

ENTREPRENEURSHIP BEHAVIOR: TRADITIONAL MARKET TRADER IN BANYUWANGI-INDONESIA

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ABSTRACT

This study focused on entrepreneurial behavior as mediation variable or the relationship of entrepreneurship characteristics on market traders in Banyuwangi District. The research uses a mixed method. The study results prove that entrepreneurship characteristics contribute to entrepreneurial behavior which has an effect to improve the performance of traditional market traders in Banyuwangi District. This condition is strengthened by interviews with four traditional market traders informants, that market traders behavior in Banyuwangi with strong entrepreneurship characteristics has stronger motivation to run a business with full commitment, ability, diligence and work hard to realize business success. It has an effect on business success as shown by profits, smooth turnover of merchandise and ability to compete among market traders.

Keywords: Entrepreneurship Characteristics, Entrepreneurial Behaviour, Business Performance.

INTRODUCTION

The modern markets (supermarkets, hypermarkets, and minimarkets) are considered by various society elements to have marginalized the existence of traditional markets in urban areas. The modern markets have threatened the existence of traditional markets. The effect modern markets decrease the sales turnover of traditional markets. Solfres (2002) compared the traditional markets (wet markets) with modern markets in Hong Kong. He found that although wet markets remain dominant, there is a decrease in consumer share to shop at wet market. The decline of traditional market performance is actually not entirely due to presence of a modern market. Almost all traditional markets in Indonesia are still struggling with internal market problems such as poor market management, very minimal market facilities and infrastructure, traditional markets as dairy cows for retribution receipt, mushrooming the street vendors (PKL) to reduce the market merchant customers, and lack of capital assistance to traditional traders (Suryadarma et al, 2007).

Narver and Slater (1990), Jaworski and Kohli (1993), and Blankson and Stokes (2002) stated that small businesses face obstacles in terms of market orientation to support business success. The disadvantages of small businesses include lack of research, poorly planned business activities, more reliance on intuition and energy from business owners, placing marketing on a lower priority than other aspects of business (Segal, et al, 2005). Therefore, it is not surprising that many micro and small businesses have sprung up, but cannot develop into large businesses.

Crijns and Ooghi (2000) revealed that each stage of company growth come from internal and external environment where the company run the business. Changes in company's internal environment as physical, financial and technological resources affect the business performance (Ghemawat, 1997). Wilkinson (2002) said that small and micro businesses will grow when the regulatory environment or policy and macroeconomic environment are well managed, stable, predictable, information is reliable and accessible, and social environment encourages and appreciates the success of business.

Differ with other cities in Indonesia, modern markets in Banyuwangi District, East Java are limited. The Banyuwangi District Government protects the existence of traditional markets by prohibiting the establishment of modern supermarkets. The presence of modern supermarkets is considered to reduce the income of traders in traditional markets so it will gradually be revitalized.

This phenomenon is interesting to study about the performance of traditional market businesses in Banyuwangi District, by conducting research on factors affecting the performance of traditional market businesses. The role of entrepreneurship characteristics determines business performance. Scarborough and Zimmerer (1993) said that the entrepreneurship characteristics are to have a sense of responsibility for their efforts, preferring moderate risk, believing in their ability to succeed, always want immediate results, future-oriented feedback, perspective, and far-sighted, have the spirit of work hard to realize his desire for a better future, have skills in organizing resources to create added value and always assess the achievement with money. The Success characteristics are (a) having the confidence to work independently, work hard, and understanding risks as part of efforts to achieve success; (b) having organization ability, can determine the goals, result oriented, and have responsibility for results, both good and bad; (c) creative and always looking for loopholes for their creativity; (d) love challenges and get personal satisfaction when they reach their ideas.

Bosma (2011) showed the trend of entrepreneurship emergence was due to economic pressure. Someone was forced to create their own jobs. In addition, there are other factors, namely unemployment, frustration of previous work, and decent living needs (Mazzarol et al., 1999; Shane et al (2003). Sari (2016) explained that improvement characteristics of entrepreneurial performance are a picture of one's personal or psychological uniqueness. Based on dimensions of attitudes and needs, entrepreneurship characteristics are divided into two, namely individual characteristics and psychological characteristics.

The entrepreneurship characteristics have a role to improve business performance through business behavior. Entrepreneurial behavior is affected by factors within individual itself as encouragement or motivation which is then characterized by attitudes in action, knowledge to run the business, and skills to create products. Some traits related to entrepreneurial behavior are the nature of creativity, curiosity, confidence in success, and patience. Puspita (2013) said that the entrepreneurial behavior can be grown by more motivation to achieve success to run a business. With a strong motivation to succeed will bring perseverance and courage to take risks to run a business, thus increasing the desire to earn more income.

The entrepreneurial behavior will affect their performance of business. Kao (2001) stated that small companies that want to develop must have an entrepreneurial spirit. In addition, Gray (2002) confirmed that with entrepreneurial spirit of small business owners, they could

outperform their competitors. Georgellis et al. (2000) stated that their capacity to innovate and take the courage to take risks, make businesses able to develop successfully.

The phenomenon of entrepreneurial behavior arises from entrepreneurs as basis of entrepreneurial behavior of market traders in Banyuwangi District. This study focused on entrepreneurial behavior in market traders due to unique traits and characteristics of market traders, namely the difficulty of raw materials, rising prices of raw materials, absence of a decent place to open a business, and limited capital does not become an obstacle to run business so the business continues. Another characteristic of market traders are they are weak in planning, weak in cooperating with other individuals, both suppliers, investors, and with other traders. Based on above description, it is necessary to conduct a study of entrepreneurial behavior as mediation characteristics of market traders in Banyuwangi District.

LITERATURE REVIEW

Entrepreneurial Behavior

Bhave (1994) distinguished between entrepreneurial behavior stimulated externally to launch a business starting with an understanding of opportunities and stimulated internally when individuals are involved in problem solving and needs assessment process before deciding to start a business. Cypert and March (1963), Hill and Shrader (1998) found behavior patterns to understanding element of fundamental opportunities, including the process to establish a business, starting a new part of business, and obtaining any new type of business. They are cognitive or knowledge, affective or attitude, and psychomotor or skill or action (Rakhmat, 2001). Components of knowledge in behavior include awareness and knowledge of an object or phenomenon. The attitude component refers to preference, while the skill component refers to intention and actual behavior towards an object or phenomenon. Entrepreneurial behavior is the nature of entrepreneurship. This is because a characteristic is inherent in individual entrepreneurs not merely the attributes given by environment to him. The ability to develop the business depends on efforts of entrepreneurs themselves to utilize their business skills to satisfy customers (Riyanti, 2003).

Entrepreneurship Characteristics

Zimmerer (2008) defined entrepreneur as someone who creates new business by taking risks and uncertainties in order to achieve profits and growth by identifying important opportunities and combining those resources. Knowledge becomes base capital to know how to become good and right entrepreneur. Frances McGuckin (2006) stated that an entrepreneur has special knowledge related to business that will be run. Lack of knowledge will create bad decisions and learning from mistakes is not easy for an entrepreneur. Some knowledge that must possessed by an entrepreneur are: (1) the business field entered; (2) the roles and responsibilities; (3) the personalities and abilities; and (4) the management and business organizations. Longenecker Justin, Moore Carlos & Petty William (2000) argued that word entrepreneur is sometimes given only to those who actually open new businesses, where the career opportunity of an entrepreneur starts in a new company.

Business Performance

Pelham & Wilson (1996) defines performance as the success of new products and market development, where company performance can be measured through sales growth and market share. Ratnawati (2018) the performance of business Performance is measured by four indicators: financial performance, innovative performance, production performance and marketing performance. Waterhouse & Svendsen (1998) argued that performance is an action

that can be measured; they also state that performance is a reflection of achievement of quantity and quality of work produced by individuals, groups and organizations.

METHOD

This study has the purpose of describing Entrepreneurial Behavior the Performance Perspective of Sritanjung Banyuwangi City Market Traders. Qualitative research styles to construct reality and understand its meaning. Thus, qualitative research is usually very concerned with processes, events and authenticity. Leksono Sonny (2013) "qualitative research, the character of qualitative descriptive research in the analysis does not use numerical calculations and also does not make predictions, as in accordance with the non-positivistic paradigm".

DISCUSSION

Entrepreneurship Characteristics

Behavior is an interaction function between individuals and their environment. Entrepreneurial behavior for market traders in Banyuwangi District are also affected by individual desires and supported by environment. Entrepreneurial behavior of market traders are also affected by individual desires and supported by environment. The behavior of market traders with strong entrepreneurship characteristics are more strongly motivated to run a business. They not only want to run their business smoothly but having desire to grow and enlarge the business, as shown in interview below.

I always add small bonuses to my customer to make them like to shop here.
(Niswati, X1).

The traders always want to satisfy their customers by giving bonuses on goods purchased; this is not found in other traditional markets. Both fruit and vegetable traders do this at traditional markets in Banyuwangi District.

Although the market was slow, I bought some items (vegetables) for resale. I did not reduce the capital to buy my merchandise. I am sure the item will be sold out, even though it will wither if it hasn't been sold for two days (Amik, Y1)

This entrepreneur is more courageous to take risks and implement a strategy to develop his business. They take risk as buying goods for sale without take into account market conditions, always "giving" more goods sold to consumers.

Some innovations are carried out by market traders to compete and attract consumers, even though not all informants do.

I made an onion peeler to serve customers who bought onions and immediately peeled it in my place. I did this to make consumers are more interested to buy onions at my place (Niswati, X1).

Mrs Yuli sell fruit at Rogojampi Banyuwangi market. She makes innovation below. I also serve the fruit parcel for a customers demand; they will be easier to buy fruit of various kinds in one package (Yuli, Y1)

The innovation importance confirms that entrepreneurs success must have creative and innovative character. Creativity produces new ideas without having to realize the idea or a prerequisite for innovation, while innovation is the application of creative ideas.

Entrepreneurial Behavior

The entrepreneurial spirit is shown in entrepreneurial behaviour. It is the life of entrepreneurship which principally an attitude and behavior of entrepreneurship shown through the nature and character of a person who will realize innovative ideas into real world creatively, as shown in statement below.

I run the grocery business with my sister. It is legacy from previous parent's business. We as a whole family try to develop larger merchandise by completing various items (Ratna, Y1).

Entrepreneurial behavior is also manifested by commitment and ability of traders to run their business to become bigger.

We trade fruit together in one big family, so the kiosk can open 24 hours. We manage the shift to run our kiosk. Morning, noon and night we take turns run the fruit stall with shift that we have set for my mother, brother and me (Yuli, Y1)

One business run by several large families. It makes the commitment to build a joint venture to achieve progress is very high.

I run a grocery store together with my brothers. We share parts of the shop, from vegetables, basic needs until fruits. We commit together to develop family businesses with more progress.

We must be able to see opportunities in market, when consumers enter and shop at our store, all they need can be obtained. (Ratna, Y1).

The entrepreneurial behavior should make the trader build a business and achieve business success. Successful business will be created competent entrepreneurs, from a small scope to a larger scope with hope to build entrepreneurship at other area in Indonesia and reduce the national unemployment rate. Traditional market traders also build their business with full commitment, ability, diligent and work hard to achieve success in business.

Business Performance

Business success of market traders are usually characterized by higher sales volume and profit. This requires traditional market traders to innovate and have the ability to compete with fellow traders.

I get uncertain profit, when the market low, the profit is lower. The important one is someone buy my merchandise tomorrow. The profit can be used by me to fulfil the daily needs and getting the merchandise tomorrow (Amik, Y2).

The business success for traditional market traders are illustrated by ability to get merchandise for resale and smooth merchandise turnover.

Trading fruit has nature of not long lasting. I am not take profits too high as long as the goods sold well and can take more fresh and new merchandise (Yuli, Y2).

The business success is illustrated by profit and smooth merchandise turnover and supported by ability to compete among market traders. Competitive ability can be realized by various kinds of interesting merchandise packing, providing extra services or discounts to customers.

These study results show that entrepreneurship characteristics are applied to willingness to work hard, have goals or objectives, willingness to accept new ideas, desire to take risks, behaviour to seek opportunities and willingness to change are able to contribute to entrepreneurial behavior such as affective, cognitive and motoric behavior. The behavior that is owned by traditional market traders in Banyuwangi District has an effect to improve the performance of traditional market traders in Banyuwangi District.

This condition is supported by qualitative study results, by conducting interviews with four traditional market traders informants in Banyuwangi. The behavior of market traders in

Banyuwangi who have strong entrepreneurship characteristics are more strongly motivated to run a business with full commitment, ability, diligence and work hard to realize business success. It has an effect on business success as illustrated by profits and smooth turnover of merchandise and also supported by ability to compete among market traders.

This study results expand research of Crijns and Ooghi (2000) that every stage of company growth is the result of two environments where the company conducts its business, namely internal and external environment. Internal environment changes affect business performance, as physical, financial and technological resources change (Ghemawat, 1997). Wilkinson (2002) said that small and micro businesses will grow when the regulatory environment or policy supports and macroeconomic environment are well managed, stable, and predictable, information is reliable and easily accessible, and social environment encourages and appreciates the success of business. Kao (2001) said that small companies that want to develop must have an entrepreneurial spirit. In addition, Gray (2002) confirmed that entrepreneurial spirit of small business owners could outperform their competitors. Georgellis et al. (2000) stated that their capacity to innovate and courage to take risks make businesses able to develop successfully.

CONCLUSION

Entrepreneurship characteristics are shown by willingness to work hard, have goals or objectives, willingness to accept new ideas, desire to take risks, behaviour to seek opportunities and willingness to change. These are able to contribute to entrepreneurial behavior to improve the performance of traditional market traders in Banyuwangi. This condition is strengthened by qualitative study results, by conducting interviews with four traditional market traders informants in Banyuwangi. They show that market traders in Banyuwangi have strong characteristics in entrepreneurship, strong motivation to run a business with full commitment, capabilities, diligent and working hard to realize business success. These affect on business success as illustrated by profit and smooth merchandise turnover and also supported by ability to compete among market traders.

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