

## THE ROLE OF SOCIAL BUSINESS STRATEGY IN IMPROVING SMALL BUSINESS OWNER INCOME

**Muh. Husriadi<sup>1\*</sup>**

Halu Oleo University, Kendari, Indonesia  
[husriadiadi@gmail.com](mailto:husriadiadi@gmail.com)

**Ikrar Muadsim**

Halu Oleo University, Kendari, Indonesia

**Deprianus Sarlis**

Halu Oleo University, Kendari, Indonesia

### ABSTRACT

*Social business strategy is becoming an important approach to improving business actor income small businesses facing various social and economic challenges. This research aims analyzing the role of social business strategies in supporting sustainability business small through product innovation, participation community, and sustainable income models. The method used is qualitative research with a case study approach, involving interview in-depth and observation of business actors' small businesses implementing social business strategies. The research results show that social business strategies are effective push improvement income by integrating social and economic values through product innovative as well as involvement active community. Obstacles such as limited capital and knowledge managerial is challenges that need to be overcome to optimize results. The implications of this research emphasize importance support training management, access funding, and the use of digital technology to strengthen implementation of social business. This study contributes to the development of theory social entrepreneurship at the same time practice empowerment business sustainable small.*

**Keywords:** *social business product innovation, participation community.*

### INTRODUCTION

Small and family businesses play a significant role in the national and local economy, particularly as a key pillar in supporting inclusive economic growth (Tambunan 2019). Small businesses not only employ a large workforce but also serve as the primary source of livelihood for many families, particularly in areas with limited access to markets and capital. Consequently, small business owners face significant challenges, such as limited resources, limited market access, and increasingly competitive business environments (Bloom et al. 2017; Muh. husriadi, Bunga kartika 2025). These conditions make it difficult to increase income and

maintain business sustainability, impacting family well-being (Yunus, Moingeon, and Lehmann-Ortega 2010). In this context, the concept of social business has emerged as an innovative model that simultaneously integrates economic objectives with social values. Social business emphasizes a balance between achieving financial returns and positive social impact, providing opportunities for small businesses to develop sustainably while improving the welfare of the wider community (Muh. Husriadi, Megasari 2021; Santos 2012). Social business strategies offer an approach that can optimize the potential of small businesses by incorporating social value into their operations. However, the application of social business strategies to small businesses remains very limited and suboptimal. Most business owners tend to use conventional methods that are less adaptable to changing market dynamics and evolving social needs. As a result, small businesses experience stagnation in increasing income and minimal opportunities to improve family well-being. These challenges include limited knowledge, resources, and adequate support to implement social business strategies effectively and integratedly. The main issue examined in this research is how social business strategies can play a role in increasing the income and well-being of small business owners and their families, as well as the factors influencing the success of these strategies (Granda and Gonzalez 2025). Several literature reviews indicate a research gap, (Ansar, Tsusaka, and Syamsu 2025; Granda and Gonzalez 2025; Tambunan 2019), particularly the lack of studies specifically addressing the application of social business to micro and small businesses. Most previous research focuses on social business within large corporations or the broader community, thus underexploring the direct impact on small businesses as the backbone of the people's economy. This lack of empirical data creates an urgent need to address this knowledge gap in order to develop social business theory and practice that is more inclusive and relevant to the small business context. This research aims to comprehensively analyze the role of social business strategies in increasing the income of small business owners and families, and to identify the supporting and inhibiting factors in implementing these strategies. The research findings are expected to provide relevant recommendations for the development of policies and programs for empowering small businesses based on social business. This research offers novelty by integrating a social business approach into the context of small and family businesses, particularly in regions whose economies are dominated by micro and small businesses. This research's academic contribution is significant because it not only enriches the social business literature from a small business perspective but also provides a scientific basis for developing sustainable economic empowerment strategies with positive social impacts. The significance of this research lies in its potential to inform public policy and program innovations that support small business growth and improve family welfare.

## **RESEARCH METHODS**

Method used is qualitative use get understanding in-depth understanding of the processes and perceptions of business actors small regarding the implementation of social business strategies. This study uses case study design because capable examine phenomena in the context of life real in a way comprehensive (Charisma et al. 2025). The research population includes business actors' small businesses that implement social business strategies. The research procedure begins from data collection through semi- structured interviews and observations participatory which provides flexibility in exploring information contextual. Data analysis using the Miles and Huberman model with phases data reduction, data presentation, and data extraction conclusion; this model was chosen Because systematic and capable serve findings in a way transparent as well as in-depth, supporting validity data interpretation. This approach allows research to explore connection between social and economic aspects in managing social businesses in business small in a way structured and critical.

## **RESULTS AND DISCUSSION**

### **5.1 Social Business Strategy Implementation**

Based on the results of this study show that business actors small in a way active implementing social business strategy by integrating product innovation and marketing approaches-based community to face economic challenges at the same time reach social goals. Innovations developed focused on solving problem concrete experiences community local, such as increasing access to products quality at a price affordable and useful resources in an efficient. For example, the use of technology, the internet, and social media as tools marketing capable maintain and develop business small through improvement network consumer as well as quality services. Business actors also rely on participation community as a foundation sustainability strategy, by involving society in the production, marketing and decision-making processes business decisions. A sustainable revenue model is implemented to maintain balance between achievement social values and economic needs, which enable business still independent without dependence on aid external. The combination of social innovation and the use of digital media increases effectiveness promotion as well as education product. The result of the findings of this study are in line with the findings of (Charisma et al. 2025) research which emphasized effectiveness of marketing strategies based on social media and communities to increase competitiveness business small. This finding reinforces the role of social business strategy as an important tool in accelerating improvement income and empowering entrepreneurs small in a sustainable and contextual manner.

### **5.2 Product and Service Innovation**

Based on the results of this study show that product and service innovation play a crucial role in strengthening social business strategies in business actors small. This innovation is not only focused on developing new products, but also on improving quality and relevance product in accordance social and economic needs of the community target. Business actors small succeed create environmentally friendly, affordable products that suit your preferences local, which also provides value social addition. This innovation process tends to based participation community, so that products and services produced more precisely useful and sustainable. Product innovation impact positive and significant impact on business development micro small medium enterprises (SMEs), especially when combined with a strategy of utilizing social media for marketing and education. Effective innovation push market growth as well as increase loyalty customers, so that help business small survive and thrive in fierce competition (Widayanto and Nafis 2025). In addition, product innovation contributes to the improvement decision purchase consumer through adjustment products with preferences consumers as found by the study by (Yani, Suparwata, and Hamka 2023). Thus, product and service innovation become the foundation the main driving force The success of social business strategies. An innovation approach integrated with social needs and the use of digital technology strengthens the business's position. small in achieving economic sustainability as well as significant social impact.

### **5.3 Challenges and Obstacles**

Based on the results of this study, identified various challenges main issues faced by business actors small in implementing social business strategies. One of the constraint significant is the limitation human resources, especially in terms of knowledge managerial and in-depth understanding of the local social context. This often results in suboptimal mapping social problems and appropriate program planning targets . In addition, capital constraints and access to technology are obstacles real in expanding scale business and develop innovation sustainably. This finding is supported by research by (Yani, Suparwata, and Hamka 2023) which confirms that the lack of understanding of social issues and limitations human resources are a factor main obstacle effectiveness Implementation of Corporate Social Responsibility (CSR) programs in Indonesia. Importance relevance of the program to needs society so that the impact of social business can be felt in a way significant, with challenges main in the form of lack of integration between social and development programs strategic. In the context of business small, this limitation has an impact on low ability adaptation to changes in the business environment and the tightness market competition. Thus, overcoming challenge human resources, capital, and understanding the social context are priorities strategic in encouraging success implementation of inclusive and sustainable social business strategies.

### **CONCLUSION AND SUGGESTIONS**

This study confirms that social business strategies play an important role in increasing business actor income small by integrating social innovation and engagement community. Implementation of this strategy not only strengthens economic sustainability of the business, but also creates a positive social impact at the community level. local. Business actors who are capable combine social and economic goals in general effective, through product innovation and participation community, showing increasing competitiveness and stability better financial well-being. However, research also identifies constraint main in the form of limitations resources, capital, and knowledge managerial influences effectiveness implementation of social business strategies. Based on these findings, it is recommended that stakeholders interests, including government and institutions supporters' business, providing training programs social business management as well as expand access funding based on social impact. In addition, it is important to encourage collaboration between business actors and the community and technology sector in order to increase utilization of digital platforms in marketing and product innovation. Further research should explore the role of digital technology in expanding social business scale as well as exploring inclusive strategies that can reach more business actors small.

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