

DEVELOPMENT OF THE SURABAYA BLAURAN TRADITIONAL MARKET MODEL BASED ON THE VALUABLE, RARE, INIMITABLE, ORGANIZED (VRIO) CONCEPT TO INCREASE COMPETITIVE ADVANTAGE IN THE MODERN COMPETITION ERA

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ABSTRACT

This study aims to finalize concepts that can be applied to traditional markets to increase their competitive advantage in the era of modern competition. The research object taken was the Blauran traditional market in Surabaya, because based on observations the researcher found the fact that basically most of the traders in the Blauran market had indirectly applied the VRIO concept and had a special strategy to survive the competition with modernization and advances in science and technology. One of the reasons for this research is to provide dedication in formulating a strategy that can become a reference for traditional markets, MSMEs and the general public who need it.

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1. INTRODUCTION

The number of traditional markets in Indonesia still dominates among several shopping places. based on data from the Central Statistics Agency for 2018, the percentage of traditional markets is 89%. This means that the number of traditional markets in Indonesia still dominates compared to the number of modern shopping centers. Traditional markets provide 35% of foodstuffs, 26% of textiles, and different percentages of other commodities, such as electronics, household appliances, and stationery. Food and non-food needs consumed by the community will go through the distribution chain. The determinants of sustainability are production, distribution and, consumption. The sustainability of agricultural production, livestock and fisheries certainly requires a good distribution chain (Mofokeng, 2021). Therefore, it is important to pay attention to the fact that the market is an important place, not only as a place for buying and selling but also as a role holder in meeting human needs.

Traditional markets are markets that are implemented in a traditional manner and are characterized by buyers and sellers meeting face to face. The process of buying and selling usually goes through a price bargaining process, and the price given for an item is not a fixed price, in another sense it can still be negotiated, this is very different from the modern market (M. Fuad, 2000). Traditional markets have their own potential, uniqueness and market culture to attract and be in great demand by expatriates (visitors) as well as travelers from modern countries and emphasize that traditional markets are actually a regional characteristic.

Problems that commonly occur in traditional market conditions are smelly, shabby and dirty. This is contrary to the condition of modern shopping centers which look cleaner and more comfortable. One thing that makes consumers comfortable shopping is pleasant aromas and music. This may not be found when consumers come to traditional markets. Presentation of merchandise that is still relatively ordinary

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and has not been laid out in an attractive way. Even though product packaging can affect consumer purchasing power. Availability of goods, affordability of prices and quality of goods affect customer satisfaction (Mofokeng, 2021). The quality of the goods in question is safe from the dangers and poisons of food ingredients, such as formaldehyde and free from bacteria. However, there are still sellers who use formaldehyde in the merchandise they sell. In terms of building safety, several traditional Jakarta markets lack fire detection equipment, do not provide assembly points after evacuation, and sellers of knowledge about fire evacuation facilities are low. Several problems in traditional markets make this seem complicated. Therefore, this study aims to review traditional markets from environmental, economic, and social aspects from a manager's perspective. These three aspects will be assessed for sustainability.

Meanwhile, based on the Regulation of the Minister of Trade of the Republic of Indonesia Number 37 of 2017 that in order to meet consumer needs, traditional markets are guided by the Indonesian people's National Standard number 8152 of 2015, commonly referred to as SNI 8152:2015. consists of general requirements, technical, management. The Blauran traditional market under the management of PD Surya based on observations and observations of researchers has met the national standard number 8152 of 2015. Blauran market is one of the many traditional markets that still exist today. This market is in a strategic location, in the city center and close to the Tunjungan Surabaya area as one of the destinations appointed by the city government. The location around the blauran market has developed into many commercial properties such as Hotel 88, Amaris Hotel, BG Junction, Empire Palace Ballroom, Siola Surabaya and other shops. Unmaintained market conditions, old buildings, and many closed vendor stalls make the Blauran market less feasible if it continues to be left as it is. Therefore, the blauran market land needs to be analyzed for land use so that it can be used as much as possible.

This research is dedicated to the existence of traditional markets, especially the Blauran traditional market which has become an icon of the city of Surabaya. Based on the sample data taken and interview sessions with several traders, SWOT analysis and interviews with Blauran market management, a strategy formulation will be produced to strengthen its position in the current era of global competition. This research establishes four points that are measured, namely Valuable, Rare, Inimitable and Organized. These four factors are proven to be able to increase the value of traders in the Blauran Market. Therefore the researchers set this research with the title 'Development of the Surabaya Blauran Traditional Market Model Based on the Concept of Valuable, Rare, Inimitable, Organized (VRIO) to Increase Competitive Advantage in the Era of Modern Competition'.

3. METHOD

In this research, qualitative methods will be used with the aim that the data obtained will be more in-depth than the relevant respondents in accordance with research needs. Qualitative research methods are considered important to be used in this study to find out how important innovation is in making strategies for traditional markets and knowing market potential and commercial value for traditional markets. In terms of data collection methods, this research will use primary data and secondary data. Primary data was obtained through in-depth interviews conducted by researchers with experts, traditional Blauran market management and traders as well as several customer communities in the Blauran market. Interviews were conducted to find out the views of several parties regarding the existence of the Blauran market, make assessments regarding the strategies that have been implemented in the Blauran market area and assess whether the VRIO concept is acceptable or not.

Research with the title 'Development of the Traditional Market Model for Blauran Surabaya Based on the Concept of Valuable, Rare, Inimitable, Organized (VRIO) to Increase Competitive Advantage in the Era of Modern Competition' has been carried out according to the proposal submitted. This research is of a qualitative type so that it requires the right number of samples for an in-depth analysis process by the

research team. Researchers agreed to determine that there were 100 individuals interviewed in order to achieve valid results.

Data collection was carried out for one month in the Blauran Traditional Market area, Surabaya. Researchers used survey methods in collecting data. The method used in this study is a survey method, which is a primary data collection method that is obtained directly in the form of opinions or opinions from internal and external parties of the Blauran market by answering all the questions contained in the questionnaire. The questionnaire provided has several important components which include the views of management, traders, customers in order to form opinions and conclusions regarding the implementation of VRIO.

The data collection process in the Blauran Traditional Market area had previously obtained permission from PD Pasar Surya as the manager and BAKESBANGPOL JATIM as the implementing element for government affairs in the field of national unity and domestic politics, so that this research had credibility and a clear legal umbrella. Because the Blauran market is in the economic heart of the city of Surabaya, it was agreed that banners, banners or other things would not be put up so that it would not generate public enthusiasm. The following are the provisions of the research measurement instrument:

No	Jawaban	Skor
1	Sangat Setuju (SS)	5
2	Setuju (S)	4
3	Ragu-ragu (RG)	3
4	Tidak Setuju (TS)	2
5	Sangat Tidak Setuju (STS)	1

Figure 1

This study will use in-depth interviews with experts, interviews with several consumers and external observations to collect data. In this qualitative method, to analyze the data from the interviews a narrative analysis will be carried out with the aim of understanding in depth the answers from the interviews given by the respondents to the questions asked and ongoing discussions. After conducting a narrative analysis which aims to find out the statements of respondents regarding the concept of VRIO from an internal and external perspective which were analyzed using the narrative analysis method, the researcher also conducted a literature study to analyze secondary data. After collecting and analyzing the data, the researcher applies the results of the analysis to a framework, namely the implementation of the VRIO concept.

4. RESULT AND DISCUSSION

The concept of doing business with reference to the VRIO concept will have a focus on all the resources that exist in the business environment. The theory that strengthens resource management is the Resource Based View (RBV) theory, focusing on specific resources and highlighting competitive advantages which are the basis of Valuable, Rare, Inimitable and Organized (VRIO). Researchers conduct a VRIO analysis to find out the tangible and intangible resources owned by the company to determine the competitive advantage of the Blauran market which can be used to differentiate from competitors and market penetration to strengthen business cycle rotation.

Based on the results of the interviews, the researchers concluded that the management and traders already had strategies that had been applied in their daily business activities, but they did not understand them. All strategies are obtained from learning of doing and events that have occurred. Researchers found

that almost 60% of traders did not understand exactly how to deal with competition in the modernization era. Based on the interviews conducted, the researchers also found that above 70% of the traders only carried out their routines without understanding the purpose and advantages of the Blauran market where they sold their goods. Meanwhile, if business activities are carried out without a goal, it will be very difficult to determine a strategy to achieve the expected sustainability. This important point reinforces the researcher's initial view that the Blauran Traditional Market can survive because basically the internal party has a strategy but it has not been measured and systemized properly.

Based on these results, the researcher concludes that the VRIO concept is the answer in formulating strategies that have been implemented internally within the Blauran Traditional Market. With the application of the VRIO Theory in all aspects of the Blauran Traditional Market environment, all internal parties have a uniform strategy in facing the challenges of the future era. Apart from that, researchers found the fact that traders realized that the components of VRIO could increase the quantity and quality of their business (Tjiptono, 2017).

The researcher conducted simple and brief counseling related to the VRIO concept to the research object after the interview process. The researcher believes that after seeing the results of the first process, namely the Blauran Traditional Market, it was found that it has a feasible strategy to continue to develop so that a new theory can be drawn in the future, and the researcher agrees that the implementation of VRIO is feasible to be continued in the Blauran Traditional Market and matches the character of all parties in it. Researchers believe that the effect of helping traditional markets in facing increasing challenges will have a positive impact on improving the economy as well (Gunawan, 2018).

The following is a Valuable, Rare, Inimitable and Organized (VRIO) concept framework. Questions about value, rare, imitability and organization can be included in a framework to understand the superior potential associated with the utilization of the resources and capabilities of the Blauran Surabaya traditional market.

<i>Is a resource or capability? (Apakah sebuah sumber daya atau kapabilitas?)</i>				
<i>Valuable (Bernilai)</i>	<i>Rare (Langka)</i>	<i>Costly to Imitate (Mahal untuk ditiru)</i>	<i>Exploited by organization (Mampu dimanfaatkan oleh organisasi)</i>	<i>Competitive Implication (Implikasi Kompetitif)</i>
Tidak	Tidak	Tidak	Tidak	<i>Ketidakkunggulan kompetitif</i>
Ya	Tidak	Tidak	↕	<i>Kesetaraan kompetitif</i>
Ya	Ya	Tidak		<i>Keunggulan kompetitif sementara</i>
Ya	Ya	Ya	Ya	<i>Keunggulan kompetitif berkelanjutan</i>

Figure 2

The concepts of Valuable, Rare, Inimitable and Organized (VRIO) and Strength, Weakness, Opportunity and Threat (SWOT) are ways for internal parties of an entity to understand strengths and opportunities as well as weaknesses and threats. if the Blauran market understands this concept, strategies to survive and win the competition will be easily achieved. Furthermore, in Figure 3 below, it is well explained regarding the Relationship between the VRIO Framework and Organizational Strengths and Weaknesses. The researcher concludes that an entity is said to be strong, not only in terms of capital, but also the clear strategy and objectives of the entity. Without goals or targets, the business will run flat and even stagnant.

Is a resource or capability? (Apakah sebuah sumberdaya atau kapabilitas?)				
<i>Valuable</i> (Bernilai)	<i>Rare</i> (Langka)	<i>Costly to Imitate</i> (Mahal untuk ditiru)	<i>Exploited by organization</i> (Mampu dimanfaatkan oleh organisasi)	<i>Strenght or weakness</i> (Kekuatan atau kelemahan)
Tidak	Tidak	Tidak	Tidak	Kelemahan
Ya	Tidak	Tidak	↑	Kekuatan
Ya	Ya	Tidak	↓	Kekuatan dan kompetensi khas
Ya	Ya	Ya	Ya	Kekuatan dan kompetensi khas berkelanjutan

Figure 3

After measuring the strategy, the researcher determines that the total population in this study is 1077, so the researcher determines 100 traders for the sample taken. While coming from several groups, tribes and types of sales. The sample interviewed has been included in the researcher's criteria to prove the hypothesis taken. The following is the formula for sampling, so that it refers to the formula, 100 samples are taken in order to strengthen the hypothesis of the researcher.

$$n = \frac{N}{1 + Ne^2}$$

Figure 4

Multiple Linear Regression Analysis

Model	Unstandardized		Standardized		T	Sig
	Coefficients		Coefficients			
	B	Std. Error	Beta			
(Contants)	10,789	1,385			4,615	0
1 Valuable	0,115	0,061	0,340		3,674	0,006
Rare	0,065	0,123	0,310		2,107	0,009
Inimitable	-0,110	0,097	-0,073		-0,981	0
Organized	0,152	0,089	0,240		2,421	0,008

Tabel 1

Based on table 1, we can see that of the four indicators of the VRIO concept, the indicators that are inimitable look minus. Researchers assume this happens because of the negative stigma from the internal parties of the Blauran market regarding regional development, development of the market concept, and so on. Based on the results of the interviews, the negative stigma arose because market management,

regulators and investors as funders had not realized the plans that had been approved for a long time. The head of the Blauran market admitted in the interview that several times the Blauran market would be revitalized, renewed and developed, but in reality, there has been no real action from the authorities. The head of Article Blauran gave several options including the procurement of parking lots, improvement of the concept of traditional markets to become traditional markets based on tourism and culture. the inimitable concept of the Blauran market is indeed quite costly and time consuming. However, if the Blauran traditional market development project as an icon of the City of Surabaya is successful, it will have a good impact on all parties, especially the City of Surabaya itself.

Valuable and Organized seem to have high results, this also proves that most traders have realized that selling quality products will make the business not run out of customers. the Valuable concept has been implemented by some traders, the market management has also applied the same thing. Organized is classified as high because the results of the researchers' findings prove that the internal Blauran market has carried out a structured economic process, strengthened managerial and the government has also taken part in it. these things become part of the reinforcement for the Blauran market to win the competition.

Tabel F Test

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	103,432	7	17,632	15,224	0
Residual	46,332	43	1,032		
Total	149,764	50			

Figure 2

a. Dependent Variable: Modern Era Competition

b. Predictors : (Constant), Valuable, Rare, Inimitable, Organized

From the results of table 2 we understand that the research hypothesis is accepted and proves that the four indicators specified in the VRIO concept are significantly in accordance with the results of data processing which greatly impact the existence of the Blauran market. Valuable, Rare, Inimitable and Organized are not just indicators or components of a concept, but these four are appropriate measuring tools as well as whether an entity is in good condition or not

Tabel Summary

Model R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,910	0,673	0,619
			1,051

Tabel 3

Based on the table above, a conclusion can be drawn that the four components selected in terms of the VRIO concept in order to maintain the existence of the Blauran traditional market are correlated and intertwined with this concept as the Blauran traditional market strategy in facing increasingly fierce market competition. the attachment of one component to other components is also something that proves that the researcher provides the right indicators to measure the performance of a concept.

5. CONCLUSION

This study came to the conclusion that the Surabaya Blauran market has good prospects in its role as a traditional market that provides community needs, ranging from primary to tertiary needs available in the Blauran market. The Blauran market can have a role in other fields such as the Blauran market has a role in historical objects, tourist objects and also research objects. How many uniqueness and role of the Blauran market if explored and observed. The Blauran market is also an icon of the city of Surabaya, it would be a shame if the regulators did not pay special attention to the Blauran market.

Based on the ongoing research process, it can be concluded that the internal party of the Blauran market already has a strategy in dealing with competition. However, the strategy has not been conceptualized scientifically, cannot be measured and has not yet become a series of concepts. So the VRIO concept that the researchers offer looks very helpful for the Blauran market. Blauran market traders are old traders, almost 45% of whom are traders with ten years of experience. It can be seen that the Blauran market has a long journey and strength in competition.

Inimitable is one of the components of the VRIO concept that seems to have the lowest application in the Blauran market. This could be due to a lack of funds, the attention of regulators, the immaturity of the concept, the lack of awareness from various parties. If the executive is to make it a traditional market with a new concept then this inimitable component must be strengthened. In addition, based on the data, Valuable and Organized have high scores, so it can be seen that the strategies used before were also focused on these two things. Valuable determines the quality and standards of the products and services provided by traders to their customers. Meanwhile, Organized related to management has also been neatly arranged. Based on this, it can be seen that the advantages of the Blauran market depend on this.

This research came to a conclusion, namely the VRIO concept is indeed suitable and proven to be applicable to the Blauran Traditional Market business area. All parties are needed in the continuous development of the Blauran market.

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