

The Effect of Business Location on the Income of Fruit Traders in Baolan District, Tolitoli Regency

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ABSTRACT

This study aims to determine the effect of business location on the income of fruit traders in Baolan District, Tolitoli Regency. The method used is a quantitative method with data collection techniques through questionnaires. The sample taken amounted to 30 respondents. The analysis tool uses SPSS for windows 26. Which includes validity test, reliability test, simple linear regression and product moment correlation. Based on the results of research and discussion, it is concluded that the correlation value is 0.601. This indicates that there is a unidirectional relationship between business location and income. And it can be stated that the correlation between variable X (Business Location) and Variable Y (Revenue) is strong and positive. the coefficient of determination is: $r^2 = 0.36$. This shows that the effect of business location on the income of fruit traders in Baolan District, Tolitoli Regency is 36%. The steps that should be taken by traders are: traders should be able to further increase the selection of more strategic locations with the aim of increasing income.

Keywords: Business Location, income, fruit trades

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1. INTRODUCTION

In an effort to get as many consumers as possible, there are several factors that must be considered by entrepreneurs. One of these factors is location selection. From several choices of business locations, entrepreneurs are required to be observant in choosing a location because this has an impact on the running process of the business (Ariffa T, 2018:167).

The placement of the right location is one of the determining factors for the progress of a business. On the other hand, if the location occupied by an entrepreneur does not meet or is far from crowded with consumers, it can automatically hinder business work and in the long run the business will experience bankruptcy. So to be able to survive, entrepreneurs must

work hard and be able to compete with competitors

The trade sector is one part of the economic chain system of a region, especially Baolan District, Tolitoli Regency, with its geographical location and the availability of adequate infrastructure and communication, making it a fairly good opportunity to open a business, such as fruit traders who take advantage of a place with a good position. strategically to develop the potential of existing resources.

The formulation of the problem in this study is "Does the location of the business affect the income of fruit traders in the Baolan sub-district, Tolitoli Regency?"

This study aims to determine the effect of business location on the income

of fruit traders in Baolan sub-district, Tolitoli district.

Literature review

Business Location

Location is a place to serve consumers, it can also be interpreted as a place to display merchandise. Consumers can see directly the goods that are produced or sold in terms of type, quantity, and price. Thus, consumers can easily choose and transact or make purchases on the products offered directly (Sundari, 2017: 47).

According to Tjiptono (2007) the selection of a place or business location requires careful consideration of the following factors:

- a. Access, for example a location that is easy to pass or easy to reach by means of transportation.
- b. Visibility (lighting), for example, which can be seen clearly from the side of the road.
- c. Traffic, where there are two main things to consider, namely the number of people passing by can provide a great opportunity for buying, namely buying decisions that often occur spontaneously, without planning, and or without going through special efforts. And also the density and traffic jams are also obstacles.
- d. Ample and secure parking. Car parking is a very important need. The convenience of shopping is largely determined by the buyer's sense of security against vehicle parking. If they don't find a safe location, they probably won't stop at that location.
- e. Expansion, namely the availability of a large enough

space for business expansion in the future.

Income

Income is money for a number of business actors that has been received by a business from buyers as a result of the process of selling goods or services. Income or what can be called economic profit is the total income earned by business owners after deducting production costs (Sukirno, 2005:37).

The theory of economic income based on how it is earned:

- a. Gross income is income received but not deducted by other expenses.
- b. Net income is income received after deducting the cost of goods sold or expenses and others so that net income is also called net income.

2. METHODS

The approach used in this study is a quantitative approach. The nature of the research used in this study is using associative research, which is a type of research that aims to determine the effect or relationship between two or more variables.

The types of research are (1) quantitative data and (2) qualitative data, the data collection methods are observation and questionnaires. In this study the authors used data analysis methods:

2.1 Validity Test

According to Arikunto (2006) validity is a measurement that shows the validity and validity of an instrument. The more valid an instrument, the higher the validity

2.2 Reliability Test

According to Ghazali (2016), reliability is a measuring tool to determine

the size of the questionnaire which is an indicator of a variable or construct. The basis for decision making is 0.60, so the questionnaire is not reliable or inconsistent.

2.3 Product Moment Correlation Test

It is one of the analyzes used to determine the relationship (correlation) between the two variables, including the business location variable and the income variable, so the researcher uses the Product moment correlation formula to see how the

degree relationship between the two variables is.

2.4 Determination Test (R)

The coefficient of determination (R) according to Sugiyono (2017) is used to find out how much the ability of the independent variable can explain the dependent variable. The magnitude of the R value ranges from 0-1, the closer to one step the R value is, the greater the variable (X) is able to explain the dependent variable (Y).

3. RESULT AND DISCUSSION

3.1 Description of Respondents Based on the Most Strategic Business Locations

TABLE 3.1
Percentage of Respondents by Most Strategic Location

No	Business Location	Amount	Percentage
	Very Strategic		
1	Jl. S. Pangesar, New Village	7	23.33%
2	Jl. Wahid Hasan, New Village	1	3.33%
3	Jl. Usman Binol, New Village	1	3.33%
	Strategic		
4	Jl. S. Pangesar, Kelurahan Baru.	3	10%
5	Jl. Sultan Hasanudin, Kel. heat it up	1	3.33%
6	Jl. Axis Timbalani, Ex. Nalu	2	6.67%
	Not Strategic		
7	Jl. S. Pangesar, New Village	10	33.33%
8	Jl. Axis Timbalani, Nalu Village	1	3.33%
9	Jl. Trans Sulawesi, Tambun Village	3	10%
10	Jl. Trans Sulawesi, Buntuna Village	1	3.33%
	Amount	30	100

Description of Respondents based on daily income

TABLE 3.2
Description of Respondents Based on Gross Income Level

No	Income level	Amount	Percentage
1	> IDR 300,000;	9	30%
2	Rp.150.000; – Rp. 300,000;	6	20%
3	<Rp.150.000	15	50%
	Amount	30	100%

Source: Primary data that has been processed, 2021

Description of respondents based on gross income per day. A total of 9 respondents or as much as 30% income level >Rp.300,000 (more than Rp.300,000) per day. A total of 20% with a total of 6

respondents who have an income level of Rp. 150,000 - Rp. 300,000 per day. then as many as 15 respondents or with a percentage of 50% income level <Rp.150.000 per day.

TABLE 3.3
Description of Respondents Based on Net Income Level

No	Income level	Amount	Percentage
1	> IDR 300,000;	2	6.67%
2	Rp.150.000; – Rp. 300,000;	12	40%
3	<Rp.150.000	16	53.33%
	Amount	30	100%

Source: Primary data that has been processed, 2021

Description of respondents based on the level of net income per day. A total of 2 respondents or as much as 6.66% income level of IDR 300,000 (more than IDR 300,000) per day. As many as 40% with a total of 12 respondents who have an income level of Rp. 150,000 - Rp. 300,000, per day. then as many as 16 respondents or with a percentage of 53.33% income level <Rp.150.000 per day.

3.2 Discussion

3.2.1 Validity Test

with a value of 0.374, the value is obtained from $N = 30$ with a significance level of 0.5 validity test. All question items related to the variable (X) business location and income variable (Y) were declared valid because the instrument met the assumption $r_{count} > r_{table}$.

3.2.2 Reliability Test

TABLE 3.4
Business Location Reality Test Results (X)

Reliability Statistics	
Cronbach's Alpha	N of Items
.880	10

Source: This test was carried out using SPSS version 26 software

The results of the reliable Cronbach's alpha test have a result of .880, where the result is greater than Cronbach's

alpha coefficient of 0.60, then the tested data is declared reliable.

TABLE 3.5
Y . Variable Reliable Test Results

Reliability Statistics	
Cronbach's Alpha	N of Items
.627	8

Source: SPSS version 26

Reliable test results Cronbach's alpha income has a result of .627, where the result is greater than Cronbach's alpha

coefficient of 0.60, then the tested data is declared reliable.

3.2.3 Correlation Test Results (*r*)

TABLE 3.6
Pearson Product Moment Correlation

Correlations			
		Business Location (X)	Income (Y)
Business Location (X)	Pearson Correlation	1	.601**
	Sig. (2-tailed)		.000
	N	30	30
Income (Y)	Pearson Correlation	.601**	1
	Sig. (2-tailed)	.000	
	N	30	30

Source: SPSS version 26

The obtained r_{xy} of 0.601 indicates that there is a unidirectional relationship. r_{xy} of 0.601 is between 0.601 is between 0.60 - 0.799 based on the guidelines that have been stated above, it can be stated that the correlation between variable X (Business Location) and Variable Y (Revenue) is strong and positive.

3.2.4 Coefficient of Determination (*R*)

The coefficient of determination can be determined by squaring the correlation coefficient. From the results of the Pearson Product Moment correlation test above, the coefficient of determination is: $r^2 = 0.36$. This value means that 36% of business locations affect the income of fruit traders in Baolan District, Tolitoli Regency.

4. CONCLUSION

Based on the results of research obtained from fruit traders located in Baolan District, Tolitoli Regency, Central Sulawesi, and has been discussed in the previous chapter and sub-chapter. With the

research title "The Effect of Business Location on the Income of Fruit Traders in Baolan District, Tolitoli Regency". Then the following conclusions were obtained:

1. The correlation value is 0.601, this indicates that there is a unidirectional relationship. And it can be stated that the correlation between variable X (Location of Business) and Variable Y (Revenue) is strong and positive..
2. The coefficient of determination is: $r^2 = 0.36$. This shows that the influence of business location on the income of fruit traders in Baolan District, Tolitoli Regency is 36%. The remaining 64% is influenced by other variables that are not included in this study.
3. On the basis of these results, the hypothesis of this study which states that the location of the business affects the income of fruit traders in Baolan District, Tolitoli Regency, is "True".

Suggestions

1. Based on the results of the study indicate that there are locations that are less strategic, namely some fruit traders located on Jl. S Pangesar, Baru village, Nalu village and Tambun village. To maximize revenue, the government should relocate places that are considered less strategic by looking at the factors that are considered in choosing a location.
2. For fruit traders in Baolan District, to increase income, they must pay attention to the factors that influence it. The results of this study indicate that location has an effect on
3. On the level of income, traders should pay attention to factors that are considered in choosing a location such as: a location that is easily accessible, can be seen clearly, is close to traffic, has a parking space and has a place for land expansion in the future or expansion.

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