sulawesi, which are the center of local economic activity, face significant challenges in competing with modern markets and e-commerce. Along with the increasing internet penetration and use of smartphones, the potential to utilize online platforms in marketing products is increasingly wide open. According to data from the Indonesian Internet Service Providers Association (APJII) in 2023, internet users in Indonesia reached more than 200

million, with user growth in South Sulawesi continuing to increase. This shows that there is great potential for traditional market traders to utilize online marketing to reach wider consumers. However, many traders have not fully utilized this technology, which causes their income to be suboptimal so that their income does not increase.

One study by Sari et al. (2020) in the *Journal of Economics and Business* showed that the use of social media as a marketing channel can increase product visibility and attract more consumers. This study also noted that traders who are active on social media experienced an increase in sales of up to 35% compared to those who do not use the platform. This confirms the importance of adopting online marketing in increasing the income of traditional market traders. On the other hand, challenges in implementing online marketing also arise. Many traditional market traders are less familiar with digital technology and often have difficulty managing social media accounts or e-commerce platforms. This causes them to lose greater market potential. A study by Prasetyo and Handayani (2021) in the *Journal of Marketing* states that training and education on digital marketing are essential to improve trader skills.

The condition of traditional markets in South Sulawesi is also influenced by changes in consumer behavior. Modern consumers tend to prefer shopping online because of the ease and convenience offered. According to a report from Nielsen (2022), 67% of consumers in Indonesia prefer to shop online, and this figure continues to increase. Therefore, traditional market traders need to adapt to these changes in order to remain relevant in market competition. In this context, research on online marketing activities and their impact on the income of traditional market traders in South Sulawesi is very important. Previous research, such as that conducted by Rahman et al. (2021) in the *Journal of Management and Business*, shows that online marketing can contribute to increased income, but there is variation in the level of adoption and effectiveness among different traders.

Factors such as education level, age, and experience in business also affect the success of online marketing. Research by Santoso and Rahayu (2020) found that younger and more educated traders tend to adopt digital marketing more quickly. This shows the need for a different approach in providing support to traders with diverse backgrounds. Thus, it is important for the government and related institutions to provide adequate training and resources for traditional market traders. This will not only help them increase their income but also strengthen the local economy as a whole. Based on data from the Central Statistics Agency (BPS) of South Sulawesi, the trade sector contributes significantly to the region's Gross Domestic Product (GDP). However, this contribution can increase further if traditional market traders adopt effective online marketing strategies. In addition, research by Iskandar (2021) in the *Journal of Development Economics* revealed that online marketing can help improve the competitiveness of local traders. The importance of developing digital skills for traditional market traders is also highlighted. According to research by Utami and Prabowo

(2022), digital marketing training can improve traders' skills and confidence in using technology. This shows that support from the government and educational institutions is needed to facilitate this transition. In this context, the local government in South Sulawesi needs to take proactive steps in supporting traditional market traders to switch to online marketing. Several training and mentoring programs can be designed to provide the necessary knowledge and skills. This will not only help traders increase their income but also strengthen the local economy as a whole.

The growth of modern markets and the challenges faced by traditional markets. explains how modern markets, with more professional management and better facilities, can affect the competitiveness of traditional markets (Arianty, N. 2020). And it is also shown that although modern markets offer convenience, traditional markets still play an important role in social interaction and the local economy (Rizki, M., & Sri, T. 2020). The rapid development of information and communication technology and its impact on consumer behavior. resulted in a shift from shopping in traditional markets to online shopping, which caused traditional traders to experience a decrease in the number of buyers and income (Ardiansari, A. 2022). Social media, especially TikTok, has become an important tool for businesses to promote products and services. With over one billion active users, TikTok offers great opportunities for creative interaction and marketing. This study is important to understand the impact and benefits of TikTok for business actors, especially in the context of growing digital marketing (Arya, SM, Pratama, IA, Iqbal, I., Siddik, R., & Wahid, RM 2022). The impact of online sales on the economy, especially for traditional market traders. traders experience a decrease in turnover due to the development of digital marketing. This study aims to explore how online marketing activities can be optimized to increase the income of traditional market traders in South Sulawesi. By collecting relevant data and conducting in-depth analysis, it is hoped that effective strategies can be found to increase trader income through digital marketing. In addition, the role of the community and trader associations is also very important in this process. According to the results of research by Setiawan (2021), trader associations that are active in providing support and training to their members can increase the adoption rate of online marketing among traders. This shows that collaboration between traders, government, and educational institutions is essential to achieving this goal.

## LITERATURE REVIEW

### Traditional market

Traditional markets are places where sellers and buyers meet to make direct transactions. In South Sulawesi, traditional markets are often the center of economic activities for the community, providing various daily necessities such as food, clothing, and

household goods. These markets are usually located near residential areas, making it easy for the community to access them. In addition, traditional markets are also known for their lively atmosphere and friendly social interactions between traders and buyers, which are the hallmarks of traditional markets. One of the main characteristics of traditional markets is the bargaining process between sellers and buyers. This provides an opportunity for buyers to get better prices and for sellers to explain their products directly. Traditional markets also often offer fresh and quality local products, which are not always available in modern markets. Thus, traditional markets play an important role in supporting the local economy and the sustainability of small and medium enterprises

Traditional markets also have significant social functions. In addition to being a place for economic transactions, these markets are a space for social interaction for the community. In the market, people not only shop, but also interact, exchange information, and build social relationships. This creates a strong sense of community among the local population. Traditional markets are often places where local culture and traditions are maintained and celebrated, making them an integral part of the community's identity. However, traditional markets face significant challenges, especially with the emergence of modern markets and e-commerce. Many consumers are turning to modern markets because they offer convenience, cleanliness, and a wider variety of products. This has led to a decrease in the number of visitors to traditional markets, which has an impact on traders' income. Therefore, it is important for traditional market traders to adapt to these changes, for example by utilizing technology and digital marketing to attract more customers. Despite facing various challenges, traditional markets still have advantages that modern markets do not have. The existence of traditional markets provides opportunities for people to get goods at more affordable prices and support local products. In addition, traditional markets also contribute to the preservation of local culture and traditions. Therefore, it is important to continue to support and develop traditional markets so that they remain relevant amidst the changing times.

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## Challenges of Traditional Markets in the Digital Era

Traditional markets in Indonesia face various challenges in the increasingly digital era. One of the main challenges is the change in consumer behavior who now prefer to shop online. With the ease of access and convenience offered by e-commerce platforms, many consumers are switching from traditional markets to modern markets and online shopping. This has led to a decrease in the number of visitors to traditional markets, which has a direct impact on traders' income. In addition, traditional markets often lack adequate infrastructure and technological facilities. Many traditional markets do not have stable internet access, sufficient electricity, or good sanitation facilities. This condition makes it difficult for traders to adopt the digital technology needed to compete with modern markets. Without adequate infrastructure, traditional market traders will find it difficult to take advantage of the opportunities offered by digitalization.

Lack of digital skills and knowledge among traders is also a significant challenge. Many traditional market traders are not yet accustomed to using digital technologies, such as social media or e-commerce platforms, to promote and sell their products. This results in them missing out on opportunities to reach a wider consumer base and increase sales. Therefore, training and education on the use of digital technologies are essential to help traders adapt.

Another challenge is the increasingly tight competition. Traditional market traders are not only competing with modern markets, but also with various e-commerce platforms that offer similar products at competitive prices. In this situation, traditional market traders need to develop more innovative and creative marketing strategies to attract consumers. They must be able to highlight the uniqueness of local products and shopping experiences that cannot be found on online platforms. Despite facing various challenges, traditional markets have the potential to adapt and thrive in the digital era. With support from the government and related parties, as well as improving digital skills among traders, traditional markets can utilize technology to increase their competitiveness. Therefore, it is important to continue to encourage innovation and collaboration between traders, consumers, and the

government to ensure the sustainability of traditional markets amidst the flow of digitalization.

### **The Importance of Marketing Innovation in the Digital Age**

Marketing innovation in the digital era is very important for traditional markets to stay relevant and competitive amidst changes in consumer behavior. With more consumers turning to online shopping, traditional markets need to adopt innovative marketing strategies to attract customers. Marketing innovation can include the use of digital platforms, social media, and mobile applications to promote products and increase interaction with consumers. This not only helps increase product visibility but also provides a more engaging shopping experience for consumers. One of the main benefits of marketing innovation is increased operational efficiency. By implementing digital technology, traditional markets can manage inventory and sales data more effectively. A digitalized management system allows merchants to track consumer demand and optimize stock, thereby reducing waste and increasing profitability. In addition, the use of analytical tools can help merchants understand market trends and consumer preferences, which are essential for designing the right marketing strategy.

Marketing innovation also allows traditional markets to expand their market reach. By building an online presence through websites or social media, traders can reach a wider range of consumers, including those who cannot physically visit the market. This is especially important in the digital era, where consumers expect easy and fast access to products. Thus, marketing innovation can help traditional markets not only survive but also thrive amidst fierce competition. In addition, marketing innovation can improve customer experience. By utilizing technology such as mobile applications, traders can offer promotions, discounts, and real-time product information to consumers. This not only increases customer satisfaction but also encourages consumer loyalty to the brand. A more interactive and personalized shopping experience can create a stronger relationship between traders and consumers, which is essential for the sustainability of traditional markets. Marketing innovation in traditional markets also contributes to the preservation of local culture. By promoting local products through digital platforms, traders not only increase

sales but also help preserve the cultural heritage and traditions of the community. This creates added value for consumers who are increasingly concerned about sustainability and support for local products. Therefore, marketing innovation is not only about technology, but also about maintaining local identity and culture amidst the flow of modernization.

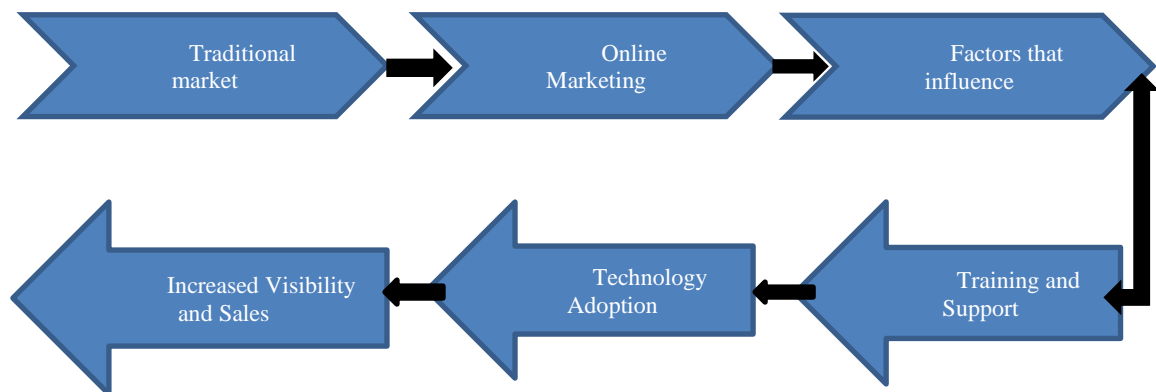
### **Benefits of Online Marketing for Traditional Markets**

Online marketing provides significant benefits for traditional markets in South Sulawesi, especially in increasing the competitiveness and income of traders. One of the main benefits is the ability to reach a wider market. By utilizing e-commerce platforms and social media, traditional market traders can expand their consumer reach beyond their local geographic boundaries. This allows them to sell products to customers who were previously unreachable, thereby increasing potential sales and income. In addition, online marketing also helps traditional market traders increase the visibility of their products. By utilizing social media and websites, traders can promote products more effectively and attract the attention of consumers. Attractive visual content, such as product photos and videos, can increase appeal and encourage consumers to make purchases. Research shows that the use of social media can increase sales by up to 35% for active traders.

Online marketing also allows merchants to interact directly with consumers. Through digital platforms, merchants can receive real-time feedback, answer questions, and provide better customer service. This interaction not only increases customer satisfaction but also builds consumer loyalty to the brand. By building closer relationships with customers, traditional market traders can create a loyal customer base. Furthermore, online marketing can help traditional market traders reduce operational costs. By switching to digital marketing, traders can reduce spending on traditional advertising which is often more expensive and less effective. Online marketing allows traders to carry out promotions at a lower cost and more measurable, so they can allocate resources more efficiently. Online marketing contributes to the preservation of local products and culture. By promoting local products through digital platforms, traders not only increase sales but also help maintain the sustainability of traditional products. This is important to maintain the cultural identity and

traditions of the South Sulawesi community, while providing added value to consumers who are increasingly concerned about sustainability and support for local products.

### Mindset Framework Diagram



### RESEARCH METHOD

The research method used in this article combines qualitative and quantitative descriptive approaches to gain a holistic understanding of the interactions between traders and consumers in traditional markets. By using data collection techniques such as interviews and observations, researchers were able to explore in-depth perspectives from traders on the impact of online sales and consumer behavior. This approach is very effective in identifying nuances and social dynamics that cannot be captured through quantitative data alone. In addition, this study also involved usability testing methods to assess user interactions with e-commerce platforms, especially TikTok. Through prototype testing and data collection from users, this study successfully evaluated the ease of navigation and user preferences, which are important for developing more effective marketing strategies for MSMEs. The data obtained provided valuable insights into user needs and expectations of digital platforms, which are increasingly relevant in today's digital era. And the use of a survey method with a representative sample of traditional market traders allows for a broader analysis of the impact of regulatory changes and marketing trends on their business practices. The statistical analysis techniques applied, such as multiple linear regression, provide a powerful tool to identify relationships between different variables. Overall, this combination of research methods not only strengthens the validity of the findings but also makes a significant contribution to the understanding of the dynamics of traditional markets in the context of modernization and technology.

The type of research used in this article aims to describe and analyze the phenomenon of online marketing activities, their impact on income, and the factors that influence their success. This study also aims to identify patterns or themes that emerge from data collected from relevant informants and aims to answer three problem formulations: 1) Online

marketing activities implemented by traditional market traders in South Sulawesi. 2) The influence of online marketing activities on increasing the income of traditional market traders in South Sulawesi. 3) Factors that influence the success of online marketing among traditional market traders in South Sulawesi. This study was conducted in traditional markets in South Sulawesi, with the main focus on large markets such as Makassar Central Market, Sungguminasa Gowa People's Market, and traditional markets in small towns around South Sulawesi. The informants in this study were selected using a purposive sampling technique, which focuses on individuals who have experience and knowledge related to online marketing in traditional markets. The informants selected were: Traditional market traders who use online marketing to market their products (social media, e-commerce, buying and selling applications). Market managers or parties who have information about the implementation of online marketing in traditional markets. Traditional market consumers who buy goods through online marketing. The number of informants is adjusted according to needs until data saturation is achieved, which is when no new data emerges in the interview.

## **RESULT AND DISCUSSION**

### **RESULTS**

**Online Marketing Activities:** The study shows that traditional market traders in Gowa Regency have started using social media platforms (such as Instagram and Facebook) and e-commerce to market their products. There is variation in adoption rates based on demographic factors such as age, education, and business experience. Younger and more educated traders tend to be more active in utilizing online marketing. **Impact on Income:** The results show a significant increase in income for traders who are active in online marketing. The study states that traders who use social media experience an increase in sales of up to 35% compared to those who do not use these platforms. Online marketing increases product visibility and allows traders to reach a wider consumer base, which was previously difficult to reach. **Success Factors:** The success of online marketing is greatly influenced by the digital skills of traders. Lack of knowledge about the use of digital technology is a major barrier. Support from the government and trader associations is also very important in accelerating the adoption of this technology. Training and access to digital tools are key to increasing the capacity of traditional market traders.

### **DISCUSSION**

Despite the huge potential to increase revenues through online marketing, challenges such as lack of infrastructure and digital skills remain barriers. Many traders do not have stable internet access, and limited understanding of digital technology hinders them from

participating in e-commerce. The use of social media and e-commerce platforms can be a solution to overcome these challenges, provided that appropriate training and support are provided. Recommendations for Development: The study recommends that the government and related institutions provide more structured training programs and support in technology access for traditional market traders. In addition, collaboration between traders, government, and educational organizations should be strengthened to create an ecosystem that supports the adoption of digital marketing.

The results of the study show that the implementation of online marketing activities by traditional market traders in Gowa Regency has a significant positive impact on their income. One of the main findings is that traders who actively use social media and e-commerce platforms experience a substantial increase in sales, with some reports showing an increase of up to 35%. This indicates that online marketing not only increases product visibility but also expands market reach, allowing traders to reach consumers who were previously unreachable through traditional methods. With more than 200 million internet users in Indonesia, as reported by APJII, the potential market that can be reached through digital marketing is enormous. However, although many traders feel the benefits of online marketing, the adoption of this technology varies and is influenced by several demographic factors. Research shows that younger and more educated traders adapt more quickly to the use of digital tools. They tend to be more familiar with technology and have better digital skills, which allows them to utilize online marketing strategies effectively. In contrast, traders who are older or with lower educational backgrounds often feel more comfortable with traditional marketing methods and have difficulty transitioning to the digital world. This suggests the need for a more diverse approach to training and skills development for traditional market traders.

One of the main challenges faced by traditional market traders is the lack of access to adequate technology and infrastructure. Many traditional markets in South Sulawesi do not have stable internet connectivity, which limits traders' ability to operate online. In addition, limitations in technological devices, such as smartphones and computers, are also a barrier. Therefore, support from the government and related institutions is essential to improve digital infrastructure in this area. Training programs that focus on the use of social media and e-commerce platforms should be designed to help traders understand and manage their accounts better. Furthermore, direct interaction between traders and consumers through

digital platforms can increase customer loyalty. By utilizing the interaction features on social media, traders can get real-time feedback, answer questions, and provide better customer service. This not only increases customer satisfaction but also creates a stronger relationship between traders and consumers. In the long term, this strategy can help build a loyal customer base, which is vital for the sustainability of traditional market traders' businesses amidst increasingly fierce competition from modern markets and e-commerce.

## CONCLUSION

Based on the discussion of this journal review, it can be concluded that online marketing has a positive influence on increasing the income of traditional market traders in South Sulawesi. Although internet penetration continues to increase, many traders still have not utilized digital potential to its full potential. Online marketing activities, such as the use of social media and e-commerce platforms, can increase product visibility and attract more consumers. However, the level of adoption of this technology varies depending on factors such as age, education, and business experience of traders. Therefore, there is an urgent need for adequate training and support so that traders can adapt to these changes.

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