

RESEARCH ARTICLE

‘Surviving factors’ of traditional markets—Study in Ternate City, North Maluku, Indonesia

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ABSTRACT

Consumer behavior nowadays is founded on market developments, one of which is the existence of the modern market, which has become idolized by the populace and causes customers’ desire to continue to be spoiled. Therefore, consumers may now shop in modern marketplaces that offer a safer, more pleasant environment and choose products that fulfill their wants and preferences instead of going to stinky, hot markets to meet their needs. These conditions highlight the different situational contexts on how people intend to buy goods. This research examines and explores factors leading to buying decisions in traditional markets. This model was retested in traditional markets since two national retail brands opened in Ternate City, North Maluku Province, Indonesia. Mixed methods were used in this research, by firstly employing a multiple regression analysis that was used for the quantitative approach; and then followed by using grounded theory method to explore the variables perceived by the shoppers. The findings show that while service quality, brand image, and product quality are found to significantly impact buying decisions, price and store atmosphere show a contrasting pattern, indicating a negative and insignificant influence. The qualitative analysis emphasizes the unique characteristics of traditional markets, highlighting their reputation for offering fresher products at lower prices despite being less convenient. It is suggested for traditional markets to focus on improving service quality, brand image, and product quality while addressing perceptions of price and store atmosphere. Highlight unique selling points like fresher products and a vibrant market experience to stay competitive is also necessary. Due to a limited number of the studied traditional markets, more ones should included in future research.

Keywords: brand image; buying decision; consumer behavior; price; product quality; service quality; store atmosphere; traditional market

1. Introduction

As the modern era progresses, competition intensifies within the business realm, paralleled by the rising demands of a developing economy, reflecting the escalating needs of humanity^[1]. Many efforts are made to meet human needs by producing these necessities and distributing them through traditional and modern markets. A market is a meeting place for sellers and buyers to carry out transactions where a trading process is formed, which according to the quality-of-service class, can be grouped into traditional markets and modern markets, and according to the nature of their distribution, can be classified into retail markets and wholesale

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markets.

The rapid growth of the modern market makes it convenient to shop in various regions. Furthermore, the modern market is more attractive to visitors because, in addition to the availability of more complete community needs, visitors also become comfortable and satisfied with the facilities provided in the modern market, such as the existence of escalators/walking stairs and rooms that have air conditioning (AC). This experience also includes discounts and promotions occurring every week.

In recent years, the government has improved traditional market infrastructure in all regions to compete with minimarkets and modern markets that have spread to various regions. Along with the change in consumer orientation in shopping patterns for daily needs, it is hoped that traditional markets will be able to compete with minimarket businesses through franchise networks, aka franchises, to develop in remote small district cities. The Government of Ternate City has also conducted this effort in the last two decades.

Ternate City has become the economic hub of the Province of North Maluku—the largest maritime province in Indonesia. Hence, Ternate City has become the center of human and goods activities, including traditional and modern markets. Since 2020, Ternate City has permitted two national retailer brands to be open around the city. They were *Indomaret* and *Alfamidi*. These two retailers have opened their shops in more than 20 spots across the city. A few of these spots are close to traditional markets. While the city government is enjoying investments in the city and the customers have had more options, threats have been inevitable to the traditional markets.

Aryani et al.^[2] argue that traditional shopping has persisted over the years as a prevalent method through which society has traditionally acquired products and services, prevalent for centuries prior to the emergence of the internet and e-commerce. Numerous studies have concentrated on the perspective that traditional market is preferred when consumers feel the necessity to physically interact with, smell, or test the product^[3]. However, consumer behavior based on market developments today makes consumers want to continue to be spoiled, one of which is the presence of the modern market, which has become an idol among the public. Consumers who used to shop at traditional markets to meet their needs must be willing to have a smelly and hot market atmosphere, but now consumers can shop in modern markets with a much safer, more comfortable atmosphere and choose products that suit their needs and desires.

Seeing this phenomenon, this study aimed to identify factors that enable Ternate City's traditional markets to survive. Previous studies have shown that buying decision tends to be influenced by service quality^[4,5], price^[6,7], store atmosphere^[8,9], brand image^[8-10], and product quality^[11,12]. Using these variables as the surviving factors, it is then interesting to analyze the demographic aspects of the shoppers responding to them and deciding to still make purchases in traditional markets.

2. Literature review

As highlighted above, buying decision in this current research is perceived in the context of traditional market. Consumers who purchase goods or services to fulfill their needs and desires are said to be making buying decisions (Kotler & Keller, 2016). Extensive studies have shown that buying decision is influenced by service quality^[4,5], price^[6,7], store atmosphere^[8,9], brand image^[8-10], and product quality^[11,12]. It is then viewed that to be necessarily explaining the studied variables.

The procedures by which customers use resources, information, and expertise to arrive at a purchasing decision are referred to as buying decisions^[35]. The information that encourages consumers to make a purchase is the first step in the purchasing process. Service quality is the subjective assessment of a customer's happiness with the service they are receiving and whether it fulfills or exceeds their expectations^[36]. Meanwhile, prices

are defined as a range or quality of goods that have been agreed upon by the parties to a sale as a basis product. These prices are then used to correlate the prices of other varieties that differ in size, physical attributes, chemical composition, and other ways^[37]. Moreover, the term “store atmosphere” describes the efforts made to create shopping spaces that have the potential to favorably affect customers' emotions and feelings, which in turn affects their purchasing decisions. Thus, from the viewpoint of the consumer, the retail environment can be viewed as the stimulus that shapes their emotional and behavioral reactions in the store^[38].

In terms of the next variable, consumer impressions and beliefs about a brand are collectively referred to as brand image^[39]. From the viewpoint of the customer, a brand offers a clear illustration of the variations amongst products. An organization may try to project a particular image for the brand through its branding tactics and advertising messaging. Lastly, a product's functional ability to assist its users is a key component of its quality^[37]. Product strength (reliability), ease (producing effectiveness), improvement (meaning the product can be refreshed so as to minimize costs), and other attributes that bring benefits are generally referred to as product quality.

2.1. The effect of service quality on purchasing decisions

A study by Nasution and Lesmana^[13] shows that service quality positively and significantly affects purchasing decisions. In addition, what was found by Lestari^[14] and Lahindah & Siahaan^[4] shows that significantly and together with other variables, service quality has a positive and significant impact on purchasing decisions. Therefore, in this study, the first hypothesis (H1) is that it is suspected that service quality has a positive and significant effect on purchasing decisions in traditional markets.

2.2. The effect of price on purchasing decision

Siswati and Putri^[15] show that price has a simultaneous and influential effect on purchasing decisions. In addition, Astuti et al.^[16] research indicates that price positively and significantly affects purchasing decisions. This result indicates that if the price is more affordable than in modern markets', customer satisfaction will increase according to consumer expectations. Thus, in this research proposal, a second hypothesis (H2) was proposed, namely that it is suspected that price has a positive effect on purchasing decisions in the traditional market.

2.3. The effect of store atmosphere on purchasing decision

Moreover, store atmosphere is another factor leading to buying decisions—some studies identify it as convenient. However, although some studies^[17,18] show that the store atmosphere has a positive and significant effect on purchasing decisions, Istiyanto and Nugroho^[19] found that store atmosphere does not affect purchasing decisions. This current study, however, proposed the third hypothesis (H3) that it is suspected that the store atmosphere has a positive and significant effect on purchasing decisions in traditional markets.

2.4. The effect of brand image on purchasing decision

In the definition above, there is an implied meaning that ‘traditional’ is a characteristic of a type of market. Therefore, in this study, the type is treated as an identity or brand for a type of market. In other words, this study wants to analyze how buyers who come to these markets provide an overview of ‘traditional’ brand associations. Previous studies by Amron^[6], Sudaryanto et al.^[7], and Lestari^[14] show that brand image influences purchasing decisions. In other words, with this brand image variable, in this study, the fourth hypothesis (H4) was proposed, namely that it is suspected that brand image affects purchasing decisions in traditional markets. In other words, the image of the market type—that is, traditional—wants to be analyzed and see whether it causes (strengthens or weakens) people’s decision to shop at the traditional markets under study.

2.5. The effect of product quality on buying decision

Lastly, According to Tjiptono^[20], the product is the subjective understanding of the producer of “something” that can be offered as an effort to achieve organizational goals through fulfilling the needs and desires of consumers, following the competence and capacity of the organization as well as purchasing power. Moreover, according to Stanton^{[21](p. 222)}, a product is a collection of real and unreal attributes, including packaging, color, price, quality, and brand, coupled with its services and sales reputation. In this study, the market was perceived as a ‘product’ built by the government to move the wheels of a region’s economy. This definition follows the market definition mentioned earlier. So, to build a hypothesis that describes the relationship between product quality and purchasing decisions, in addition to the concepts above, previous studies were also observed; the results of Akbar’s research^[22] showed that product quality has a positive and significant effect on purchasing decisions, likewise with Rizkiana et al’s research^[23] which states the same thing. Therefore, in the fifth hypothesis study (H5), it is suspected that product quality positively and significantly affects buying decisions.

From the description of the developed hypotheses above, this current study proposed the following research model in the context of a traditional market (**Figure 1**). In other words, although the above variables have been researched over time, the study on traditional markets tends to be scarce.

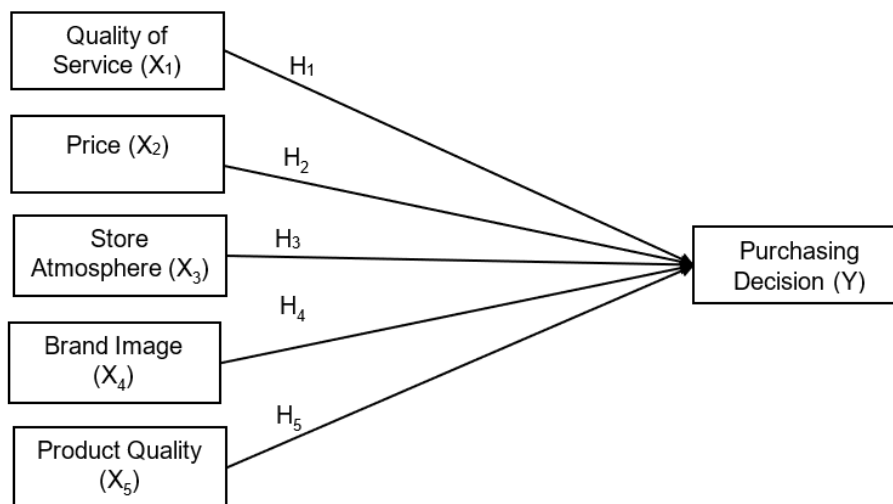


Figure 1. Research framework.

3. Materials and methods

This research was conducted using an exploratory mix-methods approach, as illustrated in **Figure 2**. A seminal work by O’Cathain, A., et. al.^[40] show the use of mix-methods was—for quantitative approaches—to test effectiveness, describe, explain variability, and determine sample for qualitative. Meanwhile, the qualitative approach was used mostly to explore an issue. The current research the used this mix-methods because of determining variability of the variables and the samples for qualitative. In other words, for the quantitative approach, the number of respondents should be firstly calculated. Therefore, these respondents were determined from the population who were consumers who had shopped at all five traditional markets in the City of Ternate—Syariah Market, Sasa; Bastiong Market, Kota Baru Market, Gamalama Market, and Dufa Dufa Market.

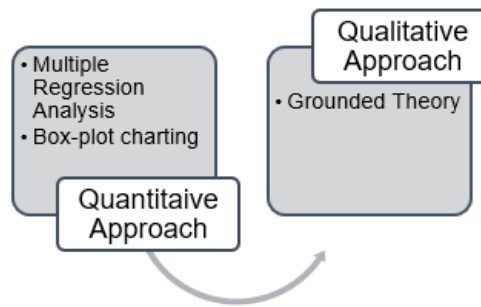


Figure 2. Methodological approach.

From these locations, the sampling technique used is quota sampling, which is a technique to determine a population sample with certain characteristics to the desired number (quota). Nonetheless, because the population had similar characteristics, the sampling technique was used to determine the minimal amount of respondents. The determination of the number of samples, according to Hair et al.^[24], depends on the number of indicators multiplied by 5 to 10. However, considering the number of traditional markets in the city of Ternate, the number of respondents in this study was determined to be as many as 200 to 300 people. Therefore, these numbers were the target for the survey where questionnaires were disseminated.

The use of multiple linear regression analysis was aimed at examining the relationship between a dependent variable and several independent variables. The multiple linear regression formula is used as follows^[25]:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

| | |
|--------------------|-------------------------------------|
| Y | = Purchasing Decision |
| a | = Constant Value |
| b1, b2, b3, b4, b5 | = Regression coefficient |
| X1 | = Quality of Service |
| X2 | = Price |
| X3 | = Store Atmosphere |
| X4 | = Brand Image |
| X5 | = Product Quality |
| e | = Prediction error (standard error) |

This model formula is a regression of a linear form where, theoretically, the non-free variable to be studied tends to have a linear relationship with each of its free variables. In other words, the survey also needed to be well structured^[34]. Furthermore, this study also conducted classical assumption tests, including normality, multicollinearity, and heteroskedasticity tests.

Once those classical assumption tests were satisfied, the data were tested for validity and reliability. The validity test can be done by looking at the correlation between the scores of each item in the questionnaire, and the total score one wants to measure, using Pearson's Correlation Coefficient in SPSS. No significant relationship occurs if the significant value (P Value) > 0.05. Meanwhile, a significant relationship occurs if the significant value (P Value) < 0.05. Reliability is a measuring instrument for measuring a questionnaire that

indicates variables. An indicator is said to be reliable or reliable if a person’s answer to a question is consistent or stable^[26]. Generally, an instrument is said to be good if it has a coefficient of Cronbach’s Alpha > 0.6. To test the reliability of the study using the SPSS Version 26.

Next, this study also conducted a partial test. The t-test aims to determine the effect of free variables on partially bound variables. Free variables affect bound variables, which can be seen from the probability of free variables compared to the error rate (α). If the probability of a free variable is greater than the error rate (α), then the free variable has no effect, but if the probability of a free variable is smaller than the error rate (α), then the free variable affects the bound variable.

Moving on to the qualitative approach, the boxplot analysis was used to initially identify the potential informants based on the outliers of the data. Then, the potential informants were approached to obtain their consent for the interviews. These interviews were the initial primary data collection process up to the concept generating and theory building, as illustrated in **Figure 3**. This figure emphasized using the grounded theory method for the second approach.

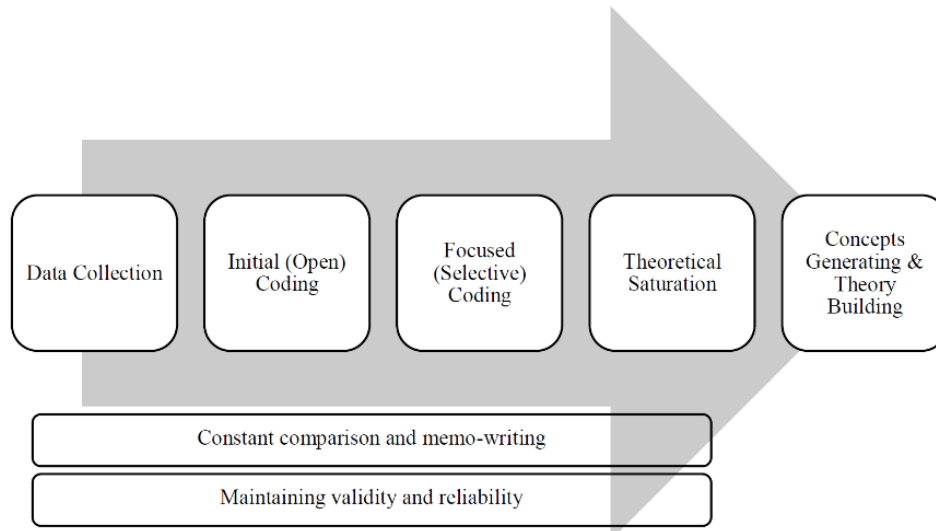


Figure 3. Grounded theory method (adapted from Charmaz^[27]).

The interview was conducted based on the research variables yet explored more on their subjective opinions. Those informants were then asked the following questions (**Table 1**).

Table 1. Interview questions.

| Variable | Questions |
|------------------------------------|---|
| Service Quality (X ₁) | What is your opinion on the service quality of the traditional market you usually visit and purchase? |
| Price (X ₂) | What is your opinion on the price of the goods sold at the traditional market? |
| Store Atmosphere (X ₃) | How convenient do you think the traditional market is? |
| Brand Image (X ₄) | What is in your mind when time you hear the term traditional market? |
| Product Quality (X ₅) | How do you consider the quality of selling products in the traditional market? |
| Buying Decision (Y) | Why do you still shop at the traditional market? |

4. Results

4.1. Respondents profile

The population in this study was the shoppers at traditional markets in Ternate City of North Maluku, Indonesia. The targeted samples were between 200 and 300 respondents. The responses were collected from 243 people using Google Forms of respondents' inner circle of social media and onsite. Of form 243 responses, only 189 were used. In order to main discreteness of the respondents' identities, on the questionnaire, it was optional for them to write names and left phone numbers; unless they wanted to be involved for the qualitative stage. These responses were then characterized based on gender, age, occupation, and budget. These profiles are summarized in **Table 1** below. The table shows that the respondents in this research were dominated by females, which was 107 people. Meanwhile, male shoppers only accounted for less than half the respondents: the male shoppers, 82 people participating in this research.

The second finding of the respondents' demographic attributes was age. In this research, the age group was into nine different groups—13-20, 21-25, 26-30, 31-35, 36-40-, 41-45, 6-50, 51-55, and above 55 years old. This analysis was essential to provide a context where the productivity and mobility of the respondents, considering traditional markets were still running in a conventional way where the buyers needed to physically come, select, and buy goods on the spot. In addition, the traditional market was still far from the modern way of shopping that allowed customers to buy online or cash on delivery (COD) using certain applications on their mobile phones. In this regard, this research also considered those respondents who were considered to be millennials and regarded shopping at traditional markets as an old-fashioned way of shopping.

Table 1. Profile of respondents.

| Profile | Description | Frequency | Percentage |
|------------|-----------------------------|-----------|------------|
| Gender | Male | 82 | 56.6 |
| | Female | 107 | 43.4 |
| Age | 13-20 y.o. | 5 | 2.6 |
| | 21-25 y.o. | 54 | 28.6 |
| | 26-30 y.o. | 22 | 11.6 |
| | 31-35 y.o. | 22 | 11.6 |
| | 36-40 y.o | 28 | 14.8 |
| | 41-45 y.o. | 39 | 20.6 |
| | 46-50 y.o | 11 | 5.8 |
| | 51-55 y.o | 5 | 2.6 |
| | ≥ 56 y.o | 3 | 1.6 |
| Occupation | Entrepreneur | 23 | 12.2 |
| | Housewife | 15 | 7.9 |
| | PNS/ASN/TNI/POLRI | 84 | 44.4 |
| | Private Sector | 33 | 17.5 |
| | Student | 33 | 17.5 |
| Budget | Rp 100.000 – Rp 300.000 | 130 | 68.8 |
| | Rp 300.000 – Rp 500.000 | 33 | 17.5 |
| | Rp 500.000 – Rp 1.000.000 | 17 | 9.0 |
| | Rp 1.000.000 – Rp 3.000.000 | 7 | 3.7 |
| | ≥ Rp 3.000.000 | 1 | 5.0 |

Table 1 depicts the number of respondents in the age groups. The figure shows that those who dominated the respondents in this research were at their highlight mobile and productivity ages. These include the highest number of respondents—between 21 and 25 years—who were 54 people. This group was followed by those aged 41 to 45 (38).

Meanwhile, the respondents who were in the age group 26-30, 31-35, and 36-40 were almost equally distributed. They ranged between above twenty people per group. The youngest and oldest age groups were at the least, while those between 13 and 20 (the youngest) were only four. For those who were above 45 and older, they were less in shopping at traditional markets. Therefore, it can be said that the older the respondents were, the lower the tendency to visit traditional markets.

The next researched attribute of the respondents was their occupation. This research classified five types of occupations—PNS/ASN, TNI, POLR, Private Sector, Entrepreneur, Housewife, and Students. This attribute was essential in analyzing the tendency of buying decisions due to affordability. Occupations were also used to measure the respondents' purchases since they earned a salary or wage. Based on **Table 1**, this research was dominated by those who worked as PNS/ASN, TNI, and POLRI. These respondents accounted for more than half of the total respondents—84 out of 189. Except for homemakers and entrepreneurs, only 15 and 23 people, those in the private sector and students, were 33 from each occupation group.

From this analysis, it can be said that the highest number of students has been indicated from the age group analysis. The youngest and the most dominant age group in this research were mostly students, both at the high school and university levels. This finding should be noticed as they were at the productivity age yet have not made any money.

Lastly, the analyzed attribute of the respondents was budget. This attribute implied the amount of money the respondents spent every time they shopped at a traditional market. This attribute was measured because a customer tended to spare a certain amount of rupiahs when s/he went shopping. Since this was still a traditional market, the transaction was mainly in cash; therefore, the amount of money carried by a shopper would be limited.

Table 1 summarizes five different groups of budget ranges spent by respondents every time they went to a traditional market for shopping. The figure shows that the highest group of respondents spent between Rp 100.000 - and Rp 300.000- every shopping. This group was followed by those who spent a shopping budget from Rp 300.000- to Rp 500.000-. Thirty-three respondents spent on buying goods at traditional markets.

The next group was those who spent up to Rp 1.000.000 - on every visit to a traditional market. Only 17 respondents used their money in this group to shop at traditional markets. **Table 2** also shows seven respondents who buy goods and other fresh produce up to Rp 3.000.000 -. It also can be seen from the table that only one respondent spent above Rp 3.000.000 - on a single visit to a traditional market.

4.2. Regression analysis

Before conducting the regression analysis, all the collected responses were tested for their validity and reliability. These tests are summarized in **Table 2**, where all the statements from all six variables based on Pearson Correlation were valid, as their significant value were above 0.05. Meanwhile, all the variables were reliable as their Cronbach's Alpha was above 0.600.

Table 2. Results of the validity and reliability test.

| Factor and Scale | Factor 1 | Factor 2 | Factor 3 | Factor 4 | Factor 5 | Factor 6 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Service Quality = Cronbach α .864 | | | | | | |
| Service Quality1 | 0.573 | | | | | |
| Service Quality2 | 0.589 | | | | | |
| Service Quality3 | 0.600 | | | | | |
| Service Quality4 | 0.646 | | | | | |
| Service Quality5 | 0.731 | | | | | |
| Service Quality6 | 0.784 | | | | | |
| Service Quality7 | 0.766 | | | | | |
| Service Quality8 | 0.676 | | | | | |
| Service Quality9 | 0.716 | | | | | |
| Service Quality10 | 0.769 | | | | | |
| Price = Cronbach α .854 | | | | | | |
| Price1 | | 0.868 | | | | |
| Price2 | | 0.906 | | | | |
| Price3 | | 0.864 | | | | |
| Store Atmosphere = Cronbach α .876 | | | | | | |
| Store Atmosphere1 | | | 0.742 | | | |
| Store Atmosphere2 | | | 0.676 | | | |
| Store Atmosphere3 | | | 0.782 | | | |
| Store Atmosphere4 | | | 0.772 | | | |
| Store Atmosphere5 | | | 0.779 | | | |
| Store Atmosphere6 | | | 0.765 | | | |
| Store Atmosphere7 | | | 0.789 | | | |
| Brand Image = Cronbach α .772 | | | | | | |
| Brand Image1 | | | | 0.836 | | |
| Brand Image2 | | | | 0.843 | | |
| Brand Image3 | | | | 0.811 | | |
| Product Quality = Cronbach α .710 | | | | | | |
| Product Quality1 | | | | | 0.667 | |
| Product Quality2 | | | | | 0.740 | |
| Product Quality3 | | | | | 0.764 | |
| Product Quality4 | | | | | 0.747 | |
| Product Quality5 | | | | | 0.547 | |
| Buying Decision = Cronbach α .826 | | | | | | |
| Buying Decision1 | | | | | | 0.807 |
| Buying Decision2 | | | | | | 0.844 |
| Buying Decision3 | | | | | | 0.785 |
| Buying Decision4 | | | | | | 0.810 |

Furthermore, the analysis was also conducted regarding the researched variables. In this research, it was buying decisions were mostly influenced by service quality^[4,5], price^[6,7], store atmosphere^[8-9], brand image^[8-10], and product quality^[11,12].

It was then analyzed how the respondents' answers were received from the disseminated questionnaires. More specifically, the analysis was conducted by calculating and examining the mean from the responses. The

average of each variable is summarized in **Figure 4**. The figure clearly shows that the respondents' highest mean score was Brand Image, which was 4.19. This score was followed by Buying decision (4.03), price (3.92), Product Quality (3.84), Service Quality (3.88), and Store Atmosphere (3.19)

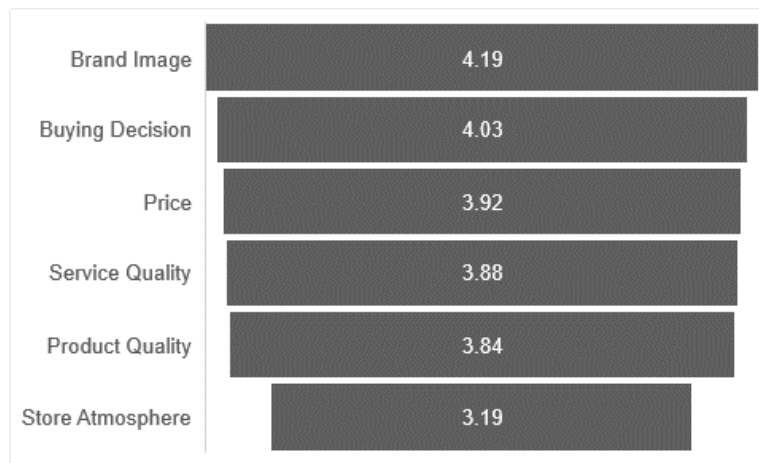


Figure 4. Average responses on researched variables.

The results of hypothesis testing are summarized in **Table 3**, with interesting findings. From five independent variables used to predict buying decisions in the traditional market, three variables positively and significantly influenced the respondents to buy at traditional markets. First, service quality positively affects buying decisions ($\beta = 0.143$, $t = 3.192$, $P < 0.05$). Secondly, brand image positively affected buying decisions ($\beta = 0.273$, $t = 2.377$, $P < 0.05$). Moreover, lastly, product quality positively and significantly influences buying decisions in traditional markets ($\beta = 0.311$, $t = 3.931$, $P < 0.05$).

Table 3 also shows two independent variables that have negative and insignificant effects on buying decisions of traditional markets. Price negatively and insignificantly affects respondents' buying decisions at traditional Ternate City markets. The finding also shows that store atmosphere does not affect the respondents buying their needs at traditional markets.

Table 3. Regression analysis results.

| Independent Variable | Buying Decision | | |
|------------------------------------|-----------------|--------|------|
| | β | t | Sig |
| Service Quality (X ₁) | .143 | 3.192 | .002 |
| Price (X ₂) | -.065 | -.673 | .502 |
| Store Atmosphere (X ₃) | -.056 | -1.570 | .118 |
| Brand Image (X ₄) | .273 | 2.377 | .019 |
| Product Quality (X ₅) | .311 | 3.931 | .000 |

Importantly, **Table 3** shows the results of the hypotheses testing. The first hypothesis, that service quality influences buying decisions at traditional markets, is accepted ($P=0.001$, <0.05). Based on the table, the second hypothesis, price influences people to buy at a traditional market, is rejected ($P=0.502$, >0.05). The third hypothesis, that store atmosphere affects buying decisions at traditional markets, is also rejected ($P=0.118$, >0.05). The fourth hypothesis, that brand image influences buying decisions in traditional markets, is accepted ($P=0.006$, <0.05). Moreover, the last hypothesis—product quality affects people's buying decisions at traditional markets—is accepted ($P=0.000$, <0.05).

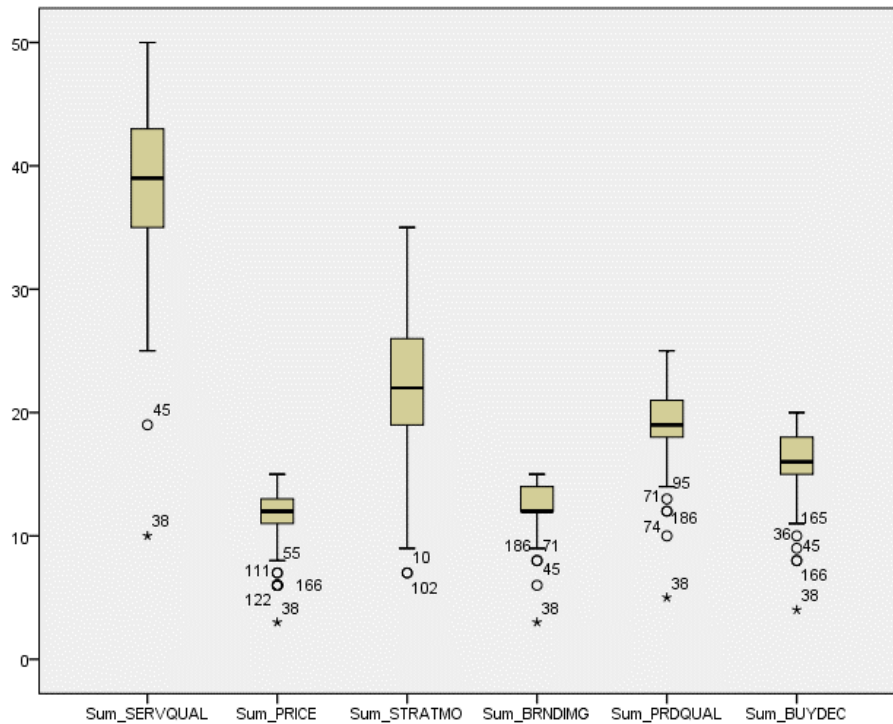


Figure 1. Boxplot analysis.

4.3. Determining potential informants

The boxplot analysis was conducted for all the researched variables to determine the outliers considered as the potential informants. **Figure 1** shows outliers in the data based on the respondent's sequential number. On the questionnaire, the respondents were asked for their consent to be contacted further for the interview and also provide their contact numbers.

From the figure, it can be seen that the potential informants of service quality were respondents numbers 38 and 45. For variable X_2 (Price), the potential informants were respondent number 38, 55, 111, 122, and 166. Moving on to the next variable (X_3 , Store Atmosphere), only two potential informants—respondents number 10 and number 102. Next, the figure shows four potential informants for variable X_4 (Branding): respondent numbers 38, 45, 71, and 186. Four potential informants for the fifth researched variable (Product Quality) were surface—respondents number 38, 71, 74, 95, and 186. Finally, the last researched variable, buying decision, indicated having five potential informants: respondents number 36, 38, 45, 165, and 166.

Furthermore, the tendency shown in **Figure 1** indicated that Respondent Number 38 was a highly prioritized respondent and became the key informant. This potency was because this respondent appeared in all other studied variables except for X_3 . Meanwhile, Respondent Number 45 appeared in X_1 , X_4 , and Y ; Respondent Number 71 appeared in X_4 and X_5 ; and Respondent Number 166 appeared in X_2 and Y . Therefore, in total, the potential informants that could be interviewed were fourteen people (listed in **Table 4**)

The table also shows which variable had the most outliers (potential informants). **Table 4** shows that the most responded independent variables were Price (X_2) and Product Quality (X_5). This result confirmed the result of the multiple regression analysis earlier (**Table 3**), where Price (X_2) was the most insignificant variable while Product Quality (X_5) was the most significant factor for the respondents to buy goods at the traditional markets.

Table 4. Potential informants by variables.

| X ₁ | X ₂ | X ₃ | X ₄ | X ₅ | Y |
|----------------|----------------|----------------|----------------|----------------|-----|
| 38 | 38 | 10 | 38 | 38 | 36 |
| 45 | 55 | 102 | 45 | 71 | 38 |
| | 111 | | 71 | 74 | 45 |
| | 122 | | 186 | 95 | 165 |
| | 166 | | | 186 | 166 |

While **Table 1** allows the exploratory analysis using grounded theory much deeper in the context of buying decision at traditional markets in a city where modern retailers started to compete, **Table 4** then shows fourteen potential informants. Unfortunately, only six people agreed to be interviewed and recorded after approaching these potential informants. In other words, there respondents formally provided consents to be involved in this current research. These respondents were believed had experience on shopping at traditional markets and conscious about their decisions. They were Informant 2 [Respondent #36], Informant 5 [Respondent #55], Informant 7 [Respondent #74], Informant 8 [Respondent #95], Informant 9 [Respondent #102], and Informant 10 [Respondent #102]. These informants were then questioned based the questions listed in **Table 1** above.

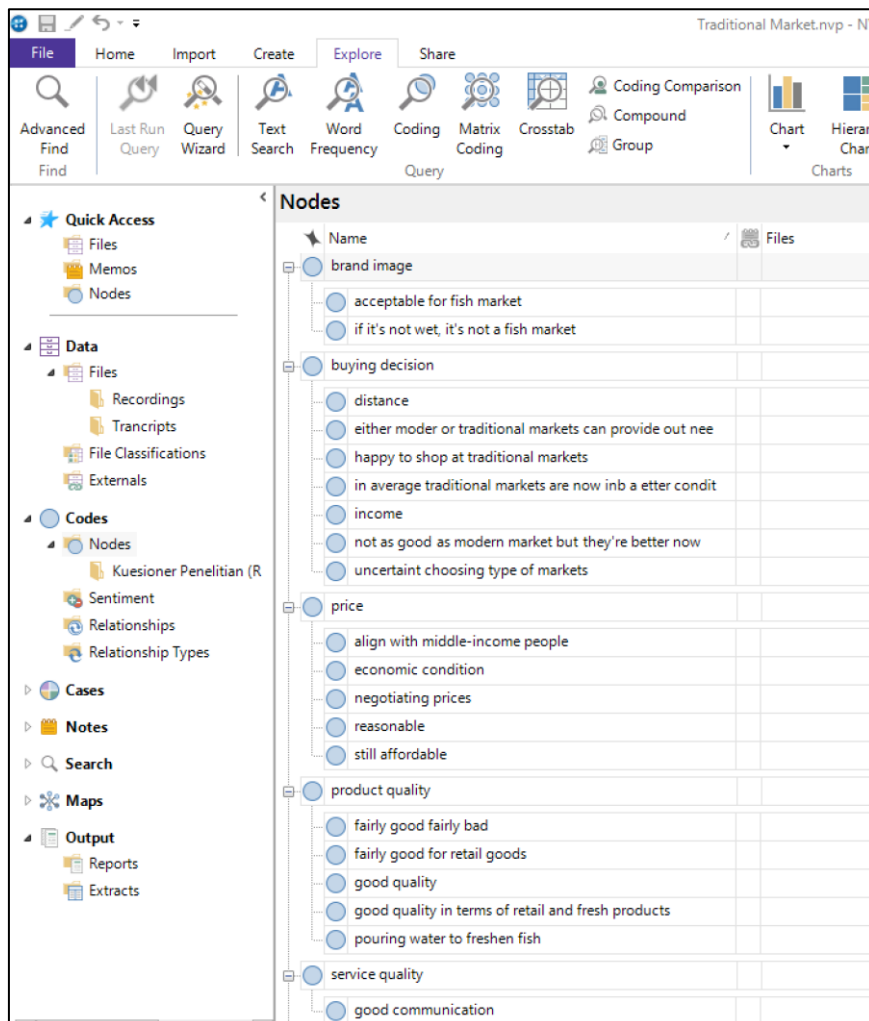


Figure 2. Open coding.

After formally agreeing, the informants were called and started to be interviewed and the recording process. The recordings were then transcribed for open coding, where the results of open codings are shown in **Figure 2**. The figure was the result of using NVivo Pro 12.

Once the open was finished, these contexts were escalated once more into selective themes under the process of selective coding. The selective coding used the main variables to group the themes with similar contexts (**Figure 3**). **Figure 3** shows how the coding generated the main research variables—service quality, price, brand image, store atmosphere, and product quality. The figure indicates that the most responded answers were relevant to store atmosphere, followed by brand image, product quality, price, and service quality. This result is likely to contradict the result of the quantitative approach when using multiple regression analysis, where product quality was the most significant factor for respondents to buy goods at traditional markets.

| | | | | | |
|------------------------------|-------------------------|-------------------------|-------------|--------------------------|-------------|
| store atmosphere | | product quality | | price | |
| if it's not wet, it's n... | acceptable for fish ... | pouring... | good q... | still affo... | reasonab... |
| untidy parking areas | in average tra... | good q... | fairly g... | negotiat... | econom... |
| reasonable parking areas | dirty old tradit... | fairly good fairly bad | | align with middle-inc... | |
| not as good as modern... | | | | | |
| brand image | | buying decision | | service q... | |
| if it's not wet, it's not... | acceptable for fish ... | not as good as mo... | either ... | good c... | |
| | | in average tradition... | | | |

Figure 3. Selective coding.

Figure 3 also resulted from constant comparison analysis (**Figure 3**) to ensure the sustainability of the meaning when increasing the level of abstractions (themes). The processes also followed by maintaining the validity and internal reliability of the data. These two parallel processes also assisted in determining theoretical saturation in order to reach concept-generating and mid-range theory building. This result is discussed in the next section.

4. Discussion

The results above provide several interesting insights. According to a study by Nasution and Lesmana^[13], service quality has a favorable and significant impact on consumers' purchasing decisions. Additionally,

research by Lestari^[14] and Lahindah & Siahaan^[4] demonstrates that service quality strongly influences purchasing decisions when combined with other factors. In traditional markets, service quality has also been analyzed regarding how it affects buying decisions^[5,28,29]. Their studies demonstrated different service quality effects on buying decisions compared to other variables. This study's result is in line with these previous studies, although the studies did not conduct to examine the effect of service quality on buying decisions in traditional markets. In other words, this current study contributes to the discussion on how service quality influences buying decisions in traditional markets.

The abundance of studies has shown how price affects buying decision. However, a study by Andrei et al.^[28] has the reverse aim of this current study. Their study acknowledges how customers choose convenience stores over traditional markets even though prices at traditional markets are lower than at those stores. Another study by Siswati and Putri^[15] demonstrates how pricing influences purchases in a simultaneous and significant way. Furthermore, Astuti et al.^[16] state that pricing favors and significantly impacts consumers' purchase decisions. Their findings suggest that customer satisfaction will rise in line with expectations if the pricing is more reasonable than that of modern marketplaces. However, this current research shows that price does not affect buying decisions, even though those previous studies were conducted in traditional markets.

Another element influencing purchasing decisions is store atmosphere; according to certain studies, it is convenient. Nevertheless, although certain studies^[17,18] demonstrate that the store atmosphere has a favorable and significant effect on purchasing decisions, Istiyanto and Nugroho^[19] discovered that store atmosphere does not influence purchasing decisions. Therefore, this study is in line with this current research where store atmosphere negatively and insignificantly affects buying decisions at traditional markets.

In other words, it was unsurprising that the store atmosphere received the lowest mean score from all the respondents in this current study. Andrei et al.^[28] clearly showed that customers choose convenience stores over traditional markets due to the store atmosphere. For a more modern concept, including a traditional restaurant, the store atmosphere must be prioritized to ensure the customer's visit^[9]. However, this current study has shown an interesting tendency where although the respondents gave the lowest score for store atmosphere, they still came and shopped at the researched traditional markets. This tendency is because the respondents were fully aware of the condition of traditional markets, including its less convenience, yet it also became the image of the traditional market as a brand.

It is assumed in the definition above that "traditional" refers to a certain market type. Therefore, the type is considered a brand or identity for a particular market in this study. The image of the traditional market has been embedded in their mind and consciousness of shopping. The possible image of a traditional market was already part of their lives, compared to modern markets and shops with tendencies toward surprises such as discounts and promotions. Brand image is a relatively consistent long-term (enduring perception) perception. In other words, traditional markets have owned their market share in terms of shopping places in the long run. This condition led to the results where the highest mean score was from Brand Image.

This study examines how visitors to different markets give an overview of the "conventional" brand associations. According to earlier research, brand image affects consumers' purchase decisions^[6,7,14]. This current study is also in line with those earlier studies, although their findings do not necessarily draw from the context of traditional markets. **Figure 2** shows that brand image received the highest responses from the respondents in the context of traditional markets. In other words, the indication shown by the tendency in the researched variables was a proven contribution of another inferential investigation on how the brand image of traditional markets affects people to visit and decide to buy goods.

Furthermore, according to Tjiptono^[20], the product is the producer's subjective perception of "something" that can be provided to fulfill customer demands and desires while also adhering to the organization's competency and capacity as well as purchasing power. Furthermore, a product combines natural and fictitious characteristics, including its packaging, color, price, quality, and brand, in addition to its services and sales reputation, according to Stanton^{[21](p. 222)}. In this study, the market was seen as a "product" created by the government to help a region's economy move. This assumption fits the definition of the market that was previously indicated. In order to construct a hypothesis that characterizes the relationship between product quality and purchasing decisions, the findings of Akbar's research^[22] revealed that product quality has a positive and significant effect in addition to the concepts discussed above.

Studies have shown that these variable influences consumers' buying decisions regarding product quality. However, particularly in the context of a traditional market, different levels of the effect of product quality on buying decisions are demonstrated^[15,30,31]. This current study then contributes to this discussion, particularly in the context of traditional markets where product quality has a positive and significant effect on buying decisions.

Although, the use of quantitative method has indicated the significant factors of people's buying decision at traditional markets, this first step could not deepen the whole story. This tendency has been indicated in several studies^[32,33], leading the step to the use of a qualitative approach. In other words, an exploratory-mixed-method was needed, as illustrated in **Figure 7**. Furthermore, the results of grounded theory—a qualitative approach—also provided interesting perspectives, especially regarding concept generating and mid-range theory building. This coding process reviewed the result of multiple regression analysis, indicating that product quality was the most significant factor for the respondents to still shop in a traditional market. However, the grounded theory method shows that the store atmosphere tended to dominate the responses provided by the informants. This result is perceived to enrich the result of the quantitative approach. Buying decision in this research of traditional markets was highly influenced by the quality of goods sold in the markets, even though the price could be less affordable. This condition is understandable because the respondents were willing to pay more for fresher products.

Using this generalized conclusion, quantitative method findings supported the context by providing the survival factors of traditional markets. To survive, a traditional market has been branded as a market where although the price was reasonably low and less convenient, the markets provide fresher products than modern markets. In other words, the shoppers (respondents/informants) were unaware that traditional markets were less convenient than modern markets. This condition has been embedded in branding a traditional market, as indicated earlier in Figure 4, yet the fresher products were the main selling point of the traditional markets with the consequences of less affordable prices. This condition builds a mid-range theory on how the traditional markets survive.

5. Conclusion

This research aims to examine factors leading to buying decisions in traditional markets. This model was then retested in the context of traditional markets since two national retail brands opened in Ternate City. In other words, this current study aims to analyze how a traditional market survives in the middle of massive strategy competition from modern marts and retailers. This survival condition was seen as the tendency of people to keep visiting and purchasing goods in traditional markets. Factors of buying decisions were then used to examine buying decisions at traditional Ternate City markets, they are service quality, price, store atmosphere, brand image, and product quality.

The results show some interesting findings. While service quality, brand image, and product quality positively and significantly affect buying decisions, price and store atmosphere indicate a different story. These two predictors have a negative and insignificant influence on buying decisions in traditional markets. Both descriptive analysis and hypothesis testing show similar tendencies. The respondents visited traditional markets in Ternate City because of fresh products that come from local farmers. The qualitative approach enriches the findings by emphasizing how traditional markets survive. A traditional market has been branded as a market where the price is reasonably low and less convenient; the markets provide fresher products than modern markets.

Based on the results, some suggestions for future studies are provided. The respondents and the traditional markets should be increased in different regions with different attributes of the locations.

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Conflict of interest

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