A Study on Traditional Market Decline and Revitalization in Korea
- Improving the Iksan Jungang Traditional Market -

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Abstract
Traditional markets have played essential roles in local distribution in Korea, but such roles have declined as large department and discount stores have appeared, providing convenient parking and various services in new town centers. Dramatic changes in distribution, diet, and lifestyle are other reasons for the traditional market decline, which has also caused the local economies to decline. Recently, however, some traditional markets are trying to overcome these challenges through localized marketing strategies and improvements in traditional brands, marketplaces, product quality, and distribution efficiency. They are not only providing improved local distribution to residents and visitors, but are also promoting urban regeneration as cultural centers. This study analyzes traditional markets that successfully revitalized through various methods, conducts a literature review to investigate floor plans, photos, and statistical data, and creates case studies by visiting specific markets. We selected five successful traditional markets to study their utilization of space and revitalization methods. We also analyzed previous case studies similar to ours. We then selected a severely declining traditional market in a small city to analyze the status of its basic elements, such as its complex buildings, usage, and spatial characteristics, and finally, to propose a method to revitalize it.

Keywords: traditional market; market decline; market revitalization; culture; signage; group marketing

1. Introduction

1.1 Research Background and Purpose
The local traditional markets in South Korea used to play very important roles in local distribution, but they no longer function in this way. There are many reasons for the decline of these traditional markets; their facilities are very old, distribution systems, dietary, and other lifestyles have changed dramatically, and many department stores and massive discount stores have appeared all over the country. Consequently, the decline of traditional markets is also leading to the decline of local economies. The Small Enterprise and Market Service organization examined the total number of active traditional markets and their annual profits in South Korea from 2006 to 2013; in that time, the number of markets decreased from 1,610 to 1,502 (see Table 1.), and profits also decreased. On the other hand, nearby large marts, department stores, supermarkets, convenience stores, and online-based stores increased profits during this same time frame (see Table 2.). Traditional markets are usually adjacent to local residential areas, and have shaped the communities in which those cities' cultural characteristics are well represented. Therefore, visitors to those cities often visit traditional markets to experience the local life and culture.

Table 1. Total Number of Traditional Markets in South Korea

| Year | 2006 | 2008 | 2010 | 2012 | 2013 |
|------|------|------|------|------|------|
| Number | 1,610 | 1,550 | 1,517 | 1,511 | 1,502 |

Table 2. Total Gross Sales of Traditional Markets in South Korea (Unit: trillion won)

| Item          | 2010 | 2011 | 2012 | 2013 |
|---------------|------|------|------|------|
| Traditional Market | 21.4 | 21.0 | 20.1 | 19.9 |
| Large Store    | 38.0 | 42.1 | 44.2 | 45.1 |
| Department Store | 24.7 | 27.5 | 29.0 | 29.7 |
| Supermarket    | 29.9 | 32.4 | 34.0 | 35.8 |
| Convenience Store | 7.8  | 9.2  | 10.8 | 11.7 |
| Non-Store Retailer | 29.1 | 32.2 | 35.8 | 38.4 |

Recently, a number of traditional markets have tried to use their advantages to compete with the larger stores. In other words, they aim to attract visitors and residents by displaying their unique culture, creating locally specialized strategies, improving their image,
product quality, distribution efficiency, and their use of space to revitalize their traditional markets.

In this study, based on a review and analysis, we propose a method to revitalize a traditional market.

1.2 Research Range and Methods

To suggest a method to revitalize traditional markets, we selected the five most successful traditional markets and visited them to analyze their spatial organization and methods of revitalization. We also conducted literature reviews of previous studies on the revitalization of traditional markets. Additionally, we selected a traditional market in a severely declining small to medium-sized city with a population between 0.3 to 0.35 million. We studied the basic elements of this traditional market such as its buildings, use, and the spatial characteristics of the business in the market. Finally, we analyzed its decline and proposed a method to revitalize this traditional market.

Table 3. Literature Review of Previous Studies

| Author          | Year | Research Area                                               |
|-----------------|------|-------------------------------------------------------------|
| Ki Cheol Song   | 2012 | The Significance of Traditional Markets and Methods of Vitalizing Them Based on Case Studies |
| Hyo Jin Jung    | 2014 | Case studies of space utilization for amenities and cultural facilities in traditional markets and study on the utilization of rooftop spaces |
| Creative, Inc.  | 2014 | Plans to revitalize traditional markets and shopping districts |

2. Theoretical Considerations

2.1 Definition of the Traditional Market

The traditional shopping district is a dense shopping area of agricultural and marine products, meat packing, clothes, and other wholesale and retail goods. The market is usually categorized into three types, depending on its geographic range; namely, regional, local, and neighborhood. The market can also be categorized according to when it is open: daily or periodically (every 5 days). The traditional markets are usually located at the center of transportation hubs, where there are local residents, and where there are cultural activities in the cities. However, these traditional districts lack amenities and parking lots, and are not sensitive to changing consumer demands.

2.2 Current Efforts to Revitalize Traditional Markets

There are two main government projects to revitalize traditional markets: the modernization of facilities in traditional markets and the innovative management of traditional markets. The modernization project has improved the physical environment at 1,084 traditional markets by building entry ramps, improving arcades, adding parking lots, and other amenities. The innovative management project enabled ICT-based transactions, better management strategies, and marketing and advertising through innovative management courses for merchants. However, because the characteristics of each traditional market were not thoroughly considered in these projects, such measures were not enough to attract the numbers of customers needed for revitalization. Thus, the lesson learned was that there is a need to consider the characteristics of each market, including reflecting local cultural needs to revitalize each traditional market.

3. Case Studies on Revitalization of Traditional Markets

3.1 Criteria for Case Selection and Case Studies

The Small Business Corporation organization introduced important methods to improve traditional markets in its 'Plans to Vitalize Traditional Markets and Shopping Districts' (2014). These included the modernization of facilities to improve the business environment, joint marketing, online sales for improved distribution, and more diverse programs such as creative business centers, participation of younger generations in traditional markets through cultural and tourism markets including regionally specialized designs and cultural products. We selected five traditional markets for analysis in this study (see Table 4) where the marketing concept was introduced into traditional markets for the first time, selected from five perspectives of the seven elements of service marketing: People, Place, Process, Promotion and Physical Evidence. The remaining two of the seven, Product and Price, were excluded.

Table 4. Successfully Revitalized Traditional Markets

| Market                        | Reason for case selection                          |
|-------------------------------|--------------------------------------------------|
| Gunsan public market          | The first commercial mart-type traditional market (2012) |
| Seoul Junggok market         | Launched online shopping and delivery for the first time (2005) |
| Seoul Sindang market         | First craft-centered creative arcade in the market (2009) |
| Jeonju Nambu market          | The first mall for youth in the traditional market (2012), and the night market (2013) |
| Gangwon Jeongsun market      | Linked with train travel and local festivals for the first time in the traditional market |

1) Jeonbuk Gunsan public market

The market has 100 years of history beginning in 1918. The Gunsan public market has been improved and modernized, unlike most other traditional markets, by establishing a garage using the latest parking ramps, key-hole shaped cross-sectional structures for better recognition of stores, elevators and escalators for better vertical circulation, and cart rentals, moving walkways, heating and cooling systems, and rest areas to create a pleasant and convenient environment. Furthermore, daycare centers and relaxation facilities were introduced to successfully attract more customers and keep them in the market for a longer time (see Fig.1.).
large stores. To recover from such decline, the Sindang crafts arcade was established in 2005. This new arcade replaced old lighting to modernize the building, and the unused spaces in the underground shopping area were made available for craft activities. There are now 40 small studios, exhibitions, and collaborative workspaces along the 390 meter underground shopping area. This area has been supporting the creative activities in the field of craft and design since 2009. It has earned a very good reputation for revitalizing the traditional market by combining a traditional market with art spaces. These art spaces can be used by anyone who wins the market's contest; the winner can use an art space, common space (collaborative workspaces and photo rooms).

2) Seoul Junggok (Jeil) market

As more single households go shopping in traditional markets at night and on weekends, Junggok Jeil market launched online shopping and delivery services for the first time in 2005 to attract younger customers to the market and started a coupon system to keep customers coming back. Moreover, the market implemented cooperative marketing among the merchants who were not familiar with new market environments, such as packaged delivery services and call center cooperation, to improve the shopping environment. Particularly, the coupon system, which offered points that could be redeemed for any purchase in the market, and many events in the central event square in the market, such as an arm-wrestling and singing contest, encouraged customers to stay longer and to come back more often. Furthermore, a small town business, called ari-cheongjeong, was established to provide traditional goods with high quality and lower costs online (see Fig. 2.).

3) Seoul Sindang (Jungang) market

The market was first established in 1962. Like other traditional markets, this market lost 80% of its local business due to urban redevelopment and the spread of modern markets at night and on weekends. The Sindang Jungang market was in a recession for several years and did not recover until 2012 when the government began supporting start-up business projects in the market. As a result of these efforts, many young men started establishing and marketing businesses together, forming a special space in the market called the youth mall, they succeeded in attracting many young people to the traditional market. The youth mall is located on the second floor of the market where most stores had been empty before. Today, there are 17 active stores in total. They try to attract young people by using creative marketing methods that existing merchants do not generally think of such as developing food menus for younger people, modernizing interior designs, and encouraging board games and musical performances. In particular, Jeonju Hanok village, which is one of the most popular tourist attractions near Jeonju Nambu market, helps to attract more visitors to the market. Consequently, the night market has also been revitalized. (see Fig. 4.).

4) Jeonbuk Jeonju Nambu market

Established in 1905 as a periodic public market, the Nambu market was in a recession for several years and did not recover until 2012 when the government began supporting start-up business projects in the market. As a result of these efforts, many young men started establishing and marketing businesses together, forming a special space in the market called the youth mall, they succeeded in attracting many young people to the traditional market. The youth mall is located on the second floor of the market where most stores had been empty before. Today, there are 17 active stores in total. They try to attract young people by using creative marketing methods that existing merchants do not generally think of such as developing food menus for younger people, modernizing interior designs, and encouraging board games and musical performances. In particular, Jeonju Hanok village, which is one of the most popular tourist attractions near Jeonju Nambu market, helps to attract more visitors to the market. Consequently, the night market has also been revitalized. (see Fig. 4.).

5) Gangwon Jeongsun market

The market is in Jeongsun, which is a mountainous region. It used to be a periodic, five-day traditional market. The market flourished until the 1980s. Prior to that, many underground resources in Jeongsun,
Tour improvement in distribution environment through joint cultural tourism markets based on local specialties, more participation of the younger generation in the market.

Regeneration through fusion with other programs such as craft workspaces.

Cultural tourism markets based on local specialties, special designs, and tourism products.

Table 5. Success Factors

| Market          | Success factors |
|-----------------|-----------------|
| Gunsan public   | 1               |
| Seoul Jungok    | 1               |
| Seoul Sindang   | 1               |
| Jeonju Nambu    | 1               |
| Gangwon        | 1               |
| Jeongsun       | 1               |

Table 6. Success Factor for Each Market

4. Status of the Iksan City Jungang Market

4.1 Jungang Traditional Market Background

The Jungang traditional market, as one of the oldest and largest traditional markets in Iksan, which was designated as one of the ancient city districts in 2012 along with Gyeongju, Gongju, and Buyeo. Iksan is also the first area to have a train station on the Honam high-speed railway, which was completed in 2014, and has historical, cultural, and transportation infrastructures. The Iksan Jungang traditional market is a retail market based on a small community model, located at Changin-dong, Iksan-si, and was established as a second-story commercial building in 1947. The structure of the building is made of reinforced concrete, is 3,024 square meters, and the number of daily customers visiting the space is around 800 (see Table 7.). There are clothing, hanbok, accessories, and agricultural and marine products on the first floor, and medical herbs, rice cakes, meats, restaurants, chicken stores, and health care centers on the second floor (see Table 8.). To date, efforts have been put in place to improve the market environment, such as street renovation, canopy installation, and signboard improvement, but these have not yet proved successful. In addition to the physical status analysis of the traditional market in Iksan, the humanistic status of the traditional market was investigated through a social research report of Iksan in 2016.
4.2 Jungang Market Status Analysis

4.2.1 Physical Status Analysis

1) Vehicles and pedestrian traffic flows

a) Pedestrian accessibility

Iksan daero 20-gil in the north, and Iksan daero 16-gil and Jungang-ro 3-gil in the south are used for pedestrians to access the market (see Table 8). There are also ramps east and west of the market because there is a five meter difference with the ground level, however, these ramps need to be secured with safety handrails. Additionally, both vehicles and pedestrians can use Iksan daero 20-gil; therefore, the road needs to be separated for both vehicle and pedestrian traffic. Finally, the roads to the market are very rough, meaning these roads need to be patched and paved for a safe customer environment.

b) Vehicles and parking structures

Vehicles usually reach the market via Iksan daero 20-gil and enter on the north side of the parking structure; however, it is very hard to find this north entrance due to it being overly narrow and lacking clear directional signs. Furthermore, the small parking structures are generally over run by the market merchants, and thus customers have to use paid parking lots. Therefore, the parking structures and traffic plan need to be properly modified; the entrance should be easier to find; the parking traffic flow should be improved; and handicapped parking lots should be established.

2) Types of businesses and environments in each district

The size of each store in the Jungang market is smaller than 100 square meters. The commercial buildings on Jungang-ro are relatively larger, whereas the buildings on the backside of the streets are smaller in size. Furthermore, those backside streets are very narrow, with the natural sunlight largely blocked, thus making these districts darker and less appealing to customers. In particular, wastewater comes down from the chicken stores and butcher shops onto the second floor of the market due to the lack of appropriate drain maintenance. Moreover, the wastewater flows on the uneven surface of the first floor where there are electrical lines that are exposed to this wastewater. In addition, the facilities in general are very old, and many stores are empty as a result.

Both the stores on the backside streets and on the second floor are very hard to recognize from outside the market (see Fig.6.). These do not have appropriate or enough signage at the entrance, and, moreover, have steep ramps without safety handrails, thus lessen ing their appeal to customers. Therefore, appropriate changes need to include better recognition of the market, better lighting, better traffic flow plans, and overall improvements.

3) Surrounding streetscape

The cultural street development project was conducted on Iksan daero 16-gil to the south of Jungang market, and completed in 2013; electric wires were buried underground, the pavement was replaced, landscape lighting was installed, and sewer pipes were repaired. In addition, a market modernization project was conducted on Jungang 3-gil, which is the main street of the Jungang market; signboards and trade stands were repaired. Iksan daero 20-gil to the north, however, has not been improved yet. This area is still struggling with many safety problems, such as the steep ramps due to the five meter level difference between the east and west sides of the market, and roads that can be used by both vehicles and pedestrians. Therefore, safety handrails need to be constructed on the steep ramps, and the roads need to be reconfigured so that vehicles are separated from pedestrians on the same road.
4.2.2 Humanistic Status Analysis

The humanistic environment analysis was based on the *Iksan City Social Research Report of 2016* for the traditional market in Iksan. In terms of 'place to purchase products', large marts, supermarkets, traditional markets, village supermarkets, internet shopping malls, and others appeared in that order. Compared to 2014, the proportion of traditional markets decreased by 3.9% and that of village supermarkets decreased by 1.4%, while that of large marts increased by 3.6% and that of supermarkets by 1.2%. Regarding the characteristics of 'place to purchase products', both male and female respondents visited large marts most frequently, while by age, those from 15 ~ 19 and those from 50 ~ 59 reported visiting supermarkets the most, whereas those from 60 ~ 70 or older visited large marts the most. By income, the traditional market was reported most in the group of less than KRW 500,000, supermarket was in the group of KRW 500,000 ~ 1,000,000, and the large mart was reported in the remaining groups.

As to the use of traditional markets, 'no' was the highest reported answer, followed by 2 to 3 times a month, 1 to 2 times a week, 3 to 4 times a week and 5 to 6 times a week. Compared to 2014, the use of traditional markets constantly decreased. No use of traditional markets was reported most among men. For women, 2 to 3 times a month was the highest reported, and by age, over 50 years olds reported the most with 2 to 3 times a month, and by income level, groups making KRW 500,000 ~ 2,000,000 and more than KRW 6,000,000 reported 2 to 3 times a month, which was higher than other groups.

As a result of investigating 'necessary measures to revitalize traditional markets', they were found to be in the order of 'expansion of convenient facilities in the market', 'card payment', 'secure parking lot', 'service improvement', 'price policing system', 'expansion of traditional market gift cards', and 'others'. By gender and occupation, 'expansion of convenience facilities in the market' was the highest reported measure in all gender and occupation groups, and by age, 'card payment' was the highest in the age group of 20 to 29 and 'expansion of convenient facilities in the market' was the highest reported as necessary in all the other groups. Investigation by income level also showed that 'expansion of convenience facilities in the market' was the highest in all groups except 'parking lot' for the group earning over KRW 6,000,000.

4.3 Jungang Market Status: Conclusion

From the humanistic and physical status analysis, the number of visitors to the traditional market in Iksan has declined mostly among younger generations, and it showed that expansion of convenience facilities in the market is the most needed factor among other various factors for market services. We found that the stores on the second floor of the market and on the backside streets of the shopping districts were in a much worse environment, had poor signage, and poor accessibility compared to the front side shopping district on the first floor. This implies that these stores, in particular, need modernization that includes better vehicle and pedestrian roads, better maintenance of the parking structure, and better customer amenities such as more shopping carts. The market does not boast any stores or environment for the younger generation, thus the market needs to add such facilities as well as new distribution methods such as the joint marketing. The market should also focus efforts on improving its brand image. To revitalize the traditional market and recover its former glory, as our precious heritage deserves, practical methods need to be proposed and implemented.

5. Improvement of Jungang Market

5.1 Basic Methods

The basic methods we propose here to improve the Jungang market are designed based on the previous case studies and analyses, and the improvement
methods from each case are presented with perspective views and examples. Five methods in marketing (People, Place, Process, Promotion, Physical Evidence) to improve Jungang market can be summarized as follows:

1) Place – Spatial environment improvement

The spatial improvement of the market to configure the surrounding environment; we propose overall maintenance plans for the parking structures. The plans include better parking structure signs, an improved parking entrance for better recognition, leveled and paved parking structure floors, handicapped parking lots, handrails for pedestrian safety, and an electrical access control system for reduced waiting times to enter. Compared to the front of the Jungang passage, the stores on the second floor of the market and on the backside street shopping districts are very old and receive little attention from customers. Therefore, to solve this, we propose a key-hole section, escalators, and stairs for improved vertical traffic flow, better recognition, and greater accessibility from the first to the second floor. We also propose an increase in the accessibility from Jungang-ro to the backside street shopping districts by expanding the entrance passage and width and increasing the lighting in the backside streets through the ceilings.

2) Process – Distribution environment improvement

Distribution improvement by reflecting consumer trends; we propose to reflect various consumer needs and new trends. More specifically, we propose to strengthen advertising capabilities along with management and trade, improve supply systems through joint exhibitions, group purchases, and sales, revitalize online sales through professional offices for joint marketing and electronic commerce, and create shipping centers and market branding through Internet homepages.

3) Promotion – Program improvement

Fusion of the traditional market with cultural spaces, rest areas, and craft spaces; we propose that empty, unused, or rooftop spaces in the market are reconfigured to be used for cultural events, such as exhibitions and small music theaters, rest areas, such as cafés and rooftop gardens, craft spaces, and business centers, to encourage customers to stay longer in the market and to come back. This will make the traditional market more attractive to customers based on the variety of activities taking place other than just shopping.

4) People – Participation of younger generations

Methods to attract younger generations to visit the traditional market; we propose that younger generations should be encouraged to use the unused spaces on the second floor of the market and the backside street shopping districts to create a youth mall and youth business spaces, and to attract more young people to visit the traditional market by opening periodic flea markets and night markets.

| Status | Improvement Methods |
|--------|---------------------|
| ① Local specialization (Physical Evidence) | More visitors due to IkSan KTX station and IkSan being selected as one of the ancient-city districts |
| ② Distribution environment improvement (Process) | Traditional face-to-face trade |
| ③ Program improvement (Promotion) | Only traditional trade programs |
| ④ Spatial environment improvement (Place) | Poor pedestrian roads and parking environments. Poor recognition and access to the second floor and backside street districts |
| ⑤ Participation of younger generations (People) | Old merchants and buyers and lack of vitality |

Table 9. Summary of Methods to Improve Jungang Market

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5) Physical Evidence – Local specialization

Strengthening of specialization through the promotion of local specialties, special designs, and events; we propose the development of local specialty goods such as foods and delicacies, along with an entrance design, signboards and trade stands that reflect the characteristics of the region and the stores, and local traditional performances and events to attract visitors.

5. Conclusion

As many new towns were developed in recent years due to large housing developments, old downtown shopping district areas and traditional markets have been declining rapidly, and significant effort has been made to revitalize these traditional markets. Through our evaluation of case studies over the last few months, we have found many traditional markets that have been successfully revitalized. As a result of our findings, we believe that there is the potential to revitalize other traditional markets as well through continuous attention and support from the cities and the country, the cooperation of merchants in the traditional markets, greater local community spirit, and the development of historical, cultural and tourist programs.

The Jungang market, a representative traditional market in Iksan-si, has been declining due to a lack of competitiveness. Even after the market's redevelopment project in 2005, the backside street shopping districts and the second floor of the market were still failing to attract customers due to the unappealing environment. Fortunately, Iksan-si was selected as an ancient-city district in 2012 and the Honam high-speed railway was completed in 2014. Based on these two advantages, a historical and cultural heritage and convenient transportation, along with the proposed methods detailed in this study, we believe that the Iksan Jungang traditional market can be revitalized and recover its former reputation in the near future.

Acknowledgements

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Notes

1) A contest handbook for artists to reside in Sindang crafts arcade by Seoul Culture Foundation, 2016.
2) Korail (Korail Rail Company).
3) Jeongsun Arirang; traditional folk song in Jeongsun area.
4) Jong Su Park, A study on vitalizing traditional markets, Wonkwang University, 2010.

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