

The Distinction of Impulse Buying Behavior in Traditional Markets

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Abstract

This study analyzed the differences in the behavior of traditional market consumers in Surabaya and Malang. In this study, 205 respondents from the Surabaya traditional market and 177 respondents from the Malang traditional market were involved. The data were analyzed by t-test to find out if there were significant differences or no differences. From the test results, it shows that the variables of facilities, environment, price, and regret there have no significant differences in respondents in Surabaya and Malang. In conclusion, there are differences in the factors that influence impulse buying behavior in traditional markets in Surabaya and Malang.

Keywords: Impulse, buying, behavior, location, t-test.

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La distinción del comportamiento de compra por impulso en los mercados tradicionales

Resumen

Este estudio analizó las diferencias en el comportamiento de los consumidores del mercado tradicional en Surabaya y Malang. En este estudio, participaron 205 encuestados del mercado tradicional de Surabaya y 177 encuestados del mercado tradicional de Malang. Los datos se analizaron mediante la prueba t para determinar si había diferencias significativas o ninguna. De los resultados de las pruebas, se muestra que las variables de instalaciones, medio ambiente, precio y pesar no tienen diferencias significativas en los encuestados en Surabaya y Malang. En conclusión, existen diferencias en los factores que influyen en el comportamiento de compra impulsiva en los mercados tradicionales de Surabaya y Malang.

Palabras clave: impulso, compra, comportamiento, localización, t-test.

1. INTRODUCTION

Surabaya is the second metropolitan city in Indonesia. As a metropolitan city, it becomes the center of economic activity in the area of East Java and its surroundings. The area of Surabaya City is 274.06 Km² divided into 31 sub-districts, most of the population is engaged in services, industry and trade, so it is rarely found in paddy fields. The processing and trade industries sector including hotels and restaurants are the main contributors to Surabaya's economic activities which are incorporated in the value of Gross Regional Domestic

Product. In Surabaya 331, modern shopping centers have developed. Some of the modern shopping venues consist of 15 department stores, 13 factory outlets, 47 supermarkets, 187 minimarkets, 28 malls, and 23 foreign franchises. Meanwhile, there are 74 traditional markets in Surabaya City. Of these, PD Pasar Surya manages 50 traditional markets while the rest is managed by the private sector. Surabaya per capita regional income in 2013 has amounted to 97,338,000.

The second position is held by the city of Surabaya. The city which is the provincial capital of East Java has a per capita income of 142,596 million rupiahs. The city of Surabaya is included in the list of the top 5 cities with the largest per capita income in Indonesia. The traditional markets managed by PD Pasar Surabaya are always identified with slum, smelly and muddy conditions. The population of Malang City is 895,387 people in 2017. The area of Malang City reaches to 145.28 km2, and the population density of Malang City reaches 6,200 people/km2. Moreover, it is known that Malang is the 21st largest city in Indonesia and is the 18th most populous city in Indonesia. Malang is the second largest city in East Java province. This city has a per capita income that reaches to 60,881 million rupiahs. With such a per capita income, it makes Malang a city positioned the largest per capita income in the province of East Java.

In the city of Malang, the movement to love traditional markets was encouraged by the City Government (City Government) in order to increase public interest in shopping in traditional markets. Based on the above data, it shows that Surabaya has a higher income per capita than Malang. But the management of the traditional market in Malang city is better than Surabaya. Although there are still many traditional markets that seem slum, muddy, and chaotic, their existences are still needed by the community with a fairly large percentage. The presence of modern markets in the new community reaches around 33 percent of the population, while the remaining 67 percent is served by traditional markets. Therefore, in the midst of the growth of the modern market, the role of traditional markets is still very much needed by the community.

2. REVIEW OF RELATED LITERATURE

Facilities and infrastructure become needs or tools when consumers make purchases for instance transportation as a tool to shop. Parking area as a place for the security of the vehicle used. A secure parking area makes consumers feel at home shopping so that it will encourage more shopping. Hawkins et al. (2004) explain that the location of shopping affects impulse buying. This means that easily accessible locations can influence consumers for unexpected purchases. Porto (2016) states that impulse buying is influenced by credit facilities and other factors such as shop characteristics which include attractive appearance, store location, size, physical aspects, convenience, patronage shop, ventilation, attractive layout, persuasive shop assistance, discounts and individual characteristics involving the nature of consumer personality, demographic factors, psychological variables and situational factors.

This explains that many factors influence impulse buying, in addition to the environment inside the store as well as outside the store. Jadidi et al. (2017) contend that good lighting, music, interior layout, color schemes, and floors will be a significant change in psychological response and increase sales. In addition, Wu & Wu (2015) explain that the condition of a store without music or sound results in a low evaluation, thus indicating that stimuli make a positive contribution to the store environment. Rasheed et al. (2017) state that the store environment design gives passion and stimulates interactively on shopping pleasure and intentions. Ampuero & Vila (2006) show that when consumers are in the store, background music will affect impulse buying.

Thus, shopping interests can also be influenced by the level of education. Higher educated consumers are not easily influenced by environmental stimuli than those with low education. Karbasivar & Yarahmadi (2011) explain that the results conclude that the VSS (virtual simulated store) environment using IVR technology (immersive virtual reality technology) shows a tendency to increase the perception of telepresence (remote presence). It is different from Cinjarevic (2010) products which have a greater impact on consumer cognitive than store environment. In this case, certain consumers prioritize product quality rather than environmental stimuli (Indriastuti, 2019; Rocha et al., 2017; Fathi Aghdam & Mahmodi Lafvat, 2016).

Price Discount

The price discount is a price cut that must be paid. In shopping places, discounts are sought after by consumers. During the discount period, many malls or shops are usually visited by consumers because they want to use the opportunity to get a discount. Venplanken & Sato (2011) state that price discounts are a general retail promotion tool that is determined based on its size and duration. With the discount, it will attract buyers to do impulse buying. Nazari & Ghaderi (2011) state that discounts have a large and positive impact on seller income. This explains that discounts are needed for better pricing strategies, in order to increase sales stability. Ozer & Gultekin (2014) contend that the price and decision to supply goods are important for the profitability of many companies especially for those who produce products that are easily damaged or obsolete. So that in can be assumed that discounts are useful to attract buyers.

Pradipto et al. (2016) explain that if the company is unable to fulfill the orders of the company it will offer discounts to customers in lieu of fulfilling requests. Vieira & Oliveira (2016) revealed that commodity purchases spontaneously increased due to discount offers, various schemes, promotional activities, retail store offerings, product display, seller behavior, product popularity, the influence of reference groups, customer income levels (Yang et al., 2019; Soo et al., 2019; Simamora et al., 2019). A significant relationship between Impulse Purchases and Use of Credit Cards is also conveyed by Claes et al. (2016) who show that there is a relationship between displays, credit cards, promotional activities with impulse buying behavior. Credit cards are the easiest payment facility since it is without collateral.

Therefore, many consumers or shoppers like this product. There are a lot of advantages of credit cards this is as long as users are able to manage it well. With credit card facilities, ATMs, online marketing has a relationship with impulse buying. In contrast, Venplanken & Sato (2011), in his study, he found age, income, education, and marital status affect compulsive purchases while credit cards do not affect compulsive purchases. Many researchers define impulse buying in a pure impulse buying type that shows spontaneous, sudden, quick decisions. In contrast to Nazari & Ghaderi (2011), he divides impulse buying into four groups. According to Claes et al. (2016) impulse buying is a purchase made with spontaneous, sudden, complex and tend to be hedonic. Many factors stimulate impulse buying. In an attractive shopping environment, a cool room and service promotion can stimulate or encourage consumers to make purchases.

Impulsive buying is not done intentionally and thoughtfully since individuals do not have complete information in searching for products actively. Venplanken & Sato (2011) explain that purchases are made without or do not have a purchase plan. Factors that influence impulsive purchases are classified into two categories: external factors (such as location, parking, culture, social, and others) and internal (psychological factors, emotions, trait) meaning that consumers are around the factors that stimulate the occurrence of impulse buying. Claes et al. (2016) found that the pre-purchase mood of consumers influences impulses buying behavior. When a consumer's mood becomes positive, it then decreases.

Related to it Porto (2016) explains that the post-purchase atmosphere and customer satisfaction are positively influenced by the pre-purchase mood. Claes et al. (2016) explain that by doing impulsive buying behavior repeatedly, people will not be happy because sometimes they regret and it disturbs them eventually. Pradipto et al. (2016) explain that compulsive buying leads individuals to higher credit card usage and can cause debt. The results show that this dimension is more common in women. Pradipto et al. (2016) explain that there is a significant positive correlation between identity confusion and compulsive purchases (offline/online) and hoarding (shopping items). Identity confusion is also significantly related to the support of materialistic values and depression. Compulsive purchases (offline/online) is related to young buyers.

Porto (2016) in their study they consider the effect of happiness on impulsive buying and brand loyalty and checks how brand loyalty affects impulsive buying. It shows that subjective well-being (or happiness) is a multifaceted construct consisting of positive influences (relatively positive emotions), lack negative influences (relatively few unpleasant emotions) and life satisfaction assessments. Subjective well-being refers to hedonic pleasure or happiness. In this study, subjective well-being (hereinafter referred to as happiness) is defined as a global assessment of individual life satisfaction. According to Pradipto et al. (2016), impulse purchases may function as an escape from negative psychological conditions. Porto (2016) found that general impulse buying trends correlated with negative long-term atmosphere and low self-esteem.

In addition, Porto (2016) state that consumers in difficult circumstances tend to make active purchases that are considered as self-reward. Porto (2016) state that impulsive purchases may not be as extreme as those generally believed. In fact, impulsive buying maybe some people's interest as a signal or a sign of losing self-control and shopping addiction. In retrospect, consumers who cannot resist the urge to buy can learn to rationalize their pleasures. For example, unplanned purchases can be said as a gift after hard work. According to Seinauskiene (2015) after doing impulse buying, buyers of Mearasakaan are happy because their wishes are fulfilled. Impulsive purchases can lead to happiness when it is done with positive emotions.

3. ANALYSIS RESULTS

Behavioral Difference Test Impulse Buying in traditional markets in Surabaya with Malang. Statistical analysis in this study used t-test (paired sample test) to prove the hypothesis, then t-test or t-test was carried out with alpha tolerance of 5 percent and 95 percent free degree of trust, with alpha $\alpha = 0.05$, df = (n1 + n2) - 2 so that df = (177 + 205) - 2 = 380 for n1 is the city of Malang and for n2 is the city of Surabaya. Obtained t table is equal to, then the result of t-test is as shown in table 1 below:

Variable	T-Account	T-Table	Conclusion
Facility	10.813	1.98	Ho rejected, H1 accepted
Environment	6.805	1.98	Ho rejected, H1 accepted
Price	3.875	1.98	Ho rejected, H1 accepted
Procedure	0.968	1.98	Ho accepted, H1 rejected
Impulse Buying	0.326	1.98	Ho accepted, H1 rejected
Regret	3.294	1.98	Ho rejected, H1 accepted
Happiness	0.537	1.98	Ho accepted, H1 rejected

Table 1: Results of hypothesis testing calculations in Malang city and Surabaya city Source: Data processed

Facility

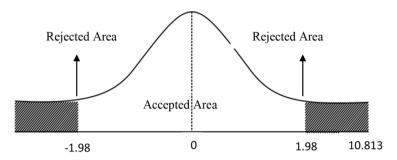
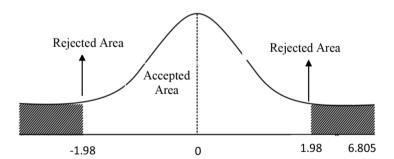
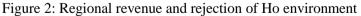


Figure 1: Regional acceptance and rejection of Ho facility

Based on Figure 1. Ho Revenue and Rejection Area Mean that tcount is 10.813 and t-table is 1.98, it can be concluded that Ho is rejected and H1 is accepted. This shows that there are significant differences between the variables of Malang city and Surabaya city.

Environment





Based on Figure 2. Regional Revenue and Rejection Ho Environment that t-count is 6.805 and t-table is 1.98, it can be concluded that Ho is rejected and H1 is accepted. This shows that there are significant differences between the environmental variables of Malang city and Surabaya city.

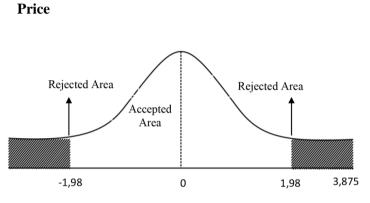


Figure 3: Regional revenue and rejection Ho price

Based on Figure 3 of the Acceptance and Rejection Area of Ho Price that t-count is 3.875 and t-table is 1.98, it can be concluded that Ho is rejected and H1 is accepted. This shows that there are significant differences between the price variable of Malang city and Surabaya city.

Procedure

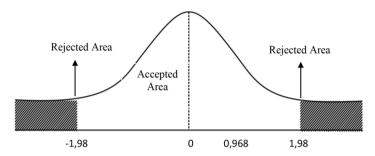


Figure 4: Regional acceptance and rejection of Ho procedure Based on Figure 4. Regional Revenue and Rejection Ho Procedure that t-count is 0.968 and t-table is 1.98, it can be concluded that Ho is accepted and H1 is rejected. This shows that there is no significant difference between the procedure variables of Malang city and Surabaya city.

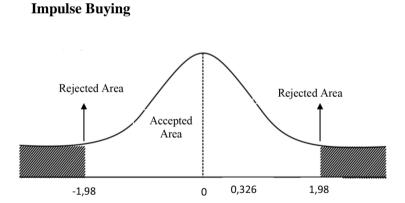


Figure 5: Regional Acceptance and Rejection of Ho Facility

Based on Figure 5 the area of acceptance and rejection of Ho facility that t count is 0.326 and t-table is 1.98, it can be concluded that Ho is accepted and H1 is rejected. This shows that there is no

significant difference from the impulse buying variables of Malang city respondents and Surabaya city.

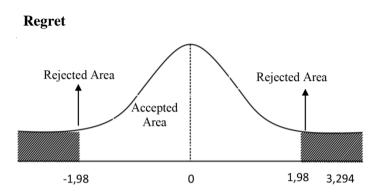
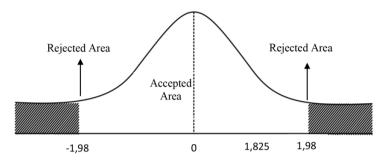
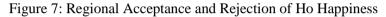


Figure 6: Regional Revenue and Rejection of Ho Regret Based on Figure 6. Regional Revenue and Rejection of Ho facility that t-count is 3.294 and t-table is 1.98, it can be concluded that Ho is rejected and H1 is accepted. This shows that there are significant differences between regret variables in Malang city respondents and Surabaya city.

Happiness





Based on Figure 7. Ho Happiness Revenue and Rejection Area that t-count is 1.825 and t-table is 1.98, it can be concluded that Ho is accepted and H1 is rejected. This shows that there is no significant difference between the happiness variables of Malang city respondents and Surabaya city. The results of testing using SPSS show that the cities of Surabaya and Malang are different especially in facilities, environment, price and regret, but they are not different in payment procedures, impulse buying and happiness. The different income levels (UMR) also influence economic behavior. The completeness of facilities is also different meaning that facilities and infrastructure have a very strong relationship with community welfare, economic growth, and even socio-politics. Moreover, impulse buying behavior has a positive impact on traditional market consumers. In Malang and Surabaya, there is also no difference. Even consumers in traditional markets also feel happy and there is no repentance.

4. CONCLUSION

From the results of data analysis and hypothesis testing, it can be deduced that overall there are differences in the factors that influence impulse buying behavior in traditional markets in Surabaya and Malang, but there are also similarities in impulse buying behavior and the effects that it results.

5. SUGGESTION FOR FUTURE RESEARCH

Traditional markets are still in great demand by the public amid the technology of marketing and purchasing that is already online and also many modern markets. This situation shows that traditional markets are still able to compete. The differences in traditional market conditions in Surabaya and Malang make inspiration that each region has its own uniqueness. So that future research needs to explore deeply the uniqueness that can increase purchases in traditional markets such as making traditional markets similar to modern markets and the use of technology in product distribution (use of applications).

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