Journal of Environmental and Development Studies

Journal homepage: https://talenta.usu.ac.id/jeds

Development Strategy for Increasing the Revenue of J-Walk Medan Entrepreneurs

Indha Syahriany*1, Sirojuzilam Hasyim2, Erlina2

1Regional and Rural Planning Study Program, Postgraduate School, Universitas Sumatera Utara, Medan, 20155, Indonesia
2Department of Development Economics, Faculty of Economics and Business, Universitas Sumatera Utara, Medan, 20155, Indonesia
3Department of Accounting, Faculty of Economics and Business, Universitas Sumatera Utara, Medan, 20155, Indonesia

Abstract. *Development aims to improve and increase the welfare of the public and create innovation in the community. A business has an important role in the economy. Because it can absorb labor, in addition, it takes the ability to understand all the needs and desires of consumers to generate higher incomes. The study aims: 1) to determine and analyze what strategies can be done in the development of J-Walk so that the revenue of entrepreneurs in J-Walk Medan increase, 2) to determine and analyze whether the factors of product, price, place and promotion affect the purchase interest of J-Walk Medan consumers. The research is carried out at J-walk Medan which is located in the residential area of J-City, Medan, precisely in the Medan Johor area. The results demonstrate that: 1) Product has positive and significant effect on purchase interest. 2) Place is not significant to purchase interest. 3) Price has a positive and significant effect on purchase interest. 4) Promotion has a positive and significant effect on purchase interest.*

Keywords: Place, price, product, promotion, purchase interest

Abstrak. Pembangunan bertujuan untuk memperbaiki dan meningkatkan kesejahteraan masyarakat, serta menciptakan inovasi di dalam masyarakat tersebut. Suatu usaha memiliki peranan penting dalam perekonomian. karena dapat menyerap tenaga kerja, selain itu dibutuhkan kemampuan untuk memahami segala kebutuhan dan keinginan konsumen untuk menghasilkan pendapatan yang lebih tinggi. Penelitian ini bertujuan : 1) Untuk mengetahui dan menganalisis strategi apa saja yang bisa dilakukan dalam pengembangan J-Walk agar pendapatan pengusaha di J-Walk Medan meningkat. 2) Untuk mengetahui dan menganalisis apakah faktor produk, harga, tempat dan promosi berpengaruh terhadap minat beli konsumen J-Walk Medan. Hasil penelitian menunjukkan bahwa : 1) Produk berpengaruh positif dan signifikan terhadap minat beli. 2) Tempat tidak signifikan terhadap minat beli. 3) Harga berpengaruh positif dan signifikan terhadap minat beli. 4) Promosi berpengaruh positif dan signifikan terhadap minat beli.

Kata Kunci: Produk, harga, tempat, promosi, minat beli

Received: 20-08-2022 | Revised: 22-09-2022 | Accepted: 10-10-2022

1. Introduction

J-Walk is a culinary place that carries a modern, contemporary, and outdoor concept. The concept and design of this culinary center are laid out neatly and cleanly. J-Walk also provides

*Corresponding author at: Postgraduate School, Universitas Sumatera Utara, Jalan Prof. Mass, Medan 20155, Indonesia

E-mail address: indha_1906@yahoo.com | doi: https://doi.org/10.32734/jeds.v3i2.8132

prayer room facilities, toilets, and also a play area for children so that it becomes an attraction for visitors. In addition to presenting various culinary choices, on J-Walk, visitors can also listen to live music, and enjoying the existing culinary. At J-Walk there are 25 food tenants and 5 non- food tenants. The visitors who come are also quite crowded, it's just that many of the visitors who come are just to sit around and watch and listen to live music without buying, so that it does not add to the income that is quite meaningful for entrepreneurs in J-Walk. This is what makes it important to research buying interest in J-Walk, it needs to be researched more deeply what are the things that can increase buying interest in J-Walk.

The phenomenon of people's buying interest in the last 2 months at J-Walk currently seems to have increased greatly. This is because tenants have added more specific types of food menus & adjusted prices and added more seats so that visitors are enthusiastic about buying at J-Walk. Therefore, J-Walk needs to choose and make the right products according to customer needs, set prices that match the quality of the product, and affordable, make the place more flexible for visitors, and promote J-Walk so that customers are interested in visiting.

The strategic location that is the main advantage of J-Walk itself is assisted by the existence of a connecting road located in housing that can be accessed by the general public. This connecting road itself connects Karya Wisata road and Luku road as each gate to enter J-City makes it easier for visitors to go to J-Walk. J-Walk offers products that can be consumed by all levels of society because there are ancient concepts & there are also those with contemporary concepts so there are many young people who visit J-Walk. Prices are also adjusted to the contents of the pocket, from cheap to expensive according to the quality, so that visitors can freely choose food according to their needs.

The factors that affect buying interest, an interview with some visitors to J-Walk. The causes of the lack of interest in buying consumers to make product purchases at J-Walk are: 1) The place is too narrow with so many tenants, 2) Less seating facilities, 3) Prices that are more expensive than elsewhere outside J-Walk, 4) Bad serving, 5) Expensive prices but less calculated taste. Rahmawati et el, in [1] showed that individually variable products, places, people, processes, and physical evidence had a positive significant relationship on consumers buying interests, while price and promotion variables had negative significant relationship. All variables have a significant relationship collectively with consumer buying interests and the most dominant variable in process.

Todaro and Smith in [2] economic development is a multidimensional process that involves major changes in economic structure, social change, reducing or eliminating poverty, reducing inequality and unemployment in the context of economic growth. In addition, an effort is required to be better able to create new innovations that can make consumers

interested in the business, in addition, good marketing is also needed, as well as the existence of strategies used to scout market position, attract and delight customers, compete successfully, perform operations, and meet organizational goals [3].

In accordance with the background above, the purpose of this study is to find out and analyze what strategies can be done in the development of J-Walk so that the income of entrepreneurs in J-Walk Medan increases and to find out and analyze whether product factors, prices, places and promotions affect the buying interest of J-Walk Medan consumers.

2. Methods

The research was conducted at J-Walk Medan located in the J-City Medan Housing area from April to June 2021. The data sources used are primary data and secondary data obtained from entrepreneurs, textbooks, and the internet. Data collection techniques consist of Interviews, Observations, and Questionnaires. The population in this study was all visitors who came to J-Walk in a matter of 350 visitors per day and sampled using the Slovin formula as follows:

$$n = \frac{N}{1 + Nd^2} = \frac{350}{1 + (350 \; x \; 0{,}01)} = \frac{350}{4.5} = 77.77 \approx 78$$

The data analysis used in this study is the Partial Least Square (PLS) approach. Data analysis in this study was conducted using Smart PLS V.3.0 software.

2.1 Measurement of (Outer Model) Testing

This measurement can be done by means of a reflective indicator validity test and a reflective indicator reliability test. Reflective indicator validity tests are used in two methods: convergence validity test and discriminant validity test and reliability test. In this study, the reliability value seen comes from composite reliability, while Cronbach's alpha is not used because composite reliability is better at estimating the internal consistency of a construct.

2.2 Structural (Inner Model) Testing

Ghozali, in [4] the inner model describes the relationship between latent variables based on substantive theory. Using path coefficient analysis, the coefficient of determination (R2). Analysis of the influence of free (exogenous) on bound variables can be seen in the Path Coefficient.

The equations in this testing are:

$$Y = \gamma_1 X_1 + \gamma_2 X_2 + \gamma_3 X_3 + \gamma_4 X_4 + \varsigma$$

Where :

Y	=	Consumer Buying Interests
X1	=	Product
X2	=	Price
X3	=	Place
X4	=	Promotion
$\gamma_1, \gamma_2, \gamma_3, \gamma_4$	=	Coefficient values of the influence of exogenous variables on endogenous variables
ς	=	Galat Model

2.3 Hypotheses Testing

Testing hypotheses can be seen from t-statistical values to indicate the level of significance. For hypothesis testing using statistical values, the alpha 5% t-statistic value used is greater than 1.96 through the bootstrapping process. So, the acceptance/rejection hypothesis criteria are Ha accepted and Ho rejected when t-statistics >1.96. To reject/accept a hypothesis using probability then Ha is accepted if the value $p < 0.05$.

Table 1. Average Variance Extracted (AVE) Values

Variables	AVE Values	Information
Product (X_1)	0.800	Valid
Place (X_2)	0.798	Valid
Price (X_3)	0.848	Valid
Promotion (X_4)	0.777	Valid
Consumer buying interest (Y)	0.810	Valid

The provision regarding the measurement parameter (rule of thumb) of the measurement model (outer model) that the AVE is considered to have met convergent validity if the AVE value greater than 0.50 is in line with Ghazali and Hengki, in [5] so based on the table of AVE values above, it can be known that the AVE value of each construct has been valid, so that the construct has fulfilled the validity of the convergence.

3.1.2 Result of Reliability Test

The reliability test results on each variable can be seen in the following Table 2 below:

Table 2. Composite Reliability Values

Variables	Composite Reliability	Information
Product (X_1)	0,952	Reliable
Place (X_2)	0.952	Reliable
Price (X_3)	0.965	Reliable
Promotion (X_4)	0,964	Reliable
Consumer buying interest (Y)	0,955	Reliable

Based on the Table 2 above it can be known that all indicators used in measuring each variable have been valid and reliable.

3.1.3 Result of Path Coefficient Analysis

The results of PLS in assessing path coefficient and R-Square values can be seen in the following Table 3:

Table 3. Path Coeficient Values

Variables	RBIA (Y) Implementation
Product (X_1)	0.248
Place (X_2)	0.174
Price (X_3)	0.317
Promotion (X_4)	0.248

Based on the Table 3 above, the structural equations formed are as follows: Consumer Buying Interest = 0.248 Products + 0.174 Places + 0.317 Price + 0.248 Promotions. Product variables, places, prices, and promotions have positive coefficients. This means that if the product, place, price, and promotion increase, it will increase the interest in buying consumers.

3.1.4 Results of Determination Coefficient Value Test (R^2)

Based on the results of PLS output can be known the value of R-Square adjusted by 0.843 which means the variation in consumer buying interest can be explained by construct variables (products, places, prices, and promotions), by 84.3%, while the remaining 15.7% is influenced by other variables not contained in this research model. The value of R^2 of 84.3 shows a strong effect, because the value of R^2 is greater than 0.67, it can be concluded that the model used in this study is relatively good.

3.2 Hypothesis Test Results

The results of hypothesis testing conducted by looking at the value of t-statistics resulting from the bootstrapping process can also be seen in the following Table 4:

Table 4. t-Statistics Values

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Results
Products (X_1) → Consumer's buying interest	0.248	0.124	2.006	0.045	Accepted
Products (X_2) → Consumer's buying interest	0.174	0.150	1.163	0.245	Rejected
Prices (X3) → Consumer's buying interest	0.317	0.139	2.284	0.023	Accepted
Promotions (X4) → Cunsumer's buying interest	0.284	0.139	2.048	0.041	Accepted

Based on the results of tests in Table 4, the value of t-statistics is greater than 1.96 and the p-value value < 0.05, the statistical hypothesis states that products, prices, promotions have a

positive and significant influence on consumer buying interest, while the place is not significant to the consumer's buying interest.

3.2 Discussion

3.2.1 Effect of Products, Places, Prices, and Promotions on Buying Interest in J-Walk Medan

1. Effect of Product on Buying Interest

The results showed that the product had a positive and significant effect on buying interest. This can be known from the results of the value of t-statistics 2.006 greater than 1.96 and the P-value of 0.045 smaller than 0.05, then the hypothesis is accepted. The consumers in choosing a product not only look at the price, but also through the appearance of the product offered whether it is attractive, clean and neat which will create a decision to purchase goods.

The positive and significant influence of the product on the Buying Interest of consumers shows that any increase in the resulting product will result in an increase in the consumer's decision to make a purchase. Therefore, entrepreneurs are required to always creative, dynamic, so that it will influence consumer interest in buy products that are in the J-Walk Medan area. The results of this study are the same as research conducted by Vivy, in [6] which states that products have a significant effect on consumers' buying interest to make rattan handicraft purchases in Palangkaraya.

2. Effect of Place on Buying Interest

The results showed that places had no significant effect on buying interest. This can be known from the results of the t-statistics value 1.163 smaller than 1.96 and the P-value of 0.245 greater than 0.05, then this hypothesis is rejected. This is because in J-Walk all tenants are in 1 place and the distance is also close so consumers are sometimes a little confused to choose which place is better to make purchases, while the seats in each tenant are also not too much, so it is also very influential in consumers' buying interest.

Location is one of the most important factors that affect the development of a business for entrepreneurs, the strategic and potential location of J-Walk Medan will bring in many consumers. Thus, if entrepreneurs at J-Walk want to increase consumers' buying interest, it is very necessary to pay attention to increasing the improvement of the place by repairing the ones that are still lacking and improving the already good ones. The results of this study are the same as research conducted by Firman, in [7] which states that the place has no significant effect on the purchase decision on Angkringan in Kulon Progo Paguyuban.

3. Effect of Price on Buying Interest

The results showed that prices had a positive and significant effect on buying interest. This can be known from the result of the value of t-statistics 2.284 greater than 1.96 and the P-value of 0.023 smaller than 0.05, then the hypothesis is accepted. Price can create a consumer's view of a product offered. Its economic impact has to do with purchasing power. The cheaper the price offered, the higher the consumer's interest in buying, on the contrary, if the price is higher, it will reduce consumers' buying interest.

Pricing is very important to pay attention to considering that price determines whether or not a product sells well or wrong in determining the price will be fatal to consumers' buying interest. Thus, if entrepreneurs at J-Walk want to increase consumers' buying interest, it is very necessary to pay attention to the factor of increasing prices by correcting what is still lacking and increasing the already good. The results of this study are the same as research conducted by Berty, in [8] which stated that prices and places have a positive and significant influence on consumer buying interest in MTC Giant Panam Pekanbaru Brick Shoe Store.

4. Effect of Promotion on Buying Interests

The results showed that prices had a positive and significant effect on buying interest. This can be known from the results of the value of t-statistics 2.048 greater than 1.96 and the P-value of 0.041 smaller than 0.05, then the hypothesis is accepted. There are several examples of promotions that can be done at J-Walk Medan such as weekend promos. On weekends, a wide range of products is available at a lower price than on weekdays which will attract consumers to come to the J-Walk area on weekend. The results of this study are the same as research conducted by Nora, in [9] which states that promotion has a positive and significant effect on consumer buying interest in Toko Mardhatillah Hijab Pekanbaru.

Based on the results of data processing, it turns out that 84.3% of consumer buying interest is influenced by products, places, prices, and promotions, in addition, there are still 15.7% of other variables that affect consumer buying interest. To find out other factors that affect buying interest, an interview with some visitors to J-Walk. The causes of the lack of interest in buying consumers to make product purchases at J-Walk are: 1) The place is too narrow with so many tenants, 2) Less seating facilities, 3) Prices that are more expensive than elsewhere outside J- Walk, 4) Too long in terms of food serving, 5) Expensive prices but less calculated taste.

3.2.2 J-Walk's contribution to the economic development of Medan Johor Area

The development of areas in this study can be seen from the welfare of the community which includes the absorption of labor and the income level of employers. With the J-Walk, there is also an increase in labor absorption because each tent in the J-Walk requires a minimum of 3 workers and there are even tenants who have 10 workers, so that with the absorption of labor, the labor can meet their living needs this can improve people's well-being, with the sufficiency of people's income in financing family living needs, the economic development of the region is going well.

Economic development in the Medan Johor area increased with J-Walk. This is because many visitors who come to J-Walk, so it can increase the income of J-Walk entrepreneurs, in addition to increasing local government revenue from the tax and levy sector. This is in line with Todaro dan Smith, in [2] where economic development is a multidimensional process involving major changes in both changes in economic structure, social change, reducing or eliminating poverty, reducing inequality and unemployment in the context of economic growth.

The existence of restaurants and food or drinking stalls in Medan Johor District has given its own color to Medan Johor Sub-District. J-Walk located in Pangakalan Masyhur Village of Medan Johor Subdistrict has 25 restaurants which in other words economic development in Medan Johor Sub-District with J-Walk has greatly increased, to create value for customers and build strong and profitable customer relationships, a reliable marketing strategy is needed. Strategies that can be done for the development of J-Walk Medan, includes:

1. Expand the tenant area
    The tenants in J-Walk are quite narrow and there are 30 tenants, it is necessary to hold a better layout strategy so that visitors are more flexible in choosing which place to use.
2. Expanding seats
    The J-Walk area is not large, there are not too many seats in J-Walk, it is recommended to add seats with better placement so that it looks spacious and can increase seats even with a seat that is not too spacious.
3. Make the latest innovations to the products offered
    This is very important, especially for businesses that have many competitors. Innovations that can be done include providing food menus in the form of packages at affordable prices so that consumers are interested in buying products at J-Walk.
4. Promoting on social media
    In the digital era like now, the role of social media is very powerful in carrying out any activity, especially when used as a medium to market a business. Another advantage of promoting using social media is that it can reach a wider market.

4. Conclusions

Based on the results of the data analysis as previously described, it can be concluded as follows:

1. Strategies that can be done for the development of J-Walk Medan include expanding the tenant area, and increasing seating facilities and making the latest innovations to the products offered, and promotions on social media so that consumers are interested in buying products on J-Walk.

2. Products, prices, and promotions have an effect and significant impact on consumers buying interest to increase the income of J-Walk Medan entrepreneurs.

3. The place is not significant to the consumer's buying interest so it has no effect in terms of increasing the income of J-Walk Medan entrepreneurs.

References

[1] Rahmawati, A. U., Handayani, S. M. and Setyowati, S. "Analysis of 7P Marketing Mix Factors on Consumer Buying Interests Dodol Kawista Cap Dewa Burung in Rembang District," HABITAT, vol. 32, no. 1, 2021.

[2] Todaro, M. P. and Smith, S. C. Pembangunan Ekonomi di Dunis Ketiga. Edisi Kedelapan Jilid 2. Erlangga. Jakarta. 2003.

[3] Arthur, A. T. Strategy. New York: Irwin. 2004.

[4] Ghozali, I. Structural Equation Modeling Metode Alternatif Dengan Partial Least Square (PLS). Semarang: UB Undip. 2015.

[5] Ghozali, I. and Hengky, L. Konsep, Teknik, Aplikasi Menggunakan Smart PLS 3.0 untuk Penelitian Empiris. Semarang: BP Undip. 2015.

[6] Vivy, K. "The Strength of a Business Strategy with Value Innovation for Rattan Handicraft Entrepreneurs in Central Kalimantan, Indonesia," The International Journal of Business & Management, vol. 7, no. 12, 2019.

[7] Firman, Z. F. Analisis Pengaruh Kualitas Produk, Harga, dan Tempat Terhadap Keputusan Pembelian (Studi Kasus Di Paguyuban Angkringan Wates, Kulon Progo). [Thesis] Universitas PGRI, Yogyakarta. 2015.

[8] Berty, W. T. "Pengaruh Promosi dan Harga Terhadap Minat Beli Konsumen Pada Toko Sepatu Batam TC Giant Pekanbaru," Journal Online Mahasiswa Fakultas Ilmu Sosial Politik, vol.6. 2019.

[9] Nora, S. Pengaruh Promosi Terhadap Minat Beli Konsumen Di Toko Mardhatillah Hijab Pekanbaru Di Tinjau Munurut Ekonomi Syariah. [Thesis]. Universitas Islam Negeri Sultan Syarif Kasim, Riau. 2020