COMPARATIVE ANALYSIS OF PRICE AND PRODUCT QUALITY IN TRADITIONAL MARKETS AND TEMPORARY MARKETS IN BATU BARA

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ABSTRACT

This study aims to analyze the comparison of consumer behavior in terms of price and product quality in traditional and temporary markets. This type of research is quantitative research with the number of respondents as many as 60 people with purposive sampling technique. Data analysis using SPSS. The results showed that either partially or simultaneously Price and product quality have a significant influence on consumer behavior in traditional and temporary markets. Furthermore, there is no difference in price and product quality on consumer behavior in traditional and temporary markets.

Keywords: ***Comparison, price, product quality, traditional market, temporary market***.

1. INTRODUCTION

In the current era of globalization, informal business economic activities in Indonesia in its development are real economic activities that are increasingly widespread and need to continue to be considered to grow into an element of strength in an advanced economy and play a role in creating business opportunities. One example is in the informal sector of the economy is the market.

Consumer behavior according to(Kotler, 2016)namely the study of how the actions of individuals, organizations, and groups in buying, choosing, and using ideas, products and services in satisfying customer needs and desires. Meanwhile, according to (Purwanti, 2013)Consumer behavior is a person's activities when obtaining, consuming, and disposing of goods or services. Various factors that can influence consumer behavior include product quality, cleanliness, and comfort (Amri, 2012), according to (Purwanti, 2013), the factors that influence consumer behavior are service, product quality, infrastructure, facilities, ease of parking and cleanliness, price, familiarity with traders, proximity to locations, opening and closing hours, public transportation to the market and health issues.

One element that consumers consider in buying is price. Price is a monetary unit or other measure (including other goods and services) that is exchanged in order to obtain the right to ownership or use of an item or service.(Tjiptono, 2012). Competitive product prices make people as consumers faced with various choices in determining behavior in buying products/services. In addition to the price factor, consumer behavior in buying a product also considers product quality.(Kotler, P & Armstrong, 2012)assumes Product quality is a characteristic of a product or service that depends on its ability to satisfy or implied customer needs. In the community's economic activities, of course, cannot be separated from buying and selling both directly and online. Direct buying and selling activities can be carried out in various places, one of which is traditional markets and temporary markets.(Siburian, 2020)The market or market is a place where buyers and sellers meet to conduct economic transactions, namely to sell or buy goods and services or economic resources and various other factors of production.

One of the traditional markets in Batu Bara Regency, North Sumatra, namely Pasar Delima, which is precisely located in Indrapura, which has been established since 1955, has an area of about 2000 m2 and the number of kiosks provided is 200 kiosks. In addition to the central market, there is also a weekly market or so-called temporary market whose buying and selling activities are carried out directly and only once a week.± ±

The following is a presentation of the majority of products purchased by consumers in traditional markets and temporary markets in Indrapura, Kec. Coal White Water:

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Fitrianingsih, Eka Mayastika Sinaga, Dewi Rahmawati

Table 1. Categories of Products Purchased in Traditional Markets

No	Information	Frequency (Person)	Rank
1	Vegetables	148	1
2	Basic needs (rice, cooking oil, sugar, tea, etc.)	145	2
3	Side dishes (fish, meat, tofu, tempeh, etc.)	135	3

Source: Traditional Market Kec. Coal White Water

Based on Table 1, the products often purchased in traditional markets are: vegetables, necessities (rice, cooking oil, sugar, coffee, tea, etc.) and side dishes such as (fish, meat, tofu, tempeh, etc.). Furthermore, in the Temporary market, the majority of product categories purchased by consumers are presented in table 2 below:

Table 2. Product Categories Purchased in the Temporary Market

No	Information	Frequency (Person)	Rank
1	Vegetables	128	1
2	Basic Needs (rice, cooking oil, sugar, tea, eggs etc.)	53	2
3	Cosmetics (powder, perfume, tissue, cotton, etc.)	15	3

Source: Temporary Market

Based on Table 2, the majority of products purchased in temporary markets are the same as in traditional markets, namely: vegetables, basic necessities, and cosmetics (powder, tissue, cotton, etc.). Based on the results of pre-surveys conducted on several consumers in traditional markets, it also shows that consumer behavior in shopping at traditional markets is basically shopping for basic needs or necessities that are used to meet daily needs. This is also of course related to the price of the products found in these two markets and the quality of the products offered to consumers.

The formulation of the problem in this research is how is the comparison of consumer behavior in traditional markets and temporary markets in terms of price and product quality?

The purpose of this research is to find out how to compare consumer behavior in traditional markets and temporary markets in terms of price and product quality.

The benefits of this research arecan be used as input to facilitate marketing to develop business properly because in general a strategic location is a location that is often passed and visited by many consumers and this research is used as information or a consideration for people who compete between traders to compete fairly.

2.RESEARCH METHOD
2.1 Research Framework
This research is field research with quantitative research methods.
2.2 Population and Sample
The population in this study are consumers who have made purchases at traditional markets and temporary markets in Tanah Tinggi Village, Kec. White Water Coal whose number is unknown and can be said to be infinite. In this research, there are 16 indicators and 5 as multipliers, so in determining the number of samples in this study can be calculated using the formula(Ferdinand, 2014)that is:

$$n = \text{Number of Indicators} \times 5$$
$$n = 12 \times 5$$
$$n = 60$$

2.3 Data Analysis Techniques

Data analysis carried out are:
1. Data Validity Test consisting of validity and reliability tests
2. Classical Assumption Test consisting of normality, reliability, heteroscedasticity test
3. Multiple linear regression
4. Coefficient of Determination Test
5. Hypothesis test consisting of t test and f. test

3.RESULTS AND DISCUSSION

3.1. Research Results

a. Normality test

The results of the normality test in this study used a graphical method using a normal probability plot, which can be seen in the following figure:
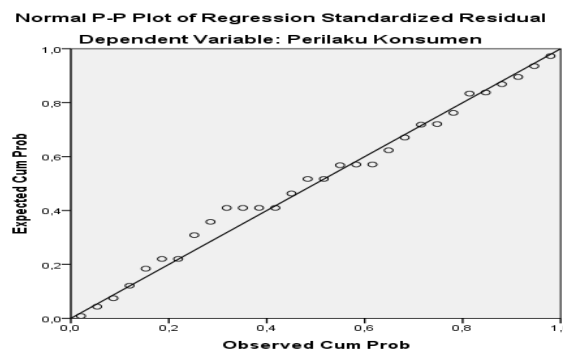
Image 1. Normality Test Results in traditional markets

Based on the picture above, it can be said that the data is normally distributed becausedata that is normally distributed will form a straight diagonal line and plotting residual data will be compared with a diagonal line, if the distribution of residual data is normal then the line that describes the actual data will follow the diagonal line(Ghozali, 2016).

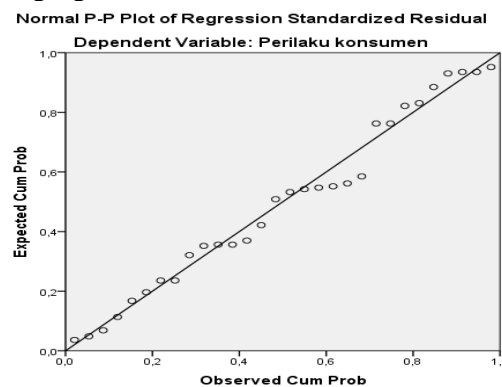Then for the temporary market the results of the normality test on this market are presented in the following figure:

Figure 2. Normality Test Results on Temporary Market

Volume 2 No.4 (2022)

COMPARATIVE ANALYSIS OF PRICE AND PRODUCT QUALITY IN TRADITIONAL MARKETS AND
TEMPORARY MARKETS IN BATU BARA
Fitrianingsih, Eka Mayastika Sinaga, Dewi Rahmawati

Based on the picture above, it can be said that the data is normally distributed.
b. Test resultsMulticollinearity

The results of the multicol test in traditional markets can be seen in the following table:

Table 3. Multicol Test Results in traditional markets
Coefficientsa

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Price	,338	2,955
Product quality	,338	2,955

a. Dependent Variable: Consumer Behavior

Based on the table above, it can be seen that the tolerance value of all independent variables is greater than 0.10 and the VIF value of all independent variables is also smaller than 10 so that there is no correlation symptom in the independent variables. So, it can be concluded that there is no symptom of multicollinearity between independent variables. Nexttestresultsmulticollinearity in the temporary market is presented infollowing table:

Table 4. Multicol Test Results on the Temporary Market
Coefficientsa

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Price	,559	1,789
	Product quality	,559	1,789

a. Dependent Variable: Consumer behavior

Based on the table above, it is known that there is no symptom of multicollinearity between independent variables because the VIF VIF value of all independent variables is also smaller than 10.

c. Heteroscedasticity Test Results

Based on the results of this test by looking at the results of the scatterplot, it can be concluded that there are no symptoms of heteroscedasticity in both traditional and temporary markets.

d. Multiple Linear Regression Test Results

The results of the regression test on the traditional market obtained the following equation:

$$Y = a + b_1X_1 + b_2X_2 + e$$
$$= 3.707 + 0.622 \ X_1 + 0.252 \ X_2$$

Based on this equation, it is known that the constant value is 3.707The constant value indicates the magnitude of the consumer behavior variable (Y) if the price variable (X1) and product quality (X3) are equal to zero. The value of the price regression coefficient (X1) (b1) of 0.622 indicates the magnitude of the role of the price variable (X1) on the consumer behavior variable (Y) with the assumption that the product quality variable (X2) is constant. The value of the product quality regression coefficient (X2) (b2) of 0.252 indicates the magnitude of the role of the product quality variable (X2) on the consumer behavior variable (Y) with the assumption that the price variable (X1) is constant.

Then the results of the regression test on the temporary market obtained the following equation:

$$Y = a + b1X1 + b2X2 + e$$
$$= 3.122 + 0.561 \ X1 + 0.394 \ X2$$

Based on this equation, it is known that the constant value is 3.122The constant value indicates the magnitude of the consumer behavior variable (Y) if the price variable (X1) and product quality (X3) are equal to zero. The value of the price regression coefficient (X1) (b1) of 0.561 indicates the magnitude of the role of the price variable (X1) on the consumer behavior variable (Y) with the assumption that the product quality variable (X2) is constant. The regression coefficient value of product quality (X2) (b2) of 0.394 indicates the magnitude of the role of the product quality variable (X2) on the consumer behavior variable (Y) with the assumption that the price variable (X1) is constant.

e. **Coefficient of Determination test results**

The coefficient of determination test is usedto see how much the independent variable contributes to the dependent variable. The greater the value of the coefficient of determination, the better the ability of the independent variable to explain the dependent variable. The test results in both markets are presented as follows:

Table 5. The results of the test of the coefficient of determination in the traditional market

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,911a	,829	,817	,92805

a. Predictors: (Constant), Product Quality, Price
b. Dependent Variable: Consumer Behavior

Based on table 6, it is known that the adjusted R square value is 0.817 or 81.7%. Furthermore, the test results on the temprary market can be seen in table 6 below:

Table 6. The results of the coefficient of determination in traditional markets

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,842a	,709	,688	1.24606

a. Predictors: (Constant), Product Quality, Price
b. Dependent Variable: Consumer behavior

Based on table 6, it is known that the adjusted R square value is 0.688 or 68.8%. This shows that the price and product quality variables can explain the consumer behavior variable by 68.8%, the rest is influenced by other factors outside the variables used in this study.

COMPARATIVE ANALYSIS OF PRICE AND PRODUCT QUALITY IN TRADITIONAL MARKETS AND
TEMPORARY MARKETS IN BATU BARA
Fitrianingsih, Eka Mayastika Sinaga, Dewi Rahmawati

f. Hypothesis testing

1) t test

The results of partial hypothesis testing (t test) on traditional markets are presented in the following table:

Table.7 Traditional market t test results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,707	1.232		3,008	,006
	Price	,622	,137	,619	4,533	,000
	Product quality	,252	,103	,333	2,434	,022

a. Dependent Variable: Consumer Behavior

Furthermore, the results of the partial test on the temporary market can be seen in table 8 below:

Table. 8 Temporary market t test results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,122	1,624		1,922	,065
	Price	,561	,162	,480	3,462	,002
	Product quality	,394	,124	,443	3,190	,004

a. Dependent Variable: Consumer behavior

Based on the test results in the two tables above, it can be explained that tcount>ttable as well as the significance values are all below 0.05, so it can be concluded that the hypothesis is accepted.

2) Simultaneous Test (f test)

This test basically shows whether all the independent variables included in this model have a joint effect on the dependent variable. The results of the F test on both markets can be seen in the following table:

Table 9. F test results in traditional markets

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	113,046	2	56.523	65.627	,000b
	Residual	23,254	27	,861		
	Total	136,300	29			

a. Dependent Variable: Consumer Behavior
b. Predictors: (Constant), Product Quality, Price

Furthermore, for the temporary market the test results are presented in table 10.

Table 10.F test results on the Temporary Market

ANOVAa

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	102,245	2	51,122	32,926	,000b
	Residual	41,922	27	1.553		
	Total	144.167	29			

a. Dependent Variable: Consumer behavior
b. Predictors: (Constant), Product Quality, Price

Based on the test results in the two tables above, there is a simultaneous influence on the variables studied on consumer behavior variables both in traditional markets and temporary markets because they have a calculated F value that is greater than F table with a significance below 0. 05..

3.2 Discussion

Based on the results of hypothesis testing that has been carried out, then the next step is to compare the differences in price, and product quality with the consumer behavior of traditional and temporary markets, as well as related to previous studies. The discussion is as follows:

1) **The effect of price on consumer behavior in traditional markets**

    From the results of the hypothesis test described above, it is known that tcount (4,533) > ttable (2,048), as well as with a significance value of $0.00 < 0.05$, it can be concluded that the hypothesis is accepted, meaning that the price variable affects the consumer behavior variable in buying products.

2) **Effect of price on temporary market consumer behavior**

    From the results of the hypothesis test described above, it is known that tcount (3,462) > t table (2,048), as well as with a significance value of $0.002 < 0.05$, it can be concluded that the hypothesis is accepted, meaning that the price variable affects the consumer behavior variable.

    Based on the two research results, it can be explained that one of the factors considered by consumers in making purchases in both markets is influenced by price. Determining the right price can influence consumers to carry out consumer behavior in buying products. These results support the research of Kurniawan (2016) where the results of his research state that:The factors that influence the behavior of consumers who shop for daily groceries in traditional markets are price, location, product quality, and consumer satisfaction factors. In addition, the results of this study also support research(Hidayat, 2018)and(Harahap& Hidayat, 2018)which states that price has a significant positive effect on consumer purchasing decisions.

3) **Effect of product qualityon the behavior of traditional market consumers**

    From the results of the hypothesis test described above, it is known that tcount (2,434) > t table (2,048), as well as with a significance value of $0.022 < 0.05$, it can be concluded that the hypothesis is accepted, meaning that product quality variables affect consumer behavior variables.

4) **Effect of product qualityon temporary market consumer behavior**

    From the results of the hypothesis test described above, it is known that tcount (3.190) > t table (2.048), as well as the significance value of $0.004 <0.05$, it can be concluded that the hypothesis is accepted, meaning that the product quality variable affects the consumer behavior variable.

    Based on the test results above, it is known that product quality has a significant effect on consumer behavior in buying products both in traditional markets and in temporary

markets. This means that consumers consider product quality in making purchases. The better the quality of the products offered can further improve consumer behavior in buying products. The results of this study strengthen the research(Gain & et al, 2017)and also researchstudy(Hidayat, 2018)which states that product quality has a significant positive effect on consumer purchasing decisions.

5) **The influence of price and product quality simultaneously on consumer behavior in traditional markets**

From the results of the hypothesis test described above, it is known that the calculated F value > F table and the significance value in this test is 0.000 < 0.05, it can be concluded that the hypothesis is accepted, meaning that the price variable andproduct quality jointly affects consumer behavior variables in traditional markets.

6) **Effect of price and product quality simultaneously on consumer behavior Temporary Market**

From the results of the hypothesis test described above, it is known that the calculated F value > F table and the significance value in this test is 0.000 < 0.05, it can be concluded that the hypothesis is accepted, meaning that the price variable andproduct quality jointly affects consumer behavior variables in the temporary market.

Based on the description above, it can be explained that simultaneously price and product quality affect consumer behavior in both markets. This means that these two variables when combined can be an important consideration factor for consumers in making purchases. The company needs to consider the combination of the two variables so that it can continue to increase the number of consumers who make purchases.The results of this study support research(Ismayana & Hayati, 2018)which reveals that there is a simultaneous significant effect of price and product quality on purchasing decisions.

7) **The Difference Between Price (X1) On Consumer Behavior (Y) In Traditional Markets and Temporary Markets**

Based on the test results above, it can be seen that there is no difference between prices on consumer behavior in the Traditional market and the Temporary market. This is because price has a significant influence on consumer behavior in buying products in both markets.

8) **The Difference Between Product Quality on Consumer Behavior In Traditional Markets and Temporary Markets**

Based on the test results above, it can be seen that there is no difference between product quality on consumer behavior because the quality of products in traditional markets and temporary markets greatly influences consumer behavior because products sold in traditional markets and in temporary markets tend to be new and fresh so that product quality still well awake. The impact of the results of this study is to determine the behavior of consumers who shop at traditional markets and temporary markets, to provide an overview to consumers regarding the variables studied. And to study the various studies that will be studied, so that they can find a new discovery.

4.CONCLUSION

Price has a significant influence on consumer behavior in traditional and temporary markets. Product quality has a significant influence on consumer behavior in traditional and temporary markets. Price and product quality simultaneously have a significant influence on consumer behavior in traditional and temporary markets. There is no difference in price on consumer behavior in traditional markets and temporary markets. There is no difference in product quality on consumer behavior in traditional and temporary markets.

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COMPARATIVE ANALYSIS OF PRICE AND PRODUCT QUALITY IN TRADITIONAL MARKETS AND TEMPORARY MARKETS IN BATU BARA
Fitrianingsih, Eka Mayastika Sinaga, Dewi Rahmawati