

**ANALYZING THE E-BUSINESS TOWARD SUPPLY CHAIN PROCESS
(CASE STUDY: FASHION ONLINE SHOP IN MANADO)**

*MENGANALISA BISNIS ELEKTRONIK TERHADAP PROCESS RANTAI PASOKAN
(STUDI KASUS: TOKO ONLINE FASHION DI MANADO)*

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Abstract : One major benefit of e-business is the ability to more efficiently manage the supply chain. Many companies are using e-business and its related components to facilitate supply chain management. The firms are realizing a variety of benefits such as information integration, planning synchronization, workflow coordination and new business model. The purpose of this study is to analyze e-business towards supply chain process. Case Study on Fashion Online Shop in Manado and if those variables are already been applied at the business. This research is using qualitative approach through interview. The population of this research is 10 owners of fashion online shop in Manado. Based on the results of the analysis it was found that e-business toward supply chain measured by information integration, planning synchronization, workflow coordination and new business model have a positive effect against the fashion online shop. Based on the result, by using the components of e-business, companies can work directly with suppliers and manufacturers, allowing them to eliminate the intermediary costs of distribution

Keywords : *e-business, supply chain process*

Abstrak : *Salah satu manfaat utama dari elektronik bisnis adalah sarana untuk lebih efisien mengelola rantai pasokan.. Banyak perusahaan yang menggunakan elektronik bisnis dan komponen yang terkait untuk memudahkan manajemen rantai pasokan. Perusahaan menyadari berbagai manfaat seperti integrasi informasi, perencanaan sinkronisasi, alur kerja koordinasi dan model bisnis baru. Tujuan dari penelitian ini adalah untuk menganalisa elektronik bisnis terhadap proses rantai pasokan, studi kasus pada Toko Online Fashion di Manado dan menganalisa jika variabel-variabel sudah diterapkan di bisnis. Penelitian ini menggunakan metode kualitatif melalui wawancara. Populasi dari penelitian ini adalah 10 pemilik toko online fashion di Manado. Setelah dianalisa, ditemukan bahwa e-bisnis terhadap rantai pasokan yang diukur dengan integrasi informasi, perencanaan sinkronisasi, alur kerja koordinasi dan model bisnis baru memiliki dampak positif terhadap fashion toko online. Berdasarkan hasil penelitian, dengan menggunakan komponen elektronik bisnis, perusahaan dapat bekerja secara langsung dengan pemasok dan produsen dan memungkinkan mereka untuk menghilangkan perantara biaya distribusi. Untuk para online shop sebaiknya dapat memilih supplier yang baik agar proses rantai pasokan dapat berlangsung dengan lancar.*

Kata Kunci : *bisnis elektronik, proses rantai pasokan*

INTRODUCTION

Research Background

In the rapid fashion development today, Indonesia has many online shops that offer fashion goods. In Manado, fashion online shop is not foreign anymore. Fashion online shop is very much in demand by many people, not only for women but also for men. This online shop is very useful, because it allows customers to buy goods and they don't have to go out or go to the mall, but they can shopping just by looking at the fashion items they want through social media or e-commerce. In this case e-business is very important role in the running process of buying and selling. this online fashion shop certainly has a place to supply the goods that they will sell, therefore through this research we will analyze e-business to supply chain process.

Why supply chain? People need to realize that in a business if a supply chain does not work out properly it will be difficult to reach the goals or even to maximize profit. That's why understanding how e-business is integrated with supply chain is important to help a business improve the performance, especially to those business performer that live far from the source of procurement or those who already have a broad channel of customer. That what is also applied to businesses in Manado, many entrepreneur started to realized how important to integrate their business process which concluded in supply chain with the technology or we called it e-business, It can be seen from how rapidly the business owner that use social media to promote their product, not only to promote but they started to procure their materials from other places using the internet ordering system. This makes their business performance go faster, easier and more efficient.

The development of e-Commerce about fashion in Indonesia and especially in Manado is increasing year by year. Nowadays, there are lots of fashion online shop in Manado who offers services and products absolutely, from dress, shoes, t-shirt, pants, skirt, accessories, etc. The e-business is one of the important thing in doing the online selling while considering the supply chain process in order to give the best service to the customer.

Research Objectives

Based on research problem, the objectives of this study are to understand how e-business does integrated with supply chain process and to determine factors of e-business that support the supply chain process.

LITERATURE REVIEW

E-Business

The E-business is the use of information and communications technologies in all activities of a company internally and in relation to its outside partners. Electronic business (e-business) can be defined as the use of the internet to network and empower business processes, electronic commerce, organizational communication and collaboration within a company and with its customers, suppliers, and other stakeholders. E-businesses utilize the internet, intranets, extranets and other networks to support their commercial processes (Combe, 2006).

E-Commerce

In information technology E-commerce can be categorized as a part of E-business. According to Nemat (2011), Ecommerce is the use of the Internet and website to perform business transaction. E-commerce enabled transactions between and among organizations and individuals involving information systems under the control of the firm it takes the form of e-business.

E-Procurement

According to Simon and Alistar (2005), the procurement process encompasses the initial need identification and specification by users, through the search, sourcing and negotiation stage of contracts and order placement and on to include mechanisms that register receipt, trigger payment and support post-supply evaluation.

E-collaboration

Lee and Whang (2001) defined e-Collaboration as business-to-business interactions facilitated by the Internet. These interactions go beyond simple buy/sell transactions and may be better described as relationships. These include such activities as information sharing and integration, decision sharing, process sharing, and resource sharing.

Supply Chain Management

Supply chain management is a set of approaches utilized to efficiently integrate suppliers, manufacturers, warehouses, and stores, so that merchandise is produced and distributed at the right quantities to the right locations, at the right time in order to minimize system wide costs while satisfying service level requirement (Gattorna and Walters, 1996).

Information Integration

Information integration refers to the sharing of information among members of the supply chain. This includes any type of data that could influence the actions and performance of other members of the supply chain. Some examples include: demand data, inventory status, capacity plans, production schedules, promotion plans, and shipment schedules. Ideally, such information can be accessible by the appropriate parties on a real-time, on-line basis without significant effort (Lee and Whang, 2001).

Planning Synchronization

Planning synchronization refers to the joint design and execution of plans for product introduction, forecasting and replenishment. In essence, planning synchronization defines what is to be done with the information that is shared; it is the mutual agreement among members as to specific actions based on that information. Hence, members in a supply chain may have their order fulfillment plans coordinated so that all replenishments are made to meet the same objective – the ultimate customer demands (Lee and Whang, 2001).

Workflow Coordination

Workflow coordination refers to streamlined and automated workflow activities between supply chain partners. Here, we take integration one step further by defining not just “what” we would do with shared information, but “how.” For example, procurement activities from a manufacturer to a supplier can be tightly coupled so that efficiencies in terms of accuracy, time, and cost, can be achieved. Product development activities involving multiple companies can also be integrated to achieve similar efficiencies. In the best-case situation, supply chain partners would rely on technology solutions to actually automate many or all of the internal and cross-company workflow steps (Lee and Whang, 2001).

New Business Model

Adopting e-business approaches to supply chain integration promises more than just incremental improvements in efficiency. Many companies are discovering whole new approaches to conducting business, and even new business opportunities not previously possible. E-business allows partners redefine logistics flows so that the roles and responsibilities of members may change to improve overall supply chain efficiency. A supply chain network may jointly create new products, pursue mass customization, and penetrate new markets and customer segments. New rules of the supply chain game can emerge as a result of integration fueled by the Internet (Lee and Whang, 2001).

Previous Research

Johnson and Whang (2001). The result of this study is more companies are opening Internet channels, and more buyers are ordering over the Internet. Also applications are getting more sophisticated. For example, industry exchanges do not only handle transactions, but also generate data. This in turn creates a whole new stream of research and a new breed of “execution” software products that enable a company to take real-time data and make dynamic decisions.

Wagner and Sweeney (2010). The study revealed it is important to note, however, that organization embarking on an e-business initiative have to consider a sensible alignment of technology (as an enabler) with their business strategy in order to be successful. The introduction of e-business might serve as a ‘Trojan Horse’ to enforce necessary changes in organizational structures and processes (e.g. part standardisation or use of a single coding system).

Kahkonen, Lintukangas and Virolainen (2013). The results of the study show that the main targets of e-business in supply management are cost and time savings and process development. It was also found that e-business has caused changes in supply chains and networks in terms of bargaining and competitive position.

Lee and Whang (2001). By adopting e-business approaches businesses can reap the benefits of supply chain integration - reduced costs, increased flexibility, faster response times - more rapidly and effectively.

Conceptual Framework

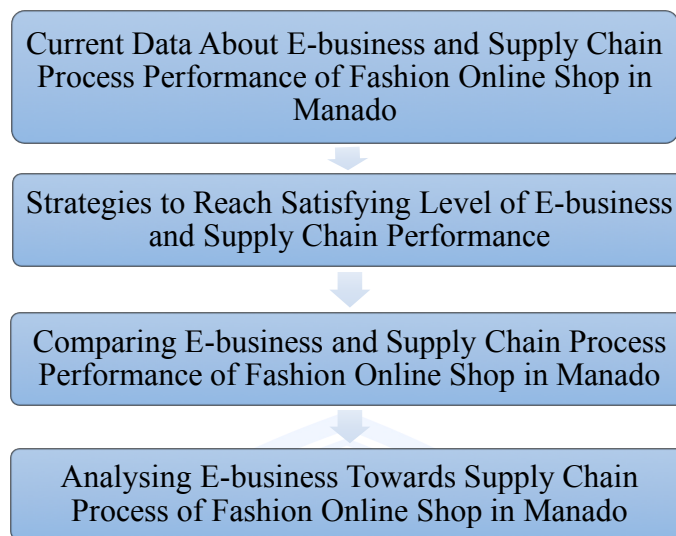


Figure 1. Conceptual Framework

Source: Data Analysis Method, 2018

RESEARCH METHODOLOGY

Type of Research

The type of this study is qualitative research methodologies to analyze the e-business towards supply chain process on selected online shop in Manado.

Place and Time of Research

This research has been done on April to October 2018 in Manado

Population and Sample

Population is generalization region consist of object/subject having certain quantity and characteristic that is fixed by researcher to studying and to gain conclusion (Sugiyono, 2005). Because qualitative research is based on certain case in a certain social situation where the result is not being applied to the population, but is transferred to other place in similar social situation with the case being studied, therefore the term 'population' is not used in qualitative research, in qualitative research it is called 'social situation'. Social situation are consist of three elements such as place, actors, and activity (Spradley, 1980). The population of this research is all the owner of online shop in Manado.

In a Research to identifies the characteristics of a population, the problem of using the sample is very important. Sample is the subset or subgroup of population (Sekaran and Bougie, 2010). While as quotes from Sugiyono (2007), sample in qualitative research is not called as respondent, but as a sources, participant, informant, friend and teacher in research process. Sample in qualitative research also is not statistical sample but a theoretical and constructive sample because the purpose is to gain theory and the source data is the source of constructed phenomenon that was previously unclear before. This research will take about 10 informant of fashion online shop's owner in Manado

Data Collection Method

The data used in this research is qualitative data, primary data can be referred as first-hand data. According to Hair, *et al.* (2006), the primary data is the result of doing some kind of data needed for this study were collected through interviews and observations in social situations.

Interview are part of qualitative methods. Understanding the interview is a qualitative data collection technique by using communication or interaction to collect information through questions and answers between

the researchers with an informant or research subjects (Emzir, 2010). with through face to face, and it can also telecommunications media.

A key instrument of this study is researchers. Researchers trained and have a good understanding of all aspects of the study. Researchers equipped with a notebook, tape recorders and cameras to conduct interviews. As quoted Lincoln and Gubs (1986) in Sugiyono (2010): "The instrument of choice in naturalistic inquiry is human beings. We will see that the other forms of instrumentation can be used at a later stage of the investigation, but the man is the mainstay of initial and ongoing. But if the human instrument has been used extensively in the early stages of the investigation, so that the instrument can be constructed based on the data that the human instrument have a product.

Data Analysis Method

In the analysis of qualitative data Bogdan (1982) the Sugiyono (1997) states: "Data analysis is the process of systematically finding and arranging interview transcripts, field notes, and other materials that you accumulate to improve your own understanding of them and to allow you to present what you've discovered to others. In this study, the data analysis process is done before entering a social situation, while the analysis process is done during data collection and after completing data collection in a specific time period. Conducting an analysis prior to entering social situations using secondary data to decide tentative restrictions on research. During the interview and the process of observation, analyzing the answers given by the informants. If the answers or descriptions described by informants remains unclear, it will continue to ask and find the answer and get the data are credible.

Qualitative data analysis is done when the empirical data obtained is qualitative data in the form of a collection of tangible words and not a series of numbers and cannot be arranged in categories - classification / structure classification. Data can be collected in various ways (observation, interview, essence of documents).

RESULT AND DISCUSSION

Result

Table 1. Interview Summarization Result

No	Informant	E-business toward Supply Chain	Indicator of E-business toward Supply Chain	Type of Fashion online Shop
1.	Ratu Inggri	Almost all of social media in generally can be used to promote out product or as a media for direct selling. When the technology of the internet and mobile phone are increase it will affect media social to grow at the same time. Now to access media social such as instagram, facebook and whatsapp can be done anywhere and anytime just by using a mobile phone.	a. Information Integration b. Planning Synchronization c. Workflow Coordination d. New Business Model	Clothes and Accessories
2.	Damaris Pinangkaan	There are a number of things that support the exchange of information between our store and the customers so that it work well, that is always	a. Information Integration b. Planning Synchronization	Clothes, Bags and Shoes

		notifying the development of existing items and upcoming items and ensuring that the goods requested by customers will be ready within the specified timeframe.	c. Workflow Coordination d. New Business Model	
3.	Veronika Lomban	Act as a supplier and also the seller, which is meant as a maker she designed a range of clothes and a motive. She said that she also received any requested motive and design by customer. The manufacturing process of production clothes by way of manual screen printing and Polyflex print. Therefore, informant 3 also explains about the selection of cloth and screen printing her always use the best quality of product so that the customer feel satisfied with the result.	a. Information Integration b. Planning Synchronization c. Workflow Coordination d. New Business Model	Bags and Clothes
4.	Ai Monica	As most e-commerce store owners quickly figure out, accumulating traffic is a huge part of running a business, and website serves you quite well in that respect. She said that she usually writing the occasional blog post so that the customers get a chance to hear from the owner, but the majority of her time should go into managing a team of writers, designers and other content creators who can help provide customers with high value content, while boosting search engine rankings.	a. Information Integration b. Planning Synchronization c. Workflow Coordination d. New Business Model	Clothing
5.	Jardine Jessica Paath	The way she can through it because she use endorsement type of promotion and use some Manado selebgram to promote her product in social media. Informant 5 said that the technique that she usually uses to manage inventory are use the	a. Information Integration b. Planning Synchronization c. Workflow Coordination	Clothing

	FIFO approach (first in, first out). Goods should be sold in the same chronological order as they were purchased or created	d. New Business Model	
6.	Stella Monalisa The development of technology today, she started doing business by utilizing existing social media such as instagram, facebook and many more. Just like instagram, there are also many people who use their accounts to become endorsers, it called celebgram. And because of that, she also use it tool to sell her products through them.	a. Information Integration b. Planning Synchronization c. Workflow Coordination d. New Business Model	Clothing
7.	Astrid Legi Build good relationship with suppliers and ensure that every product that is supplied come in good condition is the way to support the prospect of the business and what has been planned to work well between her and the supplier and also between her and the customers.	a. Information Integration b. Planning Synchronization c. Workflow Coordination d. New Business Model	Shoes, Bags and Clothes
8.	Kenny Monica Tirayoh A high speed Internet connection such as broadband will allow her to collaborate more closely with suppliers through sharing plans, forecasts and consumer data. She also said that E-collaboration with suppliers, such as using email and sharing spreadsheets, can be simple, but the greatest benefits come from sharing information in real time. This requires more sophisticated technology. Social media is another low-cost way to market business	a. Information Integration b. Planning Synchronization c. Workflow Coordination d. New Business Model	Clothing
9.	Ester Waney The business is growing rapidly because she have competent supplier. To maintain the trust and sense of satisfaction of the customer and to keep her	a. Information Integration b. Planning Synchronization	Clothing

	business growing, she always give details of the item as a whole and display the original photo according to the item without editing. She also use a number of selebgram to promote my products, use social media that is often used by many people today, and also sell product through current buying and selling websites such as Shopee and Lazada.	c. Workflow Coordination d. New Business Model	
10.	Indeed, the current development of technology really makes it easy for us to buy and sell With the existence of media social today, it is easy to exchange information between her and the customer. Social media also a place for her to promote and introduce product detail to meet customer satisfaction so that they can choose the products that customer want to buy or can make requests for the product customer want as well.	a. Information Integration b. Planning Synchronization c. Workflow Coordination d. New Business Model	Clothing
	Gloria Tengor		

Source: Primary Data (2018)

Discussion

Conducting an analysis prior to entering social situations using secondary data to decide tentative restrictions on research. During the interview and the process of observation, analyzing the answers given by the informants. If the answers or descriptions described by informants remains unclear, it will continue to ask and find the answer and get the data are credible. The Internet is a collection of public and private communications network that links businesses to consumers and businesses to businesses. The speed and ease of use of the Internet can facilitate the flow of information from the retailer to the customer and vice versa, which can result in cost reductions associated with order processing and customer service. Another valuable network in e-business is a company intranet, which is based on Internet technology, but is used primarily within a single company or organization. The intranet allows internal users to share information with each other and may span multiple locations throughout the world.

Based on the interview from the entire respondent in this case 10 respondents that have been open fashion online shop and directly applied e-business toward supply chain management on their own business, it shows that the owner of fashion online shop dominantly use internet and social media to communicate with customers. However some of the owners use endorsement and celebrity in to more attractive with the customers. Therefore, to supply product so it can be accepted by customer, mostly the owners have a supplier to distribute the product that they want to sell and the other owner be a seller at once being a supplier to distribute the product. It is mean that people are trying to found their passion and ability through fashion in online shop environment.

Respondents also have many ups and downs while trying to develop the business through fashion online shop. Even all the respondent from 1 to respondent 10 had known and interested on online shop since senior high school where online shopping was booming and from their good experience of buying in online shop then finally take them to opened their own business, in fact when their being a controller, planner and developer for their own business it turns out not as easy as what they think and seen based on the good experience that they had in the past. In other words, the store did not begin with a supply chain perspective. Indeed, the broader supply chain issues have barely been considered, in so far as the impact on the transactional partner's business is concerned. In these cases, the focal store have sought to manage control of a key resource, either the buying or sales channel, in order to more efficiently manage orders with either their customers or suppliers.

CONCLUSION AND RECOMMENDATION

Conclusion

All the respondent have been directly applied e-business toward supply chain management in their own business through online shops and supply chain occurs when people stimulated by supplier, manufacturer, distribution, retail/seller to the customers by information integration, planning synchronization, workflow coordination and new business factors, and every respondent have different experiences while being owner on their online shopping whether it is a good experiences or bad experiences, and also even the respondent have been applied supply chain with e-business and got the bad experiences it does not makes them to stop applied the method and close their online shop also every respondent have different perception which factors that stimulated them to applied supply chain and e-business in their own store.

Based on the interview from all the respondent the researcher concluded that the factors that stimulated people to applied e-business toward supply chain are the capital, media social, advertisement, planner, celebgram, easy to find, trends, hobby, interest, benefits, promotion, save money, it is all the factors that stimulate people to being good in applied supply chain toward e-business in fashion online shopping.

Through the interview from all the respondent it is proved that information integration, planning synchronization, workflow coordination and new business factors have significant influence to the e-business toward supply chain on fashion online shop when own the business and based on all the informant the factors that dominant stimulated people to applied e-business toward supply chain on fashion online shop is workflow coordination and information integration.

Recommendation

1. For the owner online shopping it is better to keep maintain the quality of their e-business and supply chain through fashion online shop. It is better to provide and sell something useful and not selling fake product so even they ended up with impulsive buying it worth to buy.
2. For the consumer, it is better for the consumer to realize what factors that stimulate e-business and supply chain so they control themselves while shopping in online shopping environment because it is better to not become addicted.
3. For the university, hopefully can give the students, lecturers and other parties in university knowledge and additional information regarding with the factors that stimulated people to applied e-business toward supply chain through fashion online shopping.
4. For the future researcher, the researcher hopefully will help in doing their research using the findings regarding with the topic, and even help as guidance in selecting the method of the research about e-business toward supply chain on fashion online shop.

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