

THE INFLUENCES OF LOCATION AND PRICE ON CONSUMER PREFERENCES IN TRADITIONAL MARKET (CASE STUDY PASAR BERSEHATI IN MANADO CITY)**PENGARUH LOKASI DAN HARGA TERHADAP PREFERENSI KONSUMEN DI PASAR TRADISIONAL (STUDI KASUS PASAR BERSEHATI DI KOTA MANADO)**

By:

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Abstract: The purpose of this study was to determine how the influences of location and price on consumer preferences in traditional market (Pasar Bersehati in Manado city). This study uses quantitative methods with questionnaire data collection techniques. The results of this study indicate that there is a significant influence between location and price on consumer preferences by visitors at Pasar Bersehati Manado. Based on the F test, where $F_{count} > F_{table}$ ($79.107 > 2.70$).

Keywords: location, price, consumer preferences

Abstrak: Tujuan dari penelitian ini adalah untuk mengetahui bagaimana pengaruh lokasi dan harga terhadap preferensi konsumen di pasar tradisional. Penelitian ini menggunakan metode kuantitatif dengan teknik pengumpulan data angket. Hasil penelitian ini menunjukkan bahwa terdapat pengaruh yang signifikan antara lokasi dan harga terhadap preferensi konsumen oleh pengunjung di Pasar Bersehati Manado. Berdasarkan uji F, dimana $F_{hitung} > F_{tabel}$ ($79.107 > 2.70$).

Kata Kunci: lokasi, harga, preferensi konsumen

INTRODUCTION**Research Background**

In the current era of globalization, economic growth in Indonesia is increasing rapidly, along with the growth and development of people's needs for clothing, food and technology. Nowadays, people's lifestyles are getting more advanced. Technology is developing so rapidly with the times. The influence of these developments is evident, for example, the creation of facilities that facilitate community activities in accordance with the technological advances. With the Increasing number of shopping centers, competition between shopping centers is increasing, causing consumers to want a comfortable service. One of the impacts of these technological developments is the growing number of modern markets such as supermarkets, hypermarkets, department stores, and so on, which provide consumers with convenience, comfort and security for consumers to fulfill their daily needs easily and efficiently. On the other hand, the market competition is getting tougher day by day.

Every customer has their own preferences. This preference factor will direct consumers to purchase their needs in the market. So what consumers buy in the market is an indication of the arrangement of their preferences. When consumers make a choice to buy an item or service, it will be influenced by various factors, usually quality, price and product are considered by the community in shopping. The definition of the market is as a meeting place for providers of goods and consumers who need goods to make transactions. This understanding has the meaning that the market has a place or location for meeting consumers and carrying out

buying and selling activities. In general, traditional markets provide basic materials and household needs. Traditional market buildings usually consist of stalls or outlets, stalls, and open grounds that are opened by sellers or a market manager. Traditional markets are a place to get various basic needs and needs of the majority of people in this country. They can get it at an affordable price. This is a traditional market advantage and a place to boost the economy. Weaknesses in the Traditional markets such as market conditions are shabby, dirty, muddy and messy. In terms of product packaging, the products presented are less attractive to customers, and the size of the goods displayed is inadequate. In addition to cost, cleanliness, and practicality, product packaging must also be considered.

Bersehati Market located near the port of Manado and one of the historical markets in this city. Bersehati Market is the largest traditional market in Manado, both in terms of the number of traders and kiosks as well as the number of people who come to shop. However, various common problems that occur in traditional markets still occur in Bersehati market, such as irregular trading areas, poor management of circulation patterns (people, goods and vehicles), and lack of supporting facilities and infrastructure such as parking lots, trash bins, security system and so on.

In this case, consumers are very concerned about matters relating to added value to their convenience in doing shopping activities considering the consumer perspective that shopping is a recreational activity, as well as fulfilling various needs in one location. Currently, consumers are increasingly intelligent and selective in several aspects that support location and price, also play a role in the category of assessment that supports consumer preferences for something they want. Consumers are very careful to buy a product. For example, a good product and its appearance will automatically attract consumers to buy it. As the center of the community economy, traditional markets have an important role in the regional economy, namely as a source of Regional Original Income (PAD), to be able to contribute levies to the region to the maximum and also the market needs to be supported so that it can be managed properly. Based on the various problems mentioned above, the researcher interested in conducting research on Bersehati traditional market consumers with the title "Influences of Location and Price on Consumer Preferences in Traditional Market" (Case Study Pasar Bersehati in Manado).

Research Objective

Based on the research background above, this research aims to analyze the influences of location and price on consumer preferences in traditional market (Pasar Bersehati in Manado City).

THEORETICAL FRAMEWORK

Marketing

According to Haryono and Marniyati (2017), marketing is identifying the needs and wants of target market consumers and how to satisfy them through an exchange process while still paying attention to all parties and their goals related to the interests of the company. Marketing is an effort to get customers, partners, investors, employees and other people to interact directly by helping users decide whether they will use goods and services, whether they are owned or needed. Marketing is the process of expanding target customers for products through appropriate tactics and channels, measuring their reactions and responses, and finally facilitating their way to buy.

Marketing Mix

The marketing mix is a device consisting of product, price, promotion and distribution, in which it will determine the level of marketing success and all of it is aimed at getting the desired response from the target market and the set of marketing tools that the company uses to continuously achieve its company goals in the target market. According to Hermawan (2015), with the marketing mix, it will increase consumer satisfaction and loyalty in purchasing so that later it will have an impact on improving the quality of the company's competitiveness. With the product marketing mix, it will be able to improve the structure of consumer preferences, so that it has an impact on increasing the achievement of company targets

Location

According to Aprisal (2017), location is a very important factor in the marketing mix. In the right location, an outlet or store will be more successful than other stores that are less strategically located, even though they both sell the same products. The choice of location must be determined carefully in a business decision. In choosing the location of a business, one must consider the principles, namely where the area to be selected as a trade location is potential, has a location in the flow of business, the location has easy access, has the ability to grow, has strong attractiveness, in an environment of minimal competition and smooth traffic. Planning a good location selection, not only based on strategic terms, in the sense of looking at the distance to the city center or easy or not accommodation to that place.

Price

According to Nasution (2019), price is the third element of the marketing mix and the only element in the marketing mix that generates revenue, while the other elements represent costs. Price is the amount of money that serves as a medium of exchange to obtain products or services. Price can also be interpreted as determining the value of a product in the minds of consumers. Price is the value of an item or service as measured by an amount of money based on that value a person or company is willing to release the goods or services owned to another party. Prices can be expressed in various terms, such as fees, rates, rent, interest, premiums, commissions, wages, and salaries and so on.

Consumer Preference

Consumer preference is the preference of consumers from a wide selection of existing products or services. Meanwhile, Consumer preference is a process of ranking all things that can be consumed with the aim of obtaining a preference for a product or service. According to Setyarko (2016), consumer preferences appear at the third stage in the purchase process, namely at the alternative evaluation stage, where at that stage consumers are faced with various choices of products and services with a variety of different attributes. Therefore, it can be said that preference is a choice taken and chosen by consumers from various kinds of products and services available.

Previous Research

Rustam and Oktavia (2015) aimed to understand consumer preference of minimarket with convenience store concept in Bandung. Attributes on this research based on retail mix elements that are merchandise assortment, price, communication mix, store design and display, customer service and location. Analysis technique used was conjoint analysis that produces the value of utilities and important of any attributes and level. Data collection is done by spreading the questionnaire to 400 respondents. The result showed preferences of consumers in choosing minimarket with convenience store concept is convenience store which sets the low price, having adequate of parking area, comfortable store, do discount program, always available product on shelf/ refrigerators and the servants serving personally.

Berlian and Raa (1998) considered an alternative foundation for location economics. The commodity space of each of a finite number of consumers is the collection of measurable subsets of land. This space is so large that a solution to the consumer maximization problem does not always exist. The main result is the definition and use of a topology on land parcels to show that a solution will always exist for utilities continuous with respect to the topology. The underlying preferences are exposed.

Pan, Ma, and Wu (2018) Focused on the pricing of products in the home market under the Internet of things technology environment, the network effect and technological innovation are introduced in the condition that consumers' preferences are evenly distributed and a pricing game model which can reflect the relationship among manufacturers are constructed. On this basis, the optimal subsidy rate of government is designed based on the principle of social welfare maximization. The results show that, with the advantage of low price of ordinary products, the manufacturer 1 (the ordinary household product manufacturer) can also obtain the corresponding market share.

Conceptual Framework

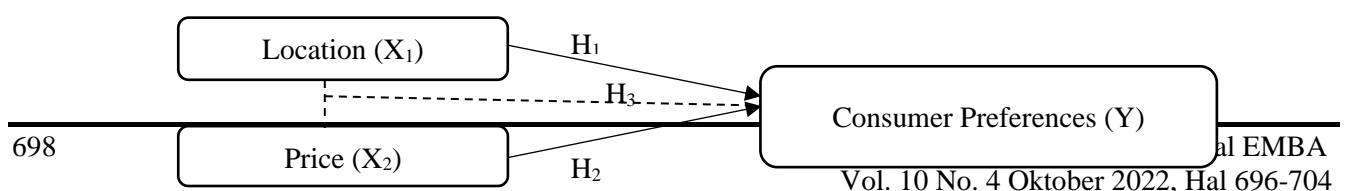


Figure 1. Conceptual Framework*Source: Literature Review***RESEARCH METHOD****Research Approach**

This research using quantitative approach to analyze the influence of location and price on consumer preferences in traditional market (Pasar Bersehati in Manado City). According to Sugiyono (2015), quantitative research is a research method based on the philosophy of positivism, used for research on certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative/statistical with the aim of testing predetermined hypotheses.

Population, Sample, and Sample Technique

The population in this study is the community or consumers who shop at Pasar Bersehati Manado. The sample size of this research is 100 respondents that were selected based on the criteria. Purposive sampling technique was used in this research to obtain the information from the selected respondent that has the criteria.

Data Collection Method

In quantitative research, a research questionnaire uses close-ended questions. In this research, the questionnaire will be given through social media to the selected members of the population that has been chosen.

Data Analysis Method**Validity and Reliability Test**

Validity test in this research used Pearson Correlation. $r_{test} > r_{table}$ (with a two-sided test with a sig. 0.05) then the instrument or statement items have a significant effect on the total score (declared valid). With 100 respondents the r value is calculated compared with r_{table} , then the obtained r_{table} is 0.1966 and if $r_{test} >$ from r_{table} , then the questionnaire is valid. Reliability tests uses the Cronbach's Alpha method to determine the consistency of the measuring instrument, whether the measuring instrument is used reliable and remain consistent if the measurement is repeated. In this case, the researcher uses Cronbach's Alpha method to assess whether this questionnaire is reliable or not

Multiple Regression Analysis Model

Multiple linear regression analysis is used to draw conclusions about the characteristics of the population by using sample data. In this study, multiple linear regression analysis will be used because there are two independent variables or predictors and one dependent variable or criteria, namely location (X_1) and price (X_2).

RESULT AND DISCUSSION**Result****Validity and Reliability Test**

The validity test in this study has been processed using the SPSS statistic 25. The items in this research's questionnaires are valid proven from the data result that shows the value of the Pearson Correlation from each variables are more than the value of the r_{table} and the significant level also below 5%. The reliability test also shows that the questionnaire that been used in this research is reliable based on the value of Cronbach's Alpha 0.90 which is more than 0.6.

Classical Assumption Test**Normality Test**

Normality test was used to evaluate the distribution of data on variables. Data that is considered normal if the data is in a curve with a slope of the left and right sides, and is not skewed to the left or right, but to the center with a bell-like shape with close to zero. Based on the results of processing on SPSS for the data obtained, it can be seen as shown in figure 2.

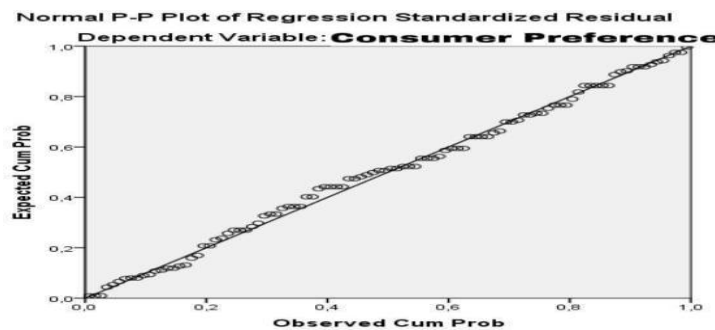


Figure 2. Normality Test Result

Source: SPSS Data, 2022

Multicollinearity Test

The purpose of multicollinearity test is to find out if there is an intercorrelation between the independent variables. Method that used in this test is Tolerance and VIF. If the tolerance value more than 0.20 and VIF value is less than 10.00, it means there are no multicollinearity between the independent variables.

Table 1. Multicollinearity Test

Coefficients ^a		Collinearity Statistics	
		Tolerance	VIF
Model			
1	(Constant)		
	Location	.467	2.142
	Price	.467	2.142

a. Dependent Variable: Consumer Preference

Source: Data Processed, 2022

The table 2 above shows that, the value of each independent variable has a VIF of less than 10, so the conclusion is that the independent variables in this study are free from multicollinearity symptoms. It can be seen that the independent variables in the table above have a tolerance value greater than 0.1, It means there are no multicollinearity between the independent variables.

Heteroscedasticity Test

The occurrence of heteroscedasticity symptoms or problems will lead to doubts or inaccuracies in a regression analysis result. The Scatter Plot graph is used in this test. Based on the scatter plot graph below, it shows that the data point is spread above and below number zero. Based on the picture above, it can be seen that the points spread randomly and are spread both above and below the number 0 on the Y axis. It can be concluded that there is no heteroscedasticity problem in the regression model.

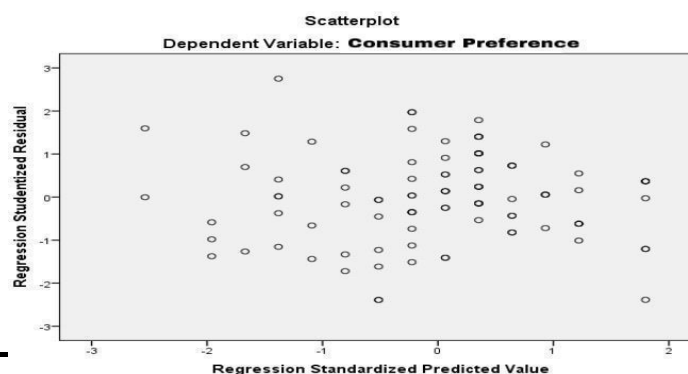


Figure 3. Heteroscedasticity Test

Source: SPSS Data, 2022

Multiple Linear Regression Analysis

The results of the multiple regression above show that the independent variables, namely Location and Price, have a positive effect on the dependent variable, namely consumer preferences. Where every increase that occurs in the independent variable will be followed by an increase in the dependent variable. In addition, from these results it can be seen that each variable has a fairly balanced percentage, namely the Location of 0.352 (35%) and the Price variable of 0.467 (46%).

Table 2. Multiple Linear Regression Analysis

Model		Coefficients ^a	
		B	Std. Error
1	(Constant)	1.977	1.414
	Location	.352	0.095
	Price	.467	.085

a. Dependent Variable: Consumer Preference
Source: Data Processed, 2022

Hypothesis Testing

T-test (Partial)

Based on the table 3 below, the significance level of Brand Prestige (X_1) is 0.000 which is less than 0.05 and the value of tcount is 3.710 which is more than the value of ttable, 1.984. It means the Location (X_1) has an effect on Consumer Preferences (Y) partially. The significance level of Price (X_2) is 0.000 which is less than 0.05 and the value of tcount is 5.504 which is more than ttable, 1.984. It means Price (X_2) has an effect on Consumer Preferences (Y) partially.

Table 3. T-test

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.977	1.414		1,398,	165
	Locations		352,095,	340	3.710,	000
	Price		467,085,	504	5.504,	000

a. Dependent Variable: Consumer Preference
Source: Data Processed, 2022

F-test (Simultaneous)

Based on the table 4 below, the value of fcount is 79.107 and the significance level is 0.000. The value of ftable is 2.70 it means fcount is more than ftable. The result shows that Location (X_1) and Price (X_2) are affecting Consumer Preferences (Y) simultaneously.

Table 4. F-Test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	786.681	2	393.340	79.107	000 ^b
	Residual	482.309	97	4.972		
	Total	1268.990	99			

a. Dependent Variable: Consumer Preference
b. Predictors: (Constant), Price, Location
Source: Data Processed, 2022



Discussion

Location and Consumer Preferences

Based on the results of the data shows that the selected location has a significant effect either partially or simultaneously on consumer preferences, based on the results of the F test the location variable has a significant effect on consumer preferences in Pasar Bersehati. Thus, location is a consideration for consumers at Pasar Bersehati, where if the specified location is accessible, the consumer will decide to choose a market to shop, but if the specified location is not suitable then the consumer will consider choosing a market for shopping. This can be seen from the respondents' answers. The more convenient and easy it is to access the market location, the higher the level of consumer preferences. This result is in line with Iswara and Rahardi (2021) that some factors relating to consumer preferences in purchasing bubble tea are price, taste, product design, brand influence and location accessibility.

Price and Consumer Preferences

Based on the results of the data shows that the price variable has a significant influence on consumer preferences in Pasar Bersehati Manado. Price is something that consumers consider when making a purchase. This can be seen from the respondents' answers. The higher the price applied, consumers will consider shopping at Bersehati Market Manado. In other words, at a certain price level that has been issued, consumers can feel the benefits of the product they have purchased. Consumers will feel satisfied if the benefits obtained are comparable or even higher than the nominal money spent. Consumers in purchasing products do not always buy at a low price. But consumers see what raw materials are used to produce these goods. So price is one of the considerations in buying a product. So in this case the role of price is very important, especially to maintain and improve the progress of Pasar Bersehati Manado. This result is in line with Iswara and Rahardi (2021) that some factors relating to consumer preferences in purchasing bubble tea are price, taste, product design, brand influence and location accessibility.

CONCLUSION AND RECOMMENDATION

Conclusion

After doing research and processing the data that has been collected with the aim of knowing the influences of location and price on consumer preferences in traditional market at Pasar Bersehati Manado, researchers can draw conclusions as follows:

1. The location variable, partially has a significant influences on consumer preferences by visitors at Pasar Bersehati Manado
2. The price variable, partially has a significant influences on consumer preferences by visitors at Pasar Bersehati Manado
3. Location and price variables also simultaneously have a positive and significant influences on consumer preferences by visitors at Pasar Bersehati Manado.

Recommendation

Based on the results, the following are some suggestions for marketers and academic purposes that can be given by the researcher:

1. The influences of location is a consideration by the community in choosing Pasar Bersehati Manado as a place to shop, the Pasar Bersehati manager must be more careful in determining the location of the market so that consumers will choose the market for shopping.
2. Pricing must also be in accordance with considering the capabilities of consumers because it appears that from the results of the analysis carried out the price variable has a significant influence compared to the influence of the location variable.
3. For further research, it is recommended to add other independent variables besides price and location factors that will affect the dependent variable of consumer preferences to further refine & develop this research because there are other independent variables outside of this research that can influence consumer preferences for Pasar Bersehati Manado

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