Factors Affecting Consumer Households Shopping in Traditional Markets and Modern Markets in Denpasar City

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ABSTRACT: This study aims to analyze the effect of price, income, product quality, and location simultaneously and partially on consumer behavior in traditional markets and modern markets in Denpasar City. The data used in this study is primary data, namely by conducting structured interviews with respondents. The research population is household consumers who have shopped at Badung Market and Tiara Dewata Supermarkets in Denpasar City. The method of determining the sample used is Quota Sampling or determined based on the allotment. Researchers set a quota of 100 samples. The analysis technique used is multiple linear regression analysis. The results showed that the price of goods, income, product quality, as well as the location owned simultaneously affect consumer behavior in traditional markets and modern markets in Denpasar City. Prices of goods, income, product quality and location owned partially have a positive effect on consumer behavior in traditional markets and modern markets in Denpasar City.

KEYWORDS: consumer behavior, price of goods, income, quality of goods, location

I. INTRODUCTION

Economic development is able to encourage the emergence of trading centers. The trade center will then drive the regional economy. The trade center is one sector that has received attention from the government as an emphasis in developing independent businesses (Wulandari and Meydianawathi, 2016). Economic development is determined by the demand for goods and services so that economic activity is closely related in bringing together demand and supply at a place of activity or location in a physical form, namely the market. The presence of the market is a center for shopping for all daily needs. According to the classification, currently the market can be divided into two, namely, modern markets and traditional markets (Saraswati and Wenagama, 2019). Traditional markets are places where buying and selling activities occur where consumers can still bargain. Traditional markets have always been a national indicator in maintaining food price stability for nine basic needs. The modern market is a place where consumers can buy the goods they want but in this place they can no longer bargain like traditional markets because the price is already fixed.

Traditional markets have played an important role as the main source of livelihoods and development of rural space (Angmor, 2012). Traditional markets are the main place for selling products of the people's economy, especially for farmers, fishermen, craftsmen and home industries. Traditional market as a retail market is a symbol of the people's economy. The utility value or use value of traditional markets is very urgent for the lower class, because there are tens of thousands of small people (traders) who depend on their lives or sources of livelihood in traditional markets (Phansawat, 2015). AC Neilson (2004) in his research stated that the growth of the traditional market decreased by 8% and at the same time the modern market had grown by 31.4%. If this continues to happen, it is possible that traditional markets will become extinct.

The development of modern markets, especially mini-markets which are growing rapidly, is felt by many parties to have an impact on the existence of traditional markets and similar business actors around them (Hery Toiba, 2015). The existence of traditional markets is now starting to be defeated by the rapidly growing modern market. The rapid flow of modernization can shift consumer preferences in shopping from traditional markets to modern markets (Ayuningarsi, 2013). Obstacles to trading activities in traditional markets include lack of capital, perishable goods, limited supply of products, and current market prices. The limited facilities and infrastructure owned by traditional markets do not allow them to compete well with modern markets (Alexander, 2006). The facilities and quality provided by large stores make consumers prefer to shop at these places, including similar minimarkets that are starting to develop (Najib, 2017).
The rapid development of modern markets raises the concerns of traditional market traders about the tendency of people's interest to switch shopping to modern markets compared to traditional markets. The development of the trade sector, especially modern markets, tends to be more widely spread, this trend is due to the fact that urban areas are economic centers that have good business opportunities (Sabaruddin, 2014). Modern markets offer a variety of products ranging from household needs to food ingredients (Raharjani, 2005). The decline in the growth of traditional markets and the development of modern markets increasingly shows a shift in people's preferences regarding traditional markets and modern markets.

This preference factor will direct consumers to purchase their needs in the market. Preference is a trait or desire to choose. Consumer preferences in shopping can be approached through indicators of the frequency of shopping to traditional markets and modern markets in meeting their daily needs (Munoz, 2011). Based on the results of the pre-research conducted by the researcher, it was found that traditional markets and modern markets have different buyer segments based on their characteristics, type and frequency of shopping as well as access, including ease of transportation and other supporting factors such as price, location, product quality, family income and income. Spending on the market. The characteristics of visitors to traditional markets are that local communities within the market's area of influence generally have lower-middle income who shop for daily necessities. They visit the market 2-3 times a week because they have to cook for their family needs while those who work generally visit the traditional market on holidays. Visits to modern markets are generally to buy various goods that are not available in traditional markets or because they are cheaper. They visit it periodically once a week or once a month for basic necessities which are cheaper in price because of the large-scale sales strategy of essential goods. Economical people are very considerate of the price factor in addition to the utility value of the goods that shape their preferences.

The rapidly growing number of modern markets has eroded the effect of businesses on traditional markets in terms of business sustainability. The advantages possessed by the modern market, namely providing a variety of product needs in one place to shop, complete products sold, ease of finding goods, shopping convenience, good product quality, spacious and safe parking and maintained cleanliness. These advantages create high interest for consumers to choose modern markets to meet their needs, compared to traditional markets which tend to be less comfortable (Dharmesta et al., in Masni, 2014). However, traditional markets also have several advantages in naturally competitive services such as a strategic location, a large sales area, a complete variety of goods, low prices, a bargaining system that shows intimacy between sellers and buyers. traditional (Akadsolo, 2009).

Denpasar City is one of the second-level regions in Bali Province, with a population at the end of 2020 of 651,601 people, making Denpasar the area with the largest population as well as the most populous in Bali, Denpasar City has its own challenges in forming its GRDP per capita. One of the causes of the large population of Denpasar City is the high flow of migrants. The high flow of immigrants certainly brings very complex problems. Even though with a GRDP contribution of 18.86 percent of the total GRDP of the Province of Bali, the number and high population growth make it a special task for Denpasar City to continue to improve its welfare through increasing its GRDP per capita and increasing its economic activity.

The development of traditional markets in the city of Denpasar during the 2018-2020 period did not experience development, where in Denpasar City there were 34 traditional markets consisting of village traditional markets and markets managed by PD Pasar. Meanwhile, if you look at the development of modern markets in Denpasar City, it continues to develop every year, which means that until 2019 the number of modern markets consisting of minimarkets, supermarkets and other modern stores experienced a positive trend, which was 314 units. In this study, two markets will be investigated, one traditional market, namely Badung Market and one modern market, namely Tiara Dewata. Badung Market is one of the traditional markets in Denpasar City. The location of the market which is in an urban area makes it easier for people to go to Badung Market. In addition, Badung Market is also the oldest regional market center in Denpasar City, where the market is already well-known to the people of Denpasar City and outside Denpasar City. Badung market in general is the same as other traditional markets that sell various basic needs such as basic necessities, textiles, furniture, culinary, and others. Meanwhile, Tiara Dewata Supermarket is one of the supermarkets in Denpasar City which was established on June 17, 1985 under the name PT. Karya Luhur Permai and officially started operating on March 25, 1986. Tiara Dewata has become one of the choices for household consumers to shop for their daily needs.

The lack of traditional markets has caused the shift of household consumer preferences to shop at modern markets. When compared to traditional markets, modern markets are clean and the service is satisfactory (Anom et al., 2017). The presence of modern markets is considered to be more profitable for consumers because it gives rise to various alternative places to shop with pleasant facilities (Ritu Mehta et al., 2014). Modern markets have succeeded in capturing consumer needs, being able to meet consumer wants and tastes, while traditional markets have been slow to respond to changes in consumer shopping behavior that are increasingly dynamic. As a result, consumer shopping behavior has also changed and has begun to shift to modern markets.
People's behavior in shopping has also changed. Based on economic theory, the market is formed influenced by the demand and supply between sellers and buyers. The behavior of modern society poses a challenge for traditional markets to maintain their existence due to the rapid development of modern markets. When associated with consumption theory, this theory argues that economic activity is a lifelong activity. According to this theory, the socioeconomic factors of a person or household greatly affect the consumption pattern of that person or household. This is what influences changes in people's behavior in choosing a place to shop. In this millennial era, there has been a shift in lifestyle from traditional to modern, thus creating changes in consumer behavior in shopping (Josiassen et al., 2011). Changes in consumer behavior in shopping are generally influenced by several factors such as the price of goods, income, product quality, and business location.

Based on the description above, the authors choose and are interested in raising the issue of "Factors Influencing Consumer Households Shopping in Traditional and Modern Markets".

II. LITERATURE REVIEW

The theory used in this research is microeconomic theory, known as demand theory and supply theory, where supply and demand are theories that explain interactions or transactions between sellers and buyers. According to economics, demand is defined as the type and quantity of goods and services demanded by buyers at various possible prices in a certain period in the market (Sukirno, 2013: 76). Supply is the number of goods and services available and offered in the market for sale at various price levels and at certain times (Kembar et al., 2018). Demand theory explains the nature of consumer demand for an item while supply theory explains the nature of producer supply. In microeconomic analysis, basically prices and demand (demand) and supply (supply) depend on individuals in the economy. Demand that comes from consumers and caps from producers. These two things are the main points in an economic problem, because these two things make the market economy work. Therefore, before looking at whether policies or events can affect the economy, we must first look at their effect on supply and demand.

In economic theory it is said that humans are economic creatures who always try to maximize their satisfaction and always act rationally. Consumers will try to maximize their satisfaction as long as their financial capabilities allow. They have knowledge about product alternatives that can satisfy their needs. Satisfaction is very important and seems to be the main thing to be fulfilled. To understand consumers and develop appropriate marketing strategies, we must understand what they think (cognition), they feel (influence), what they do (behavior), and where (events around them) influence. Therefore, studies on this matter must be carried out continuously because it is closely related to dynamic human problems. In the field of marketing studies, the concept of consumer behavior is continuously developed with various approaches. Thus consumer behavior is consumer actions that are directly embedded in the process of obtaining, consuming, and spending products or services, including the processes that precede and follow these actions.

Kasmir and Jakfar (2010: 53) state that the price is the amount of money that is submitted in exchange for goods or services. According to Sukirno (2000) income or income in general can be interpreted as revenue or the amount obtained from the main results. According to economics, income is the maximum value that can be consumed by a person in a certain period. An increase in income will lead to an increase in goods consumed both in terms of quantity and quality (Danil, 2013). Product quality is the entire combination of product characteristics from marketing, engineering (planning), manufacturing (product) and maintenance that make the products used meet customer expectations (Waller, 2010). Location is a place where a business or business activity is carried out, where a good location factor is relative to each different type of business (Fransesco et al., 2008).

The results of Kodu's research (2013); Saraswati and Wenagama (2019) found that price has a significant effect on changes in household consumer behavior in shopping. Research by Danil (2013) found that income has a significant effect on changes in household consumer behavior in shopping. Income will affect the amount of goods consumed. Research conducted by Permadi Putra et al. (2017) stated that product quality has a significant effect on changes in household consumer behavior in shopping. Furthermore, research by Putri and Jember (2016) found that location had a significant effect on changes in household consumer behavior in shopping.

Based on the main problems and literature review described, it can be formulated hypotheses that will be tested in this study, namely: (1) Prices of goods, income, product quality, as well as the location owned simultaneously affect consumer behavior in traditional markets and modern markets in Denpasar City. (2) Prices of goods, income, product quality, and location partially owned have a positive effect on consumer behavior in traditional markets and modern markets in Denpasar City.
III. RESEARCH METHODS

In this study using a quantitative approach in the form of associative. The location of this research was conducted in Badung Market and Tiara Dewata Supermarket, Denpasar City. The object of this research is consumer behavior in traditional markets and modern markets in Denpasar. Consumer behavior is influenced by price, income, quality of goods and location of consumers in Traditional Markets and Modern Markets in Denpasar City. There are two types of data used in this study, namely quantitative data and qualitative data. There are two sources of data used in this study, namely primary data and secondary data. The research population is household consumers who have shopped at Badung Market and Tiara Dewata Supermarkets in Denpasar City. In this study, the consumers are households that have shopped at both markets. The sampling technique used is Nonprobability Sampling. One of the Nonprobability Sampling approaches used in this research is Quota Sampling or determined by quota. Researchers set a quota of 100 samples. The composition of household consumers who shop at Badung Market and Tiara Dewata Supermarket is attempted to be balanced and the sampling of respondents is accidental. Data collection methods in this study used observation, questionnaires and in-depth interviews. The analysis technique used is multiple linear regression analysis.

IV. RESULT AND DISCUSSION

Multiple linear regression analysis is an analysis used to determine the effect of the price of goods, income, product quality, and the location owned partially have a positive effect on consumer behavior in traditional markets and modern markets in Denpasar City by using SPSS. From the data analysis carried out, the results are as shown and shown in Table 1.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>6.350</td>
<td>1.596</td>
<td>3.980</td>
</tr>
<tr>
<td>X1</td>
<td>.196</td>
<td>.061</td>
<td>.279</td>
<td>3.221</td>
</tr>
<tr>
<td>X2</td>
<td>.191</td>
<td>.072</td>
<td>.231</td>
<td>2.647</td>
</tr>
<tr>
<td>X3</td>
<td>.223</td>
<td>.112</td>
<td>.185</td>
<td>2.001</td>
</tr>
<tr>
<td>X4</td>
<td>.601</td>
<td>.153</td>
<td>.344</td>
<td>3.933</td>
</tr>
</tbody>
</table>

F Statistic 19.305
Sig F 0.000
Adjusted R² 0.448

a. Dependent Variable: Y

Based on the results of the analysis in Table 1, the regression model equation is obtained as follows:

\[ \hat{Y} = 6.350 + 0.196 X1 + 0.191X2 + 0.223X3 + 0.601X4 \]

Multiple linear regression analysis technique requires several requirements that must be met, namely the classical assumption test. The classical assumption test consists of the normality test, multicollinearity test, and heteroscedasticity test. The test results can be presented as follows:

The normality test aims to test the residuals from the regression model made whether they are normally distributed or not (Suyana Utama, 2009). A good regression model is one that has a normal distribution or is close to normal. Whether or not the normality test is fulfilled can be tested by performing statistical test which can be seen in Table 2.
The value of the Kolmogorov-Smirnov (K-S) Statistical Test is 0.216 with the Asymp value. Sig. (2-tailed) of 0.176. This value states that the data is normally distributed, because the Asymp value. Sig. (2-tailed) of 0.176 is greater than = 0.05 percent.

The multicollinearity test aims to test whether the regression model has a correlation between the independent variables. A good regression model should not have a correlation between the independent variables or be free from multicollinear symptoms. To detect whether there is a correlation between independent variables, it can be seen from the tolerance value or the value of the variance inflation factor (VIF). If the tolerance value is more than 10 percent or VIF is less than 10, then the model does not contain multicollinearity symptoms. The complete multicollinearity test results can be seen in Table 3.

Table 3: Multicollinearity Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients(a)</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>X1</td>
<td>.775</td>
</tr>
<tr>
<td></td>
<td>X2</td>
<td>.761</td>
</tr>
<tr>
<td></td>
<td>X3</td>
<td>.677</td>
</tr>
<tr>
<td></td>
<td>X4</td>
<td>.758</td>
</tr>
</tbody>
</table>

\(a.\) Dependent Variable: Y

Source: SPSS Processed Results, 2022

Based on Table 3, it shows that each independent variable has a tolerance value greater than 10 percent (0.1) and a VIF value of less than 10, so the model is said to not contain symptoms of multicollinearity.

According to Suyana Utama (2009:94), this heteroscedasticity test is used to test whether there is an inequality of variance from one observation residual to another in the regression model. If the variance and residual from one observation to another observation remain, it is called homoscedasticity and if it is different it is called heteroscedasticity. Heteroscedasticity test in this study was carried out using the glejser test. If the significance value is above 0.05, then this regression model can be said to be free from heteroscedasticity problems. The results of the heteroscedasticity test are presented in Table 4.

Table 4: Heteroscedasticity Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-2.016</td>
</tr>
<tr>
<td></td>
<td>X1</td>
<td>-.084</td>
</tr>
<tr>
<td></td>
<td>X2</td>
<td>.191</td>
</tr>
<tr>
<td></td>
<td>X3</td>
<td>.459</td>
</tr>
<tr>
<td></td>
<td>X4</td>
<td>.087</td>
</tr>
</tbody>
</table>

\(a.\) Dependent Variable: ABS_RES

Source: SPSS Processed Results, 2022

Based on Table 4 shows that the value of sig. of each independent variable is above 0.05. This shows that all independent variables are free from heteroscedasticity. Based on Table 1 shows that the value of sig. of each independent variable is above 0.05. This shows that all independent variables are free from heteroscedasticity. Based on Table 1, it can be described as follows: The results of statistical test analysis obtained the calculated F value of 19.305 > F table of 2.48 and the significance of the calculated F of 0.000 < from = 5 percent or 0.05, then H0 is rejected and H1 is accepted, which means the price of goods, income, product quality, and location simultaneously have a significant effect on consumer behavior in traditional markets and modern markets in Denpasar City. This result is supported by the coefficient of determination (R2) of 0.448 which means that 44.8 percent of the variation of consumer behavior in traditional and modern markets in Denpasar City is explained by the price of goods, income, product quality, and location, while 55.2 the remaining percent is explained by other factors not included in the model.
The value of t table of 1.671 and t arithmetic of 3.221, then H0 is rejected and H1 is accepted. This result is also supported by a significant t value of 0.002 ≤ 0.05. These results indicate that the variable price of goods has a positive and significant effect on consumer behavior in traditional markets and modern markets in Denpasar City. This means that when prices increase, there will be changes in consumer behavior in traditional markets and modern markets in Denpasar City. The value of t table is 1.671 and t arithmetic is 2.647, then H0 is rejected and H1 is accepted. This result is also supported by the significant value of t of 0.010 ≤ 0.05. These results indicate that the income variable has a positive and significant effect on consumer behavior in traditional markets and modern markets in Denpasar City. This means that when income increases, there will be a change. The value of t table is 1.671 and t arithmetic is 2.001, then H0 is rejected and H1 is accepted. This result is also supported by the significant value of t of 0.048 ≤ 0.05. These results indicate that the product quality variable has a positive and significant effect on consumer behavior in traditional markets and modern markets in Denpasar City. This means that when product quality increases, there will be changes in consumer behavior in traditional markets and modern markets in Denpasar City. The value of t table is 1.671 and t arithmetic is 3.933, then H0 is rejected and H1 is accepted. This result is also supported by the significant value of t of 0.000 ≤ 0.05. These results indicate that the business location variable has a positive and significant effect on consumer behavior in traditional markets and modern markets in Denpasar City. This means that the location of the business affects changes in consumer behavior in traditional markets and modern markets in Denpasar City.

V. CONCLUSION

Prices of goods, income, product quality, as well as the location owned simultaneously affect consumer behavior in traditional markets and modern markets in Denpasar City. Prices of goods, income, product quality and location partially owned have a positive effect on consumer behavior in traditional markets and modern markets in Denpasar City. Based on the conclusions of this research, traders in traditional and modern markets, traders both in traditional and modern markets should pay attention to the factors that have a significant effect on changes in consumer behavior. By paying attention to these factors, if the merchants can correct the shortcomings contained in their respective stores and be able to attract consumers to shop. In addition, taking into account the factors that have a significant influence as mentioned above, will help minimize changes in consumer behavior.

REFERENCES


