IMPLEMENTATION OF E COMMERCE ITS INFLUENCE IN INCREASING REVENUE OF SMALL MEDIUM ENTERPRISES

IN TEGAL CITY

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***Abstract*—** **This research aims to find out the effect of the application of e-commerce on increasing the income of MSMEs (Micro, Small and Medium Enterprises) in Tegal.** **The role of mobile technology is important for MSMEs as an element in transporting businesses to develop the market globally to increase MSME revenue. MSMEs contribute to the contribution of the regional and national economy in growing the development of the digital economy. The data collection method used is a survey method using questionnaires. The sample used was 45 MSME respondents in the field of beauty, fashion and food businesses. The sample is determined by a nonprobability sampling method of saturated sample technique type. The analysis technique used is simple linear regression analysis using SPSS. The results of the hypothesis showed the application of e-commerce had a significant positive effect on increasing MSME revenue in Tegal. The greater the development of e-commerce has a good effect in improving one's business economy in carrying out business promotions that are very effective and practical in obtaining large profits, so as to increase revenue optimally and encourage the development of the digital economy**.

***Keywords: e-commerce, income***

1. INTRODUCTION

The Micro, Small, Medium Enterprises (MSMEs) sector based on the populist economy has an important role in supporting the backbone of the regional and national economy. The role of MSMEs is very strategic in supporting labor absorption and economic growth to reduce the problem of unemployment and poverty. Inaddition, MSMEs play a role in the distribution of development results. Therefore, the government pays attention and strengthening to continue to be developed micro, small and medium enterprises sector involving many groups.

Recognizing the activities of MSMEs in the era of globalization with high competition makes MSMEs must be able to face challenges in order to increase product and service innovation, human resource and technology development, and the expansion of marketing areas. The main challenge of MSMEs today is the decline in MSME performance due to the covid-19 pandemic. Reporting from the results of the KPw BI Tegal survey, the number of MSMEs in Pekalongan Ex-karesidenan is 152 MSMEs. From these results, as many as 88.82% of MSMEs experienced a decrease in turnover and 7.89% of MSMEs have been permanently closed. The msme groups most affected by this pandemic are the food and drink supply sector, retail trade and processing industry (Tegal City Diskominfo, 2020).. From the data, it can be seen the decrease in the number of MSMEs in 2020 which has an impact on the income received by MSMEs. Easy transactions, marketing, good product quality and affordable prices are some alternatives so that MSME interest increases again.

Increased sales revenue can be done with a variety of strategies. These strategies are to make cooperation between producers (MSMEs) and distributors, MSMEs utilizing technology better and more effectively, increasing promotion through social media and print media, improving product quality while still maintaining competitive selling prices. With digital economy activities, product sales are made more easily between manufacturers and consumers throughe-commerce. Based on data from the Central Statistics Agency (BPS), mentioned that as many as 8 million out of 58 million MSMEs in Indonesia who have just joined e-commerce. This means that only 14% of MSMEs change their sales strategy by selling more actively in e-commerce (CNBC Indonesia, 2020).

In line with the concept of the digital economy is more focused on transactions or buying and selling processes and markets contained on the internet. The digital economy is a complex economic system and is an emerging phenomenon related to aspects of microeconomics, macroeconomics, and organizational theory and administration. Referring to various economic activities, which include the use of information and digital knowledge as a key factor of production,modern informationnetworks as an important activity space and the effectiveness of the use of Information and Communication Technology (ICT) as an important driver for productivity growth and structural optimization of the economy (Helmalia and Afrianawati, 2018).

The role of mobile technology is important for MSMEs as an element in transporting businesses to develop the market globally to increase MSME revenue This concept encourages the digital economy to explain the global impact of information and communication technology, not only on the internet, but on the economy. Become a view of the interaction between the development of innovation and technological progress and its impact on macroeconomics as well as micro.

The right technology utilization solution is to do business with the technology owned. Today, the most effective interactive communication for sellers, buyers or other business associates is the internet. Known to be more practical and fast, online business marketing is increasinglypopular and used as a necessity for both producers and consumers. Ease of shopping for consumers is one of the business transaction offers through the internet. The promotion of MSME products through the internet is much in demand by the public. With the existence ofsocial media, MSME entrepreneurs can also use their smartphones as a medium in order to be more quickly known by the wider community. Service, product development, delivery and marketing, as well as continuous engineering support and the cooperation of manufacturers also participates in online sales. Thus, it can increase the previous income during the emigrant decreased.

The conditions that occur in the use of social media to do online marketing for MSMEs in Tegal are still many obstacles, such as lack of knowledge about technology and the availability of devices that support technology. It is expected that online marketing uses e-commerce as an alternative to sales in pandemic times and able to increase MSME revenue.

Developments in various sectors, especially the economy, continue to accelerate due to technology. People easily access online services to conduct economic transactions through e-commerce.

II. RESEARCH METHODS

Research Location

This research is located in Tegal City and Regency and was conducted in November 2020 - January 2021 with samples taken by MSMEs or Small and Medium Micro Enterprises, with the fields of beauty, fashion and food businesses.

Population and Sample

This study used the population of all MSMEs in Tegal. , S ampel is determined by the nonprobability sampling method of a type of saturated sample technique, which is a retrieval of all population objects to be used as samples. Using this technique, a sample of 45 respondents can be obtained. MSMEs that are sampled are MSMEs that sell online and use e-commerce applications.

Data Collection Techniques

The data in this study was conducted by providing questionnaires through contact persons or MSME actor managers that can be reached by researchers. Before use researchers pretest research instruments. The results of the questionnaire are used to obtain data from the dimensions of the constructs that are benti. Statements contained in kuesioner aremeasured on a scale likert 1 to 4 to obtain data that is ordinal and given a score or value.

1. RESULTS AND DISCUSSIONS
2. Result

The purpose of descriptive statistical analysis is so that researchers know the description of research data related to the use of e-commerce. From the results of this analysis, it can be seen that from all respondents in the application of e-commerce there are 28 respondents using the Shopee application, 3 respondents using the Tokopedia application, 9 respondents with the remaining marketplace, there are 5 respondents using various applications.

Data Quality Test

The data quality test in this study was tested on 45 respondents using validity and reliability tests.

1) Validity Test

Validity test was conducted to determine the level of quality of the instrument in measuring the concept. Validity test is used to measure the validity of a questionnaire. Below are the results of the validity test on each variable:

Table 1. Validity Test Results of E-Commerce and Income Variables



Source: Data processed, 2021

Based on the results of the validity test above, it can be seen the value of sig. (2-tailed) is less than 0.05 so that each variable indicator can be declared valid.

2) Reliability Test

Reliability test is a test tool to measure the questionnaire which is independent of the variable or construct. The results of the reliability test can be seen from the Cronbach Alpha (a) value as shown in table 2:

Table 2

Reliability Test



Source: Data processed, 2021

Cronbach's alpha value in table 3 is more than 0.60 so that each variable can be declared reliable.

Classic assumption test

1) Normality Test

The normality test of the data was carried out through statistical analysis using the Kolmogorov-Smirnov One-Sample Non-Parametric Statistical Test. Data can be declared normally distributed if the significance value is greater than 0.05 (Ghozali, 2011).

Table 3

Normality Test Results



Based on the results of the normality test using statistical analysis with the Kolmogorov Smirnov test, the results showed 0.200> 0.05 so that the test results can be said to be normally distributed data.

2) Simple Linear Regression Analysis

The results of simple linear regression analysis in this study are as follows:

Table 4 Simple Linear Regression Test Results



Source: Data processed, 2021

Revenue = 4.755 + 0.709(E-Commerce).

The meaning of the regression equation above can be explained as follows:

1. The value of the regression constant is positive at 4.755, which means that if the independent variable (E-Commerce) is assumed to be constant, the income variable will have a value of 4.755 units.
2. The regression coefficient value of the E-Commerce variable is 0.709, which means that for each independent variable (E-Commerce) there is an increase of 1 unit, it will increase revenue by 0.709.

3) Partial Test (t statistic test)

Individual parameter testing is conducted to determine the effect of individual variables on the dependent variable with the assumption that the other independent variables are constant. The variable being tested is e-commerce on income, so the test results are presented in the following table:

Table 5: T-Test Results

Source: Data processed, 2021

From the results of the t test (partial) shows the value of E-Commerce is smaller than the significance value of 0.05 (5%). This means that the E-Commerce variable has a significant effect on revenue.

1. Discussions

Based on the results of the t-test (partial) shows the value of e-commerce (0.00) is smaller than the significance value of 0.05 (5%). This means that the e-commerce variable has a significant effect on revenue. This shows that the use of e-commerce has a positive effect on the income of Micro, Small and Medium Enterprises (MSMEs) in Tegal. The greater the development of e-commerce, the more income earned by MSMEs in Tegal. E-commerce encourages the development of the digital economy in the Tegal area which is more focused on transactions or buying and selling processes and markets on the internet.

The results of this study are in accordance with research from (Helmalia and Afrianawati, 2018) with the e-commerce variable (X) having a significant effect on the income variable (Y)

Most MSMEs have obstacles in the use of e-commerce. These constraining factors include confidence between buyers and sellers in transactions, the lack of information about online sales, intense competition, there are still many people who shop at traditional markets, and the internet network is less supportive.

1. CONCLUSION

The results of this study indicate that the use of e-commerce has a significant positive effect on the income of Micro, Small and Medium Enterprises in Tegal. E-commerce creates digital markets and online transactions for micro, small and medium enterprises and encourages the development of the digital economy in the face of globalization

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