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**THE EFFECT OF E-COMMERCE , ECONOMIC LITERACY, AND
BUSINESS LOCATION ON MSME INCOME IN JAKARTA**

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ABSTRACT

This study aims to analyze the influence of e-commerce, economic literacy, and business location on the income of MSMEs in Jakarta. MSMEs play a crucial role in Indonesia's economy, yet still face challenges such as limited capital, managerial knowledge, and marketing difficulties. Digital transformation through the adoption of e-commerce is considered capable of expanding market reach and increasing business efficiency. Additionally, economic literacy and the selection of strategic business locations are also believed to contribute to increased MSME income. This research uses a quantitative approach with a survey method involving MSME actors in Jakarta. Data were collected through questionnaires and analyzed using to examine the effect of each variable. The results show that e-commerce, economic literacy, and business location have a positive and significant impact on the income of MSMEs in Jakarta. These findings indicate that optimizing digital technology utilization, improving economic literacy, and choosing the right business location can be effective strategies to increase the income and competitiveness of MSMEs in the digital era.

Keywords: E-Commerce, Economic literacy, Business Location, Income MSMEs



BACKGROUND

Micro, Small, and Medium Enterprises (MSMEs) have a very important role in supporting the Indonesian economy, including in the Jakarta area. The significant contribution of MSMEs can be seen from their ability to absorb labor and create new business opportunities. However, MSMEs in Jakarta still face various main challenges such as limited capital, lack of managerial knowledge, and obstacles in marketing products. The development of digital technology, especially through the use of e-commerce, is believed to be the answer to these MSME challenges. E-commerce allows MSME players to expand market reach, reduce operational costs, and increase overall business efficiency. This digital transformation has become an urgent need for MSMEs to be able to compete in today's global and digital era.

In addition to technology utilization, the level of economic literacy of MSME players also plays an important role in making smarter and more strategic business decisions. Economic literacy helps MSME players to understand market opportunities, financial management, and sustainable business planning. A good level of literacy can encourage more optimal business development. Another factor that is no less crucial is business location. Determining a strategic location can increase product accessibility to consumers and expand market potential. The right business location determines the ease of distribution and income growth of MSMEs, especially in urban environments such as Jakarta, which has very competitive market dynamics.

Departing from the urgency of the problem, this study focuses on the influence of e-commerce, economic literacy, and business location on MSME income in Jakarta. It is hoped that an understanding of these three variables can serve as a basis for formulating MSME development strategies that are adaptive, innovative, and able to increase competitiveness and income in the midst of rapid changes in the digital business environment.

THEORETICAL FRAMEWORK

Research Based View

Resource-Based View (RBV) theory developed by Barney (1991), it emphasizes the importance of internal resource management in achieving competitive advantage, especially for Micro, Small, and Medium Enterprises (MSMEs). In this context, MSMEs can achieve



competitive advantage by utilizing resources that have VRIN characteristics, namely Valuable, Rare, Inimitable, and Non-substitutable. By identifying and developing resources that meet these criteria, MSMEs can create unique and different value propositions from competitors. For example, specialized expertise in products or services, strong relationships with customers, and innovation in business processes can be strategic resources. Through effective management of these resources, MSMEs can not only survive in market competition but also increase their competitiveness and long-term growth. In this context, E-commerce is a trading activity through electronic systems or digital technology in conducting transactions or trade to help MSMEs increase MSME income (Rakanita, 2019). Economic literacy as a knowledge resource helps MSMEs manage finances, determine prices, and develop effective business strategies, all of which contribute to increased income. Meanwhile, business location as a physical resource has strategic value in increasing customer accessibility, where busy and limited locations provide a competitive advantage that is difficult to replicate. These three resources meet the VRIN criteria and if developed and managed optimally, can strengthen MSMEs' competitive advantage, increase the number of transactions, and encourage sustainable business growth (Nurfadilah & Sungkono, 2024). The Research Based View theory can be used to accurately measure the contribution of each variable to MSME income in Jakarta.

E-Commerce

E-commerce is a trading activity through electronic systems or digital technology. E-commerce is a form of enterprise in the trading system from the era of traditional trade to the technology-based era. Trading through electronic systems makes sellers and buyers more effective and efficient (Yusvita Aprilyan et al., 2022). The definition of e-commerce can be defined from several perspectives, as follows: B2B (*Business to Business*), B2C (*Business to Consumer*), C2C (*Consumer to Consumer*), C2B (*Consumer to Business*, Online Store on Social Media

Economic Literacy

Economic literacy is a tool that can be used to transform unintelligent behavior into intelligent behavior. Economic literacy in MSME income refers to the understanding and ability of entrepreneurs to manage the economic and financial aspects of their businesses to increase revenue and achieve sustainable growth. In economic literacy terms, reading and writing are used to learn about the use of scarce productive resources to produce various types and distribute them among different groups (Marina et al., 2014). This includes a basic



understanding of economics such as the concepts of demand and supply, factors that influence prices, and the impact of inflation and economic policy on businesses. This knowledge is necessary to complete tasks related to economic problems, as well as to gain a clear understanding of the monetary, business, and economic issues being discussed (Irawan 2023).

Bussiness Location

A business location is the place or area where a business operates to sell products or services to customers. According to Aji & Listyaningrum (2021) , business location significantly influences revenue. Strategic locations, ample parking, easy access, and proximity to busy areas attract consumers, thus influencing MSME revenue. Research by Salim & Rahmadhani (2024) shows that location has no significant impact on business success. Choosing the right location often determines a business's success. Strategic location selection can impact customer accessibility, number of visits, operational efficiency, and profitability.

Income

Revenue is the result of all sales of goods or services, a commodity. Revenue can also be defined as income arising from a business's activities. According to Mankiw (2010) in a study by Wibawa et al. (2021), revenue is defined as the product of the number of units sold and the price per unit. In this context, the revenue of Micro, Small, and Medium Enterprises (MSMEs) emphasizes various factors that influence the MSME's ability to generate and manage revenue. MSME revenue is influenced by various elements such as capital, management skills, market access, and government policies. Initial capital and access to adequate financing are crucial for MSMEs to start and grow their businesses.

MSME

Micro, small, and medium enterprises (MSMEs) play a crucial role in the Indonesian economy. As a sector capable of absorbing a large workforce and contributing significantly to gross domestic product (GDP) and local economic growth, MSMEs also serve as a vehicle for innovation and creativity, producing unique products and services that meet the needs of the community (Janah & SestonTampubolon 2024) . The following is the basis for this explanation:



1. Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as regulated in PP No. 7 of 2021.
2. Small Business is a stand-alone productive economic enterprise, which is carried out by an individual or business entity that is not a subsidiary or branch of a company owned, controlled, or is part of either directly or indirectly a Medium Enterprise or large enterprise that meets the criteria of a Small Enterprise as referred to in PP No. 7 of 2021.
3. Medium Business is a productive economic business that stands alone, which is carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or part of either directly or indirectly with a Small Business or large business that meets the criteria for Medium Business as regulated in Government Regulation No. 7 of 2021.

METHOD

The researcher employed a causal study in this research. Causal research examines the causal relationship between independent (influencing) and dependent (influenced) variables (Sugiyono, 2021) . This study aims to establish facts, conduct investigations, and answer research questions regarding the influence of payment systems, business location, and economic literacy (independent variables) on MSME revenue (dependent variable).

This research approach is a quantitative approach which in its preparation uses aspects of measurement, calculation and data of a quantitative nature. numerical. The data will then be processed using statistical analysis to test hypothesis that explains the relationship between the variables used. This research uses primary data sources. This research uses a scale Likert to measure each indicator of each variable. Technique Data collection in this study is in the form of a questionnaire containing questions that will be distributed to MSMEs in Jakarta.

Population and Sample

A quantitative approach can be defined as a research method based on the philosophy of positivism that will be used to examine specific populations and samples. A population is



the entirety of the characteristics of subjects or objects that possess qualities to be studied by researchers so they can draw research conclusions (Sugiyono, 2021) .

According to Sugiyono (2021) , a sample is a segment of the population's size and characteristics. The sampling or data collection process in this study has the following criteria:

1. Samples were taken from MSMEs in Jakarta

The sample in this study was MSMEs based on the criteria and considerations explained above. The sample selection from the population in this study used *Stratified Proportional Random Sampling* . According to Sugiyono (2021) , sampling is a sampling technique carried out by dividing the population into several strata or groups that have certain characteristics, then taking random and proportional samples from each stratum. The researcher used this technique because the researcher wanted to ensure that the sample had important insights to support the research. The population taken in this study was 79,992 based on *BPS data* (2023) and the number of samples was 100 MSME actors. To calculate the number of samples from each stratum in *Proportional Stratified Random Sampling* , the following formula was used :

$$n_h = \frac{N_h}{N} \times n$$

Information :

1. n_h = Sample in Strata.
2. N_h = Population in Strata h
3. N = Total Population
4. n = Total Sample

The population is 79,992 MSMEs in Jakarta, and the required sample size is 100 respondents.

RESULT

Descriptive Statistics

Table 4.11 1Table Test Results

Descriptive Statistics



	N	Minimum	Maximum	Mean	Standard Deviation
X1	100	8.00	27.00	15,9500	5.24429
X2	100	8.00	30.00	19,2400	6.77655
X3	100	9.00	30.00	18,4400	7.25902
Y	100	6.00	19.00	12,2700	4,08954
Valid N (listwise)	100				

Source: Data processed by researchers, 2025

Based on the descriptive test results above, we can describe the variables that the smallest (minimum) *e-commerce variable* of respondents is 8, the largest (maximum) answer of respondents is 27 with an average (mean) of 15.95 and for a standard deviation of 5.24429. The smallest (minimum) Economic Literacy variable of respondents is 8, the largest (maximum) answer of respondents is 30 with an average (mean) of 19.24 and for a standard deviation of 6.77655. The smallest (minimum) business location variable of respondents is 9, the largest (maximum) answer of respondents is 30 with an average (mean) of 18.44 and for a standard deviation of 7.25902. The smallest (minimum) income variable of respondents is 5, the largest (maximum) answer of respondents

Validity Test

Validity Test in this study was conducted on 30 respondents first to test the validity of the data, the data validity test used a significant level (α) of 0.05. to obtain the r table first look for $Df = N - 2 = 28$ so that the value of the r table = 0.0361. The data is considered valid if the calculated $r > r$ table and significant < 0.05 . The tool used in the Pearson bivariate correlation formula uses the SPSS version 25 application



Table 4.12 2Test Results

Variables	Item No.	R.Count	R.Table	Information
E-Commerce	X1.1	0.797	0.361	Valid
	X2.1	0.849	0.361	Valid
	X3.1	0.787	0.361	Valid
	X4.1	0.649	0.361	Valid
	X5.1	0.609	0.361	Valid
	X6.1	0.815	0.361	Valid
Economic Literacy	X2.1	0.828	0.361	Valid
	X2.2	0.804	0.361	Valid
	X2.3	0.674	0.361	Valid
	X2.4	0.794	0.361	Valid
	X2.5	0.832	0.361	Valid
	X2.6	0.826	0.361	Valid
Business Location	X3.1	0.806	0.361	Valid
	X3.2	0.880	0.361	Valid
	X3.3	0.800	0.361	Valid
	X3.4	0.653	0.361	Valid
	X3.5	0.757	0.361	Valid
	X3.6	0.755	0.361	Valid
Income	Y1	0.726	0.361	Valid
	Y2	0.670	0.361	Valid
	Y3	0.806	0.361	Valid
	Y4	0.762	0.361	Valid

Source: Data processed by researchers, 2025

The table above shows that all items are valid, with a coefficient of 0.361, so there's no need to replace or delete statements. Validity testing was conducted to ensure that each indicator used in the questionnaire accurately measures the intended variable. In this study, validity testing was conducted in stages with 100 respondents after a pilot test with 30 respondents.

The results of the validity test for the four variables in the study show that all indicators of the *e-commerce variable* (X1), economic literacy (X2), business location (X3), and Income (Y) have a significant correlation with the total score of each at a significance level of 0.01. In the *E-Commerce Variable* (X1), the correlation coefficient ranges from 0.792 to 0.848, while the *Economic Literacy variable* ranges from 0.820 to 0.942, indicating that each indicator has a high strength of relationship with the construct of each variable. For the *Business Location Variable* (X3), it has a very strong correlation with the total construct X3. The correlation value ranges from 0.858 to 0.923, indicating that each indicator has a large contribution. Meanwhile, in the *Income Variable* (Y), the validity test for the Y variable was carried out on four indicators (Y.1 to Y.4). The correlation values of the earson to the total score Y are as follows: Y.1 =



0.883, $Y.2 = 0.883$, $Y.3 = 0.923$, and $Y.4 = 0.876$. Overall, it shows that the research instrument for the four variables is valid and can be used in research in further analysis

Reliability Test

Reliability testing is a tool for measuring questionnaires whose indicators and variables are construct-based. A questionnaire can be said to be reliable if the individual's answers are consistent and stable over time (Ghozali, 2018). If the reliability is less than 0.6, it is considered poor, while 0.7 is acceptable and above 0.8 is considered good. Based on the results of the Crömbach Alpha formula calculation using SPSS version 25, the following reliability coefficient decision was obtained from the study:

Table 4.13 3Test Results

Variables	<i>Cronbach's Alpha</i>	Information
<i>E-Commerce</i>	0.843	Reliable
Economic Literacy	0.880	Reliable
Business Location	0.867	Reliable
Income	0.716	Reliable

Source: Data processed by researchers, (2025)

Based on the table above, the reliability test is seen from the *Cronbach's alpha value* for the *e-commerce variable* of 0.843, the economic literacy variable of 0.880, the business location variable of 0.867, and the income variable of 0.716. Based on the results of the reliability test on the 4 variables, it shows that the statements in this research questionnaire are reliable because they have an influence or *Cronbach's alpha value* > 0.60 . These results indicate that each statement from each variable given to respondents has very good results, which means that if respondents are given the same statement, they will get the same answer too.

The results of this reliability test are a continuation of research conducted with 30 samples, and now expanded to involve 100 samples. This test aims to evaluate the internal consistency and research instruments used to measure the four variables, namely *E-Commerce* (X1), Economic Literacy (X2), Business Location (X3), and Income (Y). By using 100 samples, the results show that the *E-Commerce variable* (X1), has a *Croncbach's alpha value* of 0.905 from 6 items, which indicates high reliability. The Economic Literacy variable (X2), has a *Croncbach's alpha value* of 0.936 from 6 items, which indicates high reliability. The Business Location variable (X3), recorded the highest value with a *Croncbach's alpha value* of 0.948 from 6 items, which indicates high reliability. Meanwhile, the income variable (Y), has a *Croncbach's alpha value* of 0.913 from 4 items, which indicates high reliability. Overall,



the results of this reliability test show an increase in the reliability of the research instrument after being expanded to 100 samples, providing confidence that the instrument is valid and can be used for further analysis.

Normality Test

Table 4.14 4Test Table (One-Sample Kolmonogorov-Smirnov Test)

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			100
Normal Parameters ^{a,b}	Mean		,0000000
	Standard Deviation		1.43448583
Most Extreme Differences	Absolute		,105
	Positive		,063
	Negative		-,105
Test Statistics			,105
Monte Carlo Sig. (2-tailed)	Sig.		,205 ^d
	99% Confidence Interval	Lower Bound	,194
		Upper Bound	,215
a. Test distribution is Normal.			
b. Calculated from data.			
c. Lilliefors Significance Correction.			
d. Based on 10000 sampled tables with starting seed 2000000.			

Source: Processed by researchers, 2025

From the table, it is known that the value using the Monte Carlo Sig. (2-tailed) approach of 0.205 is greater than 0.05, so it can be concluded that the data is normally distributed, because the *P-Value* obtained is greater than 0.05 (Doulah, 2019) .



5Test

According to Ghozali (2018) stated that the heteroscedasticity test aims to test whether there is inequality in the variance of the residuals from one observation to another in the regression model. To determine whether heteroscedasticity occurs, the Glejser test is used to accurately detect symptoms of heteroscedasticity. The Glejser test criteria are:

- 1) The significance value (>0.05) means that the conclusion is that there are no symptoms of heteroscedasticity.
- 2) The significance value (<0.05) means that the conclusion is that heteroscedasticity symptoms occur.

Table 4.15 6Test Results

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	1,773	.426		4.159	.000
	E-Commerce	.007	.019	.039	.383	.703
	Economic Literacy	-.022	.014	-.154	-1,525	.131
	Business Location	-.022	.014	-.167	-1,654	.101

a. Dependent Variable: ABS_RES

Source: Data processed by researchers, 2025

Based on the output results, it can be seen that the significance value of each variable is above 0.05 (>0.05). Thus, it can be concluded that there is no heteroscedasticity problem.

Multicollinearity Test

The multicollinearity test is a statistical method used to detect the presence of a high linear dependence between two or more independent variables in a regression model. To determine the presence or absence of multicollinearity in a regression model, usually by looking at the tolerance value and the answer, namely the variance inflation factor (VIF). These two measures can show which each variable is explained by other independent variables. The tolerance value itself is used to measure the variability of the selected independent variables that are not explained by other independent variables. So, if the VIF value = <10.00 , it means



there is no multicollinearity in the regression model. If the VIF value is >10.00 , it means there is multicollinearity in the regression model (Ghozali 2018).

Table 4.16 7Test Results

		Coefficients^a						
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-.394	.648		-.609	.544		
	E-Commerce	.066	.028	.082	2,341	.021	.967	1,034
	Economic Literacy	.573	.022	.913	26,086	.000	.966	1,035
	Business Location	.044	.021	.075	2,137	.035	.958	1,044

a. Dependent Variable: Income

Source: Data processed by researchers, 2025

Based on table 4.16 above, it shows that the *tolerance value* of each is more than 0.10 and likewise with VIF which is less than 10. The table explains that the *tolerance value* for the *e-commerce variable* is 0.967, economic literacy is 0.966, and business location is 0.958 and the VIF value for each variable respectively shows a value of 1.034, 1.035, and 1.044. Based on the explanation of the results of the multicollinearity test above, it can be concluded that the data in this study does not have a problem in multicollinearity, which means that the data in this study does not have a correlation between the independent variables, which means that the data in this study is good data and is suitable for use.



Source: Processed by researchers, 2025

Based on the calculation table from the table above, the t table number is obtained with the provisions = 0.05 $df = 100 - 3 - 1 = 96$, so that the t table value is obtained = 1.985, then each variable can be known as follows.

1. Based on the results of the t-statistic test using the SPSS 25 program, the *e-commerce variable* (X1) has a calculated t value of 2.341 with a significance value of 0.021. In accordance with the provisions of decision making, if the calculated t is greater than the t table (1.985) and the significance value is less than 0.05, then the hypothesis is accepted, which means the variable has a significant effect on income. In this study, the calculated t (2.341) > t table (1.985) and a significance of 0.021 < 0.05, so it can be concluded that *e-commerce* has a significant effect on the income of MSMEs in Jakarta. A positive regression coefficient of 0.066 indicates that every increase in business capital by 1 unit will increase MSME income by 0.066 units. This shows that *e-commerce* can be used to increase convenience, transactions, and order management which has a positive impact on MSME income.
2. Based on the calculation results using the SPSS 25 program, the Economic Literacy variable (X2) has a t count of 26.086 with a significance value of 0.000. Because the t count is greater than the t table (26.086 > 1.985) and the significance value is smaller than 0.05 (0.000 < 0.05). Thus, it can be concluded that economic literacy has a significant effect on the income of MSMEs in Jakarta. A positive regression coefficient of 0.573 indicates that every increase in packaging quality by 1 unit will increase MSME income by 0.573 units. This shows that a good understanding of basic economics, financial planning and risk management can increase sales interest which has an impact on increasing business income.
3. Based on the calculation results using the SPSS 25 program, the Business Location variable (X3) has a t count of 2.137 with a significance value of 0.035. Because the t count is greater than the t table (2.137 > 1.985) and the significance value is smaller than 0.05 (0.035 < 0.05), the hypothesis is accepted. Thus, it can be concluded that business location has a significant effect on



MSME income in Jakarta. A positive regression coefficient of 0.044 indicates that every additional 1 year of business will increase MSME income by 0.044 units. This can occur because easier access, a comfortable environment, and many buyers can increase sales which ultimately have a positive impact on increasing income.

Multiple Linear Regression Test

Multiple linear regression analysis was used to determine the effect of the independent variables (*e-commerce* , economic literacy, and business location) on the dependent variable (income). The following is a multiple linear regression analysis table processed using the SPSS 25 program application:

Table 4.19 10Linear Regression Test Results

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	-.394	.648		.609
	E-Commerce	.066	.028	.082	.021
	Economic Literacy	.573	.022	.913	.000
	Business Location	.044	.021	.075	.035
a. Dependent Variable: Income					

Source: Data processed by researchers, 2025

Based on the results of multiple linear regression in the table above, the multiple linear regression equation model obtained is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

$$Y = -0.394 + 0.066 X_1 + 0.573 X_2 + 0.044 X_3$$

Y = Income of MSME actors (dependent variable)

X₁ = *E – Commerce*

X₂ = Economic Literacy

X₃ = Business Location

α (constant) = - 0.394

β₁ (0.066) = Regression coefficient for *e-commerce* variable



$\beta_2 (0.573)$ = Regression coefficient for the economic literacy variable

$\beta_3 (0.044)$ = Regression coefficient for business location variable

Based on the results above, it can be explained as follows:

1. The constant of -0.394 indicates that if the *e-commerce variables* (X1), Economic Literacy (X2), and Business Location (X3) are not zero, the constant value is -0.394 with a significance of 0.544 (> 0.05). However, because the significance value is above 0.05, this constant is not significant and has no practical meaning. This means that MSME income does not only depend on factors outside the model, but is more influenced by the variables studied.
2. *e-commerce* variable (X1) has a regression coefficient of 0.066, a calculated t of 2.341, and a significance value of 0.021. Since the calculated $t > t$ table ($2.341 > 1.985$) and the significance value < 0.05 ($0.021 < 0.05$), it can be interpreted that *e-commerce* has a significant effect on MSME income. A positive regression coefficient indicates that every 1 unit increase in capital will increase MSME income by 0.066 units. This indicates that *e-commerce* can be used to increase convenience, transactions, and order management which has a positive impact on MSME income.
3. The Economic Literacy variable (X2) has a regression coefficient of 0.573, a calculated t of 26.086, and a significance value of 0.000. Because the calculated $t > t$ table ($26.086 > 1.985$) and the significance value < 0.05 ($0.000 < 0.05$), it can be interpreted that economic literacy has a significant effect on the income of MSMEs. The positive regression coefficient indicates that every increase in packaging quality by 1 unit will increase the income of MSMEs by 0.573 units. This shows that a good understanding of basic economics, financial planning and risk management can increase sales interest which has an impact on increasing business income.
4. The Business Location variable (X3) has a regression coefficient of 0.044, a calculated t of 2.137, and a significance value of 0.035. Since the calculated $t > t$ table ($2.137 > 1.985$) and the significance value < 0.05 ($0.035 < 0.05$), it can be interpreted that the Business Location has a significant effect on the Income of MSME Actors. The positive regression coefficient indicates that every additional 1 year of business will increase the Income of MSME Actors by 0.044 units. This shows that easier access, a



comfortable environment, and many buyers can increase sales which ultimately have a positive impact on increasing income.

Coefficient of Determination Test

The coefficient of determination is used to measure the extent to which a model can explain variations in the dependent variable. The coefficient of determination ranges from zero to one. A small coefficient of determination indicates that the independent variables' ability to explain the dependent variables provides almost all the information needed to predict the dependent variable (Ghozali 2018).

Table 4. 11 Results of the Determination Test Coefficient

Model Summary				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.942 ^a	.887	.883	1.45673
a. Predictors: (Constant), Business Location, E-Commerce, Economic Literacy				

Source: Data processed by researchers, 2025

The results of the determination coefficient test in the table above show the R Square value of the regression model used to determine how much the independent variable is able to explain the dependent variable or how much influence the independent variable has on the dependent variable. From the table above, the Adjusted R square is 0.883. This shows that 88.3% of income is influenced by *e-commerce variables*, economic literacy, and business location.

DISCUSSION

The Effect of E-Commerce on MSME Revenue

Based on the results of the t test, the e-commerce variable has a t-statistic of 2.341 with a significant value of 0.021, which is smaller than 0.05. This shows that e-commerce has a significant effect on revenue, so the first hypothesis (H1) which states that there is an effect of e-commerce on revenue can be accepted. The regression coefficient value for the e-commerce variable is 0.066, which means that each increase of one unit of e-commerce will increase revenue by 0.066 units, assuming other variables remain constant. This positive direction of influence indicates that e-commerce is positive and significant. This shows that MSMEs that utilize digital platforms, marketplaces, websites, or social media or e-commerce to sell have



the opportunity to increase sales and a wider market reach. This is relevant to the condition of Jakarta as a city with high internet penetration.

According to the results of research conducted by Trulline, (2021) shows that the use of e-commerce has many advantages for business actors, namely business owners can easily see feedback from their buyers, for example giving ratings or reviews given by buyers which are useful for easily evaluating their products and stores. Giving good or bad reviews given to online stores makes it easy to evaluate or develop in a better direction in terms of products, packaging, distribution and services for buyers who feel how MSME online store services in e-commerce.

In research by Haholongan et al., (2024) also confirmed that using e-commerce improves company performance. The effectiveness of e-commerce is to increase customer satisfaction, increase market reach and increase MSME revenue. In addition, these results also support the Resource-Based View (RBV) theory which emphasizes the importance of utilizing information technology-based internal resources to create competitive advantage. The utilization of e-commerce as a strategic resource can increase operational efficiency, expand market access, and improve customer relationships through faster and more transparent services. Thus, the results of this study are expected to encourage MSME players in Jakarta to continue to innovate in optimizing digital technology to improve competitiveness and business sustainability in the digitalization era.

The Effect of Economic Literacy on MSME Income

Based on the results of the t test, the economic literacy variable has a calculated t value of 26.086 with a significance value of 0.000, which is much smaller than 0.05. This shows that economic literacy has a significant effect on income, so the second hypothesis (H2) which states that there is an effect of economic literacy on income can be accepted. The regression coefficient value for the economic literacy variable is 0.573, which means that each increase of one unit of economic literacy will increase income by 0.573 units, assuming other variables remain constant. This positive direction of influence indicates that economic literacy has a positive and significant influence on MSME income. This indicates that MSME actors who have a better level of economic literacy such as the ability to manage finances, compile business plans, make bookkeeping, and make the right economic decisions will be better able to increase their business income. This finding is relevant to the conditions of MSMEs in Jakarta, where



business competition requires business actors to be smarter in managing finances and business strategies in order to survive and develop.

Previous research by Nurjanah et al., (2020) also shows that there is a positive and significant effect of economic literacy on the development of Small and Medium Enterprises (SMEs). In Salsabila's research, (2019) shows that there is a positive and significant partial effect of economic literacy on Entrepreneurial Behavior in the Fresh Market Culinary Sector, and the results of this study indicate that entrepreneurial behavior is influenced by how high the level of economic literacy and economic literacy in the Fresh Market Culinary Sector is Very Good seen from the respondents' responses stating that Economic Literacy is Very Good, the higher the level of economic literacy, the more rational entrepreneurial behavior, and vice versa. The dimensions of economic literacy in this study include economic knowledge, attitudes, and skills that are practical and related to everyday life.

Therefore, improving economic literacy should be a major focus in MSME development programs so that businesses can adapt to market dynamics and improve their competitiveness. This will not only have a positive impact on increasing income, but also on strengthening the microeconomic structure that contributes to overall national economic growth.

The Effect of Business Location on MSME Income

Based on the results of the t test, the business location variable has a calculated t value of 2.137 with a significance value of 0.035, which is smaller than 0.05. This shows that business location has a significant effect on income, so the third hypothesis (H3) which states that there is an effect of business location on income can be accepted.

The regression coefficient value for the business location variable is 0.044, which means that each increase in one unit of quality or excellence of business location will increase revenue by 0.044 units, assuming other variables remain constant. This positive direction of influence indicates that business location has a positive and significant influence on MSME income. This finding suggests that MSMEs that have strategic business locations, are easily accessible, close to the target market, and are in areas with high consumer potential tend to have greater sales opportunities compared to businesses with less favorable locations. This is especially important in Jakarta, where population density, easy access to transportation, and crowded business centers are supporting factors in increasing direct sales.



In the research of Iffan & Suharlin, (2022) business location has a significant and positive effect with 4 indicators, namely location access, environment and competition. The environmental indicator obtained the highest points with a good classification, and this previous research is relevant to this study where both have a positive and significant effect.

Thus, MSMEs located in areas with good transportation access, close to the center of the crowd or target market, and in a conducive environment, tend to get more customers and greater sales opportunities. This is particularly relevant in big cities like Jakarta, where population density and ease of access are determining factors in attracting consumers. MSMEs that choose their business location with careful consideration regarding accessibility and market potential will be better able to increase their business income.

The Effect of E-Commerce, Economic Literacy, and Business Location on Revenue

The results of the F test show that the calculated F value is 249,958 with a significance value of 0.000, which is smaller than 0.05. This shows that simultaneously (together) the e-commerce, economic literacy, and business location variables have a significant influence on MSME revenue where the research is carried out so that the fourth hypothesis (H4) is accepted.

Based on the Model Summary, the Adjusted R Square value is 0.883, which means that about 88.3% of the variation in MSME Revenue can be explained by the three independent variables together (E-Commerce, Economic Literacy, and Business Location). Meanwhile, the remaining 11.7% is explained by other factors outside this research model such as business capital, length of business, financial literacy, marketing strategies, and micro and macro economic conditions. This result confirms the importance of a combination of the three factors in determining and increasing the overall MSME income level, rather than relying on only one of the factors partially. Thus, it is recommended that business actors do not only focus on one aspect as an example of one of the variables in this study, but also consider all three aspects of these variables as part of a business strategy to develop a business, and obtain more constant or stable income in the long term.

CONCLUSION

This study aims to identify and test the factors influencing the income of MSMEs in Jakarta. This study used a quantitative approach by distributing questionnaires to MSMEs registered with the Jakarta PPKUKM Sub-Department. The sample size for street vendors in



this study was 100 respondents. Based on the analysis, hypothesis testing, and interpretation of the results in the previous sections, the following conclusions can be drawn:

1. *E-Commerce* partially has a positive and significant effect on the income of MSMEs in Jakarta.
2. Economic literacy partially has a positive and significant effect on the income of MSME actors in Jakarta.
3. Business location partially has a positive and significant effect on the income of MSMEs in Jakarta.
4. *E-Commerce* , Economic Literacy, and Business Location influence the income of MSMEs in Jakarta.

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