



Analysis of Factors Affecting the Income of Street Trader

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ABSTRACT

The aim of this research is to find out what factors influence the income of street vendors from Panam-Pekanbaru (Case Study: Push/Porch Cart Vendors). **Methodology/approach** – the data in this study were collected through a questionnaire, the total sample was 99 respondents with a purposive sampling technique. data analysis techniques using the classical assumption test, multiple linear regression analysis and hypothesis testing. **Findings** – The results of the study show that the variables that have a significant effect on the income of traders are experience (X1), prices (X3) and sales (X5), while the variables that do not have a significant effect on the income of traders are labor (X2), working hours (X4). While the results of the F test that all independent variables have a significant effect on the dependent variable. And the magnitude of the influence of the independent variable on the dependent variable is 94.56 percent while the remaining 5.44 percent is influenced by other variables outside the research. **Novelty/value** – that the factors that affect traders' income are experience, price and sales results. Key words : experience, labor, price, working hours, sales and income.

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INTRODUCTION

Rapid economic growth in cities has created a social problem related to the attractiveness of cities to residents who live in rural areas. This problem gives rise to problematic job search competition. Meanwhile, the formal sector and industrial fields have not been able to accommodate it and the wage rate in the city has not been in accordance with the increase in the prices of goods .

Pekanbaru City is a rapidly growing metropolis. Where the population of Pekanbaru City in 2022 is 1,020,308 people, while unemployment will increase in 2020 to 3,656 people. This results in an increasingly high level of competition in terms of following the flow of change, for example traders. The traders, most of whom do not have large capital to run a business according to Pekanbaru government regulations. In the end, street vendors (PKL) who do not have permits from the government use public facilities such as the side of the road and even onto the sidewalk just to sell their wares to passing consumers.

At present institutional development and community participation in terms of development are still lacking. Especially regarding the issue of compliance with spatial arrangements and maintenance of the beauty of an area. This can be seen by the many problems faced by local governments in overcoming

the irregularity of street vendors who occupy functional areas that are considered strategic, such as trade or market areas, offices, tours, settlements or other public facilities. (Suharizal, 2017). Street vendors are a problem in urban areas, but it is the responsibility of the City Government to protect them because street vendors can reduce unemployment. Street vendors generally occupy roads and sidewalks so that they don't leave enough space for pedestrians, but street vendors can also reduce the number of unemployed people, because they work alone or create their own jobs and with their own capital. This should be of particular concern to City officials, because they can create their own jobs thereby reducing the burden on the government in providing increasingly difficult employment opportunities. Based on the results of research conducted by Herman (2021) that the factors that affect traders' income are working hours, capital, length of business. And the results of research conducted by Ida Ayu Dwi Mithaswari (2018) that what influences the income of traders is business capital and location. So the authors are interested in researching street vendors, namely specifically push cart traders in Panam-Pekanbaru. The purpose of the author is to find out what factors affect the income of street vendors in Panam-Pekanbaru.

LITERATURE REVIEW

Income

According to Harnanto (2019) writes that income is "an increase or increase in assets and a decrease or decrease in company liabilities which are the result of operating activities or the procurement of goods and services to the public or consumers in particular. According to Sochib (2018) income is an inflow of assets arising from the delivery of goods/services carried out by a business unit during a certain period.

According to Herman (2021) Revenue is the result of selling goods or services in a company in a certain period.

Experience

Work experience is one of the supporting factors for the implementation of work activities. The work experience possessed by a worker determines the achievements that will be achieved by workers. Handoko (2013) stated that work experience is knowledge or skills that are known and mastered by someone as a result of actions or work that has been done for a certain time. work experience is the time used by a person to acquire knowledge, skills, and attitudes according to the frequency and type of duties, (Sartika in Ega Ade Kamulalis, 2022).

Labor

Labor is everyone who is able to do work to produce goods or services, both to meet their own needs and those of the community.

Sukirno (2006) explains the theory of the Law of Diminishing Yields. In the law of increasing returns, it is stated that if the labor force continues to increase by 1 unit, then this will initially cause an increase in total production, but if the increase in the number of workers has reached a certain point, then it will slow down the rate of increase in total production until it reaches a maximum point, and then the total production rate will decrease.

Price

Price is a value that must be issued by the buyer to obtain goods or services that have use value and services. According to Fandy Tjiptono (2016) states that price is the only element of the marketing mix that brings income or income to the company.

Working hours

Working hours are the time spent by individuals in carrying out work activities to earn income. According to Nurhayati (2017), working hours are the amount of time determined by traders to carry out buying and selling activities in the market. Working hours are a basic thing that must exist in a business. If the length of working hours is allotted for selling, the probability of net income earned by entrepreneurs can increase.

Sales

Sales is an activity and a way to influence the person so that the purchase (delivery) of the goods or services offered, based on the price agreed upon by both parties in the activity, in cash or on credit. According to Swasta Basu (2019), "Selling is the science and art of personal influence carried out by sellers to persuade other people to be willing to buy the goods and services offered. Meanwhile, according to M Nafarin (2015) selling (selling) means the process of selling activities, namely from the activity of setting the selling price until the product is distributed to consumers (buyers).

Research design

The research design uses descriptive and quantitative calculations. as for the variables in the study are:

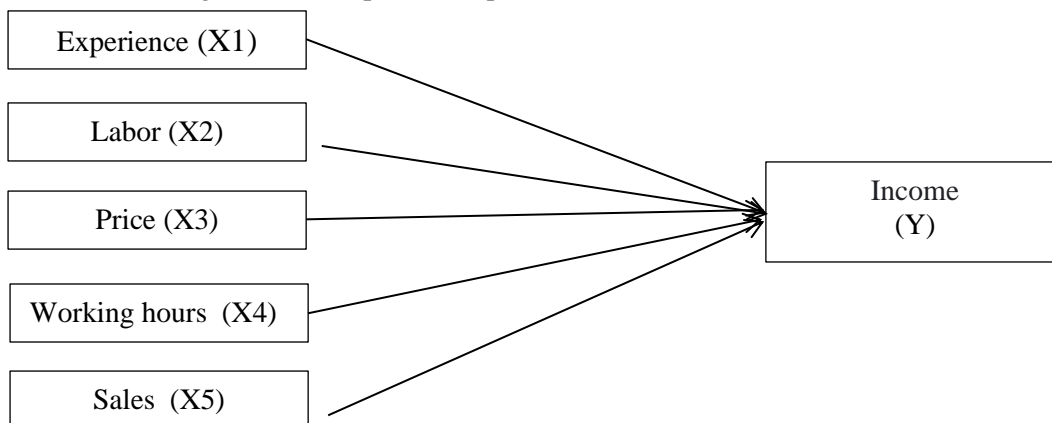


Figure 1. Framework

METHOD

This type of research is descriptive and quantitative research and the tools of the Eviews program. The population in this study were street vendors or wheelbarrow traders selling along the HR road. Subrantas-Panam. Due to the large number of street vendors and street vendors and consumers who have homogeneous characteristics, the authors took a sample of 99 street vendors using a purposive sampling technique, namely the sample was taken with special criteria or characteristics that have a close relationship with the characteristics of the population. The analysis technique used is multiple linear regression analysis. The multiple regression equation is: $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$

Information:

- Y = Income (Rp)
- X1 = Experience (Year)
- X2 = Labor (Person)
- X3 = Price (Rp)
- X4 = Working hours (O'clock)
- X5 = Sales (Portion).

RESULT AND DISCUSSION

The results showed that the average experience for street vendors in Panam-ekanbaru five is 2 years, and for the workforce is 2 people, while the price offered is around IDR 7,566. and for working hours around 6 hours/day. sales of 44 servings/day.

Quantitative Results

Classic Asumis Test

Normality tes

The following is a table of Jarque Bera values for each variable

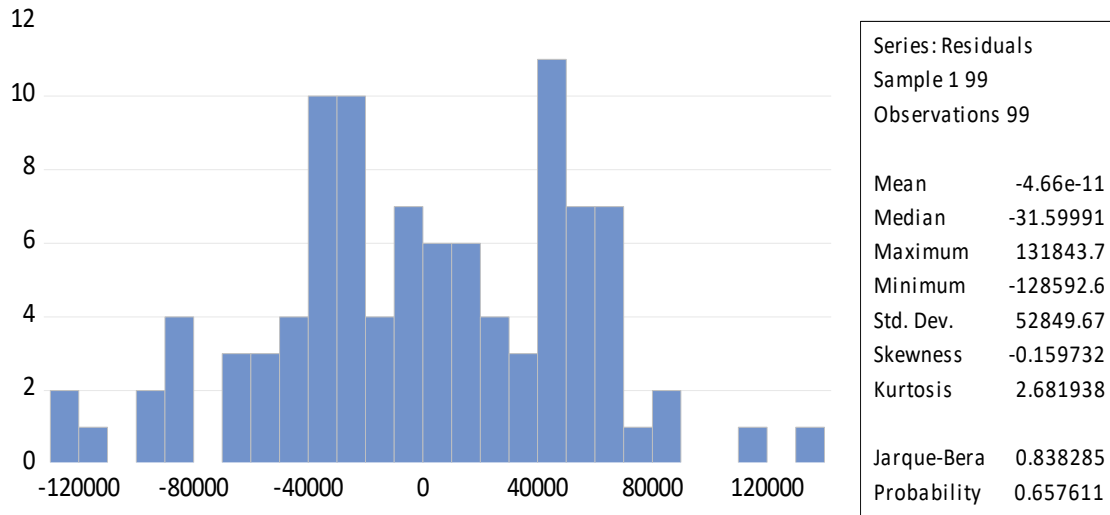


Table 1. Test Normality test with Jarque Bera

The test results in table 1 above with Eviews 12 processing, it was found that the p value was 0.65761 where > 0.05 which means the residuals are normally distributed.

Uji Multikolinieritas

Based on the results of data processing, the following results are obtained:

Table 2. Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	3.66E+08	12.29697	NA
X1	28851115	6.871523	1.496112
X2	76735313	7.873622	1.628026
X3	5.667256	12.45226	1.541028
X4	8350057.	12.00058	1.546145
X5	118183.4	9.726465	1.899091

Source : Results of data processing with Eviews version 12, 2023.

From table 2 above it shows that the Centered VIF values both X1, X2, X3, X4 and X5 where the value is less than 10, it can be stated that there is no multicollinearity problem in the prediction model.

Uji Heterokedasitas

Based on the results of data processing, the following results are obtained:

Table 3 Heteroskedasticity Test: Breusch-Pagan-Godfrey

Heteroskedasticity Test: Breusch-Pagan-Godfrey

Null hypothesis: Homoskedasticity

F-statistic	3.160411	Prob. F(5,93)	0.0111
Obs*R-squared	14.37844	Prob. Chi-Square(5)	0.0733



Scaled explained SS	10.67056	Prob. Chi-Square(5)	0.0583
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Source : Results of data processing with Eviews version 12, 2023.

Based on table 3 above where the p value is indicated by the Prob value. chi square on Obs*R-Squared is 0.0733. Because the p value is $0.0733 > 0.05$, the regression model is homoscedasticity or in other words there is no problem with the assumption of non-heteroscedasticity.

Uji Autokorelasi

Based on the results of data processing, the following results are obtained:

Table 4 Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:

Null hypothesis: No serial correlation at up to 2 lags

F-statistic	0.848904	Prob. F(2,91)	0.4312
Obs*R-squared	1.813235	Prob. Chi-Square(2)	0.4039

Source : Results of data processing with Eviews version 12, 2023.

Based on table 4 above, the Prob Chi Square (2) value, which is the p_value of the Breusch-Godfrey Serial Correlation LM test, is 0.4039 where > 0.05 means there is no serial autocorrelation problem.

Multiple Linear Regression Test

The following is the output of multiple linear regression

Table 5 Multiple Linear Regression Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-347536.6	19120.33	-18.17629	0.0000
X1	16688.90	5371.323	3.107037	0.0025
X2	11564.08	8759.869	1.320120	0.1900
X3	38.83671	2.380600	16.31383	0.0000
X4	2108.244	2889.646	0.729585	0.4675
X5	7345.700	343.7781	21.36756	0.0000
R-squared	0.948427	Mean dependent var		342373.7
Adjusted R-squared	0.945654	S.D. dependent var		232717.9
S.E. of regression	54251.76	Akaike info criterion		24.69935
Sum squared resid	2.74E+11	Schwarz criterion		24.85663
Log likelihood	-1216.618	Hannan-Quinn criter.		24.76299
F-statistic	342.0516	Durbin-Watson stat		1.687640
Prob(F-statistic)	0.000000			

Based on table 5 above, the estimation model can be analyzed as follows:

$$Y = -347536,6 + 16688,90X_1 + 11564,08X_2 + 38,84X_3 + 2108,24X_4 + 7345,70X_5 + e$$

Information:

The constant value is -347536.6. This means that the independent variables, namely experience (X1), labor (X2), price (X3), working hours (X4), and sales (X5) are zero, then the income of the Panam-Pekanbaru street vendors (Case Study: Push/Pivot Traders) will decrease by IDR 347,536.6

The regression value (X1) is 16688.90. this means that the independent variable or experience variable increases by one unit, so the income of the Panam-Pekanbaru street vendors (Case Study: Push/Porch Cart Vendors) will increase by IDR 16,688.90.

The regression value (X2) is 11564.08. this means that the independent variable or labor variable increases by one unit, so the income of the Panam-Pekanbaru street vendors (Case Study: Push/Porch Cart Vendors) will increase by IDR 11,564.08.

The regression value (X3) is 38.84. this means that the independent variable or the price variable increases by one unit, the income of the Panam-Pekanbaru street vendors (Case Study: Push/Cart traders) will increase by IDR 38.84.

The regression value (X4) is 2,108.24. this means that the independent variable or working hours variable increases by one unit, the income of the Panam-Pekanbaru street vendors (Case Study: Push or cart traders) will increase by IDR 2,108.24.

The regression value (X5) is 7,345.70. this means that the independent variable or sales variable increases by one unit, the income of the Panam-Pekanbaru street vendors (Case Study: Push or cart traders) will increase by IDR 7,345.70.

t test (Partial)

Based on table 5 above it is obtained that The probability value of the significance of the experience/long business variable (X1) = 0.0000 <0.05. meaning that the work experience of traders has a significant effect on the income of Panam-Pekanbaru street vendors (Case Study: Push or cart traders). The probability value of the significance of the labor variable (X2) = 0.19000 > 0.05. This means that labor does not have a significant effect on the income of the Panam-Pekanbaru street vendors (Case Study: Push or cart vendors). Because the type of merchandise being traded is wheelbarrow merchandise or small businesses. The probability value of the significance of the price variable (X3) = 0.0000 <0.05. This means that prices have a significant effect on the income of street vendors from Panam-Pekanbaru (Case Study: Push or cart vendors). The probability value of the significance of working hours variable (X4) = 0.4675 > 0.05. This means that working hours do not have a significant effect on the income of the Panam-Pekanbaru street vendors (Case Study: Push or cart traders), because the type of merchandise that is traded is only certain times when it is busy. The probability value of the significance of the sales variable (X5) = 0.0000 <0.05. This means that the results of sales have a significant effect on the income of the Panam-Pekanbaru street vendors (Case Study: Push or cart traders).

F Test (Simultaneous)

Based on table 5 above, it is found that the Prob value (F-statistic) = 0.000000 <0.05. then simultaneously/simultaneously the independent variables (X1, X2, X3, X4, and X5) have a significant effect on the dependent variable (Y).

R² Test or Coefficient of Determination.

Based on table 5 above, it is found that the Adjusted R-squared value is 0.9456. This shows that the income of wheelbarrow traders in Panam-Pekanbaru can be explained by experience (X1), labor (X2), price (X3), working hours (X4), and sales (X5) of 94.56 percent, while the remaining 5.44 percent is influenced by other variables outside of the study.

DISCUSSION

This study aims to see what factors influence the income of street vendors from Panam-Pekanbaru (Case Study: Push or cart vendors). The following is an interpretation regarding each variable, namely as follows:

The effect of experience/ length of business (X1) on the income of street vendors from Panam-Pekanbaru (Case Study: Push or cart vendors).

Based on the results of the partial test analysis that experience/long working experience has a significant effect on the income of small traders in Panam-Pekanbaru (a case study on push/cart traders), namely the Sig value ($0.0025 < 0.05$). The results of this study strengthen the research conducted by Nurlaila Hanum, 2017 stating that work experience or length of business affects the income of street vendors in the city of Kuala Simpang.

The effect of labor (X2) on the income of street vendors in Panam-Pekanbaru (Case Study: Push or cart vendors)

Based on the results of the analysis of partial testing that labor does not have a significant effect on the income of small traders in Panam-Pekanbaru (a case study of push cart traders), that is shown by the Sig value ($0.1900 > 0.05$). The results of this study strengthen the research conducted by Muhammad Ammar Allam, 2019 that the variable number of workers has no significant effect on the income of street vendors in the Sunday Morning Purwokerto market, namely the t count value is $1.689 < t$ table is 1.989.

The effect of price (X3) on the income of Panam-Pekanbaru street vendors (Case Study: Push or cart vendors).

Based on the results of the partial test analysis that prices have a significant effect on the income of small traders in Panam-Pekanbaru (a case study of push cart traders) that is shown by the Sig value ($0.000 < 0.05$).

The results of this study strengthen the research conducted by Anita Oktaviani, 2021 that the price of goods has a significant effect on the income of traders at the Surade Market, which is shown by the Sig value ($0.000 < 0.05$).

The effect of working hours (X4) on the income of Panam-Pekanbaru street vendors (Case Study: Push or cart vendors).

Based on the results of the partial test analysis that working hours do not have a significant effect on the income of small traders in Panam-Pekanbaru (a case study of push/cart traders), namely the Sig value ($0.4675 > 0.05$). The results of this study strengthen the research conducted by Dewa Made Aris Artaman, 2015. that the working hours variable has no positive effect on the income level of Sukawati Art Market traders, namely t-count $1.977 \leq t$ -table 2.00.

The effect of sales (X5) on the income of Panam-Pekanbaru street vendors (Case Study: Push or cart vendors).

Based on the results of the partial test analysis that sales results have a significant effect on the income of small traders in Panam-Pekanbaru (a case study on push cart traders) that is shown by the Sig value ($0.000 < 0.05$). The results of this study strengthen research conducted by Indri Rachmaniar, 2020. That sales affect the income of fried food traders in Kotamara, Batupoaro District.

CONCLUSION

Based on the results of data analysis and the discussion that has been described, the researchers draw conclusions from the results of the analysis, namely as follows:

The results of the t test show that the variables that have a significant effect on the income of traders are experience (X1), prices (X3) and sales (X5), while the variables that do not have a significant effect on the income of traders are labor (X2), working hours (X4). While the results of the F test that all independent variables have a significant effect on the dependent variable.

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