

Factors and Strategies For Increasing the Income of MSME Assistance Recipients in The Tourism Sector in Kerinci Regency

Dermawati¹, Syamsurijal Tan², & Nurhayani³

^{1,2&3} Faculty of Economics and Business, Universitas Jambi,
36333 Jambi, Indonesia

Corresponding Author: derma.soita3@gmail.com

Received
13 June 2025

Revised
20 November 2025

Accepted
30 November 2025

Published
31 Desember 2025

ABSTRACT

This study aims to analyze the influence of business location, education, capital, and labor on the income of MSME aid recipients in Kerinci Regency and to analyze strategies for increasing the revenue of MSME aid recipients in the tourism environment of Kerinci Regency. Primary cross-sectional data were collected through structured interviews and field observations from 82 MSME actors selected via simple random sampling from a population of 467 recipients. The analytical tools used in this research are multiple linear regression and SWOT analysis. The results of the study indicate that, partially, education, capital, and labor have a significant effect on the income of MSME aid recipients in Kerinci Regency. On the other hand, location does not significantly affect the income of UMKM (Micro, Small, and Medium Enterprises) assistance recipients in Kerinci Regency. The model explains a substantial proportion of the variation in income ($R^2 = 0.773$). Based on the SWOT analysis results, the strategy used to increase the income of UMKM assistance recipients in Kerinci Regency is positioned in quadrant IV, which recommends a defensive strategy. This means that UMKM assistance recipients in the tourism sector of Kerinci Regency face considerable external threats, while their internal strengths are relatively weak. In this situation, the appropriate strategy is a defensive strategy, which focuses on measures to sustain business operations and gradually improve competitiveness.

Keywords: Capital, Labor, Location, Education, Income, SWOT Analysis, MSMEs

How to Cite:

Dermawati, D., Tan, S., Nurhayani, N., & Nasrullah, M. (2025). Factors and Strategies for Increasing the Income of MSME Assistance Recipients in the Tourism Sector in Kerinci Regency. *The Asian Journal of Professional & Business Studies*, 6(2), 26–37. <https://doi.org/10.61688/ajpbs.v6i2.416>

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1.0 INTRODUCTION

Regional potential development is a very strategic aspect in realising a prosperous society. Developing regional potential that aligns with community needs will create a harmonious and productive society. The travel and tourism industry plays a significant role in business development and continues to contribute to economic strength and social development in various countries, including Indonesia. The tourism sector has an impact on a country's economy through several factors. First, the tourism sector acts as a source of foreign exchange to acquire capital goods used in the production process. Second, the development of tourism stimulates infrastructure development. Third, the development of the tourism sector encourages the growth of other economic sectors. Fourth, tourism contributes to increasing job opportunities and income. Fifth, tourism can lead to positive economies of scale, which are cost advantages that businesses obtain as they grow larger, and economies of scale are becoming increasingly important in the global economy (Yakup, 2019).

According to Saleh (2020), the role of tourism in national development generally revolves around three aspects: the economic aspect (revenue and taxes), the social aspect (job creation), and the cultural aspect (introducing culture to foreign tourists). Economists predict that the tourism industry will become one of the important economic activities in the 21st century. This is because the human need for tourism will continue to increase over time. Therefore, in the future, the tourism sector will become a potential sector.

If the tourism sector is developed in a planned and integrated manner, then the income from this sector can balance the revenue from the oil and gas sector. This is because the multiplier effect of the tourism sector is more efficient and effective. The success of the development of this tourism sector is inseparable from the role of tourism, which is its main component, while also considering the influencing factors, such as: the number of tourist attractions offered, the number of visitors both domestic and international, hotel occupancy rates, per capita income, facilities and infrastructure, security factors, exchange rates, and investment in the industry. (Mulyana, 2021).

Indonesia is rich in tourism potential, spread across various regions with diverse tourist characteristics. Indonesian tourism is an important sector for the Indonesian economy. Indonesian tourism offers a variety of interesting tourist destinations, ranging from natural tourism, cultural tourism, to culinary tourism. The Sumatra region in Indonesia is known for its natural, cultural, and traditional tourism potential. In Sumatra, there is a province rich in natural resources, namely Jambi Province. Jambi Province is one of the provinces in Indonesia that has great tourism potential, with various interesting tourist destinations, from natural tourism, cultural tourism, to culinary tourism. The great and most interesting tourism potential in the Jambi Province is tourism in Kerinci Regency, because Kerinci Regency geographically has a strategic location, and the diversity of tourist attractions in each area becomes a unique appeal for domestic and international tourists.

The development of the tourism sector can support environmental sustainability and encourage community participation while promoting economic growth by optimising the resources owned by each region to achieve the prosperity and welfare of the communities surrounding the tourist attractions. One of the efforts to improve the welfare of communities around tourist attractions is to stimulate micro and medium enterprises (UMKM) as a support for tourism itself.

The utilization of tourism is more optimal in relation to economic development, poverty alleviation, income improvement, and enhanced living facilities. Tourism should be linked to regional economic activities such as agriculture and micro and small enterprises (Mulyana, 2021). Tourism activities and entrepreneurship complement each other, as tourism development relies on MSMEs while MSME activities also require the support of tourism to grow and survive. This can be explained by the fact that the tourism sector helps create opportunities for local communities to start business activities, while the tourism sector depends on MSME activities to provide the needs and wants of tourists (Fransisca, 2021).

The importance of developing the tourism sector is expected to produce outputs that enhance the economy and welfare of local communities. A competitive approach based on Micro, Small, and Medium Enterprises (MSMEs) can support the development of the tourism sector, thereby increasing the competitiveness of MSMEs in Kerinci Regency, which creates

job opportunities. From this explanation, the researcher is interested in conducting research titled 'Strategies for Increasing the Competitiveness of MSMEs in the Tourism Sector of Kerinci Regency.

The positive impact of tourism is the improvement of community welfare through MSMEs. Tourism has also become a dynamo of the socio-cultural life of the community because it benefits the community through job creation, increasing foreign exchange, encouraging exports, and transforming the economic structure of the community for the better. However, tourism also brings negative impacts. The following is an explanation of the constraints on tourism development through MSMEs.

SMEs play a significant role in the development of tourism, as the characteristics of a region that are often sought after by tourists are typically provided by these SMEs. SMEs are capable of creating markets, developing trade, managing natural resources, reducing poverty, opening job opportunities, and building communities. Even the SME sector has become a lifeline since the economic crisis of 1997 (Tourism & Villages). With the development of tourism in Kerinci Regency, SMEs supporting the tourism sector have also emerged, providing various needs for tourists, especially those that are characteristic of Kerinci Regency. The tourism sector in Kerinci Regency has become a mainstay sector that supports regional economic growth.

Factors such as the education level of the owners and workers of MSMEs, skills and entrepreneurship levels, MSMEs' access to financing sources, access to business development institutions, external factors such as the ease of licensing and transaction costs, and others can also be used to describe the competitiveness of MSMEs. The number of MSMEs located in Kerinci Regency.

MSMEs in the tourism sector play an important role in the regional economy, especially in creating jobs and improving the welfare of the community. However, the success of these small businesses is often influenced by various factors, including the location of the business, the education level of the business owner, the capital available, and the workforce employed.

The location of a business is one of the crucial factors in determining the income of MSME traders in the tourism sector. A strategic location in a tourist area can attract more visitors and increase sales volume. In contrast, a location far from crowded areas or main tourist attractions may face challenges in attracting customers. Therefore, it is important to understand the extent of the influence of business location on the income of MSME traders. Based on initial observations, there are traders selling around tourist locations, while there are also traders who are far from tourist locations. Thus, the difference in business locations determines the income level of MSME traders.

Education is also a crucial factor in the success of MSME (Micro, Small, and Medium Enterprises) ventures. Business owners with a higher level of education tend to have better knowledge in managing their businesses, organising finances, and planning effective marketing strategies. Conversely, a lower level of education may limit the ability of business owners to manage their businesses optimally. Therefore, this study will examine how the level of education of business owners affects their income levels. Based on initial observations, the average last education level of MSME traders in the tourism sector of Kerinci Regency is high school.

The workforce is also an important factor that influences the success of a business. The skills and expertise of the workforce in providing services to visitors have a significant impact on customer satisfaction and their loyalty. Businesses managed by skilled labour tend to be more successful in attracting customers and increasing revenue. Therefore, this study will also explore the influence of labour on the income of MSME traders in the tourism sector of Kerinci Regency. Based on initial observations, the number of employees that MSME traders in the tourism sector of Kerinci Regency have is between 1 and 4 people.

This research is important to provide a clearer picture of the factors influencing the income of MSME traders in the tourism sector, as well as to provide recommendations for local governments and MSME actors in the form of strategies to improve the performance and income of traders. By understanding these factors, it is expected that policies can be

created to support the growth and development of MSMEs in the tourism sector, especially in Kerinci Regency. Increasing the income of MSMEs in Kerinci Regency can be achieved through various strategies. One way is to enhance the quality of the products offered to tourists. Higher quality products, in terms of design, raw materials, and packaging, will attract tourists' attention and increase their purchasing power. In addition, MSMEs need to be more innovative in developing products that align with market tastes, especially those related to culture and local wisdom, so that they can create product differentiation that sets them apart from competitors.

2.0 LITERATURE REVIEW

Economic Development

One view, according to Adam Smith, is that economic development is a process of combining a country's population with its technological advancements. This means that the larger a country's population, the more advanced its technology must be to meet the needs of its domestic population (Primaniyar, 2020).

Tourism

The World Tourism Organization defines tourism as follows: "The activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes" (WTO, 1999).

The Tourism Sector in Economic Development

The tourism sector can play an important role in balanced economic development and will have an impact on other sectors. Well-managed tourism will generate benefits and positive impacts for the government and the community. The progress of the tourism industry depends on the number of tourists visiting the area or country, as well as balanced economic growth with other sectors, such as accommodation provision, restaurants, and offerings in tour packages or transportation. This is inseparable from government and community support.

Micro, Small, and Medium Enterprises

Micro, Small, and Medium Enterprises (MSMEs) are business activities that can expand job opportunities and play an important role in the process of equity and income enhancement of the community, driving economic growth, and realising national economic stability.

Income

According to the Indonesian Institute of Accountants (2012), revenue is the gross inflow of economic benefits arising from a company's everyday activities during a specific period, increasing equity, and does not include contributions from capital investments. Revenue consists only of the gross inflow of economic benefits received by the company itself. Amounts billed for and on behalf of third parties are not considered revenue as they do not generate economic benefits for the company and do not result in an increase in equity.

3.0 METHODOLOGY

This study employed a quantitative descriptive research approach using primary data as the main data source. Primary data refer to data obtained directly from the source by the researcher (Sugiyono, 2019). In this study, primary data were collected through structured interviews and direct field observations involving MSME aid recipients in Kerinci Regency. The population of the study consisted of all Micro, Small, and Medium Enterprise (MSME) aid recipients in Kerinci Regency, totaling 467 individuals. According to Sugiyono (2019), a population represents a generalization area comprising objects or subjects that possess specific characteristics determined by the researcher for investigation and

conclusion drawing. Based on this definition, all MSME aid recipients in the study area were considered appropriate as the population.

The sample size was determined using the Slovin formula with an acceptable margin of error, resulting in 82 respondents selected from the total population of 467 MSME actors. The respondents were selected using a simple random sampling technique, ensuring that each population member had an equal opportunity to be included in the study.

This analysis was conducted to address the second research objective, namely to examine the influence of business location, education level, business capital, and labor on the income of MSME aid recipients in Kerinci Regency. The relationships between variables were analysed using an econometric approach, allowing the research findings to be expressed quantitatively and objectively.

The study applied a multiple linear regression model estimated using the Ordinary Least Squares (OLS) method. The data analysed were cross-sectional data, collected from MSME actors at a single point in time, rather than time-series or panel data. The OLS method was selected because it is suitable for estimating relationships between independent variables and a dependent variable in cross-sectional survey data (Gujarati, 2019).

The multiple regression model used in this study is specified as follows:

$$\text{In MSMEs} = \beta + \beta_1 \text{BL}_t + \beta_2 \text{Edc}_t + \beta_3 \text{Cap}_t + \beta_4 \text{LF}_t + \mu_t$$

Captions:

In MSMEs	=	Income of MSMEs
β	=	Slope or Slope Coefficient
BL	=	Business Location
Edc	=	Education
Cap	=	Capital
LF	=	Labor Force
t	=	1,2... t (Time)
μ	=	error term

Analysis of the coefficient of determination (R^2)

Determinant analysis (R^2) is used to determine the extent of the influence of independent variables on the dependent variable. The coefficient of determination (R^2) is essentially a measure of the accuracy of the regression model. If R^2 approaches 1, the model is reasonable, as it indicates that the independent variables are closely related to the dependent variable. A good model minimizes residuals. In other words, changes in independent variables can explain the dependent variable with α greater than 0.75 (Ghozali, 2018), thus creating a high correlation between the dependent variable and the independent variable. However, the model may contain coefficients of determination that support independent variables. Every time you add an independent variable, R^2 increases (having a significant t value) regardless of whether the variable has a significant effect on the dependent variable or not.

Statistical Test F

The F-test assesses the effect of independent variables collectively on the dependent variable. The F-statistic test is used to analyze regression models that involve data from several individuals or entities observed over a specific period.

Statistical Test t

Used to test the significance of the independent variable on the dependent variable of the t-statistical equation (Ghozali, 2018). If statistically significant, it indicates that the independent variable has a partial effect on the dependent variable.

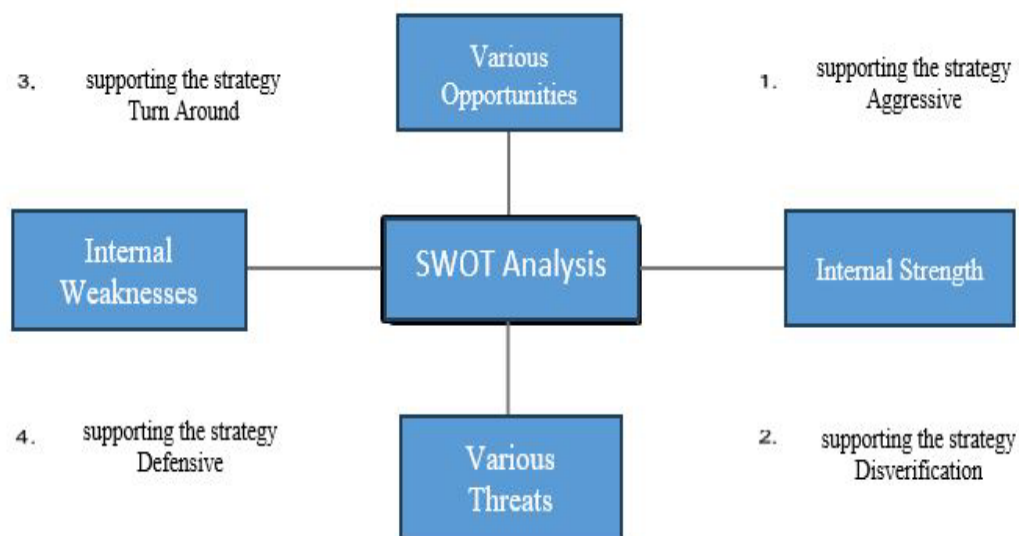
SWOT Analysis

Strategies for increasing revenue from MSME assistance in the tourism sector of Kerinci Regency using SWOT analysis. The research location is Kayu Aro District, Kerinci Regency. Primary data is obtained through observations, interviews, and documentation conducted with the Tourism Office, Bappeda, sub-district heads, village heads, community leaders, the public, and visitors. Furthermore, to determine the strategy for developing tourist attractions, a SWOT analysis is conducted (Strengths, Weaknesses, Opportunities, and Threats). The information for this research includes (1) the Tourism and Culture Office of Kerinci Regency, (2) the Cooperative and Labor Office of Kerinci Regency and Jambi Province, (3) the sub-district head of Kayu Aro, and (4) visitors.

This analysis is used to answer the third research objective, which is to analyze the revenue enhancement strategies for the tourism sector. SWOT analysis is based on the logic of maximizing strengths and opportunities, while simultaneously minimizing weaknesses and threats. The strategic decision-making process is always related to the development of the company's mission, objectives, strategies, and policies. Thus, strategic planners must be able to analyse the company's strategic factors (strengths, weaknesses, opportunities, and threats) under the current conditions, which is commonly referred to as situational analysis.

Research shows that the increase in tourism revenue can be determined by a combination of internal factors, namely Strengths and Weaknesses, as well as external factors, namely Opportunities and Threats. Both factors must be considered in a SWOT analysis that compares external factors, namely opportunities and threats, with internal factors, namely strengths and weaknesses.

Figure 1.
SWOT Analysis



In Figure 1, the SWOT analysis is shown divided into four quadrants. Each quadrant has the following meaning:

Quadrant 1: Represents a very favorable situation, where the company has internal strengths and opportunities. With the strengths it possesses, the company can leverage existing opportunities into advantages. The strategy that should be implemented in this condition is to support an aggressive growth-oriented policy.

Quadrant 2: The company faces various threats but has internal strengths. Despite facing threats, this company has strengths that can be leveraged. The strategy that should be implemented is to utilize strengths to seize long-term opportunities through diversification (products/markets).

Quadrant 3: The company faces a very large market opportunity, but on the other hand, it also faces some internal constraints or weaknesses. The company's strategic focus in this situation is to minimize internal issues so that it can capture better market opportunities.

Quadrant 4: This situation is an unfavorable one, where the company faces various threats and internal weaknesses. The strategy that can be implemented when facing this situation is to endure while minimizing internal weaknesses and avoiding threats, while seeking available opportunities.

The tool used to compile the company's strategic factors is the SWOT matrix. This matrix can clearly illustrate how the external opportunities and threats faced by the company can be aligned with its strengths and weaknesses. This matrix can produce four sets of possible strategic alternatives.

SO Strategy: This strategy is developed based on the company's way of thinking, which is to leverage all strengths to seize and maximize opportunities.

ST Strategy: This strategy uses the strengths of the company to overcome threats.

WO Strategy: This strategy is applied based on utilizing existing opportunities by minimizing existing weaknesses.

WT Strategy: This strategy is based on defensive activities and aims to minimize existing weaknesses while avoiding threats.

4.0 FINDINGS AND DISCUSSION

Based on the processed data using SPSS version 27, a multiple linear regression result can be obtained, as shown in Table 1.:

Table 1
Results of Multiple Linear Regression Calculation

		Coefficients ^a					Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	555911.277	247131.360		2.249	.027		
	BL	38569.169	96194.770	.023	.401	.690	.893	1.120
	Edc	49583.029	23293.281	.117	2.129	.036	.984	1.017
	Cap	.162	.024	.540	6.815	.000	.471	2.125
	LF	470030.762	93376.572	.392	5.034	.000	.488	2.050
	F Statistics	65,451						
	F Sig	.000						
	R Square	.773						

a. Dependent Variable: In MSMEs

Source: Processed Data, 2025

Based on Table 1, the multiple regression equation is obtained as follows:

$$\text{In MSMEs} = 555911,277 + 38569,169 \text{ BL} + 49583,029 \text{ Edc} + 0,162 \text{ Cap} + 470030,762 \text{ LF} + e$$

The regression equation has the meaning that if the variables of business location, education, capital, and labor are valued, then the income of beneficiaries of MSME assistance is 555,911.277. The business location variable cannot be explained because it does not have a significant effect on the income of beneficiaries of MSME assistance. If the education variable increases by 1 year, while the other independent variables are considered constant or unchanged, it will increase the

income of beneficiaries of MSME assistance by 49,583.029 rupiah. If the capital variable increases by 1 rupiah, while the other independent variables are considered constant or unchanged, it will increase the income of UMKM aid recipients by 0.162 rupiah. If the labor variable increases by 1 person, while the other independent variables are considered constant or unchanged, it will increase the income of UMKM aid recipients by 470030.762 rupiah.

Overall Hypothesis Testing (F Test)

Based on Table 1, the sig value of 0.000 is smaller than 0.05, which means that the independent variables of business location, education, capital, and labor collectively have a significant effect on the dependent variable of the income of MSME aid recipients.

Partial hypothesis testing (t-test)

The t-test was conducted to determine whether the independent variables individually (partially) significantly influence the dependent variable. If the significance level is below 5%, then business location, education, capital, and labor partially and significantly influence the dependent variable of the income of MSME assistance recipients. Based on the table above, the t-test results are as follows: From the testing results, the probability value for the business location variable is 0.690 with a confidence level ($\alpha = 5\%$) indicating that the probability value is greater than 0.05 ($0.690 > 0.05$), meaning that H_0 is accepted and H_a is rejected, which means that the business location does not significantly affect the income of MSME assistance recipients. Thus, the hypothesis stating that the business location affects the income of MSME assistance recipients is not true and unproven.

From the test results, the probability value for the education variable is obtained at 0.036 with a confidence level ($\alpha = 5\%$), it can be seen that the probability value is greater than 0.05 ($0.036 < 0.05$), meaning that H_0 is rejected and H_a is accepted, which indicates that education has a significant effect on the income of MSME aid recipients. Thus, the hypothesis stating the effect of education on the income of MSME aid recipients is true and proven.

From the test results, the probability value for the capital variable is 0.000 at the 5% confidence level ($\alpha = 5\%$). It can be seen that the probability value is smaller than 0.05 ($0.000 < 0.05$), meaning that H_0 is rejected and H_1 is accepted, which indicates that capital has a significant effect on the income of UMKM aid recipients. Thus, the hypothesis stating the effect of capital on the income of UMKM aid recipients is correct and proven.

From the test results, the probability value for the labor variable is 0.000 with a confidence level ($\alpha = 5\%$), indicating that the probability value is smaller than 0.05 ($0.000 < 0.05$), meaning H_0 is rejected and H_a is accepted, which indicates that labor has a significant effect on the income of MSME assistance recipients. Therefore, the hypothesis stating the effect of labor on the income of MSME assistance recipients is true and proven.

Coefficient of Determination (R^2)

The analysis of the coefficient of determination (R^2) is used to see how much of the variation in the dependent variable is explained by the independent variables, expressed as a percentage. Table 5.7 shows that the model summary indicates an R-squared value of 0.773. This means that 77.3 percent of the variation in income of MSME aid recipients is explained by the variables in this study, while the remaining 22.7 percent is explained by other variables outside the study.

SWOT Analysis

From the calculation of the above SWOT matrix, the highest value obtained is WT at 3.011. Therefore, the highest value represents a suitable strategy for the income enhancement of UMKM aid recipients in the tourism sector of Kerinci District. The WT strategy is designed to minimize weaknesses and avoid threats. Furthermore, in the quadrant SWOT analysis model, it can be illustrated as follows.:

Figure 2.

SWOT Matrix Analysis Quadrant Model

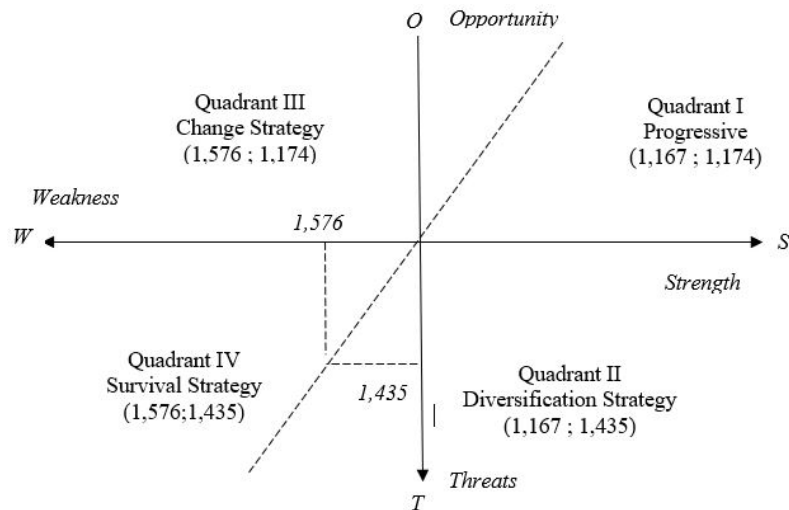


Figure 2 SWOT Matrix Analysis Quadrant Model

Based on quadrant IV, which recommends a survival strategy, this means that recipients of MSME assistance in the tourism sector of Kerinci Regency face considerable external threats, while their internal strengths are relatively weak. In this situation, the appropriate strategy is to adopt a defensive strategy, focusing on steps to maintain business continuity and gradually improve competitiveness. Therefore, what needs to be done is to reduce dependence on tourists by selling products outside the region through marketplaces and resellers, encouraging collaboration with the government to improve public facilities that support the MSME sector, establishing a regular communication forum between MSMEs and the government to enhance policy support, and conducting product innovation training to create more creative and highly competitive goods.

Based on the results of the SWOT matrix analysis, 16 alternative strategies were obtained from S-O strategies, S-T strategies, W-O strategies, and W-T strategies.

S-O Strategy

S-O strategy, or strength-opportunity strategy, is a strategy that utilizes internal strengths to leverage external opportunities. Based on the strengths possessed by food farmers and their ability to seize opportunities, the strategy can be formulated as follows: 1) Optimization of Social Media for Branding: Utilizing the uniqueness of products and the attraction for tourists to expand the digital marketing reach. 2) Utilizing Government Assistance for Business Development: Using the People's Business Credit (KUR) assistance to increase production and product innovation. 3) Utilizing MSME Communities for Collaboration with the Tourism Industry: Providing MSME products as part of the travel packages offered by travel agents. 4) Developing Products Based on Local Natural Resources: Utilizing abundant natural resources to create unique products that appeal to tourists.

S-T Strategy

S-T strategy, or strength-threat strategy, is a strategy that utilizes internal strengths to avoid or reduce external threats faced by food farmers. Recommended S-T strategies include: 1) Product Differentiation: Developing unique and hard-to-replicate specialty products to compete with imported goods. 2) Increased Promotion with MSME Communities: Building marketing networks among MSMEs to mutually support each other in facing economic fluctuations. 3) Maximizing the Appeal of Local Tourism: Utilizing abundant natural resources to create eco-tourism-based products or regional

souvenirs. 4) Building Partnerships with Tourism Stakeholders: Collaborating with hotels, restaurants, and travel agencies to sell MSME products as part of travel packages.

W-O Strategy

W-O strategy, or weakness-opportunity strategy, is a strategy aimed at improving internal weaknesses by leveraging existing external opportunities. The alternative strategies obtained are as follows: 1) Digital Marketing Training for MSMEs: Enhancing online marketing skills for MSME actors to be more effective in utilizing social media. 2) Enhancing Collaboration with Tourism: Connecting MSMEs with destination managers to provide products as official souvenirs. 3) Utilization of Government Assistance for Infrastructure Improvement: Proposing a program for better infrastructure development to support the growth of MSMEs in the tourism sector. 4) Encouraging Creativity in Product Development: Providing assistance to MSMEs to create more innovative products with added value.

W-T Strategy

W-T strategy, or weakness-threat strategy, is a strategy aimed at reducing internal weaknesses and avoiding external threats. From the weaknesses and threats faced by farmers, alternative strategies can be formulated as follows: 1) Market Diversification: Reducing dependence on tourists by selling products outside the area through marketplaces and resellers. 2) Improvement of Tourism Infrastructure: Encouraging collaboration with the government to improve public facilities that support the MSME sector. 3) Strengthening Collaboration between MSMEs and Local Government: Establishing regular communication forums between MSMEs and the government to enhance policy support. 4) Encouraging Product Innovation: Organizing product innovation training to create more creative and competitive goods.

5.0 CONCLUSION

The results of multiple linear regression show that partial education, capital, and labour significantly affect the income of beneficiaries of UMKM assistance in Kerinci Regency. Meanwhile, location does not significantly affect the income of UMKM assistance beneficiaries in Kerinci Regency. Based on the SWOT analysis results, the strategy used to increase the income of UMKM assistance beneficiaries in Kerinci Regency is positioned in quadrant IV, which represents a defensive strategy, meaning that UMKM beneficiaries in the tourism environment of Kerinci Regency face considerable external threats. At the same time, their internal strengths are relatively weak. In this situation, the appropriate strategy is a defensive strategy, which focuses on measures to maintain business continuity and gradually improve competitiveness.

The recommendations that can be given are to consider that education, capital, and labour have a significant impact on the income of beneficiaries of MSME assistance. Subsequent research can explore further how optimising education, capital, and labour management can increase productivity and income for businesses. Additionally, studies can focus on more effective financing schemes and skill enhancement programs for labour in the MSME sector in Kerinci Regency. Based on the defensive strategy position (quadrant IV), further research can examine more specific adaptation strategies to improve the competitiveness of MSMEs in the tourism sector of Kerinci Regency. The study can focus on the role of product innovation, the use of digital marketing, and collaboration with other sectors in facing external threats and strengthening business competitiveness.

6.0 ACKNOWLEDGEMENT

The authors would like to express their sincere gratitude to Universitas Jambi for providing the resources and support necessary to complete this study. We would also like to thank all participants who contributed their time and insights to this research. Special appreciation is extended to colleagues and peers who offered valuable feedback during the development of this manuscript.

7.0 CONFLICT OF INTEREST

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in the paper.

8.0 AUTHOR CONTRIBUTION STATEMENT

Author 1 contributed to the conceptualization, research design, and writing of the original draft.

Author 2 was responsible for data collection, analysis, and validation of the results.

Author 3 provided supervision, critical review, and editing of the final manuscript.

All authors have read and approved the final version of the manuscript.

9.0 ETHICS STATEMENT

This research was conducted in accordance with the ethical standards of Universitas Jambi and adhered to the principles outlined in the Declaration of Helsinki. Ethical approval was obtained from the [**Institutional Ethics Committee/Review Board**] under reference number [**Approval Number, if applicable**]. All participants were informed about the purpose of the study and provided written informed consent prior to participation. Participants' privacy and confidentiality were strictly maintained, and data collected were used solely for academic purposes.

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