



# Utilization of E-Commerce Micro, Small and Medium Rural Communities in Improving the Economic Well-Being (Studies Of Rural Communities Kecamatan Pondok Salam Kabupaten Purwakarta Jawa Barat)

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## Abstract

Start-Up in the digital era is a new model along with the widespread use of the internet, the perspective of rural communities has changed from an old-fashioned way to more modern use of technology. Micro, Small, and Medium Enterprises (SMES) Rural Communities that usually use marketing and sales of merchandise to markets have become more effective in utilizing all technological instruments in advancing their economy. Micro, Small, and Medium Enterprises (SMES), which have been eroded by time, have become a new milestone for the economy of people in rural areas through virtual business. This research was conducted in the Cottage Greetings sub-district to find out how effective the use of e-commerce is in improving the community's economy, a district that is quite old in Purwakarta but has a low per capita income. This research was conducted using the natural observation method with an Interpretative Qualitative approach. The results of this study are the use of e-commerce has a significant effect on the economic growth of the local community.

**Key words:** e-commerce, SMES, rural communities, Purwakarta

## Introduction

Economic growth in Indonesia cannot be separated from the contribution of SMES to GDP. This contribution can be seen in the year 2018 by 60.34%. Small businesses as a contributor to the GDP of 93.40%, medium-sized businesses 05.10%, and other businesses amounted to 1.00%. SME is a business group that contributed greatly to the employment and the business entity with an interval scale 99.30%, this is because the products that are on SMES become an attraction needs of the community [1]. The other side highlights that the products on the SMES cannot be widely known by the public because the promotion done by the industry was carried out in the massif with the power of capital is structured. SMES has limitations in the promotion of such media resources, human resources, as well as the setting and planning of the promotion [2], [3].

E-commerce is the activity of dissemination, sale, selling, and marketing is done through electronic media online. Technology information that connects companies or individuals as sellers and buyers in the form of product, discount, or promo. By visiting a specific platform that can be done anywhere and anytime without having to visit a place that

can save you time effectively and efficiently [4]–[6]. The ease and security that are offered in the payment be an appeal of purpose between the seller and the buyer. It is also an effort to increase the quality of service the value of a business. Faceted advantages that are offered can be felt by the seller can market their products anywhere and anytime [7].

Utilization of e-commerce can provide opportunities for SMES to expand access to marketing; it also gives a positive impact in creating jobs in the sector of digital business and the contribution of economic growth in Indonesia in general. Innovation must be done by improving the quality of products, competitiveness and decent marketed as digital to encourage the interest of buyers and expand the market as well as networking enthusiasts' even export the global market [8], [9]. The purpose of empowerment is what will encourage the progress of SMES in Indonesia as a pillar of the economy in Indonesia. One of the potential development of Micro, Small and Medium enterprises to be jobs there are in the District of Pondok Salam Kabupaten Purwakarta engaged in the sales of basic human needs such as food and clothing. The basic needs of this primer are the opportunity development of SMES can reduce unemployment and improve the economic community of locals [10], [11].

Pondok Salam Purwakarta Regency is a district with a per capita income of the low if compared with the sub-districts other in Purwakarta. The community with the majority of the work as traders and farmers with low education are less able to translate the media technology in the marketing strategy lead to a stagnation of economic trade. The trading system through the internet which is then utilized aims to facilitate the transaction and trade to improve the economy of the community, a business-based information technology is expected to be a medium that facilitates the customer to get their basic needs [4].

Table 1. Tabel 1

Lapangan Usaha PDRB	PDRB Menurut Lapangan Usaha (Juta Rupiah)					
	Harga Berlaku			Harga Konstan		
	2018	2019	2020	2018	2019	2020
A. Pertanian, Kehutanan, dan Perikanan	4357427.91	4582189.4	4535925.13	2563607.15	2722240.97	2724197.57
B. Pertambangan dan Penggalan	42750.90	43443.46	43066.51	31613.8	319813.43	30914.21
C. Industri Pengolahan	36603205.83	38738573.1	38382231.66	261.65794.48	26981904.34	26281876.4
D. Pengadaan Listrik dan Gas	425307.57	450518.84	441863.27	265569.77	279603.36	274331.21
E. Pengadaan Air, Pengerolaan Sampah, Lirnbah dan Daur Ulang	19755.3	21733.04	24625.94	125.58.60	13153.87	14836.93
F. Konstruksi	4578677.75	51.66051.86	4926749.07	306658944	3247015.97	3081785.07
G. Perdagangan Besar dan Eceran, Reparasi Mobil dan Sepeda Motor	7394041.73	8138490.08	7833683.84	5269211.75	5666983.37	5383815.83
H. Transportasi dan Pergudangan	155808234	1687673.91	1673511.22	99572234	1060279.54	1029845.57
I. Penyedia Akomodasi dan Makan Minum	698494.18	762192.62	74509613	533421.58	574214.5	556406.23
J. Informasi dan Komunikasi	892078.11	968792.23	124128935	901444.34	988614.01	1255173.91
K. Jasa Keuangan dan Asuransi	1557702.89	1675066.91	1680881.08	1006397.80	1046732.02	1053507.29
L. Real Estate	785657.54	867310.93	875845.27	582601.21	636798.62	638170.92
M. N. Jasa Perusahaan	277457.2	327987.42	316270.07	196725.11	214690.28	202603.93
O. Administrasi Pemerintahan, Pertahanan dan Jaminan Social Waiib	837147.23	903628.52	868065.41	496495.26	522498.79	499318.84
P. Jasa Pendidikan	1384929.44	1521948.08	1638760.76	955825.90	1.045911.18	1050009.08
Q. Asa Kesehatan dan Kegiatan Sosial	295595.7	333165.95	337354.46	210035.2	227636.15	225614.15
R.S.T.U Jasa Lainnya	1406349.5	1552750.48	151.0981.49	988035.8	1061645.54	1020241.37
Produk Dornestik Regional Brute	63116672.12	67741516.83	67176210175	44341651.54	46281710.94	45332648.51

\* 2019 Angka sementara. \*\*2020 Angka sangat sementara. Perbedaan Angka dengan PORB Lapangan Usaha karena PDRB Pengeluaran belum rekonsiliasi  
Source Url: <https://purwaktakab.hps.go.d/indicator/52/37/11pdrh-menurut-lapangan-usaha.html> Access Time: November 18, 2021, 9:31 am

Researchers conducted a literature review using the platform Publish or Perish, a software that can be used to harvest metadata of the scientific work of all and/or fields of science. Abbreviated PoP is also a tool of alternative for

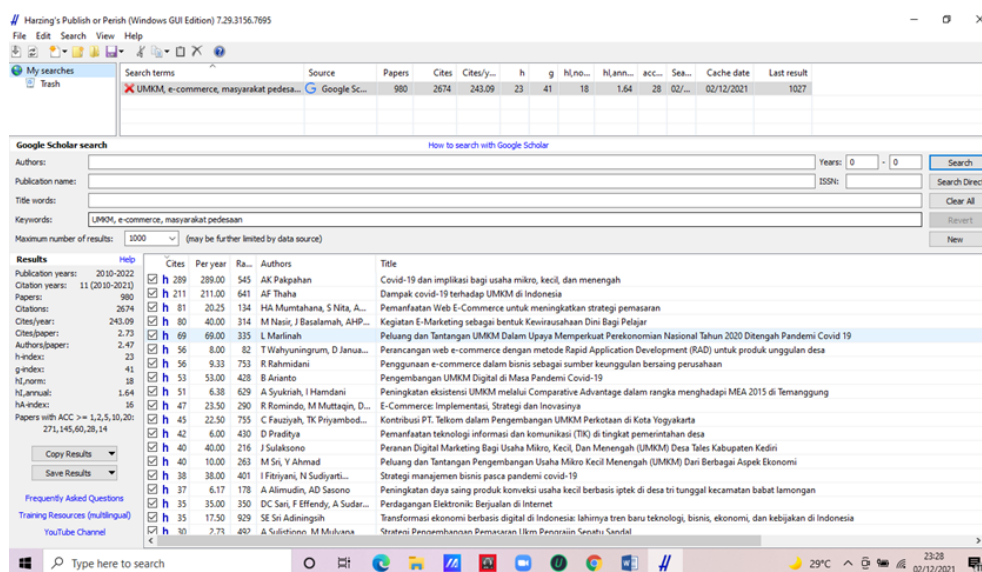


Figure 1. Image1

access to the database. Researchers conducted the study with keywords SMES, e-commerce, and Rural Communities with the results of the 980 in Paper books and journals as well as as many as 2674 citations with 243.09 Citations each year in 11 Years. It is proved that the research on SMES and e-commerce have been widely studied and has become a challenge for researchers to find novelty in this study.

The gap above the background of the researcher to formulate the research to know the concepts and models are made of Micro, Small and Medium enterprises in the districts Pondok Salam, Purwakarta West Java. After doing a literature review in-depth – *Novelty* in the form of the location of the research conducted in a district fall behind and parents in Kabupaten Purwakarta. Furthermore, it was found that e-commerce is just utilized when and post-pandemic that occurred in parts of the world including Indonesia. The research is expected to help Micro, Small and Medium enterprises get input in the form of increased development of quality products and services business digital, also as a principal strategy of competitiveness in the face of economic growth after the pandemic. Novelty another is that this research approach uses qualitative methods where most of the similar research approaches using quantitative methods.

## Research Method

Researchers research with the design approach qualitative descriptive to describe, and outline the object under study [12]. Descriptive qualitative research is an approach to research using the method or approaches a case study through centering themselves intensively in an object for later studied as a case [13]. The data case study itself can be obtained from all parties directly related to the field of research, are also collected from various sources:

*Case study research is a qualitative approach in which the investigator explores a bounded system ( a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information (e.g., observation, interviews, audiovisual material, and documents and reports) and reports a case description and case-based themes [12]*

The ability of researchers in exploring a system bound of the range of cases for delivery through data collection and in-depth analysis involving various information sources in a context of being a press of what is delivered Creswell above, however, the data of the case study can be obtained not only from the cases studied [14].

The population in this study amounted to 141 SMES with the sample as many as 5 traders who sell food and clothes, 5 traders were selected using the purposive sampling method. Researchers assessed the representativeness of 5 this Merchant, because the profitability generated from 5 of the trader can reflect the whole of efforts to increase the level of the economy of the rural community of Micro, Small and Medium enterprises through the electronic media and technology in the form of e-commerce. Data collection in this research uses the method of triangulation – where participant observation, in-depth interviews, and review of documentation become a tool in gathering the data needed by researchers. The development of the instrument was performed with the development as usual through the theory, the construct, the definition of conceptual, operational definition, the determination of the instrument type, as well as specify item instrument in which the researcher becomes the developer of the instrument itself, SMES and the customer [15].

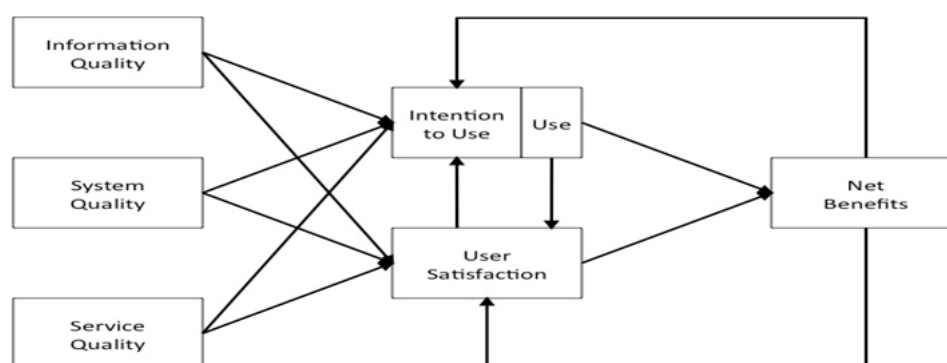


Figure 2. Image2

The data analysis technique used in this study has four stages, namely data collection, data reduction, presentation of data and the last is conclusion and verification. The technique of data analysis is the process of search and preparation of the data systematically obtained using a variety of data collection techniques such as interview, questionnaire, observation, and documentation such as video recording/audio with how to organize the data and choose which ones are important to learn, and make conclusions [16].

## Results and Discussion

Based on the results of research and discussion that has been described previously regarding the utilization of e-commerce SMES in rural communities in the Cottage Greetings Purwakarta, concluded that e-commerce influences the economic growth of SMES in rural communities. It is shown, the better the use of an information system will improve the economic well-being. These findings also support the theory of The Delone and Mclean Information System Success Model that the quality of the individual or business requires use of a good information system and in this case is the use of e-commerce as a medium of digital business [17]. The digital platform that good will make the performance of the SMES to be more accurate, effective, and efficient as depicted in the image below [18], [19].

The researchers obtained the data from 5 of SMES, of the five data all of which are SMES managed by old housewife interval of 28 Years - the age of the productive to utilize e-commerce as a medium of digital business to improve the economy. Another finding is the fifth SME is producing the largest turnover among 141 SMES in Kecamatan Pondok Salam Kabupaten Purwakarta. They represent the sale of food, beauty tools, and clothing. In addition to the above findings found a unique form of that effort that they do to just use the WhatsApp app without using other Platforms - they judge that the use of WhatsApp is the medium most appropriate in responding to your request for the achievement of service quality that affects profitability [20]. Another unique feature found is the reason of the fifth of SMES is the use of the platform only on the app WhatsApp produce the impression in the eyes of the customer that naturalistic human effort to be trust its own for customers compared to dealing with a system such as auto text reply [5], [21]. The turnover resulting from the fifth SMES is in the interval from Rp. 32.500.000,- each month, a figure that not only can improve the economy of rural communities, but can become a benchmark for the sustainability of the economy in Indonesia. Other unique things worth discussing is how the SMES do technical marketing through the choice of diction and the editor of Language persuasive that can attract customers to buy products that are marketed so that when the researcher asked to document conversations with customers fifth SMES naturally refused, this is a space of privacy SMES that should be respected and guarded by the researcher [22].

The connection with the theory and structure have been established where the researchers found that the utilization of e-commerce SMES in rural communities in the District of Pondok Salam Kabupaten Purwakarta is to revise the theory of the previous one by adding a new theory in the form of continuity should be the indicator of additional leverage e-commerce as a medium of digital business in improving the economy. Continuity is a way to stimulate and convince customers that are interested in buying the products traded by the SMES continuously even tend to be sporadic like posting tread on the WhatsApp application. As studies in the theory of the previous that has already been done - the SMES is still making continuity as attention minor product marketing to improve the economy. This is the point of the press the results of research conducted that continuity should be the indicator in addition to naturalism [23]. Naturalism cannot be used as an indicator of additional in doing the marketing of products because naturalism is an assessment that emerged from the customer. Naturalism is the assessment of the customer in the form of trust obtained from SMES, in addition to trust - even from the customer can also be felt directly rather than have to deal with a system like an auto-text reply [24].

## Conclusion

The results found that the better the use and utilization of an information system will improve the economic well-being, these findings also support the theory of *The Delone and Mclean Information System Success Model* that the quality of the individual or business requires the use of a good information system and in this case is the use of e-commerce as a medium of digital business. Pe a digital platform that good will make the performance of the SMES to be more accurate, effective, and efficient.

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