

Effectiveness E-commerce on MSME fashion products

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Abstract

This study aims to examine the effect of E-commerce on the sales of fashion products by MSME in Denpasar City. Sampling of the study was conducted using the accidental proportional sampling method. Based on the calculation results, the total number of samples used in this study is one hundred samples. The analysis technique used is a simple linear regression hypothesis test using the SPSS 25.0 program. The results of this research show that the use of E-commerce partially has a positive effect on the sales of fashion products by MSME in the city of Denpasar.

Keywords: MSME; E-commerce; Sale; Fashion

1. Introduction

The trade sector in Denpasar City is an asset which can be a source of income for local governments and can strengthen the foundations of the regional economy. Based on data from the Denpasar City Cooperative Small and Medium Enterprises Office, one of the developing MSME in Denpasar City is fashion products (Marantiani and Budhi (2017).

Shopping for fashion needs, both clothing and to support style, will increase because someone buys clothing not just for reasons of basic needs, but for social reasons. So that these conditions increasingly trigger the growth of the industry and sales business, especially clothing.

There is inequality in the income of entrepreneurs in fashion products where the income earned by entrepreneurs is not evenly distributed, so that the fashion business they run is not able to develop optimally. This can be seen from, even though MSME are in the same regional zone, the income earned tends to be uneven. Especially with the emergence of competitors, entrepreneurs in fashion products are required to be more creative and innovative in selling their products. Various efforts need to be made, one of which is to take advantage of the use of e-commerce. This research needs to be conducted to provide an overview for entrepreneurs in fashion products to maintain their existence amidst rapid competition and increase income.

E-commerce is a factor that can affect sales. Small businesses can now overcome some of their major weaknesses, such as business size, capital, human resources, and limited markets by adopting Internet technologies. With the development of the era, businesspeople are now using the internet more to market their products. New forms of marketing have provided opportunities for small businesses to grow dynamically. E-commerce is used for product marketing so that it gets benefits, profits, is cheaper, efficient, has unlimited access, can be accessed by visitors from all over the world and if those in the area have internet access. The use of E-commerce or better known as Online Shopping is the implementation of transactions in the form of sales, purchases, orders, payments and promotion of goods or services carried out by using computers or electronic communication facilities. The results of research by Destiana (2010) state that the influence of E-commerce can increase the level of sales and purchases and widen the reach to reduce idle money on goods at the Jakarta Notebook Store. The results of Suprpto's research (2016) stated that the E-

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commerce application had a positive effect on Jack Donut sales because after using e-commerce there was an increase in Jack Donut sales.

2. Material and methods

The associative method is used to examine the effect of business location and use of e-commerce on the sales of fashion products by MSME in Denpasar City. This research is in Denpasar City, while the selection of this location was since Denpasar City is a sub-sector level that has advantages in fashion products by having 7,746 units of fashion product MSME, where fashion product MSME are included as the leading MSME of Denpasar City after MSME in the culinary field. Sampling was conducted using the accidental proportional sampling method with a ratio of fifty (50) respondents in the cluster and 50 respondents outside the cluster. Accidental proportional sampling is a method of sampling in which the researcher can select respondents who are the first to be encountered or people who have been successfully met, and it is deemed that the person met is suitable as a data source. Multiple linear regression analysis technique is an analysis technique used to determine the effect of the independent variables on the dependent variable. This research was conducted to determine the effect of capital, location, and e-commerce on sales of MSME fashion products in Denpasar City. In conducting data analysis, it will be processed with the SPSS program.

3. Results and discussion

Respondent groups based on gender are shown in Table 1.

Table 1 Characteristics of Respondents

Characteristic		Respondent	
		Total	Percentage (%)
Gender	Male	12	30.8
	Female	27	69.2
	Total	39	100
Age	21-30	33	84.6
	31-40	3	7.8
	41-50	1	2.5
	51-60	1	2.5
	>60	1	2.5
	Total	39	100
Educational Backgrounds	Senior High School	22	56.4
	Bachelor/master's degree	17	43.6
	Total	39	100

Primary Data, 2023

The results of hypothesis testing performed using Simple Regression Analysis are as follows:

Table 2 Simple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1	(Constant)	11.551	1.047		11.029	0.000
	e-commerce	0.403	0.064	0.606	6.297	0.000

Primary Data, 2023

Based on table 2 $t\text{-count } 6.297 > t\text{-table } 1.671$ or a significance value of $0.000 < 0.05$, then H_0 is rejected and H_1 is accepted. This means that the e-commerce variable partially has a positive and significant effect on MSME sales of fashion products in Denpasar City. With a coefficient value of the e-commerce variable of 0.403, it means that when using e-commerce, the sales are 0.4 times higher than those who do not use e-commerce. The results of the analysis show that MSME for fashion products in Denpasar City who use e-commerce obtain higher sales compared to those who do not use e-commerce because some shops that do not use e-commerce assume that there is a physical store where consumers can immediately see the products offered, consumers can see for themselves what model they want and try on the appropriate size. More sellers who do not use e-commerce include men and women who are elderly and have minimal education, including high school graduates. But during the development of information technology and technology, IKM entrepreneurs should optimize the use of e-commerce in marketing and promotion activities for the products they produce or sell. The use of e-commerce with social media, applications, websites to increase sales.

The results of this study in line on research conducted by Setyawan (2017) which states that e-commerce has a significant effect on business sales in the apparel industry in the province of Bali, because with e-commerce, buying and selling patterns in society have begun to change. The use of e-commerce can expand the reach of the sales zone so that the whole community can know it.

The results of this study indicate that MSME for fashion products in Denpasar City who use e-commerce obtain higher sales than those who do not use e-commerce. This implies that the use of e-commerce is related to sales, where if a fashion product trading business uses e-commerce, sales will increase. Because e-commerce provides a lot of benefits to sellers and buyers such as 24-hour service availability, reaching customers directly, satisfying their needs, promoting relationships with customers, and exchanging information. However, from the observations and interviews conducted, it shows that there are still a lot of business owners of fashion products who do not use e-commerce, this happens because business owners are more comfortable selling offline, are not interested in selling online and business owners are unable to master digital technology.

4. Conclusion

Based on the results of e-commerce research, it has a positive effect on MSME sales of fashion products in Denpasar City. MSME fashion products should optimize the use of capital, one of which is by utilizing the KUR program that has been provided by the government. For IKM entrepreneurs, it is necessary to optimize the use of e-commerce in marketing and promotion activities for the products they produce or sell. The use of e-commerce is done with social media, applications, websites. It is suggested that the government needs to facilitate the provision of business credit so that business actors can develop their businesses, one of which is by facilitating the procedure for applying for business loans.

Compliance with ethical standards

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Disclosure of conflict of interest

All authors contributed positively to the writing of this manuscript and there no conflict of interest as agreed to the content of this research.

Statement of informed consent

Informed consent was obtained from all individuals respondents included in the study.

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