

Original Article

Phenomenological Study: The Meaning of Profits and Determination of Profits for Street Vendors in Waterfront Pontianak

¹Dela Febrianti Tarigas, ²Elok Heniwati, ³Vitryan Espa

^{1,2,3}Accounting Study Program, Faculty of Economics and Business, Tanjungpura University, Pontianak.

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Abstract: This research aims to find out, analyze and contribute to the meaning of profit and profit determination from the perspective of street vendors on the Pontianak waterfront. The research uses qualitative methods with a phenomenological approach. Data collection methods used were observation, interviews and documentation. The data analysis techniques used are data collection, data reduction, data presentation and conclusions. The research results show that there are five meanings, namely sincerity: running a business, sincerity, improving quality, difference in expenses, savings, and gratitude: the cost of living. In general, there are still a number of informants who do not know what profit is and better understand what profit means, and this is largely caused by several factors, one of which is the level of education. There are still very few MSME players who keep records, even though recording is very important for MSMEs, even though keeping records might make it easier for MSME players to know and compare the profits they earn in certain periods.

Keywords: Meaning of Profit, Determination of Profit, Traders.

I. INTRODUCTION

Indonesia has a population of 277.7 million people, making it the country with the fourth largest population in the world (katadata.co.id). The increase in population forces the government to create more jobs, but in reality, jobs are still limited. The high population causes rapid urbanization, where many rural residents move to cities because cities are considered to offer better job opportunities (Tenriapati, 2019).

One of the professions that is popular in urban areas is street vending. This research aims to understand profits and how street vendors calculate them, as well as highlight the lack of understanding of accounting among them. Street vendors are often considered to be an eyesore in the city, but they are easy to find and are part of the informal sector (Abadiyah, 2020).

According to Sakri et al. (2018), the informal sector is unorganized businesses and most of them are legal but not registered. In developing countries, 30-70% of the urban workforce works in the informal sector, including street vendors. They chose this profession because it is easy to do regardless of educational background (Tiswiyanti, 2018). Street vendors sell on the sidewalks and try hard to earn a decent living.

Although street vendors always interact with society, they are also closely related to money. This profession will continue to exist as long as society needs it. Street vendor income can influence economic development and reduce poverty and income inequality (Wibowo et al., 2021).

Accounting plays an important role for small businesses, including street vendors. Recording daily transactions is very important for financial management. Several street vendors have implemented financial recording even though some feel they do not have the expertise to do so (Sakri, 2018). Price increases affect street vendors' profits, which depend on their ability to minimize production costs (Abadiyah, 2020).

Previous research, such as by Sakri (2018) and Abadiyah (2018), shows that street vendors have a unique concept of profit based on their experience. This research was conducted at the Waterfront of Pontianak City, which has many street vendors. Researchers hope that this research will be useful for street vendors in increasing profits and carrying out simple bookkeeping.

Researchers are interested in examining the phenomenology of profits at Waterfront Pontianak, a strategic place with many street vendors. It is hoped that this research can help street vendors understand and manage their profits better because bookkeeping is an important aspect of all types of businesses.



Based on the background description, this research aims to answer several main questions: (1) What is the meaning of profit in the view of street vendors on the Pontianak waterfront? and (2) How to analyze and contribute to the meaning of profit for street vendors? This research aims to understand the meaning of profit and how to determine it from the perspective of street vendors on the Pontianak waterfront, as well as to analyze and make a practical contribution to understanding and determining this profit.

This research has two main contributions. First, theoretical contributions are expected to provide additional insight into understanding the meaning and determination of profit which can be used as guidance and development of knowledge for researchers and related parties. Second, practical contributions, both for academics and street vendors. For academics, this research is expected to enrich accounting knowledge and provide new theories that can help optimize profits for small traders. Meanwhile, for street vendors, this research is expected to increase knowledge about the meaning and determination of profit, help them find ways to achieve optimal profits and improve their standard of living towards a better economy.

II. THEORETICAL STUDY

A) Phenemological Studies

Phenomenology is an approach to investigating human experience that aims to develop knowledge logically, systematically, and critically without a dogmatic basis (Hadi et al., 2021:22). As part of qualitative research, phenomenology focuses on experiences that arise from human consciousness. Phenomenological studies target two things: textual description (what the subject experiences regarding the phenomenon) and structural description (how the subject experiences and interprets the experience). This research highlights intentionality, namely the relationship between the process of awareness and the object of attention in that process.

B) Informal Sector

Tenriapati (2019) states that the informal sector is a small business unit that is not official, operates without a business license, and is managed individually with high freedom. This sector is important for developing countries because it absorbs workers, especially from poor rural areas, although life in cities is not always better. Abadiyah (2020) added that the informal sector has characteristics such as small capital, simple equipment, does not require government permits, small business scope, and does not require special education.

C) Street Vendors

Abadiyah (2020) states that street vendors are hawkers who use carts on the sidewalk, while Tenriapati (2019) refers to them as traveling salesman. Street vendors manage their own businesses, from planning to controlling and absorbing labor and helping reduce unemployment. Even though they are often considered an eyesore to cities, they are growing rapidly in developing countries because of limited employment opportunities and offering goods at low prices.

The characteristics of street vendors, according to Abadiyah (2020), include low education, specialization in service groups, goods from small producers or self-production, low capital, and commercial relationships with buyers. Their role in the economy includes helping the lower middle class, encouraging urbanization, reducing the aesthetics of cities, reducing shop sales, and reducing unemployment.

D) Grouping of Street Vendors

There are several groupings of street vendors described according to Umsiani (2019), including:

- A kiosk is a semi-permanent business place that is usually made of boards and remains in one location.
- Semi-Permanent Warung is an arrangement of carts equipped with tables and benches, usually fixed, and selling food and drinks.
- Carts Street vendors use carts to serve food and drinks, with cloth or other protection to avoid dust.
- Vendors use cloth or mats to serve food, and this category is often found in grocery stores.
- These traveling traders' baskets carry their merchandise, making it easier for them to carry and sell goods.

E) Goods Sold by Street Vendors

Street vendors sell three types of goods: unprocessed food, ready-to-eat food, and uncooked food such as meat and fruit. They usually sell in strategic public places such as sidewalks, road shoulders and roads.

F) Definition of Profit

Profit is the difference between income and costs in a certain period.

According to Abadiyah (2020), profit is used to measure operating activities based on accrual accounting. Income and earnings are related to company activities, where income is obtained from operational and non-operational activities.

G) Elements of Profit

The elements of profit, according to Abadiyah (2020), include:

- Income: Increase from company activities. Expense: The flow
- of use of assets or increase in liabilities. Costs: Expenditures
- to obtain goods or services. Gain-loss: Increase in equity
- from a transaction.
- Income: Revenue and profits minus expenses and losses.

H) Types of Profit

Types of profit include:

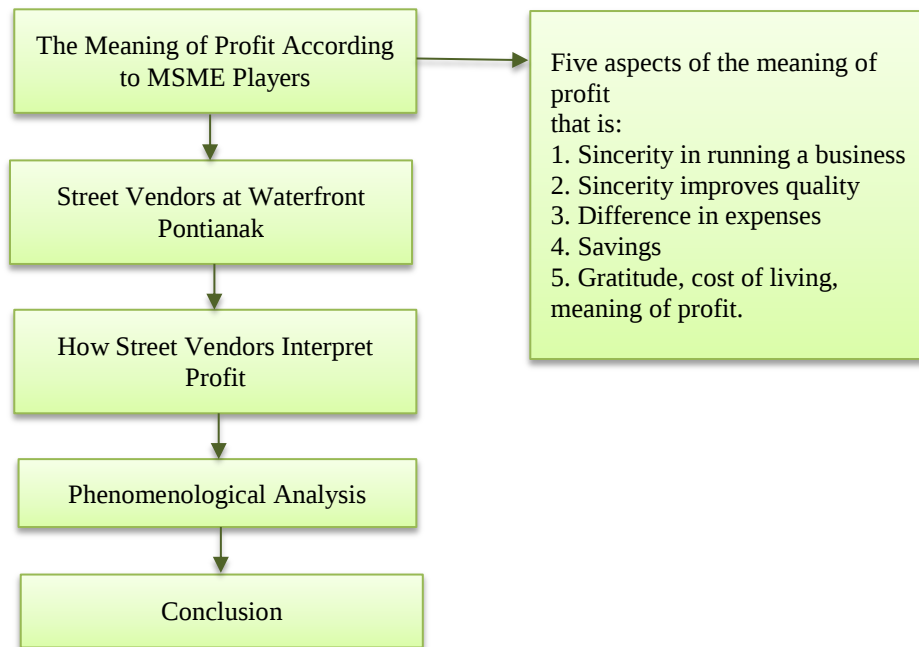
- Gross Profit: Revenue from sales before direct expenses.
- Net Profit: Income after all expenses have been subtracted from gross profit.

I) Factors Affecting Profit

Factors that influence profits, according to Umsiani (2019), include:

- Capital: Determinant of business management results.
- Length of Working Hours: Working time that affects wage income.
- Experience: Length of time doing business, which affects business stability.

The following is the framework for thinking in this research, which can be seen in Figure 1 as follows:



Source: Process data 2024.

Fig. 1 Research Conceptual Framework

III. RESEARCH METHODS

This research uses a qualitative method with a phenomenological approach, which is descriptive and uses an inductive approach to collect data in natural conditions. The focus is on the source of the problem in the field, emphasizing the individual's subjective experience of the phenomena experienced (Fidela, 2021). The phenomenological study in this research was applied to reveal the meaning of profit and how street vendors at Waterfront Pontianak determine it through in-depth interviews and observations.

Researchers use the transcendental phenomenology method to understand people's awareness of the meaning of profit from selling. Primary data was obtained from interviews with three street vendors at the Waterfront, while secondary data was obtained from other relevant sources. Data collection techniques include direct observation, interviews, and documentation, which are then analyzed by collecting, reducing, presenting data, and drawing valid conclusions.

IV. DISCUSSION

A) Search for the Meaning of Profit

Exploring the meaning of profit for MSMEs at Waterfront is based on the personal experiences of the informants. Researchers let informants explain profits from their perspective without intervention. In this process, researchers found that most informants were not familiar with the word "profit". This is due to the level of education and the dominant use of regional languages. Of the five informants, only three understood the term profit.

Informant 1: Mr. Pauzan

Mr. Pauzan, selling since 2021, started his business at Waterfront because of his wife's encouragement after being laid off. The initial capital is around IDR 1,000,000, used for tables, food, and drinks. Daily income ranges from IDR 150,000 to IDR 350,000, depending on the weather. Pak Pauzan understands profit as profit from sales and separates capital from income for family needs.

Informant 2: Mrs. Layla

Mrs Layla, who started selling in 2022, used an initial capital of around IDR 500,000. Daily income ranges from IDR 100,000 to IDR 300,000. Although no Separating capital from personal income, Mrs. Layla understands profit as the difference between selling price and income.

Informant 3: Mr Man

Pak Man, selling for one year, started with a capital of IDR 800,000 for shophouse rental and materials. Before selling, he worked as a barber. Daily income is uncertain and depends on the weather. Pak Man doesn't understand the terms profit or accounting but sees profits when his merchandise runs out.

Informant 4: Mr. Iskandar

Mr. Iskandar has been selling for five years, using an initial capital of IDR 1,000,000. Income ranges from IDR 100,000 to IDR 800,000, depending on the crowd. He did not understand accounting or profit terms and did not separate capital from personal expenses.

Informant 5: Mr Wisman

Mr. Wisman, selling egg crusts since 2009, started with a capital of IDR 700,000. Monthly income is erratic, and he also takes orders for large events. Mr. Wisman understands profit as profit and records income and expenses to manage finances.

B) Meaning of Profit

➤ Sincerity in Running a Business

Pak Pauzan and Pak Man are aware of the risks and competition in business but persist in meeting their family's needs. Mrs Layla also emphasized the importance of having sufficient income for her family, even though there are many competitors. Mr. Iskandar and Mr. Wisman emphasized the importance of enthusiasm and learning from business experience.

➤ Sincerity, Quality

Mr. Pauzan and Mrs. Layla realize the importance of maintaining product quality to attract buyers. Pak Iskandar increased operational hours and sold additional products to increase profits.

➤ Expenditure Difference

Pak Pauzan and Pak Man understand profit as the difference between income and expenses. They use profits to meet family needs and manage business capital.

➤ Savings

Mrs. Layla and Mr. Iskandar set aside some of their profits as savings for urgent or future needs. They see profits as savings that can help in unexpected situations.

Understanding the meaning of profit among MSMEs at Waterfront varies depending on the level of education and experience. Profit is understood as profits from sales, differences in expenses and savings for urgent needs. Sincerity in running a business and maintaining product quality are also important factors in achieving profits.

V. CONCLUSION

This research concludes that there are five main meanings in understanding profits for street vendors at Waterfront Pontianak, namely sincerity in business, improving quality, differences in expenses, savings, and gratitude regarding the cost of living. Many informants do not understand the concept of profit in-depth, and they are more familiar with the term profit, which is caused by educational factors. Apart from that, financial recording is still minimal among MSME players, even though it is important to know and compare profits in certain periods. The recommendation for this research is to expand the

study to other types of MSMEs, such as fashion, food and beverages. This research is expected to be useful for MSMEs in understanding the importance of financial reports, which can help in applying for bank loans for business expansion. However, this research is limited to the Pontianak Waterfront area, so the results may be different in other locations.

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