

FACTORS INFLUENCING THE SUCCESS OF MSMES IN KENDARI: A QUALITATIVE PERSPECTIVE

FAKTOR-FAKTOR YANG MEMPENGARUHI KEBERHASILAN UMKM DI KENDARI: PERSPEKTIF KUALITATIF

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) in Indonesia play a significant role in the national economy; however, their success remains limited, especially in Kendari. Despite their large potential for growth, challenges such as limited access to financing, low financial management understanding, and underutilization of digital technology hinder their competitiveness. This study aims to identify factors affecting the success of MSMEs in Kendari and address the knowledge gap related to the challenges faced by business owners in the region. The study employed a qualitative approach, conducting in-depth interviews with five informants directly involved in the MSME ecosystem in Kendari, including business owners, government representatives, microfinance institution staff, academics, and MSME association leaders. The findings show that product quality, technology utilization, access to capital, and the role of social networks and government support are key factors in supporting the success of MSMEs in Kendari. The implications of this research emphasize the need to strengthen MSMEs' capacities in financial management and digital marketing and to improve coordination between the government, financial institutions, and associations to address the challenges faced by MSME owners.

Keywords: Access to Financing; Government Support; Product Quality; Financial Management; MSMEs.

ABSTRAK

Usaha Mikro, Kecil, dan Menengah (UMKM) di Indonesia memiliki peran yang sangat penting dalam perekonomian nasional, namun keberhasilannya masih terbatas, terutama di Kendari. Meskipun UMKM memiliki potensi besar untuk berkembang, tantangan yang dihadapi, seperti keterbatasan akses terhadap pembiayaan, rendahnya pemahaman manajemen keuangan, dan kurangnya pemanfaatan teknologi digital, menghambat daya saing mereka. Penelitian ini bertujuan untuk mengidentifikasi faktor-faktor yang mempengaruhi keberhasilan UMKM di Kendari dan mengatasi kesenjangan pengetahuan terkait tantangan yang dihadapi oleh pelaku usaha di daerah tersebut. Penelitian ini menggunakan pendekatan kualitatif dengan wawancara mendalam terhadap lima informan yang berperan langsung dalam ekosistem UMKM di Kendari, termasuk pemilik usaha, perwakilan pemerintah, staf lembaga keuangan mikro, akademisi, dan ketua asosiasi UMKM. Hasil penelitian menunjukkan bahwa kualitas produk, pemanfaatan teknologi, akses terhadap modal, serta peran jaringan sosial dan dukungan pemerintah menjadi faktor kunci dalam mendukung keberhasilan UMKM di Kendari. Implikasi dari penelitian ini adalah pentingnya penguatan kapasitas UMKM dalam hal manajemen keuangan dan pemasaran digital, serta meningkatkan koordinasi antara pemerintah, lembaga keuangan, dan asosiasi untuk mengatasi tantangan yang dihadapi oleh pelaku UMKM.

Kata Kunci: Akses Pembiayaan; Dukungan Pemerintah; Kualitas Produk; Manajemen Keuangan; UMKM.

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have long been the backbone of the economy in many countries, including Indonesia. MSMEs play an important role in creating jobs, reducing the unemployment rate, and encouraging economic equity (Adino, 2019a; Agustian et al., 2020; Anastasia & Oktafia, 2021). According to the Central Statistics Agency

(BPS), MSMEs account for more than 60% of total employment in Indonesia and around 99% of total business units (Dewi et al., 2022; Donoriyanto et al., 2023; Imaniar, 2022). In the context of the Indonesian economy, the success of MSMEs is highly dependent on various factors, ranging from internal factors such as management and product quality, to external factors such as government support and access to the market. Therefore, understanding the factors that affect the success of MSMEs is very important to encourage the growth of this sector.

On the other hand, MSMEs in Kendari, as part of the Southeast Sulawesi region, also have a significant role in the local economy. Kendari is known as a center of trade and small industry with great potential to develop, especially in the culinary, handicraft, and goods trading sectors. However, despite its potential, many MSMEs in Kendari face many challenges, such as limited access to financing, marketing, and technology that can support their business development (Adona et al., 2019; Safira & Setiawan, 2023; Utami et al., 2021). This shows that although many MSMEs operate in Kendari, their success rate is still influenced by more complex factors and requires more attention.

One of the important aspects in the development of MSMEs is product quality and innovation in marketing. In today's digital era, many MSME players are starting to adopt information technology to market their products through social media and e-commerce platforms. However, the use of technology is still limited and uneven, especially among small MSMEs who are not familiar with digital marketing (Andrika & Suroso, 2024; Asis et al., 2020; Balaka et al., 2023). With increasingly tight market competition, especially in the midst of the era of globalization, adaptation to digital technology is one of the keys to the success of MSMEs. Therefore, strengthening the capacity of MSMEs in the field of technology and marketing is urgently needed to increase their competitiveness.

Local governments also play an important role in supporting the development of MSMEs at the local level. Various policies and programs launched by local governments aim to facilitate MSMEs to access the resources they need, such as training, access to markets, and affordable financing (Alamsyah & Hasan, 2022; Anastasia & Oktafia, 2021; Anjayani & Febriyanti, 2022). However, despite these efforts, there are still many MSMEs that have not fully utilized existing programs. Therefore, it is necessary to conduct a more in-depth evaluation of the effectiveness of these programs in supporting the success of MSMEs.

Another external factor that also affects the success of MSMEs is access to financial institutions. Many MSMEs find it difficult to obtain financing with low interest rates and easy procedures, which are indispensable for their business expansion (Y. Aprilia et al., 2022a; BADAWI & NUGROHO, 2022; Dewi et al., 2022). Microfinance institutions such as credit cooperatives and people's credit banks are an alternative for MSMEs that have difficulty accessing loans from large banks. However, the main challenge remains the lack of good financial records and suboptimal business management. Therefore, it is important for MSMEs to understand the importance of transparency in financial statements so that they can obtain financing easily.

The success of MSMEs in Kendari is still far from optimal, especially in facing various existing challenges. Although there is a lot of potential that can be developed, many MSMEs are unable to compete in an increasingly competitive market. This is due to limited access to affordable financing, as well as a low understanding of the importance of good financial management. In addition, MSMEs in Kendari also do not fully utilize digital technology for product marketing, which hinders their potential to reach a wider market.

Not only that, although the local government has tried to provide various training and mentoring programs, not all MSMEs in Kendari take full advantage of this opportunity. Existing programs often do not touch the right targets, and many MSMEs do not know how to access the assistance provided. This shows that there is a **gap** in communication between the government and MSME actors, which causes some policies to be ineffective in increasing business capacity.

On the other hand, microfinance institutions that play an important role in supporting MSMEs with financing also do not always provide adequate solutions. Many MSMEs have difficulty meeting the requirements set by financial institutions, such as transparent financial records and sufficient collateral. Most MSMEs in Kendari also do not have enough knowledge in terms of business planning and financial management, which makes them less prepared to access financing. Thus, although access to capital is an urgent need for many MSMEs, this problem remains a significant obstacle to their business development.

This research is important because the condition of MSMEs in Kendari is not fully optimal, both in terms of product quality, marketing, and financial management. Although MSMEs play a role as the driving force of the local economy, the challenges faced by micro, small, and medium enterprises in Kendari are still quite large. The main problem faced is limited access to resources that can strengthen the success of their business, such as capital, digital marketing, and good business management. Therefore, it is important to research the factors that affect the success of MSMEs in Kendari more deeply, in order to find solutions that can increase their competitiveness. This research is expected to provide more targeted policy recommendations, as well as provide new insights for MSME actors to optimize existing opportunities, while minimizing the challenges faced. Therefore, this study aims to explore the factors that affect the success of MSMEs in Kendari, focusing on aspects of product quality, marketing, and access to financing. This research wants to explore various perspectives from business owners, government representatives, financial institutions, and academics, in order to gain a more comprehensive understanding of the existing challenges. In addition, this study aims to provide an overview of policies or programs that can be implemented to support the development of MSMEs in Kendari, so that they can overcome existing obstacles and compete better in an increasingly competitive market.

2. METHODS

This study uses Qualitative research design with a descriptive approach. This approach was chosen to explore in depth the factors that affect the success of MSMEs in Kendari from the perspective of various parties directly involved in the management of MSMEs (Y. Aprilia et al., 2022b; Ariescy et al., 2021; Firmansyah et al., 2021). With a qualitative approach, the researcher aims to obtain a more holistic understanding of the dynamics that occur in the management of MSMEs in the area. This research does not aim to test hypotheses or generalize, but to describe existing phenomena in depth. The researcher hopes that the findings in this study can provide useful insights for the development of MSMEs in Kendari.

The method used in this study is qualitative descriptive research. Qualitative descriptive research focuses on an in-depth understanding of the phenomena that occur by exploring information through in-depth interviews and non-numerical data analysis. Through this approach, researchers can obtain information about the factors that affect the success of MSMEs based on the experience and views of the informants involved. The collected data is then analyzed in an inductive way, which allows researchers to formulate conclusions from the patterns found in the data. The researcher tries to provide an accurate picture of the conditions and challenges faced by MSMEs in Kendari.

The instrument used in this study is a semi-structured interview, which allows flexibility in digging up more in-depth information from the informants. Interviews were conducted with five informants consisting of MSME owners, government representatives, financial institution staff, academics, and the chairman of the MSME association. The data collection procedure begins with the selection of informants who have an understanding and experience related to the research topic. After that, interviews were conducted with questions designed to explore their perspectives on the factors that affect the success of MSMEs in Kendari. The data obtained through interviews were then analyzed thematically to produce a

deeper understanding of the conditions and factors that affect the success of MSMEs in the area.

3. RESULTS AND DISCUSSIONS

3.1. Factors Affecting the Success of MSMEs in Kendari

This study identifies various factors that affect the success of Micro, Small, and Medium Enterprises (MSMEs) in Kendari, by taking the perspective of five informants who have a direct role in the MSME ecosystem. The informants involved in this study include MSME owners, representatives from the Cooperative and MSME Office, microfinance institution staff, academics, and MSME association chairman. From the interviews conducted, some of the main factors found were product quality, adaptability to technology, access to capital, and the important role of networks and government support.

The most prominent factor in the success of MSMEs in Kendari according to S., a culinary business owner, is product quality and marketing management. In his confession, S. emphasized the importance of maintaining consistency in the taste and quality of the products offered, as well as utilizing digital platforms to introduce businesses. "The main factors that affect the success of my business are product quality and marketing network. I always try to maintain consistency in taste and quality, as well as use social media to introduce products," he said. In addition, S. also emphasized family support as an important factor in their business journey. The separation of personal and business finances and the careful use of capital loans are also important strategies to overcome financial challenges.

Based on an interview with T., a representative from the Kendari City Cooperatives and MSMEs Office, the success of MSMEs is also influenced by the support of the local government, especially in terms of training, financing facilitation, and market access. According to T., one of the important initiatives given is a mentoring program to increase the capacity of MSME entrepreneurs. "The local government through the Cooperatives and MSMEs Office provides various training programs, capital assistance, and access to the market. We also try to facilitate MSMEs so that they can access information about regulations and existing market opportunities," he explained. However, T. also acknowledged that the main challenges faced by MSMEs are limited access to capital with low interest rates and difficulties in reaching a wider market.

In the context of financing, an interview with A., a manager at a microfinance institution, revealed that although financial institutions such as credit cooperatives play a major role in providing access to financing, many MSMEs still have difficulty meeting the requirements to get loans. A. noted that MSMEs often do not have clear financial records or adequate collateral. "Many MSMEs do not have clear financial records or sufficient collateral to obtain loans," he said. Therefore, A. suggested that MSMEs increase the transparency of financial statements and separate personal finance from businesses to make it easier to obtain the financing needed.

Meanwhile, from an academic point of view, R., an economics lecturer at Halu Oleo University, stated that the ability to adapt to market and technological changes is crucial for MSMEs. R. assessed that many MSME actors in Kendari are still focused on conventional products without daring to take risks to innovate. "From an academic perspective, the most influencing factor is the ability to adapt to changes in the market and technology. MSMEs in Kendari need to be more digitally literate and adapt to the development of information technology," said R. He also suggested that MSMEs make more use of digital platforms to expand marketing and increase competitiveness.

The role of MSME associations in supporting the success of small entrepreneurs in Kendari is also very important, as explained by I., the chairman of the Kendari MSME Association. I. explained that the association functions as a liaison between MSME entrepreneurs and various parties, including the government and financial institutions. "The

MSME Association acts as a bridge between small entrepreneurs and various parties, including the government and financial institutions," said I. The association also actively conducts training and seminars to increase the capacity of its members, as well as expand its business network. The main challenges faced by association members, according to I., are limited capital and difficulties in accessing a wider market.

3.2. Factors Affecting the Success of MSMEs in Kendari

This study identifies various factors that affect the success of Micro, Small, and Medium Enterprises (MSMEs) in Kendari, with a qualitative perspective based on interviews with five informants who have direct experience in managing MSMEs in the area. The informants involved included business owners, government representatives, financial institution staff, academics, and the chairman of the MSME association. The results of this study show that the success of MSMEs in Kendari is influenced by a number of factors, including product quality, marketing strategies, access to capital, and social network support as well as the role of the government.

From the perspective of a culinary business owner (S.), the main factors that affect the success of MSMEs are product quality and marketing networks. S. emphasized that to maintain business success, it is very important to maintain the consistency of the taste and quality of the products offered. In addition, the use of social media as a marketing tool is also an important strategy in introducing products to a wider market. S. explained, "The main factors that affect the success of my business are the quality of the product and the marketing network. I always try to maintain consistency in taste and quality, and use social media to introduce products." On the other hand, S. also highlighted the importance of family support and personal motivation to continue to grow, which is considered an equally important factor in maintaining business continuity.

In terms of government support, a representative of the Kendari City Cooperatives and MSMEs Office (T.) explained that the local government has a very important role in supporting MSMEs. According to T., training programs, capital assistance, and access to the market are some of the main initiatives implemented by the government to help MSME entrepreneurs. "The local government through the Cooperatives and MSMEs Office provides various training programs, capital assistance, and access to the market. We also strive to facilitate MSMEs to be able to access information about regulations and existing market opportunities," said T. However, T. also revealed that the biggest challenge for MSMEs in Kendari is the difficulty in accessing affordable financing and limitations in marketing products to a wider market.

On the other hand, the staff of microfinance institutions (A.) revealed that financial institutions have an important role in providing access to financing needed by MSMEs. A. mentioned that financial institutions such as credit cooperatives offer loans with lower interest rates and flexible terms. However, A. highlighted the challenges for MSMEs in meeting financing requirements, especially related to unclear financial records and lack of collateral. "Many MSMEs do not have clear financial records or sufficient collateral to obtain loans," said A. Therefore, A. suggested that MSMEs pay more attention to transparency in financial statements and separate personal and business finances to make it easier to obtain financing.

Academician (R.) from Halu Oleo University also gave his views on the factors that affect the success of MSMEs in Kendari. R. considers that the ability to adapt to technological and market developments is a very important factor for MSMEs. R. assessed that although some MSME actors are starting to use social media for marketing, many still do not understand the importance of digitalization in business management. "MSMEs in Kendari need to be more digitally literate and adapt to the development of information technology, so that they can access a wider market and increase their competitiveness," said R. In his view, the government

and universities can work together to conduct market research and product innovation to help MSMEs improve quality and competitiveness.

In addition, the chairman of the Kendari MSME Association (I.) added that the association functions as a liaison between MSME entrepreneurs and various parties who can support business development. I. explained that the association often holds training and seminars to improve the skills of its members in business management and marketing. However, I. also noted that the main challenges faced by association members are limited access to a wider market and insufficient capital. "The biggest challenge is the lack of access to a wider market and limited capital to develop a business," said I. He also suggested that MSME entrepreneurs who are just starting their business should join an association to build a stronger network and learn more business management strategies. The results of this study show that the success of MSMEs in Kendari is greatly influenced by product quality factors, marketing, access to financing, adaptation to technology, and the role of social network support and the government. The various challenges faced by MSMEs, such as access to capital, marketing, and product innovation, require serious attention from all parties, including the government, financial institutions, and MSME associations. Greater support in terms of financing and digital marketing training as well as product innovation is needed so that MSMEs can compete more effectively in a wider market.

This study shows that the success of MSMEs in Kendari is greatly influenced by various factors, including product quality, the use of technology in marketing, government support, access to financing, and the role of social networks and associations. The advice that can be given to MSMEs who are just starting a business is to focus on innovation, improve financial management, and take advantage of the opportunities provided by digital technology and e-commerce platforms. Greater support from the government and financial institutions is also needed to overcome challenges in terms of financing and marketing which are still the main obstacles for most MSMEs in Kendari.

3.3. Discussion

This study shows that the success of MSMEs in Kendari is greatly influenced by product quality and marketing factors, which is one of the main gaps identified in this study. One of the key findings is the importance of maintaining product quality and managing marketing effectively through digital platforms (Asis et al., 2020; Iryani & Fauzan, 2023; Putri et al., 2022). As S., a culinary business owner, product quality and the use of social media play a very important role in introducing products to a wider market. This contributes to increasing the competitiveness of MSMEs which was previously limited by conventional marketing. This research underscores the importance of innovation in digital marketing, which should be the focus for MSMEs in Kendari. By making the most of digital technology, MSMEs in Kendari can overcome one of the main obstacles in market access which has been a big challenge.

In addition, the gap in access to affordable financing can also be overcome with a more systematic approach to financial management, as expressed by A., a representative of microfinance institutions. This study shows that many MSMEs have difficulty obtaining financing because they do not have clear financial records or sufficient collateral. Therefore, one of the recommendations from the results of this study is the importance of transparency of financial statements and the separation between personal and business finances. This is in line with financial management theory which emphasizes the importance of good recording in increasing access to financial resources (Adiwijaya & Kusmayadi, 2022; Cinintya et al., 2022; Karim et al., 2019). If MSMEs can manage their finances well, it will be easier for them to get financing with lower interest, thus opening up greater opportunities for their business development.

Another factor found in this study is the role of the government in supporting MSMEs through training programs, financing, and market access (Forgotten, 2019a, 2019b; Andrika &

Suroso, 2024). Although the local government has provided various programs to support MSMEs, the results of the study reveal that there are still many MSME actors who do not take full advantage of this opportunity. T. from the Kendari City Cooperatives and MSMEs Office stated that one of the main obstacles is the ignorance of most MSME actors about how to access the available programs. This research highlights the need to improve communication between the government and MSME actors so that existing programs are more effective. In addition, it is also important to strengthen more intensive mentoring programs, especially in terms of digital marketing and product innovation, which is currently an urgent need to overcome market limitations.

Adaptability to technology and market changes, which is another important finding in this study, also plays an important role in overcoming the gap in the competitiveness of MSMEs. For example, R., an academic at Halu Oleo University, stated that many MSMEs in Kendari are still not technologically literate and reluctant to innovate. In fact, in this increasingly digital world, product marketing through e-commerce platforms or social media can be the key to expanding market reach. This research supports the argument that adaptation to technology and the market is a very decisive factor for the success of MSMEs, which should be a priority in their business development. Therefore, a training program that is more focused on the use of digital technology is needed, so that MSMEs can compete not only at the local level, but also in the national market.

The role of MSME associations is also very relevant to overcome some of the existing gaps, especially in terms of expanding networks and access to a wider market. The results of the study show that MSME associations have an important role as a liaison between MSME actors and various parties, including the government and financial institutions. However, the challenges faced by many members of the association are limited capital and difficulties in reaching a larger market (Alkahafi & Putri, 2024; Annisa et al., 2020). Therefore, associations need to strengthen the capacity of their members through more structured training, as well as collaborating with various e-commerce platforms that can help MSME products be known in a wider market. Along with that, increasing the role of the association in facilitating access to financing for its members is also important, to reduce the gap in terms of financing which is still the main obstacle for most MSMEs in Kendari.

The findings in this study provide valuable insights in overcoming the problems faced by MSMEs in Kendari. Maintained product quality, the use of digital technology, transparent financial management, and support from the government and MSME associations are key factors in increasing the competitiveness and success of MSMEs (I. Aprilia, 2019; Handayani & Tambun, 2022; Karim et al., 2019). This research proposes the need for collaboration between the government, financial institutions, academics, and MSME associations to create an ecosystem that better supports the development of MSMEs in Kendari. Increased access to capital, more focused training on digital marketing, and strengthening social networks will greatly help MSMEs to overcome existing challenges and achieve greater success in an increasingly competitive market.

Based on the results of the research conducted, the success of MSMEs in Kendari can be overcome by paying attention to product quality and better marketing management. One of the key findings of this study is that MSME owners like S. emphasize consistency in product quality and effective marketing strategies using social media. In this context, the use of digital technology is crucial in increasing the market reach of MSMEs. This is in line with R.'s findings, which stated that MSMEs need to be more digitally literate to be able to compete in an increasingly competitive global market. The right information technology, such as e-commerce platforms and social media, allows MSMEs to access a wider market without the need for large investments. Therefore, increasing understanding of the importance of product quality and digital marketing can reduce one of the main obstacles faced by MSMEs in Kendari, namely the lack of ability to compete in an increasingly modern market.

Another important aspect is the issue of access to affordable capital, which is one of the major obstacles for many MSMEs in Kendari. The study reveals that microfinance institutions, despite providing low-interest financing, still face challenges in meeting financing requirements, such as transparent financial records and sufficient collateral. According to A., staff from microfinance institutions, MSMEs often find it difficult to meet these requirements due to a lack of good financial management. This shows that one way to overcome capital limitations is to provide training to MSMEs to improve their understanding of financial management and more mature business planning. By increasing the transparency of financial statements and the separation of personal and business finances, MSMEs will more easily access financing, so that they can accelerate the development of their business.

Support from local governments is also an important factor in overcoming the difficulties faced by MSMEs, especially in terms of market access and financing. T., a representative from the Kendari City Cooperatives and MSMEs Office, revealed that the government has provided various training and mentoring programs, but not all MSMEs have utilized them optimally. This shows that there is a communication gap between the government and MSME actors that needs to be bridged. By improving communication and socialization programs about existing programs, MSMEs will be more informed about the opportunities available. In addition, increasing government facilitation in facilitating access to markets and financing can help reduce obstacles that have hindered the development of MSMEs, such as a lack of information and support in the face of increasingly fierce market competition (Alexandra & Eriandani, 2022; Amam & Rusdiana, 2021; Aziz, 2021).

This research also highlights the importance of the role of social networks and MSME associations in supporting business success. I., chairman of the Kendari MSME Association, explained that the association functions as a bridge between MSME entrepreneurs and various parties who can provide support. The training programs held by the association have helped increase the capacity of MSME entrepreneurs in managing their businesses. However, limited capital and access to a wider market are still major challenges. To overcome this problem, strengthening the role of associations is essential. By building a wider network and introducing product innovations that are more relevant to market demand, associations can play an active role in helping MSMEs overcome obstacles in their business development (Hanifah et al., 2023; Wahyuningtias & Rusdiansyah, 2019; Ziauddin, 2020).

In addition, the ability to adapt to technological developments and rapid market changes is also a crucial factor in the success of MSMEs in Kendari. R., an academic from Halu Oleo University, emphasized that MSMEs must be able to adapt to the development of information technology and the global market in order to remain competitive (Resignation, 2024; Rambe & Aslami, 2021). Most MSMEs in Kendari are still focused on conventional products and lack the courage to innovate. Therefore, it is important for MSMEs to be more open to change and take innovative steps, such as increasing the use of digital technology in marketing and developing products that are in line with market trends. With increased capacity to innovate and adapt, MSMEs in Kendari can face existing challenges and take advantage of opportunities to grow more rapidly (Aziz, 2021; Rohmah, 2020; Sahrullah & Suprayogi, 2022). The government, financial institutions, and universities can collaborate to provide the training needed so that MSMEs can be better prepared to face market and technological changes.

4. CONCLUSION

This study found that the success of MSMEs in Kendari is greatly influenced by various factors, including product quality, the use of technology in marketing, access to capital, and support from the government and social networks. Culinary business owners emphasized the importance of product quality and the use of social media to expand marketing, while representatives from the Kendari City Cooperatives and MSMEs Office pointed out that training programs and government capital assistance play an important role in increasing business

capacity. On the other hand, microfinance institutions also face challenges in providing financing to MSMEs, especially due to unclear financial records and lack of collateral. This research also shows that although digital technology provides great opportunities, many MSME actors are still hampered to adapt to market changes and technological developments. Therefore, the success of MSMEs in Kendari is highly dependent on their ability to manage resources, take advantage of digital opportunities, and utilize existing support more effectively.

The findings of this study contribute both theoretically and practically in the field of strategic management, especially related to MSME management. Theoretically, this study enriches our understanding of the factors that affect the success of MSMEs in developing regions, as well as how technology and government policies can affect their competitiveness. The findings also highlight the importance of integrating good financial management and marketing innovation through digital platforms to improve efficiency and market access. Practically, the results of this study provide concrete solutions for MSME entrepreneurs in Kendari to focus on improving product quality, transparency of financial statements, and the use of technology in marketing. Furthermore, the study identifies the need to strengthen collaboration between governments, financial institutions, and MSME associations in addressing the various obstacles faced by small entrepreneurs.

However, this study has several limitations, including the limited number of informants, which may not fully describe the diversity of the MSME sector in Kendari. In addition, this study has not explored in depth other factors that may play a role in the success of MSMEs, such as cultural aspects or international networks. Therefore, future research can develop this study by expanding the sample of informants, delving deeper into other aspects that affect the success of MSMEs, and conducting more comprehensive research using a quantitative approach to provide a more holistic picture of the factors driving the success of MSMEs in Indonesia.

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