The Influence of Capital and Online Marketing Strategies on MSME's Development in Madiun City

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Article Info	Abstract
	Introduction: The Micro, Small, and Medium Enterprises Group (UMKM) in Madiun City is a facility for MSME actors with a business license. The goal of this MSME group is for their efforts to achieve maximum development results. However, the MSME group's business in Madiun City still needs to develop. This can be seen from the addition of capital and the use of technology in a marketing strategy that does not make the business being run develop. Based on these problems, this study aims to test and analyze whether capital and online marketing strategies positively affect the development of MSMEs in the MSME Group in Madiun City. **Research Methods:** The type of research used is quantitative research with a population of 300 and a sample of 75 respondents. This study uses the Probability Sampling technique of Simple Random Sampling and data collection methods using a questionnaire/questionnaire. Statistical data analysis technique using SPSS 16.0. This research uses validity, reliability, descriptive analysis, classical assumption test, t-test, f-test, multiple linear regression, and coefficient of determination. **Result:** The results of this study indicate that (1) capital has a positive and significant effect on the development of MSMEs

in the MSME group in Madiun City, (2) online marketing strategies have a positive and significant effect on the development of MSMEs in the MSME group in Madiun City, (3) capital and strategies Online marketing simultaneously has a positive and significant effect on the development of MSMEs in the MSME group in Madiun City. **Conclusion:** Based on the results of hypothesis testing, it can be concluded that the capital variable and online marketing strategy simultaneously (together) have a positive and significant effect on the development of MSMEs in the MSME group in Madiun City.

INTRODUCTION

In Islamic economics, all Muslims are allowed to seek sustenance anywhere as long as it is halal and does not disturb or harm the interests of other people. This is found in surah Al-Jumu'ah verse 10:

فَإِذَا قُضِيَتِ ٱلصَّلَوٰةُ فَٱنتَشِرُوا۟ فِى ٱلْأَرْضِ وَٱبْتَغُوا۟ مِن فَضْلِ ٱللَّهِ وَٱذْكُرُوا۟ ٱللَّهَ كَثِيرًا لَّعَلَّكُمْ تُفْلِحُونَ ١٠

Meaning: "When prayer is determined, then spread out on the face of the earth, seek the grace of Allah and remember Allah a lot so that you will be successful."

The verse above explains that when our obligations to Allah have been carried out, we can seek sustenance anywhere. As in the rules of fiqh, it is explained that "all muamalah activities are halal until there is proof that prohibits them" (Djazuli, 2019). So, we can seek sustenance anywhere, as long as it does not violate and is not prohibited by Islamic sharia, such as trading.

Micro, Small, and Medium Enterprises (MSMEs) are essential to the state and regional economy. MSMEs are a business with a dominant role in the economy. As in Indonesia, MSMEs are believed to be able to help reduce unemployment levels and increase people's income (Anoraga, 1997).

The existence of MSMEs can contribute to economic development in Indonesia (Ulya, 2015). It can be seen that currently, MSMEs can absorb more workers. MSME activities contribute 57.24% of Indonesia's total domestic GDP. Based on data collected in 2018 by the Ministry of Cooperatives and Small and Medium Enterprises (UKM). MSME units accounted for 64.2 million units, or 99.99% of all business units in Indonesia. Apart from that, the number of workers seen in it reached 116.98% million people or around 97% of the total workforce in Indonesia (Purba et al., 2021).

Sedinadia Putri, Ratna Yunita

Table 1.
Number of MSMEs in Indonesia

NO	Description	2016	2017	2018	2019
1.	Number of MSMEs	61.7 Million	62.9 Million	64.2 Million	65.5 Million

Source: (Christy, 2021)

In Indonesia, the number of MSMEs continues to increase; in 2016, there were 61.7 million. In 2017, the number rose to 62.9 million. The number of MSMEs increased to 64.2 million in 2018, and in 2019, it rose to 65.5 million MSMEs (Christy, 2021).

The development of MSMEs is very strategic for the economy; many business fields are created to increase people's income (Budiarto et al., 2015). So, there needs to be cooperation between the government and internal parties or business actors who can work together to develop MSMEs. Even though MSMEs have a strategic role, they still experience many internal and external obstacles and barriers, such as difficulties in capital, the low quality of human resources, and a lack of mastery of technology, information, and markets (Bayu et al., 2023).

The Micro, Small, and Medium Enterprises (UMKM) Group in Madiun City is a facility for MSMEs in Madiun City to carry out their business. The business actors in this group are MSMEs who already have business permits but still need to get a place of business. This group is located in various tourist centers in the city of Madiun. With this MSME group, the aim is for their businesses to achieve maximum development results. However, business development in the MSME group in Madiun City still needs to be developed.

Based on the results of initial interviews conducted by researchers with one of the heads of the MSME group in Madiun City, Mrs. Mayang, she explained that the business development of MSME actors in the MSME Group still needed to be developed. This is proven by the fact that the amount of income tends to be minor, and the quantity or quality of human resources has stayed the same.

Apart from that, the MSME actor, a member of the MSME group in Madiun City, Mrs. Revin Radiana, has run a souvenir business for 6 years. In her business, she has increased her capital by borrowing from the bank and carrying out promotions via WhatsApp, Instagram, and Facebook. However, her business has yet to develop. This is proven by the income results, which tend to be minor, namely Rp. 2,000,000 up to Rp. Three million per month or even less than Rp. 2,000,000 per month.

There was also an interview with Mrs. Emi, the owner of the "Girli" particular sauce business, which has been around for about 5 years. In her business, she uses social media as a promotional medium. However, the business still needs to grow. This is evidenced by the fact that the number of employees over time is the same, and the number of customers tends to be small.

To develop their business, MSME players can carry out various strategies by using existing facilities. One way is by utilizing additional capital from financial institutions. Capital is a factor that plays quite an important role in businesses, whether newly established businesses or businesses that are about to be expanded, the aim of which is to encourage the smooth running and development of the business being run. So, capital will influence income generation. Business capital can come from personal funds or loans from banking institutions (Juliasty, 2009). The government supports the growth of MSMEs by providing financial assistance or so-called Direct Cash Assistance (BLT) or credit loans through banks.

Capital influences the development of MSMEs; this is proven by previous research, that business capital significantly influences the development of leading MSME businesses in Kediri City. If a business can increase capital, it will impact the income it receives so that the business can experience development.

Apart from that, online marketing strategies are also a factor that can influence the development of MSMEs. According to Charles Doyle, Marketing is a scientific discipline that continues to develop and is mandatory for business people (Doyle, 2011). Efforts can include determining specific market segmentation, ensuring the products being sold are safe, innovating, creating attractive promotions, and implementing digital marketing (Wijoyo et al., 2021). In the MSME group in Madiun City, the government is trying to provide facilities in the form of training to increase productivity, creativity, and insight into management and marketing so that MSMEs experience development. According to the interview with Mrs. Mayang, business actors also carry out promotions using online media such as WhatsApp, Instagram, Facebook, and Shopee.

This is proven by previous research, which explains that the Madiun Regency Government has made efforts to empower brem MSMEs by encouraging marketing development, namely assisting in promotions through participation in exhibitions and helping to establish cooperation with gift shops and minimarkets. Other research also states that marketing strategy influences the development of MSMEs in the motorbike repair sector in Pakem District, Sleman Regency (Rahayu, 2020).

Based on the background description above, MSME actors in the MSME group in Madiun City have increased capital and used technology as a promotional medium. This should help develop the business being run by Budiarto et al.'s (2015) theory, which states that additional capital and the use of technology can help the MSME development process and increase the added value of a product.

LITERATURE REVIEW
1. Micro, Small and Medium Enterprises

According to Rudjito (2003), MSMEs are businesses that have an essential role in the country's economy, this is because MSMEs can provide employment opportunities and have an increasing number of businesses. Micro, Small, and Medium Enterprises (MSMEs) are productive business units carried out by individuals or legal entities in the

economic sector by Law Number 20 of 2008 concerning Micro Small and Medium Enterprises (MSMEs) (Kristiyanti & Rahmasari, 2015).

2. **MSME Development**

   a. **Definition**

      Business development is an effort carried out by the government, community, and other stakeholders by providing facilities, mentoring guidance, and assistance in strengthening businesses as a form of encouragement so that business capabilities and competitiveness increase (Nitisusastro, 2010). Business development creates goods and services consumers want by transforming and developing their products.

      In their development, MSMEs face several obstacles, namely limited capital, difficulties in marketing, distribution, and procurement of raw materials, and limited access to information regarding market opportunities and others. Human resources are also low, and technological capabilities could be improved. Indicators in business development include (Tambunan 2012):

      1) Increased income
      2) Increase in the number of customers
      3) Improved product quality
      4) Improving the quality of human resources

   b. **MSME Development Efforts**

      Efforts that can be made to develop MSMEs include (Anggraeni, 2019):

      1) Maximize capital assistance from the government
      2) Utilization of technology for promotion
      3) Improving the quality of human resources
      4) Service and maintaining good relationships with customers

      The stages of SME development include (Sari, 2023):

      1) It is essential for UMK to know potential opportunities because they are related to market problems and then look for solutions to overcome these problems. Solutions will be ideas that will be realized
      2) Opportunity analysis in the form of market research to prospective customers. The analysis is carried out to see customer response to products, processes, and services
      3) Human and financial resource management is the initial stage of starting a business. This is important because it determines the success of going to the next stage, commonly called the warming-up stage
      4) Mobilizing resources and accepting risk as the final stage before moving on to the startup stage.

   c. **Factors influencing the development of MSMEs**

      Several factors influence MSME development as follows (Budiarto et al., 2015)

      1) Quality of Human Resources

The quality of human resources is an essential factor in the development of a business. In MSMEs, it must be acknowledged that most MSME actors are still faced with obstacles that cannot be handled properly, such as the relatively low level of capability, skills, expertise, and professionalism of human resources.

2) Marketing Strategy

The marketing strategy carried out by MSME players is a factor that can influence the development of a business. This marketing can relate to various things such as the quality of goods, selling price, distance to location, and promotional techniques used.

3) Capital

Capital is one of the main factors needed to develop a business. However, the lack of capital will also hamper the production process. So, additional capital is needed, which can later help the development process of an MSME business.

4) Technology

Current technological developments provide convenience for each user. In MSMEs, using technology can increase a product's added value. So that utilizing technology will have an impact on the development of MSMEs.

5) Management

Management ability is a factor in the development of a business. Suitable management arrangements can increase sales. The management in question includes operations management, financial management, information management, and the ability to manage HR.

3. Capital

a. Definition of Capital

According to Sukoco et al. (2015), business capital is money used for trade or property (money, goods, and so on) that can be used to produce wealth.

b. Source of Capital

The sources of capital for business activities include:

1) Own Capital

Capital comes from the company's owner, and the length of time cannot be determined (Kasmir, 2006).

2) Foreign capital (loans)

Foreign or borrowed capital is from outside the business and usually from loans. Foreign capital can be obtained through: (Kasmir, 2006)

a) Loans from banks, whether from private, government, or foreign banks

b) Loans from financial institutions, such as pawnshops, insurance, leasing, cooperatives, or other financing institutions

c) Loans from non-financial companies.

c. Capital Indicators

The indicators of working capital include: (Istinganah, 2019)

1) Capital structure: own capital and borrowed capital

2) Utilization of additional capital
3) Barriers to accessing external capital
4) Business conditions after increasing capital

3. **Online Marketing Strategy**
   a. **Definition**

   According to Dave Chaffey, digital marketing manages or implements electronic media marketing to create relationships with customers who can contribute to profit-oriented marketing activities (Chaffey et al., 2009).

   b. **Online Marketing Strategy Indicators**

   There are several indicators in online marketing strategies, including: Transaction / Cost is a promotional technique that can reduce costs and transaction time but has high efficiency.

   1) Incentive Programs are attractive programs that can show a business's excellence, so it is hoped that it can attract more consumers.
   2) Site design is an attractive display in digital marketing media that can provide positive value for a business.
   3) Interactive is a two-way relationship between business owners and customers so that they provide information to each other and can be received well.

4. **The relationship between capital and marketing strategy (online) to the development of MSMEs**

   In the development of MSMEs, there needs to be support from various factors to overcome the problems faced. Capital and online marketing strategies are factors that are closely related to the development of a business. With sufficient business capital and appropriate online marketing strategies, business development can be achieved optimally.

RESEARCH METHOD

In this study, the author used a quantitative approach method. Quantitative methods are used to examine populations and samples and then the data is processed statistically and analyzed for testing hypotheses that have been determined. With this type of experimental research (Sugiyono, 2016)**.**

The data collection methods used are survey and questionnaire (questionnaire) methods. The population in this study is 300 MSME actors. With a sample of 75 respondents. Sampling techniques using Probability Sampling with the type of Simple Random Sampling. In this study, the test technique uses validity and reliability tests, classical assumption tests (normality tests, linearity tests, multicolonicity tests, heteroskedasticity tests), multiple linear regression analysis, hypothesis tests (t-tests (partial) and f tests (simultaneous), and coefficient determination (r^2).

RESULT AND DISCUSSION

A. Research Results

1. Instrument Testing Results (Validity and Reliability)

a. Validity test

The validity test is carried out by comparing the recount of the results with the table—if count> r table and sign. < 0.05, then the statement item is considered valid. This study used 30 respondents to test validity. The questionnaire in this research consists of 18 statement items: 6 about capital, 7 about online marketing strategies, and 5 about MSME development. The test in this study was the amount of data (n) = 30, df = n-2 = 30-2 = 28, so the r table was 0.361.

Table 2.

Capital Validity Test Results

Variabel	Pernyataan	R tabel	R hitung	Keterangan
Modal	1	0,361	0,446	Valid
	2	0,361	0,732	Valid
	3	0,361	0,427	Valid
	4	0,361	0,446	Valid
	5	0,361	0,732	Valid
	6	0,361	0,422	Valid

Source: processed primary data

Based on Table 1 above, it can be concluded that the test results of the 6 capital variable statement items have a value of Recount> Rtable, so all items are said to be valid.

Table 3.

Online Marketing Strategy Validity Test Results

Variabel	Pernyataan	R tabel	R hitung	Keterangan
Strategi Pemasaran Online	1	0,361	0,584	Valid
	2	0,361	0,601	Valid
	3	0,361	0,555	Valid
	4	0,361	0,601	Valid
	5	0,361	0,400	Valid
	6	0,361	0,701	Valid
	7	0,361	0,649	Valid

Source: processed primary data

Based on Table 2 above, it can be concluded that the test results of the 7 online marketing strategy variable statement items have a value of Recount> Rtable, so all items are valid.

Table 4.

MSME Development Validity Test Results

Variabel	Pernyataan	R tabel	R hitung	Keterangan
	1	0,361	0,579	Valid
	2	0,361	0,456	Valid
Pengembangan UMKM	3	0,361	0,437	Valid
	4	0,361	0,549	Valid
	5	0,361	0,456	Valid

Source: processed primary data

Based on Table 3 above, it can be concluded that the test results of the 7 items of the MSME development variable statement have a value of Recount> Rtable, so all items are said to be valid.

b. Uji Reliability

Reliability tests are carried out on statement items that are declared valid. If the Chronbach Alpha value is > 0.60, then an item is said to be reliable.

Table 5.

Capital Reliability Test Results

Variabel	Pernyataan	Chronbach Alpha	Keterangan
	1	0,861	Reliabel
	2	0,847	Reliabel
Modal	3	0,863	Reliabel
	4	0,861	Reliabel
	5	0,847	Reliabel
	6	0,866	Reliabel

Source: processed primary data

From the reliability test results for the capital variable in Table 4 above, it can be interpreted that the Chronbach Alpha value for each instrument is more than 0.60, so the capital research instrument is declared reliable.

Table 6.

Online Marketing Strategy Reliability Test Results

Variabel	Pernyataan	Chronbach Alpha	Keterangan
	1	0,855	Reliabel
	2	0,856	Reliabel
Strategi	3	0,858	Reliabel
Pemasaran	4	0,856	Reliabel
Online	5	0,867	Reliabel
	6	0,854	Reliabel
	7	0,856	Reliabel

Source: processed primary data

From the reliability test results for the online marketing strategy variable in Table 5 above, it can be interpreted that the Chronbach Alpha value for each instrument is more than 0.60, so the capital research instrument is declared reliable.

Table 7.
MSME Development Reliability Test Results

Variabel	Pernyataan	Cronbach Alpha	Keterangan
	1	0,858	Reliabel
	2	0,860	Reliabel
Pengembangan	3	0,866	Reliabel
UMKM	4	0,861	Reliabel
	5	0,860	Reliabel

Source: processed primary data

From the results of the reliability test for the MSME development variable in Table 6 above, it can be interpreted that the Chronbach Alpha value for each instrument is more than 0.60, so the capital research instrument is declared reliable.

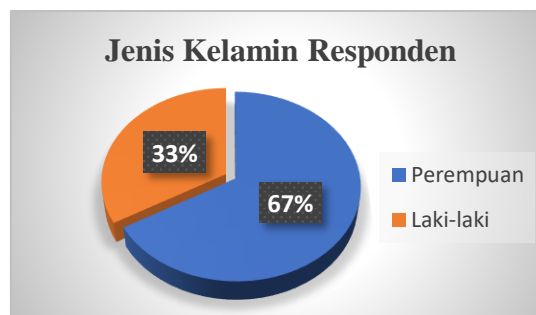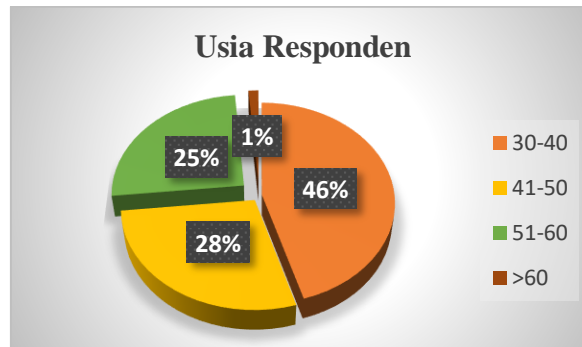2. **Descriptive Test Results**
   a. Gender

Figure 1. Gender of Respondents

Based on Figure 1, it can be seen that the gender in this study of the 75 respondents consisted of 33% men and 67% women. It can be concluded that most MSME actors in the Madiun City MSME group are women.
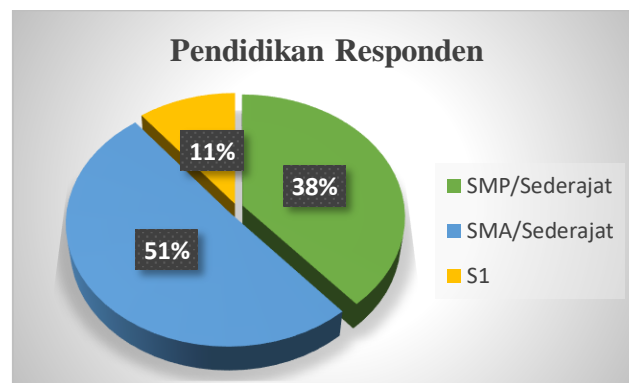
b. Age

Figure 2. Age of Respondents

Based on Figure 2, it can be explained that the ages of the 75 respondents in this study were in several groups, namely 46% aged 30-40, 28% 41-50, 25% 51-60, and 1% >60. So, it can be concluded that most MSME actors in the Madiun City MSME group are aged 30-40.

c. Education

Figure 3. Respondents' education

Based on Figure 3, it can be explained that the age of the 75 respondents in this study consisted of 38% junior high school/equivalent education, 51% high school/equivalent education, and 11% bachelor's degrees. This shows that the MSME actors in the Madiun City MSME group have a high school/equivalent education.

3. Test Classical Assumptions

a. Normality Test

Table 8.

Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		75
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	1.08306786
Most Extreme Differences	Absolute	.072
	Positive	.050
	Negative	-.072
Kolmogorov-Smirnov Z		.625
Asymp. Sig. (2-tailed)		.830

a. Test distribution is Normal.

Source: spss data processing

Based on Table 7, Asymp values. Sig. (2-tailed) 0.830 > 0.05. So that the data from this study is usually distributed.

b. Linearity Test

Table 9.

Linieritas Test Results

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Unstandardized Residual * Unstandardized Predicted Value	Between Groups	(Combined)	73.491	48	1.531	1.015	.496
		Linearity	.000	1	.000	.000	1.000
		Deviation from Linearity	73.491	47	1.564	1.037	.472
	Within Groups		39.200	26	1.508		
	Total		112.691	74			

Source: spss data processing

Based on table 8 above, it can be seen that the value of the linear sign. 1,000 > 0.05. So, there is a significant linear relationship between the independent and dependent variables.

c. Multicolonicity Test

Table 10.

Multicolonicity Test Results

Coefficients[a]

		Collinearity Statistics	
Model		Tolerance	VIF
1	Modal	.971	1.029
	Strategi pemasaran online	.971	1.029

a. Dependent Variable: pengembangan UMKM

Source: spss data processing

Based on Table 9, it can be seen that the VIF value is less than 10.00. So, the regression model in this study did not occur in multicolonicity.

d. Heteroskedasticity Test

Table 11.
Heteroskedasticity Test Results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.027	2.752		1.463	.148
Modal	-.032	.089	-.043	-.363	.717
Strategi pemasaran online	-.149	.100	-.174	-1.481	.143

a. Dependent Variable: lnRES2xRES2

Source: spss data processing

Based on Table 10, the significance value of each variable is more significant than 0.05, so it can be concluded that there are no symptoms of heteroskedasticity.

e. Multiple Linear Regression Analysis

Table 12.
Multiple Linear Regression Analysis Results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.106	1.417		3.604	.001
Modal	.104	.046	.190	2.284	.025
Strategi pemasaran online	.412	.052	.663	7.985	.000

a. Dependent Variable: pengembangan UMKM

Source: spss data processing

Based on Table 11, the multiple regression equation can be formulated as follows:

$Y = 5.106 + 0.104X_1 + 0.412X_2 + e$

From the results of multiple linear regression, it can be explained as follows:

a. Constant value of 5,106 It can be concluded that capital and online marketing strategies are worth zero, so the development of MSMEs in the MSME group in Madiun City is 5,106

b. The amount of the regression coefficient (b) of capital (X 1) of 0.104 can be concluded that with every addition of 1% of the capital level, the development of MSMEs in the MSME group in Madiun City will increase by 0.104.

c. The magnitude of the regression coefficient (b) value of online marketing strategy (X_2) of 0.412 can be concluded that with every 1% increase in the level of online marketing strategy, the development of MSMEs in the MSME group in Madiun City will increase by 0.412.

d. The value of the regression coefficient in each variable is positive (+), so it can be concluded that capital and online marketing strategies positively affect the development of MSMEs in the MSME group in Madiun City.

4. Test the hypothesis

a. T-test

Table 13.

t-Test Results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.106	1.417		3.604	.001
Modal	.104	.046	.190	2.284	.025
Strategi pemasaran online	.412	.052	.663	7.985	.000

a. Dependent Variable: pengembangan UMKM

Source: spss data processing

Based on Table 12 can be obtained the following conclusions:

1) Capital has a calculated t-value of 2.284. The tablet values for alpha 0.05 and $df = n - 2 = 75 - 2 = 73$ is 1.666. Because count 2.284 > 1.666 and significant values 0.025 < 0.05, so, it can be concluded that capital has a positive and significant effect on the development of MSMEs in the MSME group in Madiun City.

2) The online marketing strategy has a calculated t value of 7,985. The tablet values for alpha 0.05 and $df = n - 2 = 75 - 2 = 73$ is 1.666. Because count 7.985 > 1.666 and significant values 0.000 < 0.05, so, it can be concluded that online marketing strategies positively and significantly affect the development of MSMEs in the MSME group in Madiun City.

b. F-Test

Table 14.

F-Test Results

ANOVA[b]

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	93.275	2	46.638	38.684	.000[a]
Residual	86.805	72	1.206		
Total	180.080	74			

a. Predictors: (Constant), Strategi pemasaran online, Modal

b. Dependent Variable: pengembangan UMKM

Source: spss data processing

Based on Table 13, it can be seen that the calculated F value is 38.684. The F value of the table a label; $F_{tabel} = (n - k) = (75 - 2) = 73$ is 3.122. Since F_{count} = 38.684 > 3.122 and sig. = 0.000 < 0.05, it can be concluded that capital variables and online marketing strategies simultaneously positively and significantly affect the development of MSMEs in the MSME group in Madiun City.

c. Test Coefficient of Determination

The results of the coefficient of determination test can be seen in the following table:

Table 15.

Coefficient of Determination Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.720[a]	.518	.505	1.098	.518	38.684	2	72	.000

a. Predictors: (Constant), Strategi pemasaran online, Modal

b. Dependent Variable: pengembangan UMKM

Source: spss data processing

Based on Table 14, it is known that the value of R square is 0.518. This shows that the contribution of capital variables and online marketing strategies on the development of MSMEs in the MSME group in Madiun City is 51.8%, and the remaining 48.2% is influenced by other variables not studied in this study.

B. Discussion

Based on the results of data analysis that has been obtained in the previous chapter and to clarify the analysis, each result is analyzed as follows:

1. **The influence of capital on MSME development in MSME groups in Madiun City**

Based on the t-test results in Table 6, it is known that capital has an $a_{calculated}$ t value of 2.284. The tablet values for alpha are 0.05, and $df = n - 2 = 75 - 2 = 73$ is 1.666. Because count 2.284 > 1.666 and significant values 0.025 < 0.05. So, H1 is accepted. So, it can be concluded that capital has a positive and significant effect on the development of MSMEs in the MSME group in Madiun City.

This is to the theory of Budiarto et al. (2015), which states that additional capital and the use of technology can help the development process of MSMEs and increase the added value of a product. It is in line with research from Desi Nopita Sari, who in her research stated that capital affects the development of MSMEs in the Jelmu sub-district, Jambi city, and another research result from Lutfi Meysa Adining Pamungkas, in his research, stated that capital affects the development of Fishery MSMEs in Tulungagung Regency.

From the analysis results, MSME actors in the MSME group in Madiun City need to increase capital in running their business because the more significant the capital used will support business development so that the run business can survive and develop optimally.

2. **The influence of online marketing strategies on MSME development in MSME groups in Madiun City**

The t-test results in Table 6 show that the online marketing strategy has a calculated t-value of 7.985. The table's tt values for alpha are 0.05, and $df = n - 2 =$

$75 - 2 = 73$ is 1.666. Because count 7.985 > 1.666 and significant values 0.000 < 0.05. So, H2 is accepted. So, it can be interpreted that online marketing strategies positively affect the development of MSMEs in MSME groups in Madiun City.

This research is in line with Rachmawan Budiarto's theory, which states that additional capital and the use of technology can help the development process of MSMEs and increase the added value of a product. And also in line with research from Arni Lasoma et al who stated that marketing strategies significantly affect the development of MSMEs.

From the analysis results, MSME players in the MSME group in Madiun City must improve online marketing strategies in running their businesses. The better strategies will support business development so that the run business can survive and develop optimally.

3. **The influence of capital and online marketing strategies simultaneously on the development of MSMEs in the MSME group in Madiun City**

From the results of the F test in Table 7, it can be seen that F_{count} = 38.684 > 3.122 and sig. = 0.000 < 0.05. So, H3 is accepted. So, it can be interpreted that capital variables and online marketing strategies simultaneously (together) have a positive and significant effect on the development of MSMEs in the MSME group in Madiun City. And from the coefficient of determination test results in Table 4.13 obtained an R square value of 0.518. This shows that the contribution of capital variables and online marketing strategies on the development of MSMEs in the MSME group in Madiun City is 51.8%, and the remaining 48.2% is influenced by other variables not studied in this study.

This research is in line with research conducted by Fatimah et al. (2021) that the test results show that business capital has a significant positive effect on the development of micro, small, and medium enterprises (Anggraini & Putri, 2023), the quality of human resources has a significant positive effect on the development of micro, small and medium enterprises, marketing strategy has a significant positive effect on the development of micro, small and medium enterprises. Apart from that, Business Capital, Quality of Human Resources, and Marketing Strategy together significantly positively affect the development of micro, small, and medium enterprises (Fatimah et al., 2021).

From the analysis results, MSME players in the MSME group in Madiun City need to increase capital and online marketing strategies in running their businesses because the more significant the capital used and the better the marketing strategy will support business development so that the business that is run can survive and develop optimally.

CONCLUSION

Based on the results of the analysis that has been carried out and the presentation of the results of the discussion, the following conclusions are obtained:

1. the results of hypothesis testing show that capital has a positive and significant effect on the development of MSMEs in the MSME group in Madiun City.
2. The results of hypothesis testing show that online marketing strategies have a positive and significant effect on the development of MSMEs in the MSME group in Madiun City.
3. The results of hypothesis testing show that capital and online marketing strategies show that online marketing strategies have a positive and significant effect on the development of MSMEs in the MSME group in Madiun City.

The results of hypothesis testing show that capital and online marketing strategies based on the results of the analysis that has been described; the author can provide suggestions for further researchers; namely, it is hoped that it can be used as input material and can research other variables outside capital variables and online marketing strategies to determine the development of MSMEs.

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