

## E-commerce in Increasing Small and Medium Enterprises

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**Abstract.** The purpose of this study is to determine the effect of E-commerce in increasing product sales. The method used is a descriptive qualitative approach. The results of this study can improve the quality of communication coordination in the sale of this product. It is because nowadays we can buy anything we want not only through conventional but also through E-commerce, which has a flourishing presence in Indonesia. Besides, purchasing through e-commerce is considered easier and more affordable because there are benefits that can be obtained by consumers and sellers.

### 1. Introduction

Nowadays, we are faced with changes in technology including Computer, Communication, and Multimedia. It is easier for us as human beings to get information, solve a problem, and shopping online through e-commerce. Online shopping has become an alternative way of buying products or services, it is developing both in terms of service, effectiveness, security, and popularity [1]. Besides, online transactions are easier and simpler for consumers and sellers. A lot of business people who have small capital or called SME's can present and develop their business just by selling their products through e-commerce [2]. E-Commerce is a type of electronic business mechanism that focuses on individual-based business transactions using the internet (digital network-based technology) as a medium for exchanging goods or services between two institutions (business to business) and direct consumers (business to consumer). SME's are the strength of a country's economic and industrial growth because 90% of total business is SME's contribution. Therefore, many countries appreciate the existence of SME's, including Indonesia. Three main reasons underlie the importance of the existence and development of SME's, namely (1) the SME's have better performance in terms of producing a productive workforce; (2) SME's as part of its dynamics, it often achieves increased productivity through investment and technological change; and (3) SME's has an advantage in terms of flexibility compared to large scale businesses. SME's in Indonesia have played an important role, especially in employment, increasing the number of business units, and supporting household income [3]. We could see that SME's have a big role in improving the welfare of society and the country's economic growth.

Therefore, great attention must be paid to the SME's to be able to compete globally. Nowadays, e-commerce systems are a strategy for increasing the growth and development of SME's [4]. ICT (Information Communication Technology) can change business patterns and models from traditional to modern business models.

With the benefits of the internet that can perform services without a time limit, easy access, and affordable costs, as well as other conveniences, make more businesses join into e-commerce [5]. With the

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establishment of an online sales system, business people or businesses can use it as a medium to promote their company and its products. Therefore, they can be more widely known. Besides, it is expected to facilitate consumers who will buy products offered by businesses without having to come into place directly. Nowadays, the euphoria of social media use such as Instagram, Facebook, Twitter, websites, and others through the internet has become a trend in the community. This affects behavior changes in the community in interacting and communicating [6].

This condition is supported by two fundamentals, namely the new behavior of urban people and the technological revolution. The growth of social media users must be utilized by companies to reach consumers by innovating in doing business, marketing, and communicating online through their e-commerce services. Companies must adapt and realize that social media and e-commerce play an important role in connecting customers and increasing the growth of online businesses. The purpose of this study is to determine the effect of E-commerce in increasing product sales. This research used a descriptive qualitative method.

## **2. Method**

The method used in this study is a descriptive qualitative a by describing E-commerce and the Impacts obtained by SME entrepreneurs. Hence, they can know the effect of E-commerce on UMKM entrepreneurs. This study examines how the influence of Shopee E-commerce in increasing sales of UMKM products.

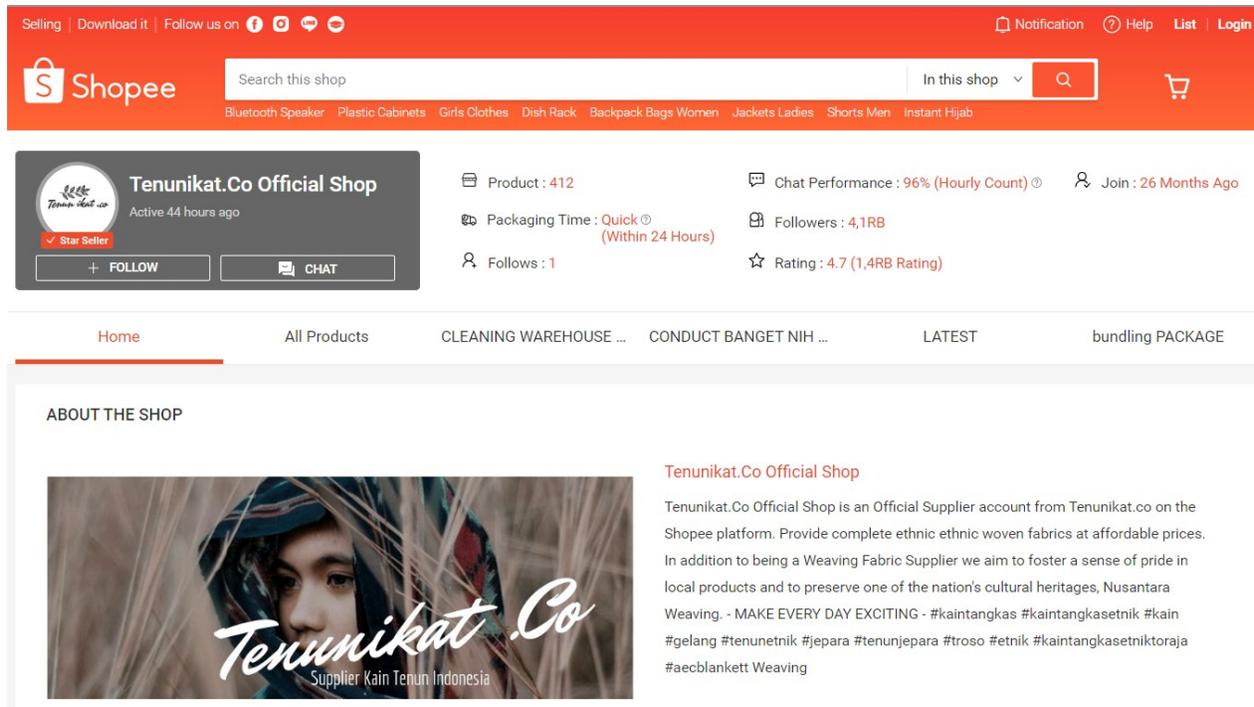
## **3. Results and Discussion**

The SMEs carry out a strategy to market their products in E-commerce Shopee by explaining the specifications of the product, for example in a shop with ID wovenikat.co that sells ethnic weaving from various regions in Indonesia, ranging from woven cloth typical of Dayak, Lombok, Sumba, and much more [7]. The various transactions offered can be done through various banks that work with Shopee and that makes consumers easy when shopping at E-commerce. Shopee can pay on the spot and get free postage for certain stores. To produce product growth in existing and new markets, three intensive growth strategies for marketing expansion by Ansoff can be applied as follows [8]:

1. Market dissemination strategy
2. Market development strategy
3. Product development strategy

E-commerce makes a profit for UMKM entrepreneurs who have small capital but has a lucrative advantage. It is because the form of marketing and promotion is assisted by a third party namely the e-commerce itself such as offering free postage promotions, cashback, and flash sales with sufficient discounts large so that makes consumers interested in the promos offered [9]. Therefore, promotion is a form of marketing communication and promotion is one of the determining factors for the success of a marketing program. Promotion or marketing communication can be said to be able to influence the survival of two companies. Without the promotion, consumers will not recognize and even use the products or services offered by a company, whether large, medium, or small scale. Promotion is a company's effort to coordinate information and persuasion media to introduce and sell their products, services, or ideas [10]. Communication has an important role, it is a unique tool used by marketers to persuade consumers to act according to their expectations such as visiting a retail store, choosing, and making a purchase. In the marketing context, the communication that used is an organized effort to influence and convince customers to make choices that are in line with the desires of the marketing communicator. Besides, it is also in line with satisfying customer needs. In this case, marketing communication is a medium between marketers and consumers and between consumers and their socio-cultural environment. Orders can be done anytime and anywhere, as per the wishes of consumers, besides, consumers can easily access the site through browsing the internet on various electronic devices. This

makes the strategy for online businesses more effective by following the development of the era and the digital era (Figure 1).



**Figure 1.** Initial appearance of weaving.co profile in Shopee

Figure 1 shows the display of Tenunikat.co Shopee account. There is a product description and how the store service in serving consumers, such as the speed of replying to chat, ratings, and delivery time (Figure 2).

The screenshot displays a product page on the Shopee e-commerce platform. At the top, the Shopee logo and navigation menu are visible. The breadcrumb trail indicates the product's location: 'Shopee > Clothing Women > Woven > Cotton > Fabric Blanket Ethnic Nusantara - TIC 23'. The main product image shows a woman wearing a colorful, patterned blanket. To the right of the image, the product title is 'Ethnic Blanket Woven Fabric Nusantara - TIC 23', marked as a 'Star Seller'. It has a 5.0 star rating from 2 assessments and 4 items sold. The price is listed as Rp120,000, which is a 20% discount from the original price of Rp150,000. Below the price, there are options for wholesale purchase and delivery details, including free shipping and a shipping destination of KOTA JAKARTA PUSAT. A 'MOTIF CHOICE' dropdown is set to 'TIC 23'. The quantity is set to 1, with 1000 pieces left in stock. At the bottom, there are 'Insert Basket' and 'Buy Now' buttons, social sharing options, and a 'Favorites (10)' link.

**Figure 2.** Display of weaving products In the product view

The user can select the desired item. The products that are sold by Tenunikat.co are local woven fabric. The products shown are listed between the price and the full product name. There is also a postage price that is automatically adjusted to the place of the consumer (Figure 3).

### Product Specifications

Category	<a href="#">Shopee</a> > <a href="#">Women's Clothing</a> <a href="#">Cotton</a> > <a href="#">Fabric</a> >
Brand	No Brand
Stock	1000
Send from	REGENCY. JEPARA - PECANGAAN, JAWA CENTRAL, ID

### Product Description

**SUPER SALE BLANKET** Buy Blankets for Free Bracelets: Normal Price Blanket Rp. 185,000 DISCOUNT so only Rp120,000 **CARA ORDER** • Choose Variation "Blanket Code" • Free Bracelets are random (sent according to availability) • You can request a bracelet by writing on "notes" before km checkout / payment For example: Sis, I want a blue bracelet, yes • Item code is printed on each picture above • To get "FREE 20K FREE" you must claim / use the free voucher ongkir menu "enter voucher" Notes; Every purchase on this link you have got 2 items namely Blanket and Bracelet. Normal Price - Blanket Rp. 185,000 - Bracelet Rp. 30. 000 \_\_\_\_\_ Ethnic Blanket is a piece of fabric made from cotton yarn that is processed in such a way as to form a pattern and motif that is carried out entirely traditionally by weaving craftsmen. Each sheet of Ethnic Blanket has a motif and a combination of different colors that have different meanings and meanings. This blanket can function as a blanket, clothing material, room decoration and is now becoming a trend among millennials, which is a compulsory property when traveling and ethnic / folk photos. whatever reason you use it, one of our most important reasons, preserving and preserving the nation's cultural heritage! Specifications: • Original woven fabric not stamped / printing • Cotton yarn material: cool, soft • Size STD: 250x120cm Usability • blanket / blanket • material clothes • property required when ethnic / folk photos \_\_\_\_\_ OUR OFFICE IS ACTIVE ON HOUR 09.00 -18.00 WIB PLEASE CONTACT US FOR PLEASE RETUR, KOMPLAIN, ATAUPUN TAWARAN SAMA SAMA ES HERE: (RESLLER, DROPSHIP, AGENT, DISTRIBUTOR ) **ADA HARGA KHUSUS UNTUK BELI GROSIR, PENASARAN? CHAT TANYA PRICE LIST SEKARANG JUGA!**

### Figure 3. Product Specifications

Figure 3 displays a guide for consumers in the process of filling in the buyer's data page. The user can also check the goods to be purchased. After that, the buyer fills in the correct address for shipping the goods and chooses the available shipping method. Furthermore, consumers are also informed that consumers will gain benefits from buying products at Tenunikat.co. The buyer is also informed if they want to use a free shipping voucher at this store as well as the conditions if you want to get a promo or free shipping (Figure 4).

Payment method

ShopeePay (Rp. 0) **Bank transfer** Online Credit / Debit Card Pay On Site (COD) Credit Card Installments Indomaret / i. Pocket

Alfamart OneClick Kredivo I am

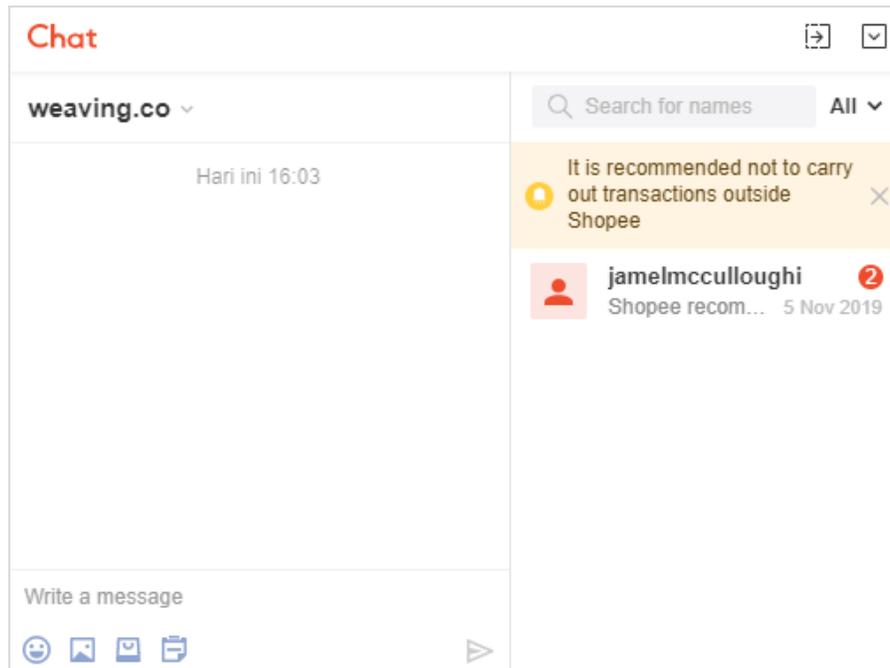
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Select Bank

-  Bank BCA (Automatic Check)  
Only accept from BCA Bank
-  Bank Mandiri (Automatic Checked)  
Receive transfers from all banks including Islamic banks
-  Bank BNI (Automatic Checked)  
Only accept from BNI Bank
-  Bank BRI (Automatic Checked)  
Only accept from BRI Bank
-  Bank BCA (Checked Manual) Upload proof of transfer is required  
Only accept from BCA Bank
-  Bank Mandiri (Manual Checked) Upload proof of transfer is required  
Only accept from Bank Mandiri
-  Bank BNI (Checked Manually) Upload proof of transfer is required  
Only accept from BNI Bank
-  Bank BRI (Checked Manual) Upload proof of transfer is required  
Only accept from BRI Bank
-  Other Banks (Manual Checked) Upload proof of transfer is required  
Receive transfers from all banks

**Figure 4.** Payment Method

Figure 4 displays that there are several payment methods, namely through Transfers Bank, internet banking, SMS Banking, or through Alfamart and Indomaret, making it easier for buyers who do not have a bank account, each seller is given a chat feature (Figure 5). The feature is made to facilitate consumers if they want to ask something to the buyer both the availability of goods and others.



**Figure 5.** Chat Feature

#### **4. Conclusion**

In conclusion, we as humans cannot be separated from the technology, including the UMKM practitioners who market their products. The development of e-commerce companies such as Shopee, making the UMKM increasingly develop their marketing to E-commerce. On the other hand, consumers are also looking at E-commerce to find the products they need. The ease of payment, hassle, and simple makes E-commerce an alternative for consumers or sellers because it increases the time and cost-efficiency. This has become an advantage to make it a habit for the public to use e-money because it has several benefits. Besides, UMKM also increase their sales due to e-commerce. This proves that the presence of e-commerce in Indonesia has a positive impact on people who are sellers or even consumers because both are very profitable.

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