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# A Study on Conversion of Seongnam Dandae Traditional Market into Wedding Market

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## Abstract

In 2014, Seongnam municipal government announced Sanseongro Commercial Area Revitalization including Dandae traditional market with active support of Seongnam municipal government. This study investigated conversion of Dandae market into specialized market to overcome economic stagnation and to make success case of wedding market. The study suggested supplementation of current problems as well as incidental businesses. The study gave SWOT analysis and management reformation to make success case of specialized market and to suggest win-win strategies and development plans to produce wedding market.

**Keywords:** Wedding Market, Success Case of Commercial Area Revitalization, SWOT Analysis, Management Reformation Plan.

## 1. Introduction

In the era of localization, local governments have made effort to develop local areas to be free from central government's consistent policy. Local governments reproduced downtown and reconstructed their competitiveness by regional development approach to develop local areas. Not only development of independent commerce entity but also integrated commercial area control could develop local commercial

area.

The central government introduced commercial area revitalization system according to 'Special Law on Development of Traditional Market and Shopping District' effective from July 1, 2010 to take active actions against changes of urban and social and economic environment, and to develop mid-to-long term local business systematically.

On May 30, 2012, Seongnam city government established 'Seongnam Commercial Area Development Foundation' for the first time among local governments to recruit external specialists and manager as well as working group staffs and to promote local business by each area of shopping centers and traditional market.

Dandaе Market at old downtown of Seongnam should overcome limit of traditional market urgently in accordance with Seongnam city government's efforts of promotion of commercial area. Dandaе Market occupied by wedding product shops such as jewelry, Korean traditional costume and bedding, folding screen and hand-props to be likely to be wedding market. Even at the moment, however, consumers liked to visit Dongdaemun Market and/or Namdaemun Market at downtown Seoul to buy wedding products. Small number of consumers only cognized the fact that prices of wedding products at the markets at downtown Seoul were not lower than those of Dandaе Market despite time consumption and traffic congestion to and from Seoul. Scale of local wedding market was about 10 trillion KRW in 2012. Wedding value on average accounted for 320 million KRW. Credit card business world was likely to expand business area up to delivery and child care by combining various kinds of services and to strengthen marketing.

This study investigated management reformation to develop Dandaе market in accordance with '2014 Sanseongro commercial district development plan' and to make success case of wedding market and be free from market stagnation.

The study supplemented current problems to suggest business incidental in order to convert the market into specialized market. SWOT analysis and management reformation were done to make model market at Seongnam to give win-win strategy with associated businesses and development plan in the future.

## **2. Needs and Management Improvement Strategies of Wedding Market**

### **2.1. State and Problems of Dandaе Traditional Market**

A corporation named Gwangtong Company was established at previous last stop of Dandaе Ogeori (address: 10, Geumgwang 1-dong Jungwon-gu Seongnam) when Seongnam Town was built up. High rise apartment and store (one floor underground, 3 floors of stores above ground and 3 floors of apartment)at modernization of facilities as soon as Seongnam Town stream was covered 30 years ago: Tenants joined auction at bankruptcy of the company to be awarded. As many as 70 percent of store owners who managed store by themselves had difficulties at large-scaled discount stores' attack against

local business.

Dandae Market could take advantages of location of not only station influence area near Dandae Ogeori Station at previous downtown but also franchisee of Lotteria, Cafebene and Baskin Robbins, and court and prosecution office, and Shingu University (see Fig 1):



Figure 1. Dandae Market Map

Merchants who did not cognize central government and local government's project of revival of small merchants and local business could not take actions of change immediately to manage shops by rule of the thumb and to lose sales gradually and not to find out solution of economic stimulus at long time economic stagnation. (Table 1).



Figure 2. General view of Dandae Market

<Table 1> Outline of Dandae Market

■ State						
Name	Dandae Traditional Market (representative: Kim Byeong-im)			Opening and registratio n	Date of opening : July 22, 1985	
	Address	10, Geumgwang 1-dong Jungwon-gu Seongnam			Date of registration : November 5, 1993	
■ Market and Commercial Area						
Business type	Retail			Representativ e business type	Articles for marriage, and household items	
Products	Fruits & vegetables, butcher's, sea food, jewelry, Korean traditional costume and garment, food & processed food					
Commercial area	District Trading Area at station influence area					
General conditions	86 shops at four floors of high rise apartment and stores at previous downtown, Seongnam.					
Competitors	Save Zone, mid-sized department store, is placed 600 meters apart from Dandae Market, and not only Sangdaewon Market but also general market is placed 1 kilometer apart, and Seongho Market is placed 1.1 kilometer apart, and Eunhaeng Market is placed 1.5 kilometer apart.					
■ Business						
Sales (10,000 KRW)	2009 : 711,891    2010 : 621,881    2011 : 433,599					
Number of shops (86 shops)	Direct management	63	Rental	23	Empty shops	15

The organization had low efficiency because of poor communication between directors and members of the association of merchants, and lack of responsibility of directors. And, buildings that were build up 30 years ago have been obsoleted to require remodeling of interior and exterior of the buildings, replacement of poor lighting and disorderly signs, expansion of narrow toilet, corrosion of waterworks and sewage piping, and repairing of culture center and to produce comfortable shopping environment as soon as possible.

## 2.2. Wedding Market Possibility and SWOT Analysis

Dandae Market had made effort to survive even at long time economic stagnation to build up competitiveness of wedding market and to have much potential of wedding market. Dandae Market consisted of shops (Fig 3): jewelry, the largest assortment of wooden-ware and folding screen in Gyeonggi-do, many kinds of tables, furniture for marriage, interior decoration, ceramics and bowls, and small-sized home appliance at the first floor, and Korean traditional costume (customized costume for marriage), functional bedding and quilt at the second floor. The market was asked to make change and to supplement assortment and to display commodities in modern style and to have special shops. Bed and sofa and other furniture for honeymoon couple and large-sized home appliance shops should be opened to satisfy customers' desire of one stop shopping of articles for marriage.



Figure 3. Dandae Market's shops of articles for marriage

In 2014, Seongnam municipal government nominated 'Sanseong-ro Commercial Area Development District' of commercial area of 134,000m<sup>2</sup> with axis of Sanseong-ro and Gwangmyeong-ro having as many as 2,419 road shops including Dandae Market, and to make efforts to develop commercial area (See Fig 4).



Figure 4. Sanseong-ro Commercial Area Development District and Dandae Traditional Market Map

'Sanseong-ro Commercial Area Development District' plan could develop Dandae Market remarkably to produce wedding market: SWOT analysis should be done to solve outstanding problems and to make sole wedding market at Seongnam (Table 2). The association of merchants should be united based on success cases of not only 'Dandae bowl' shop but also 'Sujeong-ro Commercial District Development' to produce second success story.

Modernization of hardware factors such as arcade construction work and parking lot could not have great influence upon market development to be evidenced at many traditional markets. Having competitiveness of each area, for instance, 'Ginseng Market' at Geumsan, 'Seafood Market' at Yeosu, and 'Folk 5-days Market' of Moran Market could develop commercial areas.

Table 2. SWOT Analysis on Dandae Market

Strength	Weakness
<ul style="list-style-type: none"> <li>• The commercial area for common citizens representing previous downtown has been crowded with customer gathering facilities to have many floating population;</li> <li>• Jewelry, Korean traditional costume, bowl and wooden-ware and other article for marriage;</li> <li>• Consumers' frequent visit to traditional market;</li> <li>• Good access and visibility at five way connecting</li> </ul>	<ul style="list-style-type: none"> <li>• Low merchants' consciousness and inadequate merchant organization;</li> <li>• Obsolete facilities and lack of customer convenience facilities;</li> <li>• No marketing strategies in differentiated type;</li> <li>• Young customers like to visit Moran Station Area, New Downtown (Bundang and Pangyo) and Seoul</li> </ul>

<p>public transportation;</p> <ul style="list-style-type: none"> <li>• Local government's active development will;</li> <li>• The first commercial area control organization in the nation</li> </ul>	<ul style="list-style-type: none"> <li>• Small self-employed's management has been worsened at long term stagnation.</li> </ul>
Opportunity	Threats
<ul style="list-style-type: none"> <li>• Continuous interests and support from the government;</li> <li>• Local government's nomination of Sanseong-ro Development District and general plan for each community commercial area</li> <li>• 2nd term graduate of Merchant College, and 2nd term graduate under progress of graduate school, Merchant College</li> <li>• The largest number of newly established corporation (1,827 companies) at Seongnam, and 3,000 companies including previously registered corporation (1,100 companies)</li> </ul>	<ul style="list-style-type: none"> <li>• More commodity knowledge and service desire of the customers;</li> <li>• Poor sales channel owing to home shopping, social commerce and other online commerce;</li> <li>• Nearby large scaled competitors;</li> <li>• Low income consumers at old downtown have less consumption mentality owing to household debt (1,000 trillion KRW)</li> </ul>

<Table 3> Strategic Subject by SWOT Analysis on Dandae Market

External factor	Opportunity	Threats
Internal factor	Opportunity	Threats
Strength	<ul style="list-style-type: none"> <li>• Local Commercial Area Development Model</li> <li>-Facility repairing and self-supporting commercial area</li> <li>- Project with help of merchants together with Seongnam Commercial</li> </ul>	<ul style="list-style-type: none"> <li>• Road Map for Urban Commercial Area Development</li> <li>-General plan of local commercial area development</li> <li>-Win-win development between commercial areas and synergy effects</li> </ul>

	Area Development Foundation	
Weakness	<ul style="list-style-type: none"> <li>• Conversion into Wedding Market</li> <li>- Win-win development with marriage business;</li> <li>- Win-win development with large distribution business</li> </ul>	<ul style="list-style-type: none"> <li>• ICT Fusion Type of Ordinary Peoples Commercial Area</li> <li>- Develop various kinds of sales channels for education of merchants.</li> </ul>

### 2.3. Success Case of Dandae Market Merchants and Sujeong-ro Commercial Area Development

#### 1) Case 1: 20% up of the sales of 'Dandae Bowl' in Dandae Market owing to Merchant College

Choi Young-gyu who was owner of 'Dandae Bowl' shop at the first floor of Dandae Market registered at the 1st term of Merchant College of Dandae Market in 2012 with half in doubt of "How much is effective lecturer's teaching having no experience of business to improve management". On the first day class of the Merchant College, he found out wrong prejudice and listened to lecturer's teaching carefully to keep lecture in order and to put it into practice.

At the end of the college's education, he made use of layout of the shop, flow of human traffic, commodity display and strict fixed price system (20-years adherence to give confidence of the commodities) that he learned at the class of the college. He could increase sales as many as 20% in one year. His shop only could record such a good sales at the time of recovery of economy. The merchant students' polite service in front of shop gave same impression despite a little difference depending upon shop. Display of the commodities made change.

The merchant students could be able to see the woods free from point of view of tree only and to move more and to have positive thought. Not only Dandae Bowl shop owner but also trainees discussed market development to communicate and to cognize homogeneity. The merchant students with confidence thought of attending of all of classes of merchant education. In 2013, graduate school of the merchant college was opened to develop merchant students' dream.

#### 2)Case 2 : Seongnam Sujeong-ro commercial area's sales 'stretch' (Yonhap News' articles)

Seongnam municipal government established commercial area control team for the first time in the nation to launch Sujeong-ro Commercial Area Development model project. After movement of city



government building and opening of big mart, Seongnam Sujeong-ro's stagnating economy could be recovered to stretch again.

Seongnam Municipal government announced on the 5th day that sales growth rate of commercial area of Sujeong-ro around previous city hall at 2011 commercial area development district was higher than that of all of the city on average.

A report on commercial area development result said that annual sales growth rate on average of the city was no more than 0.4% and that of Sujeong-ro was 2.9% according to business transaction data of credit card, POS terminal and cash receipt of self-employed business such as restaurant, retail business and life service from January 2012 to September 2013. Sales growth rate of garment, leisure, props and retail distribution of all of the city remained unchanged than previous year, while that of Sujeong-ro increased as many as 4.9%. Sales growth of beauty care, laundry and other life service business of the city recorded 2.6% down, and that of Sujeong-ro 1.8% up. Seongnam Municipal government said that budget of as much as 46.7 billion KRW until 2016 (central government: 10 billion KRW, Gyeonggi-do government: 1.7 billion KRW, and Seongnam city government: 35 billion KRW) would be spent to develop Sujeong-ro commercial area. When commercial area in old downtown quickly lost prosperity owing to city government building's movement in November 2009 and opening of super center, Seongnam city government made plan of downtown commercial area development to nominate area around Sujeong-ro, a model of commercial area development. The city government invited 11.7 billion KRW from central government as well as provincial government to enact ordinance of commercial area development. The city government founded commercial area development foundation based on the ordinance to start facility modernization project with goal of completion in March 2015 and to construct access road and plaza in front of previous city hall at Taepyeong-dong, Sujeongbuk-ro market street and Hyundai Market's rain screen. The city government shall build up world street food town at Sujeongnam-ro Sujin-dong, and cultural street and beautiful landscape street at Shinheung-dong in the latter half in 2015.

The Commercial Area Development Foundation had outcome report meeting at small auditorium, Citizen's Hall with subject of 'see future with cooperation'. The report meeting introduced joint marketing, customize business model development, cooperative foundation, and Smilero COOP that was first small business merchants support service in the nation, and displayed film poster parody public relations and shop guidance, and outcome of beautiful street construction.

## **2.4. Management Reformation**

### **1) Merchant's Consciousness Reformation and Merchant's Organization Reinforcement**

At the moment, most of the merchants have done small business to be insensitive to competitors' entry and consumers' changes and to manage shop by rule of thumb and decrease sales gradually. The merchants should be taught changes of distribution environment and SNS marketing to follow flow of the

times. The merchants should enter merchant college to learn new management technique and to have innovation will by themselves. Mandatory joining of the association of the merchants could look for Naver band activities between members, quarterly rally to strengthen the unity, and joining in family event to promote friendship and to develop community consciousness. Self-government rules of the association of merchants should be enacted to let merchants have responsibility and obligations of community members. Management and store display specialists should be invited to organize an advisory committee to give store management consulting regularly and continuously.

The association of merchants revised articles of incorporation partially and disconnected communication last 15 years at disbelief between directors to share work ineffectively. Directors worked for the association without compensation to lose responsibility and to work in uncooperative way and not to take immediate actions against changes of distribution environment and not to cooperate with competent authorities.

The chairman, vice chairman and secretary of the association should be paid to do market development project actively in accordance with flow of the times and to take immediate action and to unify the market. The organization of the association should be reformed to have function of planning, public relations and external business to follow flow of the times and to alleviate job burden of director group.

## 2) Facility Investment and Customer Convenience Facilities

The shopping center building required urgent remodeling of the interior and exterior, for instance, rain screen at the entrance for safety of customers, cafe type of customer shelter and mini library, etc. The buildings that were built up 30 years ago have become obsolete and degraded. Remodeling of interior and exterior of the building, lighting for dark interior, replacement of disorderly sign, expansion of narrow toilet, replacement of waterworks and sewage piping corroded, and remodeling of culture center should be done to produce comfortable shopping environment. The culture center that was repaired to be merchant education place should be expanded to give market information and to communicate with customers.

## 3) Articles for Marriage and Commodity Assortment

In 2012, scale of wedding market was near 10 trillion KRW and value of articles for marriage on average was 32 million KRW. Nonghyup also joined wedding market, and credit card business gave various kinds of discount benefits when a customer bought at franchisee by its credit card in cooperation with wedding product business.

Dandae Market should urgently supplement shops of expensive home appliances, bed and sofa and other articles for marriage, tailor-made suit and wedding dress to build up one stop shopping environment in addition to existing shops of jewelry, Korean traditional dress and bedding. The market should make use of 15 empty shops to invite shop owners of the areas requiring supplementation as soon as possible.

#### 4) Package Products for Marriage and Discount Policy

Package products for marriage may allow customers to buy in lump sum with price discount and to invite thrifty customers easily. And, package products customers may be given wedding ceremony assistant child, maid-of-honor and congratulation performance and other services and to be attractive.

5) Strategic alliance with wedding hall and/or marriage related business. The market should make strategic alliance with neighboring wedding halls, honey moon travel agent and credit card business to promote sales of products for marriage and to increase sales. The market should keep its own wedding hall in the future to lend wedding hall free of charge to the customers who buy articles for wedding and to produce synergy effects as much as possible and to do win-win together with customers.

#### 6) Traditional Wedding Ceremony Reproduction and Traditional Culture Conservation

The association of the merchants should organize conservation meeting of traditional culture of wedding, funeral and ancestral rites to inherit and develop traditional culture. Traditional wedding ceremony may be held to sell products in the market and to inherit traditional culture and to increase sales and to do public relations in inexpensive price. Wedding ceremony for multi-cultural home may be held free of charge to be likely to invite multi-cultural home customers.

### 3. Conclusion

Discount store made traditional market suffer from worse economy at long term economic stagnation. Seongnam city government established commercial area control agency for the first time in the nation to nominate commercial area development and to give success case of area unit development that was developed from individual market development in the past. The city government nominated Sanseong-ro development district to develop neighboring commercial area around Dandae Market actively and systematically.

SWOT analysis was done to investigate outstanding problems of the market at the city government's nomination of Sanseong-ro development district and to find out management reformation and to improve facility environment and to make strategic tie-up with marriage related business and to supplement articles for marriage enough to satisfy customers and to suggest ideas in connection with marketing area.

The study gave strategic way to develop wedding market of Dandae Market and to keep competitiveness continuously:

First, merchants shall innovate consciousness and merchant association shall strengthen organization urgently. Local government can build up infrastructure to invite customers, and connection with purchasing relies upon merchants' competence.

Merchant shall be educated continuously and association of the merchants shall be expanded to divide

roles and to maximize organizational efficiency.

Second, articles for marriage shall have assortment to supplement home appliance, furniture and Western style of ceremonial dress in addition to existing articles for marriage.

Third, infrastructure for wedding market shall be built up, for instance, wedding hall, parking lot and wedding reception restaurants.

Fourth, associated businesses shall cooperate with local government to have win-win strategy. Good cooperation with local government shall establish long-term development plan of the market to invite investment. Strategic alliance with marriage related businesses shall look for win-win strategy.

Fifth, advertising and public relations shall be used to raise the market's images and to inform not only common citizens but also multi-cultural family of attractiveness of the market. The market shall make use of community cable broadcasting and SNS marketing to do public relations and to open traditional wedding experience event and to launch an IMC(integrated marketing communication).

Lastly, external professionals shall give their talent to convert Dandae Market into special market by long-term and short-term development plan, and to have regular meeting to solve outstanding problems and to share development ways and to let merchants join actively and to produce wedding market.

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