

Strategy For Increasing Five Feet Traders 'Income In Jember Regency Based On Demography Study And Social Economy

Isti Fadah, Handriyono, Diana Sulianti Tobing

ABSTRACT: The purpose of this study was to analyze the influence of working hours, the amount of working capital, the number of family dependents and the length of work as street vendors to the income of street vendors in the city of Jember. To analyze in depth the fundamental issues faced by street vendors in the city of Jember and to design strategies for increasing PKL income. To determine the effect of working hours, working capital, number of family dependents and length of work as street vendors on income, multiple linear regression analysis is used. To develop strategies for increasing PKL revenues, SWOT Analysis is used. The results showed that simultaneous (Test-F) variables of working hours, total working capital, number of family dependents and work experience together had a significant effect on family income. The strategy that can be chosen is to innovate to create a new variant of the products offered by utilizing existing materials and adapted to dynamic consumer tastes and evaluation of business development and management plans. By utilizing strengths and opportunities and reducing weaknesses and anticipating existing threats.

Keywords: Strategy, Increased Income, PKL, Demography and Socioeconomics

1 INTRODUCTION

The problem of the informal sector, however considered less its contribution to increasing national income, is one of the considerations in the workforce policy. The informal sector in question is small-scale business units that produce and distribute goods and services with the main objective of creating employment opportunities for themselves and in their efforts, they are faced with various obstacles such as capital both physical and knowledge and skills factors (Munir: 2005)) The informal sector occupies a very important position in the Indonesian economy. This is especially evident in the large number of workers who depend their lives on this business sector. The number of workers living from the small business sector in 1990 (excluding agriculture), ranged around 22.2% or 16.8 million people. Most of them are engaged in trade, the number includes around 45%, the second and third are occupied by the industrial sector and the services sector. Street vendors (PKL) are nothing but a form of distribution service that serves directly to end consumers, but in certain conditions street vendors can also act as producers, in the sense that they make the goods / services for sale themselves later. In the explanation above PKL can act as seller of goods / services for sale directly to consumers (retailers). In connection with this it is felt necessary to look at the problem of street vendors in a more intrinsic context, namely as a problem of improving living standards, this is also in line with the objectives of national development, namely improving the standard of living of the people fairly and equitably.

Referring to the description above, it is deemed necessary to look at and examine the demographic and socio-economic characteristics of street vendors and analyze the determinants of income of street vendors in the city of Jember.

1. To analyze the influence of working hours, the amount of working capital, the number of family dependents and the length of work as a street vendor on the income of street vendors in the city of Jember.
2. To analyze in depth the fundamental problems faced by street vendors in the city of Jember and to design strategies for increasing the income of street vendors in the city of Jember

2 Literature Review

According to Stephen and Coulter (2002) states, "retailers or retail stores are institutions that carry out business activities to sell goods to end consumers for personal use", most fundamentally, street vendors are business actors who are motivated to seek profit by distributing goods directly to consumers end. The workforce involved in the informal sector is a symptom that can be found in every city. The informal sector in the cities of Java and outside Java has an important role in providing employment. In all cities more than a third of the workforce works in the informal sector (Tajuddin Noer Effendi, 1997: 68).

3. Research Methods

Research locations in 5 sub-districts in the city of Jember and the target in this study were street vendors in the city of Jember. The street vendors referred to in this study are street vendors selling food, beverages, and fruits. The number of samples for each city sub-district was taken purposively by 20 respondents by visiting their place of work. so the total sample is 100 people. Data and information about respondents were collected by conducting direct observations and structured interviews or with a list of questions submitted to respondents. Then to gather more in-depth information and details about the respondents conducted in-depth interviews (in depth interviews) Observations are mainly carried out when the

- Isti Fadah, Handriyono, Diana Sulianti Tobing
- University of Jember
- Email: istifadah1966@gmail.com

respondent is active in his work. The data that has been collected is then analyzed qualitatively and quantitatively in accordance with the research objectives. To find out the demographic and socio-economic characteristics of street vendors, a single frequency table and cross tabulation analysis is used (Sugiono, 2013). The variables used to describe the demographic characteristics of street vendors include age, education, respondent's area of origin, and marital status, while socioeconomic factors are captured by asking a number of questions concerning the length of work, the reason for working as a trader, the amount of working capital used, the number of hours worked, the length of work and the amount of net income per day. To determine the effect of working hours, working capital, number of family dependents and length of work as street vendors on income, multiple linear regression analysis was used (J. Supranto and Nandan Limakrisna, 78: 2016) which was then tested simultaneously the effect of all independent variables on variables not free with "Test F" and partially tested the effect of the independent variable on the dependent variable with "t-test". To see the ability of independent variables simultaneously in explaining the change in the non-free variable, the coefficient of determination is used (R²). To design strategies for increasing PKL revenue in Jember, the external environment and internal environment were analyzed and then a SWOT analysis (strength, weakness, threat, and opportunities) was used. Lukiasti (2008) first analyzed the internal environment and the external environment and then developed a performance improvement strategy. SWOT analysis is an analysis to develop strategies by utilizing strengths and opportunities and reducing weaknesses and overcoming threats (Rangkuti: 2004)

4. Result and Discussion

Tabel.1: The Result of Simultaneous Test (F-Test) Anova

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	738,15	4	184,504	20,750	.000
Residual	844,721	95	8,892		
Total	1582,737	99			

R = 0.683
R Square = 0,466
Adjusted R Square = 0.444
Std.Error of The Estimate 2,98191

a. Predictors : (Constant), (X1) the outpouring of working hours by street vendors, (X2) the amount of working capital used by street vendors, (X3) the number of family dependents and (X4) work experience,

b. Dependent Variable : Income of PKL

From the table above it can be seen that the F test results indicate that the calculated F value is 20.750 with a significance of 0.000, below α which is used which is 5%. It can be interpreted that simultaneously all the independent variables which include (X1) the outpouring of working hours by street vendors, (X2) the amount of working capital used by street vendors, (X3) the number of family dependents and (X4) work experience has a significant effect on PKL income in Jember Regency.

Tabel 2. The Result of Partial Test (t-Test)

Model	Un standardized Coefficients		standardized Coefficients	t	Sig.
	B	Std.Error	Beta		
1 (Constant)	-4,841	1,349		-3,588	0,001
(X1)	0,474	0,141	0,301	3,355	0,001
(X2)	0,854	0,198	0,387	4,304	0,000
(X3)	0,964	0,318	0,231	3,033	0,003
(X4)	0,064	0,038	0,127	1,681	0,096

From the results of the t test above shows that the variable working hours, the amount of working capital, and the number of family dependents have a positive and significant effect on the income of street vendors in Jember, this is indicated by the significance of the three independent variables smaller than $\alpha = 5\%$. Work experience variables did not significantly influence the income of street vendors in Jember Regency, this was evidenced by the significance for work experience variables greater than $\alpha = 5\%$.

Results of SWOT Analysis

a. Strength

1. Most street vendors are not limited to product orientation but have reached the level of consumer orientation to meet consumer demand this makes it possible considering PKL is an individual business that has advantages in the field of business flexibility.
2. Products sold have good quality and are liked by customers.
3. The selection of a strategic place is on the edge of the main roads so that the sales process is carried out properly because the customers easily reach the place of the street vendor.
4. Prices offered by street vendors are very affordable with sufficient quality. They are aware that in market conditions that approach perfect competition markets cheap prices cause consumers to be interested in buying merchandise. Conversely, if the price is high, the buyer will leave the price.
5. Goods sold by street vendors are needed by the surrounding community.

b. Weakness

1. The level of knowledge and skills of street vendors in handling business is relatively weak so that its management is based on feelings and intuition as an entrepreneur and has not been managed professionally.
2. Not able to read and access potential market opportunities and who have good prospects which results in monotonous and static product marketing that is viewed in terms of quality, product and market.
3. Lack of capital from street vendors because in general PKL is an individual business or a closed company, which relies on capital from owners who are very limited in number, while loan capital from banks or other financial institutions is difficult to obtain due to administrative and technical

requirements requested the bank cannot be met.

4. No well-planned financial planning, recording and financial reports that result in not being able to know the development of the company. Minimal financial statements also cause their businesses to be less bankable or difficult to access capital to banks.
5. Lack of information on funding sources from non-bank financial institutions regarding the types of financing sources, requirements and submissions.
6. Managerial ability that is still weak, resulting in less able to take decisions and take opportunities in facing business conditions that can change at any time.
7. Functional management which includes financial management, marketing management, HR management and operational management is still weak so that street vendors tend to be less rapidly developing.
8. Most of the effort carried out by PKL grows traditionally and is a family business that has been passed down from generation to generation. So that the business is difficult to develop optimally because of the limited quality of small business human resources both in terms of formal education and knowledge and skills are very influential on the management of its business management.
9. The partnership practices recommended by the government which regulate the relations of big businessmen and street vendors have not gone well as expected.

c. Opportunity

1. Utilizing raw materials available to make new types of products that are in line with customer tastes.
2. Potential customer opportunities, Kota Jember which hold Carnafal Jember Fasion Agenda (JFC) is a blessing for the people of Jember in general and street vendors in particular. JFC is a magnet for foreign and domestic tourists, this event can attract customers from many areas so that street vendors can generate greater turnover at the event.
3. The existence of State Universities in Jember namely the University of Jember has a positive effect in increasing the number of students living in Jember. The increase in the number of Jember residents has a positive impact on the number of customers from PKL in Jember. This causes PKL's income to increase.

d. Threat

Threats faced by street vendors:

1. The street vendors are generally located on the side of the highway, in general their businesses are not legal. This condition makes PKL often feel afraid when they are evicted or told to move to another place.
2. Competition among similar street vendors is increasing due to the number of layoffs and the difficulty of obtaining suitable jobs.
3. Competitors who have strong capital and are able to utilize more competitor employees can meet

customer demands faster and more

4. The emergence of new competitors results in a tighter competition in the price of goods and PKL tends to reduce the price of merchandise so that they can continue to sell.

PKL Income Improvement Strategy

Based on the results of the analysis carried out using SWOT analysis obtained competitive strategies that can be used in optimizing the resources owned and the utilization of opportunities in each condition of street vendors to achieve the goals of street vendors. The strategies are:

a. ST Strategy

1. Continue to strive to innovate to create new variants of the products offered, for those who sell food PKL is required to create new variations with superior taste by not raising prices so they can win in competition.
2. Keeping the quality of raw materials and the cleanliness of tools and production sites so that the quality of products is well maintained and meets the health standards that are highly expected by customers.
3. Procurement of evaluations of business development and management plans. For example, by planning activities and achievements within a certain period of time by considering the strengths that are owned, the weaknesses that become an obstacle develops, opportunities that can be taken as a business developer plan and anticipation of threats that may arise in the plan.

b. SO Strategy

1. The use of quality raw materials can be used to manufacture new products that are based on the same products as other products but have better quality and competitiveness. Creativity that can produce other processed products with the same raw materials and good can be a new power of the small business itself.
2. Consumer orientation in fulfilling demand, consumer orientation will increase the number of customers and increase the number of repurchases. Consumer orientation can be done in a simple way by absorbing a lot of information, especially about customer complaints as evaluation material and as a basis for better planning in the future.

c. WO Strategy

1. Promotions made more use of the internet. Marketing is done by creating websites or advertisements or creating accounts on online trading sites or other online applications such as Go-food which is part of the Go-jek application service.
2. Develop equal cooperation with harmonious cooperation or coordination between the government and PKL to inventory various current issues related to business development.
3. Partnering and cooperating with other street vendors and pioneering PKL cooperatives to

facilitate access to capital to banks, have stronger power bargaining and have better access to information so that it is easier to develop its business.

4. Managerial training for street vendors by related agencies or associations in order to make changes and business development in terms of business management.
5. Improve the quality of business management by improving financial management, operations management, HRM and marketing management.

d. WT Strategy

1. Efforts to provide managerial training, capital and financing for street vendors with a different model from the previous training which is often monotonous in the form of lectures are replaced with interactive discussions and giving actual examples so that they are more easily absorbed and easier to apply.
2. Adding a promotion team to be able to reach a wider range of customers. The promotion team that is intended is a team that can manage marketing online or directly.
3. Improving the quality of products sold by taking into account the aspects of cleanliness and aspects of health and increasing variation and innovation by paying attention to customer desires.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

- a. The results showed that simultaneous (Test-F) variables of working hours, total working capital, number of family dependents and work experience together had a significant effect on family income. Partial test results (t-test) variables of working hours, number of working capital, and number of family dependents and work experience partially have a significant effect on PKL family income while work experience has no significant effect on PKL family income.
- b. From the results of the discussion produced, several strategies can be obtained by street vendors to increase their income:
 1. It is important to continue to strive to innovate to create new variants of products offered by utilizing existing materials and adapted to dynamic consumer tastes.
 2. Procurement of evaluations of business development and management plans. By utilizing strengths and opportunities and reducing weaknesses and anticipating existing threats.
 3. Partnering and cooperating with other street vendors and pioneering PKL cooperatives to facilitate access to capital to banks, have stronger power bargaining and have better access to information so that it is easier to develop its business.
 4. Consumer orientation in fulfilling demand, consumer orientation will increase the number of customers and increase the number of repurchases. Consumer orientation can be done in

a simple way by absorbing a lot of information, especially about customer complaints as evaluation material and as a basis for better planning in the future.

Recommendation

1. The PKL should continually innovate products in the framework of product diversification, improve product quality and improve business competitiveness. The quality of human resources that are owned should always be improved by providing trainings.
2. To improve access to capital, especially access to capital to banks, street vendors should improve administration, prepare financial statements. With financial reports, banks can predict the capacity and capability of street vendors so that the opportunity to obtain additional funds becomes greater.
3. To increase sales of its products, it is necessary to conduct continuous socialization in the framework of promotion using the cheapest media, namely through social media networks such as face books or partnering with online applications such as Go-Food (Go-Jek). Another effort to increase sales is by conducting online sales activities.
4. The government, through the Ministry of Industry and Trade has a very important role to continue to carry out coaching activities in the form of quality improvement training, accounting training, and online marketing training. Other activities that the government can do are to work with banks and academics and other stakeholders to improve the business performance of street vendors.

References

- [1] Lukiastuti Kurniawan, S. M. (2008). *Manajemen Startegik Dalam Organisasi*. PT. Buku Kita : Jakarta.
- [2] J.Supranto dan Nandan Limakrisna (2016). *Petunjuk Praktis Penelitian Ilmiah*. Jakarta: Mitra Wacana Media
- [3] Moh. Munir, 2005, Analisis Variabel Intern Terhadap Pendapatan Usaha (Studi Kasus Pada Pedagang Kaki Lima Makanan dan Buah-Buahan di Kota Malang, **Jurnal Ekonomi Moernisasi** Vol 1 No.1 Februari , Universitas Kanjuruhan, Malang
- [4] Rangkuti, F. (2004). *Analisis SWOT Teknik Membedah Kasus Bisnis*. Jakarta: PT. Gramedia.
- [5] Robbins, Stephen dan Coulter, Mary . (2002). *Manajemen (Terjemahan)*. Jakarta: Erlangga.
- [6] Sugiono, P. D. (2013). *Statistika Untuk Penelitian* . Bandung: Alfabeta.
- [7] Tajuddin Noer Effendi, 1997, Peranan Sektor Informal Dalam Pembangunan Perekonomian Indonesia, **Jurnal Kebangsaan**, vol 1 no 2