

# Revitalization of Traditional Markets with the Concept of VRIO, Heritage Tourism, and Technology to Strengthen Existence in the Era of Society 5.0

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Article Info	ABSTRACT
<b>Keywords:</b> Revitalization VRIO Heritage Tourism IPTEK Society 5.0	Society 5.0 has currently shifted many things in community life. This research focuses on the mission of considering and formulating strategies to be implemented by traditional markets in order to maintain their existence in this era. Researchers have considered that the concept of VRIO (Variable, Rarety, Inimitable, and Organized) in previous research objects has been proven to be able to be implemented and maintain the existence of traditional markets amid globalization. This research is a development of previous research with the addition of variable heritage tourism and technology in the traditional market managerial system. Researchers conducted a review and weighed that all research objects have great hopes in maintaining the existence of traditional markets. The concept of heritage tourism is part of traditional markets because traditional markets are a reflection of society and culture in an area. Apart from that, the existence of many traditional markets is more than 50 years old so it is not only a trade concept but also a cultural one. Meanwhile, the technology variable is included because currently, in the era of society 5.0, the role of technology is side by side with the role of traditional market players.

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## INTRODUCTION

Traditional markets are part of the historical heritage, and they have a trading system directly integrated with the social economy and culture. Researchers have strong arguments regarding the relationship between the two, this indicates that the higher the civilization of a community or region, the higher and more advanced the trading system it applies. This statement means that if the government can maintain the existence of traditional markets with a dynamic system, then this will have a direct impact on civilization and the economy in any region.

In previous research, the concept of VRIO (Valuable, Rare, Inimitable, and Organized) was proven to be acceptable and implemented in the trading system at a traditional market in East Java. Previous research found the fact that the strengths of traditional markets are their traditional concepts which are maintained in the trading system. Researchers discovered the fact that the concept of tourism and science and technology needs to be

applied to strengthen the existence of traditional markets in competition in the future era. The maturation of this concept is that the concept of revitalizing traditional markets will have a positive impact on tourism and the city/district economy as well as in the economic and heritage sectors.

Traditional markets will enter the era of Society 5.0 as a continuation of the industrial revolution era 4.0. Society 5.0 is a concept that is still in the development and debate stage but generally refers to technological developments that continue to increase automation and digitalization in industry and the production sector. Based on Ministry of Finance sources, it can be concluded that the Society 5.0 era will have a major impact on the existence of various sectors.

This research is a continuation of previous research, so this research aims to perfect the traditional market existence strategy based on the VRIO concept by adding the concepts of heritage tourism and science and technology as reinforcements. Previous research found that traditional markets have great potential in the economy, culture, and tourism. Apart from that, previous research found that the VRIO concept was acceptable and a small part of it had been implemented in the trading system at the Traditional Market in East Java, so researchers found a gap in the mission to save the existence of traditional markets. The collaboration of the three concepts of VRIO, Heritage Tourism, and Science and Technology is believed by researchers to have a positive and mutually reinforcing impact. This strategic concept of collaborative thinking was born after the process of observation and interviews of previous research as well as observations of developments in the era of Society 5.0.

The Industrial Revolution is a development of human civilization, starting from a simple system, continuing to a traditional system, and culminating in the development of a modern system which is centered on technology. This system was created to facilitate human activities. Currently the world is faced with new challenges in the Society 5.0 era, as a development of the Industrial Revolution 4.0. The fundamental difference between these two eras is that in the Industrial Revolution 4.0 era, technology was prepared to replace human tasks, while in Society 5.0 Human Resources (HR) returned to its position as the main object in the revolution. Based on this explanation, Society 5.0 will encourage quite strong competition and create problems if Human Resources (HR) are not well prepared and directed. This era transfer event will also affect the existence of traditional markets, so thorough preparation is needed to maintain their existence in the future era.

In previous research, researchers found a fact in the SWOT analysis that the concept of traditionalism in traditional markets is the strongest value that makes traditional markets still able to survive, people recognize their existence because of the traditionalism attached to them. If this traditional concept does not receive attention, traditional markets will be abandoned because they are considered ancient and left behind by the times. Researchers believe that this traditional concept can be developed by combining traditional markets as part of the economy and tourism. Traditional markets can be part of the heritage tourism of a region, tourists not only see the beauty of heritage tourism but also the civilization of the region. When the economy, tourism, and technology are implemented in the traditional market system, it will add value to the existence of traditional markets in the Society 5.0 era.

This frame of mind is what encourages researchers to continue developing the VRIO (Valuable, Rare, Inimitable, Organized) concept which has been implemented in previous research.

In previous research, researchers conducted VRIO-based analysis tests and found that Inimitable was one of the components of the VRIO concept that had the lowest application in the Blauran market. This could be due to a lack of funding, attention from regulators, immaturity of the concept, and lack of awareness from various parties. If the executive wants to make it a traditional market with a new concept, this inimitable component must be strengthened. Apart from that, based on the data, Valuable and Organized have high scores, so it can be seen that the strategy used previously was also focused on these two things. Valuable determines the quality and standards of the products and services that traders provide to their customers. Meanwhile, Organized which is related to managerial matters has also been neatly arranged. Based on this, it can be seen that the advantages of the Blauran market rest on this. This analysis brings evidence that the potential for traditional markets to be saved is very large, and many advantages should be maximized in the trading system. Especially bringing up the concept of VRIO in more depth.

Balakrishnan, et al. in his research found the fact that science and technology and heritage tourism have a positive relationship, and the synergy of these two components will add value and impact to the economy. This research increases the confidence of researchers to perfect traditional markets with the VRIO concept alongside the concepts of heritage tourism and science and technology. This concept of collaboration brings traditional markets to have a strong foundation and continue to achieve progress in the future era of competition. Researchers understand that traditional markets are not only about economics but also heritage and culture, so building a new face for traditional markets by collaborating with the concepts of VRIO, Heritage Tourism, and Science and Technology is believed to have a positive impact on the existence of traditional markets in the current era.

Based on this discussion, the problem formulation taken by the researcher is as follows:

1. How does the development of a traditional market concept based on the VRIO concept with Heritage Tourism and Science and Technology synergize to face Society 5.0?
2. Can traditional market Human Resources (HR) apply the collaboration of VRIO, Heritage Tourism, and Science and Technology concepts as preparation for entering the Society 5.0 era?
3. Can the collaboration strategy of VRIO, Heritage Tourism, and Technology concepts be able to maintain the existence of traditional markets in the Society 5.0 era?

This research is expected to be able to increase the existence of traditional markets, the economy, and tourism of the city of East Java in the future era of society 5.0.

## METHODS

This research uses a qualitative method with a case study approach because it attempts to analyze processes, activities, and events. Data collection in this research came from market managers and traders, as well as external respondents. The first stage is a selective interview (purposive interview) and focus group discussion (FGD). The process of data analysis and decision-making will be in consultation with management and business consultants, to add objectivity to the research results.

Previous research provides an overview of the problems faced by traditional markets as follows:

1. Traditional markets are faced with global competition and are threatened by modernization,
2. There is no clear concept to become a reference for traditional markets in competition,
3. Based on interviews with related parties, it is feared that traditional markets will not be able to maintain their existence.

Based on the description above, the researcher used a management science, tourism science, and marketing science approach to propose a way out of the previous problem. The following is the research plan related to overcoming the problems mentioned above, including:

1. Traditional markets are given the concept of being an economic center and part of heritage tourism with the support of science and technology,
2. Traditional markets will become part of the city's heritage tourism and a reflection of the culture and civilization of the community,
3. Traditional markets are encouraged to collaborate with related parties. So synergy is formed to change the new face of traditional markets.
4. Encourage the revitalization of VRIO, Heritage Tourism and Science and Technology concepts as an effort to strengthen the position of traditional markets in the Society 5.0 era.

Based on the concept above, researchers believe that the existence of traditional markets will be strong and can welcome the Society 5.0 era with alacrity. The next stage is revitalization to determine the direction of traditional market strategies in facing the Society 5.0 era.

## RESULTS AND DISCUSSION

This research was conducted in the East Java Province area, with strict observations and investigations by the research team. This research found interesting facts about the development of traditional markets in several areas. The traditional concept that many people fear will become extinct, according to researchers, is very far from happening. This is because traditional markets are still embedded and maintained in the social order of society in East Java province. This statement inspires researchers to find the essence of traditional markets during social life. Some questions related to this include:

1. What is the community's view regarding the existence and existence of traditional markets?
2. Are traditional markets needed in a modern trading system?
3. Does the community consider the concept of traditionalism important in the traditional market trading system?
4. Do people come to visit traditional markets to fulfill their needs or just to visit them for cultural heritage and tourism?
5. Are people interested in heritage tourism?
6. Are people more comfortable with traditional systems with a technological concept? or vice versa?

To answer some of these questions, the researchers determined samples in several districts in the East Java area. among them?

Source Data				
No	Person	Area	amount	Information
1	Trader	Surabaya	100	Internal
2	Trader	Sidoarjo	20	Internal
3	Trader	Malang	10	Internal
4	Trader	Pasuruan	10	Internal
5	Trader	Probolinggo	15	Internal
6	Trader	Banyuwangi	25	Internal
7	Trader	Gresik	10	Internal
8	Trader	Lamongan	10	Internal
9	Trader	Mojokerto	10	Internal
10	Trader	Jombang	10	Internal
11	Trader	Blitar	10	Internal
12	Trader	Kediri	10	Internal
13	Trader	Madura	10	Internal
14	Customer	All Area	45	Eksternal
15	Regulator	All Area	5	Eksternal
Amount			300	

Researchers drew several samples from different regions because the characteristics of human resources have significant differences. Urban and rural areas also have quite fundamental differences in character. Researchers discovered the fact that people living in urban or rural areas still need the existence of traditional markets. For example, in urban areas such as the city of Surabaya, people consider the existence of traditional markets not only as a place to find fresh goods at low prices but also more towards tourism. Many tourists who come to certain areas also visit traditional markets to get the characteristics of a region. Such as food, drinks, or souvenirs. Traditional markets are still very much needed.

Researchers consider and project that traditional markets will not experience extinction if the role of traditional markets can be flexible with their role in the social order. The VRIO concept (Variable, Rare, Inimitable, and Organized) is deemed suitable for

strengthening traditional market managerial strategies and revitalizing them in the future. The VRIO concept not only provides a positive impact but also a different concept and strengthens tourism in certain areas. Researchers believe that the best thing in revitalizing traditional markets is not to change traditional concepts into modern ones but to maintain traditional concepts that are coordinated with tourism concepts and open to technological developments.

The government's current focus is on revitalizing traditional markets, but researchers believe that if traditional concepts are eliminated, many parties will suffer losses. So researchers have the opinion that the most appropriate revitalization concept is to combine the relationship between traditional markets with tourism and also technology. Based on civilization from the archipelago which has been formed for centuries. By saving traditional markets, the government has saved many things including the economy, socio-culture, cultural heritage and society itself. A strong national identity will be formed if this uniqueness can be maintained by regulators and society.

Market definition according to Sukirno (2003, p.25) is an institution that generally does not manifested in a physical that brings together seller and buyer of an item. In general, Markets are divided into traditional markets and markets modern. According to Sudarman (1992, p.16) market has five main functions, including: the market sets value (sets value), organizes production, distributes goods, and service providers, and can maintain and prepare for requirements future. Then obey Sukirno (2003, p.227-326) there is a structure or market forms that can be distinguished above perfect competition market (perfect competition), monopoly market, monopolistic market competition, oligopoly market, and duopoly market.

The application of VRIO in previous research in Surabaya's traditional markets has been shared with stakeholders in the current research. Based on the two studies that have been carried out, researchers have concluded that the VRIO theory (Valuable, Rare, Inimitable, and Organized) can be applied. Valuable will bring traditional concept businesses to have better value, by providing goods and services as well as quality service to customers. Rarity is applied in traditional markets based on this traditional concept. The concept of traditionalism has a unique and irreplaceable impact so that the role of traditional markets in society is still maintained.

The VRIO concept also includes the Inimitable concept, namely a concept that cannot be replaced. In other words, this unique concept brings traditional markets to a position that is difficult to shift by other means. Researchers can prove that the concept of traditionalism brings its value to traditional markets if it is managed and developed well by interested parties.

The final concept in VRIO is Organized, a concept development within an organization. Good management and orderliness of traditional market management are the main demands. This is related to good and organized management. Researchers found the fact that good organization or good management will have a good impact on the existence of traditional markets. Researchers have found many obstacles related to managerial judgment in traditional market trading systems. This is because a good managerial-based organization has not been formed in the traditional market trading cycle.

The legal framework for the market revitalization program is established through Law Number 7 of 2014 concerning Trade. Government The center is obliged to work together with local governments to improve the quality of people's market management which includes construction, renovation, and market empowerment as outlined in Article 13 verses one to three. The aim is to increase competitiveness them in facing contemporary markets, including supermarkets, shopping centers, and minimarkets. Furthermore, the law underscores the importance of facilitating product distribution with high standards to maintain competitiveness and monetary circulation in these markets. Apart from ensuring that the people's market remains current and capable of adapting to current trends, market revitalization also possible for traders to increase profits and capital, positioning the people's market as an economic pioneer, and creating a market that is well managed, clean and comfortable. A revitalization program was designed to handle economic, socio-cultural, and management aspects comprehensive, with an emphasis on sustainable development in addition to physical improvement (Kemendag.go.id, 2022).

The local economy is greatly influenced by the people's market, which provides great opportunities for farmers to sell agricultural products directly or through intermediaries and contribute to job creation. This arrangement benefits variously stakeholders, including manufacturers, traders, suppliers, and consumers, as well as other supporting participants. Levy income is reinvested for the benefit of the wider community, in addition government's own interests. People's markets play an important role in encouraging economic development in the pandemic recovery phase of Covid-19.



Figure 2

Based on the picture above we can draw conclusions, amidst competition in the 5.0 era, traditional markets are experiencing a decline in the number of their existence. This is a lot of the revitalization of traditional markets into modern or semi-modern markets. This research opens our eyes that the role of traditional markets is not only in the trade area, but there are sociocultural and tourism elements in them. Traditional markets are a reflection of the surrounding community, apart from that, traditional markets are also a fairly strong business cycle at the moment. Strengthening the position of traditional markets means strengthening the position of the economy, civilization and tourism in certain areas.

## CONCLUSION

Realizing the importance of maintaining the existence of traditional markets as part of Indonesia's cultural and economic wealth, the Ministry of Commerce has taken steps by issuing circulars regarding the revitalization of traditional markets. This circular aims to: provide guidance and support to local governments and para-local stakeholders in initiating and implementing the program revitalization. This step is expected to strengthen market infrastructure, improving market governance, as well as improving service quality and security for visitors and traders.

Ultimately, the goal of this revitalization initiative is to increase the prosperity and well-being of the entire community. By maintaining the existence of traditional markets as the center local economic activities, people can continue to access products local at affordable prices and maintain cultural sustainability local. Apart from that, revitalization of traditional markets can also create new jobs, strengthening local economic networks, as well as increase the income and welfare of traders and business owners other small. By focusing on improving welfare society as a whole, revitalizing traditional markets is not only about the physical improvement of the place but also about bringing it to life returning the role of social, cultural, and market economics as an integral part of city life. The most important results from this research are several things, including:

1. Traditional markets in the East Java area are still under poor governance,
2. Traditional markets cannot be separated from cultural and tourism values
3. Several traditional markets have good strategies to maintain their existence in the era of globalization
4. The VRIO concept can be applied and accepted in traditional market trading systems, but it is still difficult to prepare human resources who are ready for its implementation
5. Technological developments have been proven to be more or less applied in traditional market management, but need further development.

Researchers have concluded that traditional markets can still maintain their existence amidst global competition, especially in the upcoming 5.0 era. Some of the main things that researchers have mentioned above can be implemented and designed for related parties.

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