

**THE EFFECT OF NETWORKING ON BUSINESS RESILIENCE OF TRADERS IN MUARA KUIN FLOATING MARKET IN BANJARMASIN CITY**

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**ABSTRACT**

This study explained how a networking can affect the Business Resilience of Traders in floating market. Networking is a part of social capital that become important asset when running a business, where its gives many important information, access for supply, and building relationship to achieve their goal. Floating market is a traditional one in which trading activity is conducted on the river using boat. Floating market was created due to geographical condition making the people relying on river for doing many types of activities, one of which is economic activities. As time goes by, trading activity in floating market begins to fade and regeneration is difficult to do due to the difficulty to maintain the business activity. This study was a quantitative research using survey method and simple regression analysis. From the result of this study, it could be found the effect of networking on business resilience of floating market's sellers, as indicated with how the sellers establish connection to search for much information, product suppliers, and fund loan in order to survive easily among the threats of change.

**KEYWORDS:** Networking, Business Resilience, Floating market

**INTRODUCTION**

Market [1] is an economic institution providing product and service, thereby becoming the place where sellers and buyers do their activity. Floating market is the one where the economic activity occurs on the river. Floating market is the one created due to geographical and cultural conditions of Banjar people. Geographical condition makes Banjarmasin the city consisting of so many rivers that its people generally utilize the rivers in doing their daily activities. One of those activities is trading activity on the river. People do trading activity on the river sing boat or the sellers move to one side to see the buyers standing on the quay or to come to houses located on the river. Traditional market [2] have typical characteristics with people's stronger cultural, language, and trust bonds compared with the modern shopping center.

Floating market in Banjarmasin City, Indonesia is threatened to be extinct due to poor city spatial layout and sustainable modernization. Poor city spatial layout resulting in closed and disconnected small rivers (streams) so that sellers using boat no longer have broad trading coverage. City spatial layout leading more to the land encourages local people to abandon river as transportation and trading media. Trading modernization starting to mushroom in the society recently makes people abandoning the old way of doing trading activity. Many Traders that use to be a sellers in floating Market in Banjarmasin City are changing to selling their product on land traditional market, they are

once using a boat to selling their product to consumer that come to Floating market and people that living along the way of river, now they are no longer using a boat and switch to motor vehicles or build a store on traditional market on the land. Market [3] is the place where small traders and farmers make transaction and where cost becomes an inhibiting factor to access the market. Traditional market

[4] functions as the place not only where trading activity is done but also where cultural interaction occurs and recreational facilities are available for regional and urban coverage. Majority of floating market sellers are sellers with small capital and farmers coming from the villages who will sell their crops. Overall, floating market sellers are the lower-middle capital owner, with limited ability and skill. Market [5], particularly the one changing constantly due to global economic condition, needs a network bond with a view to fulfill the customers' need and wish responsively, quickly, and flexibly. In this case, business resilience is desirable to the sellers and so is a network to access a variety of information necessary to the sellers. Resilience [6] refers to how the shocked or disrupted system can recover to its balanced condition or when system disruption or shock can have better durability. Resilience [7] can be seen from how a system's ability is in absorbing distraction and organizing it, and how the system make a change by still carrying and maintaining function, structure, identity, and feedback. Social capital is needed in maintaining a business with other limited capitals. Social capital [8] consists of 3 important elements: 1. Social network created either formally or informally, providing a variety of accesses, 2) Running norms providing reciprocity, 3) trust built between individuals so that participants can work effectively. The network is an important element in implementing this social capital; in the presence of network provides a variety of accesses to information, supply, business knowledge, and etc. Network [9] is a vehicle to bring about innovation, and an indicator of a successful business strategy.

Modernization and development are threats against traditional businesses when they cannot adapt to them and have limited improvisation. Traditional market deals with shock due to modernization and development occurring in many places. Many studies showed such the phenomenon. Wang de et al [10] explained how traditional industrial retail experiences deterioration during 2008-2014, otherwise the margin of online shops increases significantly and it hit traditional industry significantly. Wongleedee [11] explained how globalization coming into Thailand bringing it into modernization era threatened Thailand employers particularly in traditional markets that use old operation style. Sabatino [12] in his study in Italia showed how social capital becomes an important element of social resilience in regional economy. Many study and research are showing that modernization can become problem and threat for many business that run with traditional way, if they are not able to adapt from this change and improve their business, the traditional business cannot survive in long term. In this study, the author wants to see how the network established by float market sellers in Muarak Kuin, Banjarmasin City, Indonesia affects their business resilience. These floating market sellers belong to lower- middle class of society and thereby they have limited economic capital and skill. Thus, a network is required to be a gate into various sources of trading

information, knowledge, supply source, and etc. Network [13] is an important factor in a variety of industries in which network can be a place to share innovation, to acquire knowledge, and to build collaboration.

## METHOD

The research took place in Muara Kuin Floating Market in Banjarmasin City, South Borneo, Indonesia. This research focused on the social capital network of floating market sellers in affecting their business resilience. This study was a quantitative research using survey method with all floating market sellers in Muara Kuin being the informants. The author employed questionnaire as the instrument of collecting primary data and documentation to collect supporting data in the form of photographs and field not. Validity and reliability tests were conducted to find out whether or not the questionnaire is valid and reliable. Informants were selected using census method, calculating the number of informants manually to ascertain the total number of floating market sellers, because the sellers come from many areas either inside or outside the city. A total of 50 (fifty) informants were employed,  $N = 50$ . Data analysis was conducted using a simple regression analysis with trust being independent variable (X) and business resilience being dependent variable (Y). The hypotheses proposed in this study are as follow:

Ho : There is no significant effect of networking on business resilience of floating market sellers. Ha : There is a significant effect of networking on business resilience of floating market sellers.

Data analysis was conducted with SPSS program help to avoid human error such as miscalculation, wrong product of calculation, and etc. The method employed in this study is expected to get product and to find out the size of effect of networking on business resilience of Muara Kuin floating market sellers in Banjarmasin City.

## FINDING AND DISCUSSION

Muara Kuin floating market is located in Banjarmasin City, Indonesia and trading activity was begun in Barito River. This market has been existing since 1530 AD and its position is always around Barito River and so many streams connected to Barito River. Floating market is one of trading places and these floating sellers come from many areas including local sellers coming from Banjarmasin City and those coming from the areas along Barito River. Floating market sellers start to assemble and do trading activity at 05.00 a.m. and after 07.00 a.m. they will do trading activity in other places and go from one stream to another. The products traded consist of vegetables, fish, fruit, rice, local craft, and traditional cake. Floating market sellers coming from the city can usually supply the product to the boats outside the area, while floating market sellers coming from outside city are usually farmers who want to sell their crop, so that they sell a variety of products including vegetable and fruit every harvest season.

**Table 1. Meeting and Interaction Frequency (family)**

No	Question	Result
1	Intensity of communication with close relative	Very often: 40% Often: 60% Occasionally: 0% Never: 0%
2	Intensity of communication with far relative	Very often: 0% Often: 34% Occasionally: 64% Never : 2%
3	Seeing the family	Very Often : 10% Often: 42% Occasionally: 48% Never: 0%
4	Going to some places along with family	Very Often : 2% Often 56% Occasionally: 42% Never: 0%

**Table 2. Communicating and Doing Activity along with Fellow Sellers of Floating Market**

No	Question	Result
1	Communicating with fellow sellers of floating market	Very Often: 20% Often: 76% Occasionally: 4% Never: 0%
2	Doing activity along with fellow sellers of floating market	Very Often: 4% Often: 74% Occasionally: 22% Never: 0%
3	Assembling with fellow sellers of floating market	Very Often: 14% Often: 70% Occasionally: 16% Never: 0%

**Table 3. Relationship and Trading Activity with Sellers outside Floating Market**

No	Question	Result
1	Communicating with seller coming from outside floating market	Very Often : 4%; Often: 72%; Occasionally: 18%; Never: 6%
2	Trading activity with sellers outside floating market	Very Often : 6%; Often: 54%; Occasionally: 30%; Never: 10%
3	Cooperation with sellers outside floating market	Very Often : 2%; Often: 56%; Occasionally: 32%; Never: 10%
4	Attending an association along with seller outside floating market	Very Often : 0%; Often: 56%; Occasionally: 32%; Never: 8%

**Table 4. Government and Sellers**

No	Question	Result
1	Communicating with government institution	Very Often : 0%; Often: 8%; Occasionally: 60%; Never: 32%
2	Government's aid	Very Often : 0%; Often: 2%; Occasionally: 74%; Never: 24%
3	Cooperation with sellers outside floating market	Very Often : 0%; Often: 4%; Occasionally: 56%; Never: 40%

Table above shows how the network is created by floating market sellers constituting those existing in their surroundings, from one individual to another, from whom the sellers can access a network

group. The network the sellers have starts with the one created by their family, from nuclear family consisting of their parents and elder or little siblings to relatives or their far family; the network established gives them access to the network the family has and thereby to the knowledge on trading their family obtained from their lifetime experience; capital grant includes financial one such as money loan, and access to boat and product supply from their family’s acquaintance consisting of boat manufacturers and product supplier to whom their family has subscribed. The network established with other individuals start with their interaction with friends, by which a friend builds network with other individuals coming from the network their friends have; benefit the sellers get includes access to information helping their business develops. Sellers also build network between fellow sellers, starting with establishing relationship between fellow sellers thereby giving a variety of accesses to information on supply, market price, and help from fellow sellers, consumers and fund grant in certain amount. Putnam [8] explained that social network can be created either formally or informally; the formally-created social network may include labor union, association, organization, and etc, while the informally-created one can be seen from a group assembling or having lunch in daily places, gossiping with neighbors, assembling along with family, and the similar, all of which are small investment of social network in social capital. Field [14] explained that the old network is considered as important to a successful business, particularly when they are on the early stages of business; therefore many people believe that network functions as important information so that it is very important in identifying and exploring business opportunity.

**Table 5. Persistence**

No	Question	Result
1	Asset when starting the business	> 2 million: 22% 1 million-2 millions: 32% 500 thousands – 1 million: 32% <500 thousands: 14%
2	Weekly income	> 750 thousands: 24% 500 thousands- 750 thousands: 16% 200 thousands – 500 thousands: 42% < 200 thousands: 8%
3	Decreased income	Very often: 2% often: 68% Occasional: 30%
4	Increased income	Very often : 12% often: 80% Occasional: 8%

**Table 6. Adaptability**

No	Question	Result
1	Commodity quantity today compared with that in the beginning of trading	Increases:16% Decreases: 62% Equal: 20% reduced: 2%
2	Selling commodities different from those usually sold	Very often: 4% Often 60% Occasional: 26% Never: 10%

3	Your commodity type when starting to trade	> 3 types : 40% 2 - 3 types: 34% 1 -2 types: 20% 1 type: 6%
4	Your commodity type when starting to trade	> 3 types: 40% 2 - 3 types: 42% 1 - 2 types: 14% 1 type: 4%

**Table 7. Transformability**

No	Question	Result
1	Trading in other markets than Muara Kuin River floating market	Very often : 8% Often: 44% Occasional: 24% Never 14%
2	Trading time when starting to trade	About 4 a.m.: 24% about 5 a.m.: 44% About 6 a.m.: 20% after 6 a.m.: 2%
3	Trading time today	About 4 a.m.: 24% about 5 a.m.: 42% About 6 a.m.: 22% about : 2%

Tables 5 through 7 show the business resilience of floating market sellers. Data shows the variation of asset the floating market sellers have when they started their business and their weekly income. The income is different between one seller and another; some sellers experience increase and some others do decrease in income. The floating market sellers’ adapting ability can be seen from how they fulfill the consumers’ need, the volume of product commodity when they start their business and today and the type of product commodities sold. The sellers also make some changes as indicated with those who conduct trading activity not only in Muara Kuin floating market but also in other places. Another change can be seen from their time of trading in the past when they started to trade for the first time and in the present.

In this section, the author shows the result of simple regression analysis using SPSS program indicating an effect of networking on business resilience of floating market sellers as shown in Table F and t.

**Table 8 Model Anova Networking**

Model	Sum Of Squares	df	Mean Square	F	Sig
Regression	7.757	1	7.757	9.027	.004 <sup>b</sup>
Residual	41.243	48	.859		
Total	49.000	49			

Table 1 shows F value indicating that Networking can be used to predict the effect of networking on business resilience of floating market sellers, at significance level of 0.004.

**Table 9 Coefficient Networking**

Model	Unstandardized Coefficient		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	1.022E-013	.131		.000	1.000
Zscore: Networking	.398	.132	.398	3.005	.004

Table 2 shows the result of t-test as shown in t-table at significance level of 0.004, if significance level under 0,05, meaning that there is a significant effect of independence variable X (Networking) on dependent variable Y (Resilience).

**Figure 1 The Effect of networking on Business Resilience**

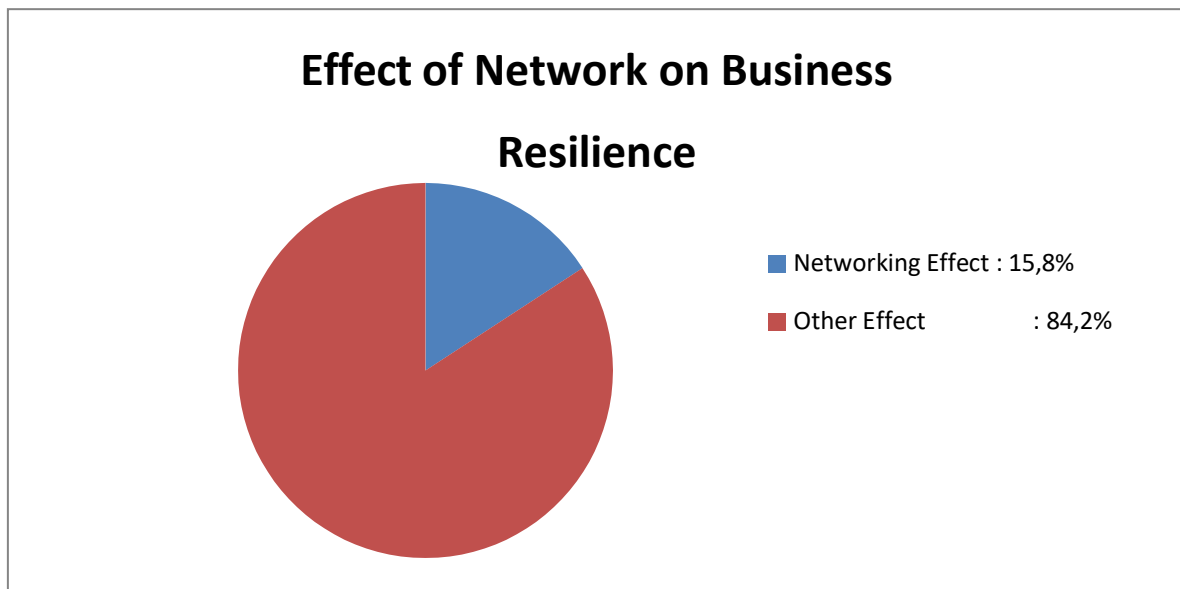


Figure 1 shows the size of the effect of independent variable X (Networking) on independent variable Y (Business Resilience) based on the output model summary resulting from SPSS analysis indicating the coefficient of determinacy (R Square) of 158. The coefficient of determinacy (R Square) of 0.158 is equal to 15.8%. Figure 1 shows that, based on the result of research Networking contributes to business resilience by 15.8%, while the rest of 84.2% is contributed by other factors. They may include trust, reciprocity belonging to social capital, and other social capitals such as economic capital including financial, resource, and etc.

**Table 10 Cross Tabulation**

		Business Resilience			Total
		Low	Medium	High	
Networking	Low		2 (4%)		2 (4%)

Medium	1 (2%)	36 (72%)	11 (22%)	48 (96%)
High				
Total	1 (2%)	38 (76%)	11 (22%)	50 (100%)

From cross tabulation, it can be seen the overall effect of networking on business resilience of floating market sellers. A total of 50 floating market sellers were studied in this research, with varying network levels and producing varying business resilience. Table 3 shows how the effect of networking on business resilience of floating market sellers is dominated by medium and high level. The data indicates that floating market sellers have dynamic and varying networking levels. The table shows 2 (4%) sellers have low networking level and 48 (96%) sellers have medium network level; it indicates that the networking level of floating market sellers is dominated with medium level. Meanwhile, in relation to business resilience, the table shows 1 (2%) sellers have low level, 38 (76%) have medium, and 11 (22%) have high level of business resilience. It can be summarized that out of 48 sellers with medium networking level, 1 (one) has low business resilience level, but 36 sellers with medium networking level also have medium business resilience level, and 11 sellers with medium networking level have high business resilience level. It indicates the variation of business resilience each of floating market sellers has.

**CONCLUSION**

The result of research showed how networking affects significantly the business resilience. It can be seen from the result of regression analysis indicating that networking of floating market sellers contribute to their business resilience by 15.8% and the rest is contributed by other factors. Networks built by Muara Kuin floating market sellers are the ones built in the environment where they live. It can be seen from how they build networking starting from close and far relative (family), followed with the network established between fellow sellers of floating market and their groups, with sellers outside floating market, and with government institution. These networks belonging to floating market affect business resilience consisting of 3 (three) aspects: persistence, adaptability, and transformability. From these three aspects of business resilience, it can be seen how the floating market sellers maintain their business, how they adapt to the change occurring in their environment, and how the floating market sellers make some changes in dealing with the change in Banjarmasin City. The networking obtained provides the floating market sellers a variety of accesses, as to access to product supplier, information on trading, information on consumers, and government help, and information on the place to do trading activity. The floating market sellers can survive amid the changes occurring due to technology advance and city development and develop their business by maintaining their connection to the networks they have built and develop the form of network into the better one, for example establishing the association of floating market sellers, and utilizing



technology to establish a group of fellow sellers with better and quicker access to information. Thus, the current of information, knowledge, and etc can flow easily from all floating market sellers affiliated with the group. From the result of research, it can be found that the networking of floating market sellers still dominantly relies on the relation-based networking rather than the complex one such as an inter-sellers organization.

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