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The Influence of Capital and Business Location on Income Trader At Gajah Mada Plaza, Malang City

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INDEXING	ACTION ABSTRACT
Keywords: Keyword 1; Capital Keyword 2; Business Location Keyword 3; Income Trader Keyword 4; Gajah Mada Plaza Keyword 5; Malang City	Trading is an important part of the economy, especially for traders of small and medium businesses that contribute to the growth of economic regions. This research aims to analyze the influence of capital and location business on income traders at Gajah Mada Plaza, Malang City. This research used a quantitative method with statistics analysis techniques. This research was conducted at Gajah Mada Plaza, Malang City, East Java. Time of research in progress from December 16, 2024, to January 16, 2025. The result of this research showed that business capital's influence is positive and significant to income traders, with a coefficient regression of 0.287 and a value significance of 0.001 < 0.05. Business location has a significant influence on income traders with a mark significance 0.001 and t count of -3,637. Capital and location variables business in a way simultaneous influential significant to income traders, with F value count by 14,896 more big from the F table 3.26 and significance 0.001. Moreover, Adequate business capital can increase productivity and income for traders, meanwhile, location-strategic businesses can interest customers but also bring challenges in the form of competition and costs high operational. Therefore, good capital management and choosing the right business strategy are very necessary.

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INTRODUCTION

Trading is an important part of the economy, especially for traders of small and medium businesses that contribute to the growth of economic regions (Ministry of Cooperatives and SMEs, 2020). However, limited capital and lack of location strategic business become challenges in increasing income traders. Capital that is not sufficient can limit development efforts (Beck & Demirguc-Kunt, 2006). While non-optimal locations can reduce Power pull for customers (Aswan *et al*, 2023).

Prihatminingtyas (2019) found that capital and location have a significant influence on income traders in traditional markets. The Gap in the literature lies in the lack of research that highlights How the second factor This Work in a way simultaneous to increasing income traders in the center shopping competing traditional with center modern shopping. Most of the studies previously focused on one factor in a way separate. Therefore, this research aims to analyze the influence of capital and location business on income traders at Gajah Mada Plaza, Malang City.

LITERATURE REVIEW

Capital is a factor that plays a fairly important role in the production process, because capital is very much needed when entrepreneurs want to establish a new company or want to expand an existing business without sufficient capital it will affect the smooth running of the business, so that it will affect the income obtained, as well as described by Beltramino *et al* (2020), Setini *et al* (2020), and also Hassan (2024).

Location is a place where a business or business activity is carried out. Important factors in developing a business are the location of the location to the urban area, how to reach it, and the travel time from the location to the destination, as well as explained by Balbontin and Hensher (2019) and Chin (2020).

Income or revenue is the result of business obtained from the company's sales activities, either in the form of goods or services. The income obtained by the company can be in the form of income obtained from the company's main business and income obtained from side businesses or other income, can be in the form of income obtained from bank savings interest (Ariesa *et al*, 2020; Manda *et al*, 2020; Sholachiyah *et al*, 2022).

RESEARCH METHODS

Types of research

This research used a quantitative method. This method nature systematic, planned, and structured with clear from the beginning until end research. Quantitative methods aim to measure the connection between variable study with technique analysis statistics.

Location and Time of Research

This research was conducted at Gajah Mada Plaza, Malang City, East Java. Time of research in progress from December 16, 2024 to by January 16, 2025.

Population and Sample

Population in study This is all over There are 60 traders selling at Gajah Mada Plaza. The retrieval sample use a non-probability sampling technique with purposive sampling approach. To determine amount sample used Slovin's formula with a margin of error of 10% so that produce sample as many as 38 respondents.

Definition And Measurement of Variables

Capital (X1)

Capital is a complex need because it is related to spending decisions in business activities to increase income and achieve maximum profit. With the following indicators: initial capital, own capital, loan capital and business conditions after capital addition .

Business Location (X2)

A business location is a place to serve consumers in other words a place to display merchandise. With the following indicators: selection with various considerations, cheap transportation, easily visible location, and location close to consumers.

Trader Income (Y)

Income received directly from various sources. Income can be received from various production activities within a certain period. With the following indicators: average income from sales/day (rp), with maximum profit welfare, will increase and income can meet family needs.

Data collection technique

- Data was collected through several techniques, namely:
- Observation: Observation is direct to activity trading at Gajah Mada Plaza.
- Interview: Conducted with trader to get information deeper regarding capital, location business, and income.

- Questionnaire: Distribution questionnaire with Likert scale to Respondents For measure variable study.
- Documentation: Secondary data collection in the form of relevant documents with study This.

Data analysis
Data analysis was performed in several stages:
1. Analysis Descriptive: To describe the characteristics of respondents and variables study.
2. Validity and Reliability Test: To ensure that the instrument the research used is valid and reliable
3. Assumption Test Classical: Includes normality, multicollinearity, and heteroscedasticity tests, to ensure fulfillment assumption multiple linear regression.
4. Analysis Multiple Linear Regression: For test influence of capital and location business to income trader.

Testing Hypothesis
The F-test and t-test measure the significant connection between variables.

RESULTS AND DISCUSSION
RESULTS
From 38 respondents can concluded that characteristics Respondents with type Female gender as many as 22 respondents or 57.9% and respondents with type sex man as many as 16 people or 42.1%. Of the whole respondents, respondents of various types Female genitals become most respondents.

Table 1 Characteristics Amount Respondents By Gender

		Frequency	Percentage %
Legitimate	Man	16	42.1
	Woman	22	57.9
	Total	38	100.0

Source: *Processed primary data, 2024*

Age Respondents

Table 2 Characteristics Amount Respondents Based on Age

		Frequency	Percentage %
Legitimate	20-25	20	52.6
	26-30	11	28.9
	31-35	4	10.5
	36-40	3	7.9
	Total	38	100.0

Source: *Processed primary data, 2024*

Table 2 shows that of the 38 respondents involved in a study, the majority Traders at Gajah Mada Plaza are in the range age productive 20-25 years that is as many as 20 people (52.6%).

Duration Business

Table 3 Characteristics Amount Respondents Based on Length of Business

		Frequency	Percentage %
Legitimate	1-10	33	86.8
	11-20	3	7.9
	21-30	2	5.3
	Total	38	100.0

Source: *Processed primary data, 2024*

From Table 3 it is known that of 38 respondents in a study, part Already Work between 1-10 years that is as many as 33 people (86.8%).

Validity Test

Table 4 Validity Test

NO.	r count			table r	Information
	X1 unit	X2 2 pieces	You		
1.	0.606	0.875	0.837	0.3202	Legitimate
2.	0.620	0.785	0.852	0.3202	Legitimate
3.	0.690	0.841	0.898	0.3202	Legitimate
4.	0.606	0.797	-	0.3202	Legitimate

Source: *Processed primary data, 2024*

Based on Table 4 shows that all question items from Business Capital variables (X1), Business Location (X2), and Income Traders (Y) each have r value $_{count}$ > r $_{table}$ Where r $_{table}$ value from 38 samples of 0.3202 with mark significance No more of 5% (*p-value* < 0.05) so can it is said all question items declared valid.

Reliability Test

Table 5 Reliability Test

NO.	*Cronbach 's Alpha*			*Alpha*	Information
	X1 unit	X2 2 pieces	You		
1.	0.721	0.840	0.827	0.600	Can reliable

Source: *Processed primary data, 2024*

Based on Table 5, it can be seen that all question items from Business Capital variables (X1), Business Location (X2), and Income Traders (Y) each of whom submitted question own coefficient *Cronbach's alpha* morebig from 0.6. With thus means statement item for all variable stated reliable.

Normality Test

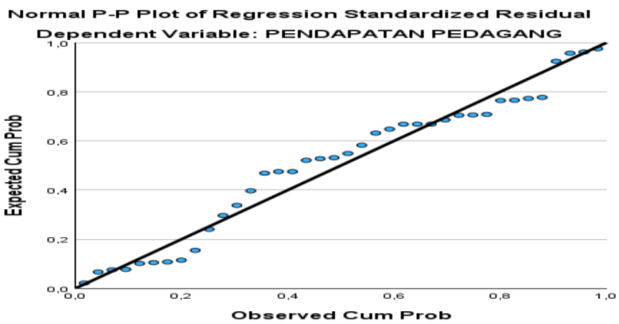

Figure 1. Normality Test

Source: *Processed primary data, 2024*

Based on Figure 1 above that data distribution (points) on the source diagonal from normal graph *P-Plot of Regression Standardized Residuals* are located around the diagonal line and follow the direction of the diagonal line that forms 45º angle, so that can it is said that the data is stated meets the normality test or it is said normal data distribution.

Multicollinearity Test

Table 6. Multicollinearity Test

Variables	Tolerance	English: VIF	Information
Business Capital (X_1)	0.979 years	1,020 years	Not occur multicollinearity
Business Location (X_2)	0.979 years	1,020 years	Not occur multicollinearity

Source: *Processed primary data, 2024*

Based on Table 6, shows that variable Business Capital (X1) and Business Location (X2) have a mark tolerance of 0.980 > 0.10 and a VIF value of *1,020* < 10.00 so can concluded that Business Capital (X1) and Business Location (X2) variables do not happen symptom multicollinearity.

Heteroscedasticity Test

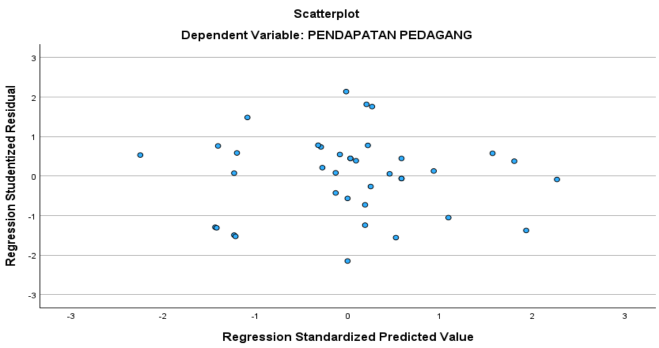

Figure 2. Heteroscedasticity test

Source: Processed primary data, 2024

Analysis results in Figure 2 above show distribution position located between value 0 of the X axis and Y axis and there is clear pattern from data distribution, in other words the data is not stacked on one point just but spread, so that can it is said No happen symptom heteroscedasticity.

Multiple Linear Regression Test

Table 7 Analysis Multiple Linear Regression

Model		Unstandardized Coefficients B	Error Standard	Coefficient Standard English	Information
1	(Constant)	11,593 peopl	1,870 peopl		
	VENTURE CAPITAL	,287	,082	,440	Positive
	BUSINESS LOCATION	-,314	,086	-,457	Negative

Source: *Processed primary data, 2024*

The equation $Y = a + b_1 x_1 + b_2 x_2 + e$
$Y = 11.593a + 0.287X_1 + (-0.314X_2)$
Based on equality the above regression, then can explained as follows:

a. Constants of 11,593 means that if of the value the variables of Business Capital (X1) and Business Location (X2) are 0, then the variable Income Trader (Y) value amounting to 11,593,
b. The coefficient regression Capital variable (X1) is 0.287, meaning If the Business Capital variable (X1) experienced an increase by 1, then the variable Income Trader (Y) will experience an improvement of 0.287. On the other hand, If the Business Capital variable (X1) experienced a decline by 1, then the variable Income Trader (Y) will experience a decline of 0.287. The results of the analysis regression show that Business Capital effects positively Income Traders.
c. Coefficient regression Business Location variable (X2) is -0.314, meaning If Business Location variable (X2) experienced an increase by 1, then the variable Income Trader (Y) will experience a decline of -0.314. On the other hand, if the Business Location (X2) experiences a decline by 1, then the variable Income Trader (Y) will experience an increase of -0.314. The results of the analysis regression show that the business location effects negatively Income traders.

Simultaneous Test (F Test)

Table 8 F Test

Analysis Variance (ANOVA)

Model		Amount Square	df	Mean Square	F	Signature
1	Regression	119,900	2	59,950	14,896	<.001 percent
	Remainder	140,864 people	35	4,025 years		
	Total	260,763 people	37			

a. Variables Dependent: TRADER INCOME
b. Predictors: (Constant), BUSINESS LOCATION, BUSINESS CAPITAL

Source: *Processed primary data, 2024*

From the results data processing in Table 8 is known as mark sign 0.001<0.05 and the calculated F value 14.896>3.26, so that can concluded that H3 is accepted which means there is significant influence in a way simultaneous Business Capital variable (X1) and Business Location variable (X2) against variable Income Trader (Y).

Partial Test (t-Test)

Table 9 t-test

Coefficient [a]

Model		Unstandardized Coefficient B	Error Standard	Coefficient Standard English	T	Signature
1	(Constant)	11,593 people	1,870 people		6,199 people	<.001
	CAPITAL	,287	,082	,440	3,504 people	,001
	BUSINESS LOCATION	-,314	,086	-,457	-3,637 years	,001

a. Variables Dependent: MERCHANT INCOME

Source: *Processed primary data, 2024*

Based on hypothesis test results in a way partial in the table above so explained as follows:

1. The effect of X1 on Y
   It is known mark sign $0.001 < 0.05$ and the calculated t value is $3.504 > 2.030$, so that can concluded that H1 is accepted and H0 is rejected which means there is influence positive and significant between the Business Capital variable (X1) against the variable Income Trader (Y).
2. The effect of X2 on Y
   It is a known mark of $0.001 < 0.05$ and t value $-3.637 < -2.030$, so can concluded that H2 is accepted and H0 is rejected, which means there is influence and significance between Business Location variable (X2) against variable Income Trader (Y).

Determination Coefficient (R2)

Table 9 Determination Coefficient (R2)

Model Summary

Model	R	R Square	Adjusted Squared	Error Standard Estimate
1	,678 years	,460	,429	2,006 people

a. Predictors: (Constant), BUSINESS LOCATION, BUSINES CAPITAL

Source: *Processed primary data, 2024*

It is known The R Square value is 0.460 or 46% which indicates that Contribution Business Capital (X1) and Business Location (X2) variables on variable Income Traders (Y) amounted to 46% and the rest 54 % is influenced by other variables.

DISCUSSION

The Influence of Capital on Income Trader

Analysis results show that business capital own influence is positive and significant to income traders. With a coefficient regression by 0.287 and the value significance $0.001 < 0.05$, each increase in business capital as big as One unit will increase income of 0.287 units. More capital allows traders to increase the quantity and quality of goods trade, expand the range of products, as well as increase Power competition business. In addition, traders with their capital are more flexible in management finance compared to those who depend on loans.

Findings This in line with study Kadek *et al*. (2019) who emphasized that capital has role important in development of MSMEs. Bloom *et al* (2016) also emphasized that the morebig access against big capital allow trader increase capacity production and innovation product. Ismail (2017) added that sufficient capital allow business develop more fast compared to with businesses with limited capital.

The Influence of Business Location on Income Trader

Business location has a significant influence on income traders with a mark significance 0.001 and t count of -3,637. Traders at the location strategically own more Lots customer Because convenience access and level crowd. However, the competition is fierce and the costs high rent often reduce profit margins. Although busy locations increase transaction volume, successful business still depends on differentiation strategies, such as quality products and services to customers. Doherty *et al* (2015) also emphasized that quality products and services customers play a role big in determining the success business.

The Influence of Simultaneous Capital and Business Location on Trader Income

The results of the F test show that capital and location variables business in a way simultaneous influential significant to income traders, with F value count by 14,896 more big from the F table 3.26 and a significance of 0.001. The coefficient value determination (R^2) of 46% shows that capital and location variables business capable explains 46% of variation income, while the rest 54 % is influenced by other factors such as marketing strategy and management business. Wonggor and Haetubun (2024) stated crowded locations can increase the number of visitors to businesses or stores in the urban area.

CONCLUSION

The conclusion of this research is:

1. Business capital influence is positive and significant to income trader
2. Business location has a significant influence on income trader
3. Business capital and location variables business in a way simultaneously influential and significant to income traders.

Adequate business capital can increase productivity and income traders, meanwhile location strategic business can interesting interest customer but also brings challenge in the form of competition and costs high operational. Therefore, good capital management and choosing the right business strategy are very necessary.

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