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**ANALYZING THE RELATION BETWEEN THE E-COMMERCE DEVELOPMENT AND  
SMALL MEDIUM ENTERPRISE IN MANADO****ANALISIS HUBUNGAN ANTARA PENGEMBANGAN E-COMMERCE DAN USAHA KECIL  
MENENGAH DI MANADO**

by

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**Abstract:** Nowadays, the development of e-commerce business or online trading in Indonesia has increased in recent years. The emergence of e-commerce began to create a list of top-down services. Awareness of SMEs in Manado to take advantage of e-commerce already exists and continues to increase. The phenomenon of many SME businesses in Manado using e-commerce in marketing their products is a good sign. The purpose of this research is to know the relationship between e-commerce development of small and medium business in Manado and to reveal the problems faced by Small and Medium Enterprises in using e-commerce in Manado. This research was conducted in Manado as a developing city in Indonesia with small and medium enterprises that use e-commerce and who do not use E-commerce. Qualitative research is deployed and uses explosive research to determine the nature of Small and Medium Enterprises in Manado. The results of this study indicate that e-commerce can increase sales, income, and the number of SMEs customers in Manado. Through E-commerce products that sell and handle SMEs can be better known to people quickly. However, the problem facing SMEs in the use of ecommerce is the lack of knowledge about accessing the ecommerce system and the time limitations of SMEs actors. From the results of this study then there should be attention from the government to conduct socialization or holding a seminar to increase knowledge about ecommerce to the perpetrators SMEs Manado.

**Keywords:** *small medium enterprise, ecommerce impact and its benefit, problem in using ecommerce*

**Abstrak:** Saat ini, pengembangan bisnis e-commerce atau jual beli online di Indonesia telah meningkat sejak beberapa tahun terakhir. Kemunculan e-commerce mulai membuat daftar layanan top-down. Kesadaran UKM di Manado untuk memanfaatkan e-commerce sudah ada dan terus meningkat. Fenomena banyak usaha UKM di Manado yang menggunakan e-commerce dalam memasarkan produknya merupakan pertanda baik. Tujuan dari penelitian ini adalah untuk mengetahui hubungan antara pengembangan e-commerce usaha kecil dan menengah di Manado dan untuk mengungkap permasalahan yang dihadapi Usaha Kecil dan Menengah dalam menggunakan e-commerce di Manado. Penelitian ini dilakukan di Manado sebagai kota berkembang di Indonesia dengan usaha kecil dan menengah yang menggunakan e-commerce dan yang tidak menggunakan E-commerce. Penelitian kualitatif dikerahkan dan menggunakan penelitian eksplosif untuk mengetahui sifat Usaha Kecil dan Menengah di Manado. Hasil penelitian ini menunjukkan bahwa e-commerce dapat meningkatkan penjualan, pendapatan, dan jumlah pelanggan ukm di Manado. Melalui produk E-commerce yang menjual dan menangani UKM bisa lebih dikenal orang dengan cepat. Namun, masalah yang dihadapi UKM dalam penggunaan ecommerce adalah kurangnya pengetahuan tentang mengakses system ecommerce dan keterbatasan waktu para pelaku ukm. Dari hasil penelitian ini maka harus ada perhatian dari pemerintah untuk melakukan sosialisasi atau mengadakan seminar untuk menambah pengetahuan tentang ecommerce kepada para pelaku ukm dimanado.

**Kata kunci:** *usaha kecil menengah, dampak e-commerce dan manfaatnya, masalah dalam menggunakan ecommerce*

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**INTRODUCTION****Research Background**

Economics is a social science that studies human activities associated with the production, distribution, and consumption of goods and services. Broadly speaking, the economy is defined as "household rules" or "household management." And a country's economy continues to experience growth and change.

All of the above sectors to support economic growth in Indonesia, regardless of the sector, it would make Indonesia's economy will not grow well. From some sectors of the economy there, Small and Medium Enterprises sector has an important and strategic role in national economic development, both in terms of number of companies, in terms of job creation, as well as in terms of national economic growth as measured by Gross Domestic Product.

Small and Medium Enterprises or often abbreviated SMEs is one important part of the economy of a country or region, as well as the state of Indonesia. These SMEs need special attention and supported by accurate information, to enable the business directional link between small and medium businesses with elements of business competitiveness, the tissue market. Electronic commerce (e-commerce) is a concept that can be described as the process of buying and selling goods on the Internet or the process of buying and selling or exchanging products, services, and information through information networks including the Internet.

Trading is actually a human activity since the beginning of civilization. In line with the development of human beings, the ways and means used to trade constantly changing. The latest form of trading is increasingly easier for users now is e-commerce. In general, e-commerce can be defined as any form of trade / commerce of goods or services (trade of goods and services) using electronic media.

Data from research institutes ICD predicts that e-commerce market in Indonesia will grow 42% from 2012-2015. This figure is higher compared to other countries such as Malaysia (14%), Thailand (22%), and Philippines (28%), some of which are Lazada and Zalora, Berrybenka, Tokopedia, Bilna, Saqina, VIP Plaza, and many again. They are some examples of successful and successful e-commerce companies in taking advantage of the rising e-commerce market opportunities in Indonesia.

There is a problem as the times of increasingly sophisticated technology and developed many innovations that are created especially in business. the inclusion of e-commerce or online sales system as an example of business development in Indonesia. Many SME actors who are already using the online system, but in Manado not least also actors that have not been functioning of the system SMEs online to promote their businesses and still use the traditional system. The development of e-commerce, but not all SMEs actors affected due to several factors.

**Research Objectives**

In accordance with the research background and problem statement, the purpose of this research is:

To know the relation between the development of ecommerce and Small Medium enterprise in Manado.

**THEORETICAL FRAMEWORK****Marketing**

Marketing is activities offering goods and services to customers. According to Philip Kotler and Armstrong marketing is as a social and managerial process that makes individuals and groups obtain what they need and want through creating and exchanging products and value reciprocity with others. This definition is based on the basis of the marketing exchange process, and recognizes the importance of value to customers. According to the American Marketing Association (2012) marketing is the activity, set of institutions, and processes for Creating, communicating, delivering, and exchanging offerings have value for customers, clients, partners, and society at large.

**E-business**

E-business is activity that is fully automatic and semiautomatic using computer information systems. Kotler also states that the context of the "e" is used in various forms such as e-learning, e-services. However, when a business is run online context "e" is usually added to the name of the business. By Indrajit (2002), e-business is the use of an electronic network and technology together to enable, improve, enhance, change form or create a business process or business system to produce high value for its customers remain potential.

**E-commerce**

E-commerce is an internet service that is used for sale and purchase. With ecommerce has changed a lot in the process of buying and selling. If in a buyer-seller and buyers meet, but if with e-commerce they do not need to meet, they Interact with over the internet as well as by telephone communication. Laudon and Laudon (1998): E-Commerce is a process of buying and selling electronic products by consumers and from company to company with a computer as an intermediary for business transactions.

**Types E-commerce in Indonesia**

There are six basic types of e-commerce:

1. Business to Business (B2B)
2. Business to Consumer (B2C)
3. Consumer to Consumer (C2C)
4. Consumer to Business (C2B)
5. Business to Administration (B2A)
6. Consumer to Administration (C2A)

**Small Medium Enterprise**

Small and medium enterprises (SMEs) have a vital role in development and economic growth, not only in developing countries like Indonesia but also in developed countries. In Indonesia the role of (SMEs) in addition to play a role in the growth of development and economy, (SMEs) also has a very important role in addressing the problem of unemployment. Small and medium definition in Indian literature previously used to define SMEs from different perspectives as defined by number of employees, paid-in capital, the business sector, and also the intensity of investment incurred. Thus there is no one standard that can be received on defining SMEs (Abdullah, 1997).

**RESEARCH METHOD****Type of Research**

The type of this study is qualitative research methodologies to explore the development of e-commerce and the relation SME in Manado. According to Bogdan and Taylor (1992: 21-22) explains that qualitative research is a research procedure that produces descriptive data in the form of speech or writing and behavior of the people being observed.

**Place and Time of Research**

The place chosen as a test site in accordance with the title of the study and are highly relevant to the issues raised was the analysis of the relationship between commerce and SME in Manado, while the interviews were conducted in a separate area corresponding to the location of each informant. This study will be conducted in Manado and research time from June to August 2017.

**Population and Sample**

The population is not used in qualitative research, in qualitative research is called 'social situation'. Social situation are consist of three elements such as place, actors, and activity (Spradley, 1980). Sample is the subset or subgroup of population. From Sugiyono (2007: 301) Sample in qualitative research is not called as



respondent, but as a sources, participant, informant, friend and teacher in research process. In this research is taken 10 informants that are SMEs that have used ecommerce system and SMEs that do not use ecommerce.

### **Sampling Technique**

The sample is being selected in order to provide maximum information rather than to be generalized (Lincoln & Guba, 1985: 218).

### **Purposive Sampling**

The Research Process, revised edition states: "purposive sampling. Some researchers believe that they can, using judgment or intuition, select the person or group who best to learn", Which Means on purposive sampling , researchers believe that they can be using judgment or intuition to review select those or group for review or hearts case study provides information Accurate singer. Bouma (1993).

### **Data Collection Method**

#### **Primary Data**

According to Hair, J., Money, A., Page, M., and Samouel, P (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.

#### **In-dept Interview**

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: 50).

#### **Secondary Data**

Secondary data is data that has been collected by researchers, published data from statistical and other journals, and information is available from published or unpublished available either inside or outside the organization, all of which may be useful to researchers. Sekaran and Bougie (2009)

#### **Instrument of Research**

The instrument of choice in naturalistic inquiry is human beings. 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 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.

### **Qualitative Data Analysis**

Data can be collected in various ways (observation, interview, essence of documents,)

## **RESULT AND DISCUSSION**

### **Interview Result**

This results use qualitative research and interviews as a tool for obtaining information. The population of this research is the owner of small and medium business in Manado. Samples take 10 people who are owners of small and medium businesses in Manado. Divided into 5 samples using Ecommerce and 5 samples do not use Ecommerce.

**Table 1****Data of Informants**

No	Informant	Sex	Address	Name of SMEs	Type of product
1	Informant 1	Female	Wanea	Trevi Masker Manado	Mask and cosmetic
2	Informant 2	Female	Bethesda	Bonbon factory	Food and coffee
3	Informant 3	Female	Bahu mall	Rumah bubur jelly	Food, drink and Dessert
4	Informant 4	Male	Sario	Salad buah blessing	Food and dessert
5	Informant 5	Male	Tuminting	L A House	Walpaper
6	Informant 6	Male	Teling	Gorojo crispy	Typical manado food
7	Informant 7	Male	Bethesda	Parfum refill	Parfum
8	Informant 8	Female	Boulevard	Rumah kopi bily	Food, coffee, drink and local food
9	Informant 9	Female	Jln sea	Aneka olahan bahan/ buah tradisional	Traditional food ingredients
10	Informant 10	Female	Sario	Alibaba Coffee House	Food,coffee, and drink

Source: Data Processed, 2017

**Table 2**  
**Coding Categorizing**

NO	Informant	Ecommerce	Impact and benefit	Problem not using Ecommerce
1	Informant 1	Shopee	Increase revenue, as a medium of interaction with consumers and introduce products sold	-
2	Informant 2	Go Food	Increase revenue, introduce products sold to the public at Manado	-
3	Informant 3	Go Food	Increase revenue, introduce products sold to the public at Manado	-
4	Informant 4	Go Food	Increase revenue, introduce products sold to the public at Manado	-
5	Informant 5	Tokopedia	Increase revenue, as a medium of interaction with consumers and introduce products sold	-
6	Informant 6	-	-	Still having trouble with ecommerce system, lack of knowledge about ecommerce.
7	Informant 7	-	-	Still having difficulties and ignorance in the use of e commerce system.
8	Informant 8	-	-	The lack of time to take care of orders from customers because of inadequate employees and lack of knowledge in the use of ecommerce system.
9	Informant 9	-	-	Still having difficulties and ignorance in the use of e commerce system.
10	Informant 10	-	-	The lack of time to take care of orders from customers because of inadequate employees and lack of knowledge in the use of ecommerce system.

Source: Data Processed, 2017

**Discussion**

Small and medium enterprises SMEs play an important role in most economies, especially in developing countries including Indonesia. Globalization is a challenge for SMEs in maintaining their business. Information technology, especially ecommerce, provides an opportunity for SMEs to improve marketing power. The number of SMEs businesses in Manado that use ecommerce such as Gofood, Shopee and Tokopedia, in marketing their products is a sign of progress ukm manado. Where this means a lot of SMEs, especially in Manado who are willing to apply internet technology to market their products. Manado SMEs are aware of the usefulness of ecommerce and realize that it is the key to marketing and that business cannot be sustained simply by using traditional marketing tools, if they are to survive and compete, as the current competition between SMEs is getting tougher.

Based on the results of interviews with all respondents, in this case 10 respondents from small and medium enterprises in Manado, it turns out that SMEs in Manado in this study more use gofood than other ecommerce because gofood better known and also gofood more efficient because the service that deliver consumer orders with Fast and affordable. In addition, ecommerce can increase revenue, sales, brand awareness and the number of small to medium business customers in Manado, in addition, through ecommerce products that sell and handle SMEs can be better known by the community. However, the problem, there are still many manado small business who do not use ecommerce because they still have difficulties and ignorance in the use of ecommerce system and the lack of time to manage orders from customers because employees are not adequate.

Based on the results of the interviews show that most informants almost have the same reasons about the impact of ecommerce and its benefits on the development of SMEs Manado and the problems faced by small and medium enterprises that do not use ecommerce in Manado. But informants have their own opinions. This is because each informant has different experiences and opinions.

**The Ecommerce impact and its benefit on the development in Manado**

The benefits and advantages of using e-commerce are for promotional media in order to increase sales volume, both for online and conventional sales (Jansen, 2006; Supardi, 2009). In addition to these advantages, the results of several studies show that the effectiveness of the use of ecommerce in boosting the increase in sales volume and promote industrial products is quite high.

**The problems that Small medium Enterprises do not use ecommerce in Manado**

Sudaryanto and Hanim (2002) say that SMEs face various obstacles, namely the lack of expertise in human resources, and the lack of technological mastery. Generally, SMEs conduct conventional marketing activities where such activities will absorb many costs such as opening new branches, engaging in various exhibition activities, making and distributing brochures and others.

**CONCLUSION AND RECOMMENDATION****Conclusion**

Based on the results and discussion in the previous chapter, we can conclude some points here:

1. Ecommerce is very important for SMEs, because it can increase revenue, sales; attract consumers who increase the number of small and medium business customers in Manado. In addition, through ecommerce products sold by SMEs and SME addresses can be widespread and better known by the public. SMEs in Manado in this study more use go food that compares with other ecommerce because go food easy to access, efficient, from the price offered is also affordable and better known in the wider community Manado.



2. The problems faced by SMEs who have not yet used ecommerce in Manado are SMEs having difficulties with ecommerce systems and lack of knowledge about how to access ecommerce, and they are not ready to use ecommerce because of the lack of time to manage orders from customers and employees is not enough.

### Recommendation

This research has been conducted to explore the general impact of ecommerce and its benefits on development in Manado and the problems faced by SMEs who have not yet used ecommerce in Manado. Here are some recommendations submitted and found with this research for SMEs, governments, universities, and subsequent researchers.

1. For SMEs owners, it is first suggested that SMEs utilize ecommerce optimally, responsibly and consistently in updating daily product information to develop market share and increase product sales. Secondly, SMEs should be enhanced their marketing and promotional strategies in ecommerce not only introduce products but also explain the quality of their products, provide good and prompt response to any demand and if there is a complaint from consumers, product content should be in demand in order to facilitate the consumer to know the product offered In order to maintain customer satisfaction and not disappoint consumers.
2. For the government, the need for socialization or counseling about technological advances such as the existence of ecommerce manado. A good internet connection is the main capital of the ukm to access the ecommerce system, especially in rural areas that have not connected to the internet, with Internet people can access the ecommerce. That can help SMEs especially in rural areas to expand their business.
3. For universities, to provide knowledge for students and lecturers to know the impact of ecommerce and beneficial to the development of SMEs in Manado.
4. For future researchers, it is advisable to conduct research in large populated areas, larger samples and in-depth research on the impact of ecommerce and its benefits for the development of SMEs, especially in different regions of Indonesia.

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