ONLINE MARKETING MEDIA IN THE DIGITAL AGE: THE DEMISE OF CONVENTIONAL RETAIL MARKETS

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\textbf{Abstract}

\textbf{Introduction} - Online marketing has experienced significant growth in the digital era, and its impact on the conventional retail market has been a hot topic of discussion. Based on the data obtained, from late 2017 to early 2018 was the beginning of the modern retail market turmoil. One by one, modern retail markets fell because modern society no longer wants safe and convenient shopping activities, but also practical and efficient. This is offered by online shopping, the various benefits obtained, making shoppers prefer online shopping activities over conventional shopping. Online marketing provides greater accessibility to consumers. They can shop anytime and anywhere through their electronic devices.

\textbf{Objective} - The researcher intends to deepen the study to explore and analyze the exposure of the digitalization era of online marketing media on the fall of conventional retail markets. The purpose of this study is of course to find out and analyze the incessant exposure of the digitalisation era, especially marketing media in its role in bringing down the conventional retail market.

\textbf{Design/Methodology/Approach} - This research uses a qualitative descriptive method, which is contextual research that makes informants instruments and is adjusted to a natural situation about data collection which is generally qualitative. Research procedures produce descriptive data in the form of written or spoken words of people and observable behavior.

\textbf{Finding} - People tend to spend online shopping activities rather than doing conventional shopping activities. The impact is the fall of the conventional market, the glory of the conventional market is gradually starting to erode and is predicted to experience massive...
closures in the future. There are many advantages of shopping online rather than conventionally. Business leaders need to develop an integrated marketing strategy between online and offline platforms. Recognizing how both can support each other and increase overall brand visibility will be the key to success.

MEDIA PEMASARAN ONLINE DI ERA DIGITAL: MATINYA PASAR RITEL KONVENSIONAL

Abstrak

Pendahuluan - Pemasaran online telah mengalami pertumbuhan yang signifikan dalam era digital, dan dampaknya terhadap pasar ritel konvensional telah menjadi perbincangan hangat. Berdasarkan data yang didapat, mulai akhir 2017 hingga awal 2018 menjadi awal gejolak pasar ritel modern. Satu per satu pasar ritel modern jatuh karena masyarakat modern tidak lagi menginginkan kegiatan belanja yang aman dan nyaman, tetapi juga praktis dan efisien. Ini ditawarkan oleh belanja online, berbagai manfaat yang didapat, membuat pembeli lebih memilih aktivitas belanja online dibanding berbelanja secara konvensional. Pemasaran online memberikan aksesibilitas yang lebih besar kepada konsumen. Mereka dapat berbelanja kapan saja dan di mana saja melalui perangkat elektronik mereka.

Tujuan - Peneliti bermaksud memperdalam kajian untuk menggali dan menganalisis paparan era digitalisasi media pemasaran online pada jatuhnya pasar ritel konvensional. Tujuan dari penelitian ini tentunya untuk mengetahui dan menganalisis gencarnya paparan era digitalisasi, khususnya media pemasaran dalam perannya menjatuhkan pasar ritel konvensional.

Desain/Metodologi/Pendekatan - Penelitian ini menggunakan metode deskriptif kualitatif, yaitu penelitian kontekstual yang menjadikan informan sebagai instrumen dan disesuaikan dengan situasi yang wajar dalam kaitannya dengan pengumpulan data yang umumnya bersifat kualitatif. Prosedur penelitian yang menghasilkan data deskriptif berupa kata-kata tertulis atau lisan orang dan perilaku yang dapat diamati.

Temuan - Masyarakat cenderung menghabiskan aktivitas belanja online dari pada melakukan aktivitas belanja konvensional.
Dampaknya adalah jatuhnya pasar pasar konvensional, kejayaan pasar konvensional secara bertahap mulai terkikis dan diprediksi akan mengalami penutupan besar-besaran di masa depan. Banyak keuntungan berbelanja online daripada konvensional. Pemimpin bisnis perlu mengembangkan strategi pemasaran yang terintegrasi antara platform online dan offline. Mengenali bagaimana keduanya dapat saling mendukung dan meningkatkan visibilitas merek secara keseluruhan akan menjadi kunci kesuksesan. 

Kata Kunci - era digitalisasi, pemasaran online, pasar

INTRODUCTION

The rapid movement of globalization has resulted in the era of digitalization, one of which is seen in the proliferation of online markets which has resulted in a shift in people's shopping tastes. Constantinides (2014) states that online market is a term that refers to shopping or selling activities through online platforms or the internet.

With an online marketplace, individuals or businesses can sell or buy products and services electronically without the need to interact directly in a physical place (Armstrong & Hagel: 2009). Online marketplaces are generally realized through websites, mobile applications or e-commerce platforms.

Jakarta, which is the main barometer of Indonesia's business centre, is experiencing a crisis in the conventional retail business, as reported in the editorial media, the edition of 27 October 2017 revealed that one of the major retailers in Jakarta named "Lotus" is holding a warehouse wash before closing stores until the end of October, this event is not the first time. Previously, there were "seven eleven", several frenchcies of Alfamart and Indomaret, as well as many businesses or retail stores in traditional and home markets also chose to end their business due to weak revenue.

This also happened in Surabaya and several other big cities. Many retail markets chose to close their business even though they were still running for 1-2 years or even before one year chose to withdraw from the business world. This is due to the tastes of people who are used to shopping directly to the store changing their tastes by shopping through applications or through digital, various reasons expressed by the public, including shopping through digital is more practical, fast, without additional costs and energy. Reaffirmed by the fact that there are 140 online shopping applications in Indonesia with a revenue of 2.1 trillion rupiah which has doubled to reach more than 4 trillion with a percentage increase of 37% every year since 2013, this fact reinforces that the shift in shopping tastes is very fast.

The digital era has indeed brought a new wind, many polemics and not a few who support the development of business via digital. Mochtar Riady, Founder of Lippo Group, believes that social change
in the digital era is inevitable. Facing these changes, companies must also be sensitive to adjust to technological developments. If the company is not sensitive to social changes that are heading towards the digital era, the company must be prepared to face destruction. In addition, one of the academics at the University of Indonesia Rhenald Khasali also stated that "indeed, due to technological developments, the chain between producers and consumers is getting closer, if business people are not ready, consumers will definitely be left behind".

With some evidence above, it can be known for sure that it is possible that in the future the conventional retail market will be conquered by the online market due to shifting consumer tastes supported by internet facilities that are growing rapidly and reaching all corners of the country. Retail markets (brick-and-mortar) and online markets (e-commerce) are two main forms of trading activities that have significant differences in the way they operate, the shopping experience, and the impact on the economy (Blázquez: 2014).

Online marketing media in the digital era seems to be the prima donna of solution solvers, therefore business people are flocking to utilise online marketing media as a driving force for their business. Online marketing has become a connecting solution between producers and consumers at minimal cost (Kotler, Kartajaya, & Setiawan: 2019). This is certainly a short, fast and efficient solution in developing a business.

The portal liputan6.com explained that according to the Central Statistics Agency (BPS), economic census data in 2016 stated that Indonesia's e-commerce industry in the last ten years has grown by around 17 per cent with the total number of businesses in the online market reaching 26.2 million business units that play a role in the online market.

Mc Kinsey in Li, et al (2020) confirms that Indonesia has experienced a shift from the conventional realm to the digital era in improving economic welfare, with an estimated growth of US$ 150 billion dollars by 2025, in his journal he also mentioned that 73 per cent of Indonesian internet users access the internet via mobile devices. Data from the research institute ICD presents data related to the development of the online market in Indonesia, with a growth of +57% from 2014-2017, this shows the existence of the online market in Indonesia, compared to other Asian countries such as Malaysia which experienced growth of only 18%, Thailand (26%), and the Philippines (32%), of course with a very fantastic value further confirms that the development of online-based marketing media in Indonesia has shifted and changed the tastes of Indonesian consumers in shopping. Several large VC (Venture Capital) countries have begun to flock to invest in the market place business in Indonesia.

Based on detikFinance data (2017) Roy Mande (chairman of Aprindo) said that with the rapid development of the online market world, it certainly has an impact on people's shopping experience, from his records obtained data that the total volume of online transactions has increased 1.5% above conventional transactions. Many online shoppers are
generation Y or the younger generation. However, those aged 50 years and above still use conventional markets. Even in its development, society has facilitated payment methods, such as e-money or virtual wallets have become trusted and more secure in online transactions.

Turban (2017: 34), the value of online market transactions in Indonesia, according to PFS, a global e-commerce consulting agency, Indonesia is expected to become one of the fastest growing e-commerce markets in Asia Pacific next year. In 2018 it is expected to reach more than 239% with total sales of around $11 billion. RFS estimates that the heart of online transactions is on the island of Java. Several start-up companies in Indonesia have utilized the online marketplace media to grow their business with various payment methods, ranging from cash on delivery (COD), e-money, to credit card payments (Putri, et al: 2019).

Based on several sources and opinions, experts confirm and assure that the development of online markets in Indonesia has increased very significantly (Musyifah & Simanjuntak: 2016). Both in terms of consumers and producers to marketplace service providers are increasingly expanding their wings, of course, the development of the digital era like this has a decreasing impact, especially in the conventional shopping sector. In some of the sources above, it is mentioned by Menon & Kahn (2002) that the decline in conventional shopping interest is due to the various advantages of online shopping activities.

Balasubraman, et al (2002) revealed various advantages of online marketplaces including the convenience of shopping or selling from anywhere and anytime, access to a wide selection of products and services from around the world, and the ability to easily compare prices and product reviews. However, according to Ba & Pavlou (2002) there are also some risks associated with online marketplaces, such as personal data security, online fraud, and product quality that cannot be checked directly before purchase.

From this explanation, the researcher intends to deepen the study to explore and analyze the exposure of the digitalization era of online marketing media to the fall of conventional retail markets. The purpose of this research is of course to find out and analyze the incessant exposure of the digitalization era, especially marketing media in its role in bringing down the conventional retail market.

THEORETICAL FOUNDATIONS
Consumer Behaviour

Consumer behaviour refers to the actions, mindsets, preferences, and decisions taken by individuals or groups when buying, using, or disposing of products, services, ideas, or experiences (White, Habib & Hardisty: 2019). Consumer behaviour is influenced by various psychological, social, cultural, and economic factors. The study of consumer behaviour helps businesses and marketers understand the needs, wants and motivations of consumers to be able to develop more effective marketing strategies. Several factors that can influence consumer behaviour are personal factors, social factors, psychological factors and economic
factors.

Cohen, et al (2014) define consumer behaviour as the study of buying units and exchange processes involving the acquisition, consumption and disposal of goods or services, experiences and ideas. Like the social sciences, Hoyer, et al (2012) reveal that consumer behaviour uses research methods and procedures from psychology, sociology, economics and anthropology. To generalize, consumer behaviour research is conducted based on three research perspectives that act as guidelines for thinking and identifying factors that influence consumer acquisition behaviour Mohr, et al (2001). These three perspectives are: decision-making perspective, experiential perspective and behavioural influence perspective.

Consumer behaviour can be highly varied and complex, as each individual has different backgrounds, values and needs. A good understanding of consumer behaviour allows businesses to design more effective marketing strategies that match the preferences and needs of their target market.

Shopping Intention

Purchase interest is one part of the component in the attitude of consumers to consume a product. Purchase interest according to Kinnear and Taylor (in Adi, 2013) is the stage of the respondent's tendency to act before the buying decision is actually carried out, while according to Simamora (2002) purchase interest is something personal and related to the attitude of individuals who are interested in an object will have the strength or impetus to carry out a series of behaviours to approach or obtain that object. From the above understanding, it can be concluded that purchase interest is an attitude of consumers to act before making a purchase of a product.

Ferdinand (2002) defines purchase intention through the following indicators: (1) Transactional interest, namely a person's tendency to buy a product, (2) Referential interest, namely a person's tendency to refer the product to others, (3) Preferential interest, namely interest that describes the behaviour of a person who has a primary preference for the product. This preference can be changed if something happens to the preferred product, and (4) Exploratory interest, which describes the behaviour of a person who is always looking for information about the product he is interested in and looking for information to support the properties of the product. Purchase interest is obtained through the learning process and the thought process that forms perception.

Purchase interest creates a motivation for the consumer's mind, which in the end when consumers have to meet their needs, they will actualise what is in their minds. Purchase interest is related to feelings and emotions, if someone is happy and satisfied in buying a product, it will strengthen their buying interest (Kinnear and Taylor in Adi, 2013).

The Digital Age

New media (digital era) is a term used in the emergence of digital internet networks, especially computer information technology (Edosomwan:
New media is often used to describe digital technology. New media has the characteristics of being able to be manipulated, networked or internet. Other than the internet such as print, television, magazines, newspapers and others are not included in the new media category.

Brynjolfsson, E., & McAfee, A. (2011) explain that the digital era refers to a period of time in which digital technology, especially the internet and computers, has had a significant impact on almost all aspects of human life, including communication, business, education, entertainment, and more. The digital age is often associated with the digital revolution that has changed the way we interact, work, and participate in society.

Mass media is shifting to new media or the internet because there is a cultural shift in the delivery of information. Denis McQuail in his book Theory of Mass Communications (1987: 16-17). He named the new media as telematics media, which are different electronic technology devices with different uses. Meanwhile, Martin Lister et al (2009: 13-14) state that new media has several characteristics, namely digital, interactive, hypertextual, virtual, network, and simulation.

For example, in a business or company, in today’s era, digital capabilities are enough to drive the progress of a company, making it easier on the improvement side. But if you look at individual Indonesians, there are still many who cannot utilise the emergence of digital as something positive. Many people are trapped in a digital emergency that degrades humans such as regressing and even losing ethics, morals, and culture.

The digital age continues to evolve and presents new challenges and opportunities. Technological advances continue to shape the way we live, work and interact in an increasingly connected global society (Vermesan & Friess: 2013).

Digitalization has fundamentally changed the way we live, work and interact in modern society (Deuze, 2006). With digital technology as the main driver, the world has undergone a significant transformation in various aspects of life. In addition, digital technology has connected us more closely, enabled tremendous innovation, and brought new opportunities, but it has also brought new challenges that need to be addressed. How we manage the impact and potential of digitalization will continue to be an important focus in current and future societies.

Retail Market

A modern market is a market where merchandise is traded at the right price so that there is no bargaining activity and with good service. The advantage of this market is that the place is clean and comfortable, modern markets do not only sell clothes and food, they also sell basic necessities and most of the merchandise sold is of good quality. Examples of this market place are in malls, plazas, supermarkets and other shopping places, of course the place is clean and comfortable.

Another modern definition of the market is that sellers and consumers of this market do not make direct
transactions, but consumers see the price tags printed on the goods, this market is indoors and also services are carried out in a self-service manner or can also be served by the seller. The goods sold are generally of good quality.

The following are the characteristics of modern markets:
1. No bargaining on prices.
2. Prices are listed on the items sold and are generally in the form of barcodes.
3. Items sold are diverse and usually of good quality.
4. Located in a building or room and self-service.
5. Service is good and usually satisfactory.
6. The place is clean and comfortable, the rooms are air-conditioned.
7. Neat arrangement so that consumers or buyers can easily find items to buy.
8. Payment is made by bringing goods to the cashier and of course there is no bargaining anymore.

And here are the provisions of market conditions, including the following:
1. The existence of sellers and buyers
2. The existence of goods or services to be traded.
3. Price agreement and transaction, between seller and buyer.

Retail markets can operate on a variety of scales, ranging from small corner stores to large chains with branches in various locations. In addition to physical stores, retail markets have also expanded into the online world with the existence of online stores or e-commerce that allows consumers to shop via the internet.

The retail market plays an important role in the economy as it creates jobs, facilitates the exchange of goods and services between producers and consumers, and fulfils consumers' needs and wants directly. Retail markets also reflect diverse consumer trends and preferences, and can play a role in shaping shopping culture and lifestyles (Jia: 2008).

RESEARCH METHOD

This research uses a qualitative descriptive method, which is contextual research that makes humans as instruments and is adapted to a natural situation in relation to data collection which is generally qualitative in nature. According to Bogdan and Tylor (Moleong, 2007: 3) is a research procedure that produces descriptive data in the form of written or spoken words of people and observable behaviour.

The data in this study were collected based on the grouping of primary data and secondary data. Because this research uses qualitative methods, the data collection techniques used are observation with participant observation as the main technique, in-depth interviews, and the use of documentation. Data analysis is an effort to find and organise observation notes, interviews by interviewees, and various kinds of structured documentation with the aim of further strengthening the researcher's understanding of the issue at hand. A discussion system is also applied to improve the quality of research revealed based on facts in the field.
RESULTS AND DISCUSSION

Digital developments in globalization have greatly affected the economy, including retail markets. The retail market, which some time ago tried to displace the existence of traditional markets, but in fact the existence of modern retail markets influenced by globalization saw that some retail markets began to decline like autumn. One by one, modern retail markets, large, micro, and small scale began to fall one by one. This is due to the lack of consumer interest in conventional shopping even though the physical facilities are very convenient and there are almost no gaps. But by presenting the convenience of shopping, in fact in the digital era, people are still reluctant and prefer to do online shopping activities or use media applications.

Here are some reasons why people are reluctant to do conventional shopping activities:

1. Minimizing Costs

Cost and time efficiency are the main factors in making online transactions. Besides being more efficient in terms of costs, including transportation costs, parking costs, and accommodation costs that are packaged with the transaction process. Not to mention in terms of time efficiency, you need to incur costs.

2. Reduced Fatigue

In online market transactions, you don't have to bother visiting shops, malls or places to eat. So we don't need to be tired and spend extra energy not to mention having to drive a vehicle, traffic jams, and various problems that arise on the road. If the transaction is online, we can shop while doing other activities at home, or work, so it is considered very practical.

3. Power Efficiency

Digital shopping is also power-efficient. Shoppers no longer need to spend time queuing in front of the cashier, queues and tables insisting on choosing the best items, not to mention having to wait to be served by the shop owner when the store is crowded and many visitors. Of course, it is much different from online shopping which is only one activity of opening a smartphone, all shopping activities starting from choosing a store, choosing goods to processing transactions and payments are done with just one click. Of course, this is a convenience in the era of millennial society.

4. Avoid hassles

If you shop online when you want to shop a lot, you don't have to bother carrying or looking for a porter to take to your vehicle or to your house, because all ordered items are sent directly to your home with safe conditions. Of course, it is different from conventional shopping where we are made to bother to wrap, carry, and even send it home, because not all stores provide delivery services purchased by consumers.

5. No Hungry Eyes

One of the weakening factors of a human being in shopping activities is the
appetite for more shopping when in a shopping place. There are many cases when you only want to buy one item, but when you get to the store, you can be attracted to other items that were not the original intention to buy. When shopping online, of course, this can be minimised because we will be able to focus on finding the items we need.

6. Competitive Prices

Conventional shopping activities will have many factors to spend time comparing prices with surrounding stores, and it also takes time and effort, in contrast to online shopping, when you want to switch to another store with just one click without us having to move physically. The price difference is also not much different from our conventional shopping, as the difference is slightly realistic. When compared to the various advantages, it is certainly not a problem to choose online shopping.

7. Attractive Discounts / Special Prices

The online shopping system is a kind of savings system, so the more often you shop online, the seller will provide vouchers, gifts, points, or certain rewards as proof of gratitude for their trust. Unlike conventional stores that only give certain discounts to those who have members only or at certain times.

8. Time Efficiency

Online shopping activities will not take up our time, because we are facilitated by not having to go out, jammed on the road, with various dangers on the way. And online shopping activities only take a few minutes, so our time will be used for other activities.

9. Comfort Factor

The convenience factor is certainly unquestionable, if we shop online we don't have to dress up, go shopping, even with a relaxed position we can already do shopping activities, even shopping can also be midnight and holiday time.

There are many advantages offered by online shopping, but there must be some steps to be able to maintain its existence in the market in the digital era:

Customer and Industry Rethinking

1. Focusing on social needs, the traditional thinking of fulfilling customers' basic needs such as clothing, food, and shelving has been the cornerstone of marketing for years. However, the digital social revolution has transformed basic needs into a balance of connectivity between one customer and another. Focusing on social needs means understanding the direction of the customer conversation.

2. Building new ecosystems and business models in today's digital age, competitive advantage is created from our attachment to industry ecosystems that directly transform ourselves and our competitors.

Implementing Digital and Social Strategy

1. New market penetration of digital marketplaces, Facebook, Google, You Tube to mobile apps have transformed our market to be smarter and more informed.
2. Driving changes that force companies to become more social and digital.

3. Here the importance of utilizing social media, outbound and inbound marketing to achieve competitive advantage. Remember, fast is always higher than great.

Developing Organisational Capabilities
1. Identify the company's need for change, be prepared for change. Our company DNA must be designed in such a way to accommodate the digital social needs of customers.

2. The presence of online markets in the digital era does not only bring bad impacts but also many other positive sides that are closer to consumers/customers,

3. Quickly promote or introduce products to the public, there is no market limit to reach all corners of the world connected to the internet, and the accuracy and speed of service are the main needs of consumers in the era of globalization.

4. In the digital era, business people must have a partnership with the digital era as a business reform.

CONCLUSION
The turmoil of the globalization era has had a tremendous impact on almost all aspects of life, one of which is in the world of marketing. Not only traditional markets, but modern retail markets have also been impacted by digital era communication. In the development of digital communication, modern people both urban and rural instead of utilizing communication technology in shopping activities. In the digital era, people tend to spend online shopping activities than doing conventional shopping activities. The impact is the fall of the conventional market market, the glory of the conventional market has gradually begun to erode and is predicted to experience massive closures in the future. This is because there are many advantages to online shopping over conventional. Thus formulated are some things that can be used as alternatives to be able to maintain business in the modern retail market in the wave of digital communication development.

MANAGERIAL IMPLICATIONS
The managerial implications of the shift towards online marketing in the digital era and the demise of conventional retail markets are crucial for business leaders to understand and address. Business leaders need to develop marketing strategies that are integrated between online and offline platforms. Recognizing how they can support each other and increase overall brand visibility will be key to success. Management and marketing teams need to have a strong understanding of online marketing mediums, digital analytics, and consumer trends. This could mean developing new skill sets or hiring people who have experience in digital marketing. Data plays an important role in online marketing. Business leaders must understand how to analyze consumer data, shopping behaviour, and campaign results to make informed decisions and optimise marketing strategies. Business leaders must ensure that the customer
experience in both physical and online stores is consistent and positive. This could involve investing in responsive customer service and technology solutions to enhance the shopping experience.

In the face of these changes, it is important for business leaders to remain open to change, collaborate with teams, and adopt a holistic approach to integrating online and offline strategies in an effort to achieve business success.

LIMITATIONS OF THE STUDY
This research has time limitations as the digital business environment continues to change rapidly. Therefore, the findings found in a study may no longer be applicable or relevant in a short period of time. The data used in the research may have uncertainties, especially when it comes from different sources or has inconsistent collection methods. This could affect the accuracy of the findings and analyzes. The sample used in the research may not be representative of the population as a whole. This could lead to inaccurate conclusions or inappropriate generalisations.

Online marketing is heavily influenced by changing consumer patterns. What is relevant and effective today may not be relevant at a later time. This can make it difficult to generalize findings over a longer period of time.

There are many external factors that can affect the conventional retail market and online marketing, such as the economic situation, regulatory changes, social trends, and so on. These factors are difficult to control in research. Not all data and information required for research may be openly available. Limited access to technology and data may limit the scope of the research.

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