

THE DETERMINANTS OF BUSINESS SUCCESS IN GROCERY STORES IN SEMARANG CITY

Nabilla Zahra Alidya¹, Dewi Widyaningsih², Haryo Kusumo³

^{1,2,3}Universitas Sains dan Teknologi Komputer

E-mail: zahraald93@gmail.com¹, dewi@stekom.ac.id², haryo@stekom.ac.id³

Abstract: This research aims to determine the role of business capital, competitors, product diversification, financial management, and digital technology on business success. The research population is Modern Grocery Store operators in Semarang City. Data were collected through questionnaires from 50 respondents as the research sample. The research method is quantitative and data analysis uses multiple linear regression tests. From the results of the hypothesis test, there is a significant positive partial influence of the variables of business capital, competitors, product diversification, financial management and digital technology on business success. Based on the test results, the coefficient of determination is 0.971. In other words, this study model explains 97.1% of the variance in business success, while other variables explain the remaining 2.9%. Novelty: this research focuses on modern grocery stores in Semarang City, areas that have not been researched much in previous research and modern MSME-based grocery stores that adopt the concept of semi-minimarkets and adopt digital technology. Contribution: This study theoretically clarifies the role of factors in the success of MSME-based modern grocery store business and practically by providing strategic insights for grocery store owners and local policymakers to strengthen competitiveness in the modern retail sector.

Keywords: Digital Technology, Financial Management, Business Success, Grocery Stores.

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1. Introduction

The rapid development of technology has affected various aspects of life, including the economic sector. For business actors, increasingly competitive competition requires adaptability through the use of technology to simplify operations and expand product marketing, so that business continuity can be maintained and product image increased Awa et al. (2024). Business success is not only measured by profits, but also by the ability to survive and thrive in the midst of fierce competition. One of the sectors that faces these challenges is the grocery store business Lolo (2022). Capital factors, services, product diversification, prices, and promotional strategies determine the competitiveness of each store. Therefore, store owners need to formulate the right strategy in order to compete and excel in the market. Data on Semarang City infrastructure facilities 2022–2024 also shows an increasing trend that supports this dynamic.



Source : Semarang City Data

Figure 1 Grocery Store Data

The growth of grocery stores in Semarang City shows an increasing trend from year to year. Data recorded the number of traditional grocery stores in 2022 as many as 161 units, rising to 181 units in 2023 (12.42%), and reaching 202 units in 2024 (11.60%). Meanwhile, modern grocery stores also increased from 23 units in 2022, to 28 units in 2023 (21.74%), and reached 31 units in 2024 (10.71%). The increase in the number indicates the dynamics of increasingly tight retail competition in both the traditional and modern sectors. The findings of the initial interviews show that there are differences in prices, marketing strategies, product quality policies, and management systems between modern grocery stores in Semarang City.

Various previous studies have identified the determinants of business success, including business capital, level of competition, product diversification, financial management, and the use of digital technology (Chairuman, Mahmud, & Sarpan, 2023). Business capital plays an important role in business expansion and increased production, although some studies show that capital has no significant effect without proper innovation and marketing strategies (Millati & Sofwan, 2022). The competition factor also has dual implications, from pricing and location strategies to the potential for unfair competition (Syahputri et al., 2022). Product diversification can increase competitiveness, but it risks incurring losses if it is not in line with market needs. Good financial management is the key to business sustainability, because financial management failures often lead to bankruptcy even though sales are high.

Capital is one of the main factors influencing business success or failure. In this regard, a previous study by Huninhatu & Firdaus (2023) found a positive effect of capital on business success. Stefany Anindya Putri et al. (2022) also found that sufficient capital can increase business success by increasing productivity and profitability. However, found a different finding by Millati & Sofwan (2022) that business capital had no effect on business success. Safitri & Khasan Setiaji (2018) also found no effect of capital on business success due to the lack of innovation.

The number of competitors is one of the external factors that significantly influences business success (Baihaqi & Santoso, 2023). High competition drives businesses to innovate in products, pricing, services, and marketing strategies. With the right strategy, the presence of numerous competitors can spur improved performance and business success. However, if a business is unable to compete, its success can decline. Previous studies have shown that intense competition positively impacts business success because it encourages grocery stores to continuously innovate in terms of pricing, products, services, and marketing (Fandana &

Rispawati, 2023). However, Millati & Sofwan (2022) found that competitors implementing various marketing strategies did not significantly impact business success.

On the other hand, the development of digital technology is also a significant factor influencing the dynamics of competition and business success in the modern era. Adopting technology enables businesses to improve operational efficiency, expand market reach, and strengthen their competitive position. However, research on the impact of digital technology on business success still shows mixed results. Sukayana & Sinarwati (2022) found that consumer behavior utilizing digital technology negatively impacts MSMEs. Zidni Husnia Fachrunnisa *et al.* (2024) found that the use of digital payment technology has no impact on business success. Similarly, Wijaya & Handoyo (2023) and Rapali & Soelaiman (2019) found no effect of social media on business success. These findings indicate a conceptual gap in understanding how digital technology contributes to business success, especially at the small retail level such as modern grocery stores.

Several previous studies have not comprehensively examined the role of product diversification and financial management in business practices, especially in the small retail sector such as modern grocery stores. Research by Chairuman *et al.* (2023) and Nisrina (2024) places greater emphasis on venture capital and competition as determinants of success, while Millati & Sofwan (2022) study only highlights product innovation and marketing strategy without considering these factors. In fact, product diversification and financial management have important implications for a business's ability to adapt to market changes and maintain revenue stability (Anggraini, 2021). To address this gap, this study develops an integrated approach by incorporating five key factors: venture capital, competition, product diversification, financial management, and digital technology into a single business success analysis model. This research focuses specifically on modern grocery stores in Semarang City, which are facing increasingly fierce competition, reflected in the increase in the number of traditional grocery stores from 161 to 202 units and modern grocery stores from 23 to 31 units in the 2022–2024 period. This study is expected to provide conceptual and practical contributions to understanding the dynamics and success strategies of modern retail amidst increasingly complex market competition.

2. Literature Review

2.1. Business Success

Business success is an important indicator that shows the results of a business's efforts and hard work in achieving better goals than the previous period (Awa *et al.*, 2024). Business success not only reflects an increase in capital, sales, or profits, but also the company's ability to survive internal and external challenges (Dahlia & Purnamasari, 2022). Some of the indicators that are commonly used in previous research include increasing sales, business growth, competitiveness, and customer satisfaction (Ghassani & Chandra, 2022). In the context of grocery stores, business success can be measured through customer satisfaction, sales levels, and strategic business locations as factors that support consumer loyalty.

2.2. Business Capital

Business capital is funds or assets that are used as a staple expenditure in carrying out business activities. Capital can be divided into three types, namely long-term investment capital, working capital used for the production process or purchase of merchandise, and operational capital allocated for routine costs such as salaries and electricity (Safitri & Setiaji,

2018). In addition, capital can also be classified into own capital sourced from business owners, and loan capital from external parties such as banks or financial institutions (Zahara, Sari, & Samsiah, 2022). According to indicators of measuring business capital include: (1) capital structure (own capital and loans), (2) the use of additional capital for business expansion, (3) obstacles in accessing external capital, and (4) the state of business after investment. Thus, business capital not only functions as a source of funding, but also plays an important role in supporting business growth, development, and sustainability (Ocviasari, 2024).

Business capital is a key factor influencing business success, including in grocery stores. Adequate capital enables business owners to run operations smoothly, maintain sufficient inventory, ensure effective distribution, and maintain quality customer service. Previous research has demonstrated that business capital positively impacts business success (Chairuman et al., 2023); Waruwu & Siregar (2024); Putra & Sulindawati (2023). Furthermore, Apriliani & Widiyanto (2018) demonstrated that increased capital supported by sound financial management and appropriate promotional strategies can strengthen business competitiveness, especially amidst intense competition. Based on these findings, the following research hypothesis can be formulated:

H1: The role of business capital positively and significantly in the success of the business

2.3. Competitors

Business competitors are external factors that have a significant influence on business success. Competitors seek to meet the same market needs, potentially even taking advantage of other companies' weaknesses or failures, including diverting customers. Despite being a threat, the presence of competitors also encourages the creation of a competitive climate in the market (Baihaqi & Santoso, 2023). The measurement of business competition can be seen from three main indicators, namely: (1) differentiation advantage, (2) market entry advantage, namely the ability of competitors to dominate new and old markets through distribution strategies, technology, or resources, and (3) low cost/price advantages obtained from operational efficiency and economies of scale, so as to be able to offer products at more competitive prices without compromising quality (Saputro, Riawan, & Kristiyana, 2023).

The presence of too many competitors in a business is an external factor that influences business success (Baihaqi & Santoso, 2023). The presence of competitors can be both a challenge and a driver of innovation for grocery stores, especially in terms of pricing, products, services, and marketing strategies (Fandana & Rispawati, 2023). Penelitian Nisrina (2024), shows that grocery stores that are able to utilize product differentiation, service quality, and appropriate marketing strategies can remain competitive and maintain business success. Furthermore, a combination of innovation, appropriate technology implementation, and managerial skills in managing company resources also play a crucial role in winning the competition and attracting consumer interest (Uddin, 2022). Based on these findings, the following research hypothesis can be formulated.

H2: The role of competitors positively and significantly on the success of the business

2.4. Product Diversification

Product diversification is an important strategy after price in influencing consumer decisions. Diversification or value added means creating added value to products, both through improving quality and price, so that it has an impact on customer satisfaction. According to Yusnidar & Ameliani (2023), product diversification indicators include concentrate

diversification related to marketing or existing product technology. The aspects include the attractiveness of new products, compatibility with store products, customer trust, and impressions of new products. Thus, product diversification in the basic food business serves to expand choices, attract more consumers, and reduce the risk of dependence on one type of product.

Product diversification can significantly impact business success because increasing product variety allows businesses to attract more customers and respond more flexibly to changing market demand. Having a variety of products spreads business risks, eliminating reliance on a single product (Novitasari, 2022). Furthermore, product diversification can expand markets, increase sales and profits, and build a positive image and customer loyalty through innovations relevant to consumer needs (Asakdiyah, Hakiki, & Tunjungsari, 2023). Previous studies have shown that product diversification has a positive effect on business success (Nurlaila, 2022; Syafi'i, Shobichah, & Mulyani, 2023). Based on these findings, the following research hypothesis can be formulated.

H3: The role of product diversification positively and significantly on business success

2.5. Financial Manager

Financial management behavior is related to how individuals and organizations manage finances and assets efficiently, effectively, and responsibly. Good financial management helps avoid excessive spending and ensures the use of resources according to needs and income obtained (Anggraini, 2021; Syahputra, Putra, & Anantha, 2024). Financial management aspects include consumption, cash flow, savings, and debt management (Tomy & Pardede, 2020). The main indicators in financial management include: (1) budget or financial planning that projects cash flow and financial position (Herlianto, 2015); (2) recording of financial transactions (Syamsul, 2022); (3) financial reporting as a form of financial information accountability (Aprilia & Agustina, 2022); and (4) financial control that ensures business effectiveness, stability, and sustainability.

Good financial management greatly influences business success, because it allows funds to be used productively and efficiently through budget planning, cost control, recording, reporting, and proper resource management (Lutriyani et al. (2023). Effective financial management maintains a balance between income and expenses, manages debt and savings, and ensures sufficient cash flow and working capital, so that the business can grow stably, increase profits, and achieve long-term success (Royhul Akbar et al, 2024). Conversely, poor financial management can hinder business growth and competitiveness. Based on these findings, the following research hypothesis can be formulated.

H4: The role of financial managers positively and significantly on business success

2.6. Digital Technology

Technological developments play an important role in supporting cost efficiency, time, and product quality improvement. Through e-commerce and marketplaces, technology makes it easier for business actors, including beginners, to promote products without having to build their own platform. The creation of technology is driven by market needs, solutions to problems, and modernization to increase production effectiveness (Simanjuntak, 2021). In the business context, information technology is used to process and convey information electronically, with utilization measured through the intensity, frequency, and number of applications used (Rasyid, 2017). Indicators of the use of technology in business include: (1)

social media for promotion and customer interaction; (2) online payment systems such as debit/credit cards, digital wallets, and bank transfers; and (3) Google Maps as a means of finding store locations as well as a place for customer assessment (Berliana & Zulestiana, 2020).

Technology plays a crucial role in increasing the success of grocery stores, through computerization, social media, online payments, and Google Maps, enabling more efficient customer data management and more organized business operations (Royhul Akbar et al, 2024). The application of technology, such as computerized systems, helps business owners analyze the most popular products, understand customer visit patterns, and reduce manual recording errors. Online payments facilitate electronic transactions through credit cards, digital wallets, and bank transfers (Berliana & Zulestiana, 2020). Previous research has shown that technology has a positive impact on business success (Sofiana & Abadi, 2023) & (Putra & Sulindawati, 2023). Based on these findings, the following research hypothesis can be formulated:

H5: The role of digital technology positively and significantly on business success

Business success is influenced by various internal and external factors, including business capital, competition, product diversification, financial management, and digital technology. Previous studies have demonstrated that each of these factors contributes positively to business success individually. Business capital enables smooth operations and adequate inventory management, competition drives innovation in products and services, product diversification enhances market flexibility and attractiveness, effective financial management ensures cash flow and business stability, and digital technology improves operational efficiency and customer experience (Royhul Akbar, Sungguh Ponten, 2024; Sofiana & Abadi, 2023).

In conclusion, business capital, competitors, product diversification, financial management, and digital technology have a significant influence on business success. Businesses need to understand and manage these factors effectively to achieve success (Supriadi, Arisondha, & Sari, 2023). Although the individual effects of these factors have been well established, in practice, they interact and collectively influence business success. Based on these findings, the present study proposes the following simultaneous hypothesis:

H6: The role of business capital, competitors, product diversification, financial managers, and digital technology positively and significantly to the success of the business

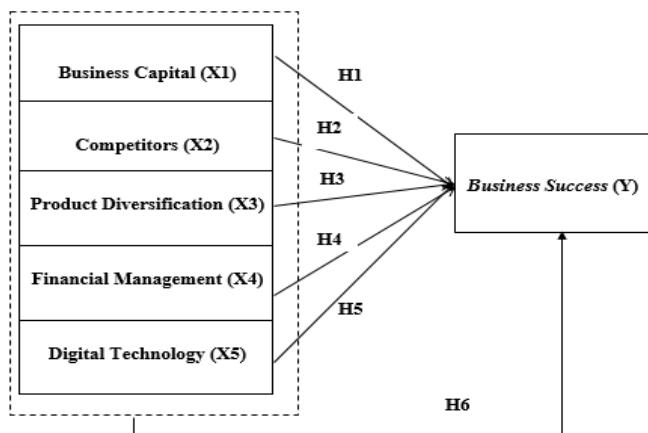


Figure 2 Conceptual Framework

3. Research Methods

This study uses an explanatory quantitative research design because it aims to test and explain the causal relationship between variables that influence the success of modern grocery stores, namely business capital, level of competition, product diversification, financial management, and digital technology. The choice of research design is because this design is able to provide objective empirical understanding through statistical analysis of numerical data, thus in accordance with the research objective of identifying how much influence each variable has on business success (Elvera & Astarina, 2021). The research was carried out in Gunungpati District and Mijen District, Semarang City in the period from October 2024 to March 2025.

The population of this study consists of business owners of modern grocery stores in Semarang City, with a total of 50 stores. Because the population is relatively small, a saturated sampling technique was used, in which the entire population is taken as the research sample (Sugiyono, 2019). Therefore, the sample size in this study is 50 respondents who are owners of modern grocery stores located in Gunungpati District and Mijen District, Semarang City. The sampling criteria include: (1) business owners of modern grocery stores operating in Semarang City, (2) stores that are officially registered or actively running during the research period, and (3) respondents willing to participate in the study.

Data was collected through interviews, observations, structured questionnaires, and documentation in the form of relevant archives, reports, or records. The questionnaire in this study was compiled using a Likert scale, a measurement instrument widely used in social research to assess respondents' attitudes, opinions, and perceptions of a phenomenon. The Likert scale in this study uses five response categories: strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree (5). Through this scale, researchers can measure respondents' level of agreement with statements related to research variables in a more structured and quantitative manner. Each answer is given a numerical score, facilitating data quantification, statistical analysis, and interpretation of research results. Thus, the Likert scale not only facilitates respondents in conveying their perceptions clearly but also enables researchers to obtain valid, reliable, and comparable data between respondents.

Data analysis was conducted using multiple linear regression to test the influence of independent variables on dependent variables. The analysis was processed with SPSS version 25, covering validity and reliability tests, classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation), and hypothesis testing using t-tests and F-tests. The selection of SPSS is based on the results of the initial test which shows that the data meets the assumption of normality so that the parametric method is considered appropriate and efficient to answer the research hypothesis.

4. Results & Discussion

4.1. Results

Characteristics of the Sample (Respondents)

Table 2. Characteristics of Respondents

Characteristics	Sum	Presentase (%)
Gender:		
Man	18	36
Woman	32	64
Long time operating		
1-10 years	35	70
11-20 years	11	22
21-25 years	4	8
Total	50	100%

Source: SPSS Data processed in 2025, questionnaire

The characteristics of respondents by gender showed that the majority were women, namely 32 people (64%), while men numbered 18 people (36%). This indicates that the majority of modern grocery store owners in Semarang City are women. Meanwhile, based on the length of time the modern grocery store has been operating in the range of 1-10 years, there are 35 modern grocery stores (70%), followed by a range of 11-20 years with 11 modern grocery stores (22%), and a range of 21-25 years with 4 modern grocery stores (8%).

Validity & Reliability

This study involved 50 respondents of MSME actors, with a significance level of 5% ($\alpha = 0.05$) so that a table r value of 0.235 was obtained. A statement item is declared valid if the calculated value r is greater than the r of the table and shows a positive correlation. The results of the validity tests for each indicator are shown in the following table.

Table 3 Validity Test Results

Variabel	Item	r count	R table	Information
Business Capital (X1)	X1.1	0.532	0.235	Valid
	X1.2	0.583	0.235	Valid
	X1.3	0.559	0.235	Valid
	X1.4	0.342	0.235	Valid
	X1.5	0.568	0.235	Valid
Competitors (X2)	X2.1	0.794	0.235	Valid
	X2.2	0.819	0.235	Valid
	X2.3	0.619	0.235	Valid
	X2.4	0.876	0.235	Valid
	X2.5	0.729	0.235	Valid
Product Diversification (X3)	X3.1	0.529	0.235	Valid
	X3.2	0.375	0.235	Valid
	X3.3	0.499	0.235	Valid
	X3.4	0.571	0.235	Valid
	X3.5	0.521	0.235	Valid
Financial Management (X4)	X4.1	0.814	0.235	Valid
	X4.2	0.898	0.235	Valid
	X4.3	0.681	0.235	Valid
	X4.4	0.862	0.235	Valid
	X4.5	0.710	0.235	Valid
Digital Technology (X5)	X5.1	0.567	0.235	Valid
	X5.2	0.444	0.235	Valid
	X5.3	0.548	0.235	Valid
	X5.4	0.423	0.235	Valid
	X5.5	0.270	0.235	Valid
Business Success (Y)	Y1	0.402	0.235	Valid
	Y2	0.542	0.235	Valid
	Y3	0.593	0.235	Valid
	Y4	0.579	0.235	Valid
	Y5	0.256	0.235	Valid
	Y6	0.724	0.235	Valid
	Y7	0.743	0.235	Valid
	Y8	0.633	0.235	Valid

Source: SPSS Output Results, 2025

Based on the results of the reliability test carried out on each questionnaire, the results were obtained that the Cronbach Alpha value of all statement items of each variable was greater than 0.70. So it can be decided that all questionnaire items for each variable are reliable.

Table 4 Reliability Test Results

Variabel	Cronbach Alpha	Minimal Reliability	Information
Business Capital (X1)	0,903	0,70	reliabel
Competitors (X2)	0,749	0,70	reliabel
Product Diversification (X3)	0,730	0,70	reliabel
Financial Management (X4)	0,916	0,70	reliabel
Digital Technology (X5)	0,804	0,70	reliabel
Business Success (Y)	0,831	0,70	reliabel

Source: SPSS Output Results, 2025

Normality Test

Table 5 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		50
Normal Parameters ^{a,b}	Mean	0,0000000
	Hours of deviation	0,73507455
Most Extreme Differences	Absolute	0,090
	Positive	0,058
	Negative	-,090
Test Statistic		0,090
Asymp. Sig. (2-tailed)		0,200 ^{c,d}

Source: SPSS Output Results, 2025

From the results of the normality test, it can be seen that *the Asymptotic significance* for all independent and dependent variables is 0.200 which means *that the Asymptotic significance > 0.05*, so it can be said that all data are normally distributed.

Multicollinearity Test

Table 6 Multicollinearity Test Results

Variabel	Toll	Bright	Information
Business Capital	0,333	3,001	Multicollinearity does not occur
Competitors	0,217	4,599	Multicollinearity does not occur
Product Diversification	0,384	2,605	Multicollinearity does not occur
Financial Management	0,858	1,165	Multicollinearity does not occur
Digital Technology	0,771	1,297	Multicollinearity does not occur

Source: SPSS Output Results, 2025

The test results showed that the *tolerance* value of all independent variables consisting of business capital variables, competitors, product diversification, financial management, and digital technology had a value greater than 0.10 and a VIF value of less than 10, so it can be concluded that there is no multicollinearity (Sugiyono, 2022).

Heterokedasticity Test

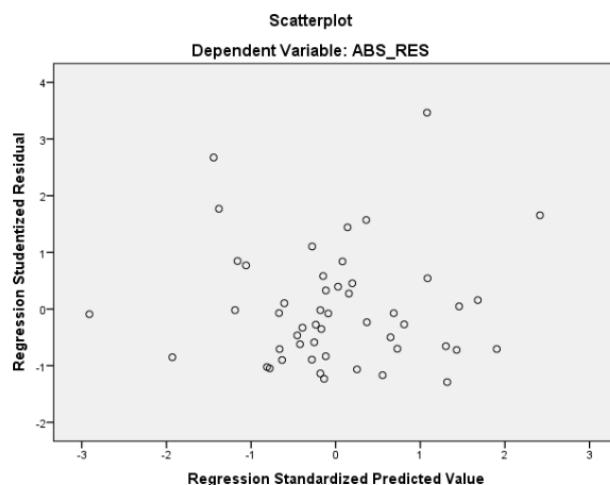


Figure 3 Heteroscedasticity Graph Test

The purpose of the heterokedasticity test is to determine whether the residual variance in the regression model is unevenly distributed across observations. The graph above provides a graphical description of the heterokedasticity test.

Table 7 Heterokedasticity Test Results

Variabel	Sig	Information
Business Capital	0,550	No heterokedasticity occurs
Competitors	0,716	No heterokedasticity occurs
Product Diversification	0,563	No heterokedasticity occurs
Financial Management	0,416	No heterokedasticity occurs
Digital Technology	0,832	No heterokedasticity occurs

Source: SPSS Output Results, 2025

Based on the results of the heteroscedasticity test, it can be seen that each independent variable has a sig value greater than 0.05 (with dependent variables that have been transformed), then it can be concluded that the regression model is not affected by the symptoms of heteroscedasticity (homogeneous data variants).

Regression Analysis

Table 8 Multiple Linear Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Costant)	4,903	1,316	
Business Capital	0,666	0,056	0,498
Competitors	0,695	0,078	0,462
Product Diversification	0,218	0,062	0,137
Financial Management	0,085	0,034	0,066
Digital Technology	0,154	0,048	0,089

Source: SPSS Output Results, 2025

The regression model formed based on the results of the study is:

$$Y = 4.903 + 0.666 X_1 + 0.695 X_2 + 0.218 X_3 + 0.085 X_4 + 0.154 X_5 + e$$

The explanation is as follows:

1. Constant ($a = 4.903$) → If all independent variables are zero, then the success of the effort remains 4.903.
2. Operating Capital ($X_1 = 0.666$) → Positively Influential; The increase in business capital increased business success by 0.666 units.
3. Competitors ($X_2 = 0.695$) → Positively influential; The ability to face competitors increased business success by 0.695 units.
4. Product diversification ($X_3 = 0.218$) → Positive effect; Increased product diversification increased business success by 0.218 units.
5. Financial Management ($X_4 = 0.085$) → Positive but relatively small effect; Improvement in financial management increased business success by 0.085 units.
6. Digital Technology ($X_5 = 0.154$) → Have a positive effect; The use of digital technology increased business success by 0.154 units.

Partial Test

Table 9 Partial Test Results

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	4,903	1,316	
Business Capital	0,666	0,056	0,498
Competitors	0,695	0,078	0,462
Product Diversification	0,218	0,062	0,137
Financial Management	0,085	0,034	0,066
Digital Technology	0,154	0,048	0,089

Source: SPSS Output Results, 2025

So that the value of $df = 44$ and $a = 0.05$ then the ttable is = 1.680

The explanation is as follows:

1. Business Capital (X1) → Sig. 0.000 < 0.05 and calculation 11.857 > ttable 1.680 → Ha1 are received, meaning that business capital has a positive effect on business success.
2. Competitor (X2) → Sig. 0.000 < 0.05 and tcount 8.893 > ttable 1.680 → Ha2 are accepted, meaning that the competitor has a positive effect on the success of the business.
3. Product Diversification (X3) → Sig. 0.001 < 0.05 and calculation 3.495 > table 1.680 → Ha3 are accepted, meaning that product diversification has a positive effect on business success.
4. Financial Management (X4) → Sig. 0.016 < 0.05 and tcount 2.505 > ttable 1.680 → Ha4 are accepted, meaning that financial management has a positive effect on business success.
5. Digital Technology (X5) → Sig. 0.002 < 0.05 and calculation 3.229 > ttable 1.680 → Ha5 were accepted, meaning that digital technology has a positive effect on business success.

Simultaneous Tests

Table 10 Simultaneous Test Results

Model	Sum of Squares	df	Mean Square	F
1 Regression	997,544	5	199,509	331,555
Residual	26,476	44	0,602	
Total	1024,020	49		

Source: SPSS Output Results, 2025

Hypothesis testing (f-test) can be seen that the significance value of the regression model simultaneously is 0.000, so this value is smaller than *the significance level* of 0.05 (5%), which is $0.000 < 0.05$. In addition, it can also be seen from the results of the comparison between fcal and ftable.

From these results, it can be seen that the > calculation is $331.555 > 2.58$, so it can be concluded that Ha₆ is accepted jointly or simultaneously independent variables, namely business capital, competitors, product diversification, financial management and digital technology, significantly affect the dependent variable, namely the business success variable.

Determination Coefficient Test

Table 11 Results of Determinization Coefficients

Model Summary				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	987a	0,974	0,971	0,776

Source: SPSS Output Results, 2025

Based on the value of the determination coefficient that has been corrected with the number of variables and sample size (*Adjusted R²*) of 0.971, it shows that business capital, competitors, product diversification, financial management and digital technology can explain the success of the business by 97.1% while the remaining 2.9% is explained by other variables.

4.2. Discussion

The Influence of Business Capital on Business Success in Grocery Stores in Semarang City

The results of this study indicate that business capital has a positive and significant impact on the success of grocery stores in Semarang City. This means that the more capital a business has, the greater its success rate, in line with the Cobb-Douglas production theory that proportionally managed capital increases output, productivity, and profitability (Stefany Anindya Putri et al., 2022). In this case, business capital serves not only as a source of operational financing but also as a primary foundation for expanding sales scale, increasing production efficiency, and maintaining business sustainability amidst increasingly fierce retail competition.

This finding is consistent with research by Chairuman *et al.* (2023) and Waruwu & Siregar (2024) that found a positive and significant influence of venture capital on business success. However, it contradicts Millati & Sofwan (2022) dan Safitri & Khasan Setiaji (2018) who found that venture capital had no effect on business success. This influence of venture capital is due to the increasing retail competition in Semarang City from 2022 to 2024, where capital functions not only as a source of financing but also as a strategic factor to strengthen competitiveness, increase adaptability to market dynamics, and maintain business sustainability amidst competitive pressures. Therefore, it is important for the government to provide support for inclusive financing access and financial management assistance programs so that small business actors can utilize capital productively and orientate towards long-term growth.

The influence of competitors on the success of the business in grocery stores in Semarang City

This study found that competitors have a positive and significant impact on business in grocery stores in Semarang City. This finding indicates that increasing competitive intensity actually encourages businesses to innovate and improve their business strategies. High competition encourages store owners to improve product quality, expand product variety, enhance service, and streamline operational costs to retain customers and strengthen market position.

This finding is consistent with previous research that shows intense competition has a positive impact on business success (Baihaqi & Santoso, 2023; Fandana & Rispawati, 2023). These findings confirm that competition is not a threat, but rather a driving factor for business growth, as it encourages businesses to be adaptive and creative in managing resources. Grocery store owners need to capitalize on competition as an opportunity to strengthen product differentiation and build customer loyalty through superior service. Therefore, there are important implications for local governments to encourage the creation of a healthy competitive climate through innovation training, marketing digitalization, and support for small business capacity development so they can compete sustainably in the modern retail market.

The Effect of Product Diversification on Business Success in Grocery Stores in Semarang City

The results of this study found that product diversification has a positive and significant effect on business success in grocery stores in Semarang City. These results show that product diversification is able to increase business success by expanding market segments, reducing dependence on one product, and increasing customer satisfaction and loyalty. This strategy also strengthens competitiveness and maintains the stability of business income in the long term.

This finding is consistent with several previous studies that also found that product diversification has a positive effect on business success (Nurlaila, 2022; Syafi'i et al., 2023). This positive influence, through product diversification, enables businesses to meet diverse market needs and reduce dependence on a single product type. These findings reinforce Porter's theory of competitive advantage, which emphasizes the importance of differentiation in maintaining competitiveness. Therefore, modern grocery stores need to continue expanding product variety to meet consumer preferences, while the government can support this through innovation training and supply chain partnerships to strengthen the competitiveness of small retailers.

The Influence of Financial Management on Business Success in Grocery Stores in Semarang City

The results of this study found that financial management has a positive and significant effect on business success in grocery stores in Semarang City. These results show that the better the financial management, the higher the success rate of the business. Structured financial management allows business actors to control cash flow, minimize the risk of capital shortages, and support strategic decision-making related to business development. On the other hand, weak financial management is still a major obstacle for many MSMEs, such as mixing personal and business finances and a lack of long-term planning.

This finding is consistent with previous researchers who also found that financial management has a positive and significant effect on business success (Lutriyani et al. (2023)). These results strengthen Porter's theory of competitive advantage, which emphasizes that business excellence does not only depend on external factors such as markets or competitors, but also on internal capabilities (financial management) in creating efficiency and value differentiation. This finding emphasizes that good financial management is the basis for sustainable competitive advantage, so efforts are needed to encourage financial literacy and the application of financial technology for modern grocery stores to increase business efficiency and resilience.

The Influence of Digital Technology on Business Success in Grocery Stores in Semarang City

The results of this study found that digital technology has a positive and significant influence on business success in grocery stores in Semarang City. These results show that the use of digital technology is able to increase business success through operational efficiency, expanding market reach, and improving service quality. Digital technology also facilitates business management with a faster, accurate, and organized accounting system, cashier, inventory, and online marketing. In addition Timoty Agustian Berutu *et al.* (2024) that digital

interaction with consumers strengthens branding while helping business actors be more responsive to market needs.

The findings of this study are consistent with previous research that digital technology has a positive impact on business success (Putra & Sulindawati, 2023; Sofiana & Abadi, 2023). This positive impact is due to the use of digital technologies, such as electronic payment systems, social media, and e-commerce platforms, which can improve operational efficiency, expand market reach, and strengthen customer relationships. These findings emphasize that adaptability to technological developments is a crucial factor in building excellence and maintaining business competitiveness. Therefore, every retail business needs to adopt technology and digital literacy to adapt and survive amidst increasingly dynamic competition.

The Influence of Business Capital, Competitors, Product Diversification, Financial Management, and Technology Simultaneously on the Business Success of Grocery Stores in Semarang City

This study found that business capital, competitors, product diversification, financial management, and technology simultaneously have a positive and significant influence on the success of the grocery store business in Semarang City. This simultaneous influence reflects the integration of internal and external factors in shaping business competitiveness. Business capital serves as the primary foundation that ensures smooth operations and enables business expansion, while intense competition spurs business actors to innovate and improve efficiency to remain relevant in the market. Product diversification plays a role in expanding market share while reducing the risk of dependence on a single product type. On the other hand, effective financial management maintains cash flow stability and supports rational, data-driven decision-making. The use of digital technology then strengthens the overall business strategy by increasing operational efficiency, expanding market access, and strengthening competitive position amidst the dynamics of the modern retail industry.

5. Conclusion

Based on the results of the data analysis and discussion that has been described, it can be concluded that from the results of the hypothesis test, there is a significant positive influence of the business capital variable on business success. Competitors have a positive and significant effect on the success of the business, according to the second hypothesis test. The results of the third hypothesis test show that product diversification has an influence and is significant on business success. Financial management has a positive and significant effect on management, according to the third hypothesis test. The results of the fourth hypothesis test show that digital technology has a positive and significant effect on business success. This shows that the study model explains 97.1% of the variance in business success, while other variables explain the remaining 2.9%.

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