



The Effect of Capital, Operating Hours, and Location Access in Increasing Merchants' Income at Legian Beach

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ABSTRACT

The tourism industry currently plays a very active role in increasing economic growth. The potential of tourist attractions in Bali is spread in almost all areas ranging from mountains, lakes to coastal areas. With so many tourists visiting Legian Beach, it can have a positive impact on traders and villagers. Buyers in tourist attractions come from various regions, and traders must know what factors affect their income. The purpose of this study was to determine the effect of capital, operating hours and location access in increasing the income of traders on Legian Beach. This research uses quantitative methods. This study used 82 samples of merchants who sell on Legian Beach. The analysis technique used was path analysis using the PLS 3 application. The results showed that capital and location access had a significant positive effect on the income of traders on Legian Beach.

Keywords: Capital, Operating Hours, Location Access, Income

| Submitted October 2023 | Reviewed October 2023 | Revised November 2023 | Accepted December 2023
| DOI: <http://dx.doi.org/10.18860/mec-j.v7i3.23873>

INTRODUCTION

The tourism industry currently plays a very active role in increasing economic growth. The tourism industry is proven to be able to increase economic income and create promising jobs. The current government realizes the importance of the tourism sector and its increasingly vital potential, starting to pay more attention to tourism development (Bonto; 2020). Bali is an island that is already very famous for being a tourist destination which is very famous for its natural beauty, cultural richness and the friendliness of the Balinese people. The potential of tourism objects in Bali is spread in almost all areas ranging from mountains, lakes to coastal areas. One of the beaches that become a tourist destination is Legian which is famous for Legian Beach. Legian is a village in Kuta District, Badung, Bali with one traditional village. Legian Village is divided into 3 areas Legian Kaja, Legian Tengah and Legian Kelod. Legian Village has tourism potential that can attract tourists such as beaches with sand and waves that are suitable for surfing or to enjoy the beauty of the sunset at dusk. The number of tourists visiting Legian Beach can have a positive impact on traders and the village community. The existence of traders at Legian Beach can contribute to economic improvement in the

surrounding community. The local community trades food and drinks or rents surfboards to tourists visiting Legian Beach. Informal activities from the tourism sector are able to provide employment that can reduce unemployment. The informal sector can be a forum for human resource development, where unskilled labor can improve their skills before entering the formal sector (Harahap, 2017). Many studies have been conducted related to the informal sector but there are still few studies that examine traders around tourist attractions.

It is necessary to do deeper research because buyers in tourist attractions come from various regions, and traders must know what factors affect their income. The problem that often occurs is the limited capital of traders. Limited capital can hinder the growth and development of the business in obtaining targeted profits. Capital is one of the factors that play an important role in the business process. In research conducted by Ernida (2021), Hasanah (2020), Atun (2016) working capital has a significant positive effect on income. Working capital is used to be able to add products sold by traders. To be able to buy merchandise, capital is needed so that it can attract buyers who can ultimately increase sales turnover. In previous studies, no one has used pedangang in tourist attractions, this needs to be done because pedangang in tourist attractions has different buyer characteristics.

Wardani (2023) stated that working hours have a positive and significant effect on income, which means that the possibility of earning greater income is related to the number of hours spent in business. However, research conducted by Lestari (2021), Wenagama (2018) and Artaman (2015) found that working hours have no positive or significant effect on income, which means that working hours in business do not affect income.

Apart from the capital factor, business location or choosing the right location is one of the factors considered by a trader before opening his business. The location of the business will determine the amount of income of a person's business if the location is far from the hospitality or reach of the community will affect income (Putri, 2016). Nqosa (2019) location accessibility provides convenience where and ensures that customers have easy access to the services provided or offered. A strategic location can be one of the determinants of success in a business where tourists can access the place of trade easily, causing many visitors or tourists to visit. However, in contrast to research conducted by Firmania (2020) and Allam (2019), it was found that location had no effect on income, this was because visitors came from various directions which gave traders located in any area the opportunity to be visited by buyers.

The purpose of this study was to determine and analyze the partial influence between the variables of business capital, operating hours and location access partially on the income of traders on Legian Beach and to determine the simultaneous influence between the variables of business capital, operating hours and location access partially on the income of traders on Legian Beach.

LITERATURE REVIEW

According to Riyanto (2008) working capital can be more easily enlarged or reduced, adjusted to its needs, the elements of working capital will change according to needs, and working capital undergoes a turnover process in a short period of time. Capital indicators (Putri; 2014) are as follows: 1.Capital structure: own capital and loan capital, 2.Utilization of additional capital, 3.Obstacles in accessing external capital, 4.The state of the business after adding capital.

Hasana (2015) explains that small businesses can expect a flow of tourists to the destination. The huge demand generated by advertising will be lost especially when access is not available in converting demand into sales. Tjiptono (2008) explains that there are several factors for location selection, including access, visibility, traffic, convenient parking, expansion, environment and competence. Sjafrizal (2008) explains that good location selection will provide enormous savings in transportation costs so as to encourage efficiency in both production and marketing.

Location according to Tjiptono, (2015) Location refers to various marketing activities that seek to facilitate and facilitate the delivery or distribution of goods and services from producers to consumers.

In this study, four indicators used in this study are: 1.access, namely a location that is easy to reach, 2. visibility, namely the location or place can be seen clearly, 3. the environment, namely the surrounding area supports the services offered, 4. spacious and comfortable parking lot.

Working hours are the amount of time a trader needs to work carrying out work or trading activities from preparation to closing the stall. The disparity in weekly working hours among individuals can be attributed to various factors, including economic considerations (Allam;2019).

Operating hours (Utami: 2022) indicators used in this study are: 1. Length of trading time during the day, 2. Holidays, the time used to trade on holidays, 3. Peak hours visited by consumers.

Income is a key determinant for individuals worldwide, as it significantly impacts the viability of a firm. The financial capacity of a business to fund various operations that contribute to its long-term viability significantly impacts its revenue generation (Lestari: 2021). Income indicators (Anggraini: 2019) used in this study are: 1.Average revenue from sales / day (Rp), 2.With maximum profit, welfare will also increase, 3.Income can meet family needs.

Hypotheses of the research

Thus, if it is drawn in a research framework, the effect of capital, operating hours and location on peddler income becomes:

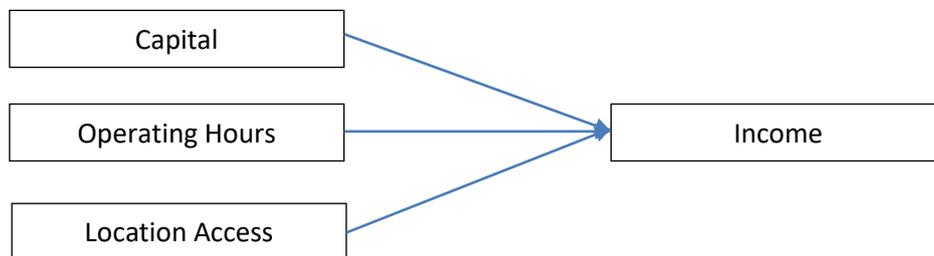


Figure 1. Proposed Conceptual Framework

Capital is an important factor affecting traders' income because capital is used to purchase stock and inventory of merchandise. The more capital available, the more goods a trader can purchase. By having adequate inventory, traders can better meet customer demand and capitalize on sales opportunities that may be lost if inventory is too low. Merchants with capital reserves can survive longer in difficult situations and still generate income. Sufficient capital can offer protection during a financial crisis or when trade is sluggish. According to Riyanto (2008) working capital can be more easily enlarged or reduced, adjusted to its needs, the elements of working capital will change as needed, and working capital undergoes a turnover process in a short time. Lussuamo (2019) explains in his research that there is a negative relationship between liquidity and total short-term debt which shows that the analyzed MSMEs seem to reduce financing sourced from debt. This strengthens the Packing Order Theory where companies or MSEs will prioritize funding from internal sources. This internal funding source is used for capital which will have a positive impact on income. Capital has a positive effect on income and is also corroborated by several studies, namely research from Ernida (2021), Hasanah (2020) and Atun (2016). Based on theory and previous research, the hypotheses that arise are:

H1: Capital affects the income of traders on Legian Beach.

Operating hours are the amount of time used by traders to trade or open their businesses to serve consumers. Traders' operating hours affect traders' income, longer operating hours allow traders to reach more customers, longer operating hours allow traders to sell their products or services. Operating hours that match the peak visiting hours will help merchants optimize sales. Allam (2019) and Wardani (2023) found that working hours have a positive and significant effect on income. Based on theory and previous research, the hypotheses that arise are :

H2: Operating hours affect the income of traders at Legian Beach

Sjafrizal (2008) explains that good location selection will provide enormous savings in transportation costs, thereby encouraging efficiency in both production and marketing. Location according to Tjiptono, (2015) Location refers to various marketing activities that seek to facilitate and facilitate the delivery or distribution of goods and services from producers to consumers. Alfred Weber's Location Theory (1929) explains several factors that are important in determining location such as transportation costs, natural resources, consumer markets and so on. Kakooza (2022) explains that location decisions contribute positively to the success of SMEs, SMEs that are strategically located have a competitive advantage over their competitors. Mardiana (2017) in her research found that location affects the income of traders. Based on theory and previous research, the hypotheses that arise are

H3 : Location access affects the income of traders on Legian Beach.

METHODOLOGY

This research was conducted at Legian Beach, Badung Regency, Bali. In determining the sample there are several techniques in sampling. The technique used to determine the sample in this study is simple random sampling technique. The simple random sampling technique is a random sampling technique in the population. To measure the sample size to be studied, the researcher uses the Slovin formula, where this formula is able to measure the sample size to be studied. The population in this study was 573 traders consisting of several types of businesses, namely food traders, beverage traders, umbrella rentals and surfboard rentals. From the results of the calculations carried out, the number of samples needed for this study was 75 traders using a critical value of 10% or 0.1. After the questionnaire data was collected there were 82 traders who filled out the questionnaire, the data was then converted into quantitative data, by giving weighted scores based on a Likert scale. In this study, data processing and presentation in the form of diagrams and using path analysis with Structural Equation Modeling (SEM-PLS) using SmartPLS 3. Structural Equation Modeling (SEM-PLS) is preferred due to its advantageous suitability for research with small sample sizes and its ability to discern causal links among variables.

RESULTS

Validity Test

There are two validity and reliability tests using Cronbach's Alpha with a size exceeding 0.7 and Average Variance Extracted (AVE) more than 0.5. The results of the validity and reliability tests can be seen in the Table 1.

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Table 1. Validity and Reability Test Results

| Variabel Eksogen | Cronbach's Alpha | AVE | Composite Reliability |
|------------------|------------------|-------|-----------------------|
| Operating hours | 0.733 | 0.651 | 0.912 |
| Location | 0.825 | 0.740 | 0.895 |
| Modal | 0.874 | 0.721 | 0.848 |
| Income | 0.817 | 0.652 | 0.879 |

Source: PLS Data Processing (2023)

Inner Model Analysis

Inner Model Analysis by looking at the R-Square for each endogenous latent variable as the predictive power of the structural model.

Table 2. R-Square

| R-Square | R-Square Adjusted |
|----------|-------------------|
| 0.547 | 0.529 |

Source: PLS Data Processing (2023)

Table 3. Fornell Lacker

| | Operating hours | Location | Capital | Income |
|-----------------|-----------------|----------|---------|--------|
| Operating hours | 0.807 | | | |
| Location | 0.191 | 0.860 | | |
| Capital | 0.278 | 0.527 | 0.849 | |
| Income | 0.391 | 0.620 | 0.620 | 0.808 |

Source: PLS Data Processing (2023)

Table 4. Cross Loading

| | Operating hours | Location | Capital | Income |
|----|-----------------|----------|---------|--------|
| A2 | 0,088 | 0,771 | 0,452 | 0,404 |
| A3 | 0,151 | 0,895 | 0,433 | 0,608 |
| A4 | 0,238 | 0,907 | 0,488 | 0,558 |
| J1 | 0,842 | 0,106 | 0,148 | 0,307 |
| J2 | 0,708 | 0,168 | 0,291 | 0,248 |
| J3 | 0,863 | 0,188 | 0,249 | 0,374 |
| M1 | 0,289 | 0,430 | 0,866 | 0,428 |
| M2 | 0,202 | 0,363 | 0,854 | 0,472 |
| M3 | 0,262 | 0,457 | 0,849 | 0,469 |
| M4 | 0,206 | 0,509 | 0,829 | 0,665 |
| P1 | 0,345 | 0,210 | 0,214 | 0,553 |
| P2 | 0,213 | 0,627 | 0,634 | 0,915 |
| P3 | 0,288 | 0,590 | 0,594 | 0,880 |
| P4 | 0,488 | 0,465 | 0,451 | 0,832 |

Source: PLS Data Processing (2023)

From the table above, it can be seen that the square root value of AVE is higher than the correlation value, so it can be concluded that the model is valid because it has met the validity requirements.

Hypothesis Test of Direct

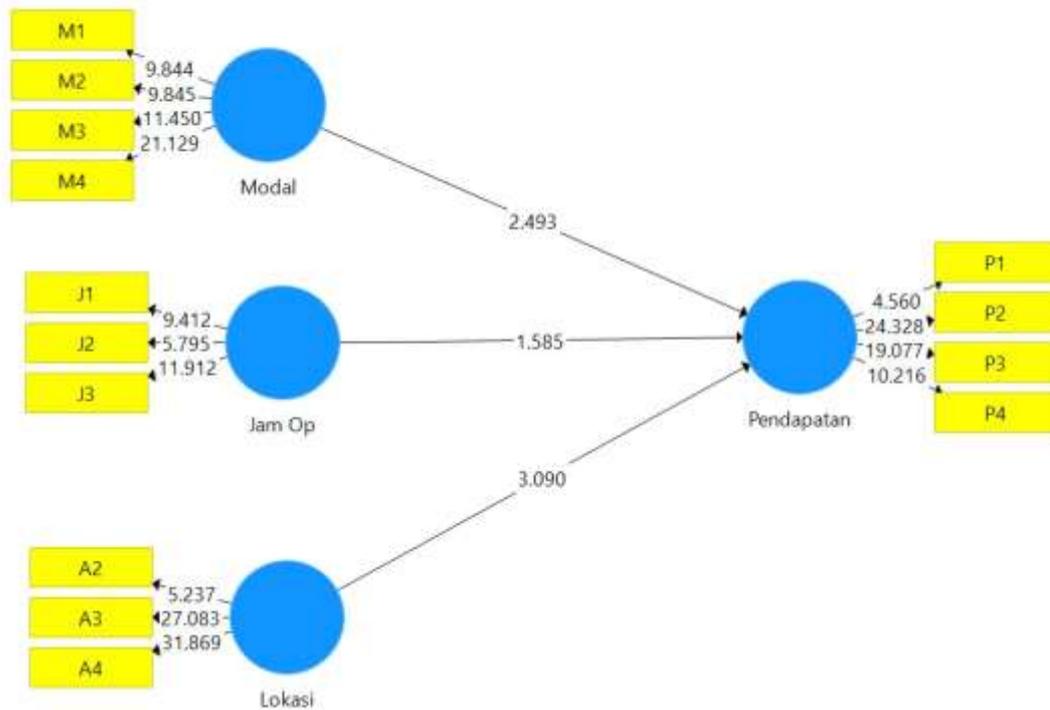


Figure 2: Hypothesis Testing Results

Based on the data processing carried out, the results can be used to answer the hypothesis in this study by looking at r Statistics and P Values. The hypothesis is declared accepted if the P Value <0.05. In this study, there are direct and indirect effects because there are independent variables, dependent variables, and mediating variables. In the smartPLS program, the results of hypothesis testing can be seen through the Path Coefficient Bootstrapping Technique as follows in Table 5.

Tabel 5. hypothesis test results

| | Original Sampel (O) | Sampel Mean (M) | Standard Deviation(ST DEV) | T Statistics | P Values | Remark |
|--------------------------|---------------------|-----------------|----------------------------|--------------|----------|-------------------------|
| Capital-> income | 0.352 | 0.341 | 0.141 | 2.493 | 0.013 | Positif and Significant |
| Operating hours-> income | 0.218 | 0.241 | 0.137 | 1.585 | 0.114 | Positif not significant |
| Location access-> income | 0.393 | 0.405 | 0.127 | 3.090 | 0.002 | Positif and Significant |

Source: PLS Data Processing (2023)

DISCUSSION

The results of testing hypothesis 1 where the result is that there is a positive and significant effect of capital on income. This is in accordance with the research of Utari (2014), Hasanah (2020) and (Setyaningsih, 2019) where capital has a significant positive effect on income. Capital is a resource needed to carry out the business operational process for traders. Capital owned by traders can be used to buy stock of goods to be sold by traders. With the increasing number of products offered by traders, it is expected that there will also be more demand for these merchandise because in the Legian Beach area visitors or tourists usually come in groups and have a variety of requests for food and drinks. This causes traders to have sufficient capital to buy merchandise that varies according to the demand of visitors or tourists. Relatively large capital will make it more possible to achieve greater income (Harrang, 2020). Capital management by peddlers is also an important part so that the use of capital is not excessive which causes inefficiency. Because capital is an important part for traders, if traders experience difficulties, traders can make loans from external parties such as BPR or other financial institutions as a source of additional funds (Simatupang, 2019).

The results of testing hypothesis 2 where there is no significant effect of operating hours on income for traders at Legian Beach. Legian Beach area is a place for tourists to relax in the afternoon where tourists can enjoy the afternoon and sunset, tourists start visiting this area at 4 pm and will start leaving the Beach Area at 7 pm. When vendors increase their operating hours or trading hours, it does not significantly increase their income because at night the visitors have started to leave the beach. Many merchants choose to sell at their usual time because if they open earlier or close their trade longer it does not provide an increase in income because the tourists have started to leave the beach area. The results of this study are also in accordance with research conducted by Artaman (2015) and Lestari (2021).

The result of testing the third hypothesis is that there is a significant positive effect of location access on the income of traders at Legian Beach. The results of this study are in accordance with Mardiana's research (2017) where location affects the income of traders. Legian Beach has easy access, making it easier for tourists to come to Legian Beach, this makes many opportunities for traders to be able to sell the products or services they have which can increase trader income. Legian Beach has a very good tourism infrastructure, this can be seen from the large parking lot, adequate access roads, public facilities such as public bathrooms and toilets, pedestrian paths and neatly arranged trading facilities that can provide comfort for tourists to be able to visit shopping so as to increase trader income.

CONCLUSIONS

The results of this study provide practical implications for Legian Beach managers to be able to identify factors that can increase income for traders so as to improve the welfare of traders. There are two variables that affect the income variable of traders in Legian Beach, namely capital and location access. Capital can have a positive and significant effect on the

income of traders. Operating hours have no effect on the income of traders on Legian Beach. Location access can have a significant positive effect on the income of traders.

Limitation and Recommendations

The limitation of this research is that it only looks at the internal factors of the traders and does not look at external factors. Therefore, it is also necessary to research what factors make tourists want to visit and buy merchandise from traders on Legian Beach. For further research, other factors can be carried out that can affect the income of traders.

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