

Analysis of the Impact of Tavip Market Development on Regional Development and Agricultural Product Distribution in Binjai City

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Abstract

This study aims to analyze the impact of Tavip Market development in Binjai City on regional development and the distribution of agricultural products in Tanah Seribu Village, South Binjai District. The development of traditional markets is considered not only as an economic transaction center but also as a driver of regional growth and community welfare. The research method used is a quantitative approach through field surveys involving questionnaires and interviews with traders, farmers, and local residents. Data were analyzed using descriptive and inferential statistics to test the relationships between variables. The results show that Tavip Market development significantly affects the effectiveness of agricultural product distribution by shortening the supply chain, increasing farmers' market access, and supporting local economic activities. Furthermore, the market positively contributes to regional development through infrastructure improvements, MSME growth, and job creation. This study concludes that traditional market development can serve as a strategic approach to strengthening agricultural product distribution while promoting regional development. The practical implications highlight the need for sustainable local government policies in revitalizing traditional markets to reinforce the local economy.

Keywords: Tavip Market, Regional Development, Agricultural Product Distribution, MSMEs.

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Introduction

Market development is one of the main pillars in supporting regional economic growth, particularly in urban areas that rely on agricultural products as the foundation of community livelihoods. Traditional markets not only serve as economic transaction centers but also play a strategic role in strengthening supply chains, improving farmers' welfare, and supporting regional development [1]. In Indonesia, revitalizing traditional markets has become one of the government's priorities to reduce distribution inefficiencies and increase competitiveness against modern markets [2].

Previous studies have shown that market infrastructure improvement significantly affects local economic performance. According to Chaerul Rizky et al. [3], traditional markets encourage regional economic inclusivity by providing wider market access for farmers and MSMEs. Similarly, Anwar and Rahayu [4] emphasized that market facility development strengthens agricultural product distribution channels while stimulating job creation. However, many markets still face structural challenges such as poor facilities, limited access to financing, and weak adaptation to digitalization [5].

Most previous research focused on the economic impact of traditional markets at the micro level—such as farmers' income or consumer behavior [6]—while the direct relationship between market development, agricultural product distribution, and regional development has not been extensively explored. This gap is crucial since the sustainability of agricultural products in urban markets directly affects food security and the economic balance between urban and rural areas [7].

The novelty of this study lies in its integrated analysis linking Tavip Market development in Binjai City not only to agricultural product distribution but also to broader dimensions of regional development. Unlike earlier studies that separated these aspects, this research examines their interconnection holistically.

Based on the above background, the research problem is formulated as follows: how does Tavip Market development affect the distribution of agricultural products and its contribution to regional development in Binjai City? Therefore, the objective of this study is to analyze the impact of Tavip Market development on agricultural product distribution and regional development in Binjai City, aiming to provide policy recommendations for local governments in strengthening traditional market revitalization strategies.

Literature Review

2.1 Traditional Market Development

The development of traditional markets is one strategy to strengthen local economies by providing an interactive space between producers, traders, and consumers [1]. According to Kasmir [2], markets function as economic growth centers that enhance the distribution of goods and services. A study by Rizky and Rahayu [3] emphasized that traditional market development improves agricultural product accessibility while boosting microeconomic activities in surrounding area.

2.2 Agricultural Product Distribution

Agricultural product distribution is the process of delivering products from producers (farmers) to consumers through various marketing channels [4]. The effectiveness of

distribution is influenced by infrastructure, distribution intermediaries, and competitive pricing [5]. Anwar et al. [6] stated that traditional markets facilitate agricultural product distribution by shortening supply chains and offering fairer prices to farmers.

2.3 Regional Development

Regional development generally involves efforts to improve community welfare through resource optimization, infrastructure development, and economic capacity enhancement [7]. Hasibuan [8] explained that markets act as growth catalysts by creating economic centers that attract investment and promote MSME expansion. Furthermore, Ferine et al. [9] revealed that market development strengthens regional economic structures and reduces income inequality among communities.

2.4 Interrelationship among Variables

The relationship between traditional market development, agricultural product distribution, and regional development is mutually reinforcing. Market development promotes distribution efficiency, which in turn strengthens the local economy and accelerates regional development [10]. Nonaka and Takeuchi [11] also highlighted the importance of collective knowledge in enhancing institutional market capacity to achieve sustainable development.

Research Methodology

3.1 Research Design

This study employs a quantitative research design with a survey method to analyze the impact of Tavip Market development on regional development and agricultural product distribution in Binjai City. The quantitative approach was chosen to statistically test hypotheses and examine causal relationships between variables [1].

3.2 Research Location and Population

The study was conducted in Tanah Seribu Village, South Binjai District, Binjai City, focusing on areas surrounding Tavip Market. The population includes farmers, traders, and local residents involved in agricultural product distribution activities. The total population is estimated at 500 individuals directly engaged in market economic activities [2].

3.3 Sampling Technique

The sample size was determined using Slovin's formula with a 5% margin of error, resulting in 222 respondents. The sampling technique used was proportional random sampling to ensure representation from farmers, traders, and consumers [3].

3.4 Data Collection Techniques

Data were collected from both primary and secondary sources. Primary data were obtained through structured questionnaires distributed to respondents and semi-structured interviews with key stakeholders. Secondary data were gathered from official documents, government reports, and prior studies on market development and agricultural distribution [4].

3.5 Data Analysis Methods

Data analysis employed descriptive statistics to profile respondents and inferential statistics using multiple linear regression to test the influence of market development on agricultural product distribution and regional development [5]. Statistical analyses were conducted using SPSS version 26. Reliability and validity tests ensured the accuracy of

measurement instruments, while classical assumption tests (normality, multicollinearity, and heteroscedasticity) were performed before hypothesis testing [6].

Results

The findings indicate that Tavip Market development in Binjai City significantly affects both agricultural product distribution and regional development. Based on multiple linear regression analysis, the results reveal that market development positively contributes to improving agricultural distribution efficiency. Farmers reported shorter supply chains, reduced dependence on intermediaries, and higher selling prices for their products, leading to increased income stability. These findings align with Anwar et al. [6], who highlighted that expanding market access through infrastructure improvements directly supports farmers' welfare.

Regarding regional development, Tavip Market revitalization has stimulated local MSME growth, improved urban infrastructure, and expanded employment opportunities. The results show that 72% of respondents agreed that market development contributed to local business growth, while 68% confirmed significant improvements in transportation and supporting facilities. This aligns with Hasibuan [8], who stated that markets serve as urban development catalysts by attracting investment and stimulating the circulation of goods and services.

The study also found that the integration of distribution and regional development creates a reinforcing cycle: efficient distribution channels support regional economic growth, while improved regional infrastructure facilitates a more efficient agricultural supply chain. This supports Nonaka and Takeuchi's [11] argument that institutional and knowledge-based capacity building is essential for sustaining local development.

From a scientific perspective, these findings highlight what happens—enhanced distribution and regional development; why it happens—due to infrastructure improvements, supply chain efficiency, and strengthened farmer–market linkages; and how the change occurs—through shortened distribution chains, better facilities, and local economic empowerment.

This research contributes novelty by integrating market development, agricultural product distribution, and regional development into a single framework. Practically, it provides insights for local governments to design sustainable market revitalization policies, while scientifically enriching the literature with an empirical model of market-driven regional development..

Table 1. Regression Analysis of Market Development Impact on Agricultural Distribution and Regional Development

Variable	Coefficient (β)	t-Statistic	Sig. (p-value)
Market Development → Distribution	0.462	7.895	0.000
Market Development → Regional Development	0.531	8.412	0.000
Distribution → Regional Development	0.298	5.217	0.001
Adjusted R²	0.642		

Conclusion

The study concludes that Tavip Market development in Binjai City has strengthened agricultural product distribution while accelerating regional development. Market revitalization has improved supply chain efficiency, expanded farmers' access to buyers, and created fairer pricing mechanisms. These improvements directly contribute to increased agricultural producers' income and stimulate economic activity in surrounding areas. Moreover, Tavip Market plays an essential role as a regional economic hub by supporting MSME growth, enhancing infrastructure, and creating employment opportunities.

The findings imply that when managed strategically, traditional market development can serve not only as a trading venue but also as a catalyst for urban and regional transformation. This study contributes to understanding how market revitalization policies can align with sustainable agricultural distribution and spatial planning. Future studies should explore the integration of digital market platforms and conduct comparative studies with modern retail systems to broaden insights into strengthening local economic resilience.

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