

## BARBERSHOP BUSINESS DEVELOPMENT IN MSMES IN PEMATANG SIANTAR CITY

Njuah Assiddiq Berutu<sup>1\*</sup>  
Amirul Syah<sup>2</sup>

<sup>\*1, 2</sup>Muhammadiyah University of North Sumatra

<sup>\*1</sup>email: njuahberutu@gmail.com

**Abstract:** The growth of MSMEs continues to increase every year, but in 2022 it will experience a decline. North Sumatra is one of the provinces with the largest number of MSME developments in Indonesia. Barbershop growth continues to increase as a result of changes in people's lifestyles. The facilities and services offered greatly influence customer interest in the Barbershop. The aims of this research are (1) Carrying out a descriptive economic analysis of the UMKM production sector in Pematang Siantar (2) Carrying out an economic evaluation of the actors in the Barbershop UMKM sector in meeting family income in Pematang Siantar City. This research uses a qualitative approach. Technique sampling in this research that is with method snowball sampling use questionnaire Which given to 30 perpetrator MSME Barbershop in City Pematang Siantar. The data collection technique used in this research comes from websites official like Body Center Statistics (BPS), Ministry Trading, and distribution of questionnaires via Google Form . Data analysis techniques used in this research uses analysis factors with program Smart PLS 3.0. results study shows that Number of Customers and Facilities Factors influential and significant on business development for UMKM Barbershop operators in Pematang Siantar City to meet economic income.

**Keywords:** Barbershop, MSMEs

### Introduction

Indonesia is known as a country rich in natural resources. The abundant natural resources in Indonesia are used by residents for entrepreneurship, one of the businesses that is in great demand, namely micro, small and medium enterprises (MSMEs). North Sumatra is one of the provinces with the largest number of MSME developments in Indonesia. One of the areas in North Sumatra province that has a fairly large number of MSMEs is the city of Pematangsiantar. Pematangsiantar City is the second largest city in North Sumatra Province after Medan. The growth of MSMEs in the city of Pematangsiantar continues to increase every year, but in 2022 it will experience a decline. One of the MSME businesses in the service sector is a barbershop or barbershop specifically for men. Barbershop growth continues to increase as a result of changes in people's lifestyles. The facilities and services offered greatly influence customer interest in the Barbershop . The aims of this research are (1) Carrying out a descriptive economic analysis of the MSME production sectors in Pematang Siantar (2) Carrying out an economic evaluation of the actors in the Barbershop MSME sector in meeting family income in Pematang Siantar City. then researchers are interested in doing it research with the title: " Analysis of **Barbershop Business Development in MSMEs in Pematang Siantar City** "

## Literature Review

### National income

"National Income is the amount of income received by production factors used to produce goods and services in a certain year (Nainggolan, 2020) ."

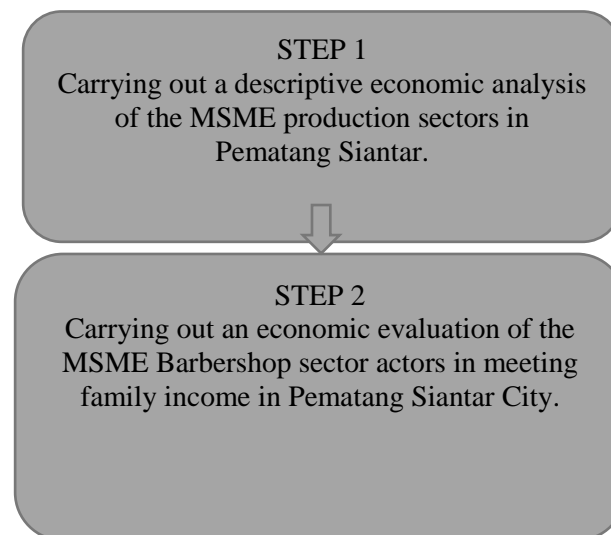
### Keynesian theory

"Keynes' theory states that inflation occurs because people live beyond the limits of their economic capabilities by focusing on how acts of sustenance between groups of society can create demand (I) that is greater than the amount of goods available (S)" (Putong, 2015)."

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

"MSMEs is a productive business owned by an individual or business entity that meets the criteria for being a micro business. As regulated in statutory regulation no. 20 of 2008, according to the definition of MSMEs, the criteria for MSMEs are differentiated individually, including micro businesses, small businesses and medium businesses. The definition of micro business is defined as a productive economic business owned by individuals or business entities in accordance with the criteria for micro business. A small business is an independent or stand-alone productive economic enterprise whether owned by an individual or a group and not as a branch business entity of the main company. Controlled and owned and become part, either directly or indirectly, of a medium-sized business. The definition of a medium business is a business in a productive economy and is not a branch or subsidiary of a central company and is part directly or indirectly of a small business or large business with its total net worth as regulated by statutory regulations. "

## Conceptual Framework



**Figure 1. Conceptual Framework**

## Method

This research uses a qualitative approach. Technique sampling in this research that is with method Judgment sampling use questionnaire Which given to 30 perpetrator MSME Barbershop in City Pematang Siantar. The data collection technique used in this research comes from websites official like Body Center Statistics (BPS), Pematangsiantar city

Cooperative and SME Service, and distributing questionnaires via Google form . Data analysis technique used in this research uses analysis factor with program Smart PLS 3.0.

## Results and Discussion

### SM-PLS Analysis Research Results

#### Convergent Validity

**Table 1. Convergent Validity of MSME Barbershop Actors in Pematang Siantar City**

Indicator	Loading Factor	Rule of Thumb	Information
PBS1	0.760	0.70	Fulfil
PBS2	0.809	0.70	Fulfil
PBS3	0.866	0.70	Fulfil
PBS4	0.842	0.70	Fulfil
PBS5	0.953	0.70	Fulfil

Source: SM-PLS3 and processed

**Table 2. Convergent Validity Number of Customers**

Indicator	Loading Factor	Rule of Thumb	Information
JP1	0.744	0.70	Fulfil
JP2	0.906	0.70	Fulfil
JP3	0.257	0.70	Does not meet the
JP4	-0.055	0.70	Does not meet the
JP5	-0.108	0.70	Does not meet the

Source: SM-PLS3 and processed

**Table 3. Convergent Validity Facility**

Indicator	Loading Factor	Rule of Thumb	Information
FS1	0.963	0.70	Fulfil
FS2	0.767	0.70	Fulfil
FS3	0.989	0.70	Fulfil
FS4	0.885	0.70	Fulfil

Source: SM-PLS3 and processed

### Convergent Validity measurement through factor loading

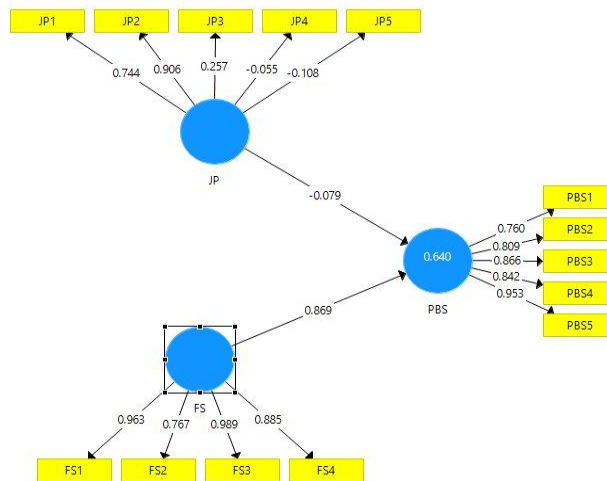


Figure 2. Convergent Validity measurement through factor loading

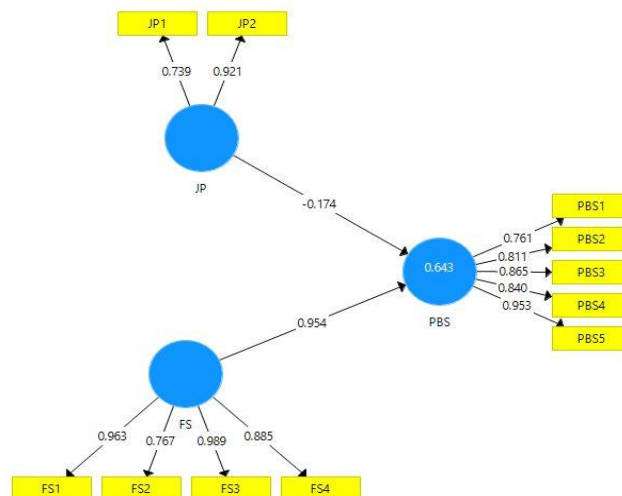


Figure 3. Convergent Validity Measurement through Second Outer Loading

### Discriminante Validity

Table 4. Discriminant Validity in Avarage Extracted (AVE)

Variable	AVE value
Barbershop MSMEs in Pematang Siantar City	0.720
Number of Customers	0.697
Facility	0.819

Source: SM-PLS3 and processed

**Table 5. Composite Reliability**

Variable	Composite Reliability Value	Information
Barbershop MSMEs in Pematang Siantar City	0.927	Reliable
Number of Customers	0.820	Reliable
Facility	0.947	Reliable

Source: SM-PLS3 and processed

**Table 6. Evaluation of the Structural Model ( Inner Model )**

Variable	R- Squared
Barbershop MSMEs in Pematang Siantar City	0.643

Source: SM-PLS3 and processed

**Table 7. F- Squared**

Variable	F Squared
Number of Customers → MSME Barbershop Actors in Pematang Siantar City	0.017
Facilities → MSME Barbershop actors in Pematang Siantar City	0.510

Source: SM-PLS3 and processed

**Table 8. Hypothesis Testing Research Results**

Original Sample		T - Statistics	P -Values	Decision
JP-PBS	-0.174	0,000	0,000	$H_0$ -rejected
FS-PBS	0.954	0,000	0,000	$H_0$ -rejected

Source: SM-PLS and processed

## Discussion

### Barbershop MSMEs in Pematang Siantar City (JP → PBS)

Barbershop MSMEs in Pematang Siantar City The statistical t value obtained is 0.000. To strengthen the results of this analysis, you can also use the P value, provided that  $p < 0.05$ . Based on the results of data analysis, it shows a value of  $0.000 < 0.05$ . The provisions are rejected  $H_0$ , so it is concluded that the number of customers has a significant influence on MSME Barbershop operators in Pematang Siantar City to fulfill their economic income. The results of this research are in line with those carried out by (Made Wirahdi Kusuma Pinatih and I Gusti Bagus Indrajya, 2019) that the increasing number of customers will increase income in an MSME, to increase the number of customers the very important role is e-commerce which can become a There is a great opportunity for MSME players to develop

their business and enable MSMEs to market with the aim of the global market, so that they have the opportunity to penetrate exports.

### **Barbershop MSMEs in Pematang Siantar City (FS → PBS)**

Barbershop MSMEs in Pematang Siantar City The statistical t value obtained is 0.000. To strengthen the results of this analysis, you can also use the P value, provided that  $p < 0.05$ . Based on the results of data analysis, it shows a value of  $0.000 < 0.05$ . The provisions are rejected  $H_0$ , so it is concluded that the facility has a significant influence on MSME Barbershop actors in Pematang Siantar City to fulfill their economic income. The results of this research are in line with those conducted by (Axel).

### **Conclusion**

1. The development of MSMEs in Pematang Siantar City cannot be separated from the participation of the government and MSME actors. The government should be able to provide assistance to MSME actors, as well as outreach and training to MSME actors regarding knowledge about aspects of entrepreneurship.
2. The government can partner or collaborate with higher education institutions (for example universities) as an extension to gather information related to market needs. MSME players should innovate their products so that they can develop their own characteristics and be different from competitors. Apart from that, MSME players should also open themselves up and join training related to how to analyze products and knowledge about strategies for developing the business they run.
3. Opinions/perceptions of MSME Barbershop players in Pematang Siantar City regarding the factors influencing the development of the MSME Barbershop business in Pematang Siantar City to meet economic income namely that there is a positive and significant influence on the number of customers and facilities on the business development of MSME Barbershop players in Pematang Siantar City to meet economic income.

### **References**

- Amalia, A., Hidayat, W., & Budiatmo, A. (2018). Analysis of Business Development Strategy in Batik SMEs. *Journal of Business Administration*, 1, 1–12.
- Arsyad, L. (2010). *Development Economics*, fifth edition. Yogyakarta: Upp Stim Ykpn .
- A Yuli Rahmini Suci. (2008). *Micro small and Medium Enterprises*. UU no. 20 of 2008, 1, 1–31.
- Dahrani, & Mirhanifah. (2014). Analysis of Mudharabah Financing Mechanisms at Pt. Bank Bni Syariah Medan Branch Office. *Accounting And Business Research*, 14(1), 137– 157.
- Dahrani, D., Sari, M., Saragih, F., & Jufrizen, J. (2021). Taxpayer Compliance Model (Study of Taxpayers Doing Business in Medan City). *Journal of Accounting and Taxation*, 21(02), 379–389. <https://doi.org/10.29040/jap.v21i02.1513>
- Dwijantoro, R., Dwi, B., & Syarief, N. (2022). The Influence of Price, Product Quality, and Promotion on Shopee Marketplace Purchasing Decisions. *Journal of Management and Business Research*, 16(2), <https://doi.org/10.21460/jrmb.2021.162.392>
- Hamid, ES, & Susilo, YS (2015). Micro, Small and Medium Enterprise Development Strategy in the Special Region of Yogyakarta Province\*. *Journal of Development Economics: Study of Economic and Development Problems*, 12(1), 45. <https://doi.org/10.23917/jep.v12i1.204>
- Hanggita, AT (2018). Analysis of Factors for Selection of Service Business Locations for MSMEs in Paciran District. *Business Management*, 8(2), 167–176. <https://doi.org/10.22219/jmb.v8i2.7069>

- Jaidan, J. (2010). Efforts to Develop Small and Medium Enterprises (SMEs) by Utilizing E-Commerce. *Journal of Information Systems*, 2(1), 159–168.
- Kuncoro, Mudrajat. 2006. *Basics of Development Economics* . Fifth Edition. UPP STIM YKPN, Yogyakarta
- Kuncoro, M. (2018). *Development Planning* . Gramedia Pustaka Utama.
- Kurniawan, M., & Haryati, N. (2017). Analysis of Soursop Juice Drink Business Development Strategy. *Industria: Journal of Agro-Industrial Technology and Management*, 6(2), 97–102.
- Lestari, SP, Dahrani, D., Purnama, NI, & Jufrizen, J. (2021). Determinant Model of Debt Policy and Company Value (Study of Pharmaceutical Companies Listed on the Indonesian Stock Exchange). *Maneggio: Scientific Journal of Masters in Management*, 4(2), 245–256.
- Mankiw, N.G. (2020). *Introduction to macroeconomics* . Salemba Four.
- Muhmmad Irfan Nasition, SE, MS (2017). *BUSINESS MANAGEMENT FOR MICRO AND SMALL BUSINESSES*. UMSU PRESS.
- Mulyadi, F. (2017). Analysis of Factors Considering Business Location Selection. 1–16.
- Pondia, S. (2020). *Business Strategy for Micro, Small and Medium Enterprises (MSMEs)*. Student Thesis at the Faculty of Economics and Islamic Business, IAIN Purwokerto, 1, 1–476.
- Pradesyah, R. (2017). Analysis of the Influence of Non-Performing Loans, Third Party Funds, on Mudharabah Agreement Financing in Sharia Banks. *Intiqad: Journal of Islamic Religion and Education*, 9(1), 93–111. <https://doi.org/10.30596/intiqad.v9i1.1085>
- Pratama, R., & Manurung, R. (2010). *Microeconomic Theory (an introduction)* Fourth Edition. Jakarta: BPFE-UI .
- Reza, M. Rahman, Rizki, M. Oktavianto, & Paulinus. (2008). Development of MSMEs (Micro, Small and Medium Enterprises) in Indonesia. *Upp.Ac.Id*, 1, 377–386.
- Safitri, I., Salman, D., & Rahmadanih. (2018). *CULINARY BUSINESS DEVELOPMENT STRATEGY: Case Study of Warung Lemang in Jeneponto, South Sulawesi*. *Journal of 63 Agricultural Socioeconomics*, 14(2), 183–194.
- Sulistiyo, H., & Putra, RAK (2020). Strategy for Development of Small and Medium Enterprises in the Processing Industry Sector of Bekasi Regency. *Eqien: Journal of Economics and Business*, 7(2), 38–48. <https://doi.org/10.34308/eqien.v7i2.145>
- Todaroo, 2006. *Economic Development* . Edition 7. Erlangga Publisher, Jakarta
- Togodly, E. (2019). The Effect of Promotion on Increasing Sales. *Journal of Chemical Information and Modeling*, 53(9), 1–9.