

# EXTERNAL FACTORS INFLUENCING THE COMPETITIVE ABILITY OF MSMEs IN TATELU RONDOR VILLAGE, DIMEMBE DISTRICT, NORTH MINAHASA REGENCY (CASE STUDY OF CREDIT SELLERS)

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**Abstract**-The purpose of this research was to determine the external factors that affect the competitiveness of MSMEs in Tatelu Rondor Village, Dimembe District, North Minahasa Regency. The research method used is a qualitative method. Qualitative research is a process of research and understanding based on a method that investigates a phenomenon of external factors on the competitiveness of MSMEs Selling Credit in Tatelu Rondor Village. Data collection techniques were carried out through observation, questionnaires, interviews and documentation. Data analysis methods, namely: a). observation, b). interviews market conditions, competitors, technology and politics and law on the businesses they run, and what strategies are carried out by MSMEs to survive in the face of existing competition. d). formulate strategic policies by implementing internal and external environmental analysis. The results of the study indicate that the Tatelu Rondor village government continues to maintain the continuity of local MSMEs by not giving permission to retail entrepreneurs from outside to open businesses or expand to Tatelu Rondor Village. Kiosk Credit players in Tatelu Rondor Village can take out loans at the nearest Bank with a low interest facility of 6%, in the form of People's Business Credit to increase their business capital. With the increase in capital, then the MSMEs can add more variety to the items on their counters, such as providing cold drinks and snacks.

**Keywords :** External Factors, Influencing, Capabilities, MSMEs

## I. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are one of the important priorities in improving the Indonesian economy owned by individuals, or business entities that have met the criteria as micro businesses. MSMEs are the basis of the people's economy that can drive the Indonesian economy, and reduce poverty rates because they are one of the largest sources of labor absorption in Indonesia. With the establishment of micro, small, and medium enterprises (MSMEs) can facilitate improving community welfare. According to Badrudin (2012) community welfare is a condition that shows the condition of community life that can be seen from the community's standard of living.

The very rapid growth of MSMEs requires every MSME to be ready to compete. In general, there are several external factors that can affect the success of MSMEs in the form of government, social, cultural and economic policies, as well as the role of related institutions. These external factors affect MSMEs in creating business success. External factors often become a less conducive business climate, business licensing problems, lack of ability in science and knowledge, unable to read existing market opportunities so that market access is limited, causing products to not be marketed properly. Thus, the development of micro, small and medium enterprises has become one of the main tasks in the work program of related agencies.

Related to this, cooperation between the government and other related agencies is needed to provide guidance, mentoring, training and sufficient information for MSMEs in managing and developing their businesses so that success can be achieved. The MSME development program includes guidance and direction activities, procurement or capital assistance, marketing network development, partnership program development, and also evaluating the results of the program. Based on the problems above, the author is interested in conducting research entitled "External Factors Affecting the Competitiveness of MSMEs in Tatelu Rondor Village, Dimembe District, North Minahasa Regency (Case Study on Credit Sellers).

## II. RESEARCH METHODS

This research will use qualitative data. Qualitative research is a process of research and understanding based on a method that investigates a phenomenon of external factors on the competitive ability of MSMEs Selling Credit in Tatelu Rondor Village, Dimembe District, North Minahasa Regency. Data sources, namely primary and secondary data. Data collection techniques are carried out through observation, questionnaires, interviews and documentation. The data analysis methods used are as follows: a).

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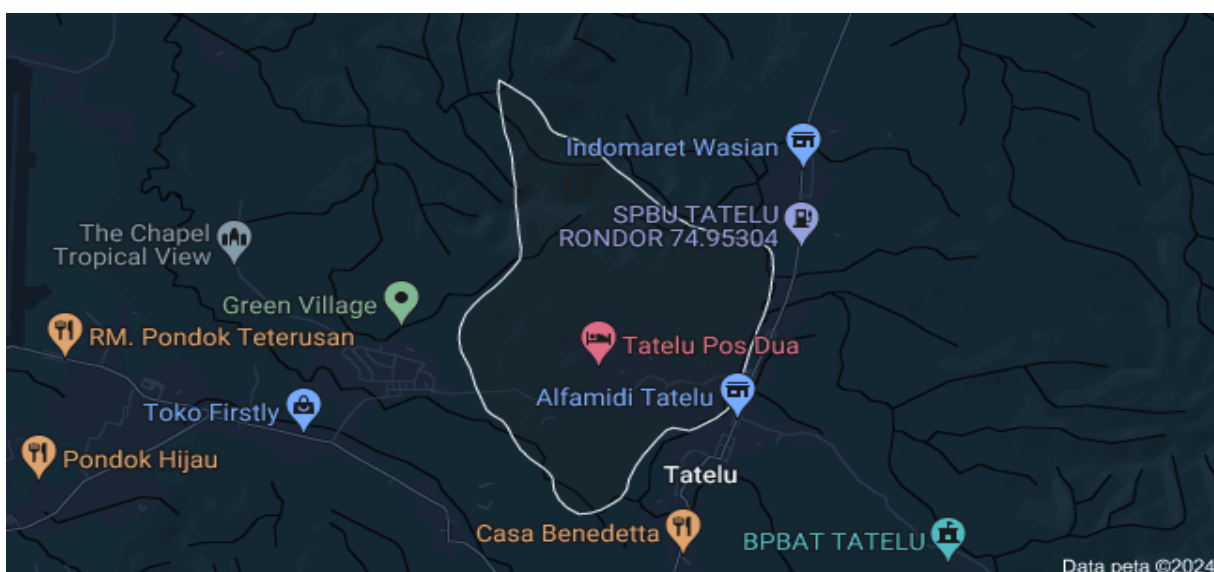
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Researchers will conduct direct observations of business actors in this case MSMEs located in Tatelu Rondor Village, North Minahasa Regency, who have business activities for Selling Credit. b). Researchers will conduct interviews with MSMEs who have business activities Selling Credit, regarding the influence of external factors, such as market conditions, competitors, technology and politics and law on the businesses they run. c). Researchers will ask about what things are done by MSMEs in this case Selling Credit, to survive in the face of existing competition. d). Researchers will try to formulate strategic policies for MSMEs Selling Credit, by applying internal and external environmental analysis.

### III. DISCUSSION

The location of this research is Tatelu Rondor Village, Dimembe District, North Minahasa Regency. And the targeted business actors are MSMEs engaged in the sale of credit (Credit Kiosk).

Figure 4.1 Google Map of Research Location



Sumber : Google Map, 2024

#### Benefits of External Factors for Credit Sales Business (Credit Kiosk) in Tatelu Rondor Village

The Credit Business does not only cover the sale of telephone credit, but also internet data packages, game vouchers, bill payments such as electricity and water. In addition, most Credit Kiosks provide complementary cellphone accessories, such as: data cables, chargers, handsfree, batteries, telephone accessories such as headsets, chargers, silicone, anti-scratch, small speakers, and so on as supporting displays on display to attract customer interest when they come to buy credit, they will definitely be interested in looking for other needs related to accessories or protectors for their cellular phones.

There are several external factors that influence business actors in Tatelu Rondor Village in carrying out their activities, including:

a. Market conditions

Activities to collect and analyze information about the market or the credit sales industry. The information collected includes information about buyers or users and competitors.

b. Competitors

Checking competitors is not as difficult as we imagine. For example, you can start by collecting flyers and price lists that they make for buyers or customers. In addition, you can also read information on their website or social media pages. Even if necessary, buy credit or try their services and compare them with what you have.

c. Technology

The use of technology has a significant impact on a business. In the credit sales business, we can take advantage of technology, including technology-based delivery, digital payment receipts, payments using e-wallets or digital wallets, and so on. If this is done, it will expand the market area, or our promotional place. We can also send orders anywhere on a digital basis. Payments made with a digital system will greatly expand the business market area. Consumers will find it very easy to order from anywhere with proof of payment delivery.

d. Politics and Law

Politics and law have a significant impact on business, including:

a. Taxes

The government can lower tax rates for some businesses, and increase them for others.

**b. Political Situation**

An uncertain political situation can have an impact on the economy, especially in the industrial sector.

**c. Legal Policy**

Is a choice of laws that are enforced and revoked, which aims to achieve state goals.

**Things to Do, MSMEs Selling Credit (Credit Kiosks) in Facing Competition**

**a. Consider the business concept**

Initial capital greatly influences the concept and how to start a business. If the credit seller only wants to focus on selling credit and internet data packages, then the capital required is not large, and the selection of a specific location is not required. Using a cellphone as the main tool in running a business. Even with just a cellphone, it can also be a promotional media through an online platform.

**b. Choose a trusted distributor**

Things to avoid in running a sales business are disappointing customers. Therefore, good cooperation with the right distributor or agent is needed. Choose a distributor that has a reliable server and is free from network disruption problems. A stable server will ensure that the credit business runs smoothly, in addition to providing the best service for customers. Choosing a distributor that provides credit bonuses or commissions in transactions can also be a consideration.

**c. Ideal Location**

Location is one of the stages to start most businesses, including in the credit business. Strategic locations, such as places that are often visited by people and public areas, where people pass by, will definitely be one of the good and strategic places to start a credit sales business. The ideal location can also be in your home, and the absence of competitors can be very profitable. No need to spend capital for a place of business, just need to prepare a small display case, and put up a banner that attracts customers. The target of the sales business can be directed to neighbors and families around the residence first.

**d. Becoming a one-stop service**

In running a credit sales business, it is better not only to provide credit and data packages, but it can be added with various other interesting things, such as electricity, water, and credit installment payment services. In addition, sellers can also add it by selling accessories, such as handsfree, chargers, silicone, anti-scratch and even selling cold drinks and snacks that can make customers not only buy credit or data packages but buy their needs because they are already available in the Credit Kiosk. There are even those who sell mini fans, even mini active speakers. This can be an attraction for customers because they are interested in the things that are available and sold at the Credit Kiosk.

**e. Competitive Selling Price**

How to attract customers, when starting a business is to offer more competitive prices compared to competitors. In the business of selling credit, data packages or bill payments, the more people buy or pay with small bills, the greater the profit will be. Also consider other factors, such as additional services and product quality that can be an added value for customers.

**f. Do Promotion**

To increase the number of transactions how to start a credit business, it is important to attract customers through promotions. MSMEs can utilize various media, such as social media, to introduce their business and reach more potential customers. With an effective promotional strategy, it can increase the volume of transactions and ultimately, the profits of the credit business.

**g. Don't feel bad for others**

Don't feel bad when there are customers, especially those we know who are in debt, when buying credit. Although it is important to be friendly and maintain good relationships with customers, always allowing them to be in debt can result in greater losses for the credit business. Giving flexibility to customers by implementing a credit system with clear provisions, and still having a guarantee of payment according to the agreement is necessary for the continuity of the existing business.

**Formulating Strategic Policies by Applying Internal and External Environmental Analysis**

As an initial step that can be taken by MSMEs in Tatelu Rondor Village is to conduct an internal and external environmental analysis, to observe:

**1. Strength dan Weeaknesses**

**a. Strenght**

The Tatelu Rondor Village Government in this case, the village head does not give permission to retail businesses, such as Alfa Mart, Indomaret and Alfa Midi to operate. Because with the operation of these retail businesses, many MSMEs selling credit, as well as grocery stores will go bankrupt, considering that these retailers provide bill payment transactions, data package sales and online game packages, in addition to providing other necessities.

- There is still a lack of wired wifi lines in Tatelu Rondor Village, while the use of data packages is currently rampant, and has become a need that must be met, and makes it a need that cannot be postponed.
- The server service is very good, considering that there are two large signal towers in Tatelu Rondor Village provided by the telecommunications provider.

**b. Weaknesses**

- Most business owners in Tatelu Rondor Village have limited capital, and most use their own capital, so they have to manage it themselves, to reduce expenses in order to get more profit.
- Does not sell Cellular Phone
- Does not serve credit sales system

- Lack of variety in the contents of the credit kiosk, and the shop design is less attractive to customers.

## 2. Opportunity and Treats

### a. Opportunity

- People who have a mindset to follow existing trends, such as creating content, are already a lifestyle today.
- Most people in Tatelu Rondor Village are engaged in people's mining businesses which causes many mine owners to have employees who come from outside Tatelu Rondor Village, this is a very good target market because they often buy credit and data packages. In addition, they also often send money, or pay their bills using BRI Link services, so they can increase the source of income for credit kiosk owners, if they provide these services.
- As many as 75% of people in Tatelu Rondor Village who work as miners, have a good level of income so they always buy with cash.

### b. Treats

- In Tatelu Rondor Village there are 4 credit kiosks, which often cause price wars to attract customers, resulting in reduced income.
- With the presence of business retailers, such as Alfa Mart, Alfa Midi, and Indomaret in neighboring villages, the sales level of Credit Kiosks will decrease. This happens because these retailers provide complete services and have a pleasant atmosphere because of the air conditioning. Compared to credit kiosks, there is no AC, and it feels hot when shopping during the day.

## IV. CONCLUSION

Based on the discussion that has been conducted, the conclusion of this research is:

1. External factors that influence business actors in Tatelu Rondor Village in carrying out their activities include: market conditions, competitors, technology, politics and law, taxes, political and legal situations.
2. In facing competition, there needs to be: consideration of business concepts, choosing a trusted distributor, an ideal location, being a one-stop service, and competitive selling prices, carrying out promotions, and not having any bad feelings towards other people.
3. In formulating strategic policies, it can be done by applying internal and external environmental analysis. Where in the internal environmental analysis can be done by analyzing the strengths and weaknesses of the business industry that will be engaged in. By considering the analysis of the external environment, such as opportunities and threats.
4. The Tatelu Rondor Village Government maintains the concept of maintaining the continuity of the MSME business, by not giving permission to retail entrepreneurs to open businesses, or expand to Tatelu Rondor Village.
5. MSMEs actors (credit kiosks) in Tatelu Rondor Village can take out low-cost loans at the nearest bank, with low-interest facilities in the form of people's business credit with 6% interest to increase their business capital. With the increase in capital, the MSMEs can also add more varied goods to its counter, such as providing cold drinks and snacks.

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The author realizes that the results of this research still have many weaknesses and shortcomings, so all criticism and suggestions from readers, the author accepts with pleasure.

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