Internal Factors that Influence Purchasing Decisions in Traditional Markets
(A Case Study on the Millennial Generation of FEB UNSOED)

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Abstract. The purpose of this study is to develop a model of what factors influence people's purchasing decisions in traditional markets. From these factors, it will be further analyzed the factors that encourage someone to shop at traditional markets. And is expected to be information material for sellers in traditional markets to be able to improve their marketing strategies and be able to influence personal factors of consumers. This research is a research that will be carried out in one year, where in this study will analyze what factors influence purchasing decisions, develop a tentative model of purchasing decisions. The subjects of this study were visitors to traditional markets in the city of Purwokerto. The analytical tools used were statistical analysis of Structural Equation Modeling (SEM), SPSS and Nvivo. The results of this study are personal factors have a positive effect on purchasing decisions in shopping at traditional markets.

Keywords: Traditional Market, Internal Factor, Millenial Generation, Purchase Decision

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1. Introduction

The market is one of the centers of community economic activity, in which there are sellers and buyers who interact with each other. There is demand and supply of an item. A broader understanding of the market is the set of real buyers and potential buyers of a product. Over time, traditional markets and modern markets emerged. A traditional market is a market located in a village, small or large city whose operating hours are around before dawn, noon and even evening, in which there are small stalls that contain merchandise, and have not used modern technology. Meanwhile, modern markets are markets built by the government, private sector or cooperatives in the form of Malls, Hypermarkets, Supermarkets, Department Stores, Shopping Centers, Mini Markets, which are managed in a modern way, prioritizing shopping convenience services with management in one hand, strong capital and comes with a fixed price tag.

So far, traditional markets are synonymous with slum, muddy, smelly, disorganized markets, and many street vendors, as a result, many consumers are reluctant to shop at traditional markets because the conditions are uncomfortable for buyers. This is very different from modern markets such as minimarkets, supermarkets and supermarkets. A clean and comfortable place, a variety of products and guaranteed safety are the advantages of modern markets compared to traditional markets. This shows that there are different conditions between traditional markets and modern markets. The reality on the ground shows that traditional markets seem muddy, dirty, and untidy, while modern markets seem neat, comfortable and clean.

There are many factors that influence consumers in making purchasing decisions, such as internal factors. The "deteriorating" condition of traditional markets has made many people in Indonesia recently choose to shop at modern markets such as malls, minimarkets, supermarkets, hypermarkets, and so on. People with modern lifestyles now prefer markets with an organized, clean, comfortable, and strategic management system. Shopping or hanging out at the mall seems to increase prestige, especially for teenagers. The growth of the modern market is indeed very fast. Not only in the city but now has penetrated into the village. Seeing this phenomenon, traditional markets must be able to maintain their existence in the midst of the rapid development of modern markets.

2. Literature Review

Traditional Market

The definition of a traditional market according to Saodah & Malia (2017) is a place where sellers and buyers meet and there are transactions and bargains between them. It can also be said that a traditional market is a building that usually consists of kiosks or outlets and an open platform held by sellers. Presidential Regulation No. 112 of 2007, traditional markets are markets built and managed by the central government, regional governments, BUMN, BUMD, and private parties whose places of business are kiosks, shops, tents and stalls owned or managed by small and medium traders, cooperatives, non-governmental organizations. the buying and selling process is carried out through a bargaining process. It can be said that the characteristics of traditional markets are the existence of a bargaining

system carried out by sellers and buyers, traditional markets are built and owned by the government, market locations are united in one place, and most of the goods and services sold are local products.

There are several advantages if we buy in traditional markets, namely the existence of a bargaining process, affordable prices, having a large area so that there are many choices for visitors, varied goods, locations close to residential areas and others. Meanwhile, the disadvantages of traditional markets are environmental pollution (caused by waste waste), congestion (because the location of traditional markets is usually on the protocol road), and consumers often feel uncomfortable because of the "muddy" or slum conditions of traditional markets.

Personal Factor

Personal factors are patterns of individual traits that can determine responses to behavior. Personal factors will be influenced by income (can affect the determination of the type of product, where to make a purchase) and habits (in determining all needs, enjoyment of local conditions. Lamb (2008) explains the notion of personal factors is a way of collecting and classifying the consistency of an individual's reaction to the current situation.

Purchasing decisions are also influenced by personal characteristics consisting of age and stage of the buyer's life cycle, occupation, economic situation, lifestyle, and personality and self-concept (Kotler and Armstrong, 2008:169). Another definition of personal factors is the pattern of individual traits that can determine responses to behavior (Daryanto, 2013:132). According to Widiyono and Pakkanna (2013: 134), personal factors are everything that is thought and felt which is then shown in a certain form of behavior, controlled by electrical and chemical activities in the brain and parts of the human body.

3. Research Methodology

The population in this study were all student of Faculty Economics and Business, Universitas Jenderal Soedirman. The analytical method used in this study is SEM AMOS, so to determine the number of research sample sizes, a guide for determining sample sizes of 5-10 times the parameter is used (Hair, et al, 2010). In this study there are 12 indicators and three path coefficients so that the estimated parameters are 15 parameters, so the sample taken is 15 x 7=105. The selection of respondents in this study will use a random sampling method, because each member of the cooperative has the same opportunity to become respondents in this study.
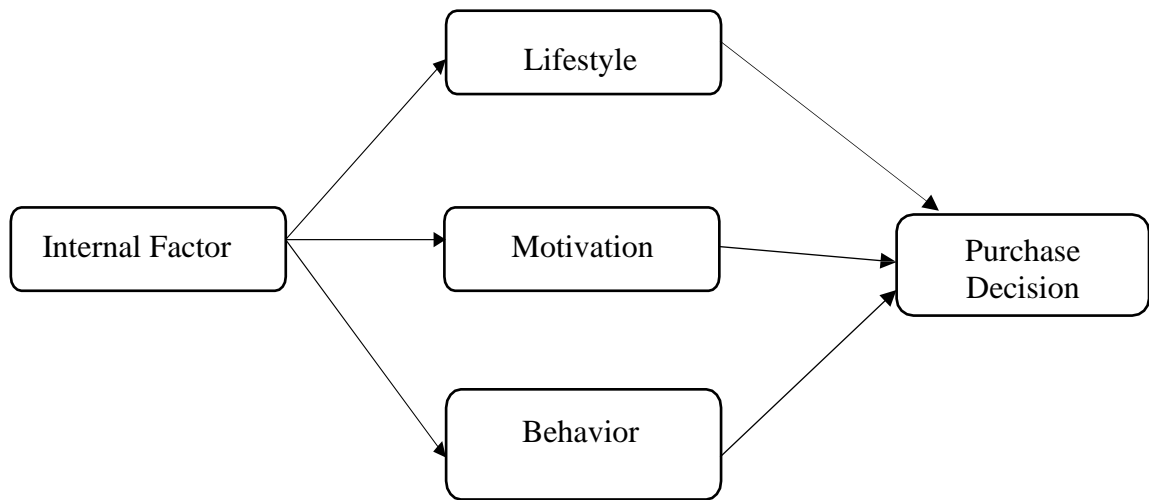
Picture 1. Framework

4. Result

Based on the results of statistical tests that have been carried out, it can be concluded that all indicators pass the validity and reliability tests so that they can be used in the next stage of analysis. The results of the model suitability test can be seen in table 1. Based on these results, the model in this study is categorized as **a very good model**.

Table 1. Goodness of Fit Test

Model Fit Index	*Cut-off Value*	Model Analysis Results	The Meaning of Result
χ^2 – Chi Square	$<\chi^2$ 59,30351 (p 0,05; df 43)	14,293	Good
Probability	> 0,05	0,077	Good
CMIN/DF	< 2,00	1,658	Good
RMSEA	< 0,08	0,029	Good
GFI	> 0,90	0,926	Good
AGFI	> 0,90	0,933	Good
TLI	> 0,95	0,898	Marginal
CFI	> 0,95	0,842	Marginal

5. Conclusion

a. There is a positive influence from the lifestyle to purchase decision in traditional markets.

b. There is a positive influence from the motivation to purchase decision in traditional markets.

c. There is a positive influence from the behavior to purchase decision in traditional markets.

Suggestion

In conducting this research, there are several things that become limitations for researchers such as words in the questionnaire that are difficult for respondents to understand. So future research is expected to be more clear when making statement items in the questionnaire.

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