Personal Factor on Perception and Motivation in the Shifting of Shopping Pattern from Traditional to Modern Markets

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Abstract. The growth of modern markets (supermarket) has a big influence on traditional markets, especially regarding their consumers. The purpose of this research is analyzing the influence of personal factor to perception and motivation in purchasing tendency from traditional market to modern market. The research used a survey method with 257 respondents (modern market consumer) selected by accidental respondent method. Collected data then proceed to be analyzed by Structural Equation Modeling (SEM) model utilizing AMOS Software Ver. 18.0. The result showed that personal factor significantly and positively influenced perception. however it had negative and insignificant to the motivation of household shopping pattern from traditional market to modern market in Makassar, South Sulawesi.

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INTRODUCTION

For the last 10 years of change in retail business all over Asia, supported by investments of new retailers, the number of modern stores have grown more than 16.000 stores a year resulting in the rise from 50.000 to 220.000 stores today. The highest consumer shifting almost 2% a year recorded in North Asia lead by China, and modern market increase by 3%. Chinese and Korean markets are the most fluctuative. China contributes more than 100.000 new stores or more than 60% new stores investments, equals with 1000% increases over a period of 10 years. While in Korea the rise is extremely fast which Hypermarket acquired about 31% trading stocks. On the other hand, traditional market faced a decline by 5% per year or more than 50.000 stores over a decade. Both in China and Korea, according to Nielsen (2010), a consumer only visits traditional market 2 or 3 times a week.

Indonesia is the second most developing market in Asia, with annual stock changes about 1.6%. The fastest developing retail in Indonesia are Giant, Indomart, dan Alfamart.

The most visible impact from economic crisis to shopping behavior is the increase of focus to all market values. Majority of customers stated that promotion is very important in Vietnam, India, China, and Malaysia. While in Indonesia, rather than promotion they would rather to choose based on the brands. Traditional markets will still be an important retail market in developing countries. (Nielsen, 2010).

Retail industry is a very strategic industry in Indonesia. This industry is capable to employ the largest manpower only below farming industry (Albert Napitupulu, 2010). As we know, in every industry there is a competition within, and so is the case with retail industry in Indonesia. The competition classifies the retail industry into 2 blocks, Traditional Retail and Modern Retail Blocks.

When consumers demand "added value" for every expense they committed, traditional markets fall behind due to their unhygienic, uncomfortability, and foul odor attached to it. Traditional markets also have shorter operational hours. Those conditions are part of the reasons why consumers switch to modern markets (Stolman, Gentri,dan Anglin, 1991). In other words, with similar budget, modern markets provide comfortability, security, and flexibility in shopping better than traditional markets.

Modern market share growth per year assumed is to be linear, which means in 2011 modern market share will increase 23.6% and so on. Inu Machfud (2008) in BMI Research (2008) explained to many local and multinational marketers from FMCG (Fast Moving Consumer Goods) that modern market is the second target of market penetration. First target still focused on traditional market. This

is understandable since modern market share has not reached 50% yet as stated by AC Nielsen (2006). AC Nielsen (2010) also further stated that despite the growth of modern market as in 2008, Indonesia's modern market held 36.5% while traditional market held 63.5%. In 2009 it changed to 38.2% and 61.8% respectively.

In Indonesia, regulation for retail control is Presidential Regulation of the Republic of Indonesia Number 112 of 2007 and in Makassar Regional Regulation Number 15 of 2009. Considering that traditional market is a device to build and develop small and medium enterprises, Makassar's Local Government decided to protect and empower traditional market while adjusting modern market, so both markets can synergize and grow together despite the increasing growth of modern market.

From the description above, several factors that initiated this research are :1) paradigm shift from outdated to updated ones 2) government regulation no. 112 of 2007 concerning retail and regional regulation no. 15 of 2009 concerning traditional markets 3) lifestyle changes 4) shopping behavior shifts 5) inconclusive debates regarding the research done by Marike D' Haese and Gido van Huley Broeck in south Africa (2005) 6) there hasn't been empirical research about Household Shopping Behavior from Traditional to Modern Market in Makassar. Thus, the objective of this research is to measure the influence of personal factor on perception and motivation to the shifting of consumer shopping pattern from traditional to modern market.

Paradigm shift in the context of marketing occurs rapidly. Logical consequence of this situation is for marketers to always be anticipative, innovative, and competitive in various aspects in order to compete in global market. Based on the concept of paradigm from Barker (1992), it was formulated that paradigm is a set of rules and regulations that enforce two things, (1) defines limitations, and (2) information about how to behave within those limits to be successful.

According to Peter Olson (2005), there are 5 base stages or sub-processes in consumer decision making, which are : 1) assessing problems, 2) searching for alternative solutions, 3) evaluating alternatives and making a decision, 4) purchasing, 5) using and reevaluating the product.

Hawkins, et. al (2004) stated that consumers' decision making is influenced by external and internal factors. External factors consist of culture, sub-culture, demographics, sosial status, reference group, family and marketing activities. Internal factors consist of : perception, learning, memory, motives, personality, emotions and attitudes.

In this paper, Internal Factors which consist of personal factor as independent variable and perception and motivation as dependent variables were investigated.

Kotler (2005) stated that personality is human psychological trait which is diversified and then producing relatively consistent and permanent responses for stimulation to the surroundings. Personality is usually described by characteristics like confindence, domination, autonomy, honor, social skill, self defense, and adaptability.

Perception is a process used by individual to choose, organize, and interprete information to recognize the world (Kotler, 2005). According to Solomon (2002), perception is a process where the sensations received are sorted and selected, then arranged and interpreted. According to Schiffman and Kanuk (2007), reality to someone is merely their perception. Individuals act and react to their perception and not to objective reality. People might have different perceptions on the same object due to 3 stages of perception; 1) selective awareness 2) selective distortion and 3) selective memory.

According to Kotler (2005), Wells and Prensky (1996), Stanton et, al (2001), consumers shopping choice is influenced by 5 major psychological factors : motivation, perception, learning, beliefs and attitude. Motivation can be described as a driving force within an individual which forces them to act. That driving force was generated from unsatisfied needs (Schiffman and Kanuk, 2007). According to Supranto (2007) motivation shows the reason for a behavior.

METHOD

This research involved retail consumers who shop in traditional and modern market. The research began with a study of literature and past surveys concerning the behaviors and trends of retail consumers in Asia, Indonesia, and Makassar. From the data obtained, this research was done by grasping on retail consumers' perception in Makassar in which the research then became problem solving research and explanatory research. The main instrument in the data collection was a list of questions arranged by teoritical concept about : Personal Factor, perceptions, and motivation. Teoritical concepts above were then processed and enumerated, then compiled into a questionnaire. Questionnaire was made with closed questions or statements using likert skale from 1 to 5. There were also secondary data about the description of retail consumers and the number of traditional and modern markets in Makassar. This research was done in 5 districts of Makassar which are Panakukkang, Tamalanrea, Rappocini, Tamalate, and Mamajang.

The data required consists of primary and secondary data. Secondary data includes shophouses, stores, kiosks, lods, and street vendors' data in the form of consumers' quantity who shop in certain period of time.

Primary data collected were in the form of crossectional data. Crossectional data in the form of snapshot data about retail consumer's perception in Makassar were prioritized in order to grasp the factors influencing the shifting of consumer's shopping behavior from traditional to modern market.

Research respondents were retail consumers in Makassar. Adults above 18 years old who are considered able to make their own decision. The sample size is expected to represent the real population like other experts have stated that the most common method in measuring structural equation model (SEM) or structural equation modelling (SEM) is using estimation model Maximum Likelihood (ML) with 100 as minimum sample (Gozali, 2005). In this reasearch, the number of sample was 257, which fulfilled the requirements.

In this study. there are several variables in accordance with the rules of the Structural equation model or structural equation models, namely the exogenous latent variable (X) and the endogenous latent variable (Y), where exogenous latent variables and endogenous variables each has indicators, namely indicators of exogenous variables (X_{ij}) and endogenous variable indicators (Y_{ij}). From the classification of these variables, what can be categorized as exogenous latent variables are: Personal Factor (X1), whereas endogenous variables are variables whose values are obtained from the equation of the research model. The endogenous variables of this study are in accordance with the previous description which consists of: Perception Variable (Y1), and Motivation Variable (Y2). Both variables can be elaborated based on research model as follows:

1) (*personal factors*) is measured through its latent variable indicators : (1) Age and life cycle (2) Employment and economic environment (3) Lifestyle (4) Self-concept
2) (*perception*) is measured through its latent variable indicators : 1) Advertising Perception (2) Perception of Store Design and Packaging (3) Perceptions of Odor (4) Sound Perception (5) Perceptions of Price
3) (*motivation)* is measured through its latent variable indicators : (1) Consumer Interest (2) Necessities and desirer (3) Involvement (4) Earned Value

The compatible analysis method is the (Structural Equation Model) or SEM which tests the relationship between complex variables to gain the full picture of the model's entirety simultaneously (Gozali and Fuad 2005).

The purpose of this research was to prove and analyze the influence of exogen variable to endogen variable. Those influences are so complex where there are independent, intermediary, and dependent variables. Therefore, the analysis tool used in hypothesis verification is SEM (Structural Equation Modeling) with the assistance of AMOS program.

Personal Factors (X) refers to the personality of the consumer in shopping. This variable served as an exogenous variable and the antecedent variables of this research design. While Personal Factor variable was utilized as a factor that describes the personality possessed by consumers in shopping.

Perception (Y1) refers to consumer's perception to purchase or the perception of consumers in shopping, which serves as an endogenous variable and the mediating variable or intervening

variable of the research design. it is utilized as a factor that describes the person's perception of the modern market.

Motivation (Y2) refers to consumer's motivation to buy or motivation of consumers in shopping, which serves as an endogenous variable and the mediating variable or intervening variable of the research design. It is utilized as a factor that describes will and encouragement, which sparked consumer behavior in shopping shifting from traditional into modern market.

RESULTS AND DISCUSSION

The study involved the citizens of Makassar City who played a role as shopping decision makers in their household. The number of respondents sampled was 257 people. Based on the research data tabulation, respondents' characteristics based on sex is shown in Table 4.1 below.:

Table 4.1 Characteristics of Respondents by Sex

No	Classification	Count (People)	Percentage (%)
1.	Male	78	30,40
2.	Female	179	69,60
	Total	257	100.00

Source : Processed Primary Data, 2011

Table 4.2 Characteristics of Respondents by Age

No.	Age Group	Count (People)	Percentage (%)
1.	22 - 35 Year Old	96	37,40
2.	36 - 49 Year Old	89	34,60
3.	50 - 63 Year Old	72	28,00
	Total	257	100.00

Source : Processed Primary Data, 2011

Variable of Personal Factor

Table 4.3 Distribution of Respondents' Answers To Statements Regarding Respondents' Perceptions on Personal Factor Variables

Indicator	Choices (%)										Average (Mean) Indicator
	1		2		3		4		5		
	f	%	F	%	f	%	f	%	f	%	
$X1_1$	3	1.17	26	10.12	85	33.07	108	42.02	35	13.62	3.57
$X1_2$	4	1.56	36	14.01	90	35.02	91	35.41	36	14.01	3.46
$X1_3$	3	1.17	30	11.67	93	36.19	100	38.91	31	12.06	3.49
$X1_4$	5	1.95	23	8.95	87	33.85	108	42.02	34	13.23	3.56
Average (Mean) Variable											3.52

Variable of Perception

Table 4.4 Distribution of Respondents' Answers To Statements Regarding Respondents'
Perceptions on Perception Variables

Indcator	Choices (%)										Average (Mean)
	1		2		3		4		5		(Mean)
	f	%	f	%	f	%	f	%	f	%	Indicator
Y1$_1$	2	0.78	28	10.89	88	34.24	102	39.69	37	14.40	3.56
Y1$_2$	-	-	12	4.67	46	17.90	120	46.69	79	30.74	4.04
Y1$_3$	10	3.89	46	17.90	63	24.51	117	45.53	21	8.17	3.36
Y1$_4$	11	4.28	51	19.84	66	25.68	99	38.52	30	11.67	3.33
Y1$_5$	9	3.50	54	21.01	94	36.58	72	28.02	28	10.89	3.22
Average (Mean) Variable											3.50

Variable of Motivation

Table 4.5 Distribution of Respondents' Answers To Statements Regarding Respondents'
Perceptions on Motivation Variables

Indicator	Choices (%)										Average (Mean)
	1		2		3		4		5		(Mean)
	f	%	f	%	f	%	f	%	f	%	Indicator
Y2$_1$	-	-	-	-	8	3.11	137	53.31	112	43.58	4.40
Y2$_2$	1	0.39	14	5.45	90	35.02	116	45.14	36	14.01	3.67
Y2$_3$	-	-	20	7.78	79	30.74	132	51.36	26	10.12	3.64
Y2$_4$	-	-	-	-	15	5.84	62	24.12	180	70.04	4.64
Y2$_5$	7	2.72	41	15.95	64	24.90	97	37.74	48	18.68	3.54
Y2$_6$	6	2.33	56	21.79	67	26.07	92	35.80	36	14.01	3.37
Average (Mean) Variable											3.88

Analysis of research results used the Structural Equation Model (Structural Equation Model /SEM) with Confirmatory Factor Analysis (CFA) of AMOS 18.0 program. The predictive power of the observation variable both at the individual level and at the construct level is seen through the critical ratio (CR). If the critical ratio is significant, these dimensions will be said to be useful for predicting constructs or latent variables. The latent variable (construct) of this study consisted of personal factors, perception, and motivation. By using the structural equation model from AMOS, the fit model indicators were obtained. The benchmark used in testing each hypothesis is the value of the critical ratio (CR) on the regression weight with a minimum value of 2.0 in absolute terms.

The criteria were used to test whether the proposed model was compatible with the data or not. The fit model criteria requirements are: 1) the degree of freedom must be positive and 2) the non-significant Chi-square required (p kons 0.05) and above the conservative received (p = 0.10) (Hair et al., 2006), 3) incremental fit above 0.90, namely GFI (goodness of fit index), Adjusted GFI (AGFI), Tucker Lewis Index (TLI), The Minimum Sample Discrepancy Function (CMIN) divided by its degree of freedom (DF) and Comparative Fit Index (CFI), and 4) low RMSEA (Root Mean Square Error of Approximation).

Confirmatory Factor Analysis was used to examine variables that define a construct that cannot be measured directly. The analysis of the indicators used gives meaning to latent variables or confirmed constructs.

After testing the assumptions and actions as necessary for violations that occur afterwards, an analysis of model fit with model fit criteria such as GFI (Goodness of fit index), adjusted GFI (AGFI), Tucker Lewis Index (TLI), CFI (Comparative of fit index) , and RMSEA (Root Mean Square Error of Approximation) for both individual and complete models. The measurement results of the dimensions or indicator variables that can form a construct or latent variable with confirmatory factor analysis are successively explained as follows :

Table 4.6 Loading factor (λ) Personal Factor Measurements

Indicator Variable	Loading Factor (λ)	Critical Ratio	Probability (p)	Note
X1.1	0,573	5,389	0,000	Significant
X1.2	0,679	Fix	0,000	Significant
X1.3	0,685	6,333	0,000	Significant
X1.4	0,555	5,232	0,000	Significant

Table 4.7 Loading factor (λ) Perception and Motivation Measurement

Indicator Variable	Loading Factor (λ)	Critical Ratio	Probability (p)	Note
Y1.1	0,497	5,210	0,000	Significant
Y1.2	0,668	7,280	0,000	Significant
Y1.3	0,835	Fix	0,000	Significant
Y1.4	0,680	7,521	0,000	Significant
Y1.5	0,700	7,783	0,000	Significant
Y2.1	0,450	4,130	0,000	Significant
Y2.2	0,758	8,086	0,000	Significant
Y2.3	0,798	8,529	0,000	Significant
Y2.4	0,698	7,405	0,000	Significant
Y2.5	0,755	Fix	0,000	Significant
Y2.6	0,622	6,432	0,000	Significant

Then the influence of personal factor on perception and motivation is explained in the following 2 tables :

Table 4.8 The Influence of Personal Factor on Perception and Motivation

Variable Independent	Variable Dependent	Direct Effect			
		Standardize	CR	p-value	Influence
Personal_Factor	Perception	0,569	2,939	< 0,000	Significant
Personal_Factor	Motivation	-0,012	-0,057	0,955	Insignificant

Table 4.9 Research Result Matrix

Variable	Perception (Y₁)	Motivation (Y₂)
Personal Factor (X)	0,569 (0,00) (S)	-0,012 (0,955) (TS)

Personal Factor has a significant influence on Perception with P = 0.000 <0.05 with a coefficient value of 0.569. This coefficient indicates that the better the personal factor, the better perception will

be. Personal factors have a negative and insignificant influence on the motivation with P = 0955> 0.05 with a coefficient value of -0012. This coefficient indicates that a better person's personal factor will not increase motivation.

The Influence of Personal Factor on Perception
The results of SEM analysis showed that personal factor positively and significantly influenced the perception with direct influence of 0.569. P = 0.000 <0.05 This proves the hypothesis that the personal factor positively and significantly influence perception. The results of the research thus supports the theory of Engel, et. al (1994) that personality, values and lifestyles are important systems to understand why people show differences in the consumption of the product and brand preference. Although these variables are not more important than the psychology variables, such as motivation and attitude, but the underlying lifestyle and personality or values are variables that reflect the situation more realistically.

It can be concluded that personal sensitivity of Makassar's consumer in choosing shopping place was influenced by personal factor in forming perception which strongly influenced by internal factors, like experience and current necessities as well as external factors, like environment which causing alternatives options, which is natural due to individual differences.

The Influence of Personal Factor on Perception
The results of this research revealed that personal factor insignificantly and negatively influenced motivation with probability 0.955> 0.005 (not fit). Coefficient value of -0.012 showed that a better person's personal factor will not increase motivation. This study supports the theory of Kotler (2005), Wells and Prensky (1996), Stanton et al (2001), that the choice of consumer purchases are influenced by four major psychological factors, namely: motivation, perception, learning, and beliefs and attitude. Thus, the result showed that personal factor did not influence motivation in household shopping pattern from traditional to modern market but constructing attitude because attitude shows affection.

CONCLUSIONS
Personal factor had significant and positive influence on perception but had negative and insignificant influence on the motivation of household spending pattern from traditional market to modern market in Makassar, South Sulawesi

This implies that personal factor has great influence on perception but has almost no influence on motivation. Implied that there is a tendency in urban population to shop in modern market based on factors that form attitude which then internalized into self conception and became an experience to consumers based on their perception on traditional and modern market. Thus, the future direction of marketing strategy is expected to touch the psychological aspect of consumers.

For that reason, implication of related policies in this result is developers of both traditional and modern market need to understand consumer's personal factor, especially ones that determine attitude. This is because factors that determines attitude may lead to a decision to whether to shop in traditional or modern market.

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