The Impact of Market Relocation on the Income of Traders in Sorong City

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Article History:
Received: 10 Maret 2026
Revised: 25 Maret 2026
Accepted: 31 Maret 2026

Keywords: *Market relocation, traders' income, traditional market, economic impact, Rufei modern market*

Abstract: *This study aims to analyze the impact of market relocation on traders' income at Rufei Modern Market, Sorong City. The research employs a quantitative approach using primary data collected from 50 traders who experienced the relocation process. Data were analyzed through descriptive statistics, validity and reliability tests, normality testing, paired sample t-test, and simple linear regression. The results show that market relocation improved the physical quality of the trading environment, including facilities, comfort, security, and spatial organization. However, these improvements were not followed by better economic outcomes. The average daily income of traders decreased from IDR 475,000 before relocation to IDR 398,000 after relocation, indicating a decline of 16.2%. The paired sample t-test confirms that this decrease is statistically significant. Regression analysis reveals that positive perceptions of the new market conditions are associated with better income changes, although the influence remains limited. Furthermore, the impact of relocation varies among traders depending on merchandise type, customer dependency, and adaptability. Overall, market relocation has both structural benefits and economic challenges, indicating the need for supporting policies to ensure traders' sustainability.*

INTRODUCTION

Traditional markets are one of the essential elements in the local economic system, functioning as both a distribution channel for goods and a source of livelihood for small communities. The existence of traditional markets not only reflects economic activities but also represents a form of people-centered economy that continues to persist amid the modernization of the trade sector (Suryaningrum et al., 2023; Cahya et al., 2025). In a regulatory context, a market is defined as a place where the buying and selling of goods and/or services occur, involving multiple business actors, both in the form of traditional and modern markets, as stipulated in Presidential Regulation of the Republic of Indonesia Number 112 of 2007.

Along with urban development, the government has encouraged the transformation of traditional markets into modern markets as part of a strategy to enhance economic

competitiveness and improve urban spatial planning. This policy is reinforced by Law Number 7 of 2014 on Trade, which emphasizes efficiency, modernization, and the strengthening of the national trade sector. Sorong City, as one of the economic growth centers in West Papua, has experienced this dynamic through policies of relocation and revitalization of traditional markets into modern markets. Kambuaya and Kambuaya (2025) highlight that in Papua, strengthening the competitiveness of traditional markets against modern markets requires infrastructure revitalization, digital technology support, improvements in product and service quality, and policies limiting the expansion of modern markets.

Market relocation essentially aims to create a more orderly, clean, and comfortable trading environment for both traders and consumers (Pertiwi et al., 2024; Sartika et al., 2024). However, the implementation of this policy is not without consequences, particularly for traditional traders. Changes in business location require traders to adapt to new conditions, such as increased operational costs, more formal management systems, and changes in consumer characteristics (Azizah & Faozan, 2023). These conditions have the potential to affect traders' income, either positively or negatively, depending on each trader's ability to adapt.

Empirically, the impact of market relocation shows mixed results. Azizah and Faozan (2023) found that market modernization can increase competition among traders, thereby encouraging some to improve their business performance. However, on the other hand, traders who are unable to adapt tend to experience a decline in income. Other studies also indicate that better facilities in modern markets are not always followed by an increase in the number of consumers, creating uncertainty for traders (Saputra et al., 2024). These findings suggest that the impact of market relocation is highly influenced by local conditions and the readiness of traders to face changes.

In the context of Sorong City, the relocation to Rufei Modern Market involved a significant number of traders. Based on data from the Sorong City Regional Management and Distribution Agency, approximately 695 traders were relocated, with a total of 496 kiosks distributed across various types of businesses, such as basic necessities, clothing, food, and a special market area for Papuan women traders (mama-mama Papua). This large-scale relocation indicates that the policy has significant economic implications, particularly for traders' income and business sustainability. A study in Banjarmasin shows that policy interventions such as the clearance of traditional market land can lead to economic uncertainty, loss of livelihoods, and increased vulnerability among marginalized groups, thus having substantial economic implications for market actors (Sierna & Damaiyanti, 2025).

In addition to economic factors, changes in market location also affect social aspects and consumer behavior. Modern markets tend to offer comfort and orderliness but may reduce the social interactions that have traditionally characterized traditional markets (Whiemhazathissy & Nurhadi, 2024). These shifts in consumer preferences require traders to adjust their marketing strategies and business patterns. In this context, traders' willingness to survive and adapt becomes a crucial factor in determining the success of market relocation.

Although numerous studies have examined the impact of market relocation, research that specifically analyzes the relationship between market relocation and traders' income in Sorong City remains limited. Moreover, most previous studies have not comprehensively linked relocation aspects with traders' responses and changes in consumer behavior simultaneously. Therefore, further research is needed to provide a more comprehensive understanding of the impact of market relocation in a local context. Based on this background, this study aims to analyze the impact of market relocation on traders' income in Sorong City. This research is

expected to contribute empirically to the development of local government policies, particularly in designing market relocation strategies that are not only oriented toward spatial planning but also consider the economic sustainability of traditional traders.

LITERATURE REVIEW

Research on the impact of market relocation on traders' income has been widely conducted, yielding mixed results. Muhammad Rifqi et al. (2020) found that the temporary relocation of Seketeng Market to Kerato Market reduced traders' income due to unfavorable conditions in the new market, poor spatial organization, and a location farther from consumers, leading to decreased customer visits. A similar pattern was observed in Talang Banjar People's Market, where 38 out of 40 traders experienced a decline in income after relocation; the determining factors included a less strategic new location, narrow road access, trading hours, capital constraints, and the level of competition among traders (Pertiwi et al., 2024).

However, not all relocations have negative impacts. A study at Purbalingga Food Center found that relocation created a more comfortable and secure environment and opened new business opportunities (such as parking and cleaning services), although many traders still experienced a decline in income due to a lack of customers. In Muara Sabak Barat Market, regression analysis showed that relocation had a positive and significant effect on income, although its contribution was relatively small (approximately 14.8% of income variation was explained by the relocation variable, with the remainder influenced by other factors) (Sartika et al., 2024). These findings confirm that the success of market relocation depends not only on the policy itself but also on the quality of location, accessibility, layout, facilities, promotion, and post-relocation support (Azizah & Faozan, 2023).

Theoretically, this study is grounded in location theory, which emphasizes the importance of site selection in determining the performance of economic activities. In spatial economics, business location is viewed as a key determinant of prosperity that influences sales volume and structure through surrounding geospatial and sociodemographic characteristics (Formánek & Sokol, 2022). Location theory explains that distance to consumers, transportation costs, accessibility, and proximity to economic activity centers determine transaction intensity and revenue potential (Murray, 2020). Retail studies indicate that relocating from isolated areas to city centers can significantly increase sellers' profits and the direct economic impact of markets, reinforcing the notion that "location matters" for seller performance (Morckel, 2018). In the context of traditional markets, strategic locations tend to increase visitor flows and transaction opportunities. Conversely, locations that are distant, difficult to access, or less visible reduce the number of buyers and directly affect traders' income. These empirical findings are consistent with location theory, which positions market proximity and consumer travel costs as key determinants of economic activity intensity.

In addition, this study is also based on demand and supply theory. The interaction between consumers and producers determines the quantity of goods traded and the equilibrium price. Changes in market location can shift the effective demand curve, particularly when accessibility decreases, parking constraints arise, or consumer preferences shift toward modern markets and other retail formats (Janah & Adinugrah, 2021; Putra & Sasmita, 2022; Saputra & Sembiring, 2025). A decrease in the number of consumers visiting the new location will reduce the quantity of goods demanded at each price level, resulting in lower sales and traders' income. Conversely, if relocation improves comfort, security, and accessibility, it has the potential to increase visits and expand the consumer base, which in the long run may shift demand upward (Putra & Sasmita, 2022; Azizah & Faozan, 2023). Thus, both empirical findings and theoretical

foundations consistently indicate that location, accessibility, and consumer response are key factors in understanding the impact of market relocation on traders' income and business sustainability.

METHOD

This study employed a quantitative approach with an explanatory design to analyze the effect of market relocation on traders' income at Rufei Modern Market, Sorong City. The explanatory design was chosen because the study aimed not only to describe post-relocation conditions but also to examine the causal relationship between changes in business location and traders' income. Technically, this research applied a survey method with a retrospective comparative approach by comparing traders' income before and after relocation based on data obtained directly from respondents.

The research was conducted at Rufei Modern Market, Sorong City, which serves as the main trading location after relocation. The site was selected purposively because it represents a market relocation policy that directly affects traders' economic activities. The population consisted of all active traders occupying kiosks or stalls at the market who had experienced relocation from their previous location. A total sampling (saturated sampling) technique was used, in which all population members meeting the criteria were included as respondents.

`The study variables included an independent variable, a dependent variable, and control variables. The independent variable was market relocation, measured through indicators such as accessibility, adequacy of facilities, environmental comfort, security, layout organization, customer visit intensity, and ease of goods distribution. The dependent variable was traders' income, measured by the average income before and after relocation. Control variables included type of merchandise, length of business operation, business capital, and number of dependents.

Data were collected from both primary and secondary sources. Primary data were obtained through structured questionnaires using a five-point Likert scale to measure perceptions of relocation, along with income data recorded in nominal form. Field observations and limited interviews were also conducted to support the data. Secondary data were collected from market management documents and relevant institutional records.

The research instrument was developed based on theoretical indicators and tested for validity and reliability. Validity was assessed using item-total correlation with a significance level of less than 0.05, while reliability was measured using Cronbach's Alpha with a minimum threshold of 0.70. Data analysis was conducted using descriptive and inferential techniques. Descriptive analysis was used to present respondent characteristics and income distribution. Inferential analysis involved paired sample t-test for normally distributed data or Wilcoxon signed-rank test for non-normal data. Furthermore, linear regression analysis was employed to examine the effect of market relocation on income changes, with a significance level of 5%.

To improve the accuracy of the findings, this study also applied bias-control measures. Recall bias was minimized by limiting the period for recalling income information to a time span that respondents could reasonably remember and by asking respondents to refer to sales records whenever available. Social desirability bias was reduced by guaranteeing respondent anonymity and explaining that the data would be used solely for academic purposes. In addition, the researcher conducted cross-checking between questionnaire responses, observation results, and interview information to ensure data consistency. The entire research process was carried out in accordance with research ethics, including voluntary informed consent, confidentiality of information, and responsible use of data. All research procedures adhered to ethical research

principles.

RESULT AND DISCUSSION

1. Research Location and Respondent Characteristics

This study was conducted at Rufei Modern Market, Sorong City, which serves as the main center of trading activities following the market relocation process. The selection of this location was based on its strategic role in local economic activities and its function as a key interaction space between traders and consumers. As a product of market restructuring and relocation policy, Rufei Modern Market represents not only a physical transfer of trading activities but also a transformation in the business environment that may influence the economic stability of traders.

In general, Rufei Modern Market exhibits a more organized condition compared to the previous market location. This is reflected in the improved spatial arrangement, the availability of kiosks and stalls, and better supporting facilities. These improvements indicate the government's effort to create a more structured and comfortable trading environment. However, such physical enhancements do not automatically lead to improved economic outcomes for traders, as relocation requires an adaptation process, particularly in maintaining customer relationships, adjusting business strategies, and responding to new consumer flow patterns.

The respondents in this study were active traders who had experienced the relocation process and continued operating their businesses at Rufei Modern Market. This selection ensured that the data were obtained from individuals with direct experience of changes in business location. Therefore, respondents were able to provide not only a description of current market conditions but also a comparison between pre- and post-relocation situations, making their responses highly relevant for analyzing changes in traders' income.

The characteristics of respondents reveal diverse socioeconomic backgrounds in terms of age, education, business experience, and type of merchandise. Most respondents had relatively long trading experience, enabling them to provide more objective assessments of changes in income and customer patterns. Traders with longer experience generally have more established customer bases, while less experienced traders are still in the process of adjustment.

From the perspective of merchandise, traders sold a wide variety of goods, including staple foods, agricultural and fishery products, clothing, and household items. This diversity indicates that the market functions as a distribution center for daily necessities. However, differences in merchandise type may lead to varying impacts of relocation, as demand patterns differ between essential and non-essential goods.

The adaptation process is also a crucial factor in determining post-relocation outcomes. Traders must adjust to new market layouts, rebuild customer networks, and respond to changing consumer behavior. Therefore, the ability to adapt plays an important role in determining whether traders are able to maintain or improve their income after relocation.

Overall, Rufei Modern Market presents complex characteristics, both in terms of market conditions and trader profiles. This complexity suggests that the impact of relocation cannot be understood solely as a change in location but must also consider the characteristics and adaptability of the traders. Thus, the description of the research location and respondent characteristics provides an important empirical foundation for interpreting the findings related to changes in traders' income.

Table 1. Respondent Characteristics

Characteristics	Category	Frequency (Persons)	Percentage (%)
Gender	Male	18	36.0
	Female	32	64.0
Age	< 30 years	8	16.0
	30–39 years	15	30.0
	40–49 years	17	34.0
	≥ 50 years	10	20.0
Educational Attainment	Elementary School	9	18.0
	Junior High School	13	26.0
	Senior High School	22	44.0
	Diploma/Bachelor's Degree	6	12.0
Length of Trading Experience	< 5 years	11	22.0
	5–10 years	18	36.0
	> 10 years	21	42.0
Type of Merchandise	Staple Food Products	14	28.0
	Vegetables and Fruits	11	22.0
	Fish and Meat	9	18.0
	Clothing	7	14.0
	Others	9	18.0
Length of Occupying New Location	< 1 year	7	14.0
	1–3 years	18	36.0
	> 3 years	25	50.0

Source: Processed primary data, 2026

Based on Table 4.1, the study involved 50 traders, with the majority being female (64.0%), indicating that trading activities are largely dominated by women, particularly in sectors related to daily household needs. In terms of age, most respondents were in the productive age group, especially 40–49 years (34.0%) and 30–39 years (30.0%), reflecting sufficient maturity in managing business activities.

Regarding educational attainment, most respondents were senior high school graduates (44.0%), followed by junior high school (26.0%) and elementary school (18.0%), while only a small proportion had higher education (12.0%). This suggests that traders generally have a moderate educational background, which is typical of micro and small-scale business actors. Additionally, most respondents had more than 10 years of trading experience (42.0%), indicating that they had relatively established businesses prior to relocation.

Overall, the respondent characteristics indicate that traders at Rufei Modern Market represent a diverse yet experienced group of economic actors. This condition is important for understanding variations in the impact of relocation, as differences in background and adaptive

capacity may influence changes in traders' income.

2. Description of Market Relocation and Traders' Income Conditions

Market relocation in this study refers to traders' assessments of the new market environment after moving to Rufei Modern Market, Sorong City. Relocation is not merely a physical transfer but also a structural transformation affecting accessibility, comfort, orderliness, security, customer flow, and operational convenience. Therefore, this variable is essential for understanding how traders perceive the new market in relation to their business sustainability.

Based on questionnaire data, traders generally perceived the relocation as creating a more organized market environment. Improvements in facilities, layout, comfort, and security indicate that the policy achieved its infrastructural objectives. However, these physical improvements did not automatically translate into better economic conditions, as income is also influenced by changes in customer behavior and mobility. Not all relocation indicators were rated equally. Facilities, cleanliness, and security received high evaluations, while customer visits and the ability to retain previous customers were rated lower. This suggests a gap between physical improvement and economic recovery, indicating that a better-organized market does not guarantee restored transaction flow.

In terms of income, post-relocation conditions varied, but the general trend indicates economic pressure during the adaptation period. Traders needed to rebuild customer recognition, adjust strategies, and adapt to new visitor patterns, which often resulted in declining income, especially for those dependent on loyal customers. The comparison of income before and after relocation shows a declining trend. Although some traders experienced improvement, most reported reduced earnings. This suggests that infrastructure improvement was not matched by market demand recovery. Reduced customer visits and weakened consumer attachment explain this pattern.

Furthermore, the impact was uneven. Traders selling essential goods were more resilient, while those selling secondary goods were more vulnerable. Thus, the economic impact of relocation should be interpreted in a differentiated manner.

Table 2. Descriptive Analysis of Market Relocation

Indicator	Mean	Category
Accessibility	3.42	Moderate
Facilities	4.12	High
Comfort	4.05	High
Security	3.98	High
Layout	3.89	High
Customer visits	2.96	Moderate
Distribution	3.54	High
Overall Mean	**3.71**	**High**

Source: Processed primary data, 2026.

Table 4.2 shows that the overall mean score of the market relocation variable was 3.71, which falls into the high category. This indicates that, in general, traders viewed the new market environment relatively positively. The highest score was found in the adequacy of trading facilities, with a mean of 4.12, followed by comfort of the market environment at 4.05 and security of trading activities at 3.98. These results suggest that the relocation policy succeeded in

improving the physical quality of the market and creating a more organized business setting. A favorable evaluation of facilities and comfort implies that the new market was considered more supportive of orderly trading activities than the previous location.

However, not all indicators received equally strong assessments. The intensity of customer visits recorded the lowest mean score at 2.96, categorized as moderate. Accessibility of the new market location also received a moderate score of 3.42. These findings indicate that although the market became more organized and physically improved, traders still perceived limitations in terms of attracting customers and maintaining strong consumer flow. In other words, the physical success of market relocation was not fully matched by an equivalent recovery in market demand. This discrepancy is important because the sustainability of traders' businesses depends not only on physical infrastructure, but also on the presence of stable and sufficient consumer transactions.

Table 3. Income Comparison

Category	Before	After
Average	475,000	398,000
Highest	900,000	780,000
Lowest	180,000	140,000
Change		-77,000
Percentage		-16.2%

Source: Processed primary data, 2026.

Based on Table 3, the average daily income of traders before relocation was IDR 475,000, while after relocation it declined to IDR 398,000. This means that traders experienced an average decrease of IDR 77,000 per day, equivalent to a 16.2% reduction in daily income. A similar pattern can also be observed in the highest and lowest daily income values, both of which declined after relocation. These figures suggest that the relocation process was associated with a general weakening of income performance among traders, even though the new market offered a better physical environment.

The decline in average daily income indicates that the economic transition following relocation was not entirely favorable for traders. Although improved market facilities may have created a more orderly commercial environment, the reduced flow of customers appears to have limited the capacity of traders to maintain their previous earnings. In practical terms, traders may have benefited from better infrastructure, but these benefits were not yet sufficient to offset the reduction in customer transactions. This pattern reinforces the argument that market relocation should be viewed not only as a spatial policy intervention, but also as an economic event that directly affects the income stability of micro and small traders.

Table 4. Income Change Distribution

Category	Frequency	Percentage
Increased	13	26.0%
Unchanged	8	16.0%
Decreased	29	58.0%
Total	50	100%

Source: Processed primary data, 2026.

Table 4. further confirms the descriptive pattern of income change after relocation. Out of 50 respondents, 29 traders or 58.0% reported a decrease in income, 8 traders or 16.0%

experienced relatively unchanged income, and only 13 traders or 26.0% reported an increase in income. These findings indicate that the dominant post-relocation experience among traders was income reduction. This pattern suggests that, despite the positive assessment of the physical market environment, most traders still faced economic challenges in adapting to the new location.

The descriptive evidence from Tables 4.2, 4.3, and 4.4 therefore shows that market relocation generated a dual outcome. On the one hand, it improved the physical and organizational quality of the trading environment. On the other hand, it coincided with a decline in traders' average income and a relatively high proportion of respondents experiencing reduced earnings. This duality is important because it demonstrates that the success of market relocation cannot be judged only from infrastructure development, but must also be evaluated in terms of its ability to preserve and strengthen traders' livelihoods. Consequently, these descriptive findings form a critical basis for the next section, which statistically tests whether the observed changes are significant and how strongly relocation is associated with income variation.

3. Results of Instrument Testing and Statistical Analysis

Before testing the research hypothesis, the quality of the research instrument was first examined through validity and reliability testing. This procedure was necessary to ensure that the questionnaire items measuring the market relocation variable were capable of capturing the intended construct consistently and accurately. In addition, statistical assumption testing was conducted to determine the most appropriate inferential technique for analyzing the differences in traders' income before and after relocation. Through these stages, the study sought to provide a more robust empirical basis for interpreting the effect of market relocation on traders' income at Rufei Modern Market, Sorong City.

Table 5. Validity Test

Item	Indicator	Correlation	Sig.	Decision
X1	Accessibility	0.612	0.000	Valid
X2	Facilities	0.781	0.000	Valid
X3	Comfort	0.745	0.000	Valid
X4	Security	0.733	0.000	Valid
X5	Layout	0.689	0.000	Valid
X6	Customer visits	0.658	0.000	Valid
X7	Distribution	0.704	0.000	Valid

Source: Processed primary data, 2026.

Table 4.5 shows that all questionnaire items measuring the market relocation variable had corrected item-total correlation values above 0.30 and significance values below 0.05. These results indicate that each item was statistically valid and capable of measuring the market relocation construct appropriately. The highest validity coefficient was found in the item related to the adequacy of trading facilities, with a value of 0.781, indicating that this item had the strongest contribution in representing the relocation variable. Meanwhile, the accessibility indicator recorded the lowest coefficient, although it still remained within the valid range. Overall, these findings confirm that the instrument used in this study was sufficiently valid for further statistical analysis.

Table 6. Reliability Test of the Market Relocation Instrument

Variable	Items	Alpha	Criterion	Decision
Market relocation	7	0.884	> 0.70	Reliable

Processed primary data, 2026.

The reliability test results in Table 4.6 indicate that the market relocation instrument obtained a Cronbach's Alpha coefficient of 0.884. This value exceeds the minimum threshold of 0.70, which means that the instrument had a high level of internal consistency. In other words, the items in the questionnaire were sufficiently stable and consistent in measuring respondents' perceptions of market relocation. The high reliability coefficient also suggests that the instrument could be used confidently for further analysis, as it minimizes the risk of inconsistent measurement across respondents.

After confirming the quality of the instrument, the study proceeded to test the normality of the income data before and after relocation. The normality test was important because it determined whether the difference in income could be analyzed using a parametric test, namely the paired sample t-test. In this study, the normality of the income difference scores was assessed using the Shapiro-Wilk test.

Table 7. Normality Test

Variable	Statistic	Sig.	Decision
Before	0.971	0.214	Normal
After	0.967	0.157	Normal
Difference	0.963	0.117	Normal

Processed primary data, 2026.

As presented in Table 4.7, all significance values were greater than 0.05, indicating that the data were normally distributed. The significance value for the difference in income before and after relocation was 0.117, which confirms that the assumption of normality was met. Therefore, the paired sample t-test was considered appropriate to examine whether the difference in traders' income before and after relocation was statistically significant.

The paired sample t-test was then conducted to compare the average daily income of traders before relocation and after relocation. This test was used to determine whether the observed decline in income, as presented in the descriptive analysis, reflected a statistically meaningful difference rather than a random fluctuation. The result of this analysis is presented in Table 4.8.

Table 8. Paired Sample t-Test

Condition	Mean	Std Dev	Difference	t	Sig
Before	475,000	128,450			
After	398,000	119,230	77,000	5.482	0.000

Source: Processed primary data, 2026.

Based on Table 8, the average daily income of traders before relocation was IDR 475,000, while after relocation it decreased to IDR 398,000. The mean difference was IDR 77,000, and the resulting t-value was 5.482 with a significance level of 0.000. Since the significance value was smaller than 0.05, the null hypothesis was rejected. This means that there was a statistically significant difference between traders' income before and after relocation. In substantive terms, the findings indicate that market relocation was followed by a meaningful decline in traders' daily income.

These results reinforce the descriptive evidence presented in the previous section, where the majority of traders reported lower income after relocation. The significance of the t-test indicates that the decline in income was not incidental, but rather reflected a systematic economic change experienced by traders after the transition to the new market environment. This suggests that although the relocation policy improved the physical organization of the market, it also introduced economic challenges that affected the income stability of traders.

To strengthen the analysis, a simple linear regression test was also conducted to examine whether traders' assessment of the market relocation conditions was associated with the magnitude of income change. In this regression model, income change was used as the dependent variable, while the market relocation score served as the independent variable. The purpose of this analysis was to determine whether more positive perceptions of the relocation environment were linked to smaller income losses or better income outcomes.

Table 9. Simple Linear Regression Results

Variable	B	Std. Error	Beta	t-value	Sig.
Constant	-235,430	75,518	–	-3.118	0.003
Market relocation score	42,615	17,817	0.327	2.391	0.021

Model Summary	Value
R	0.327
R Square	0.107
Adjusted R Square	0.089
F-value	5.719
Sig.	0.021

Source: Processed primary data, 2026.

Table 9 shows that the market relocation score had a positive regression coefficient of 42,615 with a significance value of 0.021. Since the significance value was below 0.05, the effect of market relocation on income change was statistically significant. The positive coefficient indicates that better relocation conditions, as perceived by traders, were associated with more favorable income changes. In practical terms, traders who viewed the new market location as more accessible, orderly, secure, and well facilitated tended to experience smaller income declines or relatively better income outcomes than those who gave lower assessments of the relocation conditions.

However, the model summary shows an R Square value of 0.107, meaning that the market relocation variable explained 10.7% of the variation in income change. This indicates that although relocation conditions had a significant influence, most of the variation in traders' income was still explained by other factors outside the model, such as customer purchasing behavior, type of merchandise, strength of old customer networks, business capital, and adaptation strategies after relocation. Therefore, the relationship identified in this study should be interpreted as meaningful but not exhaustive.

Overall, the statistical analysis confirms that market relocation had a significant association with traders' income conditions. The instrument used in this study was proven to be valid and reliable, the normality assumption was fulfilled, the paired sample t-test demonstrated a significant decline in income after relocation, and the regression analysis showed that more favorable relocation conditions were positively related to income change. These results provide a

strong empirical basis for concluding that the relocation policy had both structural and economic implications for traders at Rufei Modern Market. The next section therefore discusses the main findings of the study in a more integrated and substantive manner.

Discussion

1. Market Relocation as an Effort to Reorganize and Improve the Trading Environment

Market relocation should be understood not merely as the physical movement of traders from one location to another, but as a broader policy effort aimed at reorganizing commercial space, improving market governance, and creating a more orderly trading environment. The findings of this study indicate that Rufei Modern Market experienced notable improvements in terms of facilities, comfort, security, and spatial organization following the relocation process. These results support the argument that market restructuring policies are often designed to enhance the competitiveness and functionality of traditional markets through both physical and managerial improvements, as highlighted by Soelistiyono et al. (2018) and Aisyah and Pangaribuan (2023).

The structural improvements observed in this study suggest that relocation can function as an effective administrative and developmental instrument. A more organized layout, cleaner environment, and improved security contribute to reducing disorder, facilitating smoother circulation, and creating a more conducive atmosphere for market transactions. This is consistent with Nasution et al. (2024), who emphasize that market revitalization can improve management quality, and with Azizah and Faozan (2023), who view revitalization as a strategic effort to strengthen traditional markets. Thus, the findings confirm that relocation carries institutional value beyond the mere transfer of trading activities.

However, the results also reveal that improvements in physical infrastructure do not automatically translate into stronger economic performance. While traders generally provided positive assessments of facilities and market order, their evaluation of customer visit intensity was relatively lower. This indicates that the success of relocation in reorganizing space was not fully accompanied by the recovery of commercial flow. A similar pattern is reported by Muhammad and Rahman (2025), who found that relocation policies may face limitations when implementation, communication, and supporting resources are insufficient. This gap highlights that traders assess market success not only based on physical appearance, but also on the ability to sustain customer access and transaction intensity.

In addition, market relocation involves important social dimensions. Market spaces are shaped by long-standing habits, trust, and customer relationships. Nasution et al. (2024) demonstrate that resistance to relocation can occur when traders perceive the new location as less strategic or potentially harmful to their economic survival. This perspective helps explain why, despite structural improvements, traders may still experience uncertainty if the new environment does not preserve their existing customer networks. Therefore, market relocation should be evaluated through a multidimensional perspective that integrates spatial order, economic functionality, and social adaptation.

Overall, the findings suggest that relocation at Rufei Modern Market represents a meaningful effort to improve the structure and governance of the trading environment. Nevertheless, structural success alone is insufficient to define relocation as fully effective. Consistent with previous studies, effective relocation requires the integration of physical improvements, economic recovery, policy communication, and trader adaptation. Thus, relocation should be viewed as an integrated policy process that simultaneously addresses

infrastructure, management, and livelihood sustainability.

2. The Impact of Market Relocation on Changes in Traders' Income

The findings of this study show that market relocation was associated with a decline in the average income of traders at Rufei Modern Market. This result indicates that relocation should not be evaluated solely as a spatial or administrative policy, as it has direct implications for the economic sustainability of small traders. Income serves as a key indicator of policy impact because it reflects whether traders are able to maintain their business performance after moving to a new location.

The decline in income identified in this study can be understood as part of the transitional burden that commonly occurs after relocation. When traders move to a new market, they lose the familiarity built through repeated interactions with customers in the previous location. Shopping routes, habitual transactions, and spontaneous purchases are often disrupted, particularly during the early stages of adaptation. This explanation aligns with Pertiwi et al. (2024), who argue that post-relocation welfare depends on the ability of traders to re-establish their economic activities in the new environment.

From a broader socio-economic perspective, relocation alters not only the physical location of trade but also the structure of everyday economic interactions. As shown by Junaidi et al. (2024), relocation affects traders' socio-economic conditions, indicating that its impact extends beyond spatial change. In the context of Rufei Modern Market, this helps explain why improvements in infrastructure and organization were not immediately followed by increased income.

The findings of this study are also consistent with previous research linking relocation to income changes. Saputra and Sembiring (2025) found that market relocation significantly affects traders' income, while Salsabila and Wardhana (2023) highlight that market revitalization is closely associated with financial outcomes. These studies reinforce the argument that income change is a central consequence of relocation policies rather than a secondary effect.

Importantly, the results also show that income outcomes are not determined solely by physical improvements. While better facilities and organized layouts create a more formal trading environment, traders ultimately depend on customer access, transaction volume, and demand continuity. As emphasized by Asar et al. (2024), as well as Asiah et al. (2020), the sustainability of relocated traders depends on whether the new market can reproduce the economic advantages of the previous location. When this condition is not met, the market may become physically improved but economically less viable.

Overall, this study confirms that market relocation has a significant and direct impact on traders' income. However, the direction of this impact may be negative when improvements in infrastructure are not accompanied by sufficient recovery in customer visits and market demand. Therefore, relocation policies should be evaluated not only in terms of spatial enhancement but also in their ability to maintain and strengthen traders' economic stability.

3. The Uneven Economic Impact of Relocation Across Traders and Types of Merchandise

The findings further indicate that the economic impact of relocation was not evenly distributed among traders. Although the overall trend showed a decline in average income, the magnitude of this decline varied depending on traders' characteristics, adaptive capacity, and types of merchandise. This suggests that relocation produces differentiated outcomes rather than a uniform effect.

One key factor influencing this variation is the type of goods sold. Traders dealing in staple foods and essential daily commodities tend to exhibit greater resilience because demand

for these goods remains relatively stable regardless of location changes. In contrast, traders selling secondary or less frequently purchased items are more dependent on customer flow and market visibility. When relocation disrupts established consumer patterns, these traders are more vulnerable to declining sales. This finding is consistent with Azizah and Faozan (2023), who emphasize the importance of demand sustainability in determining post-relocation welfare.

Differences in adaptive capacity also play a crucial role. Traders with longer experience, stronger customer relationships, and more flexible strategies are generally better able to adjust to new market conditions. Conversely, traders with limited capital, weaker networks, and lower adaptability face greater challenges in maintaining income. As noted by Pertiwi et al. (2024), the sustainability of relocated traders depends not only on the availability of trading space but also on their ability to adapt economically.

In addition, relocation reshapes the competitive structure within the market. Traders are repositioned in a new spatial arrangement where visibility, accessibility, and customer circulation may differ significantly. Those occupying more strategic locations tend to recover faster, while those in less favorable positions may struggle to attract customers. This supports the argument by Soelistiyono et al. (2018) and Periwi et al. (2024) that relocation redistributes economic opportunities among traders.

Another important aspect is the selective adaptation of consumers. Not all customers follow traders to the new location. Traders with strong customer loyalty or essential products are more likely to retain their buyers, while those relying on incidental purchases are more affected by declining traffic. This explains why traders within the same market may experience different income trajectories despite being subject to the same policy.

Overall, the study confirms that the impact of relocation is heterogeneous. Income variation reflects the interaction of multiple factors, including merchandise type, adaptive capacity, customer loyalty, and market competition. Therefore, the success of relocation should not be assessed solely based on aggregate averages, as these may obscure important disparities among traders.

4. Policy Implications of Market Relocation for the Sustainability of Small Traders

The findings of this study suggest that the success of market relocation policies should not be evaluated solely based on physical completion or improved spatial organization. While such improvements are important, they are insufficient if traders continue to experience declining income and unstable customer flow. Therefore, the effectiveness of relocation policies depends largely on post-relocation conditions.

First, effective communication and socialization are essential. Traders require clear and transparent information regarding relocation processes, stall allocation, market zoning, and long-term development plans. As highlighted by Ulandari et al. (2026), inadequate communication can lead to distrust and hinder adaptation. Thus, relocation should be implemented as a participatory and well-communicated process.

Second, fairness in resource distribution is crucial. Relocation redistributes access to space, visibility, and economic opportunity, which may create unequal outcomes. Itranbery et al. (2023) shows that biased allocation of market resources can produce both winners and losers. Therefore, policies must ensure transparent stall allocation and provide targeted support for vulnerable traders.

Third, strong stakeholder coordination is needed. Market relocation involves multiple actors, including government, market managers, traders, and consumers. As noted by Romadhon et al. (2020), lack of coordination can result in low market activity and the re-emergence of

informal trading. Coordinated efforts are necessary to ensure that the relocated market functions effectively.

Fourth, post-relocation support should extend beyond infrastructure. Traders require assistance in adapting to new conditions, including promotion, market activation, and business support. Programs such as market events, improved accessibility, and trader guidance can help restore customer flow and strengthen economic activity.

Finally, relocation policies should be framed within the concept of marketplace resilience. As argued by Rahman et al. (2024), resilience depends on the ability of traders and consumers to adapt to change. Therefore, the ultimate goal of relocation should not only be physical improvement, but also the creation of a market that remains economically viable and socially sustainable over time. The sustainability of small traders should be placed at the center of relocation policy evaluation. A successful relocation is one that not only reorganizes space, but also preserves and strengthens the livelihoods of traders in the long term.

CONCLUSION

This study demonstrates that market relocation at Rufei Modern Market in Sorong City produces two major implications in the post-relocation period. From a physical perspective, the relocation policy has been effective in improving the quality of the trading environment, as reflected in better facilities, more organized spatial arrangements, increased comfort, and enhanced security. These findings confirm that relocation can function as an instrument for improving market management and spatial order. However, these structural improvements have not been accompanied by comparable economic gains. The average daily income of traders declined from IDR 475,000 before relocation to IDR 398,000 after relocation, representing a decrease of approximately 16.2%. This indicates that improvements in infrastructure alone are insufficient to sustain economic activity, particularly in terms of customer visits and transaction intensity.

The statistical analysis strengthens this conclusion. The paired sample t-test confirms a significant difference in income before and after relocation, while the regression results show that more positive perceptions of relocation conditions are associated with better income outcomes, although the explanatory power remains limited. This suggests that relocation plays a role in shaping income changes, but it is not the sole determinant. Furthermore, the impact of relocation is not evenly distributed among traders. Differences in merchandise type, dependence on regular customers, adaptability, and kiosk location contribute to variations in income outcomes. Traders selling essential goods tend to be more resilient, whereas those dealing in non-essential goods are more vulnerable to declining demand. This finding highlights the importance of considering heterogeneity among traders when evaluating relocation policies.

Overall, this study emphasizes that market relocation should be understood as a multidimensional policy involving not only infrastructure development, but also governance, trader adaptation, and consumer behavior. Therefore, policy effectiveness depends on complementary measures such as improving accessibility, strengthening market promotion, ensuring fair kiosk allocation, and providing continuous support for traders. Without these efforts, improvements in the physical condition of the market may not necessarily generate optimal economic impacts for traders.

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