SHOPPERS' LOYALTY IN PASAR DUKUH MENANGGAL SURABAYA

Anastasia Audrey Oenaryo dan **Liza Agustina Maureen Nelloh**
Universitas Pelita Harapan Surabaya
Email: Audrey-26@live.com; lizanelloh@yahoo.com

Abstract

This study improved the antecedents of loyalty such as price sensitivity, shopping values (utilitarian values and hedonic values) and satisfaction in Pasar Dukuh Menanggal Surabaya. It consists of 145 respondents and the result tested by SEM. The result showed that price sensitivity has insignificant toward hedonic value. Shopping values are positively influencing satisfaction but utilitarian value plays a big role on this path. Moreover, the management should improve the necessity of customers to achieve shopping values, satisfaction and loyalty.

Keywords: Price sensitivity, hedonic value, utilitarian value, satisfaction, loyalty.

Abstrak

Penelitian ini meningkatkan beberapa anteseden loyalitas seperti price sensitivity, shopping values (utilitarian values dan hedonic values) dan kepuasan di Pasar Dukuh Menanggal Surabaya. Terdapat 145 responden dalam penelitian ini dan hasilnya diuji melalui SEM. Dari hasil itu menunjukkan bahwa price sensitivity tidak memiliki pengaruh signifikan terhadap hedonic values. Shopping Values secara positif mempengaruhi kepuasan tetapi utilitarian values memainkan peran yang lebih besar. Selanjutnya, para pengelola sebaiknya meningkatkan kebutuhan pelanggan untuk mencapai shopping values, kepuasan pelanggan dan loyalitas pelanggan.

Kata kunci: *Kepekaan harga, nilai hedonic, nilai utilitarian, kepuasan pelanggan, pelanggan.*

INTRODUCTION

Recently, most of the business research areas are more focusing on the online business and another modern market. However, traditional markets cannot be fully eliminated in terms of business. Schmidt (2003) has defined the three phases of market such as information gathering, trading and settlement. Information gathering is to create a list of possible buyers needs so the sellers can fulfilled it, trading is about exchange (payment, delivery, additional services).

Settlement is about the physical place to carry out the market transaction. Those proven that traditionally market are about finding the buyers needs, transactions and the physical place. Especially in Indonesia, traditional market has played an important role as marketing place in which people can buy food stuff and other daily goods (Tumbuan *et al.*, 2006).

Based on Statistics Indonesia (2012), 23.4 million of people work in wholesale, retail, restaurant and hotel sectors. Containing more than 20% of people that rely on the wholesale that showed how important the traditional market in Indonesia. Thus, if it fails to compete with the hypermarkets, so the country will face the poverty (Yaningwati *et al.*, 2012).

The study of Yaningwati *et al.* also prevail that some modern market (hypermarket) are grown up in Indonesia and although the government has a regulation to protect the traditional market, those hypermarkets are already grown significantly in Indonesia. In Surabaya as the second largest country in Indonesia shown that the government increases the number of traditional markets in several villages that successfully built seven traditional markets such as Jambangan, Nambangan, Sememei, Guning Anyar, Wiyung, Lakarsantri and Dukuh Menanggal (Santoso, 2012). Furthermore among those traditional market that exists in Surabaya, there are some problems of unfinished facilities such as Dukuh Menanggal marketplace or it is called Pasar Dukuh Menanggal. Due to the problems, the government would not make the marketplace extinct to an end. They put a lot of efforts to maintain Pasar Dukuh Menanggal.

The survival of Pasar Dukuh Menanggal Surabaya, it is not fully rely on the government itself. As the real entrepreneurs in retailers, the traders should maintain the customers. Li & Green (2011) stated that loyal customers provide firms a consistent source of revenue (repeat and increased purchases) and for cost reduction (less promotional expenses) that leads to increase profits. That is why the traders should test the customer loyalty in Pasar Dukuh Menanggal.

As many studies about loyalty, this study would like to wants to improve its antecedents. In terms of the shopping in the marketplace, the shopping values must be there in human's perspective. The study of Hanzaee & Khonsari (2011) in some restaurants of Iranian people implied that the shopping values (hedonic and utilitarian value) can improve satisfaction, thus it will impact on behavioral intentions as one of the dimension of loyalty.

Previously, Irani & Hanzaee (2011) proven that customer buying tendencies influencing shopping values, and statistically influence satisfaction. Price sensitivity as one dimension of customer buying tendencies is related to characteristics of shoppers in Surabaya that is described how individual consumers react to price levels and changes in price levels (Irani & Hanzaee, 2011).

This research focusing on Pasar Dukuh Menanggal Surabaya to represent the traditional market of Surabaya to see the customer loyalty of urban areas that threatened by the unfinished facilities by the government. How big and how those variables' interactions can be applied in Pasar Dukuh Menanggal that is seize to the bankruptcy would be further explain in this study. It aims to overcome the problems in this marketplace by seeing the loyalty and its antecedents.

THEORETICAL REVIEW AND HYPOTHESIS

Price Sensitivity and Shopping Values

Price sensitivity derived or one of dimensions of consumers' buying tendencies (Irani & Hanzaee, 2011). Price sensitivity is the extent to which consumers perceive and react to price levels and price changes (Goldsmith et al., 2005). According to Shankar et al. (2002) the higher the expected benefits of information search, the lower are the price sensitivity. The higher the cost of searching for price information, the lower is the price sensitivity. The higher the cost of searching for non-price information, the higher is the price sensitivity. It is also one dimension of consumers' buying tendencies which is

related to the shopping values containing hedonic and utilitarian value (Irani and Hanzaee, 2011). Thus, shopping value is about evaluation subject after one has interaction experience with the activities, and it is a key outcome in a general model of consumption experiences (Babin et al., 1994).

Hence, Goldsmith & Newell (1997) stated that a consumer with higher level of price sensitivity will manifest much less demand as price goes up (or higher demand as price goes down), and consumers low in price sensitivity will not react as strongly to a price change. They also stated that the importance of price sensitivity is related to the new buyers and late buyers; for new buyers it is important to assess demand in the introduction stage in the Product Life Cycle (PLC). For late buyers it is important to how those consumers will move on from the growth stage into the maturity stage. It is concluded that price sensitivity is important in the perspective of new buyers (e.g. innovators) and late buyers (laggards), in its relation with PLC in the marketplace. Price sensitivity also has a relation with shopping values (Irani & Hanzaee, 2011).

Shopping value is an evaluation subject after one has an interaction experience with the activities and a key outcome in a general model of consumption experiences (Barbin et al., 1994).

Wu et al. (2009) stated that the utilitarian value indicates benefits related to functionality, tool and reality provided to customers during consumption. So, utilitarian value based on fulfilling a basic need and purchased and consumed for fulfilling consumers basic and functional needs. In selection and decision making for utilitarian product, consumers followed utility and function maximizing approach (Sen & Lerman, 2007), In contrary, hedonic values are related to emotional needs of individuals for enjoyable and interesting shopping experiences (Bhatnagar & Ghosh, 2004). Thus, Dahar & Wertenbroch (2000) stated that hedonic products have three characteristic, namely: feelings, fantasy, and fun.

Fantasy includes all aspects of experience-oriented cognition. Feelings are concerned with different types of affective reactions. Fun, in general involves a recreational behavioral desire. It is possible that acquired enjoyment from hedonic products is experienced in a cognitive, emotional, or behavioral manner. Here it means that utilitarian values are related to the non emotional value and hedonic values are about the emotional things inside of human body.

Price sensitive consumers obtain higher levels of utilitarian and hedonic value (Irani & Hanzaee, 2011). When the product performance and function fit the user needs, utilitarian value had a negative

relationship with price sensitivity. However, the negative degree may be lesser than that of hedonic value (Wong *et al.*, 2011). Furthermore, Jin & Kim (2003) found that hedonic and recreational shoppers exhibited high price sensitivity by hunting bargains and using coupons. It is similar to the study by Arnold & Reynolds (2003) noted a positive relationship between bargain perception and hedonic shopping value. From those explanations it posed the hypothesis as follows:

H1: Price Sensitivity is significantly influence on utilitarian value

H2: Price Sensitivity is significantly influence on hedonic value

Shopping Values and Satisfaction

According to Cottet *et al.* (2006), there is a positive relationship between shopping values and satisfaction. This value increases as the consumer obtains the product more effortlessly (Barbin, Darden & Griffin, 1994). In general, consumers perceived utilitarian value by acquiring the product that necessitated the shopping trip (Irani & Hanzaee, 2011). Thus, a consumer receives utilitarian shopping value when he or she obtains the needed product. The more customers pursue utilitarian value, the more likely the customers seek various options in the place (shopping centre) of choice to satisfy the customers' desired value. Hence, it could be concluded that the more the shoppers obtain the necessities in the shopping trip, those shoppers will actually satisfied.

Previous studies of Cai & Xu (2006) and Irani & Hanzae (2011) confirmed the positive relationship between hedonic value and satisfaction in consumer behavior literature. Hedonic value reflected the individuals' evaluation of the entertainment and experiential worth of the shopping trip (Eroglu *et al.*, 2004). Abstract characteristics of goods and services contributed to affective elements in shopping, and are closely related to hedonic value (Cottet *et al.*, 2006). Thus, it is concluded that when the customers obtain experience, pleasure, adventure that is worth in the marketplace, then he or she will satisfy with the shopping trip. From those explanations, thus the next hypothesis could be formulated as follows:

H3: Utilitarian value is significantly influence on shoppers' satisfaction

H4: Hedonic value is significantly influence on shoppers' satisfaction

Satisfaction and Loyalty

The concept of satisfaction of the shoppers is derived from the general concept of customer satisfaction. This concept commonly used as a marketing benchmark of a company's performance (Bennett & Rundle-Thiele, 2004). Furthermore, it is generally believed that a satisfied customer is more likely to display loyalty behavior through repeat purchase and willingness to give positive word of mouth (Schultz, 2005). Krishnan *et al.* (1999) gives some instance of how the satisfaction works. Krishnan's study concluded that where the products are intangible and are sampled only rarely, the services accompanying the product will often form the main determinant of overall customer satisfaction. It is similar to the study of Bolton & Drew (1991) that argued that customer satisfaction is a post-purchase evaluation of a service offering. In conclusions, much study proven the importance of satisfaction in creating firm's performance including high level of loyalty.

Kotler & Armstrong (2010) stated that the key to building lasting customer relationships is to create superior customer value and satisfaction. Many studies and literatures stated that customer satisfaction .is one of the determinants of customer loyalty, driving force in sales growth, sales and a strong multi-channel strategy where each channel is optimized to meet customers' needs (Flint *et al.*, 2008; Foresee Results, 2005; Kotler & Armstrong, 2010; Shankar *et al.*, 2002; Yang & Peterson, 2004). Loyal customers would purchase from the firm over an extended time (Evans & Berman, 1997). Guiltinan *et al.* (1997) said that satisfied customers are more likely to be repeat (and even become loyal) customers. Those explanations posed the last hypothesis as follows:

H5: Consumers' satisfaction is significantly influence on shoppers' loyalty.

RESEARCH METHODS

In order to the hypothesis proposes, this study was conducted a cross-sectional survey and collected primary data by questionnaire distributions to the consumers' in Pasar Dukuh Menanggal Surabaya Indonesia. Sekaran, (2005) stated that sampling is the procedure of selecting an adequate number of elements from the population, so that a study of the sample and an understanding of its properties or characteristics would make it for us to simplify such properties. Thus, Sekaran (2005) also confirmed that there are two types of sampling such as probability and non probability. The fundamentals in the population have some known chance or probability of being selected as sample subjects in probability sampling. Meanwhile, the elements do not have a known pre-determined chance of being selected as subject in non probability sampling. This study

included non probability sampling design because the researchers did not find clearly numbers of shoppers in Pasar Dukuh Menanggal Surabaya. Hence, Sekaran & Bougie (2010) also stated that one of the types of non probability sampling that provide information from the specific target of people is called purposive sampling. This study applied those sampling designs to collect some information to the specific target according to the specific requirement of the researchers. One of the fundamental requirements of the target respondents such as the candidate of respondents must be the citizen that live near the marketplace and already repeated visitors of the marketplaces order to make sure the shoppers loyalty.

The questionnaires were distributed to 200 consumers using purposive sample techniques across the spots surround on the marketplace and. All of the respondents are the citizen of Surabaya Indonesia and live near the marketplace. After the distributions, it returned for 145 questionnaires which contained 72.5% in response rate. Approximately, the time periods of distributing questionnaires were five weeks during September to October 2012. The samples characteristics would be seen in Table 1. Furthermore, this study uses Structural Equation Model (SEM) with maximum likelihood as the sample techniques.

This study consists of some latent variables such as price sensitivity, shopping values (hedonic and utilitarian value), satisfaction and loyalty. The items or the observed variables of Price sensitivity, shopping values and satisfactions derived from Irani & Hanzaee (2011) with modifications and confirmed to be valid ($\lambda > 0.5$). Thus, consumers' loyalty derived from Bloemer & Ruyter (1998) that also to be confirmed as the valid measurement ($\lambda > 0.5$).

Table 1. Sample Characteristics

No	Characteristics	Sample Composition	Percentage
1	Gender	Male	11.67%
		Female	88.33%
2	Occupation	Housewives	67.30%
		Entrepreneur	8.56%
		Government Employment	4.88%
		Students	19.26%
3	Monthly Income	< 1 million (Rp)	2.47 %
		1-2 million (Rp)	76.980%
		2-3 million (Rp)	12.71%
		>3 million (Rp)	7.84 %
4	Frequencies of visiting	1-2 times a week	29.89%
		2-3 times a week	46.68%
		Everyday	23.43%

Note: Data Processed (2013)

The measurement result could be seen further in Table 2. Each of the items of the questionnaires was designed using a 6-point Likert Scale noted by "strongly disagree" (1) to "strongly agree" (6).

FINDINGS

The proposed model consists of one exogenous variable (price sensitivity) and four endogenous variables (utilitarian value, hedonic value, satisfaction and loyalty). Structural Equation Modeling (SEM) with Lisrel 8.80 was used to analyze the data and parameters were estimated using maximum likelihood method. Following Confirmatory Factor Analyses (CFA) and the structural models were tested.

Before testing the structural model or hypothesis testing, the study is tested CFA through Table 2. It convinced that the entire measurement model are valid and truly measuring the latent variables. Table 2 shows the items has loading factor that greater than 0.5 (Hair *et al.*, 2010). Thus, the structural model can be tested further in Figure 1. It shows the t-values of the relationships and the t-values of the items.

Thus, Figure 2 shows the path coefficient of the interactions between variables. Figure 1 and Figure 2 also contains the goodness of fit (GOF) at the bottom. It concludes that the goodness of fit such as Chi square = 203.71, degree of freedom = 184, p-value = 0.15, and RMSEA = 0.027 which are consisting a good fit of the assessment of GOF in the structural model (Hair *et al.*, 2010).

The hypothesis testing would be tested by seeing the t-values that should be greater than 2 to convince the hypothesis accepted at 5 % level (Hair *et al.*, 2010). From the result in the Figure 1 and Figure 2 it concludes that price sensitivity is positive and significantly influencing utilitarian value (t-value = 8.33, $\gamma = 0.835$), but price sensitive is not significantly effect on hedonic value (t-value = 1.14, $\gamma = 0.109$). It is proven the hypothesis 2 is rejected.

Therefore, the hypothesis 3 is confirmed throughhout the t-values which is greater than 2 (Hair *et al.*, 2010) such as 2.97 and path coefficient or $\beta = 0.287$. So, the utilitarian value is positive and significantly effect on satisfaction. Thus, Hypothesis 4 is also accepted by the t-values of 2.62 and $\beta = 0.238$, so the hedonic value is significantly effect on satisfaction. The figures also confirmed that hypothesis 5 is accepted by the t-values that is 7.46. and $\beta = 0.822$. It means that satisfaction is positive and significantly determines loyalty in Pasar Dukuh Menanggal. Beside the figures, Lisrel 8.8 had shown the structural equations in the Table 3 to shows up the
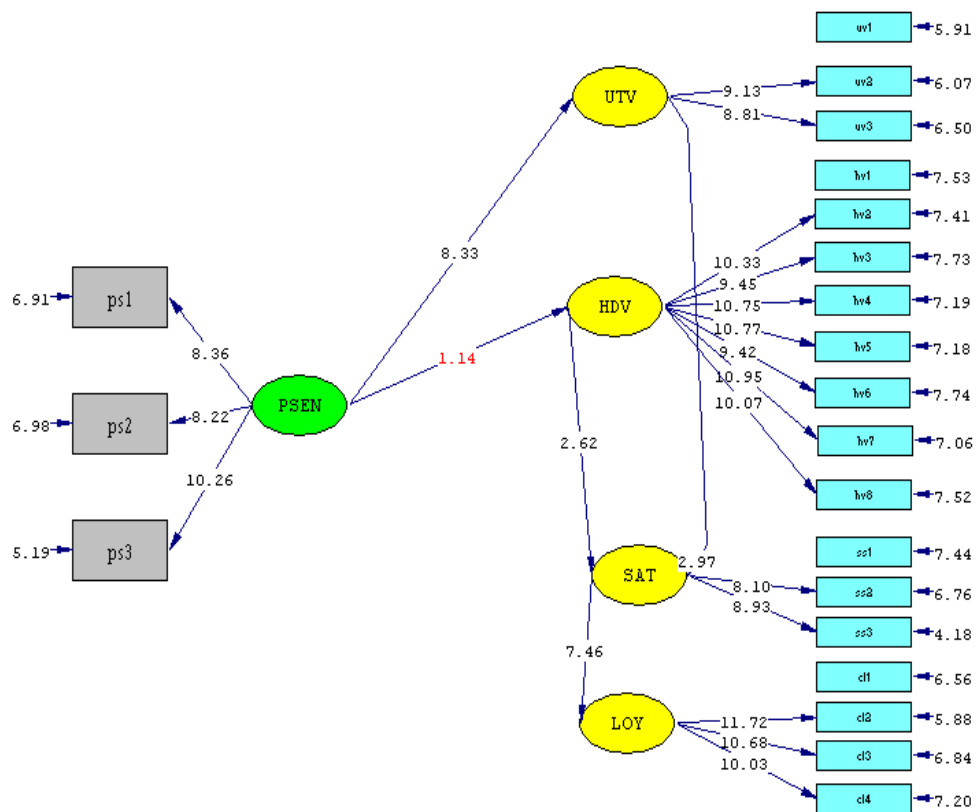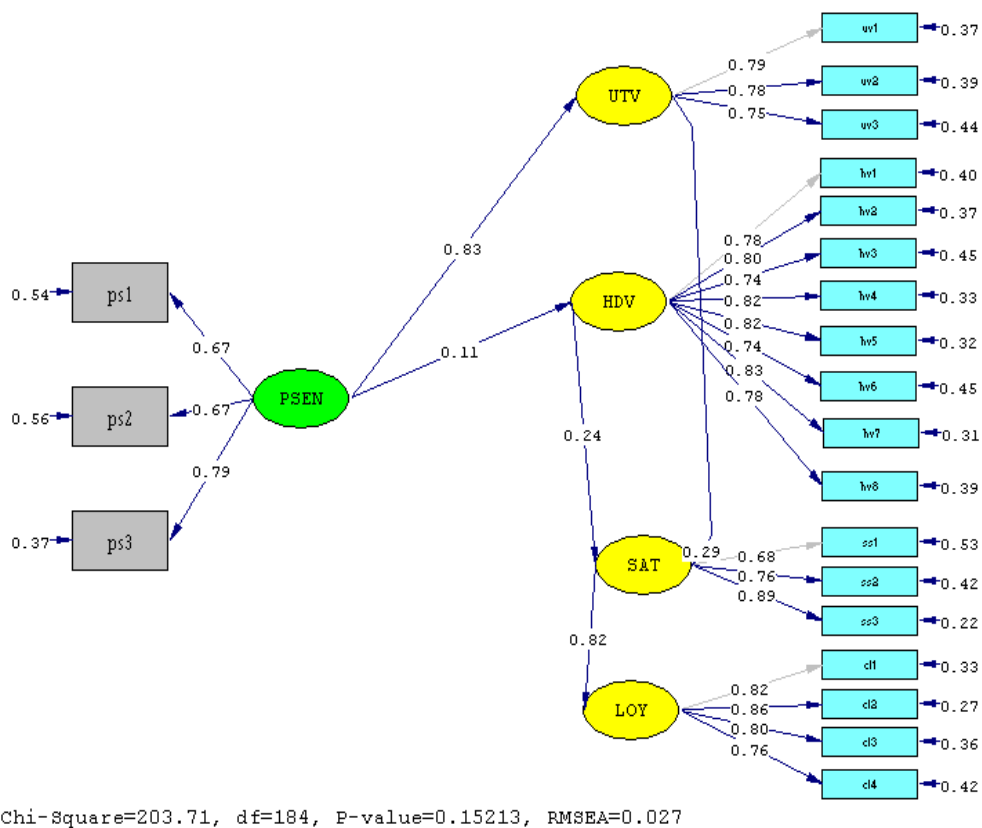
Chi-Square=203.71, df=184, P-value=0.15213, RMSEA=0.027

Figure 1. **T-Values of Structural Model**

Chi-Square=203.71, df=184, P-value=0.15213, RMSEA=0.027

Figure 2. **The Path Coefficients of Structural Model**

Table 2. The Measurement Model

Variables	Items	Std Loading Factor (λ<0.5)	T-Values (>2)
Price Sensitivity	I am less willing to buy a new product that I needed in Pasar Tradisional Dukuh Menanggal Surabaya if I think that it will be high in price (ps1)	0.67	8.36
	There is a great new product in Pasar Tradisional Dukuh Menanggal Surabaya that is worth paying a lot of money for. (ps2)	0.67	8.22
	In general, the price or cost of buying a new product in Pasar Tradisional Dukuh Menanggal is important to me (ps3)	0.79	10.26
Utilitarian Value	The shopping in Pasar Tradisional Dukuh Menanggal Surabaya was economical (uv1)	0.79	
	This shopping trip in Pasar Tradisional Dukuh Menanggal Surabaya was convenience (uv2)	0.78	9.13
	Overall, the product that have been delivered by Pasar Tradisional Dukuh Menanggal Surabaya was in quality. (uv3)	0.75	8.81
Hedonic Value	I continued to shop in Pasar Tradisional Dukuh Menanggal Surabaya , not because I had to, but because I wanted to (hv1)	0.78	
	Compared to other things I could have done, the time spent shopping in Pasar Tradisional Dukuh Menanggal Surabaya was truly enjoyable (hv2)	0.80	10.33
	I enjoyed being immersed in exciting new products in Pasar Tradisional Dukuh Menanggal Surabaya (hv3)	0.74	9.45
	I enjoyed this shopping trip for its own sake, not just for the items I may have purchased in Pasar Tradisional Dukuh Menanggal Surabaya. (hv4)	0.82	10.75
	During the trip, I felt the excitement of the hunt in Pasar Tradisional Dukuh Menanggal Surabaya. (hv5)	0.82	10.77
	While shopping in Pasar Tradisional Dukuh Menanggal Surabaya, I was able to forget my problems (hv6)	0.74	9.42
	While shopping in Pasar Tradisional Dukuh Menanggal Surabaya, I felt a sense of adventure (hv7)	0.83	10.95
	The shopping trip in Pasar Tradisional Dukuh Menanggal Surabaya was a very nice time out (hv8)	0.78	10.07
Satisfaction	Overall, I am satisfied with Pasar Tradisional Dukuh Menanggal Surabaya. (ss1)	0.68	
	I am pleased with the outcome of that shopping trip in Pasar Tradisional Dukuh Menanggal Surabaya. (ss2)	0.76	8.10
	Overall, I am satisfied with the outcome of that shopping trip in Pasar Tradisional Dukuh Menanggal Surabaya. (ss3)	0.89	8.93
Loyalty	I recommend to my friend to shop in Pasar Tradisional Dukuh Menanggal Surabaya. (sl1)	0.82	
	I will visit Pasar Tradisional Dukuh Menanggal Surabaya again (sl2)	0.86	11.72
	I prefer Pasar Tradisional Dukuh Menanggal Surabaya above others when I want to shop (sl3)	0.80	10.68
	I intend to continue to shop in Pasar Tradisional Dukuh Menanggal Surabaya (sl4)	0.76	10.03

Note: ps1, uv1, hv1, ss1, sl1 are refference variables

price sensitivity explained utilitarian value, and 0.116% explained hedonic value. Thus utilitarian and hedonic value only explained 15.1% of satisfaction that predicted to be low variance. Then, satisfaction explained 67.5% of loyalty that confirmed moderate variance.

Table 3 The Structural Equations

UTV = 0.835*PSEN, Errorvar.= 0.303 , R² = 0.697
     (0.100)   (0.0977)
     8.329   3.102

HDV = 0.109*PSEN, Errorvar.= 0.988 , R² = 0.0118
     (0.0951)   (0.182)
     1.142   5.445

SAT = 0.287*UTV + 0.238*HDV, Errorvar.= 0.849 , R²
                                              = 0.151
     (0.0966)   (0.0909)   (0.194)
     2.966   2.619   4.376

LOY = 0.822*SAT, Errorvar.= 0.325 , R² = 0.675
     (0.110)   (0.0775)
     7.462   4.193

Note:
PSEN = Price Sensitivity
UTV   = Utilitarian Value
HDV   = Hedonic Value
SAT   = Satisfaction
LOY   = Loyalty

DISCUSSIONS AND IMPLICATIONS

The result of this study presents an important insight of the loyalty of shoppers in traditional market of Surabaya, Indonesia especially in Pasar Dukuh Menanggal that threatened to be closed. In general it means that the presence of this marketplace is important toward the society around. Thus as the suggestions, govenrment of Surabaya should consider about to defense   the economic activities in Pasar Dukuh Menanggal.

Furthermore, this result also revealed some conclusion and suggestions toward the management of Pasar Dukuh Menanggal such as the loyalty of the shoppers in Pasar Dukuh Menanggal is derived from some antecedents including satisfaction, hedonic and utilitarian values and price sensitivity. However, form the result it concludes that the exact path of shoppers' point of view is that they felt themselves highly response to the price or it is called high price sensitivity in determining utilitarian value thus from them the shoppers' satisfied and became loyal to that marketplace. Form the explanation, hedonic value is removed due to the insignificant effect of price sensitivity toward hedonic value (t value = 1.42). The result of the insignificant effect is rejected the previous research of Irani & Hanzae (2011); Jin & Kim (2003) about the significant effect of price sensitivity toward hedonic value that related to the bargaining power in the marketplace. That result also related to the very low variance which is 0.01% in explaining hedonic value, so the price sensitivity

cannot manipulated hedonic value. It concluded that in Pasar Dukuh Menanggal, the bargaining activities are tend to be lower to compare with other traditional marketplace. It means that the management of that marketplace should consider about making the new rule so that shoppers could be bargain in Pasar Dukuh Menanggal Surabaya. However, the hedonic value is not depends on the "bargaining activities", it should be a lot of things inside. It is proven that the customers felt satisfied because of hedonic value. Even though the path coefficient showed that relationship's still lower than utilitarian value toward satisfaction, it could be concluded there is emotional reaction in Pasar Dukuh Menanggal that makes them satisfied. It is related to the findings of Cottet *et al.* (2006) that posited positive effect of hedonic value toward satisfaction. Due to this result, the management of the marketplace in Dukuh Menanggal should increase the hedonic value. For instance the management should give neat spots and good looking traders, provide convenience place and interesting product variations in the marketplace in order to build the emotional perspective of the shoppers.

The positive relationship between price sensitivity and utilitarian value is related to the study of Tauber (1972) that stated consumers who sensitive to the price are rational and logical problem solvers emphasizing utilitarian shopping value. It is also predicted to be positive due to the high level of variance that contain 67.9% in explaining utilitarian values that described the effect is statistically strong in this case. This study reveals the understanding of the more the shoppers in Pasar Dukuh Menanggal which are sensitive to the price will feel the functional need in this marketplace is fulfilled. It is also related to the respondents which tend to be in low income. So, it means when the shoppers' which are low income sensitive to the price, but the marketplace can provide them "the needs" that they can fulfilled. Through the result the managerial implication revealed that the management should maintain the flow of the supply chain for traders so their needs could be fulfilled. This result also reflected the finding that reveals utilitarian value positive and significantly effect shopper's satisfaction. Or in other words, if the management could be fulfilled the supply chain very well, and then the stock will be satisfying traders and automatically the traders. This result confirmed the previous studies (Cai & Xu, 2006; Gallarza & Gil Saura, 2006; Irani & Hanzaee, 2011; Jones, Reynolds & Arnold, 2006).

Both shopping values (utilitarian and hedonic values) are positively and significant effect on satisfaction that related to Cottet *et al.* (2006). It means that increasing consumers' shopping satis-

faction could be manipulated by enhancing consumers' utilitarian and hedonic shopping value (Irani & Hanzaee, 2011), even the variance is low (11.8% in explaining satisfaction). However, this study reveals that utilitarian values are more to affect satisfaction compare to hedonic values. So, even though hedonic values can manipulate satisfaction, but in this case utilitarian has a greater influenced.

This study again confirmed so many studies about satisfaction influenced loyalty. Many studies and literatures stated that customer satisfaction .is one of the determinants of customer loyalty, driving force in sales growth, sales and a strong multi-channel strategy where each channel is optimized to meet customers' needs (Flint, *et al*, 2008; Foresee Results, 2005; Kotler & Armstrong, 2010; Silvestro & Low, 2006; Shankar, *et al.* 2002; Yang & Peterson, 2004). It could be concluded also the the high variance of satisfaction influencing loyalty such as 67.5% in explaining loyalty. This means if the shoppers' satisfied through hedonic and utilitarian value, it will positively effect on loyalty. Or in other words, satisfaction is the determinant of loyalty in Pasar Dukuh Menanggal.. The management should provide lower price, more on fulfilling the need of shoppers (rice, vegetables, foods, and other basic needs), convenience place to shop to increase loyalty in Pasar Dukuh Menanggal Surabaya.

LIMITATIONS AND FUTURE RESEARCH

This study includes some limitations. Firstly, this study contains the limit number of shoppers to be determined. The result only contains 145 shoppers which is very low number to be generalized. Even though, it's already fulfilled the maximum likelihood procedures, however, it needs improvement in the number of respondents to be confident to generalize.

Secondly, this study only in one traditional marketplace such as Pasar Dukuh Menanggal with non probability sampling design. As stated earlier, this study used non probability sampling with purposive sampling that the elements cannot be confidently generalized to the population (Sekaran & Bougie, 2010). This means that the study result of using purposive sampling can only applied in the specific respondents in Pasar Dukuh Menanggal Surabaya. Moreover the further study needs to be improved such as using probability sampling to be confident to generalize in Surabaya. Thus, it is also suggested to use several brand names of traditional marketplaces in Surabaya to make easy to generalize the phenomenon of surviving and loyalty of traditional market. However this case study is quite

interesting while the fact is this marketplace is threatened to be closed by the government but reveals some implications to its management to maintain loyalty in Pasar Dukuh Menanggal Surabaya.

Lastly, this study only tested one consumer buying tendency such as price sensitivity that must be added in the future studies such as compulsive buying tendencies, variety seeking buying tendencies, and impulsive buying tendencies.

REFFERENCES

Arnold, M. J. & Reynolds, K. 2003. Hedonic Shopping Motivations. *Journal of Retailing*, 79(2): 77-95, doi:10.1016/S0022-4359(03)00007-1, http://dx.doi.org/10.1016/S0022-4359(03)00007-1.

Barbin, B., Darden, W. & Griffin, M. 1994. Work and/or Fun: Measuring Hedonic and Utilitarian Shopping Value. *Journal of Consumer Research*, 20(4): 644-656, doi:10.1086/209376, http://dx.doi.org/10.1086/209376.

Bennet, R. & Rundle-Thiele, S. 2004. Customer Satisfaction Should Not Be The Only Goal. *Journal of Service Marketing*, 18(7): 514–523.

Bhatnagar, A. & Ghosh, S. 2004. A Latent Class Segmentation Analysis of E-Shoppers. *Journal of Business Research*, 57(7): 758-767.

Bloemer, J. & Ruyter, Ko De. 1998. On The Relationship Between Store Image, Store Satisfaction and Store Loyalty. *European Journal of Marketing*, 32(5/6): 499 – 513.

Bolton, R. N. & Drew, J. H. 1991. A Longitudinal Analysis of The Impact of Service Changes on Customer Attitudes. *Journal of Marketing*, 55(1): 1-9.

Cai, S. & Xu, Y. 2006. Effects of Outcome, Process and Shopping Enjoyment on Online Consumer Behaviour. *Electronic Commerce Research and Applications*, 5(4): 272–281.

Cottet, P., Lichtlé, M. & Plichon, V. 2006. The Role of Value in Services: A Study in a Retail Environment. *Journal of Consumer Marketing*, 23(4/5): 219-227.

Dahar, R. & Wertenbroch, K. 2000. Consumer Choice Between Hedonic and Utilitarian Goods. *Journal of Marketing Research*, 23: 60-71.

Eroglu, S. A., Machleit, K. & Barr, T. F. 2004. Perceived Retail Crowding and Shopping Satisfaction: The Role of Shopping Values. *Journal of Business Research*, 58(8): 1146-1153.

Evans, J. R. & Berman, B. 1997. *Marketing*. 7th Ed. Upper Saddle River, NJ: PrenticeHall.

Flint, D. J., Blocker, C. P. & Boutin, P. 2008. Customer Value Anticipation as an Operant Resource Driving Customer Satisfaction and Loyalty. *Academic Papers*. Otago Forum 2.

Foresee Results. 2005. *Customer Satisfaction, Loyalty, and Buying Behavior in The Evolving Multi-Channel Retail World*. (*www.foresee-results.com*. Downloaded at July 31 2012).

Gallarza, M. G. & Gil Saura, I. 2006. Value Dimensions, Perceived Value, Satisfaction and Loyalty: An Investigation of University Students' Travel Behaviour. *Tourism Management*, 27(3): 437–452.

Goldsmith, R. E., Kim, D., Flynn, L. & Kim, W. 2005. Price Sensitivity and Innovativeness for Fashion Among Korean Consumers. *Journal of Social Psychology*, 145(5): 501-508, doi:10.3200/ SOCP.145.5.501-508.

Goldsmith, R. E. & Newell, S. J. 1997. Innovativeness and Price Sensitivity: Managerial, Theoretical and Methodological Issues. *Journal of Product & Brand Management*, 6(3): 163-174.

Guiltinan, J. P., Paul, G. W. & Madden, T. J. 1997. *Marketing Management: Strategies and Programs*. 6th Ed. New York: McGraw-Hill.

Hair, J. F. Jr., Black, W. C., Babin, B. J. & Anderson, R. E. 2010. *Multivariate Data Analysis*. 7th Ed. New Jersey: Prentice Hall, Inc.

Hanzaee, K. H. & Khonsari, Y. 2011. A Review of The Role of Hedonic and Utilitarian Values on Customer's Satisfaction and Behavioral Intentions (A Case Study; Customers of Fasham Restaurants). *Interdisciplinary Journal of Research in Business,* 1(5): 34-45.

Irani, N. & Hanzaee, K. H. 2011. The Effects of Variety-Seeking Buying Tendency and Price Sensitivity on Utilitarian and Hedonic Value in Apparel Shopping Satisfaction. *International Journal of Marketing Studies*. 3(3): 89-103.

Jin, B. & Kim, J. O. 2003. A Typology of Korean Discount Shoppers: Shopping Motives, Store Attributes, and Outcomes. *International Journal of Service Industry Management*, 14(4): 396-419.

Jones, M. A., Reynolds, K. E. & Arnold, M. J. 2006. Hedonic and Utilitarian Shopping Value: Investigating Differential Effects on Retail Outcomes. *Journal of Business Research*, 59(9): 974–981.

Kotler, P. & Armstrong, G. 2010. *Principles of Marketing (Thirteenth Edition)*. Upper Saddle River, New Jersey: Prentice-Hall.

Krishnan, M., Ramaswamy, V., Meyer, M. & Damien, P. 1999. Customer Satisfaction for Financial Services: The Role of Products, Services and Information, *Management Science*, 45(9): 1194-1209.

Li, M. L. & Green, R. D. 2011. A Mediating Influence on Customer Loyalty: The Role of Perceived Value. *Journal of Management and Marketing Research*. 7:1-12.

Santoso, H. 2012. *Pasar Rp 2,9 Miliar Terancam Mangkrak*. (http://jatim.tribunnews.com/2012/ 02/10/pasar-rp-29-miliar-terancam-mangkrak downloaded at October 2, 2012)

Schmidt, B. F. 2003. Elektronik Markets. *Electronic Markets 2003,* No.1.

Schultz, D. E. 2005. The Loyalty Paradox. *Marketing Management*, 14(5): 10–11.

Sekaran, U. 2005. *Research Methods for Business: A Skill-Building Approach*. Fourth Edition. Australia: John Wiley & Sons, Limited.

Sekaran, U. & Bougie, R. 2010. *Research Methods for Business: A Skill Building Approach*. Fifth Edition. John Wiley & Sons.

Sen, S. & Lerman, D. 2007. Why are You Telling Me This? An Examination Into Negative Consumer Reviews on The Web. *Journal of Interactive Marketing*, 21(4): 76-94.

Shankar, V. A., Smith, K. & Rangaswamy, A. 2002. *Customer Satisfaction and Loyalty in Online and Offline Environments*. eBusiness Research Center 401 Business Administration Building.

Silvestro, R. & Low T. H. 2006. The Asymmetric Relationship Between Customer Satisfaction, Dissatisfaction, Loyalty and Financial Performance in B2B Companies. *Operations Management Group*. Singapore: University of Warwick.

Tauber, E. M. 1972. Why do People Shop? *Journal of Marketing,* 36(4): 46-49.

Tumbuan, WJF A., Kawet, L. & Shiritake, Y. 2006. Significane of Traditional Market and Supermarket Functions for Local Farmers and Consumers: A Case Study of Marketing of Vegetables in Manado, North Sulawesi, Indonesia. *Bull. Fac. Agr., Saga Univ.,* 92: 79-94.

Wong, K. H., Chang, H. H., Lee, C. H. & Lin, W. C. 2011. An Evaluation of Virtual and Physical Shopping Process on Consumer Price Sensitivity: Innovativeness asaA Moderator. *TIIM 2011 Conference Proceedings*. HKV, DIEM University of Oulu.

Wu, K. W., Wu, H. L. & Liang, H. M. 2009. Relationship Among Customer Value, Satisfaction, And Loyalty Of Social Network Service. *The 9th International Conference on Electronic Business, Macau*.

Yang, Z. & Peterson, R. T. 2004. Customer Perceived Value, Satisfaction, and Loyalty: The Role of Switching Costs. *Psychology & Marketing*, 21(10): 799–822.

Yaningwati, F., Fauzi DH, A. & Susilowati. 2012. The Impact of Hypermarket Existance on The Traditional Market Trader. *Journal of Basic. Appl. Sci. Res,* 2 (8): 7966-7971.