

THE EFFECT OF BUSINESS CAPITAL, BUSINESS DURATION, AND BUSINESS ENVIRONMENT ON THE INCOME OF MUSLIM TRADERS AT SRIJAYA MARKET, MADIUN

Rodhiya Kholifatun Nisa¹, Fakaruzzaman Hidayatullah²

^{1,2}Universitas Islam Negeri Kiai Ageng Muhammad Besari Ponorogo

Email; rodhiya@gmail.com¹, fakaruzzaman@uinponorogo.ac.id²

ABSTRACT

Income is a key indicator of business success, shaped by a range of production factors. A preliminary survey among Muslim traders at Srijaya Market, Madiun, found that their income was insufficient to cover daily living expenses, hindering business development. This study aims to examine the effects of business capital, business duration, and business environment on the income of Muslim traders at Srijaya Market, Madiun, both individually and jointly. The study employed a quantitative survey approach. The population consisted of 266 traders, from which a sample of 73 Muslim traders was determined using the Slovin formula and a random sampling technique. Data were collected through a Likert-scale questionnaire and analyzed using multiple linear regression with SPSS 16.0. The results show that business capital has a positive and significant effect on income (t-count 5.891 > t-table 1.667; Sig. 0.000), business duration has a positive and significant effect on income (t-count 1.850 > t-table 1.667), while business environment has no significant effect on income (t-count 0.772 < t-table 1.667; Sig. 0.443). Simultaneously, business capital, business duration, and business environment have a positive and significant effect on Muslim traders' income (F-count = 15.592 > F-table = 2.736; Sig. = 0.000), accounting for 40.4 percent of the variance (R Square = 0.404). These findings underscore the importance of effective capital management and trading experience in improving the income of Muslim traders in traditional markets.

Keywords: *Business Capital; Business Duration; Business Environment; Muslim Traders' Income*

INTRODUCTION

A market is where sellers and buyers meet directly to conduct transactions and negotiate prices to satisfy both primary and secondary community needs. From an Islamic perspective, trade is a voluntary agreement between two parties to exchange goods of value in accordance with

sharia principles, so that the price-setting process takes place through a fair agreement between buyer and seller. Traders, as part of the trading sector, play an important role in driving the local economy through dynamic market activity.

Srijaya Market in Madiun is one of the traditional markets in Kartoharjo Sub-district, Madiun City, that remains an active trading hub for the surrounding community, including traders from Ponorogo, Caruban, Magetan, and Maospati. As Muslim traders, business actors in this market are required to conduct their business in accordance with sharia principles to bring about benefit (*maslahah*). However, a preliminary survey found that the income of some Muslim traders at Srijaya Market, Madiun, was insufficient to cover their daily living expenses, hindering the development of their businesses.

Business capital is a key determinant of business success, as it is directly related to production capacity and business development. Capital that is too large may increase the burden on the business, while capital that is too small may hinder its development. Habibah and Astuti (2019) found that capital has a positive effect on traders' income at Sentral Watampone Market, a pattern consistent with the situation of traders at Srijaya Market, Madiun, who use relatively large amounts of capital yet have not earned commensurate income.

The second factor presumed to affect income is business duration, that is, the length of time a person has run a business, measured in years. Herman (2020) found that business duration has a positive and significant effect on sales turnover, since the longer a person engages in trade, the more refined their entrepreneurial skills become and the better their understanding of consumer preferences. Nevertheless, a preliminary interview with one trader at Srijaya Market, Madiun, indicated that a longer business duration does not always translate into higher income, particularly due to increasing competition among traders.

In addition to capital and business duration, the business environment also affects business continuity, whether through the internal environment that traders can control or the external environment, such as the facilities and infrastructure provided by market management. Masnilam and Napitupulu (2021) found that the business environment has a positive and significant effect on business income, making it an important factor to examine in the context of Srijaya Market, Madiun.

Based on the foregoing, this study aims to examine and analyze the effects of business capital, business duration, and business environment on the income of Muslim traders at Srijaya Market, Madiun, both individually and jointly. The findings are expected to contribute theoretically to the development of Islamic economics and provide practical benefits for traders, government, and academics in formulating strategies to improve traders' income in traditional markets.

METHOD

This study employed a quantitative survey design to systematically, structurally, and measurably test the relationships among variables. The independent variables were business capital (X1), business duration (X2), and business environment (X3), while the dependent variable was Muslim traders' income (Y). The research was conducted at Srijaya Market, located in Oro-Oro Ombo Village, Kartoharjo Sub-district, Madiun City. The population consisted of 266 traders. The sample size was determined using the Slovin formula with a 10 percent margin of error, yielding a sample of 73 Muslim traders. The sampling technique used was probability sampling, specifically random sampling.

The data used were quantitative, drawn from primary data obtained through a questionnaire distributed to Muslim traders at Srijaya Market, as well as secondary data from relevant articles and journals. The research instrument was a questionnaire using a four-point Likert scale (Strongly Agree, Agree, Disagree, and Strongly Disagree) with no neutral option to avoid

central tendency bias in respondents' answers. Instrument validity was tested by comparing the calculated r-value with the r-table value at a 5 percent significance level using the product-moment correlation formula. In contrast, instrument reliability was assessed using Cronbach's Alpha, with coefficients greater than 0.60 indicating reliability. Data processing was carried out using SPSS 16.0.

Data analysis began with classical assumption tests, including normality, multicollinearity (based on tolerance and Variance Inflation Factor (VIF) values), and heteroscedasticity. Hypothesis testing was then carried out using multiple linear regression with the equation $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$, followed by the t-test to examine partial effects, the F-test to examine simultaneous effects. The coefficient of determination (R Square) measures the proportion of variance in the dependent variable explained by the independent variables.

RESULT AND DISCUSSION

Result

Respondent Profile

This study involved 73 Muslim traders at Srijaya Market in Madiun, engaged in a range of businesses, including vegetables, clothing, toys, earthenware, and footwear. The majority of respondents were female (58%), aged 51-60 years (38%), and had completed senior high school or its equivalent (52%). In terms of business duration, most traders had been operating for 21-25 years (28%), indicating that the majority of respondents had considerable trading experience. A summary of respondent characteristics is presented in Table 1.

Table 1. Respondent Characteristics

Characteristic	Category	n	Percentage
Gender	Male	31	42%
	Female	42	58%
Age	30-40 years	13	18%
	41-50 years	24	33%
	51-60 years	28	38%
	> 60 years	8	11%
Education	Elementary School	12	16%
	Junior High School	18	25%
	Senior High School	37	52%
	Higher Education	6	8%

Source: Primary data, processed, 2026

Instrument Testing Results

Validity testing of 17 statement items (6 items for business capital, 4 for business duration, 4 for business environment, and 3 for income) among 30 initial respondents showed that all items had a calculated r-value greater than the r-table value (0.361) at the 5 percent significance level, so all items were declared valid. Reliability testing showed a Cronbach's Alpha greater than 0.60 for each variable, indicating that all research instruments were reliable and suitable for data collection.

Classical Assumption Tests

The normality test yielded a significance value of 0.814 (> 0.05), indicating that the residuals were normally distributed. The multicollinearity test showed VIF values of 1.544, 1.372, and 1.152 for business capital, business duration, and business environment, respectively, all well below 10, indicating no multicollinearity among the independent variables. The heteroscedasticity test using the Glejser method showed p-values above 0.05 for all variables (business capital: 0.680; business duration: 0.717; business environment: 0.885), indicating that the regression model was free from heteroscedasticity.

The regression model therefore satisfied the classical assumption requirements and was suitable for hypothesis testing.

Multiple Linear Regression Analysis and Hypothesis Testing

The multiple linear regression analysis produced the following equation:

$$Y = 5.553 + 0.317X_1 + 0.142X_2 + 0.058X_3 + e$$

The constant value of 5.553 indicates that if business capital, business duration, and business environment were all zero, the predicted income of Muslim traders would be 5.553. Each 1 percent increase in business capital is estimated to raise income by 0.317; each 1 percent increase in business duration raises income by 0.142; and each 1 percent increase in business environment raises income by 0.058. All regression coefficients are positive, indicating a direct relationship between the three independent variables and Muslim traders' income.

Table 2. Multiple Linear Regression and t-Test Results

Variable	Coefficient (B)	t-count	Sig.	Remarks
Constant	5.553	-	-	-
Business Capital (X1)	0.317	5.891	0.000	Significant
Business Duration (X2)	0.142	1.850	0.069	Significant*
Business Environment (X3)	0.058	0.772	0.443	Not Significant

*Source: Data processed with SPSS 16.0, 2026. *Significant based on the t-count > t-table (1.667) criterion applied in this study.*

The t-test results show that the t-count for business capital was 5.891, greater than the t-table value of 1.667, with a significance of 0.000, confirming that business capital has a positive and significant effect on the income of Muslim traders at Srijaya Market, Madiun. Business duration recorded a t-count of 1.850, exceeding the t-table value of 1.667. Based on the t-count > t-table criterion applied in this study, business duration is therefore considered

to have a positive and significant effect on income. In contrast, the business environment recorded a t-count of 0.772, lower than the t-table value of 1.667, with a significance of 0.443, indicating that the business environment has no significant effect on the income of Muslim traders at Srijaya Market, Madiun.

Simultaneously, the F-test results show an F-count of 15.592, greater than the F-table value of 2.736, with a significance of 0.000, indicating that business capital, business duration, and business environment jointly have a positive and significant effect on the income of Muslim traders at Srijaya Market, Madiun. The coefficient of determination (R Square) of 0.404 indicates that the three independent variables explain 40.4 percent of the variance in Muslim traders' income. In contrast, other factors outside this research model explain the remaining 59.6 percent.

Table 3. F-Test and Coefficient of Determination Results

F-count	F-table	Sig.	R Square
15.592	2.736	0.000	0.404

Source: Data processed with SPSS 16.0, 2026

Discussion

Effect of Business Capital on Income. The findings confirm that business capital has a positive and significant effect on the income of Muslim traders at Srijaya Market, Madiun. This result is consistent with Boediono's theory that capital is one of the principal determinants of income, and it is in line with Habibah and Astuti (2019), who found a positive effect of business capital on traders' income at Sentral Watampone Market. The larger the capital that is managed effectively, the greater the opportunity for traders to increase their business volume and income.

Effect of Business Duration on Income. Business duration was found to have a positive effect on income, consistent with Rani (2019), who showed that the longer a business survives, the higher its income. Trading experience accumulated over the years enables traders to understand consumer

preferences and manage their businesses more efficiently, thereby contributing to higher income.

Effect of Business Environment on Income. Unlike the two preceding variables, the business environment was not found to have a significant effect on the income of Muslim traders at Srijaya Market, Madiun. This finding is inconsistent with Kasmir's view, which identifies the environment as a determinant of traders' income. This may indicate that the facilities and infrastructure already provided by market management are considered adequate by most traders, so that variation in the business environment no longer serves as a decisive factor in determining income levels.

Simultaneous Effect of Business Capital, Business Duration, and Business Environment on Income. Taken together, the three variables had a positive and significant effect on Muslim traders' income, accounting for 40.4 percent of the variance. This finding underscores that improving the income of Muslim traders at Srijaya Market, Madiun, requires effective and efficient capital management, optimal use of trading experience, and continued support from an enabling business environment, including adequate facilities and infrastructure provided by market management.

CONCLUSION

This study concludes that business capital and business duration each have a positive and significant effect on the income of Muslim traders at Srijaya Market, Madiun. In contrast, the business environment has no significant effect on income. Simultaneously, business capital, business duration, and business environment have a positive and significant effect on Muslim traders' income, accounting for 40.4 percent of the variance. In comparison, other factors outside this research model explain the remaining 59.6 percent.

Based on these findings, Muslim traders at Srijaya Market, Madiun, are encouraged to manage their business capital more effectively and make optimal use of their trading experience to increase their income. The

government and market management are encouraged to support efforts to improve traders' incomes, for example, by providing access to capital and strengthening market facilities and infrastructure. Future research is recommended to examine variables beyond business capital, business duration, and business environment, given that the combined contribution of these three variables in this study remains moderate in explaining traders' income.

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Conflicts of Interest: The authors declare no conflict of interest.

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