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A Study on Reconstruction of Seongnam Jungang Market

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Abstract

The purpose of the study was to investigate state and problems of Seongnam Jungang Market that lost competitiveness under rapidly changing logistics environment, and to give market redevelopment model, project validity and operation management plan considering commercial area and location of the market. The public market at the community that has tradition and culture of the residents provides small merchants with employment chance and to let residents buy daily necessities. The market allows farmers to sell agriculture products by themselves and to increase income. Most of public markets that open every five days help residents meet each other to exchange information. Most of public markets have been placed at local towns and rural areas to lose distribution functions remarkably at less population and quick aging.

Keywords: Public Markets, Seongnam Jungang Market, Distribution.

1. Introduction

Background of the Study : In the past, the traditional market had played an important role at people's consumption lives: The traditional market had lost competitiveness very much at

making appearance of modern distribution systems such as department store, shopping center, supermarket, and changes of consumers' buying patterns, large businesses' entry into distribution business, expansion of large-scaled discount stores and new types of distribution businesses, and total opening of distribution market. Super center, SSM and other new type of distribution business were expanded, and distribution market was totally opened to complete very much in markets. The traditional market has stagnated to jeopardize survival of the merchants and to prevent community from being developed and to give residents inconvenience and to prevent all of distribution industries from being developed in balanced way. In Seongnam Jungang Market, small merchants closed business at poor competition to have risk of large scaled accident because of old and obsolete market facilities: So, the market is demanded to modernize facilities and to have parking lot and other basic facilities and convenience facilities and to develop market functions by reconstruction of public markets.

Purposes: The purpose of the study was to investigate state and problems of Seongnam Jungang Market that lost competitiveness under rapidly changing logistics environment, and to give market redevelopment model, project validity and operation management plan considering commercial area and location of the market. The public market at the community that has tradition and culture of the residents provides small merchants with employment chance and to let residents buy daily necessities. The market allows farmers to sell agriculture products by themselves and to increase income. Most of public markets that open every five days help residents meet each other to exchange information. Most of public markets have been placed at local towns and rural areas to lose distribution functions remarkably at less population and quick aging. In fact, the public market that has lost its functions helped community economy as well as residents' convenience greatly: So, some of public markets needed to be given systematic support.

2. Contents

2.1. Laws on Traditional Market Development

Special law on development of traditional market and/or shopping center; Act on urban and living environment development; Act on control of shared properties and articles

○ Terminologies

- Conventional market : First, wholesalers, retailers and service businesses regularly and/or permanently gather at many shops in buildings and/or underpass in specific areas to sell product and to give services; Second, modern distribution function is weak; Third, old and obsolete buildings require repairing, redevelopment and reconstruction.
- Aggregate building: First, buildings applied by the Act on Ownership and Control of Aggregate

Buildings; Second, one building in appearance that has been divided internally; Third, owner of building divided in structure has ownership.

- Shopping center building : Building that has accommodated sales and/or business facilities and residential neighborhood facility
- Mix-use building: Building that has accommodated sales and/or business facilities, apartments, neighborhood living facilities and business facilities.

○ Selection of project enforcement area and scope of the support

Section	Market redevelopment and reconstruction	Environment improvement and management modernization
Selection	<ul style="list-style-type: none"> ▪ Dangerous market that has elapsed more than 20 years to be registered in accordance with Special Law on Development of Traditional Market and Shopping Center ▪ Market that is urgently redeveloped and/or reconstructed at fire accident and/or flood ▪ Upon request of head of local government, Administrator of Small Business Administration has admitted of redevelopment and/or reconstruction. 	<ul style="list-style-type: none"> ▪ Market that has been registered in accordance with Special Law on Development of Traditional Market and Shopping Center ▪ Unregistered market that can be developed to have high self-support of local government and/or merchants
Scope of support	<ul style="list-style-type: none"> ▪ Finance and/or tax system support, alleviation of floor area ratio and/or agreement ratio, and simplification of urban plan procedure 	<ul style="list-style-type: none"> ▪ Environment improvement ▪ Management modernization

○ Enforcement Procedures

○ Cancellation of Selection of Project Area

The selection of project area shall be invalid and ineffective when approval of project enforcement of market redevelopment, approval of market reconstruction plan and/or construction permit are not applied not later than 3 years.

○ Conditions of market redevelopment and reconstruction agreement

First, agreement of land owners of more than 60% of the land;

Second, agreement of more than 60% of owners of the land and the buildings

○ Floor Area Ratio

Common residential area and quasi residential area: 500% ~ 700% or less

2.2. Concepts and Cases of the Traditional Market Development

Section	Contents
Legal concept	<ul style="list-style-type: none"> ▪ Regular market in accordance with Special Law on Development of the Traditional Market and Shopping Center ▪ Old and obsolete building requires repairing, redevelopment, reconstruction and/or modern business administration.
Common concept	<ul style="list-style-type: none"> ▪ Permanently established market and/or regular market including market unregistered; ▪ Market that is compared with department store, large-scaled discount store and shopping center and other modern distribution business

2.3. Traditional Market Development

Section	Contents
Market redevelopment and reconstruction	<ul style="list-style-type: none"> ▪ Redevelopment and/or reconstruction in the market redevelopment area and/or reconstruction area that Administrator of Small Business Administration has nominated; ▪ Market redevelopment: Remove market that consists of not aggregate building but building to build newly; ▪ Market reconstruction: Remove market with aggregate buildings to build newly.
Management modernization	<ul style="list-style-type: none"> ▪ Inherent brand development to improve images of conventional market ▪ Support research service to satisfy market conditions such as special shop and/or recovery of traditional shop

2.4. Special Law on Development of Traditional Market and Shopping Street

○ Purposes of the Enactment: The purpose of the enactment is to supplement problems of existing legal system and to prevent large-scaled distributor from opening shop, and to complete support system of reconstruction and/or redevelopment of the conventional market.

○ Building-to-land ratio and floor area ratio of remaining laws

Section	The Act on Plan and Use of National Land	Seongnam urban plan ordinance

Building- to - land ratio	Common business area	80% or less	80% or less
Building- to - land ratio	Common residential area	60% or less	60% or less
Building- to - land ratio	Quasi residential area	70% or less	70% or less
Floor area ratio	Common commercial area	300~1,300% or less	800% or less
Floor area ratio	Common residential area	100~300% or less	160~280% or less
Floor area ratio	Quasi residential area	200~500% or less	400% or less

2.5. Modern Mart type of Public Market of Jungang Market

A) Permanent mart type of public market

① Analysis upon location and business area has shown that permanent mart type of public market has benefit and competitiveness.

② The community residents may support distribution to produce welfare.

③ Opening of core shop is much likely to develop public market.

B) Development strategy of permanent mart type of public market

First, permanent mart type of public market shall be developed from point of view of market administration to strengthen merchants' organization capacity that is not current organization of cooperative of shop keepers and/or association of the merchants, or to let supermarket owners having specific scale or more join, or to establish public organization that manages permanent mart. Second, the market has distribution economy to let residents buy products by one stop and to be given convenience services and to feel comfortable by using convenience facilities. Third, the market needs to investigate development strategy from point of view of products and M/D, regional trading area, and M/D configuration and competitiveness of competing shops to develop products with capacity and to keep competitiveness and to make product configuration strategy and plan. Fourth, strategy of marketing and things to see are needed. Fifth, development strategy from point of view of customer control and added service development, community information exchange, community space, and human relations based on life culture shall keep mutual relations to raise loyalty in favor of the market.

3. Situation and Problems of Public Market

3.1. State of Public Market

At the end of 2006, 427 public markets were opened to consist of 3 of mid-to-large sized market, 77 of mid-sized market, and 347 of small-sized market and small-sized market occupied the largest ratio. 361 periodical markets were opened every five days. 305 markets were registered, and 42 markets were admitted, and 80 markets were not registered. The market consisted of 109 street stalls, and 183 Nagaya type houses that 68.4% of the shops did business at open place under inferior environment. 24 markets were opened at metropolitan cities and 403 were done at provincial areas to do business mainly at local areas. Seoul had no public market, and Busan, Daegu and other high ranking metropolitan cities had 24 public markets: And, Gyeongbuk had 100 public markets (23.4%), followed by 98 markets (23.0%) in Jeonnam and 48 markets (11.2%) in Chungnam in order.

Table 1: Public Markets each Region

Total	Seoul	Busan	Incheon	Gwangju	Daejeon	Ulsan	Daegu
427 markets (100.0%)	0 (0.0)	6 (1.4)	5 (1.2)	4 (0.9)	2 (0.5)	0 (0.0)	7 (1.6)

Gyeonggi	Gangwon	Chungbuk	Chungnam	Jeonbuk	Jeonnam	Gyeongbuk	Gyeongnam	Jeju
32 (7.5)	8 (1.9)	18 (4.2)	48 (11.2)	44 (10.3)	98 (23.0)	100 (23.4)	44 (10.3)	11 (2.6)

Table 2: Rating of Public Market Competitiveness

Section	Total	A grade	B grade	C grade	D grade	E grade
Number (%)	427 (100.0)	0 (0.0)	11 (2.6)	83 (19.4)	171 (40.0)	162 (37.9)

※ Source: The Market Management Support Center (2007)..

3.2. Publicmarket's problems

As said before, the public market that does business at open area has much inferior facilities to have much low competitiveness.

Merchant organizations have not been made because merchants gather on market day only, and city and gun governments have not managed market properly to control facilities and business inadequately.

3.3. Panoramic Views of Public Markets after Reconstruction (Gunsan, Hayang and Dangjin)



Figure 1: Panoramic view of buildings and inner sales facilities at Gunsan Market



Figures 2: Panoramic view of buildings and inner sales facilities at GyeongsanHayang Market

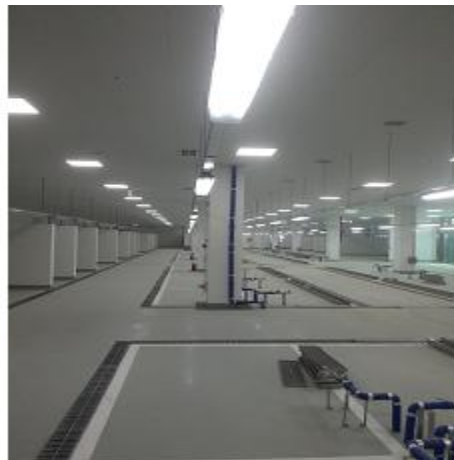


Figure 3: Panoramic view of buildings and inner sales facilities at Dangjin Market

4. Conclusion

The public market had problems of society, economy and environment: At rural areas, population decreased and residents' income made change to let users of the market make change of consumption patterns to lose market functions. SSM did business to let the market lose functions and roles, and the market had difficulties at closure according to principle of economy to help neighboring farmers and/or fishermen and aged customers at rural areas. The market had difficulties at modernization of facilities and management because of dual system of ownership and control. Local government had ownership of the market, while association of the merchants managed the market. The association could not manage the market properly to have great difficulties at development of the market. Gun government that suffered from lack of finance invested temporarily from time to time every year not to take effective and fundamental actions. Periodical market should be controlled to be market registered according to legal classification. Not only unregistered market but also admitted market was opened at absence of market manager, so that re-registration was needed to keep market in order in the future.

References

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