

The Role of E-commerce to Consumers and MSME Business in The Digital Era

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Abstract

E-commerce is a trade and information transaction using the internet, while the means of the device can be via: mobile, email, while the tools are also mentioned in the form of Smartphones, Cellphones, Tablets. It can also be said that e-commerce is all forms of information exchange processes between organizations and stakeholders based on electronic media connected to the internet network. The purpose of this study is to analyze how the role of e-commerce on consumers in the digital era and the role of e-commerce on MSME business actors in the digital era. This research was conducted with a descriptive method using a qualitative approach with secondary data sources and documentation data collection methods used to investigate, find, describe, and analyze the research focus: 1. The role of e-commerce on consumers in the digital era, 2. The role of e-commerce -commerce for MSME business players in the digital era. The results showed that, the role of e-commerce to consumers, namely, (1) providing convenience in shopping, (2) providing a sense of security in the post-pandemic period (3) providing speed of shopping services, (4) providing accuracy in the selection of goods, (5) Providing convenience and security in payments, (6) Providing satisfaction through available applications. The role of e-commerce for MSME business players in the digital era, namely, (1) Expanding market reach, (2) Creating brand awareness, (3) Easy customers to make purchases, (4) Saving costs, (5) Easier shipping management

Keywords: *e-commerce; msme; digital era*

A. Introduction

Based on the Statistics report on data on e-commerce users in Indonesia, which is predicted to increase to 189.6 million users in 2024. Since 2017 there have been 70.8 million e-commerce users and the number is increasing every year. In 2018, it reached 87.5 million e-commerce users in Indonesia. Meanwhile, in 2020, it reached 129.9 million e-commerce users. In 2021, it is predicted to reach 148.9 million users, while in 2022 it will reach 166.1 million users and in 2023 it will reach 180.6 million users. (Christy, 2020). One of the business sectors that can print a market in the digital era is e-commerce or online shopping, especially retail and wholesale. The trend of e-commerce users in Indonesia has grown quite large in recent years. The prediction is that growth will continue to occur in the next few years.

A population of more than 269 million people turns Indonesia into the largest market share in Southeast Asia for e-commerce users. There are around 130 million people connected to the internet and more than 70 million smartphone users, e-commerce business in Indonesia is developing very rapidly. E-commerce growth reached 500 percent. This has a major impact and influence on aspects of sales and purchase transactions in e-commerce. Online trading with the application of e-commerce is

more popular with the public. Trading trends are shifting from what was previously done conventionally by face to face between buyers and sellers, to digitally alias online. The concept of online commerce through e-commerce is a concept that allows sellers and buyers not to meet in person. In fact, the process of cross-city to cross-island trade can be done easily. This is one of the positive impacts of technological developments that are well utilized by business people. E-commerce feels better because consumers welcome this trade trend with positive responses

E-commerce is the buying, selling and marketing of goods and services through electronic systems. Such as radio, television and computer networks or the internet. E-commerce is also a business transaction that occurs in an electronic network. Anyone who has access to a computer, has an internet connection, and has a payment method for the goods or services they buy can engage in e-commerce. E-commerce is electronic commerce because the form of trading includes the process of marketing goods to distribution which is carried out through electronic or online networks in accordance with the abbreviation of e-commerce, namely electronics and commerce. So e-commerce is a form of trade that is carried out online by utilizing the internet. E-commerce can be done through computers, laptops, to smartphones. There are many forms of services that consumers can get by utilizing e-commerce transactions, ranging from purchasing transportation tickets, paying bills such as electricity and water, as well as banking and investment services.

E-commerce is part of e-business, where the scope of e-business is broader, not only commercial but also includes business partners, customer service, job vacancies, products, information and so on. With this electronic commerce (e-commerce), customers can access and place consumer orders from various places or countries. Big cities in Indonesia, supported by the era of advanced technology, have lots of places that provide internet access facilities via cellphones, laptop/notebook using wifi technology. The presence of e-commerce as a new method in the trading or buying and selling business is indeed expected to bring many positive benefits for business people and consumers. So that both parties do not feel any loss, in any form. Currently e-commerce continues to increase, there are various driving factors that make e-commerce activities favored by business actors because of the efficiency of time and energy, no need for large amounts of capital, being a cross-regional business, flexible business, facilitating business development.

According to Hartman in Indrajit (2001) e-commerce is a type of electronic business mechanism that focuses on individual-based business transactions using the internet as a medium for exchanging goods or services. It can be said that e-commerce is a dynamic collection of technologies, applications and business processes that connect companies and consumers as well as certain communities where the exchange of goods between retailers and consumers of various commodities on a wide scale and one electronic transaction. The development of increasingly sophisticated communication and information technology has proven to be able to help develop a business. Not only for businesses on a large scale, Micro, Small and Medium Enterprises (MSMEs) can also take

advantage of technology for business development in the digital era. Go digital, a concept in a business strategy that turns some conventional things (offline) into online, is believed to be a way for MSMEs to go international. The concept of going digital or what can also be called business digitization does not only mean moving what used to be offline to online, but is a process that changes communication, interaction and all the benefits in business from conventional to digital or virtual. Starting from the introduction of technology, the use of social media as a marketing tool, online business management, to implementing cashless payment methods.

Mulyani (2021) research results on e-commerce MSME Marketing Solutions in Developing the Tourism Industry Amid the Covid-19 Pandemic. The results showed that sales during May to October 2020 showed an increasing percentage in June from 11.3% to 21.2%, but there was a decrease in July to August around 9.5% to 15.6%. Then from September to October there was another increase of 15% to 42.5%. This shows that e-commerce is a solution for SMEs in the midst of the COVID-19 pandemic and is an effort to develop the tourism industry.

Based on this, it is hoped that with this research it is hoped that it will add to the repertoire of the economy and business in Indonesia, especially e-commerce companies will continue to grow considering the 4.0 era, which all lead to digitalization. All activities require digital including online shopping or e-commerce. Through e-commerce, it will benefit both parties. This requires the initiative of the seller to make good and attractive offers so as to attract buyers and create collaboration between sellers and buyers in e-commerce. Thus the use of e-commerce in the future, will be even higher. Based on the description, it shows a phenomenon, namely that e-commerce is the choice of sellers and buyers, namely consumers to shop because of various considerations of time efficiency and so on and mutually beneficial to both parties. This is very interesting to discuss about "The Role of E-commerce to Consumers and SMEs in the Digital Era"

Based on the description that has been submitted, the formulation of the problem in this research is how the role of e-commerce to consumers and to MSME business actors in the digital era. The purpose of this study is to analyze the role of e-commerce on consumers and MSME businesses in the digital era.

LITERATURE REVIEW

E-commerce

According to Kotler (2009) E-Commerce, namely companies or sites that offer to transact or facilitate the quality of products and services online. And then e-commerce will lead to e purchasing and e-marketing. E-purchasing means companies decide to buy goods, services and information from various online suppliers. E-marketing describes the company's efforts to inform buyers, communicate, promote, and sell products and details via the internet.

Hartman (2000) in Indrajit (2001) E-Commerce is a type of electronic business mechanism that focuses on individual-based business transactions using the internet as a medium for exchanging goods

or services between two institutions. Business to Business (B-to-B) as well as between institutions and direct consumers or Business to Consumer (B-to-C).

In Pratama (2015) E-Commerce began to emerge in the 1990s through an initiative to change the paradigm of buying and selling transactions and payments from conventional methods into computer-based electronic digital forms and internet networks. There are several definitions from experts about E-Commerce:

1. Kim and Moon in 1998 stated that e-commerce is the process of delivering information, products, services, and payment processes, through telephone wires, internet connections, and other digital access.
2. Baurakis, Kourgiantakis, and Migdalas in 2002 stated that e-commerce is a form of trading goods and information through the internet network.
3. Quayle in 2002 also provides a definition of e-commerce. E-Commerce is a form of electronic data exchange or Electronic Data Interchange (EDI) that involves sellers and buyers through mobile devices, e-mail, mobile connected devices, on the internet network.
4. Chaffee in 2007 refined the definition of e-commerce by considering that in 2007 the development of computer technology and internet networks has added changes to e-commerce, with the emergence of various security technologies, online payment technologies, mobile devices (Smartphones, Cellphones, Tablets), the increasing number of organizations and users connected to the internet, and the emergence of various website-based application development technologies, so that the definition of e-commerce is all forms of information exchange processes between organizations and stakeholders based on electronic media connected to the internet network.

According to Makmur (2018) the term e-commerce is not limited to the term online marketing, internet marketing. An example is the use of growing online platforms, whether just selling used goods through the Webstore Marketplace, taking photos and uploading product photos on social media and offering them to friends, to joining various affiliate businesses with only a link for registration. These simple ways are promising and of course also produce. It should be noted that e-commerce is not limited to that there are things that must be known together, namely the terms: B2B, B2C and C2B.

E-Commerce Business to Business (B2B) is a type of business that is identical with the following characteristics:

1. Between business people with one another have business interests that are interconnected and interdependent.
2. The existence of a business process in an integrated system,
3. There is a clear business bond between one party and another with a certain period of work contract.
4. B2B is generally carried out by industries that provide goods and services on a large scale to

meet the company's needs

5. B2B actors work professionally and use promotions through the company website (online), presentations through exhibitions, and presentations by providing direct offers (Supply Chain Management)

E-Commerce Business to Customer (B2C) this type of business has the following characteristics:

1. Direct Business. There is direct interaction between producers/suppliers/distributors with consumers or customers
2. The absence of a contract within a certain time between the two parties

E-Commerce Consumer to Business (C2B) this type of business has the following characteristics:

1. There is a need for special requests from consumers to producers.
2. This type of business is dominated by businesses in the service sector.

Pratama (2015) explains that the tips for success in utilizing e-commerce are the availability of services:

1. Choose products that consumers need
2. Choose a domain name for e-commerce web
3. Access speed
4. Access reliability
5. Attractive appearance
6. Security
7. Communication and consumer trust
8. Incessant promotions, marketing and publications
9. Supply chain
10. Supply Chain Management

Small Medium Micro Enterprises (MSMEs)

MSMEs are productive business units that stand alone, which are carried out by individuals or business entities in all economic sectors. In principle, the distinction between micro, small, medium and large enterprises is generally based on the initial asset value (excluding land and buildings), the average annual turnover, or the number of permanent workers. Based on Law Number 20 of 2008 concerning MSMEs, the definition of each business is as follows: a. Micro Business is a business with a net worth of less than 50 million rupiah or generating sales of less than 300 million rupiah for one year. b. Small business is a business with a wealth of between 50 to 500 million rupiah or generate sales between 300 million to 2.5 billion rupiah for one year. c. Medium-sized businesses are businesses with a wealth of between 500 million to 10 billion rupiah or generate sales of between 2.5 to 50 billion rupiah for one year (Beik, 2016)

Characteristics of MSMEs In the global world economic growth, MSMEs have a very important role in developing the economy. Compared to large-scale businesses, MSMEs absorb more employees, this shows that MSMEs play a very important role not only in developing countries but also in developed countries. There are several differences or characteristics of MSMEs compared to large businesses, including:

1. In contrast to large businesses, small businesses and micro businesses are very large in number and spread across various regions in Indonesia, including remote areas.
2. MSMEs are also called labor-intensive businesses that have enormous advantages and opportunities for business development, the development of MSMEs can be classified as a crucial element of national policy policies for increasing employment opportunities and growing income, especially for marginalized communities (Tambunan, 2009).

Ardiansyah's (2020) research on "E-commerce Platform Models in Supporting the Success of MSMEs in Indonesia" shows that the latest model is formed from 5 digital business players both supporting MSMEs and business models that are mutually supportive of each other, where BUKALAPAK and GOJEK have the most dominant as many as 4 themes. BUKALAPAK, which is selling digital products, feature applications, profit sharing and field teams, of the 4 themes 3 of the themes support MSMEs and only 1 theme of business models. Meanwhile, GOJEK is profit sharing, getting bonuses for partners, training and increasing income. Of the 4 themes that emerged, 2 came from supporting MSMEs and 2 from business models. On the other hand, the fewest are TOKOPEDIA and KUDO, each of which only has 2 themes, namely training, feature applications, revenue generation and field teams that help, only 1 from the business model, namely feature applications.

Ayu's research (2020) namely "The Role of E-commerce on the Indonesian Economy During the Covid-19 Pandemic" explains that based on data analysis, it is concluded that e-commerce provides a role for the Indonesian economy during the Covid-19 pandemic both for businesses, consumers, and government. For business players, e-commerce is a solution to overcome the impact of Covid-19, increasing business scale because many investors are investing in this field, increasing understanding of market trends and behavior, marketing reach, and encouraging business people to adapt to conditions during the pandemic and technology. E-commerce is also beneficial for consumers, including providing security and convenience in transactions because they still comply with health protocols. Consumers are also more effective and efficient in terms of time, effort, and price selection compared to conventional transactions. With the development of e-commerce, it also has an impact on the development of technology to meet consumer needs. For the government, the existence of e-commerce encourages state revenue from the value added tax (VAT) sector and e-commerce can also increase national economic growth. So, it can be concluded that e-commerce provides positive benefits for Indonesia's declining economic growth due to the Covid-19 pandemic. Purnama's research (2021) on "E-commerce Analysis in Helping MSME Sales in the Midst of a Pandemic" stated that electronic

commerce or known as e-commerce plays a very important role in helping MSMEs during a pandemic, while the roles given by e-commerce include: increase MSME income, increase MSME sales, and as a marketing strategy and promotional media for MSMEs

B. Methods

The sampling method used in this study was determined purposively, which was to determine the informants who were considered appropriate on purpose, who had certain considerations. The reason for using the purposive sampling technique is because it is adjusted to the research focus, which is about how the role of e-commerce to consumers and to MSME business players in the digital era is about: 1) Choosing products/goods that consumers need, 2) Choosing a domain name for e-websites, commerce, 3) Access speed, 4) Access reliability, 5) Attractive appearance, 6) Security, 7) Communication and consumer trust, 8) Intensive promotions, marketing and publications, 9) Supply chain, 10) Cahain supply Management. Based on this focus, the researchers determined the MSME actors in the online traditional market as well as the online/e-commerce traditional market consumers as informants. This data was obtained from PT Hiyarta Danadipa Raya as the manager of Malang's online traditional market. Collecting data using interviews. The data analysis method used is descriptive analysis with a qualitative approach with the following stages:

1. Data reduction is a process of selecting, simplifying, and transforming rough data that emerges from written notes in the field. At this stage the data obtained from PT Hiyarta, MSME actors and consumers are still global about the use of e-commerce. Then finally it will bring up the role of e-commerce for consumers and SMEs in the digital era.
2. Triangulation, at this stage is to analyze the information obtained from the records that have been reduced to see the truth while looking for supporting data so that the results can be trusted. This stage uses interviews with informants and documentation obtained from PT. Hyarta, MSME players and online market consumers through the google form. In addition, information mining and observations were carried out at PT. Hyarta, MSME players and online market consumers, the role of e-commerce in the digital era.
3. Data presentation is a collection of information that is composed of the triangulation stage and provides the possibility of drawing conclusions and taking action both in tabular and narrative form in order to combine information arranged into an integrated form. At this stage, you have got an overview of the role of e-commerce in the digital era towards consumers and SMEs in the digital era.
4. Conclusion Drawing is the process of noting regularity, an explanation of the causal flow of the data presentation process. Then the conclusions are verified during the research, in other words, before the final conclusion is made, it can be preceded by the conclusions in the previous process. These temporary conclusions with the interactive model lead to competent final conclusions with

research propositions. This final stage brings up conclusions that can answer the research objectives, namely the role of e-commerce in the digital era for consumers and SMEs in the digital era.

C. Results and Discussion

Based on the results of interviews with PT. Hiyarta Danadipa Raya, the manager of MSMEs, MSME actors and consumers of online traditional markets, it can be explained that:

1. In terms of selecting products/goods needed by consumers. Consumers commented that purchases through e-commerce can provide accuracy in choosing goods because there are many choices and if an item goes wrong, they can directly contact via WhatsApp to the manager and the manager of the online traditional market is willing to replace the order the next day.
2. In choosing a Domain name for web e-commerce. The UMKM explained that this domain name is to make it easier to remember a unique and clear product name, like a product name and as a brand in business. So PT Hiyarta is satisfied that the choice of a domain name in e-commerce can create brand awareness
3. In Speed of access. The consumer explained that they were satisfied and found it easy to purchase, because the e-commerce applications used by the online market were very easy to access
4. In access reliability. The consumer explained that shopping through e-commerce was satisfied because in the delivery of shopping goods on the H-1 order at any time it would be sent the next day a maximum of 11 afternoon.
5. In terms of attractive appearance. MSMEs explained that e-commerce can provide an attractive appearance in terms of: colors, letters, images, menu layouts, display comfort and easy-to-understand grammar. Likewise, the consumer feels happy with the display. exemplified pictures of goods such as fruit, both colors and pictures are interesting and easy to understand.
6. In terms of Security. Consumers explained that shopping through e-commerce provides convenience and security in payments, because the online market manager provides payment features through mobile banking
7. In terms of Communication and trust. Consumers commented that shopping through e-commerce provides communication even though online is proven by, if it doesn't match the goods purchased, the consumer sends a message via WhatsApp to PT Hiyarta and PT Hiyarta will replace it. This makes consumers feel there is communication and trust.
8. In terms of intensive promotions, marketing and publications. In this case, MSMEs commented that MSMEs can feel the nuances of promos because e-commerce provides the option to provide normal prices, cheaper prices, or higher prices with the profit variance obtained in it. Of course, MSMEs must be able to calculate correctly in determining prices.

9. In terms of supply chain. MSMEs explained that e-commerce helps monitor the process of product/goods transportation from producers to consumers through distributors (suppliers), this availability guarantee is important to make products not scarce in the market and provide solutions if the number of products is not able to meet the number of needs or market demands and can expand market reach and make shipping management easier.

10. In terms of Supply Chain Management. MSMEs commented that e-commerce can prevent abuse of authority related to the role of each element in the product cycle, starting from packing goods to reaching the final consumer and preventing product and brand piracy by other parties or competitors, which it relates to intellectual property and income as well. Can streamline the system and streamline the structure so as to save costs.

The results of this study are in line with Pratama's (2015) theory, namely that e-commerce is a form of changing interaction patterns between sellers and buyers from physical contact and face-to-face direct to internet-based and wider global marketing. As for being successful in e-commerce, you must pay attention to 10 things, namely: (1) choosing products/goods needed by consumers, (2) choosing a Domain name for e-commerce web, (3) Speed of access, (4) Reliability of access, (5) Attractive appearance, (6) Security, (7) Communication and trust, (8) Intensive promotions, marketing and publications, (9) Supply Chain, (10) Supply chain management.

The results of this study are also in line with Purnama's research (2021) on "Analysis of E commerce in Helping MSME Sales in the Midst of a Pandemic" stating that the roles given by e commerce include increasing MSME income, increasing MSME sales, and as a marketing and media strategy. promotion for MSMEs.

The results of this study are in line with Ayu's (2020) research, namely "The Role of E-commerce on the Indonesian Economy During the Covid-19 Pandemic" explaining that based on data analysis, it is concluded that e-commerce provides a role for the Indonesian economy during the Covid-19 pandemic both for business actors, consumers, and government. For business players, e-commerce is a solution to overcome the impact of Covid-19, increasing business scale because many investors are investing in this field, increasing understanding of market trends and behavior, marketing reach, and encouraging business people to adapt to conditions during the pandemic and technology. E-commerce is also beneficial for consumers, including providing security and convenience in transactions because they still comply with health protocols. Consumers are also more effective and efficient in terms of time, effort, and price selection compared to conventional transactions.

In addition, this research also supports Ardiansyah's (2020) research on "E-commerce Platform Models in Supporting the Success of MSMEs in Indonesia" showing that the latest model is formed from 5 digital business players both supporting MSMEs and business models that support each other, where BUKALAPAK, GOJEK TOKOPEDIA and KUDO all focus on intensive promotions to increase revenue.

D. Conclusion

The conclusion that can be drawn from this research is that the role of e-commerce on consumers is, (1) providing convenience in shopping, (2) providing a sense of security in the post pandemic period, (3) providing speed of shopping services, (4) providing accuracy in the selection of goods, (5) Providing convenience and security in payments, (6) Providing satisfaction through available applications. The role of e-commerce for MSME business players in the digital era, namely, (1) Expanding market reach, (2) Creating brand awareness, (3) Easy customers to make purchases, (4) Saving costs, (5) Easier shipping management.

The advice given is that MSMEs should further improve the supply chain because the supply chain will further expand market reach. In expanding the reach of this market, MSMEs are expected to be able to keep up to date following developments in trends, so MSMEs will be able to adapt products to demand from international markets.

MSMEs must improve their knowledge of technology, willingness to learn features on the internet, production strategies, marketing, to online distribution, as well as managing communication and interaction with business partners and consumers are basic skills needed for MSME business owners to expand their business. go international and be digital

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