THE INFLUENCE OF BUSINESS CAPITAL, BUSINESS COMPETITION ON THE DEVELOPMENT OF MOBILE PHONE SMES IN MEDAN

Anni Wati Tumanggor[1], Rindi Andika[2], Via Vio Ninda[3], Intan Amandayu[4], Muhammad Fakhri Lubis[5]
Management Study Program, Faculty of Social Sciences Universitas Pembangunan Panca Budi[1,2,3,4,5]
*Correspondence Email : anniwati@gmail.com

Abstract

The object of this research on Amy Mobile phone located in Area Jendral Gatot Subroto Medan is one of the businesses engaged in the sale of various brands of mobile phones and at the same time repair damage all kinds of brand mobile phones. Problems in this study related to business capital and market competition on the development of Small Micro Business Cellular Phone Amy Mobile in Medan. The result of the research shows that business capital, Market Competition simultaneously and significantly influence to Micro Small Business development, while partially positive and significant business capital variable influence to micro small business development and market competition variables have positive and significant influence on Micro Small Business development. Determination of the results of this study shows the development of Micro Small Business bias is explained by independent variables of business capital and market competition, while the rest (100% -85.1% = 14.9%) can be explained by other variables that have not been meticulously.

Keywords: Business Capital and Market Competition and Micro Small Business Development

INTRODUCTION

The role of MSMEs, especially since the economic crisis, can be seen as a safety valve in the national economic recovery process, both in encouraging the rate of national economic growth and employment. MSMEs are the bulwark of the national economy, so if the sector is ignored, it means not maintaining Indonesia's defense fortress. As an effort to improve the ability and institutional participation of MSMEs in the national economy, this empowerment needs to be carried out by the Government, Regional Governments, the Business World, and the Community as a whole, synergistically and sustainably. To realize this, the Government passed Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises. This law was drafted with the intention to empower micro, small and medium enterprises. Although micro, small and medium enterprises have shown their role in the national economy, they still face various obstacles and obstacles. Basically, the obstacles and obstacles faced by MSME actors in improving business capabilities are very complex and include various aspects where one with another is interrelated, including: lack of capital both in number and source, lack of managerial ability and operating skills and the absence of formal forms from the company, weak organization and limited marketing. In addition, there is also unhealthy competition and economic pressure, resulting in limited business scope. The variety of obstacles and obstacles faced by MSMEs, it seems that capital problems are still one of the critical factors for MSMEs, both for meeting working capital needs and investment capital in business development.

The credit provided by the government through the KUR program is expected to be in accordance with the ability of MSMEs, especially for micro and small enterprises (MSEs). The implementation of this KUR is expected to be a solution to the problems faced by MSEs in obtaining the additional business capital they need with affordable credit and simple procedures. With the additional capital obtained by MSEs, it is expected to increase income and develop their business. Amy Mobile is one of the businesses selling various kinds of cellular phones with various brands and also sells various kinds of package cards for various operators and also sells accessories for phones, Amy Mobile is located on Jalan Gatot Subroto Medan with capital from its own owner and currently needs capital to develop its business, due to the increasing number of customers and demand for phones and accessories, So several problems arise, among others, because of the lack of business capital to provide customer demand, the level of sales has not reached the maximum as expected, then it is difficult to get additional funds so that many customers are disappointed because they cannot meet customer demand, the more competition causes the sales level is still below the expected average so that the development of sales and business is not made significant progress.

LITERATURE REVIEW

Understanding Capital

Before talking about starting a business, usually many people will discuss capital, because not a few of the various entrepreneurs whose businesses went bankrupt due to capital management that has not been neatly organized. And before discussing much more deeply about what capital is, how the system is and everything that regulates capital for the development of business and business, it would be nice for us to discuss one by one about this capital division. which starts from what capital is.

Definition of Competition

Whether this competition is good or not for a business depends on the ability of the entrepreneur. According to (Kasmir, 2016) competitors are companies that produce or sell goods or services that are the same or similar to the products we offer. Business competition itself in the management dictionary can be interpreted as an activity to compete between entrepreneurs / businessmen with one entrepreneur / businessman in winning market share in an effort to offer goods and services to consumers with various marketing strategies applied.

Development of Micro Small Enterprises

Business development is a form of effort to the business itself in order to develop for the better and to reach at one point or peak to success. Business development is carried out by businesses that have begun to be processed and it looks like there is a possibility to be more advanced. According to Chandra (2010), business development is a condition of increased sales turnover. According to Suharto Prawirokusumo (2010), business development can be divided into 5 stages, namely conceptual stage, start up, stabilization, growth stage, and maturity.

METHOD

Research Approach

This type of research is quantitative research, namely research that emphasizes numerical data (numbers) processed by statistical methods (Azwar, 2007).

Population

Population is a complete group of elements, which are usually people, objects, transactions or events that we are interested in studying or becoming objects of research (Mudrajad, 2004). The population in this study is all consumers who come to shop at Amy Mobile Jalan Jenderal Gatot Subroto Medan, which amounts to infinity.

Sample

The sample is a part or representative of the population that is careful for just questionnaires, so if the subjects are less than 100, it is better to take all so that the research is a census study. If the number of subjects is greater than 100, 0% to 15% or 20% or more can be taken .

Data Analysis Techniques

In qualitative research, data sources are selected and adjusted to the research objectives (Sugiyono, 2013). The data analysis technique uses multiple linear regression analysis.

RESULTS AND DISCUSSION

Contents Results and Discussion

Analysis and Evaluation

The data are collected and compiled, classified, analyzed and evaluated and the latter takes decisions on the research. The results of the processing are:

Table 1. Descriptive Statistics

Descriptive Statistics

	Mean	Std. Deviation	N
Development of Micro Small Enterprises (Y)	21.94	8.135	35
Business Capital (X1)	13.11	5.588	35
Market Competition(X2)	20.89	7.423	35

SPSS processing results version 19.00

Based on Table 1, seen above, the average value of the Micro Small Business Development variable average value is 21.94 with a standard deviation of 8.135. For the Working Capital variable, the average value is 13.11 with a standard deviation of 5.588. As for Market Competition the average value is 20.89 with the standard deviation is 7.423, the number of respondents (N) is 35.

Multiple Linear Regression Analysis

Table 2. Multiple Linear Regression Equations

Coefficientsa

Type		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	1.180	1.624
	Business Capital(X1)	.807	.139
	Market Competition(X2)	.487	.104

a. Dependent Variable: Development of Micro Small Enterprises(Y)

SPSS processing results version 19.00

Based on Table 2 seen above, the regression equation is:

$Y = 1.180 + 0.807\ X1 + 0.487\ X2$.

A constant of 1.180 states that if there is no independent variable (value 0) then the dependent variable remains at 1.180, while working capital is 0.807, and market competition is 0.487 can be concluded hypothesis 2 is accepted.

Hypothesis Testing

The Fcalculate test basically shows whether all the independent variables included in the model have an influence together (simultaneously) the independent variable (X) on the dependent variable (Y).

Table 3. F Test Results

ANOVAb

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1934.572	2	967.286	98.166	.000a
	Residuals	315.314	32	9.854		
	Total	2249.886	34			

a. Predictors: (Constant), Market Competition(X2), Working Capital(X1)
b. Dependent Variable: Development of Micro(Y) Small Enterprises

Based on Table 3 seen above, the results of the statistical test F produce a Fcalculate value of 98.166 with a significant level of 0.00. Because Fcalculate 98.166 > Ftable 3.29 and the significant probability is much smaller than 0.05 which is 0.00 < 0.05, it can be said that Business Capital, Market Competition simultaneously and significantly affect the Development of Small Micro Enterprises.

Table 4. Test Results - t

Coefficientsa

Type		t	Sig.
1	(Constant)	.727	.473
	Business Capital(X1)	5.821	.000
	Market Competition(X2)	4.667	.000

a. Dependent Variable: Development of Micro Small Enterprises(Y)
SPSS processing results version 19.00

Based on Table 4 seen above, Market Competition calculated value 4,667 > table 1.693 with a significant 0.001 < 0.05, meaning that partially there is a positive and significant influence of Market Competition on the Development of Small Micro Enterprises.

Table 5. Determination Test Results

Model Summaryb

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.927a	.860	.851	3.139

a. Predictors: (Constant), Market Competition(X2), Working Capital(X1)
b. Dependent Variable: Development of Micro(Y) Small Enterprises

Based on Table 4.31 seen above that the amount of adjusted R square of 0.851 means 85.1% variation in Micro Small Business Development which can be explained by independent variables Business Capital and Market Competition, while the rest (100% - 85.1% = 14.9%) can be explained by other independent variables.

CLOSING

Conclusion

The results of statistical tests state simultaneously that all variables have a positive and significant effect, so Amy's mobile phone business must pay attention to business capital factors and market competition so that it can increase business development again, then you should try to increase modol, see trends and the amount of stock goods.

The results of statistical tests in the Business Capital variable are very influential meaning that Business Capital is the main factor for companies or businesses to increase assets both in purchasing new products and in providing spare parts tools so that consumers will make repeated purchases.

REFERENCES

Kasmir. (2016). Manajemen Sumber Daya Manusia (Teori dan Praktik). PT Raja Grafindo Persada.

Mudrajad, K. (2004). Metode Kuantitatif: Teori dan Aplikasi untuk Bisnis dan Ekonomi. UPP AMP YKPN.

Nasution, M.D.T.P., Rafiki, A., Lubis, A. and Rossanty, Y. (2021), "Entrepreneurial orientation, knowledge management, dynamic capabilities towards e-commerce adoption of SMEs in Indonesia", Journal of Science and Technology Policy Management, Vol. 12 No. 2, pp. 256-282. https://doi.org/10.1108/JSTPM-03-2020-0060

Nasution, M.D.T.P., Rini, E.S., Absah, Y. and Sembiring, B.K.F. (2022), "Social network ties, proactive entrepreneurial behavior and successful retail business: a study on Indonesia small enterprises", Journal of Research in Marketing and Entrepreneurship, Vol. 24 No. 1, pp. 141-160. https://doi.org/10.1108/JRME-07-2020-0095

Purba, Rahima Br.; Aulia, Farid; Tarigan, Vita Cita Emia; Pramono, Agus Joko; Umar, Haryono (2022). Detection of Corruption in Village Fund Management using Fraud Analysis. Vol. 23 Issue 190, p120-128. 9p. http://dx.doi.org/10.47750/QAS/23.190.14

Rafiki, A., Nasution, M.D.T.P., Rossanty, Y. and Sari, P.B. (2023), "Organizational learning, entrepreneurial orientation and personal values towards SMEs' growth in Indonesia", Journal of Science and Technology Policy Management, Vol. 14 No. 1, pp. 181-212. https://doi.org/10.1108/JSTPM-03-2020-0059

Rossanty, Y., Sari, P. B., Amlus, M. H., & Nasution, T. A. (2021). Islam, Opinion Leaders, and Social Media Influencer. In M. Abdul Mutalib & A. Rafiki (Eds.), The Role of Islamic Spirituality in the Management and Leadership Process (pp. 66-84). IGI Global. https://doi.org/10.4018/978-1-7998-6892-7.ch004

Ritonga, Husni Muharram, Indrawan, M. I., & Sari, D. S. (2022). A SEM Analysis Of Visitors' Interest In Pari City Village Tourism, Pantai Cermin District, Serdang Bedagai Region. Journal of Community Research and Service, 6(2), 126. https://doi.org/10.24114/jcrs.v6i2.35011

Sugiyono. (2013). Metode Penelitian Kuantitatif, Kualitatif dan R&D. Alfabeta.