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THE INFLUENCE OF TECHNOLOGY ON THE INCOME OF MICRO FASHION ENTERPRISES IN DENPASAR CITY

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Abstract: Micro-enterprises, particularly in the fashion sector, play a strategic role in promoting local economic growth in Denpasar City. However, optimizing income remains a challenge due to constraints in capital, technology utilization, and labor. This study aims to analyze the influence of e-commerce, financial technology, social media, business capital, and labor quantity on the income of micro fashion enterprises. Using an associative quantitative approach, data were collected from 99 respondents through observation, interviews, and questionnaires, and analyzed using multiple linear regression. The results show that all variables simultaneously have a significant effect on income. Partially, e-commerce, financial technology, and social media have a significantly positive impact on income growth. In contrast, business capital and labor do not show a significant effect due to the nature of micro fashion enterprises, which tend to focus on selling finished products and leveraging digital tools, thus requiring neither large capital nor a substantial workforce. These findings highlight the crucial role of digital transformation as a key driver of success for micro fashion businesses in the digital economy era.
Keywords: Micro-enterprise, e-commerce, financial technology, social media, business capital, labor, income, fashion, digital transformation, Denpasar.

INTRODUCTION

Indonesia, as a developing country, aims to create a just and prosperous society by promoting economic growth, addressing income inequality, and reducing poverty (Wira Putra & Jember, 2019). Economic growth plays a vital role in regional development planning (Oka et al., 2012), and the success of development in any country, including Indonesia, is reflected in the welfare of its people (Sitinjak, 2022).

One of the strategies to achieve the goal of becoming a developed nation is by strengthening national economic development (Wirawan & Indrajaya, 2019). Economic development refers to efforts undertaken by a country to enhance economic activities and improve the standard of living. Generally, economic development is defined as a process that leads to a sustained increase in per capita real income over the long term. Its main objectives are to boost the quantity of goods and services produced and expand employment opportunities (Sarfiah et al., 2019).

Economic development is supported not only by the formal sector but also significantly by the informal sector, particularly Micro, Small, and Medium Enterprises (MSMEs), which play a crucial role in improving both individual and national incomes (Putra & Sudibia, 2018). MSMEs are key players in economic systems worldwide, contributing to infrastructure development through job creation, innovation, and wealth generation (Arniyasa & Karmini, 2023). They are also recognized for their continuous supply of ideas and skills essential for fostering competition and efficient resource allocation (Turyahikayo, 2015).

In Indonesia, MSMEs are a priority in national economic development. They are considered the backbone of the people's economy, capable of addressing income inequality, poverty alleviation, and job creation (Putra & Sudibia, 2020). MSMEs are particularly vital during economic downturns, offering resilience and continuity when larger enterprises struggle, as evidenced during the 1997 economic crisis when MSMEs remained stable and contributed significantly to recovery efforts (Tambunan, 2021).

Among the categories of MSMEs, micro-enterprises play a vital role in the Indonesian economy. Despite their small scale, micro-enterprises contribute to job creation, improved living standards, economic resilience, and local economic growth. According to Government Regulation No. 7 of 2021 on the Facilitation, Protection, and Empowerment of Cooperatives and MSMEs, micro-enterprises are defined as productive businesses owned by individuals or individual business entities with a maximum capital of IDR 1,000,000,000 (excluding land and buildings) and annual sales of up to IDR 2,000,000,000. The high number of micro-enterprises in Denpasar City strengthens the economic foundation of the region and supports the daily needs and future welfare of the community (Kustanto, 2023).

Human needs are limitless—when one is fulfilled, another emerges. One such need is clothing, making the fashion industry highly dynamic and fast-growing. This is evident in the increasing number of businesses operating in the fashion sector. The Department of Cooperatives and SMEs classifies fashion-based micro-enterprises as creative businesses. Fashion is inseparable from daily appearance and style. It encompasses clothing, shoes, bags, and accessories—items that go beyond function to serve as expressions of personal identity (Troxell & Stone, 1981; Putri & Purwanti, 2022).

The growth of micro-enterprises contributes to job and income generation. Business income serves as an indicator of whether a business is progressing or

declining. In today's digital era, micro-enterprises benefit from rapid technological advancements. However, challenges remain in the adoption and effective utilization of technology. Technology serves to simplify business transactions and enhance operational efficiency (Maier, 2016).

According to Statistics Indonesia (2022), 86,156 businesses in Bali used e-commerce, accounting for 62.28% of total enterprises, while 37.72% had yet to adopt it. Despite Denpasar's high Digital Society Index score of 52.54% and its 2024 Digital Society Award, the actual adoption of e-commerce among micro-enterprises remains relatively low. This gap is primarily due to limited knowledge, skills, and digital literacy among micro-entrepreneurs (Situmorang, 2024).

In e-commerce transactions, once a deal is established between consumer and producer, payment is often facilitated through financial technology (fintech). Fintech combines financial services and technology to create innovative financial products that enhance accessibility, speed, and ease of use (Adji et al., 2023). Common fintech services include crowdfunding, peer-to-peer lending, microfinancing, digital payment systems, e-aggregators, and market comparison tools (Amartha, 2023).

Among these, digital payment systems have gained significant popularity globally. In Indonesia, digital payment provides a secure, convenient, and user-friendly method of transaction (Karsen et al., 2019). The Indonesian Financial Services Authority (OJK) reports that digital payment is the most widely used payment method in 2023. As digital payments become more mainstream, micro-enterprises must adapt or risk falling behind. Many micro-entrepreneurs in Bali, including in Denpasar, are beginning to digitize their operations in response to increasing consumer demand (Situmorang, 2022).

Social media, as an online communication platform, enables businesses to connect with customers and promote products through digital marketing (Widyayanti, 2019; Candraningrat et al., 2021). While traditional marketing was limited to face-to-face interaction with local consumers, social media expands potential market reach to broader audiences, ultimately boosting business income (Trulline, 2021). Social media enhances the performance of micro-enterprises by enabling cost-effective marketing and broader market penetration (Shabbir et al., 2016; Sarkar & Ghosal, 2018; Alzahrani, 2019).

In addition to technology, capital is a crucial factor affecting income. Capital refers to financial or tangible resources used to operate a business (Rosidi &

Suparno, 2018). Without sufficient capital, businesses struggle to function and grow. In the fashion industry, capital is essential due to frequent inventory updates and fast-changing trends.

According to Bank Indonesia (2023), 43.17% of fashion MSMEs face difficulties accessing formal financing, which limits their production and innovation capabilities. The Ministry of Cooperatives and SMEs (2023) found that 60% of fashion MSMEs experienced income reductions of up to 30% due to working capital constraints. Research by Tambunan (2022) indicates a positive correlation between capital and income, where a 10% increase in capital can boost income by 15–20%.

In the digital era, capital needs have evolved. In addition to production and inventory, MSMEs also require funds for digitization, online marketing, and e-commerce development. A Deloitte (2023) study found that fashion MSMEs with sufficient capital for digital transformation earned 30% more on average than those without. Insufficient capital can not only reduce income but also trigger broader socioeconomic impacts.

Labor is another important determinant of income. Skilled labor plays a direct role in transforming raw materials into finished products, impacting both productivity and profitability (Butcher & Wilton, 2008). A shortage of skilled labor can hinder business growth. According to Bank Indonesia (2023), optimizing labor use can improve operational efficiency by 25% and potentially increase income by 40%. A deeper understanding of this relationship helps fashion micro-entrepreneurs make strategic decisions in managing human resources and ensuring sustainable business development.

METHOD

This study employed an associative quantitative design aimed at analyzing the relationship between several independent variables—namely the use of e-commerce, financial technology, social media, business capital, and number of employees—and the dependent variable, which is the income of fashion micro-enterprises in Denpasar City. This design is appropriate for determining the extent to which one or more variables influence another variable. Denpasar City was selected as the research location because it is the economic hub of Bali and is actively promoting the growth of micro-enterprises in the fashion sector as part of its efforts to strengthen the local economy (Sugiyono, 2017; Indriantoro & Supomo, 2016).

The population of this study comprised all fashion micro-enterprises in Denpasar City, totaling 6,769 units. The sample size was determined using Slovin's formula with a 10% margin of error, resulting in a sample of 99 business units. The sampling technique used was proportionate accidental sampling, with proportional distribution of the sample across the four sub-districts in Denpasar. This research focused on micro-enterprises that met the following criteria: initial capital not exceeding one billion rupiah, a limited number of employees, and a business age of more than two years (Rahyuda et al., 2004; Sugiyono, 2018).

Data collection was conducted through observation, structured and in-depth interviews, and questionnaire distribution. The data collected included both primary and secondary sources, consisting of quantitative and qualitative data types. Data analysis was performed using descriptive statistics and multiple linear regression, preceded by classical assumption tests such as normality, multicollinearity, and heteroscedasticity tests. These tests were conducted to ensure the validity and reliability of the model used in examining both the simultaneous and partial effects of the independent variables on the income of fashion micro-enterprises (Ghozali, 2006).

RESULTS AND DISCUSSION

Data Analysis Results

Descriptive Statistical Analysis Results

The variables in this study consist of the use of e-commerce, financial technology, social media, business capital, number of workers, and income. Descriptive statistics of the research variables are presented in table 1.

Table 1. Results of Descriptive Statistical Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Use of E-Commerce	99	0	1	.86	.350
Financial Technology	99	0	1	.80	.404
Social media	99	0	1	.85	.360
Venture capital	99	6000000	50000000	21525252.53	9710969.428

Number of Workers	99	2	6	4.34	.823
Income	99	2000000	25000000	11702020.20	5014224.253
Valid N (listwise)	99				

Source: Processed Primary Data, 2025

Based on Table 1, it can be explained that the number of samples used in this study was 99 samples. The income variable has the lowest value of IDR 2,000,000 and the highest value of IDR 25,000,000 with an average of 11,702,020. The e-commerce usage variable uses the values 1 and 0 because the e-commerce usage variable is a dummy variable. The number 1 indicates that the micro-entrepreneurs in the fashion sector who are respondents use e-commerce to sell their products, while the number 0 indicates that the micro-entrepreneurs in the fashion sector who are respondents do not use e-commerce to sell their products.

Variablesfinancial technologyusing the values 1 and 0 because the financial technology variable is a dummy variable. The number 1 indicates that the micro-entrepreneurs in the fashion sector who are respondents use financial technology to make digital payments while the number 0 indicates that the micro-entrepreneurs in the fashion sector who are respondents do not use financial technology to make digital payments for their products.

The social media variable uses values 1 and 0 because the social media variable is a dummy variable. The number 1 indicates that the micro-entrepreneurs in the fashion sector who are respondents use social media to market their products while the number 0 indicates that the micro-entrepreneurs in the fashion sector who are respondents do not use social media to market their products. The business capital variable has a value between IDR 6,000,000 to IDR 50,000,000 with an average of IDR 21,525,252. The variable number of workers has a value of 2 people to 6 people with an average of 4 people.

Multiple Linear Regression Analysis Results

Table 2. Results of Multiple Linear Analysis of the Influence of Technology on Micro Business Income in the Fashion Sector in Denpasar City

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	ig.
(Constant)	14,602	.204		71,478	7 000
Use of E-Commerce	.422	.119	.267	,533	3 001
Financial Technology	.507	.126	.307	.033	4 000
Social media	.479	.095	.371	,046	5 000
Venture capital	6.445	.000	.132	,748	1 084
Number of Workers	.046	.044	.078	,040	1 301

a. Dependent Variable: Income

Source: Processed Primary Data, 2025

Multiple linear regression analysis is an analysis used to determine the influence of the variables of E-Commerce Use (X1), Financial Technology (X2), Social Media (X3), Social Media (X4), and Business Capital (X5) on the income of micro-businesses in the fashion sector in Denpasar City (Y) using SPSS.26.

Based on the analysis results in Table 2, the following multiple linear equations are obtained:

Y = 14.602 + 0.422X1 + 0.507X2 + 0.479X3 + 6.445X4 + 0.046X5 + μ

SE = (0.204) (0.119) (0.126) (0.095) (0.000) (0.044)

Thit = (71,478) (3,533) (4,033) (5,046) (1,748) (1,040)

Sig = (0.000) (0.001) (0.000) (0.000) (0.084) (0.301)

R2 = 0.550

Fhit = 22,734

Classical Assumption Test Results

Multiple linear regression analysis techniques require several requirements to be met, namely the classical assumption test consisting of normality test, multicollinearity test and heteroscedasticity test. The three tests are presented as follows:

Normality Test

The normality test aims to test whether the residuals of the regression model created are normally distributed or not. Whether or not the normality test is met can be tested by conducting the Kolmogorov-Smirnov (KS) statistical test. The Kolmogorov-Smirnov test conducted using SPSS.26 can be seen in Table 3.

Based on Table 3, it can be seen that the model is normally distributed. This is indicated by the value of the Kolmogorov-Smirnov (KS) statistical test of 0.082 with an Asymp. Sig (2-tailed) value of 0.097 which is greater than 0.05. Therefore, it means that the residual data is normally distributed and can be said to have passed the normality test.

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			99
Normal Parametersa,b		Mean	.0000000
		Std. Deviation	.32071406
Most Extreme Differences		Absolute	.082
		Positive	.082
		Negative	-.075
Test Statistics			.082
Asymp. Sig. (2-tailed)			.097c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is the lower bound of the true significance.

Source: Processed Primary Data, 2025

Multicollinearity Test

The multicollinearity test aims to test whether the regression model has a correlation between independent variables. A good regression model should not have a correlation between independent variables or be free from multicollinearity symptoms. To find out whether or not there is a correlation between independent variables, it can be tested using SPSS.26 by looking at the tolerance value or variance inflation factor (VIF) value. If the tolerance value is more than 10 percent or the VIF is less than 10, then the model does not contain multicollinearity symptoms. The results of the multicollinearity test can be seen in Table 4.

Table 4. Multicollinearity Test Results

Coefficientsa

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Use of E-Commerce	.845	1.184
Financial Technology	.837	1.195
Social media	.897	1.115
Venture capital	.847	1.180
Number of Workers	.854	1,171

a. Dependent Variable: Income

Source: Processed Primary Data, 2025

Based on Table 4, it shows that each independent variable has a tolerance value greater than 10 percent (0.10) and a VIF value of less than 10, so the model is said to not contain symptoms of multicollinearity.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is inequality of variance from the residuals of one observation to another. The heteroscedasticity test in this study was carried out using the glejser test. If the significance value is above 0.05, then this regression model can be said to be free from heteroscedasticity problems.

Based on Table 5, it shows that the Sig. value of each independent variable is above 0.05. This shows that all independent variables including the use of e-commerce, financial technology, social media, business capital, and number of workers are free from heteroscedasticity problems.

Table 5. Heteroscedasticity Test

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients		S
		St Bd. Error	Beta	tig.	
(Constant)	.097	.16		.716	.476
Use of E-Commerce	.027	.080	.038	.344	.732
Financial Technology	-.001	.084	-.001	-.008	.993
Social media	-.018	.063	-.031	-.284	.777
Venture capital	2,892	.000	.131	1.176	.242
Number of Workers	.015	.029	.058	.523	.602

a. Dependent Variable: ABSTRACT

Source: Processed Primary Data, 2025

Hypothesis Testing Results

F Test (Simultaneous Effect Test)

Based on the results of the F Test in Table 6, it can be seen that the use of e-commerce, financial technology, social media, business capital, and the number of workers have a significant effect on the income of micro-businesses in the fashion sector in Denpasar City. This can be seen from Fcount = 22.734 and Ftable = 2.46. The Sig. value = 0.000 is smaller than 0.05. Therefore, Fcount > Ftable, then Ho is rejected. This means that there is a simultaneous and significant influence of the variables of e-commerce use (X1), financial technology (X2), social media (X3), business capital (X4), and the number of workers (X5) on the income of micro-businesses in the fashion sector in Denpasar City (Y).

The R-squared (R2) value of 0.550 means that the variation (rise and fall) in the income of micro-entrepreneurs in the fashion sector in Denpasar City is 55.0

percent influenced by variations in the value of using e-commerce, financial technology, social media, business capital, and the number of workers, the remaining 45.0 percent is influenced by other variables not included in the research model. The results of the F Test (Simultaneous Test) can be seen in Table 6.

Table 6. F Test Results (Simultaneous Test)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12,321		2,464	2,734	.000b
	Residual	10,080	3	.108		
	Total	22,401	8			

a. Dependent Variable: Income

b. Predictors: (Constant), Use of E-Commerce, Financial Technology, Social Media, Business Capital, and Number of Workers

Source: Processed Primary Data, 2025

t-test (Partial Effect Test)

The t-test aims to determine the partial effect of independent variables on dependent variables. Ho is rejected and H1 is accepted if the t-count value > t-table, then the independent variables used partially affect the dependent variable. Based on Table 5, the regression equation is Y = 14.602 + 0.422 X1 + 0.507X2 + 0.479X3 + 6.455X4 + 0.046X5 + μ

Table 7. Results of t-Test (Partial Test)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
	(Constant)	14,602	.204		71,478	000
	Use of E-Commerce	.422	.119	.267	3,533	001

Financial Technology	.507	.126	.307	4.033	000
Social media	.479	.095	.371	5,046	000
Venture capital	6.445	.000	.132	1,748	084
Number of Workers	.046	.044	.078	1,040	301

a. Dependent Variable: Income

Source: Processed Primary Data, 2025

The constant value has a positive value of 14.602. A positive sign means that it shows a unidirectional influence between the independent variable and the dependent variable. This shows that if all independent variables including the use of e-commerce (X1), financial technology (X2), social media (X3), business capital (X4), and the number of workers (X5) have a value of 0 or do not change, then the income of micro-businesses in the fashion sector in Denpasar City (Y) is 14.602 (in million rupiah).

The results of the t-test (Partial Test) can be seen in Table7 and its description is as follows:

(1) The Influence of E-Commerce Usage (X1) on Micro Business Income in the Fashion Sector in Denpasar City (Y)

Based on Table 5, it can be seen that the significance value for the influence of e-commerce use (X1) on Income (Y) is 0.001 <0.05 and the t-value is 3.533> t-table 1.985 so it can be concluded that H0 is rejected and H1 is accepted. The results of the analysis show that micro-entrepreneurs in the fashion sector who use e-commerce earn higher incomes compared to those who do not use e-commerce. The coefficient of 0.422 means that the income of micro-entrepreneurs in the fashion sector is higher after using e-commerce compared to not using e-commerce where the difference is 0.422 (in million rupiah) assuming the variables financial technology, social media, business capital, and the number of workers are constant.

(2) The Influence of Financial Technology (X2) on the Income of Micro Businesses in the Fashion Sector in Denpasar City (Y)

Based on Table 5, it can be seen that the significance value for the influence of financial technology (X2) on Income (Y) is 0.000

<0.05 and the t-value is 4.033> t-table 1.985 so it can be concluded that H0 is rejected and H1 is accepted. The results of the analysis show that micro-entrepreneurs in the fashion sector who use financial technology earn higher incomes compared to those who do not use financial technology. The coefficient of 0.507 means that the income of micro-entrepreneurs in the fashion sector is higher after using financial technology compared to not using financial technology where the difference is 0.507 (in million rupiah) assuming the variables of e-commerce use, social media, business capital, and the number of workers are constant.

(3) The Influence of Social Media (X3) on the Income of Micro-Businesses in the Fashion Sector in Denpasar City (Y)

Based on Table 5, it can be seen that the significance value for the influence of social media (X3) on Income (Y) is 0.000 <0.05 and the t-value is 5.046> t-table 1.985 so it can be concluded that H0 is rejected and H1 is accepted. The results of the analysis show that micro-entrepreneurs in the fashion sector who use social media earn higher incomes compared to those who do not use social media. The coefficient of 0.479 means that the income of micro-entrepreneurs in the fashion sector is higher after using social media compared to not using social media where the difference is 0.479 (in million rupiah) assuming the variables of e-commerce use, financial technology, business capital, and the number of workers are constant.

(4) The Influence of Business Capital (X4) on Micro Business Income in the Fashion Sector in Denpasar City (Y)

Based on Table 5, it can be seen that the significance value for the influence of business capital (X4) on Income (Y) is 0.084> 0.05 and the t-value is 1.748 <t-table 1.985 so it can be concluded that H0 is accepted and H1 is rejected. This means that business capital (X4) partially does not have a significant effect on the income of micro-businesses in the fashion sector in Denpasar City (Y). The amount of business capital does not necessarily have an impact on increasing income because most micro-businesses in the fashion sector operate as distributors that sell products without

carrying out their own production processes. So, if the capital owned is large but is not balanced with adequate sales capabilities, it does not guarantee an increase in income.

(5) The Influence of the Number of Workers (X5) on the Income of Micro-Businesses in the Fashion Sector in Denpasar City (Y)

Based on Table 5, it can be seen that the significance value for the effect of the number of workers (X5) on Income (Y) is 0.301> 0.05 and the t-value is 1.040 <ttable 1.985 so it can be concluded that H0 is accepted and H1 is rejected. This means that the number of workers (X5) partially does not have a significant effect on the income of micro-businesses in the fashion sector in Denpasar City (Y). This shows that the large number of workers does not necessarily affect the increase in income because workers in micro-businesses in the fashion sector generally act as sellers and not as production workers, where the function of the workforce is only limited to sales activities, making their contribution to increasing income less than optimal. In addition, the existence of digital platforms, social media, and online marketing systems allows business actors to carry out promotional and sales activities more effectively without relying on a large number of workers.

Discussion of Research Results

The Influence of E-Commerce Usage (X1) on Micro Business Income in the Fashion Sector in Denpasar City (Y)

The results of the test using multiple linear regression analysis showed that the income of micro fashion businesses that use e-commerce is higher than those that do not use e-commerce. The results of this study also show an increase in market reach for micro fashion businesses that use e-commerce. This is also in line with the theory of digital economics which states that digital technology eliminates geographical boundaries in economic transactions. The use of e-commerce platforms allows micro fashion businesses in Denpasar City to reach consumers not only in Bali, but also throughout Indonesia and even abroad. Micro fashion businesses in Denpasar City, which previously only relied on local buyers, can now offer their products to anyone with internet access so that they can further increase business income.

Based on the results of a field survey, by using an e-commerce platform as a medium for selling products to micro fashion businesses, consumers can shop anytime and anywhere without being limited by the operating hours of physical stores. The e-commerce platform operates 24/7, allowing consumers to browse and buy fashion products according to their own schedule. E-commerce provides access to thousands of brands and fashion products from various categories, a wider choice of sizes, colors, and models are also available on one platform. In addition, consumers can also easily compare prices of similar products from various sellers or brands in seconds. This is also in line with the experience felt by one of the micro fashion business owners who stated that after using e-commerce as a medium for selling his products, the products sold could be sent to all regions in Indonesia and were not limited to Bali. This also makes micro fashion business actors diversify their products according to consumer demand so that they can make a more diverse choice of products with a variety of models, colors, and categories so that they can increase business income.

This is in accordance with the results of research conducted by Helmalia & Arfinawati (2018), Kurniawan and Utama (2018), and Setyorini et al. (2019) which stated that the use of e-commerce has a positive and significant effect on income. According to Marantiani and Kembar (2017) companies that use e-commerce will feel greater benefits than companies that do not use e-commerce. The benefits are being able to expand market reach so that it can increase sales and income will also increase.

The Influence of Financial Technology (X2) on Micro Business Income in the Fashion Sector in Denpasar City

The test results using multiple linear regression analysis show that the income of micro-businesses in the fashion sector that use financial technology is higher than those that do not use financial technology. The use of financial technology in this case is the use of QRIS, where QRIS can simplify the payment transaction process for micro-business actors in the fashion sector in Denpasar City. Based on the results of the study, consumers only need to scan the QR code to make payments, without having to use cash, look for the exact money or wait for change again, so that the checkout process becomes faster and more efficient. In addition, shopping using QRIS provides a sense of security to consumers compared to carrying large amounts of cash. This is also in line with the theory of digital

finance which states that ease of transactions can encourage increased sales volume which will have an impact on increasing business income.

Current market trends show that people are increasingly using QRIS in payment transactions, so that micro-businesses in the fashion sector that do not keep up with the times by adopting a digital payment system will face long-term impacts in the form of decreased consumer interest and reduced opportunities to increase revenue. This happens because consumers tend to prefer shopping at businesses that provide payment flexibility, both in cash and non-cash. In facing this market dynamic, micro-businesses in the fashion sector need to understand that success does not only depend on product quality alone, but also on service quality, including ease of payment methods. Thus, micro-businesses in the fashion sector that are able to capture this opportunity by providing various payment alternatives will be more preferred by consumers and ultimately be able to increase their business income significantly.

In line with the experience felt by one of the micro business owners in the fieldfashionwhich states that when shopping, consumers tend to choose to use QRIS digital payments compared to using cash payments, this is because of the convenience offered by QRIS itself. Consumers no longer need to bother carrying large amounts of cash or worry about the wrong change, because payments can be made simply by scanning a QR code using their smartphone. The increase in transaction volume also occurs because consumers tend to shop more often when the payment process is easy and practical. Thus, the convenience of the QRIS payment system not only benefits consumers but also directly contributes to increasing income and business efficiency for business actors.

This is in accordance with the research results. The results of this study are in line with the results of research conducted by Raudhatul (2022) and Fitroh (2021) which show that Financial Technology has an effect on MSME income. According to Sri Wahyuni et al. (2024) who stated that the use of financial technology by MSME actors in making transactions makes it easier for consumers to make payments. Because today, people, especially the upper middle class, tend to choose to use QRIS in making payments rather than using cash. This has an impact on increasing MSME income, because the payment system currently used is not only using cash but also using financial technology (QRIS).

The Influence of Social Media (X3) on the Income of Micro-Businesses in the Fashion Sector in Denpasar City (Y)

The results of the test using multiple linear regression analysis showed that the income of micro-fashion businesses that use social media is higher than those that do not use social media. The use of social media allows micro-fashion businesses in Denpasar City to reach a wider market and drastically reduce transaction and marketing costs, where the use of social media has proven to be much more cost-effective than traditional marketing costs such as print advertising or renting space in shopping centers. With minimal investment, micro-fashion business actors can build higher online marketing and ultimately increase income. Based on the results of a survey in the field, social media provides various conveniences to business actors, simply by using a smartphone, they can take pictures of products, create interesting content, and share them on various social media platforms. Even when using paid features such as Instagram Ads or Facebook Ads, the costs are much more affordable and can be adjusted to the financial capabilities of micro-businesses.

In line with the experience felt by one of the micro-business owners in the fashion sector who stated that social media has become a very effective marketing platform for micro-businesses in the fashion sector because it provides great benefits for both business actors and consumers. For small-scale fashion entrepreneurs, social media offers affordable and easy-to-use marketing access without requiring large capital like traditional advertising. Platforms such as Instagram and Facebook allow fashion business owners to showcase their products through attractive photos and videos, reach a wider audience even outside the city or country, and interact directly with potential buyers through comments and private message features. In addition, social media provides an opportunity for micro-fashion businesses to build brand awareness and customer loyalty through consistent content, as well as utilize features such as Instagram Shopping or Facebook Marketplace to facilitate the online sales process.

This is in accordance with the research results of Sri Wahyuni et al. (2024) which states that social media makes it easy for MSMEs to interact with consumers, so that they can establish ongoing relationships between consumers and MSMEs. The difference in location between consumers and business actors is not a barrier to interacting with each other. MSMEs can benefit from utilizing social media, such as maintaining good relationships with customers and expanding market share. This

means that utilizing social media can save costs and does not even require special skills. Thus, the many benefits obtained by MSMEs can expand market share and increase business income.

The results of this study are supported by Rahmanda & Amanah (2021) and Agnesia & Saputra (2022) showing that social media has a positive and significant effect on MSME income. There are several types of social media used by micro-entrepreneurs to market products, both from promotions, advertising, and to communicate with consumers. Micro-entrepreneurs agree that social media or other digital marketing platforms help micro-entrepreneurs to promote and market products effectively.

The Influence of Business Capital (X4) on Micro Business Income in the Fashion Sector in Denpasar City (Y)

The test results using multiple linear regression analysis show that business capital does not have a significant effect on the income of micro-businesses in the fashion sector in Denpasar City. The amount of capital does not necessarily have an impact on increasing business income because most micro-businesses in the fashion sector operate as distributors that sell products without carrying out their own production processes. So, if the capital owned is large but is not balanced with adequate sales capabilities, it will not have much impact on income.

The results of this study are in line with research (Sidik & Ilmiah, 2022) with the research title "The Effect of Capital, Education Level, and Technology on the Income of Micro, Small, and Medium Enterprises (MSMEs) in Pajangan Bantul District" the study found that business capital did not have a significant impact on income. In addition, it is also in line with research (Alkumairoh & Warsitasari, 2022) which states that business capital does not have a significant effect on income. The amount of capital does not necessarily have an impact on increasing income because if you have large capital, usually business actors will increase the stock of goods, the amount of stock of goods that is large without being accompanied by consumer interest and adequate sales and marketing techniques, then there can be changes in selling prices and the possibility of damage to goods resulting in seller losses and impacting income.

The Influence of the Number of Workers (X5) on the Income of Micro-Businesses in the Fashion Sector in Denpasar City (Y)

The results of the test using multiple linear regression analysis showed that the number of workers only slightly affected the income of micro-fashion businesses in Denpasar City. This shows that the large number of workers does not necessarily affect the increase in income because workers in micro-fashion businesses generally act as sellers and not as production workers, where the function of the workforce is only limited to sales activities, making their contribution to increasing income less than optimal. In addition, the existence of digital platforms, social media, and online marketing systems allows business actors to carry out promotional and sales activities more effectively without relying on a large number of workers.

The results of this study are in line with Vrelisa's (2021) research which shows that the number of workers has a positive but insignificant effect on business income. This means that although the presence of workers cannot have a positive impact on income, the effect may not be strong enough to reach the level of statistical significance. In addition, this study is also in line with Midesia's (2017) research which states that the number of workers has a significant negative effect on income. This indicates that MSME income does not increase if there is an increase in the number of workers. This could be caused by several factors such as the lack of expertise possessed by the workforce, especially in operating technology, inefficient workers so that they are not effective, and higher operational costs for workers.

CONCLUSION

Based on the research results that have been described in the previous chapter, several conclusions can be drawn to answer the problem formulation, namely as follows:

1) The results of simultaneous testing show that the use of e-commerce, financial technology, social media, business capital, and the number of workers have a significant effect on the income of micro-businesses in the fashion sector in Denpasar City.
2) Partial test results show that:
    a) The amount of income of micro-entrepreneurs in the fashion sector in Denpasar City who use e-commerce to sell their products is higher than those who do not use e-commerce to sell their products.

b) The amount of income of micro-entrepreneurs in the fashion sector in Denpasar City who use financial technology in their product payment system is higher than those who do not use financial technology in their product payment system.
c) The amount of income of micro-entrepreneurs in the fashion sector in Denpasar City who use social media to market their products is higher than those who do not use social media to market their products.
d) The business capital variable does not have a significant effect on the income of micro-businesses in the fashion sector in Denpasar City. The amount of business capital does not necessarily have an impact on increasing income because most micro-businesses in the fashion sector operate as distributors that sell products without carrying out their own production processes. So, if the capital owned is large but is not balanced with adequate sales capabilities, it does not guarantee an increase in income.
e) The variable of the number of workers does not have a significant effect on the income of micro-businesses in the fashion sector in Denpasar City. The number of workers does not increase income because most workers in micro-businesses in the fashion sector only have duties as sellers, not as production workers, which will make the increase in income less than optimal, coupled with the existence of a digital platform that supports marketing and product sales, making business actors not dependent on a large number of workers.

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