

## The Effect of Number of Customers, Working Hours, Business Location. E-Commerce Applications on Income of Micro, Small, and Medium Enterprises (SMES) in the City of Denpasar



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**ABSTRACT:** Denpasar City is the capital of Bali province, which has 11,126 MSME units in the trade sector. This number is recorded from the data of the Bali provincial office of cooperatives and small and medium enterprises in 2022. MSMEs in the trade sector MSMEs in the trade sector are businesses that have many types and varieties of businesses. One type of business is in the field of clothing, which is included in the fashion category. This study aims to analyze the effect of the number of customers, working hours, business location, and e-commerce applications on business income. and e-commerce applications on the income of micro businesses in the clothing sector in Denpasar City, both simultaneously and partially. The data in this study This study uses entirely primary data obtained by distributing questionnaires to 100 respondents who were used as research samples. The determination of the sample is determined by the proportionate accidental sampling technique. Technique The analysis technique used is multiple linear regression analysis. Research results The results showed that the variable number of customers, working hours, business location, and e-commerce applications simultaneously have a significant effect on revenue. E-commerce applications simultaneously have a significant effect on income-generating microbusinesses in the clothing sector in Denpasar City. Partially, the variable number of customers, working hours, business location, and e-commerce applications have a positive and significant effect on the income of micro businesses in the clothing sector in Denpasar City. Based on the research results, to increase business income, it is recommended to increase the number of customers and working hours, as well as choose a business location in the clothing sales centers and use e-commerce applications in marketing their products. marketing their products.

**KEYWORDS:** Number of Customers, Working Hours, Business Location, MSME, E-Commerce, Income

### I. INTRODUCTION

Micro, small, and medium enterprises (MSMEs) in Indonesia are one of the priorities in national economic development, apart from being the backbone of a populist economic system that is not only aimed at reducing the problem of inequality between income groups and between business actors, or poverty alleviation and employment. The existence of MSMEs is a very important thing in the economy. In unfavorable economic conditions, MSMEs are an alternative that can reduce the heavy burden faced by the national economy. According to Sumartini, the increasing use of the internet itself cannot be separated from the use of the internet, which not only functions as a means of communication but also as a means of shopping. The internet, which functions as a means of shopping, is called e-commerce. The world of e-commerce is wide open for MSME players to increase their sales. MSMEs are indirectly forced to change their transaction methods, which were originally offline, so during this pandemic they have switched to online. E-commerce is believed to be able to increase sales for MSME players. During the COVID-19 pandemic, e-commerce has a huge advantage over traditional transactions, offering reduced transaction costs and convenience for all consumers. During the COVID-19 pandemic, e-commerce was able to accelerate business development and speed up operational adjustments. The presence of e-commerce greatly helps the pace of the economy and business development in Indonesia because e-commerce creates and encourages people to become entrepreneurs. This can be proven by the number of e-commerce users who previously only wanted to make online purchases becoming online sellers by registering or opening an online store on e-commerce. This happens because e-commerce is already providing a market for sellers and buyers. It has also provided a market for sellers and buyers to conduct buying and selling transactions, making it easy to get suppliers for merchandise, easy promotion, and not having to have a physical store. In addition, e-commerce has advantages, including being able to reach the desired target customers accurately, faster, and cheaper for promotion, and being open 24 hours a day. In addition to the previously mentioned advantages, there is one more thing that is very important for a business, namely that e-commerce can increase sales turnover.

Bali Province is one of the provinces in Indonesia that is known for its tourism and unique culture (Wiyasa and Dewi, 2017). The diversity of arts, customs, and culture that continues to develop and be preserved to this day makes Bali an island that always wants

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to be visited (Ariessi and Utama, 2017). MSMEs in Bali are well known by local and foreign tourists because Balinese people are generally very creative and innovative. The development of small industries and small businesses in Bali has the potential to be developed considering that, basically, Balinese people have high creativity and local natural resources that are sufficient to contribute to increasing the income and welfare of the community and can support regional development programs (Budiartha and Trunajaya, 2013). 2). The trade sector is one type of MSME sector that is in demand by the population of Bali province. The types of MSME sectors are MSMEs in the agricultural sector, non-agricultural sector, trade sector, and various business sectors. The trade sector is one type of MSME sector that is in demand by the population of Bali province.

**Table 1.1 Data on the Number of MSMEs in the Trade Sector by Regency or City in Bali Province 2018-2022 (Unit)**

No.	Regency/City	Year				
		2018	2019	2020	2021	2022
1.	Badung	4.963	6.383	7.322	7.805	16.016
2.	Bangli	12.772	13.192	13.192	13.205	23.196
3.	Buleleng	25.403	26.998	27.713	42.337	44.143
4.	Denpasar	10.615	10.933	11.036	11.126	11.126
5.	Gianyar	21.121	17.303	17.336	30.377	30.455
6.	Jembrana	7.189	15.533	13.739	34.732	54.575
7.	Karangasem	13.149	13.695	14.388	47.220	24.236
8.	Klungkung	1.109	2.561	4.004	25.212	25.492
9.	Tabanan	6.235	2.488	2.562	3.014	25.416
	<b>Total</b>	<b>104.574</b>	<b>111.105</b>	<b>113.312</b>	<b>217.049</b>	<b>256.677</b>

**Source:** Department of Cooperatives, Small and Medium Enterprises, Bali Provincial Government in 2022

Based on Table 1.1, the existence of MSMEs in Bali is spread across nine regencies and cities. The number of MSME developments in the trade sector in Bali Province during the period 2018–2022 has increased from 104,574 units in 2018 to 256,677 units in 2022. The largest number of MSMEs in the trade sector is in Gianyar Regency, where in 2018 there were 21,121 units, but the number decreased dramatically, and in 2020 it was 13,739 units. The number of MSMEs has increased in the districts of Jembrana, Klungkung, Buleleng, Karangasem, and Denpasar City. In Table 1.1, Denpasar City has the lowest development in the number of MSMEs in the trade sector compared to the other 8 districts and cities. Even in 2022, there was no increase in the number from the previous year, which was 11,126. This is because Denpasar City is a crowded area with many shops and similar businesses. High competition can make it difficult for new MSMEs to survive or grow significantly. This competition may hinder the growth of the number of trade-sector MSMEs in Denpasar.

The number of MSMEs in the clothing (fashion) sector in all sub-districts in Denpasar city in 2022 will be 7,096 business units. Denpasar City is geographically divided into four sub-district areas: North Denpasar has 1,302 business units, West Denpasar has 3,011 business units, West Denpasar has 1,785 business units, and East Denpasar has 998 business units. The sub-district with the largest number of MSMEs in the clothing sector is the West Denpasar sub-district, totaling 3,011 business units. The sub-district with the smallest number of MSMEs in the clothing sector is the East Denpasar sub-district, with 998 business units. This shows that the distribution of MSMEs in the clothing sector in Denpasar city is still uneven, and there are still many MSME players who have not registered their businesses with the Office of Cooperatives and MSMEs. The income of MSMEs in the clothing sector is also influenced by external factors such as economic conditions, changes in fashion trends, and pandemic situations such as those that occurred in 2020 with the COVID-19 pandemic. These factors can have an impact on the income of MSMEs in the clothing sector in Denpasar City. Production value refers to the total value of goods and services produced by a country or company in a certain period. The value of production is measured by calculating the total revenue generated from the sale of these goods and services. It involves factors such as production costs, production inputs, labor, and production efficiency. A high production value indicates strong economic activity and a significant contribution to a country's economy.

One of the factors that can affect MSME revenue is the number of customers. In the traditional view, a company's customers are people who buy and use products produced by the company. These customers are people who interact with the company after the process of producing products (Diana, 2003). The longer a merchant has been in business, the more customers they have. The increase in the number of customers, both those who shop directly at the store and those who shop via online media, is one of the factors that can affect the income earned. Customers are needed by a business to develop and survive because the number of existing customers will affect the revenue received by the business. Based on research conducted by Subandi, the number of customers of a business has a positive and significant effect on business revenue. Likewise, based on First Media's annual report, which states that

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the number of subscribers will have a positive effect on revenue, positive effect on revenue. Increasing the number of customers is one of the biggest benefits of using e-commerce, but in addition to increasing the number of e-commerce customers, it can also increase the sales turnover of companies that use it. The location of the business is also one that affects the increase in income in a business (Chaiyasoonthorn and Suksa-ngiam, 2011). The location of traders who are considered strategic is on the edge of the main road or big road. This is because buyers can easily find the store and do not need to go far into the alleys to shop for their needs, and buyers will feel more efficient.

### **II. LITERATURE REVIEW**

Agglomeration theory is interrelated with location. The process of economic development and growth can be found in the agglomeration of economic activities. So agglomeration is expected to have a significant impact on the economy. Agglomeration is a term for the concentration of economic activities in a region (Firmansyah and Nasir, 2017). Agglomeration is a tendency of distribution that is clustered in a relatively narrow and favorable area. Because agglomeration contains elements of a process carried out together in carrying out spatial mobility and the formation of a location in economic activity (Putri and Sukadana, 2022). There is an agglomeration phenomenon, namely retail agglomeration. Retail agglomeration is the spatial concentration of retail stores. Retail agglomeration also occurs in Denpasar City. Agglomeration arises because there are efficient advantages to settling in certain locations that have access to available resources and the development of interconnected trade routes (Putri and Sukadana, 2022). Agglomeration has benefits as a result of externalities between stores; for example, when a buyer visits a shoe store, the buyer can also visit a clothing store in the vicinity, and vice versa, so that each type of store benefits.

The issue's formulation is a brief piece of writing that contains the author's questions about the topic. This problem formulation contains questions that the author hopes to answer in his scientific paper. The formulation of the issue in this study is as follows, based on the topic that has been discussed:

1. Do the number of customers, working hours, business location, and e-commerce applications simultaneously affect the income of MSMEs in the clothing sector in Denpasar city?
2. How does the number of customers, working hours, business location, and e-commerce applications partially affect the income of MSMEs in the clothing sector in Denpasar city?

The purpose of research is the expression of "why" the research is being conducted. The purpose of a study may be to identify or describe a concept or to explain or predict a situation or a solution to a situation, which indicates the type of study to be conducted. Based on the discussion that has been carried out, the research objectives are as follows:

1. To analyze the effect of the number of customers, working hours, business location, and e-commerce applications simultaneously on the income of MSMEs in the clothing sector in Denpasar city.
2. To analyze the effect of the number of customers, working hours, business location, and e-commerce applications partially on the income of MSMEs in the clothing sector in Denpasar city.

The purpose of research is to investigate the circumstances of, reasons for, and consequences of a particular set of circumstances. Such research is conducted to improve our understanding.

#### **1. Theoretical Benefits**

This research is expected to provide insights and knowledge that can provide a deeper understanding and can be used as the next reference regarding the income of MSMEs in the clothing sector, influenced by the number of customers, working hours, business location, and e-commerce applications.

#### **2) Practical Benefits**

##### **1. For MSME**

The results of this research are expected to be used to make a good decision for the performance of the business actors themselves and provide knowledge to MSME actors regarding technological advances to be applied in product marketing so that it can be further improved.

##### **2. For Researchers**

The results of this research are expected to give researchers insight into the performance of MSMEs and increase knowledge about references in the development of science to compare existing theories with reality in the field, especially in the fields of MSMEs and technology.

### **III. RESEARCH METHODS**

This study uses a quantitative approach in the form of an associative. Quantitative research is used to test the hypothesis that has been set (Sugiyono, 2012). This associative quantitative approach is used to determine the effect or relationship between two or more variables (Sugiyono, 2007). The research was conducted to determine the effect of the number of customers, working hours, business location, and e-commerce applications on the income of MSMEs in the clothing sector in Denpasar city. The research was

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conducted in Denpasar City in August 2023. Denpasar city was chosen because it is one of the areas with a large and varied population of MSMEs in the clothing sector, namely as many as 7,096 units. 7,096 units, where MSMEs in the clothing sector, which is included in the fashion sector, are included as superior MSMEs in Denpasar City after MSMEs in the culinary sector. In addition, Denpasar City is also one of the MSME trading centers. The object of research is something that will be studied by researchers who will draw conclusions (Sugiyono, 2013). The object of this research is the effect of the number of customers, working hours, business location, and e-commerce applications on the income of MSMEs in the clothing sector in Denpasar city. Based on the main problem that has been formulated, the variables are identified as follows:

- 1) Dependent Variable (Y) The dependent variable is the variable that is influenced or that becomes the result because of the independent variables. The dependent variable in this study is the income of MSMEs in the clothing sector in Denpasar city.
- 2) Independent Variable (X) Independent variables are variables that affect or cause changes or the emergence of dependent variables. The independent variables used are the number of customers (X1), working hours (X2), business location (X3), and online applications (E-Commerce) (X4).

Population is a generalization area consisting of objects and subjects that have certain qualities and characteristics that are applied by researchers to study and then draw conclusions (Sugiyono, 2013). The population in this study is all MSME business actors in the fashion sector in Denpasar city, which will be 7,096 in 2022. Based on the results of the sample calculation using the Slovin formula, a sample of 100 respondents from MSMEs in the clothing sector in Denpasar city was obtained. The sample collection method that will be carried out by researchers in the field is the proportionate accidental sampling method. Proportionate accidental sampling referred to in this study is the proportion according to the sub-district that the researcher conducts by chance in the field, which is deemed suitable by researchers who focus on MSMEs in the clothing sector to become sample members.

### IV. RESEARCH RESULTS AND DISCUSSION

MSMEs (micro, small, and medium enterprises) have become one of the Indonesian government's flagship programs in an effort to empower the people's economy and alleviate unemployment. Denpasar City, as the capital of Bali Province, also promotes the development of local MSMEs as a source of regional income and strengthens the city's economy. There are 11,126 MSME units specifically based on trade registered in Denpasar City from related agencies as of 2022. Trade MSMEs are pillars of the economy with a variety of commodities, one of which is the fashion (clothing) business. Fashion is a basic need and lifestyle of urban communities that never subsides; in fact, it always develops quickly following current trends. Fashion products touch on important aspects of physical appearance, self-confidence, and the wearer's social status in society. Therefore, the fashion sector remains a promising and favorite choice for MSME players in Denpasar City.

This study analyzes the income of micro, small, and medium enterprises (MSMEs) in the clothing sector in Denpasar city with variables such as the number of customers, working hours, business location, and e-commerce applications. The data obtained by this study is based on the results of interviews and questionnaires with 100 MSME players in the clothing sector in Denpasar city. The results need to be described to provide a clear interpretation of the data. The following is a description of each research variable. Descriptive statistical analysis in this study is used to describe the research data seen from the number of samples, maximum value, minimum value, average value, and standard deviation. The results of the descriptive statistics in this study are presented in Table 4.1.

**Table 4.1 Descriptive Statistics of Variables**

	N	Min	Max	Mean	Std. Dev.
Number of Customers(X1)	100	2	100	21,32	17,86588
Working Hours (X2)	100	6	15	11,74	1,8996
Business Location (X3)	100	0	1	0,56	0,49889
Application E- Commerce (X4)	100	0	1	0,7	0,46057
MSME Income (Y)	100	3000000	300000000	83040000	63821075

Based on Table 4.1, it is known that the sample in the study totaled 100. The variable number of customers has an average of 21 people. The working hour variable has an average of 11.74 hours per day with a deviation of 1.89. The business location variable has an average of 0.56. The e-commerce application variable has an average of 0.7, and the MSME income variable has an average of 83,040,000 million rupiah.

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**Table 4.2 Multiple Linear Regression Analysis Results**

Model	Unstandardized	Standardized		t	Sig.
		Coefficients	Coefficients		
	B	Std. Error	Beta		
1	(Constant)	-7,435	2,663		
	Number of Customers	1,730	2,539	0,484	6,813
	Working Hours	6,923	2,229	0,206	3,015
	Business Location	4,035	8,548	0,315	4,721
	E-Commerce	2,374	9,256	0,171	2,565

The normality test is carried out to test the residuals of the regression model created, whether they are normally distributed or not. The normality test method used in this study is the Kolmogorov-Smirnov test, which compares the significance value of the test results with the specified alpha level. Residuals are said to be normally distributed if the sig value is greater than the alpha value.

**Table 4.3 Normality Test Result**

	Unstandardized Residual
N	100
Test Statistic	0,60
Asymp.Sig. (2-tailed)	0,200

Based on Table 4.3, it is known that the significance value is 0.200. Because the significance value of the Kolmogorov-Smirnov test (0.200) is greater than the significance level (0.05), it can be concluded that the regression equation model is normally distributed. The multicollinearity test is used to determine whether there is a strong correlation between the independent variables in the regression model. In a good regression model, there should not be a strong correlation between the independent variables. If the variance inflation factor (VIF) value is smaller than 10 and the tolerance value is greater than 0.1, it can be concluded that there is no multicollinearity.

**Table 4.4 Multicollinearity test results**

Variables	Tolerance	VIF	Description
Number of Customers (X1)	0,836	1,196	Free from multicollinearity
Working Hours (X2) Business Location (X3)	0,905 0,947	1,105 1,056	Free from multicollinearity Free from multicollinearity
E-Commerce (X4)	0,948	1,055	Free from multicollinearity

The data used in the multicollinearity test in this study is data from independent variables. Based on Table 4.11, it can be seen that all the independent variables used do not contain multicollinearity. Each variable has a VIF value of less than 10 and a tolerance of more than 0.10, so it can be concluded that there are no symptoms of multicollinearity.

The heteroscedasticity test aims to test whether, in the regression model, there is an inequality of variance from one observation to another. In this study, the Glejser method is used by regressing the absolute value of the residual on the independent variables. If none of the independent variables has a significant effect on the dependent variable (the absolute value of residuals), then there is no heteroscedasticity. The results of the heteroscedasticity test with the Glejser test can be seen in Table 4.5 as follows:

**Table 4.5 Heteroscedasticity Test Results**

Variables	Sig	Description
Number of Customers (X1)	0,543	Free from heteroscedasticity
Working Hours (X2) Business Location (X3)	0,058 0,502	Free from heteroscedasticity Free from heteroscedasticity
E-Commerce (X4)	0,089	Free from heteroscedasticity

Based on the results of the Glejser test in Table 4.5, the results of the heteroscedasticity test show that all independent variables, namely the number of customers, working hours, business location and e-commerce applications have a probability value or sig value >  $\alpha = 5\%$  or 0.05, which means that heteroscedasticity does not occur. Thus it can be concluded that there is no heteroscedasticity in the regression model in this study.

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### Testing the Effect of Number of Customers, Working Hours, Business Location, and E-Commerce Applications on the Income of MSMEs in the Clothing Sector in Denpasar City (F Test)

The simultaneous significance test (F test) is a test of the variables in the research data simultaneously. The F test was conducted to determine whether the variables of the number of customers, working hours, business location, and e-commerce applications have a significant effect simultaneously on the income of MSMEs in the clothing sector in Denpasar City. The results of simultaneous hypothesis testing are shown in Table 4.5 and Table 4.7.  $F_{count} > F_{table}$ ,  $35.373 > 2.47$  with a sig value of  $0,000 < 0,1$ .

**Table 4.6 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,773 <sup>a</sup>	0,598	0,581	4,129

**Table 4.7 Simultaneous Test Results**

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,412	4	3,031	35,373	0,000 <sup>b</sup>
	Residual	1,620	95	1,705		
	Total	4,032	99			

In conclusion, the tested group has a real difference (significant). Or, in other words, the number of customers, working hours, business location, and e-commerce applications simultaneously have a significant effect on the income of MSMEs in the clothing sector in Denpasar City, so that this model can still be used in further tests. The magnitude of the coefficient of determination ( $R^2$ ) described in Table 4.6 is 0.598, meaning that variations in the income of MSMEs in the clothing sector in Denpasar City can be significantly influenced by the variables of the number of customers, working hours, business location, and e-commerce applications by 59.8 percent, while the remaining 40.2 percent is explained by other factors not included in the model.

### Testing the Effect of Number of Customers, Working Hours, Business Location, and E-Commerce Applications Partially on the Income of MSMEs in the Clothing Sector in Denpasar City (T-test)

The t test was conducted to test the research hypothesis regarding the effect of the independent variable partially on the dependent variable. The test was carried out by comparing the tcount output of the SPSS 26 program with the t table. Hypothesis testing can refer to Table 4.8 for tcount and ttable, where the results are obtained as follows:

**Table 4.8 Partial Test Results (T Test)**

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-7,435	2,663		-2,791	0,006
	Number of Customers	1,730	2,539	0,484	6,813	0,000
	Working Hours	6,923	2,229	0,206	3,015	0,003
	Business Location	4,035	8,548	0,315	4,721	0,000
	E-Commerce	2,374	9,256	0,171	2,565	0,012

### The Effect of the Number of Customers on the Revenue of MSMEs in the Clothing Sector in Denpasar City

Based on Table 4.8, with a significance value of  $0.000 < 0.05$  and  $t_{count} (6.813) > t_{table} (1.645)$ ,  $H_0$  is rejected. This result means that the number of customers has a positive and partially significant effect on the income of MSMEs in the clothing sector in Denpasar City.

### The Effect of Working Hours on the Income of MSMEs in the Clothing Sector in Denpasar City

Based on Table 4.8, with a significance value of  $0.003 < 0.05$  and  $t_{count} = 3.015 > t_{table} = 1.645$ ,  $H_0$  is rejected. This result means that working hours have a positive and partially significant effect on the income of MSMEs in the clothing sector in Denpasar City.

### The Effect of Business Location on the Income of MSMEs in the Clothing Sector in Denpasar City

Based on Table 4.8, with a significance value of  $0.012 < 0.05$  and  $t_{count} = 4.721 > t_{table} = 1.645$ ,  $H_0$  is rejected. This result means that the effect of business location on the income of MSMEs in the clothing sector in Denpasar city will be higher if the location is in the gathering point cluster with the assumption that other variables are constant compared to MSMEs in the clothing sector in Denpasar city outside the gathering point cluster.

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### **The Effect of E-Commerce Applications on the Revenue of MSMEs in the Clothing Sector in Denpasar City**

Based on Table 4.8, with a significance value of  $0.012 < 0.05$   $t_{count} = 2.565 > t_{table} = 1.645$ ,  $H_0$  is rejected. This means that the effect of e-commerce applications on the income of MSMEs in the clothing sector in Denpasar city will be higher using e-commerce applications with the assumption that other variables are constant compared to MSMEs in the clothing sector that do not use e-commerce applications.

### **DISCUSSION OF RESEARCH RESULTS**

The results showed that the variable number of customers had a positive and significant effect on the income of MSMEs in the clothing sector in Denpasar city. These results provide empirical evidence that the greater the number of customers who come to MSMEs, the greater the income of clothing MSMEs in Denpasar City. The regression coefficient of the number of customers variable (1730495.161) states that each increase of one unit will cause the average income of each MSME to increase by IDR 1,730,495.161. The results of this study are in line with research from Subandi, which states that the number of customers has a positive and significant effect on company revenue, and Berger's research (1998), which states that the increase in revenue comes from existing customers and through the addition of new customers during the current year. This means that when there is an increase in the number of customers, the company's revenue will increase.

The results showed that the working hours variable had a positive and significant effect on the income of MSMEs in the clothing sector in Denpasar city. These results provide empirical evidence that the greater the outpouring of working hours carried out by labor, the more the income of MSMEs will increase. The regression coefficient of the number of customers variable of 6923163.106 states that every additional hour of work will cause an increase in the average income of each MSME of IDR 6,923,163.106. The results of this study are in line with previous research by Agni Widyanti (2011), which states that working hours have a positive and significant effect on company revenue.

The results showed that the business location variable had a positive and significant effect on the income of MSMEs in the clothing sector in Denpasar City. These results provide empirical evidence that the income of MSMEs in the clothing sector in Denpasar City will be higher if the location is in the gathering point cluster compared to those outside the cluster. The regression coefficient of the business location variable of 40,357,745.906 states that the average income of each MSME in the cluster has a higher income of IDR 40,357,745.906 than MSMEs outside the cluster.

The results showed that the variable use of e-commerce applications had a positive and significant effect on the income of MSMEs in the clothing sector in Denpasar City. These results provide empirical evidence that the use of e-commerce applications can increase the income of MSMEs in the clothing sector in Denpasar City. The regression coefficient of the e-commerce application variable 23,747,355.193 states that the average income of each MSME using e-commerce has a higher income of IDR 23,747,355.193 than those that do not use e-commerce.

### **IMPLICATIONS OF THE RESEARCH RESULTS**

Revenue increases because the more customers served, the greater the potential revenue for MSMEs; therefore, an increase in the number of customers usually means higher revenue. Maintaining the loyalty of existing customers can be more profitable than continuously seeking new customers. Loyal customers can provide recurring revenue and recommend the business to others. Longer working hours or flexible operating hours can increase revenue as businesses can serve customers at various times to suit customer preferences, but keep in mind that longer working hours can also increase operating costs, such as employee salaries and utilities. Therefore, careful calculations need to be made to ensure that revenue exceeds the additional costs. A strategic location can increase accessibility for customers and potential revenue. However, a good location can also entail higher rental costs. Therefore, it is necessary to consider the balance between a good location and operating costs.

E-commerce applications can help MSMEs reach out-of-area customers, which can increase revenue by reaching a wider market. Using e-commerce apps can also improve operational efficiency by automating some processes, such as payment and delivery; however, the use of e-commerce apps can also bring additional costs, such as online transaction fees.

### **V. RESEARCH IMPLICATIONS**

Based on the results and discussion of the research described in the previous chapter, the conclusions can be drawn as follows:

1. The number of customers, working hours, business location, and e-commerce applications simultaneously have a significant effect on the income of MSMEs in the clothing sector in Denpasar City.
2. The number of customers and working hours have a significant partial effect on the income of MSMEs in the clothing sector in Denpasar City.
3. The income of clothing MSMEs in Denpasar City in the gathering point cluster is higher than that of those outside the gathering point cluster.
4. The income of MSMEs in the clothing sector in Denpasar City that use e-commerce applications is higher than that of MSMEs

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that do not use e-commerce applications.

Based on the results of the analysis, discussion, and research conclusions, the suggestions that can be given to related parties areas follows:

1. Apparel MSMEs are expected to focus on retaining existing customers, as they can be a source of recurring revenue. Create loyalty programs or special offers to encourage loyal customers. Strive to reach new customers by conducting effective marketing, promotions, and good customer service strategies to attract new customers.
2. MSMEs in the clothing sector in Denpasar City are expected to adjust working hours to customer preferences and market trends. This could mean extending operating hours, opening on weekends, or offering 24-hour service where possible.
3. To increase the revenue of clothing SMEs in Denpasar City, it is necessary to develop the services offered, which can help attract different customers.
4. For the Denpasar City Government, it is expected to more often organize workshop events to inform about training and a deeper introduction to the use of e-commerce applications to MSME players in the clothing sector in Denpasar City so that more MSME players in the clothing sector use e-commerce applications in marketing the products sold.

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