

# The Influence of Motivation, Business Capital and Marketing Strategy on MSMEs Development during the Covid-19 Pandemic in Takalar Regency

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## ABSTRACT

*The purpose of this study is to find out and analyze how the influence of motivation, business capital and marketing strategy on the development of MSMEs during the COVID-19 pandemic in Takalar Regency. This study uses quantitative methods with data collection instruments in this study, namely questionnaires, observations and documentation. Informants in this study were 71 SME in Takalar Regency. Based on the results of the study, the results of the partial test showed that the motivational variable had no and insignificant effect on the development of MSMEs during the COVID-19 pandemic in Takalar Regency, while business capital and marketing strategies had a significant and significant impact on the development of MSMEs during the COVID-19 pandemic in Takalar Regency. Based on the test results, motivation, business capital and marketing strategies simultaneously have a significant and significant impact on the development of MSMEs during the COVID-19 pandemic in Takalar Regency.*

**Keywords:** motivation, business capital, marketing strategy, MSMEs development

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## 1. INTRODUCTION

The state of emergency or economic crisis felt by MSMEs with the coronavirus pandemic has become a big problem in business continuity. If a company or organization wants to maintain the business they have started from the start, performance is needed, including the MSMEs themselves. MSMEs is a stand-alone business unit that can be established by individuals or business entities in all sectors of the economy.

According to LIPI, the Rapid Assessment Survey on the Impact of the Covid-19 Pandemic on the performance of Indonesian MSMEs conducted online from 1-20 May 2020, 94.69% of businesses experienced a decrease in transactions during Covid-19. According to (Wibowo, 2018) In order for the performance of this MSMEs to experience a progress process, it is necessary to have a measuring tool in order to find out how the performance in the MSMEs progress process itself. As a result of the spread of COVID-19, PSBB (Large-Scale Social Restrictions) was imposed and the implementation of Work From Home (WFH) for both government and private employees affected the performance of MSMEs. (Hadi dan Supardi, 2020). The impact is very large for MSMEs actors due to the limitation of one person's interaction process, so there are fewer subscriptions, which usually shop directly, compared to the previous days.

The more uncontrolled the spread of this virus is, the more businesses will not survive. Because of that, business' owners feel restless because the business they have started from the start is threatened with the impact of the crisis due to this pandemic. From these problems,

business' owners or MSMEs are required to strengthen their performance and cooperate in order to maintain the continuity of their business which has been initiated from the beginning and rearrangement after the pandemic in the MSMEs sector with this in order to realize superior MSMEs. (Hadi et al., 2020).

Decrease in the quantity of MSMEs due to lack of work motivation, research conducted by (Sukirman, 2012; Isma, 2020) and (Purnama & Suyanto, 2010), where to get results if the work motivation of business people is high, the higher the progress in running a business. Work motivation is an impulse that comes out of business' owners so that they can work as much as possible and in increasing MSMEs. Motivation is defined as a factor that can influence employees in doing their work based on organizational goals, one of which is in the form of leadership style and so on. (Trihudiyatmanto, 2017).

An indispensable supporting element in building a business is capital. Why is that, because in running a business/business capital has an important role in it, the business will not be able to be built or run if there is no capital available. Business capital can be obtained through own capital, receiving assistance from the government, and from financial institutions such as banks or other non-banks (Purwanti, 2012; Isma, 2022). Likewise, research is carried out (Trisnawati et al., 2019) the results obtained where business capital affects the development of MSMEs. Capital is very important for assets that are used as basic costs in starting a business in order to increase MSMEs. Despite the fact that MSMEs in the national economy are considered to play a role in the implementation of sustainable economic development.

Another factor that can influence the development of MSMEs in Takalar Regency is the marketing strategy. Based on (Hardilawati, 2020) In order to be able to withstand the Covid-19 conditions, a strategy is needed by selling electronically, using computerized market procedures, further developing the quality of goods, adding services and strengthening good relations with consumers. The success of a business has become a fundamental goal for every company, where all business activities are carried out with the aim of achieving success/progress (Yani et al., 2020). With the use of a mature strategy, the work group can be coordinated, the subject knows the supporting variables according to the standard of implementing an objective mind, is proficient in financing and has tactics in achieving what has been arranged well. (Fitriyani, Ika., Nining Sudiarty., 2020).

Marketing results (MSMEs) in Takalar district requires extraordinary techniques, especially during this pandemic, where understanding what is needed and providing attractive services/prices such as lower prices than competitors (Astuti dan Amanda, 2020). Marketing is not just about making goods and selling them, but with marketing more to the needs/wants of consumers. According to (Kotler dan Keller 2009), Marketing is a desire related to customers, which means providing satisfaction to customers with good quality goods and the expectations of certain customer groups in order to make a profit. In essence, the development of digital-based MSMEs is certainly an effort for MSMEs to survive in this Covid-19 condition, besides that the development of digital MSMEs is also useful in accelerating the digital transformation process in Indonesia, which in its output MSMEs can compete on an international scale. (Arianto, 2020) and (Hasan, 2021; Isma & Alisyahbana, 2022). Therefore, the authors are interested in conducting further research on issues related to the research entitled The Influence of Motivation, Business Capital and Marketing Strategy on MSMEs Development during the Covid-19 Pandemic in Takalar Regency.

MSMEs development is expertise in socializing oneself to market needs carried out by a small entrepreneur, in this case an improvement in the standard of living of entrepreneurs. These activities require great performance, why is that due to business performance as a result that has been obtained in totality. Meanwhile, the work results, goals/benchmarks that have been set

earlier and have been mutually agreed upon with the business entity according to the asset and turnover criteria that have been stipulated in the law. (Rakib, 2010; Isma et al., 2022). Maintaining a high performance of determination is not enough, because maintaining the performance of MSMEs requires experience, extensive knowledge or increased knowledge of human resources because this is a factor in improving MSMEs performance. (Widjaja et al., 2018; Pada et al., 2022).

Work motivation is the setting of a main driving force that creates a person's passion for work, so that good cooperation is established and achieves satisfactory work results according to what is desired. Motivation as a driving force that can give a person encouragement in doing a job in the sense that the efforts made can achieve the goals to be achieved by the organization (Hasibuan, 2005). As pointed out by (Sunarto, 2005) Motivation can be said as an entity that fosters one's work spirit. The strength and weakness of a person's motivation in doing a job will determine the size of the work obtained. Motivation is very important in order to encourage someone to do a job. In this case it can improve a person's performance, motivation comes from Latin *movere* (move). Basically, a person's behavior is motivated by his own desire to get something that is the goal of the desire he wants to achieve.

According to (Purwanti, 2012; Isma et al., 2019) One of the factors in establishing a business is capital, where capital is defined as a factor that supports and is indispensable in establishing a business. The capital in question is capital which is interpreted as an amount of money that will be used to run a business or MSMEs. In addition to money capital there are also several other capitals such as determination, experience, courage, and knowledge, but most people have difficulty starting their business because of the difficulty in getting money capital. In the development of micro, small and medium enterprises to achieve income or profit, it can be influenced by a lot or at least the capital that will be used in establishing a business. Business capital is half and which will be used as a necessity in running a business, where business capital is an important element in the management or development of an MSMEs. If you use a lot of capital, the profit you will get will be more (Istinganah, 2020).

Marketing activity is something that really needs to be considered when starting a business, the behavior of a product is the hope of all sellers. One way that needs to be done in attracting the attention of consumers is by giving promotions using direct marketing (Hendrawan et al., 2019). A good marketing strategy is a strategy that can be a winner when competing directly, be it corporate or non-company. Marketing has a purpose in producing goods and services that have good quality goods so that they are targeted by buyers and are interested in owning these goods and being able to compete fairly with other entrepreneurs. (Nuraisiah, 2021).

## 2. METHOD

This study uses a quantitative research approach, which involves investigating numerical/numerical information to understand the results of the research we have studied. Data collection techniques are tools used to collect research information and research facts. In order to produce information, the data collection instruments used are: Questionnaire, Observation and Documentation. The total population in this study was 245 MSMEs in Takalar Regency. *Office of Cooperatives, SMEs and Trade of Takalar Regency 2021*. The sample is a part (subject) of the population. This includes a number of selected SME members. So, as an element and the population is a sample. This study uses 71 samples using the Slovin formula, which formula is used to calculate the population of a subject whose characteristics are not known with certainty.

### 3. RESULTS AND DISCUSSION

#### 3.1. Normality Test

Normality test is useful for determining if the data that has been collected is normally distributed or taken from a normal population. Normality test is used to test whether the data used is normally distributed or not. A good data is data that is normally distributed.

**Table 1.** Kolmogorov Smirnov Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		71
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.32518536
Most Extreme Differences	Absolute	.082
	Positive	.045
	Negative	-.082
Test Statistic		.082
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: *Data Processing Results, 2022*

From table 1 above, we can know the significance value at Kolmogorov Smirnov 0.200 > 0.05. So that the Normality Test can be said that the data is normally distributed based on the SPSS 25 calculation.

#### 3.2. Multicollinearity Test

Multicollinearity test is needed to determine whether there are independent variables that have similarities between independent variables in a model.

**Table 2.** Multicollinearity Test Results Coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Motivation	.946	1.057
	Startup Capital	.877	1.141
	Marketing strategy	.924	1.082

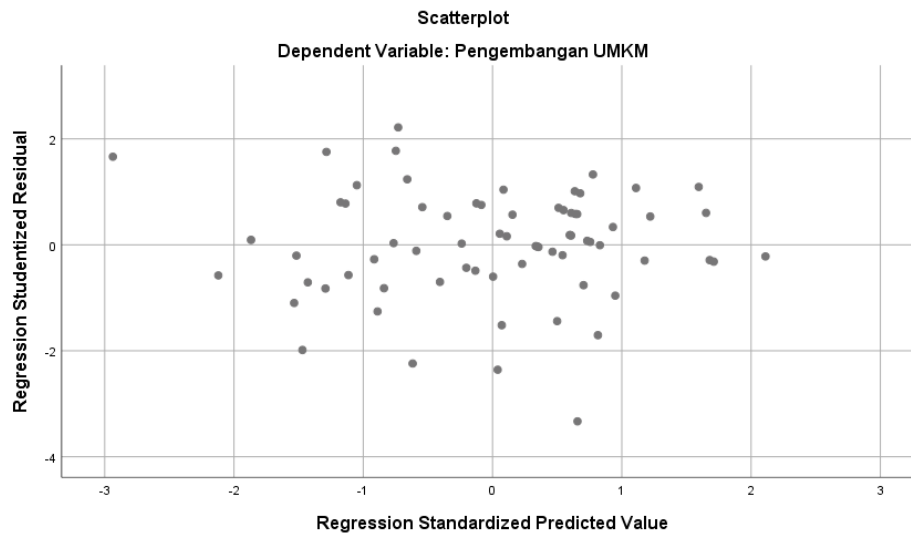
a. Dependent Variable: Y

Source: *Data Processing Results, 2022*

The results of the research above can be seen that the tolerance and VIF values indicate that all independent variables have a VIF value less than 10 and all tolerance values are more than 0.1. In this case, it can be concluded that from the data in table 2, above, there is no multicollinearity based on the SPSS 25 calculation.

#### 3.3. Heteroscedasticity Test

*Heteroscedasticity* tests the occurrence of differences in residual variance from one observation period to another observation period.



**Figure 1.** Heteroscedasticity Test Results

From the output above in Figure 1, we can see that the dots do not form a clear pattern, the dots spread above and below the number 0 on the Y axis. So, it can be concluded that there is no heteroscedasticity in the regression model.

### 3.4. Multiple Linear Regression Analysis

The test using multiple linear regression analysis aims to determine the effect of the motivation variable (X1), venture capital variable (X2) and marketing strategy variable (X3) on the development of MSMES (Y). The test results based on SPSS 25, are:

**Table 3.** Multiple Linear Regression Analysis Test Results

No	Variable	B Coefficient Value
1	Constant	638
2	Motivation	0,020
3	Startup Capital	0,435
4	Marketing strategy	0,245

Source: Data Processing Results, 2022

Based on table 3, it shows that the value of a (constant) is 638, the coefficient of the X1 variable is 0.020, the X2 variable is 0.435 and the X3 variable is 0.245 so that when entered into the regression equation the following equation is obtained:

$$Y = 638 + 0,020X1 + 0,435X2 + 0,245X3 + e$$

Based on the above equation can be explained as follows:

1. The regression equation above can be explained that the constant value is 638, it can be interpreted that if the variables of motivation, business capital and marketing strategy are considered constant or have not changed, then the change in MSMES development is 638.
2. The value of the beta coefficient on motivation is 0.020, a positive value indicates that there is a positive relationship between motivational variables on the development of MSMES. The regression coefficient value of 0.020 means that each additional value of one unit can increase the influence of changes in the development of MSMES by 0.020.
3. The value of the beta coefficient on the venture capital variable is 0.435, which is positive, indicating that there is a positive relationship between the business capital variable and the development of MSMES. The regression coefficient value of 0.435 means that each additional value of one unit can increase the effect of changes in the development of MSMES by 0.435.
4. The value of the beta coefficient on the marketing strategy is 0.245, a positive value indicates that there is a positive relationship between the marketing strategy variables on the

development of SMEs. The regression coefficient value of 0.245 means that each additional value of one unit can increase the influence of changes in MSMES development by 0.245.

### 3.5. T Test (Partial Test)

T test (Partial) is a test to determine the significance of the effect of the independent variable partially or individually on the dependent variable.

**Table 4.** T-Test Test Results (Partial Test)

		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model	B	Std. Error	Beta			
1	(Constant)	.638	8.671		.074	.942
	Motivation	.020	.126	.015	.158	.875
	Startup Capital	.435	.100	.437	4.364	.000
	Marketing strategy	.245	.067	.358	3.670	.000

a. Dependent Variable: MSMES Development

Source: Data Processing Results, 2022

1) T-test of Motivation Variable

It is known that the value of  $t_{count}$  Motivation variable is  $0.158 < 1.666 t_{table}$  and not significant at  $0.875 > 0.05$ . In this case  $H_1$  is rejected, it can be concluded that the motivation variable has no effect on the development of MSMES during the Covid-19 pandemic in Takalar Regency.

2) T-test of Working Capital Variable

It is known that the value of  $t_{count}$  Working Capital variable is  $4.364 > 1.666 t_{table}$  and significant at  $0.000 < 0.05$ . In this case  $H_1$  is accepted, it can be concluded that the Business Capital variable has an effect on the Development of MSMES during the Covid-19 Pandemic in Takalar Regency.

3) T-test of the Marketing Strategy Variable

It is known that the value of  $t_{count}$  Marketing Strategy variable is  $3.670 > 1.666 t_{table}$  and significant at  $0.000 < 0.05$ . In this case  $H_1$  is accepted, It can be concluded that the Marketing Strategy variable has an effect on the development of MSMES during the Covid-19 Pandemic in Takalar Regency.

### 3.6. F Test (Simultaneous Test)

This test is conducted to determine whether the variables studied in this study have a high level of feasibility to be able to explain the phenomena analyzed using the F test.

**Table 5.** F Test Results (Simultaneous Test)

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	262.701	3	87.567	15.503	.000 <sup>b</sup>
	Residual	378.454	67	5.649		
	Total	641.155	70			

a. Dependent Variable: MSMES Development

b. Predictors: (Constant), Marketing Strategy, Motivation, Business Capital

Source: Data Processing Results, 2022

From the results of data processing in table 5, above, we can know that Motivation, Business Capital and Marketing Strategy together have a significant effect on MSMES Development. Because of that the value of  $f_{count}$  15.503 >  $f_{table}$  2.51 or the resulting significance of 0.000 is smaller than the level of significance of 0.05. It can be concluded that Motivation, Business Capital and Marketing Strategy together or simultaneously affect the Development of MSMES in the Covid-19 Pandemic Period in Takalar Regency.

### 3.7. Coefficient of Determination

The coefficient of determination is used to measure how much the percentage change or variation of the dependent variable can be explained by changes or variations of the independent variable.

**Table 6.** Coefficient of Determination Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.640 <sup>a</sup>	.410	.383	2.377

a. Predictors: (Constant), Marketing Strategy, Motivation, Business Capital

Source: Data Processing Results, 2022

Based on the results of the research in table 6, the R Square value is 0.410, in the sense that the influence of Motivation (X1), Business Capital (X2) and Marketing Strategy (X3) simultaneously on the development of MSMES (Y) is 41.0% while the Adjusted R Square is 0.383, these results show that the percentage contribution of Motivation, Business Capital and Marketing Strategy variables has an effect on MSMES Development during the Covid-19 Pandemic in Takalar Regency by 38.3% while the remaining 61.7% is explained by other variables which is not present in this study.

## 4. CONCLUSIONS AND SUGGESTION

This research was conducted in order to find out more broadly how the influence of business capital motivation and marketing strategies on the development of MSMES during the Covid-19 pandemic in Takalar Regency. The results of the research obtained can be concluded that motivation has no influence and is not significant on the development of MSMES during the Covid-19 pandemic in Takalar Regency based on the results of the T Test (Partial Test) while business capital and marketing strategies have a significant and significant influence on the development of MSMEs during the pandemic. Covid-19 in Takalar Regency based on the results of the T Test (Partial Test). Based on the results of the analysis test conducted on the F test (Simultaneous Test) in this study, motivation, business capital and marketing strategies simultaneously affect the development of MSMEs during the Covid-19 Pandemic in Takalar Regency.

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