



Comparative Study: Effectiveness of Marketing Campaigns in Traditional and Modern Retail

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Abstract: Digital transformation has changed consumer behavior in interacting and transacting with products and services, including in the retail sector. Consumers now tend to actively seek information and make purchases through digital platforms, encouraging modern retailers to adapt by utilizing social media, customer applications, and data-driven promotions. In contrast, traditional retailers still rely on conventional promotions and social proximity. This study aims to compare the effectiveness of marketing campaigns between traditional and modern retailers in Medan City. The method used was a qualitative comparative study approach. Data were collected through interviews, observations, and documentation, then analyzed using the SWOT technique with the IFAS and EFAS matrices. The results show that modern retailers are more effective in marketing campaigns because they are able to reach a wider market, customize promotions personally, and measure results in real time. Meanwhile, traditional retailers have advantages in customer loyalty and emotional connections, but have not yet optimally utilized technology. This study emphasizes the importance of traditional retailers to gradually integrate digital technology without abandoning the power of personal interactions, while modern retailers need to continue strengthening data-driven strategies to remain competitive.

Keywords: Traditional Retail; Modern Retail; Marketing Campaign.

Abstrak: Transformasi digital telah mengubah perilaku konsumen dalam berinteraksi dan bertransaksi dengan produk maupun layanan, termasuk di sektor ritel. Konsumen kini cenderung aktif mencari informasi serta melakukan pembelian melalui platform digital, mendorong ritel modern untuk beradaptasi dengan memanfaatkan media sosial, aplikasi pelanggan, dan promosi berbasis data. Sebaliknya, ritel tradisional masih mengandalkan promosi konvensional dan kedekatan sosial. Penelitian ini bertujuan membandingkan efektivitas kampanye pemasaran antara ritel tradisional dan modern di Kota Medan. Metode yang digunakan adalah kualitatif dengan pendekatan studi komparatif. Data dikumpulkan melalui wawancara, observasi, dan dokumentasi, kemudian dianalisis menggunakan teknik SWOT dengan matriks IFAS dan EFAS. Hasil penelitian menunjukkan bahwa ritel modern lebih efektif dalam kampanye pemasaran karena mampu menjangkau pasar yang lebih luas, menyesuaikan promosi secara personal, serta mengukur hasil secara real-time. Sementara itu, ritel tradisional memiliki keunggulan dalam loyalitas pelanggan dan hubungan emosional, namun belum optimal dalam pemanfaatan teknologi. Studi ini menekankan pentingnya bagi ritel tradisional untuk mulai mengintegrasikan teknologi digital secara bertahap tanpa meninggalkan kekuatan interaksi personal, sementara ritel modern perlu terus memperkuat strategi berbasis data agar tetap kompetitif.

Kata kunci : Ritel Tradisional; Ritel Modern; Kampanye Pemasaran.

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Introduction

The rapid advancement of digital technology has fundamentally transformed consumer behavior and business operations across sectors, including retail (Matondang, et al., 2025). In the digital era, consumers no longer depend solely on brick-and-mortar stores; instead, they increasingly rely on online platforms to search for information, compare products, and conduct transactions (Nurbaiti, N., Asmuni, A., Soemitra, A., Imsar, I., & Aisyah, 2023). This transformation is driven by wider internet access, digital payment systems, and greater trust in online transactions (Maharani, S, P & Kusuma, J, A, S, 2025). Consequently, retail businesses, both traditional and modern, are compelled to rethink their marketing strategies to remain competitive and relevant.

Traditional retailers, such as local markets and small grocery stores, continue to play an important socio-economic role in Indonesia. Their strength lies in personal interaction and social proximity, which foster consumer loyalty (Atikah, 2025). However, as digital penetration grows, traditional marketing approaches have become less effective in reaching technologically savvy consumers (Arif, Rokan, & Kumala, 2023). Meanwhile, modern retailers have successfully integrated digital marketing tools such as social media, online advertising, and data-driven personalization to enhance customer engagement and loyalty (Ariani & Nurcahyo, 2020). This divergence underscores a pressing question: how can both traditional and modern retail models sustain competitiveness within an increasingly digital marketplace.

Digital marketing enables retailers to reach wider audiences with measurable and cost-effective campaigns. Through data analytics and real-time monitoring, companies can optimize strategies based on consumer behavior (Rahma, Inda, Rahma, & Jannah, 2025). Nevertheless, technological sophistication alone does not guarantee marketing success. Effectiveness still depends on how well businesses understand and respond to consumer preferences, values, and trust (Putri, Bahas, & Yamit, 2022). In this context, the balance between technological adoption and human-centric relationships becomes a critical determinant of marketing performance.

Previous research confirms that digitalization has reshaped the marketing paradigm in retail. Studies by Fachrina & M.Nawawi, (2022); Dewi, et.al, (2023); Surya, et al, (2024) and Karniawati, Nurfatin, Cristian, & Karyana, (2023) found that digital marketing, supported by big data and algorithm-based personalization, enhances campaign efficiency and customer loyalty. Conversely, Husna et al., (2024);

Fadilah, (2024) and Wardani & Riyadi, (2022) emphasize that traditional retailers maintain competitiveness through emotional connection, price flexibility, and community trust, even when using simple digital tools such as WhatsApp or Instagram. These findings illustrate that both modern and traditional retailers have unique strengths that can complement each other.

However, despite these insights, most prior studies remain fragmented. Research on digital marketing largely centers on modern retail, while analyses of traditional retail often focus on relationship marketing without exploring its digital potential. There is still limited comparative research that evaluates how both models perform under similar digital influences or how traditional retailers can integrate digital tools without losing their personal touch. Likewise, modern retailers have not been sufficiently studied in terms of how they might adopt the relational and social proximity values characteristic of traditional markets to build deeper customer loyalty.

This research addresses these gaps by conducting a comparative analysis of marketing strategy effectiveness between traditional and modern retailers in Medan. The study specifically examines how digital transformation influences consumer engagement, marketing efficiency, and brand loyalty in both contexts. By identifying key success factors and challenges faced by each retail model, this research aims to propose a hybrid framework that combines technological innovation with relational marketing principles. Such a model is expected to guide retailers in achieving sustainable competitiveness within Indonesia's rapidly evolving digital economy.

Ultimately, this study contributes to the broader understanding of marketing adaptation in the digital era. It highlights that digital transformation should not be viewed merely as technological substitution but as a strategic integration between digital capability and human interaction. Through empirical evidence, this research seeks to provide practical insights for policymakers, retail managers, and entrepreneurs to design inclusive marketing strategies that leverage both digital tools and social capital. Therefore, the primary objective of this study is to compare the effectiveness of digital marketing campaigns between traditional and modern retailers in Medan, offering a comprehensive understanding of how both can coexist and thrive amid the dynamics of digitalization.

Methods

This study employed a qualitative approach with a comparative study design to examine the effectiveness of marketing campaigns in both traditional and modern retail settings in Medan City. The qualitative comparative method was chosen because it allows for an in-depth exploration of similarities and differences between two cases within their real-life contexts (Hardani. Ustiaty, 2017). The research was

conducted at two retail outlets representing different retail types: Toko Maju Bersama, as a traditional retail store, and Alfamidi SM. Raja 4 as a modern retail outlet.

Participants were selected using purposive sampling, focusing on individuals who possess direct knowledge and experience related to marketing and operational activities. A total of six participants were involved: 1) Three from Toko Maju Bersama (the owner, one employee, and one loyal customer), and 2) Three from Alfamidi SM. Raja 4 (a store manager, one cashier, and one regular customer). The inclusion criteria were: (1) actively involved in marketing or sales activities for at least one year, and (2) willing to provide detailed information about promotional practices and customer interactions.

Data were collected through three complementary techniques to ensure validity and depth of understanding: 1) Semi-structured interviews, conducted face-to-face and via recorded voice conversations lasting 30–45 minutes each. Interview guides contained open-ended questions focusing on marketing strategies, customer engagement, use of digital tools, and adaptation to digitalization. 2) Direct observations; carried out during store operational hours to observe physical layout, customer interaction, promotional displays, and the use of digital media (e.g., QRIS payments or WhatsApp promotions). Observations were recorded in field notes and supported by photos (with permission). 3) Documentation: included promotional materials, posters, screenshots of digital campaigns, and company brochures.

To ensure the credibility and reliability of data, several validation techniques were applied. Triangulation of sources, by comparing interview data with observation findings and documentation. Member checking, by confirming interview summaries with participants to verify accuracy. Peer debriefing, where interpretations and coding results were discussed with academic peers to reduce researcher bias. Thick description, ensuring contextual details were captured to enhance transferability. The analysis followed (Rahmani, 2022) interactive model consisting of: 1) Data reduction (summarizing, coding, and categorizing key themes from interviews and observations), 2) Data display (tabulating findings through matrices and comparative charts), and 3) Conclusion drawing and verification (interpreting meanings and identifying patterns).

To compare both retail types systematically, data from interviews, observations, and documents were processed through a SWOT analytical framework, consisting of four dimensions: Strengths, Weaknesses, Opportunities, and Threats. The analysis was operationalized through two matrices: 1) IFAS (Internal Factor Analysis Summary): to assess internal strengths and weaknesses such as marketing approaches, promotional tools, customer relationships, and operational systems. 2)

EFAS (External Factor Analysis Summary): to evaluate external opportunities and threats such as market trends, consumer behavior, and competition dynamics. Each factor identified from qualitative data was given a weight (0.0–1.0) based on its perceived importance and a rating (1–4) representing performance (1 = very weak to 4 = very strong). Weighting and scoring were carried out collaboratively by the researcher and validated through triangulation with two academic experts and one retail practitioner to minimize subjectivity. The final weighted scores (Weight × Rating) were calculated to determine the total IFAS and EFAS scores for each retail type. These totals formed the basis for comparing internal and external conditions systematically and identifying which retail model demonstrated higher marketing effectiveness.

Results And Discussion

Result

SWOT Findings from Quantitative Analysis

Traditional Retail

The IFAS and EFAS matrices were constructed based on data collected through observation, documentation, and interviews. Each internal and external factor was evaluated through a collaborative weighting process involving the researcher, two academic experts, and one retail practitioner to ensure objectivity. Each factor received a weight (0.0–1.0) representing its relative importance and a rating (1–4) reflecting performance level. The weighted scores (Weight × Rating) were then validated through triangulation with field data and interview findings.

Table 1.

IFAS and EFAS Matrix for Traditional Retail (Toko Maju Bersama)

No	Factor	Type	Weight	Rating	Score
1.	Strong personal relationships	Strength	0.30	4	1.20
2.	Flexible pricing	Strength	0.25	3	0.75
3.	Not utilizing social media	Weakness	0.25	2	0.50
4.	Lack of promotional innovation	Weakness	0.20	2	0.40
Total Score IFAS					2.85
1.	Digital market potential	Opportunity	0.30	3	0.90
2.	Local community support	Opportunity	0.25	4	1.00
3.	Competition from modern retail	Threat	0.30	2	0.60
4.	Online shopping trends	Threat	0.15	2	0.30
Total Score EFAS					2.80

Source: Primary data processed by researchers (2025)

The total IFAS score of **2.85** shows that traditional retail has fairly strong internal conditions, dominated by social proximity and flexible pricing strategies. The EFAS

score of **2.80** indicates that while external threats are considerable, local community support and digital market growth still provide significant opportunities.

Modern Retail

The same weighting and validation process was applied for Alfamidi SM. Raja 4. Expert validation was performed to ensure comparability and to reduce bias in score determination.

Table 2.
IFAS and EFAS Matrix for Modern Retail (Alfamidi SM. Raja 4)

No	Factor	Type	Weight	Rating	Score
1.	Utilization of social media	Strength	0.30	4	1.20
2.	Integrated promotion system	Strength	0.30	4	1.20
3.	Technology dependency	Weakness	0.20	2	0.40
4.	High operational costs	Weakness	0.20	2	0.40
Total Score IFAS					3.20
1.	E-commerce growth	Opportunity	0.35	4	1.40
2.	Changing consumer behavior	Opportunity	0.25	4	1.00
3.	Price competition from small retailers	Threat	0.25	3	0.75
4.	Technology risks/system errors	Threat	0.15	2	0.30
Total Score EFAS					3.45

Source: Primary data processed by researchers (2025)

Modern retail achieved higher total scores (IFAS = 3.20, EFAS = 3.45), reflecting strong internal capabilities and a proactive response to market opportunities. The results confirm superior adaptability in digital transformation and marketing efficiency compared to traditional retail.

To complement SWOT scoring, interview data were coded thematically based on the four SWOT dimensions. This separation allows readers to distinguish between quantitative matrix results and qualitative field insights.

Strengths and Potential of Emotional Marketing

One of the main strengths of traditional retail lies in close personal relationships with customers. Many businesses know their customers personally, even through family ties. *"I know my customers individually. When they come to the store, they sometimes don't just buy, they also chat."* (Interview with Mr. Ahmad Rifai, Grocery Seller, 2015). This presents great potential for emotional and local community-based marketing campaigns, where trust and long-term relationships are selling points. Furthermore, flexible pricing is a competitive advantage that can be highlighted in marketing communications. *"We can adjust prices, especially for repeat customers. We're flexible because they're like family."* (Interview with Mr. Ahmad Rifai, Grocery Seller, 2015)

Interviews with Alfamart cashiers revealed that one of the key strengths in implementing marketing strategies is the integrated promotional system from the central office. Cashiers play a role in consistently communicating promotional information directly to customers. *"Every week, there are new promotions, usually notified through the group or directly by our supervisors. Promotions can include discounts, buy two get one free, or points redeemed through the Alfagift app."* (Interview with Ms. Dinda, Alfamart cashier, 2015). Cashiers also actively promote the use of the Alfagift app, one of Alfamart's primary digital marketing tools, to foster customer loyalty. *"If customers don't have the Alfagift app, I usually offer it. I tell them they can get special discounts or collect shopping points."* (Interview with Ms. Dinda, Alfamart cashier, 2015)

Furthermore, the service provided by cashiers tends to be consistent, friendly, and up to standard, thus strengthening the image of modern retail professionalism in the eyes of customers.

Weaknesses and Barriers to Digital Promotion

Despite their advantage in close contact with consumers, traditional retailers generally don't understand the importance of digital promotion. Marketing strategies remain conventional and lack innovation. *"When it comes to promotions, I still use the old methods, at most putting up discount paper in front of the store."* (Interview with Mr. Ahmad Rifai, Grocery Seller, 2015). Lack of digital literacy prevents them from maximizing the use of social media, e-commerce, or messaging apps in marketing campaigns. *"My son once mentioned selling via WhatsApp or Instagram, but I'm not used to using them yet."* (Interview with Mr. Ahmad Rifai, Grocery Seller, 2015)

Meanwhile, interviews with Alfamart employees revealed several weaknesses in marketing practices in the field. One of these is a reliance on technology systems, where cashiers experience difficulties when the promo system isn't working properly. *"Sometimes the app is there, but when I go to pay, the promo doesn't appear. So I apologize first, then contact my superior or help with manual input if possible."* (Interview with Ms. Dinda, Alfamart cashier, 2015). Furthermore, cashiers also face challenges when explaining promotions to customers who are unfamiliar with digital technology, particularly the Alfagift app. *"There are also customers who say they're lazy about using the app. They just want the discount straight away without any hassle. I explain it slowly, but not everyone is willing to follow through."* (Interview with Ibu Dinda, Alfamart cashier, 2015)

Opportunities for Digitalization and Collaboration

Digitalization opens up significant opportunities for traditional retailers to expand their markets through digital campaigns. Several businesses that have already been introduced to digital marketing have shown strong interest. *"If someone teaches me how to promote online, I'm interested. They say I can sell more widely, not just in*

this village." (Interview with Mr. Ahmad Rifai, Grocery Seller, 2015). Local community support and MSME training have also helped some vendors introduce their products on social media. *"There was an MSME community event, and they helped us take product photos and post them on social media. Many people learned about my shop from there."* (Interview with Mr. Ahmad Rifai, Grocery Seller, 2015)

In terms of opportunities, Alfamart cashiers see a shift in shopping behavior toward digital, which can be leveraged through app-based promotions and the company's social media presence. *"Many customers also ask about promotions via their phones, so it's easier now that I'm using Alfagift. I can immediately see current discounts."* (Interview with Ms. Dinda, Alfamart cashier, 2015). The demand for fast and personalized digital services presents a significant opportunity to continue strengthening Alfamart's digital marketing at the store level, especially through direct customer education from cashiers. *"If possible, we'd be given more regular training on the app's promotional features. It would also make it easier to explain things to customers who are using it for the first time."* (Interview with Ms. Dinda, Alfamart cashier, 2015)

Threats and Changes in Consumer Shopping Patterns

However, the rapid trend of digitalization and changes in people's lifestyles, especially those of the younger generation, pose a real threat. The new generation is more comfortable shopping online and tends to prioritize convenience and efficiency. *"Nowadays, young people prefer shopping through apps, even though prices are negotiable here."* (Interview with Mr. Ahmad Rifai, Grocery Seller, 2015). Furthermore, the expansion of modern retail with aggressive marketing campaigns, discount programs, and modern shopping facilities has left traditional retail increasingly behind. *"Every month, more and more new minimarkets open. Ours is increasingly quiet, because they have big promotions and cool places."* (Interview with Mr. Ahmad Rifai, Grocery Seller, 2015)

However, in its implementation, modern retail, as Kasih explained, also faces external challenges, particularly from high customer expectations for speed and accuracy of service. When the system doesn't work smoothly, this can lead to complaints and decreased satisfaction. *"Once, the promotion didn't appear in the system, and customers were disappointed. We had to explain it clearly to keep them patient."* (Interview with Ms. Dinda, Alfamart cashier, 2015). Furthermore, Alfamart also faces competition from traditional retailers that don't use apps and offer direct pricing without digital requirements, leading some customers to compare prices directly. *"Sometimes people say the shop next door is cheaper. But I explain that they also have promotions here if you use the app."* (Interview with Ms. Dinda, Alfamart cashier, 2015)

Comparative SWOT Summary

Table 3.
Comparative SWOT Matrix of Traditional and Modern Retail

Aspek	Ritel Tradisional	Ritel Modern
Strengths	1. Close personal relationships with customers 2. Flexible pricing 3. Family-like service 4. Adaptability to local socio-economic conditions	1. Maximizing social media utilization 2. Integrated digital promotion system 3. Utilizing customer databases for personalization 4. Consistent and professional customer service standards
Weaknesses	1. Minimal promotional innovation 2. Low utilization of information technology 3. Limited market reach	1. High dependence on technology 2. High operational costs (electricity, human resources, infrastructure)
Opportunities	1. Potential market expansion through digitalization 2. Support from local communities 3. Potential collaboration with e-commerce platforms	1. Rapid growth of e-commerce 2. Shifting consumer behavior toward digital 3. Increasingly sophisticated marketing technology (AI, big data)
Threats	1. Competition from modern retail and marketplaces 2. Changes in the shopping habits of the younger generation 3. Rapid digitalization trends	1. Price competition with small retailers 2. Risk of technological system errors 3. Increasingly high and complex customer expectations

Source: Primary data from researchers (2025)

Table 3 compares the internal and external strategic factors of traditional and modern retail in Medan City, highlighting their contrasting strengths and competitive dynamics in facing digital transformation. Traditional retailers depend on emotional marketing through close customer relationships, flexible pricing, and personal service that foster loyalty among lower- to middle-income consumers. Meanwhile, modern retailers excel in technological integration and data-driven marketing, utilizing social media and digital platforms to deliver consistent, personalized promotions across wider markets.

Traditional retail weaknesses lie in limited digital literacy and narrow market reach, while modern retail faces challenges of technology dependence and high operational costs. Both types, however, share opportunities from ongoing digitalization of traditional retailers through MSME training and simple online tools,

and modern retailers through e-commerce growth and advanced marketing technologies.

Threats differ for each: traditional retailers risk losing younger consumers to online shopping, while modern retailers confront price competition, system failures, and rising consumer expectations. Overall, the matrix indicates that although modern retailers dominate in digital marketing effectiveness, traditional retailers' relational strengths remain valuable. A hybrid strategy combining social connection and technological innovation could ensure sustainable competitiveness in Medan's retail sector.

Based on an integrated analysis of quantitative SWOT matrices (IFAS-EFAS) and interview data, this study reveals a marked contrast, yet potentially complementary, between the marketing effectiveness of traditional and modern retail in Medan. Modern retail, represented by Alfamidi SM. Raja 4, demonstrates higher marketing effectiveness thanks to the systematic use of digital platforms, integrated promotional systems, and customer data analytics. These factors enhance marketing precision, campaign measurement, and customer engagement, resulting in greater efficiency and broader market reach. Its total IFAS and EFAS scores (3.20 and 3.45, respectively) confirm strong internal capabilities and superior adaptability to digital transformation. In contrast, traditional retail, represented by Toko Maju Bersama, still relies heavily on relationship-based marketing, emphasizing emotional closeness, service flexibility, and customer trust. Although its total IFAS score (2.85) and EFAS score (2.80) indicate moderate competitiveness, this relationship strength remains vital social capital in retaining loyal customers. However, a lack of digital literacy and promotional innovation limits their ability to penetrate new market segments and respond to digitally oriented consumer preferences.

The comparison results show that each type of retail excels in different dimensions: modern retail excels in digital integration and efficiency, while traditional retail excels in personal trust and local engagement. Both face weaknesses in technology reliance in modern retail and innovation inertia in traditional retail that must be strategically addressed to maintain long-term growth. Ultimately, these findings emphasize the need for a hybrid marketing approach, combining the emotional engagement and trust of traditional retail with the digital agility and data-driven strategies of modern retail. Such integration will enable retailers to maintain human-centric connections while optimizing digital platforms for promotions, customer service, and loyalty programs. These conclusions form the basis for the subsequent discussion section, which will critically interpret these findings in light of theory and previous studies, and outline practical implications for developing inclusive and adaptive retail marketing strategies in Indonesia's digital economy.

Discussion

The findings reveal a dynamic and contrasting landscape between traditional and modern retail in Medan City, shaped by cultural habits, digital literacy gaps, and evolving consumer expectations. In general, modern retail demonstrates superior performance in digital marketing effectiveness, primarily due to its capacity to integrate multiple technologies such as social media analytics, e-commerce platforms, and CRM systems into a cohesive data-driven strategy. This integration enables real-time personalization and measurable campaign outcomes, strengthening customer engagement among tech-savvy and urban populations. Conversely, traditional retailers remain reliant on direct, emotional interaction strategies that, while limited in scalability, continue to yield strong customer loyalty among lower- and middle-income communities who prioritize trust and social proximity over technological sophistication (Fachrina & M.Nawawi, 2022).

Interestingly, the research uncovered a contradiction between perceived digital superiority and local consumer loyalty patterns. Despite the efficiency of digital marketing, modern retailers like Alfamidi still face difficulty replicating the personal warmth and trust-based transactions found in small-scale traditional shops. This finding challenges the assumption that digitalization automatically ensures consumer loyalty; in the Medan context, relational capital shaped by kinship values and neighborhood familiarity remains a decisive factor in purchasing behavior. Hence, the dominance of modern retail in the digital domain coexists with the enduring resilience of traditional retail's social capital.

From the SWOT analysis, traditional retailers such as *Toko Maju Bersama* show strong internal strengths, personalized service (score 1.20), and flexible pricing (score 0.75) reflected in an overall IFAS score of 2.85. However, digital adoption remains minimal (score 0.50), and innovation in promotion is weak (score 0.40). A key reason behind this pattern is not simply resistance to technology but structural constraints, such as limited access to digital infrastructure, low marketing literacy, and financial limitations preventing investment in online tools. These findings echo (Kaswinata, Harahap, Nawawi, & Syahputra, 2023), who noted that Indonesian micro retailers survive crises through price adaptation and social proximity rather than technological innovation.

A surprising finding emerged regarding adaptability: while traditional retailers struggle with digital skills, they exhibit high contextual intelligence in responding to local purchasing power. For instance, *Toko Maju Bersama* adjusts product sizes and payment flexibility to align with community needs, a form of "micro-adaptation" that digital platforms cannot easily replicate. This suggests that modernization should not be equated with total digitization; instead, selective integration of simple digital tools (e.g., WhatsApp Business, Instagram, or e-wallet QR codes) could

strengthen traditional retailers without undermining their core relational advantage (Arista, Hermawan, & Sukmono, 2022); (Hasibuan & Waizul, 2022).

On the other hand, the analysis of *Alfamidi SM. Raja 4* shows how modern retail leverages digital integration to achieve operational efficiency and market expansion. With an IFAS score of 3.20 and EFAS of 3.45, Alfamidi benefits from technological investment ranging from QRIS, loyalty apps, and automated cashier systems to attract young urban consumers who prioritize convenience and personalization. However, interviews revealed that this model also generates a new form of dependency on digital ecosystems (e.g., app maintenance and data privacy management), which may become a double-edged sword in sustaining long-term competitiveness.

The concept of *phygital retail* blends physical presence with digital touchpoints (Seputri & Yafiz, 2022) explains why this hybrid approach thrives in Medan's semi-urban context, where consumers enjoy face-to-face interaction but also expect the speed of online convenience. Yet, this model risks alienating traditional shoppers who lack digital literacy, underscoring the importance of inclusive transformation strategies that do not marginalize non-digital consumers.

In contrast, traditional retailers maintain a cultural embeddedness that modern retailers struggle to emulate. Their shops often function as informal community spaces where social exchange and trust are as vital as transactions. Thus, while modern retailers excel in efficiency and data analytics, traditional retailers retain a moral and social dimension that anchors their relevance in the local market. This duality underscores that competitiveness in Medan's retail ecosystem is not determined by technology alone but by how well each model aligns with the city's socio-economic fabric.

The practical implications and recommendations of this research are that traditional retailers can adopt a hybrid adoption strategy through a gradual digital transformation that integrates simple, low-cost technologies. Examples include the use of WhatsApp Business for customer communication, QRIS-based e-wallets for easier payment transactions, and Facebook Marketplace for local product promotion. This gradual and affordable approach allows traditional retailers to gain digital visibility without requiring significant financial investment in complex e-commerce infrastructure. Thus, they can maintain the value of personalized service while increasing their market reach and competitiveness in the digital age.

Another important implication lies in the development of collaborative digital platforms. Local governments, cooperatives, or community-based organizations can play a facilitative role by establishing digital training centers for small and traditional retailers. These centers can provide practical workshops on social media usage, online transaction management, or the creation of joint online catalogs. Furthermore,

community-based delivery systems can be introduced to support close-mile distribution for small retailers, collectively strengthening digital competitiveness while fostering a spirit of collaboration among local businesses.

For modern retailers, consumer inclusion is a crucial consideration. Despite the advantages of digital technology, not all consumers, especially the elderly or low-income segments, are comfortable with app-based or cashless transactions. Therefore, modern retailers must maintain physical interaction channels, such as in-store customer service or manual payment options, to ensure inclusivity. Furthermore, improving app accessibility features such as simplified interfaces or multilingual support can prevent the marginalization of less tech-savvy consumers, thus ensuring equitable participation across various customer groups.

Furthermore, strategic rebranding is recommended for traditional retailers as a way to differentiate themselves in the competitive retail market. By leveraging their relational strengths, such as trust, personal interactions, and community connections, traditional retailers can position themselves through "personal touch branding," which emphasizes authenticity, familiarity, and empathy as their unique value proposition. This approach can effectively offset the impersonality often associated with digital transactions while maintaining customer loyalty rooted in social trust and cultural familiarity.

Limitations: This research focuses only on two case examples: Maju Bersama and Alfamidi SM. Raja has 4 stores, which may not fully represent the diversity of retail structures and strategies in Medan. Furthermore, this study relied primarily on qualitative data obtained from observations and interviews, which may introduce subjectivity in interpreting the findings. Therefore, future research is recommended to employ a mixed-methods approach that combines qualitative depth with quantitative validation, such as using consumer perception surveys or performance metrics analysis.

Further research could also broaden its scope by conducting comparative analyses across multiple cities or between rural and urban retail environments to better capture variations in digital transformation influenced by local culture, economic capacity, and consumer behavior. Exploring these differences will contribute to a more comprehensive understanding of how digitalization intersects with social structures and cultural values within the Indonesian retail ecosystem, thus guiding more inclusive and context-sensitive retail development strategies in the future.

Conclusion

This study found that marketing campaign effectiveness in modern retail is significantly higher than that of traditional retail in the digital era. Modern retailers such as Alfamidi SM Raja 4 are able to optimally utilize digital technology through the use of promotional applications (AlfamidiKu and Alfacart), cashless payment

systems, social media, and data-driven customer loyalty programs (Ponta Points). This approach makes the marketing process more efficient, personalized, and measurable. In contrast, traditional retailers such as Toko Maju Bersama still rely on conventional approaches such as word-of-mouth promotion and emotional connections with customers. Despite their strengths in social proximity and price flexibility, limited digital literacy and a lack of promotional innovation are major obstacles to competing in an increasingly digitalized market.

This study contributes to academics by presenting a comprehensive comparative analysis of traditional and modern retail in the context of marketing campaign effectiveness in the digital era. The study's results enrich marketing studies by introducing the concept of a hybrid approach, namely the integration of the relational strengths typical of traditional retail with data-driven strategies and digital technology that characterize modern retail. This approach can serve as a new theoretical model in developing contextual marketing strategies for small and medium-sized businesses, while also broadening perspectives in the study of digital consumer behavior and strategic marketing adaptation in the era of digital transformation.

This study has several limitations that should be considered. First, the research focused on only two retail outlets in Medan City, so the results cannot be generalized to all of Indonesia. Second, the approach used was qualitative and descriptive, so the effectiveness of the marketing campaign could not be measured quantitatively or statistically. Third, the data obtained relied on informant perceptions and field observations, which were limited to a specific time period. Therefore, further research is recommended using a mixed methods approach involving a larger sample size and assessing the direct impact of digital strategies on customer loyalty and sales growth across various retail outlets.

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