

## ANALYSIS OF E-COMMERCE DEVELOPMENT IN MICRO SMALL MEDIUM ENTERPRISES IN SUMBAWA DISTRICT

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### ABSTRACT

*Advances in the field of communication technology that are developing so fast provide a variety of smooth communication in carrying out daily activities, with all the conveniences that can make the community depend on the internet. MSMEs began to change their marketing strategy and services by using media digital or online. Development e-commerce is one of the methods used by MSMEs to survive amidst global challenges. Development e-commerce shows the value of the regression coefficient is positive by 0.674 with a significance value test of 0.000 less required that is  $0.000 < 0.05$ . The presence of e-commerce using technology and the internet can revive MSME sales. The development of e-commerce can influence business actors in marketing their products through e-commerce.*

**Keywords:** Development, E-Commerce, Micro Business, Small Medium

### INTRODUCTION

The development of information technology and communication technology, which is developing so rapidly as it is today, requires that every individual or business actor participate in developments and have tools that can support daily activities that cannot be separated from the role of technology. The rapid development of technology is very influential in the order of life. Technology is used in almost all aspects of life, such as in communicating, seeking information, education, transportation, tourism as well as finance and business. One of the advances in technology that is widely used by people, organizations, and companies is the Internet. Changes in people's current transaction styles are called the cashless society phenomenon which aims to increase public awareness of the use of non-cash instruments. Currently, there are many economic activities that take advantage of the sophistication of information technology to facilitate the public, such as online buying and selling transactions, mobile transfers, or payments for purchases and bills via credit or debit cards. Information technology can run effectively if members in the organization can use technology well and it is also very important for individuals who use information technology via the internet. The emergence of the internet changed the way people communicate and the way of doing business. History proves that the development of payment instruments continues to change in form, starting from metal forms, conventional paper money, until payment instruments have evolved in the form of data that can be placed in a container or are called electronic payment instruments (Sioaji et al., 2022).

Opportunities for the development of e-commerce information technology are very open in Indonesia, one of the reasons is because of the large population that makes it a broad market potential. It is undeniable that the large number of internet users in Indonesia can also encourage business ventures to progress and develop. Internet users are not only limited to utilizing information that can be accessed through the media but can be used to carry out buying and selling transactions of goods. Literature review on the use of e-commerce strategy to promote small, medium, and micro enterprises in the digital era (Novita et al., 2022). Innovation and creativity are the main points that continue to be carried out in increasing interest in entrepreneurship in the digital era (Said & Hasanah, 2022). The existence of Micro, Small, and Medium Enterprises as the majority business actor in Sumbawa Regency, also has a very strategic role in regional economic development. Apart from contributing to economic growth, it can also absorb a large number of workers. Even though in the development of economic development in Sumbawa Regency various problems are still being faced by Micro, Small, and Medium Enterprises actors. Most of the MSMEs in Sumbawa Regency were directly or indirectly affected by COVID-19, starting from MSME's productivity, decreased sales volume, decreased business, inability to pay employee salaries which resulted in a decrease in the number of employees, and difficulties in the capital aspect (Rahayu., 2022). E-commerce is an activity of distributing, selling, buying and marketing a product by utilizing the internet network. E-commerce makes it easy for buyers and sellers to make buying and selling transactions without having to meet in person, so using e-commerce technology makes it easier for someone to shop online. By increasing the e-commerce business, it is hoped that it can help the development of micro, small and medium enterprises in Sumbawa Regency. E-commerce can be a great opportunity to develop micro, small and medium enterprises through online sales and promotion marketing with the aim of being able to target national and even international markets. E-commerce the strategies that are more appropriate to be used in business development (Handayani et al., 2022). E-commerce can also enable business actors to obtain efficiencies in terms of marketing, labor, and overhead costs (Achjari, 2000). Economic development is interpreted as a mechanism to improve conditions and increase the quality of economic conditions for the welfare of society (Rahayu., et al., 2022).

### LITERATURE REVIEW

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**METHOD**

The data collection method in this study was carried out using descriptive statistical analysis methods. The descriptive statistical analysis method in this study aims to describe the research variables, namely the Analysis of E-Commerce Development for Micro, Small and Medium Enterprises in Sumbawa Regency. Data collected from interviews, questionnaire results and observations will be analyzed with descriptive analysis which aims to describe the problems to be analyzed, so that the characteristics of the data can be easily understood. As for testing the hypothesis used inferential analysis using the Statistical Package for the Social Sciences. The data measurement technique used by researchers in providing answers to each answer item is a Likert scale. The Likert scale is widely used to require respondents to indicate a degree of agreeing or disagreeing with each question related to an objectk is assessed (Widayat, 2008). The Likert scale used to measure this research can be seen in Table 1.

**Table 1.** Likert Scale

Category	Value Weight
Strongly agree	4
Agree	3
Don't agree	2
Strongly Disagree	1

Source: Ghozali (2018)

**RESEARCH RESULTS AND DISCUSSION**

**Results**

The development of the current digital era has made everything possible easily accessible regardless of distance and time. The influence of the increasingly sophisticated internet and growing technology has changed people's lives. Technology can be used as a medium to obtain information as well as sebano means of communication. Communication can also be used as a tool for buying and selling and marketing tools in the digital economy through e-commerce. According to William Nicclas (2006) marketing communication is said to be a process of exchanging information that is carried out persuasively so that the marketing process can run effectively and efficiently. The increase in the number of online shop players has made the value of e-commerce in Indonesia even more valuable tadd every year including in Sumbawa Regency. The increasingly rapid growth in the field of e-commerce is caused by progresse-commerce sites and consumers are starting to depend on online sites as well as easy access to find online shops with many and varied goods. Seeing the impact of the role of e-commerce is so large in product marketing that MSMEs have very high competitiveness. In the face of product manufacturing competition business actors in Sumbawa Regency strives to be creative and innovative to product which is offered ability to compete in the e-commerce market. A good marketing strategy will make it easy for MSMEs to run their business as expected.

Description research variables include the results of descriptive analysis including the minimum score, maximum score, average and standard deviation. Description of the score of the variable development of e-commerce for MSMEs can be seen in Table 2.

**Table 2.** Descriptive Analysis Results

Variable	Minimum	Maximum	Average	Standard Deviation
X	30	40	35,28	2.72
Y	46	60	52,29	3.38

Source: SPSS 24.0 output for Windows

Data development of e-commerce has a minimum score of 30 and a maximum score of 40, average score of 35.28 and standard deviation of 2.72. The standard deviation is smaller than the mean score indicating that development of e-commerce the closer the score spread is average score, which indicates the response to development of e-commerce does not vary. Micro, small and medium enterprise data has a minimum score of 46, a maximum score of 60, an average score of 52.29 and a standard deviation of 3.38. The standard deviation that is smaller than the average score indicates that the development of e-commerce for micro, small and medium enterprises is closer to the distribution of scores than the average score, which indicates that the response to micro, small and medium enterprises does not vary.

**Table 3.** Results of the Coefficient of Determination

Model	R	R Square	adjusted R Square
1	0.866	0.749	0.741

Source: SPSS 24.0 output for Windows

## Discussion

Based on Table 3. it is known that the coefficient of determination is 0.741. This shows that 74.1% of the variable e-commerce development can influence micro, small and medium enterprises in marketing their products through e-commerce, while 25.9% is influenced by other factors not examined in this study. Hypothesis testing results development e-commerce shows the value of the regression coefficient is positive by 0.674 with significance value test of 0.000 less than 0.000 < 0.05. So, it can be concluded that influential e-commerce developments positive to micro, small and medium enterprises, so the hypothesis is accepted. The ability to understand several business opportunities by utilizing information technology to promote and market products as well as cooperate with financial services to obtain capital in order to be able to innovate products in order to improve financial performance (Wibowo et al., 2022). Innovation and creativity in utilizing technology, especially in the use of e-commerce web is very appropriate in supporting marketing and can generate turnover. The presence of e-commerce using technology and the internet can revive sales for micro, small and medium enterprises (Yulisda et al., 2023). Technology that is increasingly developing is one of the important aspects that must be utilized in increasing the competitiveness of MSMEs (Putri et al., 2022).

## CONCLUSION AND SUGGESTION

Advances in the field of communication technology that are developing so fast provide a variety of smooth communication in carry out daily activities, with all the conveniences that are obtained make the community depend on internet. Via internet people can already access global world without borders and get various information to support the activities carried out. With the progress, convenience and availability of the internet network at this time, it has a positive impact on the marketing of MSMEs. Sales through the internet network is an expansion of the distribution channels that are used involved by technological advances. Sale via e-commerce tools This can also be done using various media, such as websites, marketplaces or digital platforms, social media and other media. MSMEs began to change the marketing strategy and its services with using media digital or online. Development e-commerce is one of the methods used by MSMEs to survive in the midst of global challenges. E-commerce is a means for sellers and buyers to do buying and selling activities marketing by utilizing digital billing through e-commerce applications or commonly known as e-marketplaces. Internet and mobile phone technology are advancing, so social media is also growing rapidly. Social media is an online that supports social interaction, where users can participate, share and create content (Humdiana & Julieca, 2022). Business is an exchange of goods and services or money that is mutually beneficial or provides benefits and business company is an organization that is involved in the exchange of goods, services or money to make a profit (Siburian, 2022).

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