



## Loyalty or Inertia? Customer Perspective on Traditional Micro-retailing of Fisheries Commodities in Small Islands Coastal Area

Meyske A. Rahantoknam<sup>1,2</sup>, Wellem A. Teniwut<sup>3\*</sup>, Anna M. Ngabalin<sup>4</sup>

<sup>1</sup>Fisheries Agribusiness Study Program, Tual State Fisheries Polytechnic, Indonesia, <sup>2</sup>Laboratory of Fisheries Product Marketing, Tual State Fisheries Polytechnic, Indonesia, <sup>3</sup>Fisheries Agribusiness Study Program, Tual State Fisheries Polytechnic, Indonesia, <sup>4</sup>Fisheries Agribusiness Study Program, Tual State Fisheries Polytechnic, Indonesia. \*Email: [wateniwut@polikant.ac.id](mailto:wateniwut@polikant.ac.id)

### ABSTRACT

The traditional micro-retailing market its existence today threatened by the strong penetration of supermarkets, the condition does not occur only in big cities in developed country but also in development country such as rural coastal area. In order to measure the sustainability and durability on existence of the traditional wet market against rapid penetration of supermarket then study to investigate whether the customer who shop wet product on traditional market categories as loyal or inertia (spurious loyalty) is necessary. This research conducted in the Kei Islands which is rural coastal area in Indonesia with respondents were customers who shop wet product on the traditional micro-retail market for at least four times in a month. Using the structural equation modeling, the results of this research showed that customer who buy fisheries wet product on the traditional micro-retail market in Kei Islands were identified as spurious loyalty or inertia. Implication of this result for local governments need to tightening regulation to prevent supermarket penetration especially in rural area and for seller (fishermen and aquaculture farmers) to increase their brand image by maintaining the consistency of quantity and quality of their product to keep their current customers against penetration of supermarket.

**Keywords:** Traditional Micro-retailing Market, Fisheries Commodity, Rural Coastal Areas

**JEL Classification:** M31

### 1. INTRODUCTION

Supermarkets have significant role in more than two per three of food retailing circulation includes Western Europe and North America even in some countries supermarkets hold more than half on the market sales of food (Shepherd, 2005). The development of supermarkets and all forms of wholesale around the world has the significant contribution on declining of the traditional micro-retailing markets. The penetration of supermarkets in Asia is faster and stronger than ever since the increasing on of average income which also affects changing the lifestyle and preference of its people makes sustainability and the existence of the traditional market is in jeopardy (Goldman and Hino, 2005; Liu, 2007). The market structure in development country especially has significantly changed as a result of the strong penetration of supermarkets (Wrigley et al. 2005). The market changing that occurred of significant increase on number supermarkets is not

only happen in large cities in but also in suburban and even rural areas, where customers have been forced to get used to buying daily needs at supermarkets instead of the traditional market (Humphreys, 2007).

In modern era where information technology has developed into basic needs, has given huge contribution to the change of customer preferences and customer needs which in the past tend to be accustomed and differ from each part of the world but currently tend to be the same across the world and this makes penetration of supermarket penetration become stronger caused by demand from customers (Reardon and Hopkins, 2006). Supermarkets take advantage of the weakness of the traditional market in the ease of shopping, according to Kotler and Armstrong (2009), the sensitivity of the price of the traditional market and supermarket is different, because the selling price of products on the traditional market tends to be more volatile compared to the supermarkets.

The role of the traditional market is important not only for customers who tend to have a lower income level (Juha'sz et al., 2008) but also for small and micro entrepreneurs to sell their products. Especially on fisheries commodity, fishermen and fisheries aquaculture farmers with small scale business will have bargaining power and the ability to enter and compete with each other on the traditional micro-retailing wet market than compete with big companies as supplier for supermarket.

Customers who go to the supermarket tend to want products with a certain quality quantity over time that makes more difficult for small businesses to meet these criteria (Dolan and Humphreys, 2000). In Indonesia, the central government has been trying to change the image of the traditional market to the market that looks like supermarkets in the sense that put more stressed on the tangibility side.

Tangible factors is not the main problem of traditional market because if compared with supermarkets, then on traditional market customers have less assurance that they will not get asymmetry of information on the product (Palopoli et al. 2006), the asymmetry of information that appears on the traditional market related to product quality and product availability, customers with higher income levels assume that shopping in the traditional market is costly compare with shopping at supermarkets (Goldman and Hino, 2005). One standout feature of the traditional market is as research done by Jamal (2003) showed that customers who choose to shopping in the traditional market because they assume that the product sold in the traditional market fresh, but this attribute will be easy to be in to overcome by supermarket.

Southeast Maluku Regency is in the Kei Island, Indonesia located between Banda Sea (deep sea) and Arafura Sea (shallow water) and most of the people in lives on the coastal areas where the population is largely as fishermen and/or aquaculture farmers which makes fisheries sector become source of the economy of this area. This condition makes the role and the existence of the traditional micro-retailing wet market become increasingly important because the traditional market is the only place of the fishermen and aquaculture farmers to sell their products.

The existence of every brand, product or market is determined by the loyalty of customers (Amine, 1998). In Southeast Maluku Regency, there is only one traditional market as place for micro-retailing fishermen and aquaculture sell their product meanwhile there is one supermarket whereas two supermarkets are now in development. As the current situation, it cannot reflect whether customer in Southeast Maluku will stay with the traditional market (loyal) or will move when more supermarkets will be available. Any change occurs on customer behavior then will immediately have huge impact on the level of income on the fishermen and aquaculture farmers, where currently customer is forcing to buy fisheries commodities in traditional market because there is no other choice and this is known as one of the traits of inertia (Gounaris and Stathakopoulos, 2004; Lee and Cunningham, 2001). Inertia is not necessarily negative for the existence of the traditional market but is also the initial phase to customer loyalty (Colgate and Lang, 2001), increase on visiting rate of customer

to traditional market can occur with the increase on intangible factors such as the reliability of the products and empathy, these factors can distinguished traditional market from supermarket.

Customer who purchases repeatedly on the product and/or location that has the high sensitivity is known as loyalty but otherwise and customers make purchases repeatedly on the location and/or specific products that have lower sensitivity level categorized as inertia (Odin et al., 2001). Figure out whether customers of traditional market are classified as inertia or loyalty is important to anticipate the penetration of supermarkets in the rural areas. This research aimed to measure and investigate customer perspective whether the existing customers on traditional markets is loyalty or inertia and also to measure the role of inertia on the pretensions of customers and customer satisfaction on the traditional micro-retail wet market in particularly on fisheries products. So far there are researches focused on analyzing the role of traditional market on the development of small-scale business likes Wongleedee (2015); Theerachun et al. (2013); Goldman and Hino (2005), but the research focuses on the measurement of the inertia and loyalty on the traditional micro-retailing wet market especially who sell the fisheries commodities is very rare.

This research can provide inputs to local government as the regulator related to the emerge of supermarkets to help them draw up the regulation to protect the small scale entrepreneurs in the fisheries sector and customers to buy low price of the product. This research is also expected to provide real input to sellers of fisheries commodities including so that they can figure out customers preferences and act accordingly related to provide better service to customer.

Later in this paper we will discuss an overview of the theory as well as the formulation of the hypothesis of this research from customer preferences namely perceived empathy and reliability product, inertia, satisfaction, and loyalty. Then continue with methodology research, discussion, conclusion, the implications and limitation of the research and for future research.

## 2. LITERATURE REVIEW

### 2.1. Traditional Micro-retailing Wet Market

The traditional market in Indonesia is the place where the vendors small and micro consisting of fishermen, agriculture and aquaculture farmers to sell their products and in general are managed by the local government (Aye and Wijaya, 2006). The concept of the traditional market until this time does not yet have a clear concept. The difference between the traditional market and modern markets is on the position where customers making purchase activities, in the traditional market there is an interaction (counter format) while in modern markets such as supermarkets Customers tend to serve themselves (Sengupta, 2008). In addition, criteria that can clearly separate traditional market and modern markets is the size of the market related to the area, the scope of the products sold and the use of technology where more prone to modern markets and lower on the use of technology for the traditional market (Ruhiga, 2012).

Formal and informal factors are not whether a market is referred to as the traditional market or not by researchers because for example in Indonesia, Philippines and Thailand traditional market is managed and is invoked by government as small and micro (Aye and Wijaya, 2006; Walsh, 2010; Hichaambwa et al., 2009). In this research the concept of traditional market is market where the seller sells the ingredients such as fish, fruit, vegetables, shellfish, crabs that categorized as micro-retailing wet market where they sell fresh goods as it showed by Gorton et al. (2011); Reardon and Hopkins (2006); Zhang and Pan (2013); Theerachun et al. (2013).

The existence of traditional markets has declined significantly, one of the main factors that causes is they do not know where and who their targeted customers, in addition, they also has not figured out how to get and retain customers as it pointed out by Juha'sz et al. (2008) in Hungary, micro food retailing have less understanding about who are their customers as the result it is hard to formulate the appropriate strategy to keep their customers. Moreover, research by Tambunan (2011) showed that in Indonesia, degree on the use of system marketing by micro-retailing business on running their business and it threatened their existence against the supermarket. This trend does not only occurred in developing countries but also in developed countries, as results of research done by Gellynck et al. (2012) that lack on the use of marketing strategy by micro-retailing in several areas in Europe have cost their sustainable in the modern era.

## 2.2. Human Element Perceived Service

Researches around the world have used different assessment on the criteria of measuring service quality but until now most criteria that have been used by many types of research is SERVQUAL proposed by Parasuraman et al. (1988). SERVQUAL is a 22-item scale installation design that measures service quality namely, responsiveness reliability, assurance, empathy, and tangibles. From the five SERVQUAL dimensions, only four which are human aspects of service quality namely reliability, responsiveness, assurance and empathy (Sureshchandar et al., 2002). Related to traditional micro-retailing wet market, we have done the preliminary survey and based on the results showed that from the four dimensions only empathy and reliability were relevant to measure, makes in this research we use two dimensions of human aspect service quality namely empathy and reliability.

## 2.3. Customer Perceived Empathy and Customer Satisfaction

Up until now both in the field of psychology and marketing there are still some ambiguity in the concept of customers empathy, researchers in psychology as suggested by Duan and Hill (1996) that empathy is a phenomenon that shows the cognitive components and affective at the same time, but according to the view of researchers from marketing field, in addition on cognitive and affective there is an ability factor on explanation of empathy (Aggarwal et al. 2005). The different description on the concept of empathy is also proposed by Ahearne et al. (2007) where empathy is the behavior where seller focus and very observe on the feelings of their customers throughout their experience during their time with customer by giving them the good services. The researchers agreed that the concept of empathy will be

easily understood by the multidisciplinary concept approach to overcome the dichotomy between the cognitive and emotional factors, where empathy is ability of a person to feel what others feeling and react accordingly to that feeling (Kerem et al. 2001; Smith, 2006; Davis 1996; 1983).

Researches have been done to investigate the influence of empathy on customer satisfaction. Some research found that they did not find the existence of a significant influence of empathy on Customer satisfaction as it showed by Wang and Lo (2002) and Wang et al. (2004). In contrast, results of researches done by Santouridis et al. (2009), Omar et al. (2016) that empathy did have a positive and significant effect on the overall customer satisfaction. In general customers who have a positive emotional association with the seller or specific products will increase customer trends on a feeling of satisfied to the product or the seller, thus based on an overview of the theory that has been discussed above, first hypothesis in this research as followed:

H1: Customer perceived empathy will have a positive effect on customer satisfaction that shop on traditional micro retail wet markets.

## 2.4. Reliability and Customer Satisfaction

In SERVQUAL reliability concept is defined as the ability to give service accordance with what was promised (Lee and Johnson, 1997; Zeithaml and Bitner, 2003). Reliability on the traditional micro-retail wet market can be defined as the ability of the seller to guaranteed quality and quantity of their product that also able to maintain the consistency on the level of the freshness of the product. Seller that is able to provide the service accurately and dependably can be said to have good reliability (Parasuraman et al., 1988) and tend to have a positive effect on customer perception on reliability.

Reliability can also be referred to as the concept of product quality (Andaleeb and Conway, 2006). This means that the seller must be able to meet all the attributes of the product quality including the degree of the freshness and consistency on the size and quality. Thus the seller who is able to provide high-quality products will tend to have a positive impact on the level of Customer satisfaction (Raza et al., 2015; Yuen and Thai, 2015). Based on the discussion that has been done so the second hypothesis in this research as followed:

H2: Reliability will have a positive effect on customer satisfaction that shopping in traditional markets.

## 2.5. Customers Satisfaction and Loyalty

The level of customer satisfaction and the expansion of the market share depends on the relation between the level of customer satisfaction and loyalty, the higher on the level of customer satisfaction will increase possibility on customer loyalty on the particular product (Flint et al., 2011; Bodet, 2008). Although Slater and Narver (2000) pointed out that, the costs for getting new customers is higher compared with the costs to retain customer and this also applied on whether customer satisfaction will lead to customer loyalty, which is much harder.

The level of customer satisfaction is the positive feeling of customers on the product or a specific seller, in addition, the level of customer satisfaction is the accumulation of customer positive perception on the recurring experience of buying and/or using the product for a specific period of time (Rust and Oliver, 1994). The ability to identify factors that affect the level of customer satisfaction is one of the main focus of the researchers in the field of marketing. Anderson et al. (1994) proposed that the level of customer satisfaction is an antecedent of customer loyalty, so customers who are satisfied with a product will have the great chance that they will be loyal to the product. Customer loyalty is the commitment of customers on a product, services company, and brand despite the possibility of changes in the future (Oliver, 1997). Thus based on discussion above, the third hypothesis in this research as followed:

H3: Customer satisfaction will have a positive effect on customer loyalty.

## 2.6. Inertia, Customer Satisfaction, and Customer Loyalty

Campbell (1997) defines inertia as a condition where it constitutes purchases occur on the basis of situational instead of strong partner commitment. According to Beatty and Smith (1987), the comparison between customer who visits to the same seller only because it is familiar place for them and because of other factors was fourth to six. Inertia means the behavior of customers who have habits that are not directly related to the emotional side, this condition makes the relationship between the seller and the customer becomes very fragile because when there is new a product that has better quality then the possibility on current customer to switch product competitors is larger than customer that loyal, Dick and Basu (1994) mentions this condition as spurious loyalty.

Customers who purchase repeatedly at one period of time can be call as customer loyalty but if the customer did it out of a habit then this is not perfect customer loyalty because there is inertia factor. Despite as reported by researchers that inertia is also a form of loyalty but a very weak one (Gounaris and Stathakopoulos, 2004). The habit will provide an opportunity for seller to convert into a high level of satisfaction and then will increase the chance to be customer loyalty which it depends on an ability on providing comprehensive product quality, thus the fourth hypothesis is as followed:

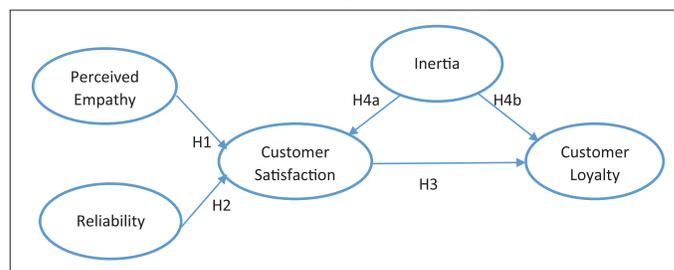
H4a: Inertia will have a positive effect on the level of customer satisfaction.

H4b: Inertia will have a positive effect on customer loyalty.

## 2.7. Conceptual Framework

Based on an overview of the theory that has been discussed above and the model of the conceptual framework of this research can be seen in Figure 1. Empathy and reliability will have a positive and significant impact on the level of customer satisfaction and inertia will become the mediation variable for the effect of customer satisfaction on customer loyalty and also inertia will have significant and positive effect on customer loyalty.

Figure 1: Conceptual framework



## 3. METHODOLOGY

### 3.1. Sample Design and Data Collection

In order to have ideal result in research on the role of inertia in sustainability and durability of the traditional micro-retailing wet market against strong penetration by supermarkets, respondent of this research must be customers who have the ability as decision maker in their respected household with certain number of visiting traditional micro-retailing wet market to buy fisheries commodity at least four times in a month. By doing so, we can find the comprehensive perspective from customer to fulfill objectives of this research. Data collection method of this research by survey with questionnaires for intended 250 respondents in Kei islands, Indonesia. From 250 questionnaires after sorting out then only valid questionnaire on this research were 177 questionnaires. The questionnaire used was adapted with some adjustment based on the empirical situation here from researches done by Wang et al. (2004), Parasuraman et al. (1985), Westbrook and Oliver (1991), Wu (2011).

### 3.2. Sample Profile

In Table 1 can be seen the respondents' characteristics in this research with a number of sample were 177 respondents. Most of the respondents were female and this is understandable when the role of women in the household in the food affairs and it has been predicted. Then more than half respondents aged over 26 years old with the average number of visiting traditional micro-retailing wet market was is 2-3 times in 1 week or 8-12 times in a month, makes respondents on this research had the good perspective on the overall condition of the traditional micro-retailing wet market in this area. The education background of respondents in this research showed that most of them were high school to postgrad so that it can be concluded that customers who shop fisheries commodity on the traditional micro-retailing wet market in this area were educated with income level per month was around Rp 2 million which was higher than average income in Kei Islands also the standard of income in rural areas in Indonesia in general.

### 3.3. Analysis Method

We use AMOS for confirmatory factor analysis to measure the model on this research and data analysis by using structural equation modeling (SEM) (Arbuckle, 1997). Maximum-likelihood estimation. The goodness of fit of the models, we use absolute indices were the root-mean-square error of approximation (RMSEA), the goodness-of-fit index (GFI), and the adjusted GFI (AGFI) while comparative fit index (CFI) is relative indices.

**Table 1: Sample characteristics**

Characteristic	Frequency (%)
Gender	
Male	41 (23.2)
Female	136 (76.8)
Age	
Less than 20	2 (1.1)
20-25	33 (18.6)
26-30	33 (18.6)
31-35	25 (14.1)
36-40	22 (12.5)
41-50	41 (23.2)
Over 50	21 (11.9)
Education	
Elementary school	12 (6.8)
Junior high	30 (16.9)
High school	86 (48.6)
Undergrad	12 (6.8)
Grad school	31 (17.5)
Post graduate	6 (3.4)
Income*	
<Rp. 1.000.000	73 (41.2)
Rp. 1.000.000-Rp. 2.000.000	53 (30)
>Rp. 2.000.000-Rp. 3.000.000	22 (12.4)
>Rp. 3.000.000-Rp. 4.000.000	16 (9)
>Rp. 4.000.000-Rp. 5.000.000	6 (3.4)
>Rp. 5.000.000	7 (4)
Frequency of visiting on traditional micro-retailing for fisheries commodities (every week)	
Once a week	55 (31)
Below four times a week	77 (43.5)
Below six times a week	45 (25.5)

\*\$1~equivalent Rp. 13.000

## 4. ANALYSIS AND RESULTS

### 4.1. Reliability and Validity Test

We use construct reliability for the reliability test on all constructs used in this research by using the value of composite reliability (CR) (Hair et al. 2012). In Table 2 can be seen that the reliability score in this research that all values of CR value were over 0.7 which indicated the high level of internal consistency reliability among all constructs. For the validity test, we use the average variance extracted (AVE) which can be seen in Table 2 below that all constructs the value AVE located above 0.5 which according to Anderson and Gerbing (1988) that all constructs pass validity test.

### 4.2. Hypothesis Test

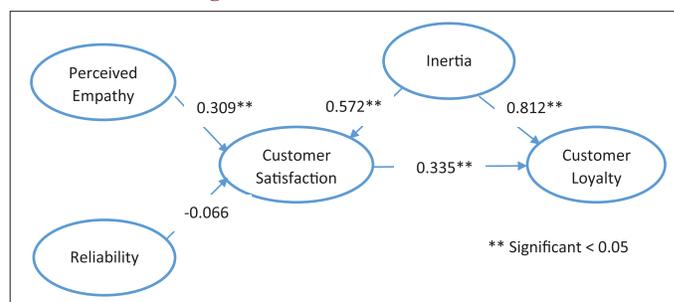
We use SEM hypothesis test in this research which can be seen in Figure 2 was the path analysis which showed there was a significant influence of inertia on customer loyalty through the level of customer satisfaction. The results of the study showed the model fit of this research as followed GFI = 0.910 (>0.90); AGFI = 0.872 (>0.800); CFI = 0.950 (>0.900); RMSEA = 0.059 (<0.100); PCLOSE = 0.185 (>0.05) which can be concluded that the model on the hypothesis testing in this research was fit. Based on the result, the hypothesis testing we found that the first hypothesis in this research was supported where customer perceived empathy had positive and significantly affect (0.309) on customer satisfaction with P value 0.015 (<0.05); and for second hypothesis in this research was not supported which reliability

**Table 2: Reliability and validity test**

Chaired the items	Factor loadings	CR	AVE
Perceived empathy		0.764	0.520
Emp1	0.682		
Emp2	0.700		
Emp3	0.777		
Reliability		0.765	0.521
Rel1	0.717		
Rel2	0.775		
Rel3	0.669		
Customer satisfaction		0.751	0.503
Sat1	0.758		
Sat2	0.718		
Sat3	0.647		
Inertia		0.855	0.663
Int1	0.797		
Int2	0.853		
Int3	0.792		
Customer loyalty		0.829	0.549
Loy1	0.724		
Loy2	0.688		
Loy3	0.724		
Loy4	0.820		

CFI - 0.952; GFI - 0.913 AGFI - 0.875; PCLOSE - 0.201; RMSEA - 0.059; All factors loading P<0.05. CFI: Comparative fit index, GFI: Goodness-of-fit index, AGFI: Adjusted goodness-of-fit index, RMSEA: Root-mean-square error of approximation, AVE: Average variance extracted

**Figure 2: Structural model tested**



\*\*Significant <0.05

did not have significantly affect the customer satisfaction with P value 0.433 (>0.05). For the third hypothesis in this research was supported, the customer satisfaction had significantly and positively affect customer loyalty of 0.335 with P value 0.28 (<0.05) and the fourth hypothesis a and b were supported, where inertia significantly and positively affect the level of customer satisfaction (0.572) with P value 0.000 (<0.05) and significantly and positively affect customer loyalty of 0.812 with P value 0.000 <0.05, which all can be seen in Table 3.

## 5. DISCUSSIONS

With the increase of the economy in rural areas, it will immediately have an impact on the socio- economy on customers of the traditional micro-retailing wet market especially for fisheries commodities. As the empirical data showed on this paper that level of education of the majority of respondents was educated from high school to postgrad, which will have an effect on the complexity on the preference by customer, as it pointed out from research done by Paulins and dan Geistfeld (2003) that the higher the level of

**Table 3: Hypothesis testing**

Structural path	Standardized coefficients	P value	R <sup>2</sup>	Decision
Empathy→customer satisfaction	0.015	0.015		H1 supported
Reliability→customer satisfaction	-0.066	0.433		H2 not supported
Customer satisfaction→customer loyalty	0.335	0.028		H3 supported
Inertia→customer satisfaction	0.572	0.000	0.583	H4a supported
Inertia→customer loyalty	0.812	0.000	0.820	H4b supported

education of customers will make more difficult for each store to make them happy if compared with customers with a lower level of education. This situation reflected in the results of this research, because based on the result the second hypothesis in this research was not supported, where the reliability of wet product sold on the traditional micro-retailing market did not have significant effect on the level of customer satisfaction which means that customers in this area did not consider the consistency of the quantity and quality of wet product sold on the traditional market as good features to make them had positive perception on their experience during their time shopping at traditional micro-retailing wet market and result of this research results was in contrary to research done by Raza (2015). The lack of the reliability of wet products sold by fishermen and aquaculture farmers is because most of them still run their business based on micro scale with low professionalism means that they do not have exact schedule for fishing nor enough tool and technology to equip their business to compare to fishermen and/or aquaculture farmers in developed country like the US or in Europe.

The results of this research also showed that empathy had a positive and significant impact on the customer satisfaction who shop wet fisheries product in the traditional micro-retailing market. This result was in contrary to the research done by Wang and Lo (2002) and Wang et al. (2004) but supported by the results of research done by Santouridis et al. (2009); Omar et al. (2016) that empathy has a positive and significant impact on the overall customer satisfaction. This condition is very understandable because one of its main strength on the traditional micro-retailing wet market is the intensive interaction between seller and buyers and directly, where they can speak to one another which will increase the possibility create emotional bond between them.

This research also cemented the significant role of inertia in traditional micro-retailing market where inertia become positive mediator variable on the positive and significant effect of customer satisfaction on customer loyalty. In addition, this research also showed that inertia also had significant and positive effect to the customer loyalty, which supported by research done by Gounaris and Stathakopoulos, (2004) and Wu (2011). Results of this research would be as an early warning to the existence of traditional market especially for seller of wet fisheries product in general because the results indicated that current customers of traditional micro-retailing wet market in this area were spurious loyalty and customer satisfaction will not automatically be customer who loyal on traditional market because there was the massive existence of inertia, where current customers who still shop wet products in traditional market were not driving satisfaction which would lead to customer loyalty but mainly because of a habit and there were not many choices available as it also pointed by Bloemer and Kasper (1995); Roy et al. (1996).

Customers in this region are still get used to shop fisheries wet product in the traditional market, despite there are one supermarket in this area and two in development, in long run will bring great pressure on the existence of traditional micro-retailing wet market, since many of teenage which are the future customer of traditional market are currently pursue their college degree in big cities of this countries will behave like people in big cities that have to get used to buying fisheries wet product in supermarket instead of traditional market.

## 6. CONCLUSION

### 6.1. Research Implication

The implications of this research for fishermen and aquaculture farmers is they have to consider building the brand image of their product, considering the characteristics of a customer in the long run where higher income with the higher educational background will require more complex quality and service preference. The sellers of wet fisheries products required maintaining the quality and consistency of the quantity of the product which is important because it will have a positive effect on the selling price and image of the seller and traditional market in general against competition from imported products on the supermarket. In order to maintain the quality and consistency on supply quantity by doing aquaculture, since Teniwut (2016) pointed out that in the long run the prospect of aquaculture is better for Maluku Province includes Kei Islands. Development of aquaculture, the consistency on quality and quantity can be maintain because they will not disturb by natural factors like seasoning. The local government has to start to pay attention to this matter by tightening regulation for new supermarket or wholesalers center in this area because it threatening fishermen and aquaculture farmers in this region because they cannot compete with big fisheries company who supply the wet product on the supermarket. Selling wet product in the traditional market is the only way for the economic source for them since most of the people in this area are living in the coastal area and that make fisheries sector as the source of economy, therefore, the very existence of the traditional market is very important.

### 6.2. Limitation and Future Research

This research is still limited on the number variables that been used which is zone of tolerance (ZOT) is considering also important to understand the rate of tolerance of customer on certain product or seller. ZOT measures how much the level of their tolerance on the service received by the customer during their time in the traditional micro-retailing wet market which the higher ZOT the better for the seller in vice versa. The location of this research was very specific which on rural coastal areas that fisheries sector is the main sources of revenue of its people, so that the results

obtained may be different from the region that fisheries sector is not the main sectors to driving their economy and people are not accustomed to consuming fisheries products daily. Further research can test the role of ZOT on customer satisfaction on the traditional market and associated with customer loyalty and also can then conducting research in the region where the population is not used to consume fisheries products on regular basis also on the area that is not rural coastal to get more comprehensive results.

## REFERENCES

- Aggarwal, P., Castleberry, S.B., Ridnour, R., Shepherd, C.D. (2005), Salesperson empathy and listening: Impact on relationship outcomes. *Journal of Marketing Theory and Practice*, 13(3), 16-31.
- Ahearne, M., Jelinek, R., Jones, E. (2007), Examining the effect of salesperson service behavior in a competitive context. *Journal of the Academy of Marketing Science*, 35(1), 603-616.
- Amine, A. (1998), Consumers' true brand loyalty: The central role of commitment. *Journal of Strategic Marketing*, 6(4), 305-319.
- Andaleeb, S.S., Conway, C. (2006), Customer satisfaction in the restaurant industry: An examination of the transaction-specific model. *Journal of Services Marketing*, 20(1), 3-11.
- Anderson, E.W., Fornell, C., Lehmann, D.R. (1994), Customer satisfaction, market share, and profitability: Findings from Sweden. *Journal of Marketing*, 58, 53-66.
- Anderson, J.C., Gerbing, D.W. (1988), Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3), 411-423.
- Arbuckle, J. (1997), *Amos Users' Guide*, Version 3.6. Chicago: Small Waters Corporation, SPSS Incorporated.
- Aye, L., Widjaya, E.R. (2006), Environmental and economic analyses of waste disposal options for traditional markets in Indonesia. *Waste Management*, 26(10), 1180-1191.
- Beatty, S.E., Smith, S.M. (1987), External search effort: An investigation across several product categories. *Journal of Consumer Research*, 14, 83-95.
- Bloemer, J.M.M., Kasper, H.D.P. (1995), The complex relationship between consumer satisfaction and brand loyalty. *Journal of Economic Psychology*, 16, 311-329.
- Bodet, G. (2008), Customer satisfaction and loyalty in service: Two concepts, four constructs, several relationships. *Journal of Retailing and Consumer Services*, 15(3), 156-162.
- Campbell, A. (1997), What affects expectations of mutuality in business relationships? *Journal of Marketing Theory and Practice*, 5, 1-11.
- Colgate, M., Lang, B. (2001), Switching barriers in customer markets: An investigation of the financial services industry. *Journal of Customer Marketing*, 18(4), 332-347.
- Davis, M.H. (1983), Measuring individual differences in empathy. Evidence for a multidimensional approach. *Journal of Personality and Social Psychology*, 44(1), 113-126.
- Davis, M.H. (1996), *Empathy: A Social Psychological Approach*. Boulder, CO: Westview Press.
- Dick, A., Basu, K. (1994), Customer loyalty: Towards an integrated conceptual framework. *Journal of the Academy of Marketing Science*, 22(2), 99-113.
- Dolan, C., Humphrey, J. (2000), Governance and trade in fresh vegetables: The impact of UK supermarkets on the African horticulture industry. *Journal of Development Studies*, 37(2), 147-176.
- Duan, C., Hill, C.E. (1996), The current state of empathy research. *Journal of Counseling Psychology*, 43(3), 261-274.
- Flint, D.J., Blocker, C.P., Boutin, P.J. (2011), Customer value anticipation, customer satisfaction and loyalty: An empirical examination. *Industrial Marketing Management*, 40(2), 219-230.
- Gellynck, X., Banterle, A., Kuřhne, B., Carraresi, L., Stranieri, S. (2012), Market orientation and marketing management of traditional food producers in the EU. *British Food Journal*, 114(4), 481-499.
- Goldman, A., Hino, H. (2005), Supermarkets vs. traditional retail stores: Diagnosing the barriers to supermarkets' market share growth in an ethnic minority community. *Journal of Retailing and Consumer Services*, 12(4), 273-284.
- Gorton, M., Sauer, J., Supatpongkul, P. (2011), Wet markets, supermarkets and the "big middle" for food retailing in developing countries: Evidence from Thailand. *World Development*, 39(9), 1624-1637.
- Gounaris, S., Stathakopoulos, V. (2004), Antecedents and consequences of brand loyalty: An empirical study. *Journal of Brand Management*, 11(4), 283-306.
- Hair, J.F., Sarstedt, M., Ringle, C.M., Mena, J.A. (2012), An assessment of the use of the partial least squares structural equation modeling in marketing research. *Journal of the Academy of Marketing Science*, 40(3), 414-433.
- Hichaambwa, M., Beaver, M., Chapoto, A., Weber, M. (2009), Patterns of Urban Food Consumption and Expenditure in Zambia: An Overview Report Based on the CSO=MACO=FSRP food Consumption Survey in Urban Areas of Lusaka, Kitwe, Mansa and Kasama, 2007-2008, Working Paper No. 43. Lusaka, Zambia: Food Security Research Project.
- Humphrey, J. (2007), The supermarket revolution in developing countries: Tidal wave or tough competitive struggle? *Journal of Economic Geography*, 7(4), 433-450.
- Jamal, A. (2003), Marketing in a multicultural world: The interplay of marketing ethnicity and consumption. *European Journal of Marketing*, 37(11/12), 1599-1620.
- Juha'sz, A., Seres, A., Stauder, M. (2008), Business concentration in the Hungarian food retail market. *Studies in Agricultural Economics*, 108, 67-80.
- Kerem, E., Nurit, F., Ruthellen, J. (2001), The experience of empathy in everyday relationships: Cognitive and affective elements. *Journal of Social and Personal Relationships*, 18(5), 709-729.
- Kotler, P., Armstrong, G. (2009), *Principles of Marketing*. 13<sup>th</sup> ed. Upper Saddle River, NJ: Prentice Hall.
- Lee, M., Cunningham, L.F. (2001), A cost/benefit approach to understanding service loyalty. *Journal of Services Marketing*, 15(2), 113-130.
- Lee, M.Y., Johnson, K.K.P. (1997), Customer expectations for service at appearance retail outlets. *Journal of Family and Consumer Sciences*, 4(89), 26-29.
- Liu, K. (2007), Unfolding the post-transition era: The landscape and mindscape of China's retail industry after 2004. *Asia Pacific Journal of Marketing and Logistics*, 19(4), 398-412.
- Odin, Y., Odin, N., Valette-Florence, P. (2001), Conceptual and operational aspects of brand loyalty: An empirical investigation. *Journal of Business Research*, 53(2), 75-84.
- Oliver, R.L. (1997), *Satisfaction: A Behavioral Perspective on the Consumer*. New York: McGraw-Hill.
- Omar, M.S., Ariffin, H.F., Ahmad, R. (2016), Service quality, customers' satisfaction and the moderating effects of gender: A study of Arabic restaurants. *Procedia-Social and Behavioral Sciences*, 224, 384-392.
- Palopoli, L., Rosaci, D., Ursino, D. (2006), Agents' roles in B2C e-commerce. *AI Communications*, 19(2), 1-34.
- Parasuraman, A., Zeithaml, V.A., Berry, L.L. (1988), Servqual. *Journal of Retailing*, 64(1), 12-40.
- Parasuraman, A., Zeithaml, V.A., Berry, L.L. (1985), A conceptual model of service quality and its implications for future research. *The Journal of Marketing*, 1985, 41-50.
- Paulins, V.A., dan Geistfeld, L.V. (2003), The effect of consumer perceptions of store attributes on apparel store preference. *Journal*

- of Fashion Marketing and Management: An International Journal, 7(4), 371-385.
- Raza, S.A., Jawaid, S.T., Hassan, A. (2015), Internet banking and customer satisfaction in Pakistan. *Qualitative Research in Financial Markets*, 7(1), 24-36.
- Reardon, T., Hopkins, R. (2006), The supermarket revolution in developing countries: Policies to address emerging tensions among supermarkets, suppliers and traditional retailers. *European Journal of Development Research*, 18(4), 522-545.
- Roy, R., Chintagunta, P.K., Haldar, S. (1996), A framework for investigating habits, 'the hands of the past,' and heterogeneity in dynamic brand choice. *Marketing Science*, 15(3), 280-299.
- Ruhiiga, T.M. (2012), Public transport and the decline of the traditional retail sector in South Africa. *Journal of Human Ecology*, 39(1), 49-60.
- Rust, R.T., Oliver, R.L. (1994), *Service Quality: New Directions in Theory and Practice*. Thousand Oaks, CA: Sage.
- Santouridis, I., Trivellas, P., Reklitis, P. (2009), Internet service quality and customer satisfaction: Examining internet banking in Greece. *Total Quality Management*, 20(2), 223-239.
- Sengupta, A. (2008), Emergence of modern Indian retail: An historical perspective. *International Journal of Retail and Distribution Management*, 36(9), 689-700.
- Shepherd, A. (2005), The implications of supermarket development for horticultural farmers and traditional marketing systems in Asia. Rome: FAO.
- Smith, A. (2006), Cognitive empathy and emotional empathy in human behavior and evolution. *The Psychological Record*, 56, 3-21.
- Slater, S.F., Narver, J.C. (2000), Intelligence generation and superior customer value. *Journal of the Academy of Marketing Science*, 28(1), 120-127.
- Sureshchandar, G.S., Rajendran, C., Anantharaman, R.N. (2002), The relationship between service quality and customer satisfaction-a factor specific approach. *Journal of Services Marketing*, 16(4), 363-379.
- Tambunan, T.T.H. (2011), Development of small and medium enterprises in a developing country: The Indonesian case. *Journal of Enterprising Communities: People and Places in the Global Economy*, 5(1), 68-82.
- Teniwut, W.A. (2016), For sustainable revenue of fisheries sector in small Islands: Evidence of Maluku, Indonesia. *AACL Bioflux*, 9(3), 722-732.
- Theerachun, S., Speece, M., Zimmermann, W. (2013), Relationship marketing and micro-retailer brand in traditional markets. *Journal of International Food and Agribusiness Marketing*, 25:3, 242-266.
- Walsh, J. (2010), The street vendors of Bangkok: Alternatives to indoor retailers at a time of economic crisis. *American Journal of Economics and Business Administration*, 2(2), 185-188.
- Wang, Y., Lo, H.P. (2002), Service quality, customer satisfaction and behavior intentions: Evidence from China's telecommunication industry. *Info*, 4(6), 50-60.
- Wang, Y., Lo, H.P., Yang, Y. (2004), An integrated framework for service quality, customer value, satisfaction: Evidence from China's telecommunication industry. *Information Systems Frontiers*, 6(4), 325-340.
- Westbrook, R., Oliver, R. (1991), The dimensionality of consumption emotion patterns and consumer satisfaction. *Journal of Consumer Research*, 18(1), 84-91.
- Wongleedee, K. (2015), Marketing mix and purchasing behavior for community products at traditional markets. *Procedia-Social and Behavioral Sciences*, 197, 2080-2085.
- Wrigley, N., Coe, N.M., Currah, A. (2005), Globalizing retail: Conceptualizing the distribution-based transnational corporation (TNC). *Progress in Human Geography*, 29(4), 437-457.
- Wu, L.W. (2011), Satisfaction, inertia, and customer loyalty in the varying levels of the zone of tolerance and alternative attractiveness. *Journal of Services Marketing*, 25(5), 310-322.
- Yuen, K.F., Thai, V.V. (2015), Service quality and customer satisfaction in liner shipping. *International Journal of Quality and Service Sciences*, 7(2-3), 170-183.
- Zeithaml, V.A., Bitner, M.J. (2003), *Services Marketing: Integrating Customer Focus Across the Firm*. 3<sup>rd</sup> ed. Boston, New York: McGraw-Hill.
- Zhang, Q.F., Pan, Z. (2013), The transformation of urban vegetable retail in China: Wet markets, supermarkets, and informal markets in Shanghai. *Journal of Contemporary Asia*. Advance Online Publication, 2013, 782224. DOI: 10.1080/00472336.