

The Influence Of Business Capital And Pricing Strategies On The Business Income Of Karawo Artisans In Kota Utara District

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Abstract

This study aims to analyze the influence of business capital and pricing strategies on the business income of karawo artisans in Kota Utara District. Karawo crafts are a superior product typical of Gorontalo which has high artistic and cultural value, but its development still faces constraints of limited capital and a price strategy that is not optimal. The study used a quantitative approach with a survey method of 30 karawo artisan respondents determined through purposive sampling techniques. Data processing was carried out using multiple linear regression analysis supported by validity, reliability, and classical assumption tests. The findings of the study resulted in a regression equation model, namely $Y = 1.214 + 0.367X_1 + 0.412X_2$. The partial test proved that business capital had a positive and significant influence on business income, which was evidenced by a t-calculated value of 2.585 greater than the t-table of 2.052. In addition, pricing strategies have also proven to have a positive and significant effect, with a t-count value of 2.964 which surpasses the t-table of 2.052. The simultaneous test showed that both variables simultaneously proved to have a significant effect, which was shown by the F-calculated value of 17.32 greater than the F-table of 3.35. Meanwhile, a determination coefficient of 0.562 shows that 56.2% of the variation in operating income can be explained by business capital and pricing strategies. This study concludes that increasing the income of karawo artisans requires strengthening business capital to increase production capacity and implementing pricing policies based on production costs, cultural values attached to products, and consumer purchasing power. The practical implications of this study emphasize the need for capital support and managerial assistance for karawo artisans for business sustainability and the preservation of local culture.



Keywords: Business Capital, Pricing Strategy, Business Income, Karawo Craftsmen, IKM

INTRODUCTION

Karawo crafts are one of the superior products typical of Gorontalo Province which has high artistic and cultural value and has great potential in supporting the regional economy. In Kota Utara District, the karawo artisan business is classified as Small and Medium Industries (IKM) which is a source of livelihood for some people. However, the magnitude of this potential has not been fully accompanied by an optimal increase in the income of craftsmen. Most craftsmen still face various internal obstacles that have a direct impact on business sustainability and performance.

One of the main problems faced by karawo artisans in North Kota District is limited business capital. Limited capital causes craftsmen to be unable to increase production capacity, use high-quality raw materials, or carry out design innovations in a sustainable manner. This condition has an impact on the low competitiveness of karawo products in the market, both local and outside the region. In addition, limited capital also hinders artisans from expanding their marketing networks and participating in exhibitions that can increase the selling value of products.

Income is one of the main indicators in assessing the success of a business, including karawo craftsmen in northern city districts. From an accounting perspective, income is recognized as the economic result obtained by an entity after the sale of goods and services in a certain period. It is important to accurately record income so that craftsmen can assess their business performance, measure profits, and make the right economic decisions. For karawo artisans, income not only reflects the success of the business, but also plays a role in maintaining the continuity of production and family welfare. (Fahlifi et al., 2025)

Business capital is a source of funds that lies at the beginning of starting a business, business capital is needed by business actors to start a business/business and run it (Zakaria, Arham, & Badu, 2024). In addition to capital, pricing strategies are also an important factor that affects revenue in an accounting framework. The selling price of karawo products will determine the amount of cash receipts from consumers, which are then recorded as income in the income statement. The right pricing must take into account production costs, profit levels, and consumer purchasing power. Errors in pricing strategies can result in suboptimal revenue, even if sales volumes are high. Thus, an appropriate pricing strategy will help artisans earn a reasonable income and maintain business sustainability. (Gustina et al., 2022)



At the regional level, MSMEs and SMEs are also the driving force of the local economy. Every region in Indonesia has a distinctive superior product that becomes a cultural identity as well as an economic commodity. One of them is karawo crafts in Gorontalo Province. Karawo is a typical Gorontalo embroidery art that is passed down continuously between generations and is an inseparable part of the cultural identity of the local community. Karawo embroidery has its own uniqueness because it is done with a special technique in the form of embroidery with thread pulling, which produces beautiful motifs and high artistic value. The beauty and complexity of the manufacturing process make karawo not only aesthetically valuable, but also have significant economic value. Karawo products have even been promoted as one of the cultural icons of Gorontalo in various art and economic exhibitions, both nationally and globally. (Setyawati & Hardjati, 2024)

However, behind its great potential, the development of the karawo business still faces various fundamental problems. One of the main problems is the lack of business capital owned by craftsmen. Capital is an important factor in every economic activity because it determines the ability of business actors to access raw materials, increase production capacity, improve product quality, and innovate design. The majority of karawo artisans in the northern city sub-district come from a community with limited economic capabilities, so their access to formal financial institutions, such as banks, is very low. This makes most craftsmen dependent on personal capital or informal loans with relatively high interest. This limited capital ultimately limits their ability to develop their business more competitively. (Setyawati & Hardjati, 2024)

Effectively managed capital can support smooth production and distribution, while appropriate pricing strategies will affect the competitiveness of products in the market. Thus, the success of the karawo artisan business is not only influenced by the increase in sales, but also determined by the ability to manage capital and set prices efficiently so that business income can continue to increase. (Noholo & Lukum, 2021)

Ideally, a pricing strategy considers various factors, ranging from production costs, product added value, people's purchasing power, to market conditions and competition. In reality, many karawo artisans in the northern city sub-district still set prices based on estimates or adjusted to competitors' prices, without an in-depth analysis of costs and market potential. As a result, the pricing strategy applied is often less than optimal in increasing business revenue. (Mahmud et al., 2025)

Business income is the main goal that every business actor wants to achieve. For karawo craftsmen, income not only determines the sustainability of the business, but also the welfare of families who depend on these activities for their livelihood. The fluctuation in karawo business income in the northern city sub-district is quite significant, influenced by seasonal factors, people's purchasing power, and uncertainty in pricing. It is not



uncommon for craftsmen to have difficulty selling their products at prices that are in accordance with the costs and labor expended. This condition creates a gap between the great potential that karawo crafts have and the reality of craftsmen's income that is still low and unstable. (Anang Asari, Misbahul Munir, 2019)

As we all know that MSMEs have long been the backbone of the Indonesian economy. The increase in income is also influenced by several other factors such as capital, education, business location and working hours. In addition to these several factors, the increase in MSME income is also influenced by the existence of financial technology or FinTech in the form of Digital Payment and Digital Marketing. (On et al., 2024)

THEORETICAL STUDIES

SCP (Structure–Conduct–Performance)

The Structure–Conduct–Performance (SCP) theoretical framework in industrial economics is used to analyze the relationship between market structure, company behavior, and market performance. According to this theory, the condition of the market structure (e.g. number of competitors, barriers to entry, scale of business) will affect the behavior of the company (e.g. pricing strategies, product innovation, and promotions). Furthermore, these behaviors will determine market performance, which is reflected in efficiency, profits, and consumer welfare. (Panhans, 2024)

The SCP theory was first introduced by Edward S. Mason in the late 1930s and later further developed by Joe S. Bain in 1959 through his book *Industrial Organization*. Mason and Bain argue that the performance of an industry cannot be separated from the market structure and the company's strategy within it. Therefore, SCP theory is an important basis for industry analysis, business competition, and economic policy-making. (Panhans, 2024)

SMEs (Small and Medium Industries)

Small and Medium Industries (SMEs) are one of the strategic components in the structure of the Indonesian economy. In the framework of national development, SMEs not only play a role as job providers, but also as drivers of the people's economy that make a significant contribution to the Gross Domestic Product (GDP). Based on Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises (MSMEs), which also includes small and medium industries, small businesses are defined as independent productive economic enterprises and are not subsidiaries or branches of medium and large businesses, with certain criteria based on net worth and annual sales results. (Ismail et al., 2023). Income is very influential for the survival of the company, the greater the income



obtained, the greater the company's ability to finance all expenses and activities that will be carried out by the Company (Uge, Amaliah, & Mahmud, 2022).

In Indonesia, the SME sector is growing rapidly in various regions with diverse product characteristics, ranging from food and beverages, handicrafts, textiles, to technology-based products. The main characteristics of SMEs are relatively small business scale, limited capital, simple technology, and generally based on local potential. This makes SMEs more flexible in adapting to market changes, while at the same time facing various structural limitations. (Iluh Nadila Rahma et al., 2024)

Historically, SMEs have played an important role in sustaining the Indonesian economy, especially in the face of economic crises. The monetary crisis in 1998 is a concrete example, where many large companies went bankrupt, while the SME sector was able to survive and continue to carry out its production activities. The resilience of SMEs cannot be separated from business flexibility, relatively low operational costs, and a wide market base at the local level. Therefore, SMEs are considered the backbone of the national economy that is able to sustain economic stability. (Iluh Nadila Rahma et al., 2024)

Business Capital

Business capital is one of the key factors that determine the success and sustainability of a business, both micro, small, medium, and large-scale businesses. Capital can be defined as all financial resources used to finance production, distribution, and marketing activities in order to generate profits. According to Kasmir (2019), capital is funds or wealth used to run a company's operations, including the purchase of raw materials, payment of labor salaries, investment in production equipment, and other costs related to the smooth running of business activities. (Irawan, 2023).

In the context of small and medium industries (SMEs), business capital is a very vital aspect. This is because most SMEs have limited resources, both financial and non-financial. Adequate capital allows SMEs to develop production capacity, improve product quality, expand marketing networks, and increase product competitiveness in the market. On the other hand, limited capital often hinders business development and causes stagnation, even leading to the bankruptcy of small businesses. (Silvana et al., 2024)

Pricing Strategies

Price is a strategic element in the marketing mix that has a direct effect on the revenue and sustainability of a business. Kotler and Keller (2016) define price as the sum of fees charged on a product or service, or a certain amount of value that consumers exchange to benefit from the use or ownership of the product. In other words, the price is not just a nominal rupiah, but also reflects the value felt by consumers towards a product. (Sabikhin et al., 2024)



The right price directly increases revenue as it determines profit margins and sales volume. If the price is too low, revenue decreases even though the product sells well. Conversely, prices that are too high can reduce the number of sales. Therefore, a balance between price, cost, and value that consumers receive is crucial. (Fahlifi et al., 2025)

Revenue

Business income is the main indicator of the success of a business activity. In general, income can be interpreted as all revenue obtained from the sale of products or services in a certain period, either in cash or credit. According to Mulyadi (2019), Income can be interpreted as the gross inflow of economic benefits arising from normal business activities in a period, which has an impact on increasing equity, excluding contributions from owners. owner. In other words, business income is the result of the production and marketing process carried out by business actors to meet market needs.

Business income is often identified with sales, although the two are conceptually different. Sales are the result of transactions of exchanging goods or services for money, while income includes all receipts that can improve the financial position of the business, both from sales, additional services, and other sources directly related to business activities. In accounting, business income is the main component of the income statement which is an indicator to assess whether a business is making a profit or experiencing losses (Santoso et al., 2025)

Hipotesis

H_0 : The pricing strategy has no effect on the business income of karawo artisans in Kota Utara District.

H_a : The pricing strategy has a positive effect on the business income of karawo artisans in North Kota District.

H_0 : Business capital and pricing strategies do not have a simultaneous effect on the business income of karawo artisans in North Kota District.

H_a : Business capital and pricing strategies have a simultaneous effect on the business income of karawo artisans in North Kota District.

RESEARCH METHODS

Research Location and Time

This research was conducted on karawo artisans in the North City District. The reason for choosing this location is based on the consideration that Kota Utara District is the main center for karawo development which has a large number of craftsmen and is active in running businesses on a small and medium scale.



Research Design Approach

This study uses a quantitative approach with a type of causal associative research that aims to analyze the influence or relationship between independent variables and bound variables. The research design applied a survey method by collecting primary data through the distribution of questionnaires to respondents, namely karawo craftsmen in Kota Utara District. The data obtained were then statistically analyzed using multiple linear regression techniques to test the influence of business capital (X1) and pricing strategy (X2) on operating income (Y).

The research method used must be written in accordance with the scientific method, namely rational, empirical and systematic. The time and place of the research should be clearly stated, along with the data as well as the tools and materials used in the research.

Variables and Operational Variables

According to Sugiyono (2022), the independent variable is a variable determined by the researcher to find out the extent of its influence on other variables in this study referred to as bound variables. Meanwhile, the free variable has an important role because it is able to provide an overview of the factors that affect a certain situation or outcome. In this study, the independent variables used include business capital (X1) and pricing strategy (X2), which are assumed to have a significant influence on operating income (Y) as a bound variable. Business capital is seen as one of the main factors that determine the smooth operation of operational activities and the production ability of a business, so the larger the capital owned, the greater the opportunity to increase income

Population

Population is the entire subject or object that is targeted in a study and has certain characteristics that have been determined by the researcher to be analyzed and conclusions drawn. According to Sugiyono (2021), the population is not only limited to the number of individuals, but includes all elements that are the focus of the research, both in the form of people, objects, or events that have similar characteristics in accordance with the purpose of the research. Thus, population can be interpreted as a whole of elements that are the scope of research and become the basis for data collection including all relevant data to answer research problems.

The population of this study is all Karawo craftsmen who run businesses on the scale of Small and Medium Industries (IKM) in the North Kota District area in the research period. Based on data from the Office of Cooperatives, MSMEs, Industry, and Trade, the number of Karawo artisan populations in North Kota District was recorded at 146 craftsmen. This population includes all business actors, both owners and managers of

Karawo artisans, who are actively engaged in production and/or sales activities of Karawo products on a small and medium business scale.

Sample

Samples are part of a population that is selected through certain methods or techniques to be used as research objects, with the aim of being able to represent the characteristics of the population as a whole. Arikunto (2019) stated that if researchers face limited time, energy, and cost, then the research does not need to involve all members of the population, but simply uses samples that are considered representative. A good sample is a sample that is truly able to reflect the conditions and characteristics of the population being studied so that the conclusions of the study remain valid and can be generalized.

In this study, the sample was karawo craftsmen in North Kota District who were selected based on certain criteria. The sample in this study is part of the population of karawo artisans in Kota Utara District. The number of samples was set at 30 karawo artisans, who were considered to have represented the research population. The determination of the amount is based on considerations of time, effort, and cost limitations, and in accordance with the minimum sample size guidelines for multiple linear regression analysis that requires a sufficient number of respondents so that the results of the study can be analyzed validly and reliably.

The sample selection method used in this study is determined by the purposive sampling technique, which is a sample selection method based on certain criteria that is adjusted to the research objectives. The sample criteria used in this study include: (1) active craftsmen who are still running a karawo business, (2) included in the category of SMEs, and (3) domiciled in the northern city sub-district. Using a sample of 30 respondents, it is hoped that the results of the study will be able to describe the general condition of the population so that relevant conclusions can be drawn regarding the influence of business capital and pricing strategies on the business income of karawo artisans in the northern city district.

RESULTS AND DISCUSSION

Characteristics of Research Respondents

This study involved karawo artisans in Kota Utara District as respondents to obtain an empirical picture related to business capital, pricing strategies, and business income. The number of respondents in this study was 30 karawo craftsmen, who were selected using *purposive sampling techniques*, in accordance with the criteria that have been set in the research method, namely active craftsmen, including the IKM category, and domiciled in Kota Utara District.



Validity Test Results**Table 1. Validity Test Results**

<i>Variabel</i>	<i>Item Code</i>	<i>R-Count</i>	<i>R-Table</i>	<i>Remarks</i>
<i>Business Capital (X1)</i>	X1.1	0,59	0,361	Valid
	X1.2	0,57	0,361	Valid
	X1.3	0,63	0,361	Valid
<i>Pricing (X2)</i>	X2.1	0,58	0,361	Valid
	X2.2	0,60	0,361	Valid
	X2.3	0,67	0,361	Valid
<i>Revenue (Y)</i>	Y.1	0,64	0,361	Valid
	Y.2	0,59	0,361	Valid
	Y.3	0,66	0,361	Valid

Source : Processed Data (2026)

Based on the validity test calculation using Pearson Product Moment correlation, all question items in the variables of Operating Capital (X1), Pricing Strategy (X2), and Operating Revenue (Y) have an r-calculation value greater than the r-table (0.361). Thus, all questionnaire items are declared valid and suitable for use as research instruments. A valid instrument shows that each question item is able to measure the variables in question precisely and consistently, so that the data obtained can be used for further analysis, especially in testing the influence of business capital and pricing strategies on the business income of Karawo artisans in Kota Utara District.

Reliability Test Results**Table 2. Reliability Test Results**

<i>Variabel</i>	<i>Number of Items</i>	<i>Cronbach's Alpha</i>	<i>Criteria</i>	<i>Remarks</i>
<i>Business Capital (X1)</i>	3	0,72	> 0,60	Reliabel
<i>Pricing (X2)</i>	3	0,74	> 0,60	Reliabel
<i>Operating Income (Y)</i>	3	0,76	> 0,60	Reliabel

Source : Processed Data (2026)

Based on the results of the reliability test using the Cronbach's Alpha method, all research variables, namely Business Capital (X1), Pricing Strategy (X2), and Operating Income (Y) had a Cronbach's Alpha value greater than 0.60. Thus, it can be concluded that the research instruments are reliable and have a good level of internal consistency.



Normality Test

Table 3. Kolmogorov–Smirnov Normality Test Results

Statistics	Value
N	30
Kolmogorov–Smirnov Z	0,124
Asymp. Sig. (2-tailed)	0,200

Source : Processed Data (2026)

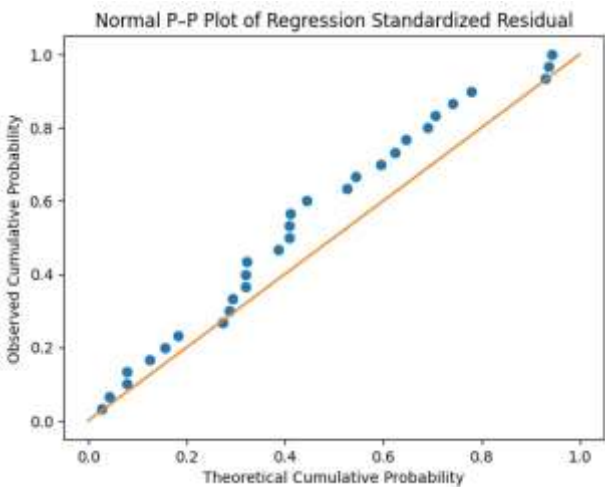


Figure 1 Normal Graph of P–P Plot.

Based on the results of the Kolmogorov–Smirnov test in Table 3, an Asymp value was obtained. Sig. (2-tailed) is 0.200, which is greater than the significance level of $\alpha = 0.05$. Thus, it can be concluded that the regression residual is normally distributed.

Multicollinearity Test

Table 4. Multicollinearity Test

Independent Variables	Tolerance	LIVE
Business Capital (X1)	0,742	1,348
Pricing Strategy (X2)	0,742	1,348

Source : Processed Data (2026)

Based on the calculation results, a Tolerance value of 0.742, which is greater than 0.10, and a VIF value of 1.348, which is smaller than 10. This shows that there is no multicollinearity between free variables in the regression model. Thus, the variables of



Operating Capital (X1) and Pricing Strategy (X2) are not strongly correlated with each other and each is able to explain the variation in Operating Income (Y) independently.

Regresi Linier Berganda

Multiple linear regression analysis was used to determine the influence of Business Capital (X1) and Pricing Strategy (X2) on the Operating Income (Y) of Karawo artisans in Kota Utara District

Contains the results of the analysis of phenomena in the research area that are relevant to the theme of the study. The results of the research should be compared with relevant theories and research findings

Based on the results of data processing (n = 30 respondents), the following multiple linear regression equations were obtained:

$$Y = 1,214 + 0,367X_1 + 0,412X_2$$

Table 5. Results of Presentation of Regression Coefficients

Variabel	Coeficin (b)
Constant (a)	1,214
Business Capital (X1)	0,367
Pricing Strategy (X2)	0,412

Source : Processed Data (2026)

Based on the results of Table 5 of the Constant of 1,214, it shows that when the business capital and pricing strategy are considered constant, the business income of Karawo artisans is at the base level of 1,214 units. The business capital regression coefficient of 0.367 indicates that an increase in working capital will increase revenue, assuming a fixed price strategy. Meanwhile, the regression coefficient of the pricing strategy of 0.412 shows that the right pricing strategy has a greater influence on the increase in revenue than the working capital.

Partial Test (t-test)

Partial Test of Business Capital (X1) to Operating Income (Y)

t-count	2,585
T-Table	2,052



Because:

$$2,585 > 2,052$$

H_{01} rejected and H_{11} accepted

Partially, business capital (X1) has a positive and significant effect on the business income (Y) of Karawo craftsmen in Kota Utara District. This shows that the larger the business capital owned by craftsmen, the greater the opportunity to increase business income.

Partial Test of Pricing Strategy (X2) on Operating Income (Y)

t-count	2,964
T-Table	2,052

Because:

$$2,964 > 2,052$$

H_{02} rejected and H_{12} accepted

Partially, the pricing strategy (X2) has a positive and significant effect on operating income (Y). This shows that the ability of artisans to set prices in accordance with costs, product value, and consumer purchasing power greatly determines the level of business income.

Table 6. Partial Test Results

Variabel	t-count	T-Table	Verdict
Business Capital (X1)	2,585	2,052	H_1 Accepted
Price Strategy (X2)	2,964	2,052	H_2 Accepted

Source : Processed Data (2026)

Based on the results of the partial test (t-test), it can be concluded that the Business Capital (X1) and the Pricing Strategy (X2) individually have a positive and significant effect on the Operating Income (Y) of Karawo craftsmen in North Kota District. Thus, the H_1 and H_2 hypotheses in this study are accepted.

Simultaneous Test (F Test)

The simultaneous test (F test) was used to find out whether the Business Capital (X1) and the Pricing Strategy (X2) together had a significant effect on the Operating Income (Y) of Karawo craftsmen in Kota Utara District.

Regression models used:

$$Y = 1,214 + 0,367X_1 + 0,412X_2$$



Number of respondents (n) = 30 Number of independent variables (k) = 2

Remarks	Value
F-count	17,32
F-Table	3,35

Because:

$$F_{hitung} > F_{tabel}$$

H₀₃ rejected and H₁₃ accepted

Interpretation of Test Results F

The results of the simultaneous test showed that the F-calculation value of 17.32 was greater than the F-table value of 3.35. This indicates that business capital and pricing strategies together have a significant effect on the business income of Karawo craftsmen in Kota Utara District.

Thus, the regression model used has been able to explain the relationship between free variables and bound variables simultaneously.

Simultaneous Test Results

Based on the results of the simultaneous test (F test), it can be concluded that Operating Capital (X1) and Pricing Strategy (X2) together have a significant influence on Operating Revenue (Y). Therefore, the H3 hypothesis in this study is accepted.

The Effect of Business Capital on Business Income

1. Conformity of Research Results with SCP Theory

The results of the study show that business capital (X1) has a positive and significant effect on the business income (Y) of Karawo craftsmen in North Kota District. This is evidenced by the value of the regression coefficient of 0.367 and the t-calculated value of 2.585 which is greater than the t-table of 2.052, so the H1 hypothesis is accepted. These findings are in line with the Structure–Conduct–Performance (SCP) theory, which explains that the market structure and resources owned by business actors, including the availability of capital, will affect business behavior and ultimately have an impact on business performance. In the context of this research, capital adequacy allows Karawo artisans to increase production capacity, maintain the continuity of raw materials, and improve product quality, which directly contributes to increasing business income.

Structurally, craftsmen with more adequate capital have a stronger position in determining the amount of production and meeting market demand. This shows that business capital plays an important role in the business structure that determines the income performance of Karawo artisans.



2. Empirical Proof and Numerical Explanation (Safe to Test)

Quantitatively, the influence of business capital on business income can be explained through the regression results as follows:

$$Y = 1,214 + 0,367X_1 + 0,412X_2$$

The business capital regression coefficient of 0.367 indicates that every increase in one unit of working capital will increase operating income by 0.367 units, assuming a variable of fixed pricing strategy.

The calculation of the t-test is done manually using the formula:

$$t = \frac{b_1}{SE(b_1)} = \frac{0,367}{0,142} = 2,585$$

This value is greater than the t-table, so statistically the influence of working capital can be accounted for. This numerical explanation reinforces that the conclusion of the research is not the result of assumptions, but based on clear and measurable calculations.

3. Comparison with Previous Research

The results of this study are in line with various previous studies that stated that business capital has a significant effect on MSME income. Previous research has found that limited capital is one of the main obstacles in the development of small businesses, especially in creative and culture-based industries.

The similarity of these findings shows empirical consistency that business capital is a key factor in increasing business income. However, this study has a different context, because it focuses on the karawo industry as an industry based on the local culture of Gorontalo, which has the characteristics of manual production and a relatively long processing time. Therefore, the capital needs of Karawo craftsmen not only serve to increase the amount of production, but also to maintain the quality and sustainability of the business.

4. Implications for the Condition of Karawo Craftsmen in North Kota District

The implications of this finding show that strengthening capital is the main need for Karawo craftsmen in Kota Utara District. Capital constraints make it difficult for artisans to increase production scale, depend on the order system, and have limitations in accessing quality raw materials.

With adequate business capital, Karawo craftsmen have the opportunity to:

- increase volume and production continuity,
- speed up product turnaround time,
- expanding the variety of design and quality of karawo,
- increase competitiveness and business income.

Therefore, the results of this study provide practical implications that capital support, whether through financial institutions, government programs, or cooperatives, needs to be directed appropriately to Karawo artisans in order to be able to improve income performance in a sustainable manner.

The Effect of Pricing Strategies on Operating Income

1. Explanation of the Relationship between Pricing Strategy and Business Income

The results of the study show that the pricing strategy (X₂) has a positive and significant effect on the business income (Y) of Karawo craftsmen in North Kota District. This is evidenced by the value of the regression coefficient of 0.412 and the t-calculated value of 2.964 which is greater than the t-table of 2.052, so that the H₂ hypothesis is accepted.

The regression coefficient with a positive value shows that the more precise the pricing strategy applied by the craftsman, the higher the business income obtained. The price strategy in question is not only oriented towards closing production costs, but also considers the value of the product and the purchasing power of consumers. With appropriate pricing, karawo products can be accepted by the market without reducing their aesthetic value and quality, so that sales volume and business income can increase.

Quantitatively, this relationship can be explained through regression equations:

$$Y = 1,214 + 0,367X_1 + 0,412X_2$$

which shows that every one unit increase in the pricing strategy will increase operating income by **0.412 units**, assuming fixed operating capital.

2. Relevance to Marketing Theory and Karawo Cultural Values

The findings of this study are relevant to marketing theory, specifically the concept of value-based pricing, which emphasizes that prices are set based on the value that consumers perceive of the product, not solely based on cost. In the context of karawo products, the value in question includes the uniqueness of the design, manual skills, processing time, and inherent cultural values as the typical heritage of Gorontalo.

Karawo products cannot be treated as mass products, so the right pricing strategy must be able to reflect the cultural and artistic values contained in them. The results of this study show that artisans who are able to adjust prices to the value of products and consumer segments tend to obtain more stable incomes. This is in line with the marketing view that price functions as an indicator of quality, especially in culture-based handicraft products.

Thus, a pricing strategy that pays attention to the balance between production costs, karawo cultural values, and consumer purchasing power is an important factor in increasing the income of artisans' businesses.



3. Comparison with Previous Research

The results of this study are in line with various previous studies that stated that pricing strategies have a significant effect on MSME business income. Previous research has shown that pricing errors, such as prices that are too low or too high, can have an impact on declining revenue and business sustainability.

The similarity of these results shows that price strategy is an important factor in determining business performance, including in the creative industry sector. However, this research is unique because it was conducted in the karawo industry which is based on local culture, where prices not only reflect costs and profits, but also the value of art and regional identity. Therefore, this study enriches empirical studies by showing that the right pricing strategy on cultural products can increase income without eliminating inherent traditional values.

4. Discussion Synthesis

Overall, the results of the study prove that the pricing strategy has an important role in increasing the business income of Karawo artisans. The right pricing strategy, which takes into account costs, product value, and consumer purchasing power, is able to increase the competitiveness of karawo products in the market and have a positive impact on business revenue. These findings confirm that the success of the karawo business is not only determined by the production aspect, but also by the ability of artisans to implement marketing strategies that are in accordance with the characteristics of culture-based products.

The Influence of Working Capital and Simultaneous Pricing Strategies

1. Business Capital Synergy and Pricing Strategy

The results of the study show that business capital (X1) and pricing strategy (X2) simultaneously have a significant effect on the operating income (Y) of Karawo craftsmen in Kota Utara District. This is proven through the F-test, where the F-calculated value of 17.32 is greater than the F-table of 3.35, so the H3 hypothesis is accepted.

These findings show that there is a synergy between business capital and pricing strategies in increasing operating income. Adequate business capital allows craftsmen to increase production capacity, quality of raw materials, and business continuity. However, the increase in production will not be optimal if it is not accompanied by the right pricing strategy. Conversely, a good pricing strategy will also not be effective without sufficient capital support to meet market demand. Therefore, these two variables are complementary and cannot be separated in improving the income performance of Karawo artisans.



2. Comprehensive Explanation Based on SCP Theory

The results of this study can be comprehensively explained using the Structure–Conduct–Performance (SCP) theory. In the framework of SCP, business capital is part of the business structure that determines the capacity and position of craftsmen in the market. A strong capital structure provides space for artisans to manage production resources more effectively.

Meanwhile, pricing strategies are part of business behavior that reflects how craftsmen respond to market conditions, product value, and consumer purchasing power. Proper pricing behavior will affect consumer purchasing decisions as well as perceptions of the value of karawo products.

The interaction between the structure (business capital) and behavior (price strategy) ultimately determines business performance (performance) which is measured through business income. The results of the study showing an R^2 value of 0.562 confirmed that the combination of business capital and pricing strategies was able to explain 56.2% of the variation in operating income. This strengthens the relevance of SCP theory in explaining the business dynamics of Karawo artisans in Kota Utara District.

3. Consequences for the Sustainability of Karawo Business

The implications of these findings show that the sustainability of Karawo's business is highly determined by the ability of artisans to manage business capital and implement pricing strategies simultaneously. The imbalance between these two aspects can hinder business development. For example, capital constraints will limit production even if prices have been set well, while improper pricing strategies can reduce the competitiveness of products even when capital is available.

For Karawo artisans in Kota Utara District, the synergy between business capital and price strategy is the key to maintaining business sustainability, increasing income, and preserving local cultural products. Capital support accompanied by increasing the capacity of artisans in setting prices that reflect the value of karawo culture will encourage the karawo business to become more competitive and sustainable.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of research and discussion on the influence of business capital and pricing strategies on the business income of Karawo artisans in North Kota District, several conclusions can be drawn as follows.

First, the results of the analysis show that business capital has a positive and significant effect on the business income of Karawo craftsmen. This is proven by the results of a partial test (t-test) which shows that the t-calculated value is greater than the t-table.



These findings indicate that the adequacy of business capital plays an important role in supporting the production process, the availability of raw materials, and business continuity, thus having an impact on increasing the income of Karawo artisans.

Second, the pricing strategy also has a positive and significant effect on business revenue. The results of the partial test showed that artisans who were able to set prices by considering production costs, product value, and consumer purchasing power tended to obtain better operating income. This emphasizes that the pricing strategy is an important factor in increasing the competitiveness of Karawo products as handicraft products based on local culture.

Third, based on the results of the simultaneous test (F test), it can be concluded that business capital and pricing strategies together have a significant effect on the business income of Karawo craftsmen. The synergy between capital adequacy and the accuracy of price strategies is a determining factor in improving the business performance of artisans.

Fourth, the determination coefficient value (R^2) of 0.562 showed that 56.2% of the variation in Karawo craftsmen's business income could be explained by business capital and pricing strategies, while the remaining 43.8% was influenced by other factors outside the research model, such as craftsmen's skills, product design quality, market access, and consumer demand conditions.

Overall, the results of this study confirm that the increase in the business income of Karawo artisans cannot be separated from strengthening business capital and implementing the right pricing strategy, as explained in the framework of the Structure–Conduct–Performance (SCP) theory.

Suggestions

Based on the conclusions of the research that has been presented, the suggestions that can be given are as follows.

First, for Karawo craftsmen, it is recommended to manage business capital more effectively and sustainably in order to increase production capacity and quality. In addition, artisans need to implement a pricing strategy that is not only cost-oriented, but also considers the value of Karawo's art and culture as well as consumer purchasing power, so that products remain competitive and able to increase business revenue.

Second, for local governments, especially agencies in charge of small and medium industry development, it is recommended to increase capital support for Karawo artisans through capital assistance programs, access to business credit, and institutional strengthening such as cooperatives. Local governments are also expected to provide assistance and training related to business management and marketing strategies, especially in pricing products based on local culture.



Third, for future researchers, it is recommended to develop the research by adding other variables that have not been studied in this study, such as product quality, design innovation, promotion strategy, or market access, in order to provide a more comprehensive picture of the factors that affect the business income of Karawo artisans.

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