

PRICING PRACTICES BY TRADITIONAL TRADERS IN SUDIMAMPIR MARKET

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Abstract

This study aims to examine the pricing strategies used by traders in Sudimampir Market, Banjarmasin, in response to the dynamics of traditional market competition. A qualitative descriptive approach was applied, with data collected through interviews with 40 traders selling various products such as clothing, fabric, prayer equipment, household goods, shoes, and bags. Primary data were obtained from interviews, while secondary data came from literature and relevant documents. The findings reveal that most traders set prices based on prevailing market rates or competitors' prices to remain competitive. Around 70% of traders stated that their pricing aligns with the market price, and 97% believed that their selling prices reflect product quality. Regarding price flexibility, 41% of traders do not apply fixed pricing, 35% use set prices, and the rest adjust depending on the situation. These results indicate that pricing decisions are not solely profit-driven but also reflect adaptive strategies in response to market conditions and consumer perceptions.

Keywords: Pricing, Fixed Price, Market Price, Product Quality, Payment Scheme.

1. Introduction

Their existence is the foundation of the micro-economy, which is able to absorb labor and provide business opportunities for small communities (Syukria, 2023). Traditional markets play a strategic role, particularly in price formation and the availability of goods at the local level. One of the largest traditional markets in Banjarmasin City is Sudimampir Market, located in the city center. This market is widely recognized by both local and out-of-town residents as a trading hub, especially for clothing, household goods, and daily necessities. In addition to retail transactions, Sudimampir Market also serves as a wholesale hub, catering to bulk purchases by small-scale traders in the surrounding areas. The trading dynamics observed in this market reflect the unique and diverse local economic practices, including pricing mechanisms.

Traditional markets are an important part of the local economic system in Indonesia. These markets are not only places where transactions involving basic necessities take place, but also serve as venues for social interaction, information dissemination, and centers of economic activity for the people. In trading activities, setting the selling price is one of the important decisions that must be made by every trader (Handayani & Ghofur, 2019). In traditional markets, prices are not always determined based on accounting calculations or fixed price formulas, but rather through a more flexible and contextual approach. Merchants set prices based on their perception of the value of the goods, the level of competition, consumer purchasing power, and the type of transaction, whether retail or wholesale (Situmorang & Ulita, 2021). These factors make pricing in traditional markets a unique and interesting phenomenon to study.

According to Kotler & Keller (2016), there are three main approaches to pricing strategy. First, cost-based pricing, which is pricing based on total production costs plus a

certain profit margin. Second, market-based pricing, which is pricing based on market prices or prices set by competitors. Third, value-based pricing, which is setting prices based on consumers' perceptions of the value or benefits obtained from a product or service. In the context of traditional markets, market-based and value-based approaches are more commonly used, as merchants prioritize what is prevalent in the market and how consumers directly perceive those prices (Khairi et al., 2024).

Another theory that supports pricing practices in traditional markets is the theory of demand-based pricing (Lubis et al., 2024). In this theory, prices are determined by considering the level of consumer demand for a product. When demand is high, traders tend to raise prices, while when demand declines, prices can be lowered to maintain sales volume. In addition, behavioral pricing theory is also relevant to explain the behavior of sellers and buyers in traditional markets. It states that pricing decisions are influenced by psychological, social, and cultural factors. In markets like Sudimampir, pricing often involves a bargaining process that reflects social negotiation. The “right” price is not a fixed number but rather a price acceptable to both parties and is often influenced by the relationship between the seller and the buyer.

Research conducted by Kencana (2019) shows that the pricing of goods by businesses is influenced by four main factors, namely the cost of obtaining the goods being sold, competitor prices, market demand, and unexpected factors. Prices are determined based on the accumulation of costs plus profit, compared with competitors' prices to remain competitive, and adjusted according to quality and consumer demand. Additionally, changes in raw material prices, promotions, and customer perceptions are also important considerations in determining the final product price. Pricing in traditional markets is highly complex and not solely based on formal economic aspects but also reflects social, psychological, and cultural dynamics.

Therefore, this study aims to describe the pricing practices of traditional merchants at Sudimampir Market in Banjarmasin, as well as analyze the factors influencing pricing decisions, such as market price suitability, product quality, wholesale purchasing patterns, and the characteristic pricing practices of traditional markets.

2. Theoretical Background

2.1 The Concept of Price

Price provides customers with an indication of the extent of the sacrifice they must make to obtain the benefits and usefulness of a product. Through price, customers can consider the extent to which the value they obtain is commensurate with the costs they must pay. Price is the monetary amount in the form of money charged to consumers or buyers in exchange for goods or services sold (Dewi & Falah, 2022; Ifah & Ramadhani, 2024). In the business world, price is a crucial factor that plays a significant role in the success of product marketing. The level of price often becomes the primary consideration for consumers when deciding to purchase a product (Arianto & Pamulang, 2020).

2.2 Price Determination Approaches

In general, pricing can be determined through three main approaches (Soemarso, 2005). First, market pricing, where prices are adjusted according to competitors' prices and agreements between sellers and buyers. Second, government pricing, which typically applies to essential goods through the maximum retail price (MRP) policy. Third, administered pricing, where prices are set by the seller based on cost calculations, product quality, and desired profit margins. Pricing in traditional markets tends to be flexible and influenced by market conditions and social interactions between sellers and consumers.

2.3 Price Indicators Influencing Consumer Decisions

According to Adwimurti & Sumarhadi (2023), price has several important indicators that influence consumer decisions, including affordability, price suitability with product quality, price suitability with perceived benefits, and price competitiveness compared to similar products. Consumers tend to choose products with prices that suit their capabilities, but also consider the quality associated with those prices. Additionally, they will assess whether the benefits obtained are commensurate with the costs incurred and compare the product's price with similar products before deciding to purchase.

2.4 Key Aspects in Price Setting

According to Fadilah (2019), when setting prices, several important aspects must be considered: first, competitive pricing to enable the product to compete with similar products in the market. Second, the price must be in line with the prevailing market price as a general reference. Third, the price must be in line with the quality of the product offered to create a fair value perception for consumers. Fourth, the payment scheme, including installments, which allows consumers to make payments within a certain period of time as agreed.

3. Methods

3.1 Research Design

This study employs a qualitative descriptive approach to describe and analyze the pricing strategies implemented by traders at Sudimampir Market in Banjarmasin. The research design enables an in-depth exploration of traders' strategic decision-making processes in response to dynamic business environment changes. The research process follows a continuous cycle of data collection, data display, data reduction, and conclusion drawing to ensure comprehensive understanding of the phenomenon.

3.2 Population and Sample

The research population consists of traders at Sudimampir Market, Banjarmasin. The sample comprises 40 traders selected through purposive sampling, representing various product categories including:

- 1) Shoes and bags
- 2) Household appliances
- 3) Clothing and textiles
- 4) Prayer equipment

This sample size ensures adequate representation across different product types while allowing for in-depth qualitative analysis.

3.3 Data Collection Techniques

Data were collected using multiple techniques to ensure triangulation:

3.3.1 Primary Data Collection

- 1) In-depth interviews with 40 traders using semi-structured guidelines
- 2) Direct observation of trading activities and customer interactions
- 3) Focus on strategic decision-making processes in pricing

3.3.2 Secondary Data Collection

- 1) Literature review of previous research
- 2) Analysis of relevant documents and publications
- 3) Market reports and local economic data

3.4 Data Analysis Technique

Data analysis followed a systematic five-step process:

- 1) Data Collection: Comprehensive gathering of information through literature studies, observations, and interviews with relevant parties
- 2) Data Classification: Organizing collected data into specific thematic categories based on emerging patterns
- 3) Data Comparison: Systematic comparison and analysis of classified data across different trader categories
- 4) Data Interpretation: Making sense of the data based on qualitative research principles to understand underlying pricing strategies
- 5) Conclusion Drawing: Developing substantive conclusions from findings to form recommendations for community and business actors

This analytical approach ensures methodological rigor while maintaining the richness of qualitative data, enabling deep understanding of traders' pricing practices amidst market competition and dynamics.

4. Results And Discussion

4.1 Sample Characteristics

This study examines the pricing practices of traditional traders at Sudimampir Market, Banjarmasin, through interviews with 40 respondents representing diverse business backgrounds. Table 1 presents the distribution of respondents across different business types.

Table 1. Respondent Distribution by Business Type

Business Type	Number of Respondents	Percentage
Textile Merchants	12	30%
Muslim Clothing Merchants	12	30%
School Uniform Merchants	6	15%
Carpet and Curtain Merchants	4	10%
Shoe and Sandal Merchants	4	10%
Bag Merchants	2	5%
Total	40	100%

Source: Primary data, processed 2024

The diverse sample composition enabled exploration of unique pricing patterns across different product categories, revealing that pricing strategies are significantly influenced by commodity types and competitive approaches within each business segment.

4.2 Fixed Price Determination

Fixed pricing represents a strategic approach to create transaction certainty, reflecting firmness and consistency in selling value determination (Secapramana, 2000). Figure 1 illustrates the application of fixed pricing strategies among Sudimampir Market traders.

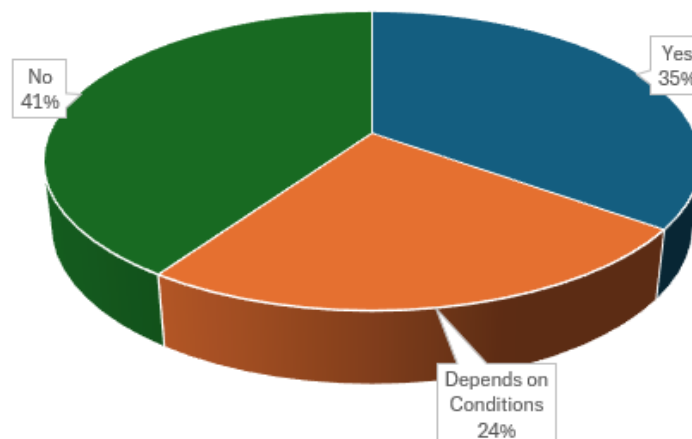


Figure 1. Fixed Price Setting Among Traders

Source: Primary data, processed 2024

The findings reveal that only 35% of traders implement fixed pricing, while 41% do not apply fixed prices, and 24% employ conditional pricing depending on specific circumstances. This indicates that the majority of traders maintain flexibility for price negotiation, influenced by the traditional market's deeply ingrained bargaining culture. Traders who avoid fixed pricing typically consider psychological aspects of buyers and potential for long-term customer relationships, while those implementing fixed prices aim for transaction transparency and efficiency while signaling quality alignment (Munjid & Sungkawaningrum, 2024).

4.3 Price Compatibility with Market/Competitor Prices

Market-referenced pricing represents a common adaptive strategy ensuring competitiveness in markets with numerous similar products (Effendi, 2021). Figure 2 demonstrates price alignment with market benchmarks.

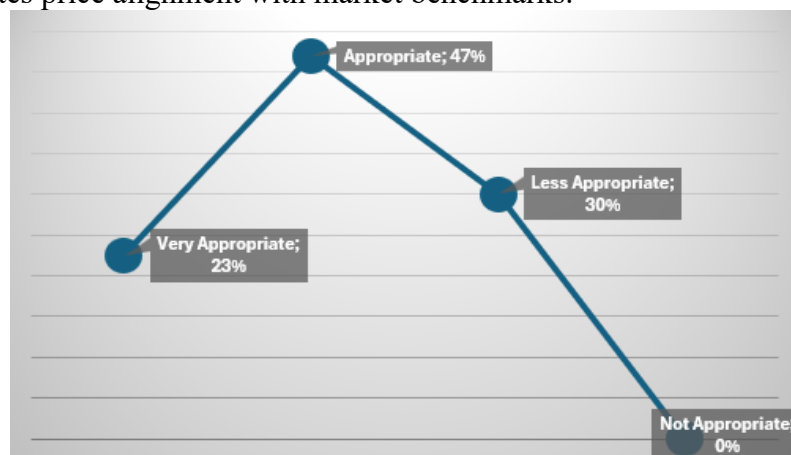


Figure 2. Pricing Based on Market/Competitor Prices

Source: Primary data, processed 2024

The data indicates that 47% of respondents set "appropriate" market prices, while 23% consider their prices "very appropriate." However, 30% acknowledge their prices as "less appropriate" compared to market benchmarks. This variation stems from factors including product quality differences, stall location strategic value, customer segmentation, and targeted profit margins. Some traders premium-price based on perceived added value, while others discount to attract higher sales volume (Adwimurti & Sumarhadi, 2023).

4.4 Product Quality as Price Determinant

Price-quality relationship represents a crucial consideration in sales strategy development, serving as a value indicator for consumers (Adwimurti & Sumarhadi, 2023). Figure 3 displays the alignment between selling prices and product quality.

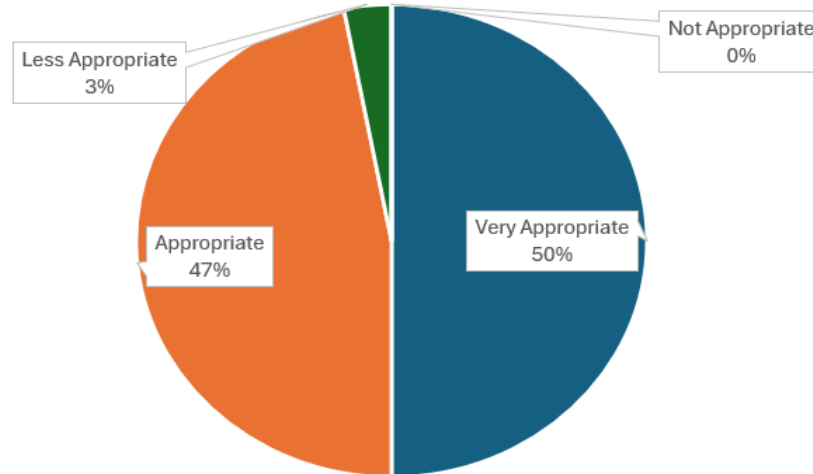


Figure 3. Determining Selling Prices Based on Product Quality

Source: Primary data, processed 2024

Notably, 50% of respondents reported prices as "very appropriate" for product quality, while 47% considered them "appropriate." Only 3% acknowledged prices as "less appropriate" for quality, with none reporting complete misalignment. This near-universal awareness (97%) of price-quality consistency reflects traders' understanding that contemporary consumers increasingly evaluate price-quality appropriateness. Price serves as value communication regarding materials, design, and durability (Prabowo & Kinasih, 2023), making careful price setting essential for maintaining competitiveness while accurately representing product value.

4.5 Installment Payment Schemes

Payment schemes significantly influence pricing strategies beyond cost-profit calculations, particularly installment systems affecting cash flow and risk management (Gunawan et al., 2025). Figure 4 illustrates payment scheme influences on pricing decisions.

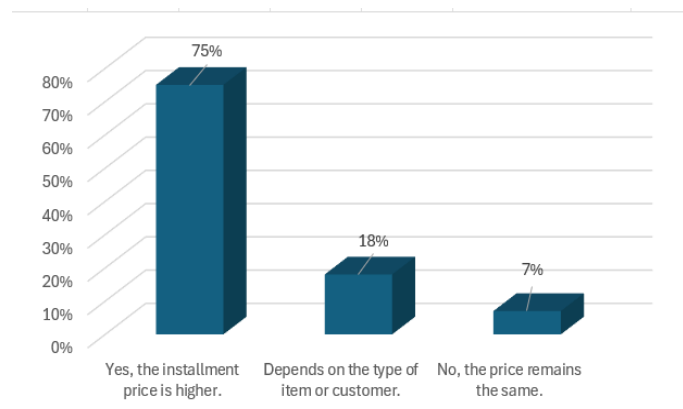


Figure 4. Payment Schemes as Pricing Determination Factor

Source: Primary data, processed 2024

The findings reveal that 75% of traders charge higher prices for installment purchases, reflecting risk mitigation for payment delays and administrative costs. Meanwhile, 18%

apply conditional pricing based on product type or customer characteristics, demonstrating flexibility considering profit margins and customer credibility. Only 7% maintain uniform pricing regardless of payment method, indicating simplified transaction approaches or adequate risk control systems. These results confirm that payment schemes substantially impact traditional market pricing strategies, with most traders utilizing price adjustments for risk management and cash flow control.

4.6 Integrated Pricing Strategy Discussion

The research reveals four interconnected pricing dimensions forming comprehensive strategies among Sudimampir Market traders.

- 1) The limited fixed pricing implementation (35%) reflects the persistent bargaining culture in traditional markets, where transactional flexibility maintains customer relationships while fixed pricing signals quality commitment.
- 2) Market-based pricing dominance (70% appropriate or very appropriate) demonstrates traders' competitive awareness, though the 30% variance indicates strategic differentiation opportunities through quality positioning or customer service enhancement.
- 3) The strong price-quality alignment (97% appropriate or very appropriate) underscores traders' recognition of value-based pricing importance, where price communicates product worth and builds consumer trust through perceived fairness.
- 4) Installment pricing practices (75% premium pricing) highlight financial management considerations in pricing decisions, where traders balance market accessibility through flexible payment options while protecting against financial risks through price adjustments.

These interconnected strategies demonstrate sophisticated pricing approaches that balance competitive pressures, value communication, cultural expectations, and financial management within traditional market contexts.

5. Conclusion

5.1 Summary of Findings

This study reveals that pricing strategies among traders at Sudimampir Market in Banjarmasin are shaped by a complex interplay of market dynamics, product value perception, and transactional flexibility. The research identifies four key patterns in traders' pricing approaches:

- 1) Market-based pricing dominates traders' strategies, with 70% of respondents setting prices aligned with competitor pricing. This reflects the highly competitive nature of traditional markets where price sensitivity significantly influences consumer purchasing decisions.
- 2) Price-quality alignment emerges as a crucial factor, with 97% of traders consciously setting prices that reflect their products' value proposition. This demonstrates that pricing serves not only as a profit mechanism but also as a communication tool for product quality, encompassing material excellence, design uniqueness, and durability assurance.
- 3) Fixed pricing remains limited (35%), indicating the persistent strength of bargaining culture in traditional market transactions. The majority of traders (65%) maintain price flexibility, utilizing conditional pricing (24%) or complete flexibility (41%) as adaptive strategies to accommodate diverse consumer expectations and dynamic market conditions.

- 4) Payment schemes significantly influence pricing structures, with 75% of traders implementing premium pricing for installment payments. This practice reflects sophisticated risk management approaches that account for payment delays and administrative costs associated with non-cash transactions.

5.2 Theoretical and Practical Implications

The findings demonstrate that traditional market pricing strategies represent a balanced integration of competitive positioning, value communication, cultural adaptation, and financial risk management. Rather than employing singular pricing approaches, traders develop comprehensive strategies that simultaneously address multiple market realities.

From a practical perspective, the research highlights the importance of maintaining strategic flexibility in traditional market contexts. Successful traders navigate the tension between price standardization and customization, leveraging deep understanding of local market culture while implementing sophisticated financial management practices. The findings suggest that optimal pricing in traditional markets requires simultaneous consideration of external competitive pressures and internal value propositions, all while accommodating established cultural transaction norms.

5.3 Limitations and Research Recommendations

This study focused specifically on Sudimampir Market in Banjarmasin, which may limit the generalizability of findings across different regional markets with varying cultural and economic contexts. Future research could expand to comparative studies across multiple traditional markets in different regions, examining how local cultural factors and economic conditions influence pricing strategies. Additionally, longitudinal studies tracking pricing strategy evolution as traditional markets face increasing modernization pressures would provide valuable insights into adaptation mechanisms. Research incorporating consumer perspectives on pricing fairness and value perception would further enrich understanding of traditional market dynamics.

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