

# The Factors that Influence the Demand for Used Clothing in the City of Tabanan, Bali

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## Abstract

The aim of the research is to examine the factors that influence the demand for used clothing in the city of Tabanan, Bali. The data used are primary data with purposive non probability sampling. The total number of respondents interviewed was 40 used clothing consumers in the city of Tabanan. The analytical method used is Ordinary Least Square (OLS) with the dependent variable is the quantity of used clothing demand. The results show that the price has a significant negative effect on the demand for used clothes. Income and product quality have a positive effect on the demand for used clothing.

**Keywords:** demand, price, income, product quality

## 1. Introduction

The existence of the formal sector and the informal sector actually complement each other. The informal sector sometimes actually subsidizes the formal sector by providing cheap goods and services for the formal sector (Adam, 2014). The trade sector is one of the sectors that has received attention from the government as an emphasis in developing independent businesses (Wulandari and Meydianawathi, 2016). Society in this modern era is driven by its consumption base. Consumption is not only driven on the basis of need, but these goods are transformed as objects of consumption which contain meaning that guides people to buy or not buy them, for example, is style (Tambulana, 2013). Branded clothes and high selling power may not be a problem for the rich, but for the lower class people who have low purchasing power, branded clothes with high prices are not the main thing. This doesn't mean they don't place much importance on style. If branded clothes at high prices are purchased, other needs will not be fulfilled so that people still need to compare prices according to their ability or purchasing power.

In the midst of a society that is passionate about new items, the latest trendy clothes, world brands, there are a few people who choose to consume used clothes, including the Balinese. The phenomenon of imported used clothing has long emerged, because not everyone can afford to buy clothes that have famous brands at high prices. The sale of used clothes began to grow rapidly where people had to be good at managing finances to meet their personal needs. In addition, the import of used clothes is caused by the availability of domestic clothes that cannot fulfill every need of the society. Therefore, the alternative solution is to consume used imported clothes that are still fit for use (Damsar, 2005).

The Ministry of Trade urges the public not to buy imported used clothing by issuing a Regulation of the Minister of Trade No.51 / M-DAG / PER / 7/2015 concerning the prohibition of importing used clothes. The regulation issued by the Ministry of Trade in 2015 aims to protect consumers from diseases and bacteria that are carried in these clothes because they can threaten public health. However, the fact is that the import of used clothes cannot be prevented and even eliminated, including in the city of Tabanan, one of which is the "Tabanan Frog Market". Frog Market is a traditional market that sells various kinds of clothing such as jackets, pants, clothes, and others. The public is more familiar with the Frog Market because of its used products. The Frog Market is not only the target of the people of Tabanan City, but people who come from outside the City of Tabanan are also hunting for used clothes that are available in the Frog Market (Ambarini, 2006). This condition causes the demand for used clothes in this market to continue. The increase or decrease in demand for used clothes will certainly have an impact on the quantity of demand, this can be caused by several factors. The first factor is price, according to Kotler and Armstrong (2012), price is the amount of money charged for a product or service or the amount of value that consumers exchange for the benefits of owning or using the product or service. The second factor that

affects the quantity of demand is income. Any change in people's income will cause changes to the demand for an item. The higher the income the higher the demand for these goods, vice versa, the lower the income, the lower the demand (Sadono Sukirno, 2003: 67).

The third factor is product quality, according to Kotler and Keller (2008) quality is the overall characteristics of a good or service, in terms of its ability to meet stated or implied needs. According to Kotler and Armstrong (2012) a product is anything that can be offered to the market to get attention, buy, use, or consume to satisfy a desire or need. Product quality is a product or service characteristic that depends on its ability to satisfy stated or implied customer needs.

## 2. Literature Review

### **Muhammad Arif et al (2014)**

Conducting research at the Terong Market in Makassar City which shows the results of the study that there is an influence between price, egg quality, income, and number of family members on the number of purchases, while service quality has no effect.

### **Akbar Ilham (2017)**

Conducted research in Kesesi Pekalongan Subdistrict which showed the results of the study that there was no partial effect between the price on the purchase amount, while the land area and the distance between plants had an effect. Simultaneously the price, land area, and spacing have an effect on the purchase amount.

### **Santi Pertiwi dan Eva Fauziah (2018)**

Conducting research at the retail company X in Karawang City which shows the results of the study that the variable taste has a positive and significant effect on the demand for food and clothing needs at Retail X Karawang. The item price variable has a negative and insignificant effect. The price of substitute variables has a positive and insignificant effect. The complementary goods price variable has a positive and insignificant effect. The income variable has a negative and insignificant effect. The income distribution variable has a positive and insignificant effect.

### **Lidia Susanti (2018)**

Conducting research at the Butik Market in Bukittinggi city which showed the results of study that the price, income and savings have the opportunity and have a significant effect on the demand for used clothing. The number of families and the age of opportunity and do not have a significant effect on the demand for used clothing.

### **Mezi Lastri (2013)**

Conducting research at the small and medium industries in Bukittinggi city which shows the results of the study are 1) the price of embroidered cloth has a positive and significant effect on the demand for embroidered cloth 2) consumer income has a positive and significant effect on demand for embroidery cloth 3) taste has a negative and insignificant effect on demand for embroidered cloth 4) demand for embroidered cloth 5) raw material prices have a negative and significant effect on the supply of embroidery cloth 6) labor wages have a negative and significant effect on the supply of embroidery fabrics.

### **Aris Mardiyono (2013)**

Conducted research in Semarang City which showed the results of the study that the variable has a negative effect on the price of fabric, the level of income has a significant positive impact on demand, while the replacement price variable has a positive effect on changes in supply. Fabric price variables have a significant positive effect, while the variable production costs negatively affect supply.

### **LNH Ading (2018)**

Conducting research at the Gedebage Market in Bandung City which shows the results of this study indicate that the partially the price, income, and product diversity variables have a positive and significant effect on the number of used clothing purchases, while the product quality variable has no effect. Simultaneously price, income, product diversity, and product quality have a positive and significant effect on the quality of local government financial reports by 62%.

### 3. Problem Formulation

The hypothesis of this study is:

- a) Price is assumed to have a negative effect on the quantity demanded
- b) Income is assumed to have a positive effect on the quantity of demand
- c) Product quality is assumed to have a positive effect on the quantity of demand
- d) Price, income, and product quality simultaneously have a positive effect on the quantity demanded

### 4. Research Methodology

This research design uses an associative quantitative approach. This research was conducted at the Tabanan Frog Market. This location was chosen as the research location because there were problems related to the regulations on the prohibition of importing used clothes but there was a high demand and the availability of adequate research data. The objects of research in this study are price, income, product quality, and quantity demand. Sources of data used in this study are primary data and secondary data. Primary data in this study are data obtained through interviews and questionnaires regarding prices, income, and product quality with respondents, namely consumers who buy used clothes. Secondary data used in this study are Population Ages 15 and Over who Work According to the Business Field of the Province of Bali, 2019, and the Percentage of Formal and Informal Workers in the Province of Bali, 2019. The data source is the Bali Province Central Statistics Agency (BPS).

The instrument used in this study was a questionnaire. In this sampling method the authors use non-probability sampling method because the population of this study is not known with certainty and by using a purposive sampling approach. The data collection methods used were questionnaires and interviews. The data analysis technique used is descriptive statistical analysis and inferential statistical analysis.

### 5. Analysis Result

#### Characteristics of Respondents

According to gender, the number of consumers of the Frog Market with the male gender was 25 people or 62.50 percent, while the consumers with the female gender were 15 people or 37.50 percent. These data indicate that the number of consumers is dominated by men.

According to age, the majority of Frog Market consumers are in the 18th - 22th age range, namely as many as 31 people or 77.50 percent. So it can be concluded that consumers of the Frog Market are more in demand by the younger generation, namely in the 18th - 22th age range, this is because the younger generation understands and follows fashion developments better.

According to occupation, the number of Frog Market consumers who work as contract employees is 8 people or 20.00 percent, while the consumers who work as private employees are 32 people or 80.00 percent. These data indicate that the number of consumers is dominated by workers as private employees.

According to married status, the number of married consumers of the Frog Market is 2 people or 5.00 percent, while the consumers who are not married are 38 people or 95.00 percent. This data shows that the number of consumers is dominated by those who are unmarried.

According to the number of family members, the majority of Frog Market consumers are in the range of 3 - 5 family members, namely as many as 34 people or 85.00 percent. So it can be concluded that the Frog Market consumers are more in demand by the smaller number of family members, namely in the 3 - 5 range.

#### Research Instrument Test Results

The results of the validity test show that each indicator in the X3 variable has a correlation coefficient value with a total score of all statement items greater than 0.30. This shows that the statement items in the research instrument are valid. The reliability test results show that each indicator in the X3 variable has a Cronbach's Alpha coefficient of more than 0.60. This shows that the instrument is reliability so that it can be used to conduct research

### Descriptive Statistical Analysis

Based on the results of descriptive statistical tests, it can be seen that the total sample used was 40 respondents. The price of the cheapest clothes is IDR 25,000 and the most expensive is IDR 200,000. The average price of clothes at the Frog Market is IDR 76,375.00. The lowest consumer income is IDR 500,000 and the highest is IDR 4,800,000. The average consumer income is IDR 2,082,500.00. Most of the product quality variables stated that they strongly disagreed with the statement "the ease of repairing the product if there is a defect or damage" by having the lowest average is 3.70 and expressing strongly agreeing with the statement "the diversity of the design of the product", by having an average the highest was 4.18. The average overall product quality is 32.03. The lowest demanded quantity is 1 unit and the highest is 8 units. The average quantity demanded is 3.5 units.

### Classical Assumption Test Results

Based on the results of the normality test, the Kolmogorov-Smirnov (K-S) statistical test value is 0.090 with the Asymp value. Sig. (2-tailed) of 0.200. This value states that the data is normally distributed, because of the Asymp value. Sig. (2-tailed) of 0.200 greater than  $\alpha = 0.05$  percent. Based on the results of the multicollinearity test, the value of each independent variable has a tolerance value greater than 10 percent (0.1) and a VIF value less than 10, so it can be said that the model is free from multicollinearity. Based on the results of the heteroscedasticity test, the value of each independent variable has a sig value. greater than 0.05, it means that the regression model does not contain symptoms of heteroscedasticity.

### Results of Multiple Linear Regression Analysis

1. A constant value of -4.110 means that if price (X1), income (X2), and product quality (X3) are fixed or equal to zero, then the quantity demanded (Y) will decrease or equal to -4.110.
2. Price regression coefficient ( $\beta_1$ ) of -1.402 means that if the price increases by one rupiah and other variables do not change or remain constant, the quantity of demand will decrease by -1.402.
3. The income regression coefficient ( $\beta_2$ ) is 6.426, which means that if income increases by one rupiah and other variables do not change or remain, the quantity of demand will increase by 6.426.
4. The product quality regression coefficient ( $\beta_3$ ) is 1.834, which means that if the product quality increases one unit and the other variables do not change or keep eating, the quantity of demand will increase by 1.834.

### Partial Test (t-test)

#### *The effect of price on the quantity demanded*

Based on the analysis results obtained a significance value of 0.043 with a beta coefficient value of -0.276. The significance value of 0.043 < 0.05 indicates that the price has a significant negative effect on the quantity demanded, meaning that if the price rises, the demand will decrease, and vice versa. A buyer definitely wants to get a product he wants at a price that certainly doesn't drain the pockets much, considering the current prices of basic necessities are also soaring. Based on the survey conducted, researchers found many buyers who expect a discount from the seller. With various kinds of sentences and expectations, buyers seem to forget that the goods being sold are actually quite affordable. But that's the buyer, wanting to get the cheapest possible price. It is not uncommon for researchers to hear ways to bid that don't make sense, of course this makes the seller grumble and ignore the buyer's offer. The results of this study empirically prove that the price has a significant negative effect on the quantity demanded, meaning that if the price rises, the demand will decrease and vice versa. The results of this study support the research conducted by Santi Pertiwi and Eva Fauziah (2018) suggesting that the price factor has a negative and insignificant effect on the demand for food and clothing.

#### *The effect of income on the quantity demanded*

Based on the analysis results obtained a significance value of 0.015 with a beta coefficient value of 0.317. The significance value of 0.015 < 0.05 indicates that the income has a significant positive effect on the quantity of demand, meaning that if income increases, the demand for goods made by an individual tends to increase as well, and vice versa. However, it is not uncommon for someone to buy used clothes because they want to save money compared to buying new clothes which are much more expensive than used clothes. The minimum income and the many necessities of life are also one of the reasons why people buy used clothes. For them, if the clothes are still suitable for use, it doesn't matter, the important thing is that the clothes are washed cleanly. The results of this study empirically prove that income has a significant positive effect on the quantity of demand, meaning that if income increases, the demand for goods made by an

individual tends to increase as well, and vice versa. The results of this study support the research conducted by Lidia Susanti (2018) which states that income has a positive and significant effect on clothing demand.

#### *The Effect of product quality on quantity demanded*

Based on the analysis results obtained a significance value of 0.000 with a beta coefficient value of 0.507. The significance value of  $0.000 < 0.05$  indicates that the product quality has a significant positive effect on the quantity of demand, meaning that a product is an important thing in determining the choice of a product by consumers. The quality of the products sold is something that attracts attention. From this, clothing becomes an alternative for people who want to stay stylish with a certain brand without having to pay a lot of money. The behavior issued by buyers to get the clothes they want or are still fit to wear is by messing up the clothes. All clothes are tried to be put back, try to put them back again and in the end, none of them are bought for reasons that are too small, the motive is crowd, and too long. But there are also those who have bid but don't buy because their clothes suddenly tear, the buttons are lacking, and the zippers are broken. The results of this study empirically prove that the product quality has a significant positive effect on the quantity of demand, meaning that a product is an important thing in determining the choice of a product by consumers. The results of this study support the research conducted by LNH Ading (2018) which states that product quality has a positive and significant effect on the number of used clothing purchases.

#### **Simultaneous Test (f-test)**

Based on the results of statistical test analysis, it is found that the F value of significance is  $0.000 < 0.05$ , which means that price, income, and product quality simultaneously have a significant effect on the quantity of demand. This result is supported by the coefficient of determination ( $R^2$ ) of 0.465 which means that 46.5 percent of the variation in quantity demanded is explained by price, income and product quality, while the remaining 53.5 percent is explained by other factors not included in the model.

## **6. Conclusion**

Based on the results of the discussion, it can be concluded that the price has a partially significant negative effect on the quantity of used clothing demand in Tabanan City. This means that if the price rises, the demand will decrease, and vice versa; Income has a partially significant positive effect on the quantity of used clothing demand in Tabanan City. This means that if income increases, the demand for goods made by an individual tends to increase as well, and vice versa; Product quality has a partially significant positive effect on the quantity of used clothing demand in Tabanan City. This means that a product is an important thing in determining the choice of a product by consumers; Price, income, and product quality simultaneously have a significant positive effect on the quantity of used clothing demand in Tabanan City.

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