

The Effect of Design Quality and Service Quality on Business Performance in Sewing Service SMEs in Lubuklinggau

Muhammad Farhan¹, Fatma Oktarendah², Metha Aditya³

¹Universitas PGRI Silampari, Jl. Mayor Toha, Air Kuti, Kec. Lubuklinggau Tim. I, Kota Lubuklinggau, Sumatera Selatan 31625

² Universitas PGRI Silampari, Jl. Mayor Toha, Air Kuti, Kec. Lubuklinggau Tim. I, Kota Lubuklinggau, Sumatera Selatan 31625

³Universitas PGRI Silampari, Jl. Mayor Toha, Air Kuti, Kec. Lubuklinggau Tim. I, Kota Lubuklinggau, Sumatera Selatan 31625
farhanpkp81@gmail.com

ARTICLE INFO



Received: 27 August 2026

Received in revised:

11 September 2026

Accepted: 1 October 2026

Published: 1 December 2026

Open Access

ABSTRACT

This study aims to determine and analyze the effect of design quality and service quality on business performance among sewing-service MSMEs in Lubuklinggau, both partially and simultaneously. This research employed a quantitative approach with a causal associative research design. The population consisted of sewing-service MSMEs in Lubuklinggau that met the research criteria, totaling 70 business units. The sample consisted of 33 respondents selected using purposive sampling. Data were collected through questionnaires using a Likert scale and observations. The data were analyzed using multiple linear regression with the assistance of SPSS 25, including validity, reliability, classical assumption, t-test, F-test, and coefficient of determination analyses. The results showed that design quality had a positive and significant effect on business performance, with a t-value of 6.328 and a significance value of $0.000 < 0.05$. Service quality also had a positive and significant effect on business performance, with a t-value of 7.352 and a significance value of $0.000 < 0.05$. Service quality had a more dominant effect than design quality. Simultaneously, design quality and service quality had a positive and significant effect on business performance, with an F-value of 50.416 and a significance value of $0.000 < 0.05$. The coefficient of determination (R^2) of 0.771 indicates that 77.1% of the variation in business performance can be explained by design quality and service quality, while the remaining 22.9% is influenced by other factors outside the research model. Therefore, improving design quality, particularly service quality, is an important factor in enhancing the business performance of sewing-service MSMEs in Lubuklinggau.

Keywords: Design Quality, Service Quality, Business Performance, MSMEs, Tailoring Services.

1. Introduction

The Indonesian national economy is highly dependent on micro, small, and medium enterprises (MSMEs). This sector not only plays an important role in driving the people's economy but also serves as a major source of employment for the majority of the population. According to data from the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, by the end of 2024, more than 30 million enterprises were expected to be registered through the single data collection system. MSMEs contribute more than 60% to the national Gross Domestic Product (GDP) and absorb 97% of the total national workforce (Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, 2024). This contribu-

tion demonstrates that the government, academics, and business actors themselves must continue to pay attention to the sustainability and performance improvement of MSMEs so that this sector can survive and grow amid increasingly complex business competition.

One of the MSME subsectors with unique characteristics and a relatively broad market is the tailoring or garment service business. This type of business operates in the production of clothing, either based on individual orders or to fulfill larger-scale needs such as uniforms, formal wear, and casual clothing. The continued growth of the fashion industry has also encouraged demand for tailoring services, as the clothing market has diverse segments in terms of age, gender,

* Corresponding author

E-mail addresses: farhanpkp81@gmail.com

2614-6983/ © 2026 P3M Politeknik Negeri Bengkalis. All rights reserved.

and types of clothing required by consumers. However, the increasing business opportunities in this sector are accompanied by growing competition among tailoring service providers. Therefore, each MSME is required to have its own competitive advantage in order to retain customers and expand its market share (Purwati et al., 2022).

Business competition in the tailoring sector has increasingly been experienced by MSME actors in developing cities, not only in major cities but also in cities such as Lubuklinggau. As one of the cities experiencing continuous economic and population growth, the demand for tailoring services in Lubuklinggau continues to increase, both for everyday clothing, school and institutional uniforms, and clothing for special occasions. This condition has encouraged the emergence of new tailoring businesses, resulting in increasingly intense competition among tailors and home-based garment businesses. In such a situation, business actors who rely solely on basic sewing skills without paying attention to design and service aspects tend to lose customers, as consumers now have more alternatives, including online tailoring services and garment businesses from outside the region that offer more varied designs.

Design quality has become one of the factors increasingly considered by consumers of tailoring services. Consumers no longer simply expect garments to be neatly sewn, but also demand models and designs that follow current fashion trends, suit their body shapes, and reflect their personal styles. In addition to increasing the visual appeal of a product, good design can enhance its value and serve as a distinguishing factor between one tailoring business and another (Sulistyo, 2023). A common phenomenon observed in the field is that some tailoring MSMEs in Lubuklinggau still offer relatively monotonous designs and are less responsive to fashion developments. As a result, some consumers, particularly younger consumers, tend to switch to tailoring service providers perceived as more creative and innovative in offering a variety of clothing models.

In addition to design quality, service quality is another important factor that influences customer perceptions and satisfaction with tailoring services. Good service quality is reflected in the timely completion of orders, friendliness in communicating with customers, willingness to accept feedback or design revisions, and the ability to consistently meet customer expectations (Halim et al., 2021). In practice, a number of tailoring MSMEs in Lubuklinggau still face customer complaints regarding delays in completing orders, insufficient communication concerning the progress of work, and discrepancies between the finished garments and the customers' initial requests. Such conditions have the potential to reduce customer trust and satisfaction, which may ultimately have a direct impact on the sustainability and overall performance of the business (Shaff et al., 2024).

Business performance is an important indicator that reflects the success of an MSME in carrying out its business activities. It can be measured through indicators such as revenue growth, an increase in the number of customers, operational

efficiency, and long-term business sustainability. Good business performance is influenced by various internal and external variables, including the quality of products or designs offered and the quality of services provided to customers (Pakpahan, 2021). If these two aspects are not properly managed, tailoring MSMEs may face stagnation or even a decline in performance, as reflected in decreasing order volumes and increasingly intense competition with similar businesses. Similar challenges have been encountered by various garment MSMEs in different regions due to weak design innovation and service quality (Luthfiyah & Fadila, 2021).

Based on the aforementioned phenomena, there appears to be a gap between consumer expectations regarding the quality of designs and tailoring services and the actual conditions still found among some tailoring MSMEs in Lubuklinggau. On the one hand, the tailoring service market in the city has considerable potential due to regional economic growth and the significant contribution of MSMEs to the national economy (People's Consultative Assembly of the Republic of Indonesia, 2024; DPP GAPEMBI, 2024). On the other hand, not all business actors have been able to optimize design quality and service quality as strategies for improving their business performance. In fact, the sustainability of MSMEs largely depends on their ability to adapt to continuously changing market needs and expectations (Directorate General of Treasury, Ministry of Finance of the Republic of Indonesia, 2022). This condition highlights the need for scientific investigation to determine the extent to which design quality and service quality influence the business performance of tailoring MSMEs in Lubuklinggau.

2. Literature Review

2.1 Resource-Based View (RBV)

This theory was first introduced by Wernerfelt (1984) and further developed by Barney (1991), who emphasized that a firm's competitive advantage and value arise from its ability to manage internal resources, both tangible resources (assets, capital, and technology) and intangible resources (skills, creativity, and managerial capabilities) (Barney, 1991, as cited in Nakhwah, 2025). Barney classified strategic resources into four categories, known as the VRIN framework: valuable, rare, inimitable, and non-substitutable. Resources that meet all four criteria can serve as the foundation for firms, including MSMEs, to achieve sustainable competitive advantage while simultaneously improving their business performance.

In the context of sewing-service MSMEs, design quality and service quality can be viewed as internal capabilities (intangible resources) possessed and managed by business owners. Design quality reflects creative and innovative capabilities in producing valuable, unique, and difficult-to-imitate clothing products, while service quality reflects managerial and relational capabilities in building customer trust and satisfaction. The Resource-Based View (RBV) framework is widely used to explain variations in business marketing tactics and levels of

competitiveness, as the core of RBV is that a company's ability to access, control, and properly manage its resources determines how competitive and how well the company performs (Raharjo & Siregar, 2022). Therefore, if sewing-service MSMEs are able to manage design quality and service quality as strategic resources that are valuable, rare, and difficult to imitate, their business performance is theoretically expected to improve sustainably.

2.2 Design Quality Theory

Product design is one of the aspects that determines a product's attractiveness and added value in the eyes of consumers. Design quality can be defined as the totality of a product's characteristics in terms of form, style, and function that are able to fulfill customers' functional and aesthetic needs. A well-designed product is not only visually attractive but can also differentiate the product from competitors and increase its selling value (Sulistyo, 2023).

Kotler and Keller, as described by Sulistyo (2023), explain that product quality, including design, can be measured through several dimensions: (1) form, which relates to the product's size, physical structure, and model; (2) features, namely additional characteristics that complement the basic function of the product; (3) performance quality, referring to the basic level of product quality when operated or used; (4) conformance quality, namely the degree to which the product conforms to the promised specifications; (5) durability, referring to the product's ability to withstand long-term use; (6) style, namely the product's appearance that provides a distinctive appeal to consumers; and (7) design itself, which represents the totality of characteristics that influence the appearance and function of a product based on consumer needs. In the context of sewing-service MSMEs, these dimensions are reflected in the variety of clothing models, the suitability of garment cuts to customers' body shapes, the accuracy of sewing details, and the tailor's ability to follow the latest fashion trends.

2.3 Service Quality Theory

Service quality is defined as an effort to fulfill customers' needs and desires through fast and accurate service delivery in order to meet customer expectations regarding a service. Service quality is more complex than product quality because it involves direct interaction between service providers and customers. Therefore, its evaluation is strongly influenced by each customer's experience and perception (Halim et al., 2021).

Five dimensions are commonly used to measure service quality, as adapted in service marketing studies by Halim et al. (2021), namely: (1) tangibles, referring to the appearance of physical facilities, equipment, and service providers; (2) reliability, referring to the ability to provide services accurately, consistently, and on time as promised; (3) responsiveness, referring to the willingness to assist customers and provide prompt service; (4) assurance, referring to the knowledge, courtesy, and ability of employees to

build customer trust; and (5) empathy, referring to personal care and attention to customers' needs. In tailoring services, these five dimensions are reflected in the neatness of the business premises, timely completion of orders, prompt responses to complaints or revision requests, the tailor's expertise and friendliness, and the willingness to listen to each customer's specific needs.

2.4 Business Performance Theory

Business performance refers to the results achieved by a business unit within a certain period, reflecting the extent to which the business has successfully achieved its established objectives. Good business performance is indicated by consistent improvements in the company's key operational and financial aspects and serves as an indicator of the effectiveness of managing the resources owned by the business (Pakpahan, 2021).

Common indicators used to measure business performance, particularly in MSMEs, include sales or revenue growth, customer growth, operational cost efficiency, profitability, and long-term business sustainability. In line with the RBV perspective, superior business performance is a consequence of a company's ability to effectively manage internal resources that are valuable, rare, difficult to imitate, and non-substitutable, thereby creating a competitive advantage that ultimately leads to improved performance (Raharjo & Siregar, 2022). In sewing-service MSMEs, business performance can be observed through an increase in the number of orders, growth in regular customers, and the ability of the business to continue operating and developing amid competition.

2.5 Theoretical Framework and Hypothesis Development

This study uses the Resource-Based View (RBV) as the grand theory underlying the relationship between design quality, service quality, and business performance. RBV explains that a business can achieve competitive advantage and improve its performance through the effective management of valuable, rare, difficult-to-imitate, and non-substitutable internal resources. In sewing-service MSMEs, design quality and service quality can be viewed as intangible internal capabilities owned and managed by business owners. Design quality reflects creative and innovative capabilities in producing valuable and distinctive clothing products, while service quality reflects managerial and relational capabilities in building customer trust and satisfaction.

Based on this perspective, differences in the performance of sewing-service MSMEs can be explained by differences in the quality of internal resources and capabilities possessed by each business. Therefore, the ability of sewing-service MSMEs to manage design quality and service quality effectively is expected to contribute to competitive advantage and improved business performance.

The theoretical framework of this study places design quality (X1) and service quality (X2) as independent variables and business per-

formance (Y) as the dependent variable. Both independent variables are expected to influence business performance, either partially or simultaneously.

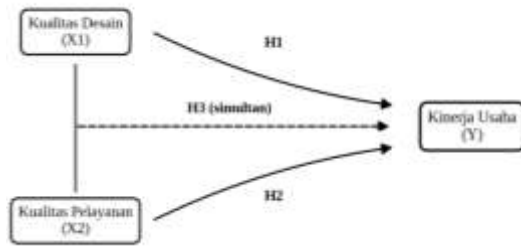


Figure 1. The conceptual framework

Based on this integrated theoretical foundation and the research gaps identified, the following conceptual framework and hypotheses are proposed:

2.6 Research Hypotheses

1. The Effect of Design Quality on Business Performance

Design quality is one of the internal capabilities that, from the RBV perspective, can become a source of competitive advantage when it provides valuable and distinctive characteristics that are difficult for competitors to imitate. In tailoring services, innovative designs, designs that follow current fashion trends, and designs that meet customer needs can increase product attractiveness and differentiate the business from its competitors.

Better design quality can increase customer satisfaction, encourage repeat purchases, and generate recommendations to other potential customers. These conditions can ultimately contribute to increased sales or revenue and customer growth. This relationship is supported by Sulisty (2023), who found that product design has a positive and significant effect on consumer purchasing decisions. In addition, Luthfiyah and Fadila (2021) found that limited design variation can become a weakness that hinders the performance of tailoring businesses. Therefore, design quality that is managed effectively is expected to contribute directly to improved business performance in sewing-service MSMEs.

H1: Design quality has a significant effect on business performance in sewing-service MSMEs in Lubuklinggau.

2. The Effect of Service Quality on Business Performance

Service quality is also an important internal capability that plays a role in shaping customers' perceptions and trust toward sewing-service MSMEs. Reliable, responsive, and empathetic services can provide positive customer experiences, which may increase customer loyalty and encourage repeat transactions.

Conversely, poor service, such as delays in completing orders or inadequate communica-

tion with customers, may reduce customer trust and cause customers to switch to competing businesses. This relationship is supported by Shaff, Andrian, and Anas (2024), who found that service quality has a significant effect on consumer satisfaction in MSMEs. Furthermore, Pakpahan (2021) emphasizes that the quality of internal resource management, including service capabilities, contributes positively to business performance. Therefore, superior service quality is expected to become one of the factors determining improved business performance among sewing-service MSMEs.

H2: Service quality has a significant effect on business performance in sewing-service MSMEs in Lubuklinggau.

3. The Simultaneous Effect of Design Quality and Service Quality on Business Performance

From the RBV perspective, optimal competitive advantage and business performance are generally not produced by a single resource alone, but rather through the combination of complementary internal resources and capabilities. Design quality that is attractive but not supported by good service may be insufficient to retain customers in the long term. Likewise, friendly and responsive service without high-quality products and designs may not be sufficient to create overall customer satisfaction.

Therefore, design quality and service quality are expected to have a stronger effect when they are managed simultaneously and integrated into the business development strategy. Purwati et al. (2022) also support this argument by showing that marketing strategies combining product design innovation and service improvement can contribute to the development of MSME-scale clothing businesses.

Thus, the simultaneous management of design quality and service quality is expected to have a significant effect on business performance in sewing-service MSMEs in Lubuklinggau.

H3: Design quality and service quality simultaneously have a significant effect on business performance in sewing-service MSMEs in Lubuklinggau.

3. Method

This study employed a quantitative approach with a causal associative research design. The quantitative approach was used to examine the relationship between measurable variables based on numerical data obtained from respondents. The causal associative design was selected to analyze the influence of design quality (X1) and service quality (X2) on business performance (Y) among sewing-service MSMEs in Lubuklinggau. Data were collected through a survey using a structured questionnaire and subsequently analyzed statistically to test the proposed hypotheses.

3.1 Research Model

The research model was developed to explain the causal relationships between Design Quality, Service Quality, and Business Performance among sewing-service MSMEs in Lubuklinggau. Conceptually, this research is based on the

Resource-Based View (RBV), which views internal resources and capabilities as important factors in creating competitive advantage and improving business performance. In the context of sewing-service MSMEs, design quality represents the creative and innovative capabilities of business owners in producing clothing products that are attractive, valuable, and distinctive, while service quality represents managerial and relational capabilities in providing services, building customer trust, and maintaining customer relationships.

Design quality is expected to influence business performance because attractive, innovative, and customer-oriented designs can increase product appeal, differentiate the business from competitors, encourage repeat purchases, and potentially increase sales and customer growth. Meanwhile, service quality is expected to influence business performance because reliable, responsive, and customer-oriented services can create positive customer experiences, strengthen customer trust, and encourage repeat transactions. Thus, both design quality and service quality are considered internal capabilities that can contribute to improving the performance of sewing-service MSMEs.

Furthermore, the research model assumes that Design Quality and Service Quality simultaneously influence Business Performance. From the RBV perspective, competitive advantage and optimal business performance are not necessarily generated by a single resource, but can arise from the combination of complementary internal resources and capabilities. Therefore, attractive design quality supported by good service quality is expected to provide greater value to customers and strengthen the ability of sewing-service MSMEs to compete and sustain their businesses.

Based on this framework, Design Quality (X1) and Service Quality (X2) are positioned as independent variables, while Business Performance (Y) is positioned as the dependent variable. The model examines the partial effects of design quality and service quality on business performance, as well as their simultaneous effect. This model is intended to provide an empirical explanation of how the management of internal capabilities in the form of design and service quality can contribute to the improvement of business performance among sewing-service MSMEs in Lubuklinggau.

3.2 Research Location and Time

This study was conducted among sewing-service MSMEs located within the administrative area of Lubuklinggau, South Sumatra Province, which are distributed across several districts, including Lubuklinggau Timur, Lubuklinggau Barat, Lubuklinggau Utara, and Lubuklinggau Selatan. The research was planned to be conducted over a period of approximately two to three months, beginning with the initial

observation and development of research instruments, followed by questionnaire distribution to respondents, and concluding with data processing and analysis.

3.3 Population and Sample

The population of this study consisted of sewing-service MSMEs operating in Lubuklinggau, South Sumatra. Based on field observations conducted in 2026, there were 70 sewing-service MSMEs that met the predetermined population criteria. The criteria included businesses that actively operated in Lubuklinggau, had been operating for 1–5 years, had at least two permanent tailors, had regular customers, and were willing to participate as respondents.

The sample was determined using purposive sampling, a sampling technique based on specific considerations and criteria established according to the objectives of the study. This technique was selected because not all sewing-service MSMEs in Lubuklinggau met the characteristics required for the research. The minimum sample size was determined using the Slovin formula with a 5% margin of error. Based on a population of 70 MSMEs, the minimum sample obtained was 33 respondents. The respondents were the owners or managers of sewing-service MSMEs who met the predetermined criteria.

3.4 Research Instrument

1. Questionnaire

The research instrument used in this study was a structured questionnaire developed based on the indicators of the research variables and the relevant theoretical foundations. The questionnaire was selected as the main instrument because this study employed a quantitative approach and survey method to obtain primary data directly from respondents. The questionnaire was distributed directly to the owners or managers of sewing-service MSMEs in Lubuklinggau.

The questionnaire consisted of three main sections, each measuring one research variable. The first section contained 8 statements measuring Design Quality (X1), the second section contained 8 statements measuring Service Quality (X2), and the third section contained 8 statements measuring Business Performance (Y). Therefore, the questionnaire consisted of a total of 24 statements that were answered by each respondent.

The instrument used a five-point Likert scale to measure respondents' perceptions of each statement. The response categories consisted of (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, and (5) Strongly Agree, with scores ranging from 1 to 5. This measurement scale was used consistently for all research variables.

The questionnaire items for Design Quality (X1) covered indicators related to clothing model variation, suitability of garment cuts to customers' body shapes, accuracy of sewing details, ability to follow fashion trends, and uniqueness or distinctive characteristics of the design. Service Quality (X2) was measured through the five SERVQUAL dimensions, namely tangibles, reliability, responsiveness, assurance, and empathy.

Meanwhile, Business Performance (Y) was measured based on indicators reflecting business sales or revenue growth, customer growth, operational efficiency, profitability, and business sustainability.

2. Observation

In addition to the questionnaire, this study also employed direct observation as a supporting data collection technique. Observation was conducted by visiting sewing-service MSMEs in Lubuklinggau to obtain a direct overview of the conditions of the businesses, production processes, and interactions between business owners and customers. The observation focused on aspects related to design quality, service quality, and business performance, such as the variety and characteristics of clothing designs, the tailoring process, the condition of the business premises, the way tailoring services were provided, and interactions with customers.

The observation data were used as supporting information to provide a more comprehensive understanding of the phenomena examined in the study. The observation results were not used as the primary data for statistical analysis, as the main quantitative data were obtained through questionnaires distributed to the selected respondents. This procedure follows the research design in which observation serves to enrich the researcher's understanding of the actual conditions of sewing-service MSMEs in Lubuklinggau.

3.5 Data Analysis Technique

1. Validity Test

Validity testing is used to determine whether a questionnaire is valid or not. A questionnaire is considered valid if its questions are able to measure and reveal what is intended to be measured (Ghozali, 2021). In this study, validity was tested using the Pearson Product Moment correlation technique. In other words, the score of each statement item was correlated with the total score of the variable.

2. Reliability Test

The reliability test is used to evaluate the questionnaire as an indicator of a variable. A questionnaire is considered reliable if a respondent's answers to the statements are consistent or stable over time. In this study, reliability was tested using Cronbach's Alpha method. An instrument is considered reliable if the Cronbach's Alpha value is ≥ 0.60 (Ghozali, 2021).

3. Classical Assumption Test

Before conducting multiple linear regression analysis, this study first performed classical assumption tests to ensure that the resulting regression model meets the BLUE (Best Linear Unbiased Estimator) criteria. The classical assumption tests include the normality test, multicollinearity test, and heteroscedasticity test. The normality test is used to determine whether the disturbance variables or residuals in the regression model are normally distributed (Ghozali, 2021). In this study, the normality test was conducted using the Kolmogorov-Smirnov Test, with the criterion that if the significance value (Asymp. Sig.) is > 0.05 , the data are normally distributed, whereas if the significance

value is ≤ 0.05 , the data are not normally distributed. The multicollinearity test aims to determine whether there is a correlation among the independent variables in the regression model, with the criteria that a Tolerance value > 0.10 and VIF < 10 indicate that the regression model is free from multicollinearity (Ghozali, 2021). Furthermore, the heteroscedasticity test aims to determine whether there is an inequality of residual variance from one observation to another in the regression model; therefore, a good regression model is one that does not experience heteroscedasticity.

4. Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine the effect of two or more independent variables on one dependent variable (Sugiyono, 2022). In this study, multiple linear regression analysis is used to examine the effect of design quality (X_1) and service quality (X_2) on business performance (Y), both partially and simultaneously. The multiple linear regression equation model used in this study is as follows:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Description:

Y	=	Business	Performance
a	=	Constant (the value of Y when X_1 and $X_2 = 0$)	
b_1	=	Regression coefficient of Design Quality (X_1)	
b_2	=	Regression coefficient of Service Quality (X_2)	
X_1	=	Design	Quality
X_2	=	Service	Quality
e	=	Error	

This analysis aims to determine the direction and magnitude of the effect of each independent variable on business performance.

5. Hypothesis Testing

Hypothesis testing is conducted to determine the significance of the effect of the independent variables on the dependent variable. The t-test (partial) is used to determine the effect of each independent variable individually on the dependent variable. If the significance value is < 0.05 , the hypothesis is accepted. The F-test (simultaneous) is used to determine the joint effect of the independent variables on the dependent variable. If the significance value is < 0.05 , the regression model is considered significant. In addition, the coefficient of determination (R^2) is used to determine the extent to which the independent variables contribute to explaining the dependent variable. An R^2 value close to 1 indicates that the model has a stronger ability to explain variations in the dependent variable.

4. Results and Discussion

4.1 Respondent Characteristics

The research was conducted among tailoring MSMEs in Lubuklinggau, involving a total of 33 respondents. The researcher obtained an overview of the respondents' profiles based on age, gender, and length of business operation.

1. Respondent Profile Based on Age

Picture 5. Design Quality Validity Test

The results show that all 8 statement items of the Design Quality (X_1) variable have r-count values greater than the r-table value. Based on the validity test using the Pearson correlation with 33 respondents ($N = 33$), the r-table value at a 5% significance level with $df = N - 2 = 31$ is 0.344. The analysis results indicate that all question items have r-count values greater than the r-table value, namely $X_{1.1}$ (0.936), $X_{1.2}$ (0.894), $X_{1.3}$ (0.904), $X_{1.4}$ (0.853), $X_{1.5}$ (0.866), $X_{1.6}$ (0.833), $X_{1.7}$ (0.846), and $X_{1.8}$ (0.854), with a significance value (Sig. 2-tailed) of 0.000 for all items, which is less than 0.01. Therefore, it can be concluded that all eight question items for the X_1 variable are valid and suitable for use as research instruments.

		X2.1	X2.2	X2.3	X2.4	X2.5	X2.6	X2.7	X2.8	X2
X1.1	Pearson Correlation	1	.872	.818	.865	.896	.898	.874	.881	.805
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
X1.2	Pearson Correlation	.872	1	.841	.865	.870	.868	.772	.884	.895
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
X1.3	Pearson Correlation	.818	.841	1	.881	.865	.775	.807	.845	.887
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.000	0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
X1.4	Pearson Correlation	.865	.865	.881	1	.836	.825	.828	.825	.780
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000	0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
X1.5	Pearson Correlation	.896	.870	.865	.836	1	.852	.828	.730	.807
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		0.000	0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
X1.6	Pearson Correlation	.898	.868	.775	.825	.852	1	.888	.888	.812
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000		0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
X1.7	Pearson Correlation	.874	.772	.807	.828	.828	.888	1	.885	.790
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000		0.000	0.000
	N	33	33	33	33	33	33	33	33	33
X1.8	Pearson Correlation	.881	.884	.845	.825	.730	.888	.885	1	.843
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
	N	33	33	33	33	33	33	33	33	33
X2	Pearson Correlation	.805	.895	.887	.780	.807	.812	.790	.843	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
	N	33	33	33	33	33	33	33	33	33

**. Correlation is significant at the 0.01 level (2-tailed).

Picture 6. Service Quality Validity Test

The results show that all 8 statement items of the Service Quality (X_2) variable have r-count values greater than the r-table value. Based on the validity test using the Pearson correlation with 33 respondents ($N = 33$), the r-table value at a 5% significance level with $df = N - 2 = 31$ is 0.344. The analysis results indicate that all question items for the X_2 variable have r-count values greater than the r-table value, namely $X_{2.1}$ (0.825), $X_{2.2}$ (0.865), $X_{2.3}$ (0.851), $X_{2.4}$ (0.780), $X_{2.5}$ (0.832), $X_{2.6}$ (0.812), $X_{2.7}$ (0.780), and $X_{2.8}$ (0.843), with a significance value (Sig. 2-tailed) of 0.000 for all items, which is less than 0.01. Therefore, it can be concluded that all eight question items for the X_2 variable are valid and suitable for use as research instruments.

		Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y
Y1	Pearson Correlation	1	.817	.845	.874	.843	.893	.827	.893	.817
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
Y2	Pearson Correlation	.817	1	.794	.868	.804	.804	.827	.893	.845
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
Y3	Pearson Correlation	.845	.794	1	.874	.827	.893	.827	.893	.817
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.000	0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
Y4	Pearson Correlation	.874	.868	.874	1	.843	.893	.827	.893	.817
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000	0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
Y5	Pearson Correlation	.843	.804	.827	.843	1	.893	.827	.893	.817
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		0.000	0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
Y6	Pearson Correlation	.893	.804	.893	.893	.893	1	.827	.893	.817
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000		0.000	0.000	0.000
	N	33	33	33	33	33	33	33	33	33
Y7	Pearson Correlation	.827	.827	.827	.827	.827	.827	1	.827	.817
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000		0.000	0.000
	N	33	33	33	33	33	33	33	33	33
Y8	Pearson Correlation	.893	.893	.893	.893	.893	.893	.893	1	.817
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
	N	33	33	33	33	33	33	33	33	33

Picture 7. Business Performance Validity Test

The results show that all 8 statement items of the Business Performance (Y) variable have r-count values greater than the r-table value. Based on the validity test using the Pearson correlation with 33 respondents ($N = 33$), the r-table value at a 5% significance level with $df = N - 2 = 31$ is 0.344. The analysis results indicate that all question items for the Y variable have r-count values greater than the r-table value, namely Y_1 (0.817), Y_2 (0.845), Y_3 (0.794), Y_4 (0.843), Y_5 (0.893), Y_6 (0.804), Y_7 (0.827), and Y_8 (0.793), with a significance value (Sig. 2-tailed) of 0.000 for all items, which is less than 0.01. Therefore, it can be concluded that all eight question items for the Y variable are valid and suitable for use as research instruments.

2. Reliability Test

The reliability test is used to determine whether the research instrument is reliable or not. In this study, reliability was assessed using Cronbach's Alpha, with an instrument considered reliable if the Cronbach's Alpha value is greater than 0.60. The results of the reliability test are presented in the table below.

Table 1. Reliability Test

No. Items	Variable Description	Cronbach's Alpha Number	of
1	Design Quality (X_1) Reliable	0.954	8
2	Service Quality (X_2) Reliable	0.931	8
3	Business Performance (Y) Reliable	0.933	8

Based on the summary of data presented in Table 4.7, the results of the reliability test using Cronbach's Alpha show that the Design Quality variable (X_1) has a Cronbach's Alpha value of 0.954, the Service Quality variable (X_2) has a value of 0.931, and the Business Performance variable (Y) has a value of 0.933, with each variable consisting of 8 question items. Since all Cronbach's Alpha values are above 0.90 and substantially exceed the minimum reliability threshold of 0.60, it can be concluded that the

three research instruments (X_1 , X_2 , and Y) are highly reliable (excellent) and suitable for consistently measuring the variables in this study.

4.3 Classical Assumption Test

Before conducting multiple linear regression analysis, a classical assumption test was first conducted to ensure that the regression model used met the requirements of the Best Linear Unbiased Estimator (BLUE). The classical assumption tests included the normality test, multicollinearity test, and heteroscedasticity test.

1. Normality Test

The normality test aims to determine whether the residual data in the regression model are normally distributed. A good regression model is one in which the residual data are normally distributed. In this study, normality was tested using the One-Sample Kolmogorov-Smirnov Test, with the results presented in the table below.

		Unstandardized Residual
N		33
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.4622409
Most Extreme Differences	Absolute	.081
	Positive	.073
	Negative	-.081
Test Statistic		.081
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Picture 8. Normality Test

Based on the results of the normality test presented in Table 4.8, the One-Sample Kolmogorov-Smirnov Test conducted on the residual data from 33 respondents ($N = 33$) produced a Test Statistic value of 0.081 and an Asymp. Sig. (2-tailed) value of 0.200. The Test Statistic value of 0.081 represents the largest absolute difference between the observed cumulative distribution of the residual data and the theoretical normal cumulative distribution, with the maximum difference occurring between the positive difference of 0.073 and the negative difference of -0.081 . Meanwhile, the Asymp. Sig. (2-tailed) value of 0.200 is based on the Lilliefors Significance Correction, which is applied because the mean and standard deviation of the normal distribution are estimated from the sample data. The residual standard deviation is 2.4622409, indicating the variation or spread of the residual values around their mean. Since the significance value of 0.200 is greater than 0.05 ($0.200 > 0.05$), it can be concluded that the residual data in this study are normally distributed. Therefore, the normality assumption is satisfied, and the regression model is appropriate for further analysis.

2. Multicollinearity Test

The multicollinearity test aims to determine whether a high correlation exists among the independent variables in the regression model. A good regression model should not have a correlation

among the independent variables. In this study, multicollinearity was tested by examining the Tolerance and Variance Inflation Factor (VIF) values. A model is considered free from multicollinearity if the Tolerance value is > 0.10 and the

Model		Unstandardized Coefficients		Standardized Coefficients		t		Sig.		Collinearity Statistics	
		B	Std. Error	Beta						Tolerance	VIF
1	(Constant)	-3.545	2.257			-1.569	.068				
	KUALITAS DESAIN	.512	.081	.555		6.328	.000	.000		1.005	
	KUALITAS PELAYANAN	.635	.089	.644		7.132	.000	.000		1.005	

a. Dependent Variable: KEBERHASILAN

VIF value is < 10 .

Picture 9. Multicollinearity Test

Based on the multicollinearity test results presented in Table 4.9, the multiple linear regression analysis produced the regression equation $Y = -3.545 + 0.512X_1 + 0.635X_2$. The Design Quality variable has a t-count value of 6.328 with a significance value of 0.000 (< 0.05), while the Service Quality variable has a t-count value of 7.352 with a significance value of 0.000 (< 0.05). These results indicate that both variables have a positive and significant effect on Business Performance, with Service Quality having a relatively stronger effect (Beta = 0.644) than Design Quality (Beta = 0.555). Furthermore, the multicollinearity test results show that both independent variables have a Tolerance value of 0.995 (> 0.10) and a VIF value of 1.005 (< 10). Therefore, it can be concluded that there is no multicollinearity among the independent variables in the regression model.

3. Heteroscedasticity Test

The heteroscedasticity test aims to determine whether there is unequal variance of residuals from one observation to another in the regression model. A good regression model is one that does not exhibit heteroscedasticity and is therefore considered homoscedastic. In this study, the Glejser test was used by regressing the absolute residual values against the independent variables. If the significance value of each independent variable is > 0.05 , it can be concluded that heteroscedasticity does not occur in the regression model.

Model		Unstandardized Coefficients		Standardized Coefficients		t		Sig.	
		B	Std. Error	Beta					
1	(Constant)	1.743	1.651			1.049		.303	
	KUALITAS DESAIN	-0.025	0.049	-0.093		-0.513		.612	
	KUALITAS PELAYANAN	0.033	0.052	0.114		0.628		.535	

a. Dependent Variable: Abs_RES

Picture 10. Heteroscedasticity test

Based on the heteroscedasticity test results presented in Figure 4.8, the Glejser test, which regressed the absolute residual values (Abs_RES) against the independent variables, showed a significance value of 0.612 for the Design Quality variable (with a t-count of -0.513 and $B = -0.025$) and 0.535 for the Service Quality variable (with a t-count of 0.628 and $B = 0.033$). Since the significance values of both variables are greater than 0.05 ($0.612 > 0.05$ and $0.535 > 0.05$), it can be concluded that there is no

indication of heteroscedasticity in the regression model for either Design Quality or Service Quality. These results support the findings of the previous scatterplot test, indicating that the regression model in this study satisfies the homoscedasticity assumption and is suitable for further analysis.

4.4 Multiple Linear Regression Analysis

This study employs multiple linear regression analysis to examine the effects of the independent variables, namely Design Quality (X_1) and Service Quality (X_2), on Business Performance (Y) as the dependent variable.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Err.	Beta			
1	(Constant)	-3.545	2.757			-1.286	.208
	KUALITAS DESAIN	.512	.991	.555		6.328	.000
	KUALITAS PELAYANAN	.635	.895	.644		7.352	.000

a. Dependent Variable: KINERJA USAHA

Picture 11. Multiple Linear Regression Analysis

Based on the data presented in Table 4.9, the results of the multiple linear regression analysis produced the equation $Y = -3.545 + 0.512X_1 + 0.635X_2$, with a t-table value of 2.042 at a 5% significance level ($df = 33 - 2 - 1 = 30$). The Design Quality variable has a t-count value of 6.328, which is greater than the t-table value, with a significance value of 0.000 (< 0.05). Meanwhile, the Service Quality variable has a t-count value of 7.352, which is also greater than the t-table value, with a significance value of 0.000 (< 0.05). Therefore, both variables have a positive and significant partial effect on Business Performance, with Service Quality having a relatively more dominant effect (Beta = 0.644) than Design Quality (Beta = 0.555).

- 1.) The regression equation can be interpreted as follows. First, the constant value of -3.545 indicates the estimated value of Business Performance when Design Quality and Service Quality are equal to zero. The constant has a t-count of -1.286 and a significance value of 0.208, indicating that it is not statistically significant because $0.208 > 0.05$. However, the constant remains an essential component of the regression equation as the intercept.
- 2.) Design Quality (X_1) has a regression coefficient (B) of 0.512, with a t-count of 6.328 and a significance value of 0.000. Since the t-count is greater than the t-table value ($6.328 > 2.042$) and the significance value is less than 0.05, Design Quality has a positive and significant effect on Business Performance. This means that every one-unit increase in Design Quality is associated with an increase of 0.512 units in Business Performance, assuming Service Quality remains constant (*ceteris paribus*). The Beta value of 0.555 indicates a relatively strong contribution of Design Quality to Business Performance.
- 3.) Service Quality (X_2) has a regression coefficient (B) of 0.635, with a t-count of 7.352 and a significance value of 0.000. Since the t-count is greater than the t-table value ($7.352 > 2.042$) and the significance value is less than 0.05, Service Quality has a positive and significant effect on Business Performance.

This means that every one-unit increase in Service Quality is associated with an increase of 0.635 units in Business Performance, assuming Design Quality remains constant. The Beta value of 0.644 indicates that Service Quality has a greater relative contribution than Design Quality, making Service Quality the most dominant factor affecting Business Performance in this regression model.

4.5 Hypothesis Testing

Hypothesis testing is conducted to determine whether the proposed hypotheses in this study are accepted or rejected based on the results of statistical analysis. In this study, hypothesis testing is used to examine the effects of Design Quality (X_1) and Service Quality (X_2) on Business Performance (Y). The hypothesis testing consists of a partial test (t-test) to determine the individual effect of each independent variable on the dependent variable and a simultaneous test (F-test) to determine the joint effect of the independent variables on the dependent variable. In addition, the coefficient of determination (R^2) is used to determine the extent to which the independent variables can explain variations in the dependent variable.

1. Partial Test (t-Test)

The t-test is used to examine the effect of each independent variable on the dependent variable partially.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Err.	Beta			
1	(Constant)	-3.545	2.757			-1.286	.208
	KUALITAS DESAIN	.512	.991	.555		6.328	.000
	KUALITAS PELAYANAN	.635	.895	.644		7.352	.000

a. Dependent Variable: KINERJA USAHA

Picture 12. Partial Test (t-Test)

Based on the picture, the partial test was conducted to determine the individual effect of each independent variable, namely Design Quality and Service Quality, on the dependent variable, Business Performance. The critical t-table value was determined at a 5% significance level using the degrees of freedom formula $df = n - k$. Based on the sample size and the number of independent variables used ($33 - 2 = 31$), the t-table value used as the reference was 1.697. The results of the testing for each variable are presented as follows:

- 1.) The Design Quality (X_1) variable obtained a t-count value of 6.328, which is greater than the t-table value of 1.697, with a significance value of 0.000, which is less than 0.05. These results indicate that H_1 is accepted, meaning that Design Quality (X_1) has a positive and significant partial effect on Business Performance (Y).
- 2.) The service quality variable obtained a t-value of 7.352, which is greater than the t-table value of 1.697, and a significance value of 0.000, which is less than 0.05. These results indicate that H_2 is accepted, meaning that the service quality variable (X_2) has a positive

and significant partial effect on business performance (Y).

2. Simultaneous Test (F-Test)

The simultaneous test is used to examine the effect of all independent variables jointly on the dependent variable.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	652.056	2	326.028	50.416	.000 ^b
	Residual	194.004	30	6.467		
	Total	846.061	32			

a. Dependent Variable: KINERJA USAHA
b. Predictors: (Constant), KUALITAS PELAYANAN, KUALITAS DESAIN

Picture 13. Simultaneous Test (F-Test)

The results of the simultaneous test in Table 4.11, based on the F-test (simultaneous) in the ANOVA table, show that the calculated F-value is 50.416. This value is obtained by dividing the Mean Square Regression (326.028) by the Mean Square Residual (6.467), namely $326.028 \div 6.467 = 50.416$. Meanwhile, the Mean Square Regression is obtained by dividing the Sum of Squares Regression (652.056) by the Regression df (2), while the Mean Square Residual is obtained by dividing the Sum of Squares Residual (194.004) by the Residual df (30).

The F-table value of 3.316 is obtained from the F-distribution table at a 5% significance level, with $df_1 = 2$ (the number of independent variables: Design Quality and Service Quality) and $df_2 = 30$ (calculated using $N - k - 1 = 33 - 2 - 1 = 30$). Since the calculated F-value (50.416) is greater than the F-table value (3.316) and the significance value (0.000) is less than 0.05, it can be concluded that Design Quality and Service Quality simultaneously (jointly) have a positive and significant effect on Business Performance. Therefore, the regression model is considered fit and suitable for predicting Business Performance.

3. Coefficient of Determination Test (R²)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.878 ^a	.771	.755	2.54299

a. Predictors: (Constant), KUALITAS PELAYANAN, KUALITAS DESAIN

Picture 14. Coefficient of Determination Test (R²)

The results of the coefficient of determination test in Table 4.12, based on the Model Summary, show an R value of 0.878, indicating the multiple correlation coefficient between Design Quality and Service Quality jointly with Business Performance. This value falls into the very strong relationship category (within the interval of 0.80–1.000).

The R Square (R²) value of 0.771 is obtained by squaring the R value ($0.878 \times 0.878 = 0.771$), indicating that 77.1% of the variation in Business Performance can be explained by Design Quality and Service Quality simultaneously, while the remaining 22.9% is explained by other factors outside the research model.

Meanwhile, the Adjusted R Square value of 0.755 represents the R Square value adjusted by considering the number of independent variables and the sample size in the model, resulting in a more accurate estimate. Thus, 75.5% of the vari-

ation in Business Performance is explained by the model after adjustment.

The Std. Error of the Estimate value of 2.54299 is obtained from the square root of the Mean Square Residual value in the previous ANOVA table ($\sqrt{6.467} \approx 2.543$), indicating the level of error or deviation of the model in predicting Business Performance.

4.6 Discussion

The Effect of Design Quality and Service Quality on the Business Performance of Sewing-service MSMEs in Lubuklinggau. The data analysis in this study was conducted using SPSS 25, with the following results:

1. The Effect of Design Quality on Business Performance of Sewing-service MSMEs in Lubuklinggau

The results of the analysis show that the Design Quality variable has a regression coefficient of 0.512, with a calculated t-value of 6.328, which is greater than the t-table value of 1.697, and a significance value of 0.000, which is less than 0.05. These findings indicate that Design Quality has a positive and significant effect on the Business Performance of Sewing-service MSMEs in Lubuklinggau. This means that the better the design quality produced by tailoring businesses, in terms of model suitability, size accuracy, stitching neatness, and the relevance of the fashion trends offered, the higher the business performance achieved.

Product design is one of the important elements of the product mix that plays a role in shaping consumers' perceptions of the value and superiority of a product compared with competitors (*Marketing Management and Consumer Behavior*, 2021). An attractive design that meets consumer needs can provide distinctive differentiation, encouraging consumers to choose and entrust their tailoring needs to businesses capable of providing better designs. This, in turn, can increase order volume, customer loyalty, and business revenue, which are indicators of business performance.

Thus, it can be stated that design is not merely an aesthetic element but also a strategic factor that can be managed by tailoring MSMEs to improve their competitiveness and business performance amid increasingly competitive market conditions.

2. The Effect of Service Quality on Business Performance of Sewing-service MSMEs in Lubuklinggau

The results of the analysis show that the Service Quality variable has a regression coefficient of 0.635, with a calculated t-value of 7.352, which is greater than the t-table value of 1.697, and a significance value of 0.000, which is less than 0.05. These findings indicate that Service Quality has a positive and significant effect on the Business Performance of Sewing-service MSMEs in Lubuklinggau. Furthermore, Service Quality has a greater contribution than Design Quality, as indi-

cated by its Beta value of 0.644 and higher calculated t-value.

Service quality reflects how business owners treat customers, starting from the order acceptance process, timeliness of completion, friendliness, and responsiveness to customer complaints. In service-based businesses such as tailoring, service is a crucial element because the products produced are customized and highly dependent on direct interaction between business owners and customers. Fast, friendly, and customer-oriented service can build trust, which ultimately encourages customers to reuse the service repeatedly, thereby contributing to improved business performance.

These results are consistent with previous research showing that service quality affects consumer satisfaction in MSMEs, as well as the study by Asti and Ayuningtyas (2020), which examined the effect of service quality, product quality, and price on consumer satisfaction. The study found that good service quality consistently contributes to higher levels of customer satisfaction in small and medium-sized businesses. Similarly, an international study conducted by Fida et al. (2020) demonstrated that service quality affects customer loyalty and satisfaction in the service sector, confirming that the relationship between service quality and business performance is universal and not limited to a particular sector. In addition, research on service quality gaps in MSMEs further emphasizes that systematic service quality management is important for improving customer experiences and maintaining sustainable business performance.

The stronger influence of Service Quality compared with Design Quality also indicates that in service-based businesses such as tailoring, the human touch and customer experience throughout the transaction process are key determinants of business success, even more so than the technical aspects of the final product alone.

3. The Simultaneous Effect of Design Quality and Service Quality on Business Performance of Sewing-service MSMEs in Lubuklinggau

The results of the simultaneous test (F-test) show that the calculated F-value is 50.416, which is greater than the F-table value of 3.316, with a significance value of 0.000, which is less than 0.05. These results demonstrate that Design Quality and Service Quality simultaneously have a positive and significant effect on the Business Performance of Sewing-service MSMEs in Lubuklinggau. Furthermore, the coefficient of determination (R Square) of 0.771 indicates that 77.1% of the variation in Business Performance can be jointly explained by these two variables, while the remaining 22.9% is influenced by other factors outside the research model, such as price, business location, promotion, business capital, and entrepreneurial competence.

These findings reinforce the view that the success of service businesses, including tailoring businesses, cannot rely on a single aspect but

rather results from the synergy between the quality of the products or designs produced and the quality of service provided to customers. These two aspects complement each other: good design attracts customers' initial interest, while good service maintains long-term relationships and encourages repeat orders and word-of-mouth recommendations.

This is consistent with research showing that business capital and product quality simultaneously have a positive and significant effect on MSME performance, emphasizing that a combination of various internal business factors jointly contributes more substantially to performance than when each factor is examined separately. In addition, research on the role of MSMEs in regional economic growth emphasizes the importance of improving various aspects of quality in an integrated manner, including product and service quality, to enable MSMEs to compete and grow sustainably amid changing market dynamics.

Therefore, strategies for improving the business performance of sewing-service MSMEs in Lubuklinggau should be implemented holistically by continuously developing creativity and design variety while simultaneously strengthening service standards for customers, as both factors have been empirically proven to significantly contribute to improved business performance.

5. conclusions and suggestions

5.1 conclusions

Based on the results of the data analysis and discussion regarding the effect of Design Quality and Service Quality on Business Performance among Sewing-service MSMEs in Lubuklinggau, the following conclusions can be drawn:

1. Design Quality has a positive and significant effect on Business Performance among Sewing-service MSMEs in Lubuklinggau. This is evidenced by the calculated t-value of 6.328, which is greater than the t-table value of 1.697, and a significance value of 0.000, which is less than 0.05. Therefore, the better the design quality produced by business owners, the higher the business performance achieved.
2. Service Quality has a positive and significant effect on Business Performance among Sewing-service MSMEs in Lubuklinggau. This is evidenced by the calculated t-value of 7.352, which is greater than the t-table value of 1.697, and a significance value of 0.000, which is less than 0.05. Service Quality also demonstrates a more dominant effect than Design Quality, as indicated by its Beta value of 0.644 and higher calculated t-value. Thus, the better the service quality provided to customers, the higher the business performance achieved.
3. Design Quality and Service Quality simultaneously have a positive and significant effect on Business Performance among Sewing-service MSMEs in Lubuklinggau. This is evidenced by the calculated F-value of 50.416,

which is greater than the F-table value of 3.316, with a significance value of 0.000, which is less than 0.05.

4. The coefficient of determination (R Square) of 0.771 indicates that 77.1% of the variation in Business Performance can be jointly explained by Design Quality and Service Quality, while the remaining 22.9% is influenced by other factors outside the research model, such as price, business location, promotion, business capital, and the entrepreneurial competence of business owners.
5. The research instruments were declared valid (with the calculated r-value of each item greater than the r-table value of 0.344) and reliable (with Cronbach's Alpha values above 0.90 for all variables). Therefore, the resulting data can be statistically justified. In addition, the regression model in this study met the classical assumption tests, namely normally distributed data (Sig. = 0.200 > 0.05), no multicollinearity (Tolerance = 0.995 > 0.10 and VIF = 1.005 < 10), and no heteroscedasticity. Therefore, the regression model used is considered appropriate (BLUE) for predicting Business Performance.

Overall, it can be concluded that Design Quality and Service Quality are two important factors that significantly determine the level of Business Performance among Sewing-service MSMEs in Lubuklinggau, both partially and simultaneously.

5.2 Suggestions

Based on the conclusions above, the following recommendations can be made:

1. For Tailoring Service MSME Owners, it is recommended that they prioritize improving Service Quality, as this variable has been proven to have the most dominant effect on Business Performance, as indicated by a Beta value of 0.644 and a calculated t-value of 7.352, which are higher than those of Design Quality, with a Beta value of 0.555 and a calculated t-value of 6.328. Efforts to improve service quality can include completing orders on time, providing friendly customer service, and responding promptly to customer complaints. Each one-unit increase in Service Quality is proven to increase Business Performance by 0.635 units (B value). In addition, Design Quality should also continue to be improved, as this variable also has a significant effect (t-value 6.328 > t-table 1.697; Sig. 0.000 < 0.05) and can increase Business Performance by 0.512 units for every one-unit increase in Design Quality.
2. For Future Researchers, it is recommended to include additional variables outside the research model, considering that the R Square value is 0.771 (77.1%). This means that 22.9% of the variation in Business Performance remains unexplained by Design Quality and Service Quality. Therefore, future studies may examine other factors such as price, business location, promotion, business capital, or entrepreneurial competence to develop a more comprehensive research model. In addition, future researchers are encouraged

to increase the sample size, as this study only involved 33 respondents. Increasing the sample size is expected to improve the accuracy and generalizability of the research findings.

3. For Local Governments/Relevant Agencies, it is recommended to provide training and assistance to MSME owners in Lubuklinggau, particularly in product design development and service quality improvement. This is important because the simultaneous test shows that both variables jointly have a very strong effect on Business Performance, with a calculated F-value of 50.416, which is considerably higher than the F-table value of 3.316, and they are able to explain 77.1% of the variation in Business Performance (R Square = 0.771). Therefore, improvements in both aspects are expected to have a significant impact on the sustainability and growth of MSMEs in the region.

REFERENCES

- Asti, E., & Ayuningtyas, E. (2020). Pengaruh kualitas pelayanan, kualitas produk dan harga terhadap kepuasan konsumen. *EKOMABIS: Jurnal Ekonomi Manajemen Bisnis*, 1(01), 1–14.
- Arioen, R., Mustakim, & Senen. (2023). Buku ajar metodologi penelitian. Eureka Media Aksara.
- Barney, J. B. (1991). Firm resources and sustained competitive advantage, sebagaimana dikutip dalam Nakhwah, R. (2025). Resource-based view (RBV). ResearchGate.
- Direktorat Jenderal Perbendaharaan, Kementerian Keuangan RI. (2022). *UMKM hebat, perekonomian nasional meningkat*.
- DPP GAPEMBI. (2024). *UMKM Indonesia: Data dan statistik*.
- Fida, B. A., Ahmed, U., Al-Balushi, Y., & Singh, D. (2020). Impact of service quality on customer loyalty and customer satisfaction in Islamic banks in the Sultanate of Oman. *SAGE Open*, 10(2), 1–10.
- Ghozali, I. (2021). *Aplikasi analisis multivariat dengan program IBM SPSS 26* (Ed. 10). Badan Penerbit Universitas Diponegoro.
- Gofur, A. (2022). Pengaruh kualitas pelayanan dan harga terhadap kepuasan pelanggan. *Journal of Economics and Business UBS*, 8(1), 1–17.
- Halim, F., et al. (2021). *Manajemen pemasaran jasa*. Yayasan Kita Menulis.

- Kementerian Koperasi dan Usaha Kecil Menengah Republik Indonesia. (2024). Data UMKM: jumlah dan pertumbuhan usaha mikro, kecil, dan menengah di Indonesia. UKM Indonesia.
- Kotler, P., & Keller, K. L. (2021). Manajemen pemasaran (Edisi 13). Erlangga.
- Kusuma, I. J., Hermawan, A., & Purwaamijaya, B. M. (2025). Identifikasi kesenjangan dan prioritas perbaikan kualitas layanan digital UMKM menggunakan SERVQUAL. *Jurnal Manajemen Pendidikan dan Ilmu Sosial*, 7(2), 1476–1489.
- Lorensa, E., & Hidayah, N. (2022). Pengaruh inovasi produk, orientasi pasar dan media sosial terhadap kinerja UMKM fashion. *Jurnal Manajerial dan Kewirausahaan*, 4(3), 739–748. <https://journal.untar.ac.id/index.php/JMDK>
- Luthfiah, A., & Fadila, D. (2021). Analisis SWOT untuk meningkatkan manajemen strategi pada UMKM (studi usaha jahit Pani di Pekanbaru). *Jurnal Pendidikan Tambusai*, 5(2), 3033–3041.
- Majelis Permusyawaratan Rakyat Republik Indonesia. (2024). Hubungan yang kuat antara sektor industri dan UMKM harus segera diwujudkan.
- Mardatillah, A., Rosmayani, & Prayuda, R. (2022). Manajemen strategi: Keunggulan bersaing berkelanjutan berbasis indigenous product creativity. Universitas Islam Riau. <https://repository.uir.ac.id/20470/1/Manajemen%20Strategi.pdf>
- Muhammad Taufiq, R., Sari, D. P., & Wibowo, A. (2020). Pengaruh inovasi produk, kualitas produk dan penggunaan sistem akuntansi terhadap kinerja UMKM. ResearchGate.
- Munthe, J., & Panggabean, E. (2023). Pengaruh harga, kualitas produk, dan kualitas layanan terhadap kepuasan pelanggan konsumen UMKM di Palembang. *Journal of UKMC National Seminar on Accounting Proceedings*, 2(1), 89–100. <https://journal.ukmc.ac.id/index.php/pns/article/view/886>
- Nurfalah, E. (2020). Pengaruh desain produk terhadap daya saing (Studi pada UMKM sarung tenun di Majalaya, Kabupaten Bandung) [Skripsi, Universitas Pendidikan Indonesia]. UPI Repository. <https://repository.upi.edu/57651>
- Pakpahan, Y. E. (2021). Pengaruh kualitas laporan keuangan terhadap kinerja usaha UMKM. *Inventory: Jurnal Akuntansi*, 5(1), 10–19.
- Purwati, S., Mukarromah, S., Oktyajati, N., Mayasari, S., Fitroh, B. A., & Utomo, P. W. (2022). Penyuluhan strategi pemasaran untuk pengembangan UMKM konveksi. *Educate: Journal of Community Service in Education*, 2(2).
- Raharjo, M. S., & Siregar, M. F. (2022). Penerapan resource-based view untuk meningkatkan kinerja operasional perusahaan: Studi kasus pada industri manufaktur di Indonesia. *Jurnal Manajemen Operasional*, 10(2), 85–102.
- Sari, M., & Nugroho, Y. (2020). Peran UMKM dalam meningkatkan pertumbuhan ekonomi daerah. *Jurnal Ekonomi Pembangunan Indonesia*, 5(2), 89–99.
- Sasmitha, Q. (2020). Pengaruh desain dan inovasi produk terhadap kepuasan konsumen dan dampaknya pada loyalitas konsumen (studi kasus pada konsumen lipstick Wardah Kosmetik). ResearchGate.
- Shaff, M. G., Andrian, A., & Anas, H. (2024). Pengaruh kualitas pelayanan, kualitas produk, dan harga terhadap kepuasan konsumen pada UMKM Bakmi Jawa Hj. Jum Bekasi Timur. *IJESM Indonesian Journal of Economics and Strategic Management*, 2(3), 2140–2149.
- Sugiyono. (2022). Metode penelitian kuantitatif, kualitatif, dan R&D (Edisi 4). Alfabeta.
- Sulistyo, A. N. B. (2023). Pengaruh desain produk, kualitas produk dan citra merek terhadap keputusan pembelian. *Jurnal Mirai Management*, 8(2), 327–336.
- Tim Penulis Universitas Terbuka. (2021). Manajemen pemasaran dan perilaku konsumen. Universitas Terbuka.
- Tjiptono, F., & Chandra, G. (2022). Service management: Mewujudkan layanan prima (Edisi 4). Andi.
- Vidananda, N. K. P., & Setiawan, P. Y. (2021). Pengaruh kualitas pelayanan dan kualitas produk terhadap kinerja perusahaan di Larissa Aesthetic Center Denpasar. *E-Jurnal Manajemen*, 10(4), 333–352. <https://doi.org/10.24843/ejmunud.2021.v10.i04.p02>
- Wernerfelt, B. (1984). A resource-based view of the firm, sebagaimana dikutip dalam

Nakhwah, R. (2025). Resource-based view (RBV). ResearchGate.

Zuliani, Z., Rahmawati, S., & Hidayat, T. (2024). Pengaruh inovasi produk dan kualitas pelayanan terhadap kepuasan konsumen. *Jurnal Ilmiah Ekonomi Islam*, 10(2), 1450–1458.