

## Analysis of Business Sustainability Influence in the Kediri Regency

Yosua Pamungkas Jaya<sup>1</sup>, Sigit Puji Winarko<sup>2</sup>, Mar'atus Solikah<sup>3</sup>

Faculty of Economics and Business/Accounting, Universitas Nusantara PGRI Kediri <sup>123</sup>

Corresponding Author: [yosuapamungkas.y@gmail.com](mailto:yosuapamungkas.y@gmail.com)

### ARTICLE INFO

Date of entry:

28 July 2023

Revision Date:

27 July 2023

Date Received:

31 July 2023

### ABSTRACT

MSMEs, or Micro, Small, and Medium Enterprises, are businesses that operate on a micro to medium scale. The presence of MSMEs plays a significant role in improving the welfare of communities in their immediate environment. Additionally, MSMEs also contribute to the economic growth of Indonesia as a nation. Considering the importance of their role, it is hoped that every MSME maintains consistent business sustainability. However, in reality, many MSMEs only survive for a short period due to various issues that are not promptly addressed, leading to eventual closure. Moreover, not all MSMEs possess the necessary capabilities to overcome these challenges. Based on these issues, a study was conducted to examine variables that can impact business continuity. The research aims to determine the influence of Selling Price, Promotion, Financial Literacy, and Accounting Information Systems on Business Sustainability. In processing the data, the researchers employed Multiple Linear Regression analysis, Partial t-test, and Simultaneous F-test. The results of the study indicate that variables such as selling price, promotion, financial literacy, and accounting information systems have an influence on business sustainability, both individually and collectively.

Keywords: AIS, Financial Literacy, MSMEs, Price, Promotion.



Cite this as: Yosua Pamungkas Jaya, Y. P. J., Winarko, S. P., & Solikah, M. (2023). Analysis of Business Sustainability Influence in the Kediri Regency. *Assets : Jurnal Ilmiah Ilmu Akuntansi, Keuangan Dan Pajak*, 7(2), 56–71. <https://doi.org/10.30741/assets.v7i2.1056>

### INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are businesses with a small to medium scale in their operations. These MSMEs can be run by organizations, individuals, or households. Currently, the existence of MSMEs is deeply integrated into Indonesian society. This phenomenon occurs because MSMEs play a vital role in the communities where they operate. They serve as platforms for people to channel and develop their creativity into business ventures, thereby allowing them to preserve and promote local traditions or cultural heritage. Additionally, another significant impact of MSMEs on society is their ability to absorb local labor force. This, in turn, helps reduce unemployment rates and contributes to income distribution among the community. From this perspective, it is evident that MSMEs have a crucial role in providing a platform for people to nurture their creativity while simultaneously serving as a place for employment or entrepreneurship. This observation is supported by the information provided by (Fadilah et al., 2021), which highlights that MSMEs are labor-intensive businesses utilizing simple technologies.

In addition to contributing to the welfare of the surrounding community, MSMEs play a crucial role for a country. According to (Widayanti et al., 2017), MSMEs are believed to support a country in stimulating its economic activities. This statement is supported by data released by the Financial Services Authority (OJK) in (SP-38/DKNS/OJK/5/2016) stating, "MSMEs significantly contribute to the country's economy, accounting for 60% of the Gross Domestic Product (GDP), and employing 90% of the national workforce." Based on the results of this survey, it is evident that MSMEs also play a role in reducing a country's poverty rate by providing employment opportunities.

In addition to contributing to the welfare of the surrounding community, MSMEs play a crucial role for a country. According to (Widayanti et al., 2017), MSMEs are believed to support a country in stimulating its economic activities. This statement is supported by data released by the Financial Services Authority (OJK) in (SP-38/DKNS/OJK/5/2016) stating, "MSMEs significantly contribute to the country's economy, accounting for 60% of the Gross Domestic Product (GDP), and employing 90% of the national workforce." Based on the results of this survey, it is evident that MSMEs also play a role in reducing a country's poverty rate by providing employment opportunities.

In Indonesia, MSMEs have become the mainstay of Bank Indonesia in efforts to promote autonomous economic growth and contribute to overall economic development (Dwiastanti & Mustapa, 2020). Over the past decade, MSMEs have experienced remarkable growth. From 2016 to 2019, MSMEs achieved an annual growth rate of 4.2%. Additionally, in the last three years, MSMEs contributed more than 50% to the Gross Domestic Product. This phenomenon can be attributed to the characteristic nature of MSMEs, which are independent and courageous in making decisions.

Recognizing the significant role of MSMEs in the economic growth of Indonesia, it is essential that each MSME maintains a consistent business sustainability. According to the findings of (Dwiastanti & Mustapa, 2020), the level of MSMEs' sustainability can serve as a benchmark for assessing business achievements. To ensure the consistent sustainability of MSMEs, proficient financial management skills are crucial. Steps that can be taken to maintain business sustainability include developing a well-thought-out business plan and enhancing financial knowledge. Creating a robust business plan can effectively safeguard the continuity of the enterprise. The journal article by (Nurfadillah, 2020) affirms that a business plan helps MSME practitioners evaluate their accomplishments. By having a sound business plan in place, it is expected to assist MSME practitioners in preserving the sustainability of their ventures.

However, in reality, implementing such measures can be challenging, and it is not uncommon for MSME entrepreneurs to solely focus on sales without paying attention to other aspects or disregarding other issues. Among the problems frequently overlooked by MSMEs are workforce quality, financial management, sales, and various other issues. If these issues are not promptly addressed, they can lead to persistent problems that are deemed acceptable but remain unresolved (closed-loop problems). From these issues, MSMEs may encounter difficulties in competing against larger enterprises (Abor and Quartey, 2010) as cited in (Widayanti et al., 2017).

Based on the above description, it is evident that MSMEs play a significant role in both the national economy and the livelihood of the communities around them. Therefore, it is expected that every MSME can flourish and contribute to Indonesia's economic development. To support this, each MSME must achieve consistent business sustainability, ensuring they do not easily succumb to the competition in the business environment. This is crucial because MSMEs heavily rely on the swift generation of revenue through the sale of goods or services. If their sales come to a halt, their business activities will cease to function. However, many MSME entrepreneurs still face challenges in maintaining the sustainability of their businesses. This is due to conventional issues that are not promptly addressed. If these problems remain unresolved, they can disrupt the continuity of their enterprises. Therefore, proactive and timely solutions are essential to safeguarding the long-term success of MSMEs.

Besides internal issues that can hinder the sustainability of MSMEs, there are also external problems that can impede their operations, one of which is a recession. The World Bank predicts that a global economic recession will occur in 2023, and this will undoubtedly impact the world's economies. As quoted from (Mahdiyana, 2022), five countries have already experienced inflation rates above 80%, and in Indonesia, the inflation rate reached 5.42% in November. The occurrence of this recession is attributed to the Covid-19 pandemic in 2019, high inflation rates in a country, and an increase in benchmark interest rates. Economic recession can have repercussions on MSMEs operating in Indonesia. Some of the impacts of this recession include a slowdown in economic growth, leading to production capacity constraints that may result in mass layoffs, decreased investment instrument performance, and ultimately a decline in purchasing power due to an unstable economic situation. These effects will undoubtedly pose challenges for the sustainability of MSMEs. As known, MSMEs heavily rely on the continuous flow of money from the sale of goods and services. If they encounter obstacles in the sales process, their business continuity will be disrupted. Furthermore, during a recession, the unemployment rate is predicted to rise, and consumer buying interest will decrease. This will undoubtedly present challenges for MSMEs operating in Indonesia.

In an effort to anticipate issues arising from a recession, entrepreneurs must understand the factors that can influence business sustainability. In the book (Kotler, 2022), several factors affecting business sustainability are explained, including customer orientation, operational efficiency, market adaptation, product innovation, brand reputation, product and service quality, and corporate social responsibility. Based on the aforementioned, researchers have identified variables that impact business sustainability. The first variable chosen is the selling price, which is closely related to the products and customers. Proper pricing can enhance product attractiveness in the market, foster customer loyalty, and create a positive brand reputation in the eyes of consumers. As a result, a business can have a customer-centric approach and offer products that align with customer needs. The second variable chosen is promotion, as it directly affects a business's sales performance. Through effective promotion, a business can convey messages to customers about the benefits and advantages of its products, providing relevant services that cater to their needs. This allows the company to build a strong brand reputation and introduce the quality of its products through excellent promotional activities. The third variable chosen is financial literacy, which plays a crucial role in improving performance efficiency by making sound financial decisions. Financial literacy also helps companies allocate resources wisely to support innovation in products and services. As a result, the overall performance of the company becomes more focused and minimizes unnecessary cost wastage, thereby improving the company's performance. The last variable chosen is the accounting information system. An efficient accounting information system can assist a company in tracking and managing operational costs more effectively. Timely and accurate data on production costs and operational expenses help the company optimize processes and enhance operational efficiency. Additionally, the information system provides quick and accurate market data and analysis, aiding the company in understanding market changes and making adaptive decisions. With a well-implemented accounting information system, a company can precisely track and report the social and environmental impact of its activities. This enables the company to fulfill its social responsibilities and enhance its reputation in the eyes of customers and other stakeholders.

The basis for the researcher in constructing the independent variables is supported by several previous studies. Firstly, the study by Rochmi Widayanti, Ratna Damayanti, and Fithria Marwanti (2017) titled "The Influence of Financial Literacy on Business Sustainability in Micro, Small, and Medium Enterprises (MSMEs) in Jatisari Village" revealed that financial literacy has a significant impact on business sustainability. According to (Widayanti et al., 2017), financial knowledge can support entrepreneurs in making various financial decisions, making financial literacy a supportive factor in maintaining business sustainability.

Secondly, the research by Rahman Sastrawan, Utin Nina Hermina, UI Qadri, and Nia Pratiwi (2019) titled "The Influence of Selling Price, Product Quality, and Promotion on Business Continuity in the

Pandemic Era" demonstrated that selling price and promotion significantly influence business sustainability. In their study (Sastrawan et al., 2019), selling price plays a crucial role in determining the profit and loss margin. Incorrectly setting the selling price could lead to losses for the company. On the other hand, promotion can influence consumer decisions to make purchases, thereby increasing the profits of a business. Consistent profit generation enables a company to maintain its business sustainability.

Lastly, the study by Ayu Safitri (2018) titled "The Influence of Accounting Information System Usage on the Success of Small and Medium Enterprises (A Case Study of Dodol Production Center in Tanjung Pura Sub-district)" stated that business sustainability is significantly affected by the accounting information system. In (Safitri, 2018), it is revealed that the usage of an accounting information system in an MSME can enhance the success of the business. This is because entrepreneurs do not face difficulties when applying for financial loans from financial institutions.

Based on previous research, researchers have only utilized a few independent variables to assess their impact on business sustainability. Consequently, these studies have only shown partial effects and have not demonstrated the extent to which the independent variables can influence business sustainability. In reality, business sustainability is influenced by multiple factors, and previous research has not fully captured the relationships between the independent variables and all aspects of business sustainability. In this study, the researchers aim to further examine the previously used independent variables and conduct simultaneous tests to determine whether selling price, promotion, financial literacy, and accounting information system collectively have an impact, as well as measure the magnitude of their influence on business sustainability. It is anticipated that the findings of this study will assist MSME practitioners in developing comprehensive plans that consistently maintain business sustainability. Therefore, through effective planning, business continuity can be ensured.

Based on the aforementioned, the research title "The Influence of Selling Price, Promotion, Financial Literacy, and Accounting Information System on Business Sustainability" was formulated. The objective of this study is to examine the effects of selling price, promotion, financial literacy, and accounting information system on MSMEs' business sustainability. Furthermore, this research aims to aid MSME practitioners in sustaining their businesses and serve as a knowledge source to help them maintain and improve their ventures.

### **Micro, Small, and Medium Enterprises (MSMEs)**

Understanding of Micro, Small, and Medium Enterprises (MSMEs) in the country of Indonesia is explained in the legislation. According to the (Peraturan Pemerintahan Republik Indonesia, 2008), Micro Enterprises are business forms controlled by individuals or organizations. Micro enterprises must have a net worth of less than 50 million (excluding land and buildings) and an annual gross circulation not exceeding 300 million. Small Enterprises are also controlled by individuals or organizations but are not under the umbrella of a particular parent company. To be categorized as a small enterprise, the business must have a net worth between 50 million and 500 million (excluding land and buildings), and its annual gross circulation ranges from 300 million to 2.5 billion. Meanwhile, Medium Enterprises are also businesses controlled by individuals or organizations, not affiliated with small or large enterprises. Medium enterprises have a net worth between 500 million and 10 billion (excluding land and buildings), and their annual gross circulation ranges from 2.5 billion to 50 billion.

### **Selling Price**

In the book (Kotler, 2022), the selling price is defined as a sum of money charged for a product. In other words, the selling price is interpreted as the addition of an amount of money to gain profit from the sale of a product (Sastrawan et al., 2019). According to (Kotler, 2022), determining the selling price can be achieved by adding the production cost with a mark-up from the desired

production cost. The production cost is comprised of raw materials, auxiliary materials, employee salaries, and other expenses related to the production operation. According to (Sastrawan et al., 2019), accounting information from the production activities of the goods can influence the selling price of a product. In the book (Kotler, 2022), it is mentioned that determining the selling price has benefits such as aiding a business in generating optimal revenue, building brand image, enhancing competitiveness, managing market demand, and optimizing profits.

### **Promotion**

Promotion is one of the business instruments that can support the success of a business. It is an action taken to convey information about a product to customers, with the hope of influencing them to purchase the product (Sastrawan et al., 2019). In the book (Kotler, 2022), it states that "Promotion is all activities done to deliver a message, influence, and persuade the target market with the goal of increasing awareness, interest, and purchase intention toward a specific product or service." Promotion aims to raise awareness, interest, and purchase intention of consumers towards a product or service. Additionally, promotion is beneficial for businesses as it leads to increased sales, customer loyalty, and a positive corporate image. In conclusion, promotion is the activity of introducing both goods and services to the general public. In carrying out promotional activities, businesses can use various methods such as advertising, distributing pamphlets, engaging in public relations, and many more.

### **Financial Literacy**

Financial literacy is the ability of an individual to make informed decisions and effectively manage their financial conditions and business affairs for the future. In the book (Lusardi, 2012), it is expressed that "Financial literacy is a skill in handling financial conditions that every person must possess in order to uplift dignity and strengthen oneself in the diverse economic world." In (Idawati & Pratama, 2020), it is stated that understanding financial literacy is essential preparation to face the increasingly diverse developments in financial service companies.

Understanding financial literacy varies in different levels. In (Idawati & Pratama, 2020), the comprehension of financial literacy is categorized into three groups. The first group consists of individuals with a comprehension level below 60%. In this first group, the level of knowledge regarding financial literacy is considered low. The second group includes individuals with a comprehension level between 60% to 79%. In this second group, the level of knowledge regarding financial literacy is considered moderate. The third group comprises individuals with a comprehension level above 80%. In this third group, the level of knowledge regarding financial literacy is considered excellent.

From the information above, it can be understood that financial literacy plays a crucial role in assisting MSMEs (Micro, Small, and Medium Enterprises) in making decisions about their financial conditions and sustaining their businesses amid unstable economic conditions. Considering that MSMEs are the most vulnerable to economic crises, a comprehensive understanding of financial literacy is highly essential.

### **Accounting Information System**

Accounting Information System is an essential instrument in processing financial documents or records into meaningful information for business entities. In (Otinur et al., 2017), it is stated that "The accounting information system is a tool used to collect, classify, process, interpret, and integrate relevant financial information." This system is expected to manage financial documents or records that serve as the basis for preparing financial reports by stakeholders. Moreover, the financial reports generated can be used for loan applications to financial institutions and provide insights into the actual condition or performance of the company, benefiting both internal and external stakeholders with vested interests in the company.

### **Business Sustainability**

According to (Adiwimarta & Sunaryo, 2016), "Keberlangsungan" is a verb that can describe an ongoing event that is continuously occurring. This condition represents the development of events that will ultimately lead to the progress or continuation of a situation. Business sustainability, as described by (Widayanti et al., 2017), is a condition in which efforts are made to maintain, improve, and nurture resources while meeting the needs of a business. In other words, it refers to the consistency of the business condition, also known as business continuity. (Widayanti et al., 2017) further explains that business sustainability encompasses growth, development, and strategies within the business operations. One's ability to sustain a business can stem from personal experiences or the experiences of others who have a track record in the business world. In (Idawati & Pratama, 2020), it is revealed that business sustainability or development is a company's ability to expand its business scope. In other words, business sustainability refers to the ability of business entities to maintain consistency in their operations. To ensure stability in business sustainability, companies can foster their growth. The level of business growth can be measured in various ways. According to Wickham as mentioned in (Idawati & Pratama, 2020), business growth can be measured through three perspectives: financial improvement, strategic enhancement, and structural enhancement.

### **Research Hypothesis**

Hypothesis is a temporary prediction in a scientific research work. Hypotheses are only provisional responses to research questions, and their validity needs to be tested through data analysis from a research study. Based on information from several previous research literature, the researcher formulates the following hypotheses regarding the mentioned problem :

***H1 : Selling price is suspected to have a partial influence on the sustainability of MSMEs.***

***H2 : Promotion is suspected to have a partial influence on the sustainability of MSMEs.***

***H3 : Financial literacy is suspected to have a partial influence on the sustainability of MSMEs.***

***H4 : Accounting information system is suspected to have a partial influence on the sustainability of MSMEs.***

***H5 : It is suspected that selling price, promotion, financial literacy, and the implementation of an accounting information system collectively have an influence on the sustainability of MSMEs.***

### **METHODS**

In the process of preparing this article, the researcher chose a quantitative approach. In the book (Sugiyono, 2017), it is explained that "quantitative approach is a method in research that focuses on collecting, analyzing, and interpreting numerical data or quantitative data." Meanwhile, in the research technique, the researcher employed a causal technique. According to (Sugiyono, 2017), causal technique is an approach or method in research that aims to determine the cause-and-effect relationship between two or more variables. In the causal technique, the researcher attempts to draw conclusions about whether changes in the independent variable cause changes in the dependent variable. The reason for choosing the quantitative approach is that the researcher will use numerical data that can be measured, rational, and systematic as the data for this research.

In the research process, the researcher used primary data as the source of information. To obtain the data, the researcher used a questionnaire method. The population in this research consisted of individuals directly involved in managing MSMEs in Kediri Regency. For the sampling technique, the researcher used purposive sampling. In the book (Sugiyono, 2017), it is explained that "purposive sampling is a sampling technique where individuals, groups, or specific sample units are deliberately selected based on specific criteria or objectives relevant to the research being conducted." The researcher set certain criteria for the sample, including that the MSMEs were established before the Covid-19 pandemic, had experience in managing an MSME, had an understanding of the business

world, and played a role in running a Micro, Small, and Medium Enterprise. The researcher used a sample size of 50 MSMEs. The determination of the sample size was based on 10 times the number of variables, as this research involved multivariate analysis. For data processing, the researcher conducted validity and reliability tests to examine the questionnaire data. In testing the regression equation, the researcher used multiple linear regression analysis. As for hypothesis testing, the researcher will use t-test, F-test, and Coefficient of Determination test.

## RESULTS AND DISCUSSION

### Identification of Research Variables

a. Selling Price (X.1).

To determine the selling price, it can be done by adding the production cost with the desired mark-up. The production cost includes raw materials, employee salaries, and other expenses related to the production process. The selling price can be calculated by adding the production cost with the desired mark-up from the production cost.

b. Promotion (X.2)

Promotion is an instrument that can support the success of a company. By conducting promotions, a company can introduce its products to buyers. Implementing promotions increases awareness, interest, and purchase intention towards specific products or services.

c. Financial Literacy (X.3)

Financial literacy is an individual's ability to analyze and make decisions based on financial reports. With this ability, business operators can analyze financial reports from their business and make appropriate decisions and policies to help the growth of their business. The level of knowledge in financial literacy is grouped into three categories:

- The first group is for individuals with a comprehension level below 60%, indicating a low level of financial literacy.
- The second group is for individuals with a comprehension level between 60% and 79%, indicating a moderate level of financial literacy.
- The third group is for individuals with a comprehension level above 80%, indicating a very good level of financial literacy.

d. Application of Accounting Information System (X.4)

Accounting Information System is a system that manages the input, processing, and output of the financial cycle within a company. With the accounting information system, it is expected to control all financial-related operations of the company, including production activities, sales, purchases, cash inflows, cash outflows, and many other operational activities. The accounting information system makes it easier to execute and supervise operational activities. The effectiveness of the system can be measured by considering several factors such as:

- The efficiency and effectiveness of operations.
- Easy supervision and tracing of financial data cycles.
- Low level of fraud within the company.
- The ability to generate high-quality and reliable financial reports based on evidence from financial records or documents.

### Data Description

Based on the data obtained from the questionnaire responses of the respondents, the researcher processed the data using the Statistical Package and Service Solutioneri (SPSS). The results of the frequency test provided an overview of the characteristics of the sampled respondents, such as gender, age, and position. The following are the results of the frequency test :

**Table 1 Frequency Test Results Based on Respondents' Gender**

No.	Gender	Frequency (People)	Percentage
1	Female	34	68%

<b>2</b>	Male	16	32%
<b>Total</b>		50	100%

Source: Data Processed (2023)

Based on the data above, it is known that the characteristics of the respondents with female gender are 34 people, and the respondents with male gender are 16 people. Each of these respondents is part of the Micro, Small, and Medium Enterprises (MSMEs) that served as the data source for the researcher, totaling 50 MSMEs in the Kediri Regency area.

**Table 2 Frequency Test Results Based on Position**

No	Jabatan	Frekuensi (Position)	Presentase
<b>1</b>	Pemilik	27	54%
<b>2</b>	Admin	10	20%
<b>3</b>	Staff	12	24%
<b>4</b>	Lainnya	1	2%
<b>Total</b>		50	100%

Source: Data Processed (2023)

Based on the table above, the results of the frequency test based on the number of positions are as follows: Respondents with the position of owners have the highest number with 27 individuals, followed by respondents with the position of admin with 10 individuals, then respondents with the position of staff with 12 individuals, and finally, one respondent chose a position outside of owner, admin, and staff, being Street Vendor.

Based on the testing results of each independent variable, namely selling price (X.1), promotion (X.2), financial literacy (X.3), and accounting information system (X.4), with the dependent variable being the sustainability of MSMEs (Y) in the Kediri Regency area, obtained through the distribution of questionnaires to 50 business units. The data processing results include the frequency test.

**Table 3 Data Frequency Test Results**

Variabel	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	Total	Percentage	Total	Percentage	Total	Percentage	Total	Percentage	Total	Percentage
<b>X1.1</b>	38	76%	12	24%						
<b>X1.2</b>	30	60%	19	38%	1	2%				
<b>X1.3</b>	33	66%	16	32%	1	2%				
<b>X1.4</b>	28	56%	20	40%	2	4%				
<b>X2.1</b>	32	64%	18	36%						
<b>X2.2</b>	31	62%	19	38%						
<b>X2.3</b>	30	60%	19	38%	1	2%				
<b>X2.4</b>	27	54%	20	40%	3	6%				
<b>X3.1</b>	24	48%	26	52%						
<b>X3.2</b>	24	48%	26	52%						
<b>X3.3</b>	23	46%	26	52%	1	2%				
<b>X3.4</b>	23	46%	25	50%	2	4%				
<b>X4.1</b>	19	38%	23	46%	6	12%	2	4%		
<b>X4.2</b>	21	42%	19	38%	9	18%	1	2%		
<b>X4.3</b>	20	40%	23	46%	6	12%	1	2%		
<b>X4.4</b>	21	42%	23	46%	6	12%				
<b>Y1</b>	36	72%	13	26%	1	2%				
<b>Y2</b>	26	52%	18	36%	5	10%	1	2%		

<b>Y3</b>	22	44%	23	46%	5	10%		
<b>Y4</b>	21	42%	16	32%	12	24%	1	2% <sub>s</sub>

Source: *Data Processed (2023)*

### Data Quality Test

In conducting data quality testing, the researcher performed validity and reliability tests. This was carried out to assess the data quality and determine if there is a relationship between the data under investigation. Below are the results of the data quality test conducted by the researcher :

#### Validity test

In the book (Sugiyono, 2017), "Validity is a procedure or technique used to measure the extent to which a measuring instrument or research tool truly measures the intended variable or construct." The purpose of conducting the validity test is to determine the accuracy of the instrument in depicting the variables of selling price (X1), promotion (X2), financial literacy (X3), accounting information system (X4), and business sustainability (Y). The following are the results of the data testing :

**Table 4 Results of the Validity Test**

Variable	Indicator	Correlation coefficient		Value Table R	Result
<b>Selling Price</b>	X1.1	,466	>	,278	√
	X1.2	,480	>	,278	√
	X1.3	,412	>	,278	√
	X1.4	,478	>	,278	√
<b>Promotion</b>	X2.1	,540	>	,278	√
	X2.2	,571	>	,278	√
	X2.3	,565	>	,278	√
	X2.4	,528	>	,278	√
<b>Financial Literacy</b>	X3.1	,373	>	,278	√
	X3.2	508	>	,278	√
	X3.3	,560	>	,278	√
	X3.4	,479	>	,278	√
<b>Accounting information system</b>	X4.1	,695	>	,278	√
	X4.2	,568	>	,278	√
	X4.3	,691	>	,278	√
	X4.4	,697	>	,278	√
<b>Business Sustainability</b>	Y1	,301	>	,278	√
	Y2	,729	>	,278	√
	Y3	,733	>	,278	√
	Y4	,716	>	,278	√

Source: *Data Processed (2023)*

Based on the data above, it can be observed that the research instruments comprising several questions on selling price, promotion, financial literacy, accounting information system, and business sustainability have correlation coefficients higher than 0.278, with a Df (degrees of freedom) of 48 and significance level below 0.05. This indicates that the instruments used have been proven valid and reliable as the basis for the research.

#### Reliability Test

In the book (Sugiyono, 2017), it is stated that "Reliability test is a set of measurement tools to examine the consistency of research instruments when measuring repeatedly with the same instrument." Below are the results of the data testing :

**Table 5 Results of the Reliability Test**

Cronbach' Alpha	N of Items	Table Value R	Results
<b>0,916</b>	20	,2306	√

Source: Data Processed (2023)

**Table 6 Detailed results of the Reliability Test**

Indikator	Cronbach's Alpha if Item Deleted	Table Value R	Results
X1.1	,913	,2306	√
X1.2	,912	,2306	√
X1.3	,913	,2306	√
X1.4	,917	,2306	√
X2.1	,911	,2306	√
X2.2	,910	,2306	√
X2.3	,910	,2306	√
X2.4	,916	,2306	√
X3.1	,915	,2306	√
X3.2	,911	,2306	√
X3.3	,911	,2306	√
X3.4	,914	,2306	√
X4.1	,907	,2306	√
X4.2	,911	,2306	√
X4.3	,908	,2306	√
X.4.4	,906	,2306	√
Y1	,919	,2306	√
Y2	,913	,2306	√
Y3	,911	,2306	√
Y4	,911	,2306	√

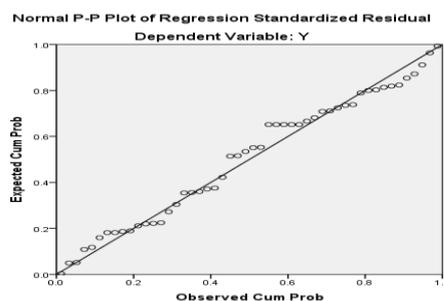
Source: Data Processed (2023)

### Classical Assumption Test

The classical assumption test in (Ghozali, 2018) is described as the initial step in analyzing regression. The classical assumption test is conducted to ensure that the regression coefficients used remain stable and accurate in making predictions. Additionally, this test aims to assess whether the regression model is suitable for use. Below are the results of the classical assumption test :

#### Normality Test

According to (Ghozali, 2018), the normality test is a test used to determine whether the residuals of the model are normally distributed. This means that the distribution of residuals should be similar to a normal distribution. Below are the results of the normality test :



**Figure 1 P-Plot . Normality Normality Test Results**

Source: Data Processed (2023)

As can be seen in the above graph, the points are scattered along the line starting from point 0. According to this statement, it can be said that the independent and dependent variables in the multiple linear regression instrument can be distributed normally. In addition to testing through probability plots, the researcher utilized the Kolmogorov-Smirnov test for increased reliability. Below are the test results:

**Table 7 Results of the Normality Test**

		Unstandardized Residual
<b>N</b>		50
<b>Normal Parameters,b</b>	Mean	,0000000
	Std. Deviation	,96229729
<b>Most Extreme Differences</b>	Absolute	,118
	Positive	,066
	Negative	-,118
<b>Kolmogorov-Smirnov Z</b>		,834
<b>Asymp. Sig. (2-tailed)</b>		,491

Source: Data Processed (2023)

Based on the data above, the value of Asymp. Sig. (2-tailed) is 0.491, which is higher than 0.05. From these results, it can be stated that the independent and dependent variables in the multiple linear regression instrument can be assumed to be normally distributed.

#### Multicollinearity Test

According to (Ghozali, 2018), the Autocorrelation Test is conducted to examine whether there is a relationship between the disturbance errors and the variables used in the regression model. If these variables are not autocorrelated, then the multiple linear regression model can be considered good. Below are the results of the autocorrelation test.:

**Table 8 Results of the Multicollinearity Test**

Variable	Tolerance	VIF	Results
<b>Selling Price (X1)</b>	,697	1,436	Free from Multicollinearity
<b>Promotion (X2)</b>	,528	1,894	Free from Multicollinearity
<b>Financial Literacy (X3)</b>	,502	1,993	Free from Multicollinearity
<b>Accounting Information System (X4)</b>	,569	1,756	Free from Multicollinearity

Source: Data Processed (2023)

Based on Table 8, each variable in the regression model has a Tolerance value greater than 0.1 and a VIF (Variance Inflation Factor) value less than 10. Therefore, there is no multicollinearity present in the regression model.

#### Autocorrelation Test

According to (Ghozali, 2018), the Autocorrelation Test is conducted to examine whether there is a relationship between the disturbance errors and the variables used in the regression model. If these variables are not autocorrelated, then the multiple linear regression model can be considered good. Below are the results of the autocorrelation test :

**Table 9 Results of the Autocorrelation Test**

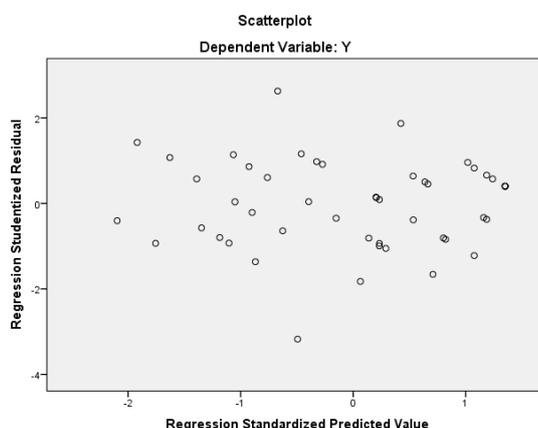
Model	R	R Square	Adjusted R Square	Std. Error Of the estimate	Durbin Watson
<b>1</b>	,845 <sup>a</sup>	,713	,688	1.004	1,910

Source: Data Processed (2023)

From table 9, the Durbin Watson value is found to be 1.910. After obtaining the Du value of 1.7214, when this value is placed within the range  $1.1910 < Du < 2.2786$ , it falls within the bounds. Since Du is less than  $Du < D < 4 - Du$ , the result is as follows:  $1.7214 < 1.1910 < 2.2786$ . This leads to the conclusion that the multiple linear regression model does not suffer from autocorrelation issues.

### Heteroskedasticity Test

According to (Ghozali, 2018), the Heteroskedasticity Test is conducted to examine whether there is uniformity in the residuals of observations with the data used in the regression model. If no uniformity in residuals is found, it can be concluded that the regression model does not exhibit heteroskedasticity. Below are the results of the heteroskedasticity test :



**Figure 2 Results of the Heteroskedasticity Test**

Source: Data Processed (2023)

From the above graph, it can be observed that the data points are evenly and randomly scattered below the value of 0 on the Y-axis. This indicates that the regression model used does not show any indication of heteroskedasticity.

### Multiple Linear Regression Analysis

In the book (Ghozali, 2018), it is explained that "Multiple Linear Regression analysis is a statistical technique used to determine the relationship between one dependent variable and two or more independent variables." Below are the results of the Multiple Linear Regression test :

**Table 10 Results of the Multiple Linear Regression Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	,147	2,032	
Selling Price (X1)	,248	,108	,220
Promotion (X2)	,289	,117	,271
Financial Literacy (X3)	,168	,131	,144
Accounting Information System (X4)	,268	,070	,402

Source: Data Processed (2023)

Based on the data above, the following is the model equation for the multiple linear regression:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + e$$

$$Y = ,417 + ,248 X_1 + ,289 X_2 + ,168 X_3 + ,248 X_4 + e$$

From the regression equation, the obtained constant value is 0.147. This means that the selling price, promotion, financial literacy, and accounting information system are considered by the constant. From this, it can be concluded that the business sustainability has a constant value of 0.147.

From the table above, there are regression coefficient values for several different variables. The regression coefficient value for the "selling price" variable is 0.248. This means that if the selling price increases by 1, the business sustainability will also increase by 0.248. Furthermore, the results from the table show that the regression coefficient value for the "promotion" variable is 0.289. This indicates that if the promotion level increases by 1, the business sustainability will also increase by 0.289. Additionally, it can be observed from the table that the regression coefficient value for the "financial literacy" variable is 0.168. This suggests that if financial literacy increases by 1, the business sustainability will increase by 0.168. Finally, the regression coefficient value for the "accounting information system" variable is 0.268. This implies that if the Accounting Information System increases by 1, the business sustainability will also increase by 0.268.

### Results of the Hypothesis Test

#### t-test (Partial Test)

According to (Ghozali, 2018), the t-test (Partial Test) is conducted to assess the significance of the individual relationships between independent variables and the dependent variable in the regression model. Below are the results of the partial test:

**Table 11 Results of the t-test (Partial Test)**

Model	T	Sig.
(Constant)	,072	,943
Selling Price (X1)	2,304	,026
Promotion (X2)	2,466	,018
Financial Literacy (X3)	2,282	,026
Accounting Information System (X4)	3,803	,000

Source: Data Processed (2023)

Based on the t-table with 48 degrees of freedom and a significance level of 0.05, which is 2.014, we can conclude that the calculated t-values for each independent variable exceed 2.014. This indicates that the selling price, promotion, financial literacy, and accounting information system have a significant partial influence on business sustainability.

#### F-test (Simultaneous Test)

According to (Ghozali, 2018), the F-statistic is a test used to examine the overall influence of the independent variables on the dependent variable in a multiple regression model. Below are the results of the F-statistic test :

**Table 12 Results of the F-statistic (Simultaneous Test)**

Model	Sum of Squares	df	Mean Squares	F	Sig
Regression	112,945	4	28,236	28,003	0,000 <sup>b</sup>
Residual	45,375	45	1,008		
Total	158,320	49			

Source: Data Processed (2023)

In Table 12, the calculated F-value is obtained as 28.003. Additionally, the critical F-value from the F-table is 2.5740, which is obtained based on 4 independent variables and 50 respondents. From this

data, it is evident that  $28.003 > 2.5740$ , indicating that the selling price, promotion, financial literacy, and accounting information system have a simultaneous and significant influence on business sustainability (Y).

#### Coefficient of Determination Test (R-squared)

In the book (Ghozali, 2018), it is explained that "The coefficient of determination test is conducted to measure how well the independent variables in the multiple regression model can explain the variation of the dependent variable." Below are the results of the data test:

**Table 13 Results of the Coefficient of Determination Test (R-squared)**

Model	R	R. Square	Adjusted R Square	Std. Error of The Estimate
1	,845 <sup>a</sup>	,713	,688	1,004

Source: Data Processed (2023)

Based on the table above, the value of Adjusted R-Square ( $R^2$ ) is 0.688. From this data, it is evident that the selling price, promotion, financial literacy, and accounting information system collectively have an influence on Business Sustainability. The magnitude of the simultaneous influence between the independent and dependent variables is 71.3%. Meanwhile, the remaining 31.2% is influenced by other variables.

#### Discussion

The first result indicates that the selling price has a partial influence on the sustainability of MSMEs (Micro Small and Medium-sized Enterprises). This means that determining the selling price can affect the sustainability of SMEs. This statement is in line with (Sastrawan et al., 2019) which states that the selling price has an impact on business sustainability. By determining the right selling price, a business can enhance the product's attractiveness in the market, create customer loyalty, and establish a positive brand reputation in the eyes of consumers. As a result, the sales level of the MSMEs will tend to be more stable. This is because MSMEs will have loyal customers who repeatedly purchase their goods or services, and they can attract more consumers due to their good brand reputation. With stable sales, the business sustainability will be maintained, considering that MSMEs heavily rely on the cash flow generated from selling goods and services.

The second result indicates that promotion has a partial influence on the sustainability of MSMEs (Micro Small and Medium-sized Enterprises). This finding aligns with (Sastrawan et al., 2019), which states that promotion has an impact on business sustainability. Through promotion, a business can communicate messages to customers about the benefits of the products and relevant services that cater to their needs, as well as the brand's advantages and product quality. As a result, the company can enhance consumer awareness, interest, and purchase intention towards its goods and services. If a company successfully captures the public's attention to buy the offered products, it will experience an increase in sales. With continuous sales growth, the company can grow into a larger organization, and its business sustainability can be maintained.

The third result indicates that financial literacy has a partial influence on sustainability. This finding aligns with (Marwati et al., 2017), which states that financial literacy has an impact on business sustainability. With a good understanding of financial literacy, a company can improve its performance efficiency by making informed financial decisions. Additionally, financial literacy can help a company allocate resources wisely to support innovation in products and services. With a strong grasp of financial literacy, a company can effectively manage risks and reduce operational costs. As a result, the company's profitability can increase, leading to a more focused and directed

growth. With such measures in place, business sustainability can be maintained, ensuring its stability.

The fourth result indicates that the accounting information system has a partial influence on business sustainability. This finding is consistent with (Safitri, 2018), who states that the accounting information system has an impact on business sustainability. By implementing an accounting information system, a company can track and manage operational costs more effectively. Additionally, the system can provide rapid and accurate market data and analysis, enabling the company to adapt to market changes swiftly. With the accounting information system in place, the company can make more informed business decisions. The company can also maintain good internal control and adapt to the changing times. As a result, business sustainability can be well-preserved.

Overall, the research results show that selling price, promotion, financial literacy, and accounting information system have a simultaneous influence on business sustainability. Each independent variable contributes significantly to supporting business sustainability. In this context, promotion plays a role in attracting consumer attention to purchase the offered products. After consumers enjoy the products, the company can set an appropriate selling price to maintain customer loyalty. As a result, the company's sales can continue to perform well and experience continuous growth. To obtain information on sales results, the company needs to implement an accounting information system to manage sales information into quality financial information. This financial information requires a good understanding of financial literacy to make well-informed decisions. It is hoped that these decisions will contribute to maintaining the sustainability of an MSME. Therefore, it is essential for business owners to consider all these factors together to achieve success in running their business.

## CONCLUSION

From a series of research procedures conducted by the researchers, starting from the questionnaire development process, data collection from respondents, and data processing, the following results were obtained. Partially, it is revealed that the selling price has an influence on business sustainability with a correlation coefficient of 2.304. Sales promotion also has a partial influence on business sustainability with a correlation coefficient of 2.466. Additionally, financial literacy also has a partial influence on business sustainability with a correlation coefficient of 2.282. Similarly, the accounting information system also has a partial influence on business sustainability with a correlation coefficient of 3.803. Besides the partial influence, the selling price, promotion, financial literacy, and accounting information system collectively influence business sustainability, as indicated by the F-table value of 28.003. Overall, the selling price, promotion, financial literacy, and accounting information system have a combined influence of 71.3% on business sustainability.

After conducting a series of research, the author acknowledges that this Research Report has some limitations and weaknesses. Nonetheless, the author hopes that this article can make a meaningful contribution to the advancement of MSMEs (Micro Small and Medium-sized Enterprises) in Indonesia. For Micro, Small, and Medium-sized Enterprises, this article can serve as a reference in considering pricing strategies, implementing promotional activities, enhancing financial knowledge, and adopting accounting information systems within their businesses to ensure business sustainability. By doing so, MSMEs can withstand various conditions and contribute to the economic growth of Indonesia. For future researchers, it is hoped that they can further develop this study by analyzing other variables related to business sustainability and involving a larger population and sample. Considering the limitations of the geographical area and the conditions within the data population, which may affect data quality, it is important for future researchers to improve and refine studies on the impact on business sustainability.

## REFERENCES

- Adiwimarta, S. S., & Sunaryo, A. (2016). *Kamus Besar Bahasa Indonesia Edisi ke-5* (5th ed.). Balai Pustaka.
- Dwiastanti, A., & Mustapa, G. (2020). Pengaruh Karakteristik Wirausaha, Lingkungan Eksternal dan Strategi Bertahan Umkm dalam Menjaga Keberlangsungan Usaha di Musim Pandemi Covid 19. *Business and Accounting Education Journal*, 1(3), 228–240. <https://doi.org/10.15294/baej.v1i3.42740>
- Fadilah, A., Syahidah, A. nur'azmi, Risqiana, A., Nurmaulida, A. sofa, Masfupah, D. D., & Arumsari, C. (2021). Pengembangan Usaha Mikro, Kecil, Dan Menengah Melalui Fasilitas Pihak Eksternal Dan Potensi Internal. *BERNAS: Jurnal Pengabdian Kepada Masyarakat*, 2(4), 892–896. <https://doi.org/10.31949/jb.v2i4.1525>
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25*. Badan Penerbit Universitas Diponegoro.
- Idawati, I. A. A., & Pratama, I. G. S. (2020). Pengaruh Literasi Keuangan Terhadap Kinerja dan Keberlangsungan UMKM di Kota Denpasar. *Warmadewa Management and Business Journal (WMBJ)*, 2(1), 1–9. <https://doi.org/10.22225/wmbj.2.1.1644.1-9>
- Kotler, P. (2022). *Marketing 5.0* (H. Kartajaya & I. Setiawan (eds.); Edisi Regu). Gramedia Pustaka Utama.
- Lusardi, A. (2012). Numeracy, Financial Literacy, and Financial Decision-Making. *Paper Presented at the Journal Scholar Commons*.
- Mahdiyana, A. (2022). *Perekonomian dunia diprediksi akan dihantam resesi tahun 2023, bagaimana dengan pembangunan infrastruktur?* <https://kpbu.kemenkeu.go.id/read/1173-1508/umum/kajian-opini-publik/perekonomian-dunia-diprediksi-akan-dihantam-resesi-tahun-2023-bagaimana-dengan-pembangunan-infrastruktur>
- Marwati, F. ., Damyanti, R., & Widayat, R. (2017). Pengaruh Pengetahuan Keuangan Dan Motivasi Terhadap Keberlangsungan Usaha. *Suhuf*, 29(2), 197–215. <http://journals.ums.ac.id/index.php/suhuf/article/view/5645>
- Nurfadillah, M. (2020). Meningkatkan Produktivitas Pelaku UMKM melalui Pelatihan Perencanaan Bisnis. *Jurnal Abdimas Mahakam*, 4, 43.
- Otinur, F., Pangemanan, S. S., & Warongan, J. (2017). Analisis Sistem Informasi Akuntansi Dan Sistem Pengendalian Internal Persediaan Barang Pada Toko Campladean Manado. *Going Concern : Jurnal Riset Akuntansi*, 12(01), 169–179. <https://doi.org/10.32400/gc.12.01.17202.2017>
- Peraturan Pemerintahan Republik Indonesia. (2008). *Undang Undang Nomor 20 Tahun 2008*.
- Safitri, A. (2018). *PENGARUH PENGGUNAAN INFORMASI AKUNTANSI TERHADAP KEBERHASILAN USAHAKECIL MENENGAH (Studi Pada Sentra Dodol di Kec. Tanjung Pura)*. 69.
- Sastrawan, R., Hermina, U. N., Qadri, U., & Pratiwi, N. (2019). *PENGARUH HARGA JUAL, MUTU PRODUK DAN PROMOSI TERHADAP KELANGSUNGAN USAHA DI ERA PANDEMI (Studi Pada UMKM Kecamatan Pontianak Barat)*. 14(1), 5–10.
- Sugiyono. (2017). *Metodelogi Penelitian Kuantitatif dan Kualitatif Dan R&D*. ALFABETA.
- Widayanti, R., Damayanti, R., & Marwanti, F. (2017). Pengaruh Financial Literacy Terhadap Keberlangsungan Usaha (Business Sustainability) Pada Umkm Desa Jatisari. *Jurnal Ilmiah Manajemen & Bisnis*, 18(2), 153. <https://doi.org/10.30596/jimb.v18i2.1399>