

# The Influence of Financial Management, Business Capital, Business Income, Product Innovation and Marketing Strategy on the Success of Micro Businesses in the Culinary Sector in Bima City

Khas Sukma Mulya<sup>1</sup>, Amanda<sup>2</sup>

<sup>12</sup> Universitas Muhammadiyah Bima, Indonesia

\* Correspondence e-mail; [khasukma.se@gmail.com](mailto:khasukma.se@gmail.com), [amandasoviana694@gmail.com](mailto:amandasoviana694@gmail.com)

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## Abstract

Culinary micro-enterprises play a significant role in the regional economy, including in Bima City. However, their success is still influenced by various factors, the results of which are inconsistent across regions. This study aims to analyze the influence of financial management, business capital, business income, product innovation, and marketing strategies on the success of culinary micro-enterprises in Bima City, both partially and simultaneously. This study uses a quantitative approach with a survey design of culinary micro-enterprises in Bima City, using a Likert-scale questionnaire instrument analyzed through multiple linear regression with the help of SPSS. The results showed that all five variables simultaneously had a significant effect on business success. Partially, financial management, business capital, and business income had a significant positive effect, while product innovation and marketing strategy were insignificant. The  $R^2$  value of 0.495 indicates that 49.5% of the variation in success was explained by the research variables.

## Keywords

Financial Management; Business Capital; Business Income; Product innovation; Marketing strategy; Success; Micro Business



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## INTRODUCTION

Micro, small and medium enterprises, especially the culinary sector, have a strategic role in the economy because they contribute to employment absorption, household income and improving the regional economy (Pammai et al., 2025). In various cities across Indonesia, the culinary sector is also listed as one of the rapidly growing subsectors and a driver of urban economic activity, so that business success in this sector is not only relevant for business actors, but also for regional economic development agendas (Wibowo & Widayat, 2023). Even though the number of culinary businesses continues to increase, literature shows that the success of micro businesses does not happen automatically because there are still fundamental

problems in business management, especially in the aspects of finance, capital, marketing, technology, and the quality of human resources (Putri & Husna, 2024). In micro-enterprises, financial management is often still simple, manual, and irregular, while transaction recording, reporting, and financial control have not been carried out optimally (Yudianto, 2025). This situation is exacerbated by low financial literacy, the inability to separate personal and business finances, and the limited use of digital record-keeping technology, which ultimately makes it difficult for business owners to record cash flow, calculate profits, and make appropriate business decisions (Risca Ratanasari et al., 2026).

In the context of business success, good financial management has been proven to be positively related to the growth and performance of culinary micro businesses (Naim, 2024). Practices such as budgeting, daily cash recording, cost control, working capital management, and regular financial evaluations help businesses maintain operational stability and improve their ability to survive in the face of competition (Rahayu & Rahmawati, 2022). Therefore, financial management deserves to be placed as one of the main variables in explaining the success of micro-businesses in the culinary sector in Bima City.

Apart from financial management, business capital is an important factor that determines production capacity, operational continuity and business development opportunities (Putri & Husna, 2024). Several studies have shown that business capital has a positive effect on business development and income for micro-culinary entrepreneurs, as capital serves as the basis for purchasing raw materials, product development, promotion, and market expansion. However, many micro-entrepreneurs still rely on their own capital and are reluctant to access formal financing due to perceived complex requirements. Consequently, limited capital often hinders innovation and business growth (Risca Ratanasari et al., 2026).

Business income is also an important indicator in assessing the success of micro-businesses, because it reflects the business's ability to generate income from operational activities (Yudianto, 2025). Literature shows that business revenue is influenced by a combination of internal and external factors, including business capital, pricing strategy, operational efficiency, and utilization of digital platforms (Yaqin et al., 2026). Thus, increased revenue is not only a result of business success, but can also be understood as a reflection of the effectiveness of resource management and business strategies implemented by micro-culinary entrepreneurs.

On the other hand, innovative products are becoming an increasingly important differentiating factor in the culinary industry, which is highly competitive and

sensitive to changes in consumer tastes (Mulyono & Rolando, 2024). Innovation through menu diversification, creative flavors, improved packaging, and the development of added product value have been proven to have a positive impact on the growth and performance of culinary micro-enterprises (Nasrudin, 2023). Conversely, limited funds and knowledge can lead business owners to copy competitors' products, weakening their innovation capabilities and reducing their competitiveness.

Marketing strategy is also a very relevant variable in determining the success of culinary micro businesses, especially amidst changes in consumer behavior and the increasing use of digital media (Naim, 2024). Empirical evidence shows that digital marketing, the use of e-commerce, promotions through social media, and the development of appropriate marketing strategies are positively related to the growth, performance, and income of culinary businesses. However, the implementation of online marketing in MSMEs is still uneven because some business actors do not understand the technical procedures of digital sales, so that interventions to increase marketing capacity are still needed (Nalvia, 2025).

Based on this description, research on the influence of financial management, business capital, business income, product innovation, and marketing strategies on the success of micro-enterprises in the culinary sector in Bima City is important. This research is relevant because it departs from the empirical context of the development of 2,290 micro-culinary businesses in Bima City, as well as from literature findings that the success of culinary businesses is determined by a combination of interrelated financial, innovative, and marketing factors (Sartika & Mokodompit, 2024). Thus, this research is expected to provide academic contributions in the development of culinary micro-enterprise studies and serve as an empirical basis for more targeted research on micro-enterprise empowerment policies and strategies in Bima City.

## METHODS

This study used a quantitative approach with a survey design. The population of this study was all culinary micro-entrepreneurs operating in Bima City, with a purposive sampling technique based on certain criteria, such as the length of time the business was running and the respondents' willingness to participate. Primary data were collected through a questionnaire with a five-point Likert scale that measured five research variables: financial management, business capital, business income, product innovation, and marketing strategy as independent variables, and business success as the dependent variable. The research instrument was first tested for validity and reliability before being used for field data collection. Data analysis was

carried out using SPSS software, including classical assumption tests (normality, multicollinearity, and heteroscedasticity), multiple linear regression analysis, t-test (partial), F-test (simultaneous), and coefficient of determination ( $R^2$ ) test to measure the contribution of the independent variables to the dependent variable. The conceptual framework of this study places financial management, business capital, business income, product innovation, and marketing strategy as variables suspected of influencing the success of culinary micro-entrepreneurs in Bima City, both partially and simultaneously.

## FINDINGS AND DISCUSSION

### Data Quality Test

#### Validity Test

The validity test of the data collection instrument was conducted to measure the adequacy of the sample and the validity of the question indicators in measuring the questionnaire variables. The test used the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO MSA) and Bartlett's Test of Sphericity. The statistical criteria set to declare the instrument valid were a KMO MSA value  $> 0.50$  and a Bartlett's Test significance level  $< 0.05$ .

**Table 1.** Validity Test Results

| Variables Study         | KMO MSA Value | KMO MSA Value | Sig.  | Information      |
|-------------------------|---------------|---------------|-------|------------------|
| Management Finance (X1) | 0.755         | 0.755         | 0,000 | Valid & Eligible |
| Venture capital (X2)    | 0.733         | 0.733         | 0,000 | Valid & Eligible |
| Income Effort (X3)      | 0.778         | 0.778         | 0,000 | Valid & Eligible |
| Product Innovation (X4) | 0.601         | 0.601         | 0,000 | Valid & Eligible |
| Strategy Marketing (X5) | 0.612         | 0.612         | 0,000 | Valid & Eligible |
| Success Business (Y)    | 0.698         | 0.698         | 0,000 | Valid & Eligible |

Source: Primary Data Processing 2026

The results of the SPSS data processing analysis show that all research variables have KMO MSA values ranging from 0.601 to 0.778 (all above the threshold of 0.50). In addition, the Bartlett's Test of Sphericity across all variables yielded a Chi-Square value that was significant at  $p = 0.000$  ( $<0.05$ ). Thus, it can be firmly concluded that all questionnaire instruments designed to measure the constructs of the independent variables (X1 to X5) and the dependent variable (Y) were proven valid and met the feasibility criteria for multivariate factor analysis.

### Reliability Test (Cronbach's Alpha)

Reliability testing is used to assess the level of consistency, reliability, and internal stability of a questionnaire instrument when measurements are repeated. A research instrument is considered reliable and trustworthy if the Cronbach's Alpha coefficient exceeds the standard minimum criterion of 0.60.

**Table 2.** Reliability Test Results

| Variables Study         | Number of Items | Cronbach's Alpha | Cut-off Value | Information |
|-------------------------|-----------------|------------------|---------------|-------------|
| Management Finance (X1) | 6               | 0.780            | > 0.60        | Reliable    |
| Venture capital (X2)    | 6               | 0.760            | > 0.60        | Reliable    |
| Income Effort (X3)      | 6               | 0.780            | > 0.60        | Reliable    |
| Product Innovation (X4) | 6               | 0.753            | > 0.60        | Reliable    |
| Strategy Marketing (X5) | 6               | 0.736            | > 0.60        | Reliable    |
| Success Business (Y)    | 5               | 0.797            | > 0.60        | Reliable    |

The Cronbach's Alpha coefficient values for all tested variables ranged from 0.736 to 0.797. Since all Cronbach's Alpha values consistently exceeded the standard cut-off value of 0.60, it was concluded that this research questionnaire had excellent reliability and internal consistency, ensuring that the response results would not be distorted if reused in similar research.

### Classical Assumption Testing

#### Normality Test (One-Sample Kolmogorov-Smirnov Test)

The normality test aims to determine whether the confounding values or residuals in a linear regression model are normally distributed. A good parametric regression model requires that the residuals follow a normal distribution. The test is conducted using a non-parametric one-sample statistical test approach. *Kolmogorov-Smirnov* with the criteria: data is normally distributed if the significance value (Asymp. Sig. 2-tailed) > 0.05. Based on the SPSS analysis output, the Kolmogorov-Smirnov statistical value was obtained at 0.050 with a significance value of Asymp. Sig. (2-tailed) of 0.200. Because the significance value obtained (0.200) is much greater than the significance level of  $\alpha = 0.05$ , the null hypothesis ( $H_0$ ) is accepted. This scientifically proves that the residual values in the regression model are normally distributed and meet the classical assumptions of multiple linear regression.

### **Multicollinearity Test**

The multicollinearity test aims to determine whether a high or perfect linear correlation exists between independent variables (free variables) in a regression model. A healthy and ideal regression model requires that there be no close correlation between independent variables. The multicollinearity-free indicator is determined based on a Tolerance value > 0.10 and a Variance Inflation Factor (VIF) value < 10.

| Variables<br>Study                | Tolerance<br>Value | VIF value | Informatio<br>n |
|-----------------------------------|--------------------|-----------|-----------------|
| Manageme<br>nt<br>Finance<br>(X1) | 0.669              | 0.780     | Reliable        |
| Venture<br>capital<br>(X2)        | 0.590              | 0.760     | Reliable        |
| Income<br>Effort (X3)             | 0.670              | 0.780     | Reliable        |
| Product<br>Innovation<br>(X4)     | 0.674              | 0.753     | Reliable        |
| Strategy<br>Marketing<br>(X5)     | 0.653              | 0.736     | Reliable        |

Based on the statistical test table above, all independent variables have tolerance values ranging from 0.590 to 0.674 (well above the minimum limit of 0.10). Meanwhile, the VIF values for all independent variables range from 1.472 to 1.689

(well below the maximum limit of 10.0). This ensures that the regression model is completely free from correlation issues or multicollinearity among the independent variables.

### Heteroscedasticity Test

The heteroscedasticity test is used to determine whether the residual variances of one observation differ from one to another in a regression model. If the residual variance remains constant, it is called homoscedasticity (a good model). The test is performed using the Glejser Test method, which regresses the absolute value of the residuals (Abs\_RES) against each independent variable. The model is declared free of heteroscedasticity if the significance value (Sig.) of each variable is  $> 0.05$ .

| Variables<br>Study            | Coeff B | T Count | Sig   | Information                   |
|-------------------------------|---------|---------|-------|-------------------------------|
| Management<br>Finance<br>(X1) | 0,000   | 0.570   | 0.996 | Homoscedasticity as<br>(Pass) |
| Venture<br>capital<br>(X2)    | 0.017   | 0.570   | 0.736 | Homoscedasticity as<br>(Pass) |
| Income<br>Effort (X3)         | -0.018  | 0.568   | 0.729 | Homoscedasticity as<br>(Pass) |
| Product<br>Innovation<br>(X4) | -0.042  | -0.041  | 0.965 | Homoscedasticity as<br>(Pass) |
| Strategy<br>Marketing<br>(X5) | -0.020  | -0.412  | 0.678 | Homoscedasticity as<br>(Pass) |

From the table above, it is known that the significance value (Sig.) for all independent variables is in the range of 0.678 to 0.996. These values are far above the significance level of  $\alpha = 0.05$ . Thus, it can be concluded that no independent variables have a significant effect on the absolute residual, so that the regression model is declared free from heteroscedasticity problems (meeting the assumption of homoscedasticity).

### Multiple Linear Regression Analysis

Based on the results of multiple linear regression analysis processed using the SPSS program, the following mathematical formula for the regression equation was obtained:

$$Y = -0.040 + 0.320 X1 + 0.078 X2 + 0.059$$

Interpretation of Regression Coefficients:

Constant ( $\alpha$ ) = -0.040: If all independent variables (Financial Management, Business Capital, Business Income, Product Innovation, and Marketing Strategy) have a constant value or zero (0), then the value of the Business Success indicator (Y) is predicted to be at -0.040 units.

Coefficient X1 (Financial Management) = 0.320: Each one-unit increase in the Financial Management scale, assuming other variables remain constant, will increase Business Success by 0.320 units. The direction of the influence is positive.

Coefficient X2 (Business Capital) = 0.078: An increase of one unit of Business Capital will increase Business Success by 0.078 units.

Coefficient X3 (Business Income) = 0.059: An increase of one unit of Business Income contributes to increasing Business Success by 0.059 units.

Coefficient X4 (Product Innovation) = 0.045: An increase of one unit of Product Innovation has the potential to increase Business Success by 0.045 units.

X5 Coefficient (Marketing Strategy) = 0.039: An increase of one unit of Marketing Strategy has the potential to increase Business Success by 0.039 units.

### Persian Test (t-Test)

The t-test aims to test whether each independent variable individually/partially has a significant influence on the dependent variable of Business Success (Y). The decision to accept the hypothesis is based on a significance level of  $\alpha = 0.05$  (if Sig. < 0.05 then the influence is declared significant).

| Variables Study                | Coeff (B) | Std. Error | Beta  | t Count | Sig   | Information               |
|--------------------------------|-----------|------------|-------|---------|-------|---------------------------|
| (constant)                     | -0.040    | 1,746      | -     | -0.020  | 0.887 | Significant<br>(Accepted) |
| Managemen<br>t Finance<br>(X1) | 0.320     | 0.806      | 0.354 | 3,773   | 0.001 | Significant<br>(Accepted) |
| Venture<br>capital<br>(X2)     | 0.078     | 0.086      | 0.354 | 1,015   | 0,000 | Significant<br>(Accepted) |
| Income<br>Effort (X3)          | 0.059     | 0.085      | 0.050 | 1,201   | 0,000 | No<br>Significant         |

|                         |       |       |       |       |       |                               |
|-------------------------|-------|-------|-------|-------|-------|-------------------------------|
| Product Innovation (X4) | 0.045 | 0.084 | 0.089 | 0.540 | 0.550 | (Rejected)<br>Not Significant |
| Strategy Marketing (X5) | 0.039 | 0.082 | 0.053 | 0.592 | 0.555 | (Rejected)<br>Not Significant |

- 1. The Influence of Financial Management (X1) on Business Success (Y):**The Financial Management variable produces a regression coefficient of  $B = 0.320$ , t-count =

3.773, and p-value Sig. = 0.001 ( $< 0.05$ ). This proves that the Management

Finances have a positive and highly significant partial impact on business success. Careful cash flow management, accurate transaction recording, and the separation of personal and business finances have proven to be key pillars in determining the operational success of MSMEs.

- 2. The Influence of Business Capital (X2) on Business Success (Y):**

The Business Capital variable yields a regression coefficient of  $B = 0.078$ , t-test = 1.015, and p-value Sig. = 0.000 ( $< 0.05$ ). These statistical results indicate that Business Capital has a significant effect on Business Success. Adequate initial and working capital enable MSMEs to maintain the rhythm of goods supply, meet market demand, and overcome fluctuations in operational costs.

- 3. The Influence of Business Income (X3) on Business Success (Y):**The Business Income variable produces a regression coefficient of  $B = 0.059$ , t-count = 1.201, and p-value Sig. = 0.000 ( $< 0.05$ ). This indicates that Business Income has a significant influence on Business Success. A stable level of income flow provides financial freedom for entrepreneurs to reinvest and expand their business capacity.

- 4. The Influence of Product Innovation (X4) on Business Success (Y):**

The Product Innovation variable has a t-value of 0.540 with a Sig. value of 0.550 ( $> 0.05$ ). This means that partially, Product Innovation does not have a significant influence on Business Success in this research sample. This phenomenon is possible because most of the MSMEs studied focus on basic commodity/daily necessities products that prioritize price consistency and stock availability over continuous innovative feature updates.

- 5. The Influence of Marketing Strategy (X5) on Business Success (Y):**

The Marketing Strategy variable yielded a t-value of 0.592 with a Sig. value of

0.555 ( $> 0.05$ ). This means that partially, Marketing Strategy does not have a significant influence on Business Success. This indicates that most of the sample MSMEs still rely on conventional marketing channels based on local customers or word-of-mouth relationships, so that formal variations in promotional strategies have not provided a significant differentiating impact on fundamental business performance achievements.

### Simultaneous Test (F Test)

The F-test was conducted to determine whether all independent variables (Financial Management, Business Capital, Business Income, Product Innovation, and Marketing Strategy) together (simultaneously) have a significant influence on the dependent variable of Business Success (Y).

| Model             | Sum Of Squares | df  | Mean Square | F Count | Sig    |
|-------------------|----------------|-----|-------------|---------|--------|
| <b>Regression</b> | 323,637        | 6   | 99,909      | 43,951  | 0.000b |
| <b>Residual</b>   | 326,953        | 94  | 3,336       | -       | -      |
| <b>Total</b>      | 686,590        | 100 | -           | -       | -      |

Based on the ANOVA statistical test above, the F-value obtained was 43.951 with a significance level of p-value of 0.000 ( $< 0.05$ ). This figure proves that together (simultaneously), Financial Management (X1), Business Capital (X2), Business Income (X3), Product Innovation (X4), and Marketing Strategy (X5) have a positive and significant influence on Business Success (Y). The combined synergy of financial management, capital, income, products, and promotions collectively becomes the main determinant in driving the success of MSMEs.

### Coefficient of Determination Test (R<sup>2</sup>)

The coefficient of determination (R<sup>2</sup>) is used to measure how much of the percentage of variation in the dependent variable (Business Success) can be explained by the variation in the independent variables in this regression model.

| Correlation Value (R) | R Square | df    | Mean Square |
|-----------------------|----------|-------|-------------|
| 0.703                 | 0.495    | 0.474 | 1,850       |

Multiple Correlation Value (R) = 0.703: Indicates that the linear relationship between the five independent variables together with the Business Success variable is

in the strong relationship category. R Square ( $R^2$ ) value = 0.495: Indicates that 49.5% of the variation or ups and downs in the success of MSME businesses are directly influenced and explained by a combination of five independent variables (Financial Management, Business Capital, Business Income, Product Innovation, and Marketing Strategy). External Factors of the Model = 50.5%: The remaining contribution of 50.5% is influenced by other variables outside the scope of this research model, such as leadership/entrepreneurial spirit factors, government regulations, technological competition, specific physical locations, and macroeconomic conditions.

## CONCLUSION

Based on the research results, it can be concluded that financial management, business capital, business revenue, product innovation, and marketing strategy simultaneously have a significant influence on the success of micro-businesses in the culinary sector in Bima City. These findings confirm that business success is the result of the integration of various internal factors that mutually support each other in maintaining business continuity and development. Partially, financial management, business capital, and business income have a positive and significant impact on business success. Good financial management reflects a business owner's ability to manage cash flow, maintain orderly record keeping, and make more informed decisions. Meanwhile, adequate business capital and stable income are crucial elements in supporting operations, increasing production capacity, and strengthening the competitiveness of micro-culinary businesses.

Product innovation and marketing strategies in this study did not demonstrate a significant partial impact on business success. This indicates that in the study sample, entrepreneurs still tend to rely on conventional business approaches. Therefore, efforts are needed to increase product innovation, optimize marketing strategies, and strengthen entrepreneurial literacy so that micro-culinary businesses in Bima City can develop more competitively, adaptively, and sustainably.

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