The Effectiveness of E-commerce Platforms Banyuwangimall.com in The Development of Small and Medium Enterprises

Muhammad Levia Dava Rezeki Effendi*, Puji Susilo Asih, Krishno Hadi & Iradhad Taqwa Sihidi

Government Science Study Program, Faculty of Social and Political Sciences
Universitas Muhammadiyah Malang, Indonesia

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*Corresponding Email: davaeffendi19@gmail.com

Abstract

This article aims to explain the effectiveness of e-commerce platforms Banyuwangimall.com in the development of Small and Medium Enterprises in Banyuwangi. The problem is focused on the problem of dysfunction on e-commerce platforms Banyuwangi-Mall.com as a place to buy and sell people online as well as to increase market share and competitiveness of small and medium-sized businesses. To approach this problem, the reference indicators of effectiveness are used according to Budiani (2017), data is collected through literature studies, where sources and data are obtained from journals, books, online news, or websites. This study concluded that the effectiveness of the e-commerce platform Banyuwangimall.com in the development of small and medium-sized businesses has not been fully effective. Of the four effectiveness indicator variables, three variables have been fulfilled, but their implementation is still not optimal enough, the three variables are the alignment of program goals, socialization, and program monitoring. One variable that has not been fulfilled is the achievement of the program objectives. The malfunction of Banyuwangi-mall.com from the end of February 2021 to the end of January 2022 signifies the stagnation of the implementation of a program.

Keywords: Effectiveness, E-commerce Platform; Small and Medium Enterprises

INTRODUCTION

The advancement of digital technology is currently one of the new strategies for the government in improving and developing services in various sectors, one of which is the economic sector. Collaboration between technological advances and the economic sector is then referred to as the digital economy (Adiningsih, 2019). The journal (Kumala, 2021) emphasizes entering the industrial revolution 4.0, technology is one of the main capitals that are needed by industry players in developing their businesses.

The digital economy itself is a combination of interaction between the development of innovation with advances in information technology whose impact on macroeconomics and microeconomics (Prastyaningtyas, 2020), thus the digital economy does not directly shift the direction or economic patterns of a country. The digital economy system that tries to combine innovation with the advancement of information technology has an impact on the development of various businesses of MSME actors.

The presence of Covid-19 made Indonesia itself experience a decrease in the economic growth of 0.1% in 2022 (Nalini, 2021). Thus the impact of the presence of Covid-19 makes Indonesia’s economic growth according to the previous fourth quarter of 2018 at 5.18% (Normasyhuri, Habibi, & Anggraeni, 2021).

The digital economy during a covid pandemic like this can also be one of the alternatives to stay afloat, MSME actors do not need to sell directly and deal with buyers. Through the digital economy, which prioritizes online economic activities, MSME players simply display their products in the existing online buying and selling stalls (Zebua et al., 2021).

The existence of networking interconnection (internet) is clear evidence that information technology is developing rapidly. The Internet was then able to present a digital economy system, with the unlimited nature of the internet resulting in distance and time is no longer a problem. This is why the internet can give privileges to business growth. (Utomo & Prasetyo, 2018). Online applications are believed to affect sales capacity. One of the main requirements is through the internet network where consumers and business people can easily interact directly. The positive impact of this modern marketing strategy by utilizing digital marketing is increasing revenue. Mumtahana et al (2017) mentioned that the use of e-commerce technology can be a product marketing strategy whose impact flows positively on increasing revenue. The strategy to be offered to some MSMEs is to use or implement e-commerce websites and applications. E-commerce or electronic commerce itself by Jhoy Wong (Saputro, 2002) is interpreted as a form of activity of selling, buying, and marketing goods and services through electronic systems, one of which is the internet. Siswanto (2015) mentioned that small and medium-sized businesses have good potential in cyberspace or the internet.

Departing from these conditions is one form of realization of e-government at various levels of the region including the Banyuwangi Regency government. Understanding e-government itself according to Napitulu in the journal (Azizah & Ardy, 2020), e-government is a form of application for the implementation of government duties and procedures that use telematics technology or information technology and communes.

So the Banyuwangi government designed an e-commerce platform called Banyuwangi-mall.com, whose purpose is to increase the market share and competitiveness of MSME players so that the objects targeted in the e-commerce platform program Banyuwangi-mall.com are MSME players in Banyuwangi (Janah, 2019).

Banyuwangimall platform. The com is expected to be a forum for MSME players in
Banyuwangi to be more empowered and compete in business activities (Wibisono, 2019). This is the essence that the marketplace wants to present, Banyuwangi-mall.com by encouraging people to continue to be creative and innovative so that they can develop their wider business (Budiarto et al, 2018). The Banyuwangi Government also continues to assist small and medium-sized business actors through Creative Houses, which get direct direction from the Banyuwangi Regency Cooperative and Micro Enterprises Office. The design of the e-commerce platform Banyuwangi-mall.com shows the readiness of the Banyuwangi regency in implementing the principle of good governance in the region. Success in implementing a program is when the program continues to be sustainable. Programs designed are not only active or running at the beginning of their launch, they must continue to run or not stagnate. Based on these things, this research aims to see if the e-commerce platform Banyuwangi-mall.com has been effective in its implementation.

Some previous research that examined the use of market places or e-commerce platforms Banyuwangi-mall.com was research conducted by Agung et al (2019) which stated that the existence of marketplace Banyuwangi-mall.com is a container that can be used by MSME players to develop and improve their business. However, the facts in the field show that online buying and selling operations through Banyuwangi-mall.com used by MSME actors cannot be functioned as usual, which starts from the end of February 2021 to the end of January 2022. The stagnation of the Banyuwangi-mall.com operation shows that the Banyuwangi government failed in realizing the goals of the establishment of an e-commerce platform Banyuwangi-mall.com. A program can be said to be successful when the program is sustainable, in his research Agung et al (2019) focuses more on the problem of MSME registration which is still done manually. The lack of MSMEs that have joined Banyuwangi-mall.com then injured a system designed to support MSME registration. So that all existing MSME actors can be registered or netted in Banyuwangi-mall.com. Wibisono (2019) confirmed a similar thing, which said that the growth rate of MSMEs has increased, but this condition is not accompanied by an increase in the number of MSMEs joining the marketplace Banyuwangi-mall.com. Based on the data presented, the total number of MSMEs in Banyuwangi is 269,267. While the number of MSMEs joined by 103 MSMEs in 2018, further research conducted by Assani et al (2020) explained that the number of online-based businesses or e-commerce only stood at 15.08% in 2019. The data at least give an idea that internet-based businesses in Indonesia are still relatively low, and the majority are still carried out conventional Pratama et al (2019) said that the use of digital marketplace places Banyuwangi-mall.com can be an opportunity to help improve the tourism sector. Banyuwangi-mall.com can be a place that can be visited by tourists to buy local Banyuwangi products.

The purpose of this study is to find out how effective the Banyuwangi-mall e-commerce platform.Com in the development of MSMEs in Banyuwangi, Effectiveness is interpreted as the accuracy and success of the goals to be achieved, so four indicators of efficiency are used according to Budiani (2017) namely program accuracy, socialization, achievement of program goals and program monitoring.

RESEARCH METHODS

Research on the effectiveness of e-commerce platforms Banyuwangi-mall.com in the development of MSMEs is a literature study or literature study using a study of 20 journals. Study literature research or literature by Danial and
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Warsiah in Hidayah et al (2019) is interpreted as research conducted by collecting books, journals, or news relevant to the object of research studies.

Researchers analyzed by visiting the Banyuwangi-Mall.com website, from the results of the visit on the website can then be obtained information on how the effectiveness of the Banyuwangi-mall.com platform in the development of MSMEs in Banyuwangi. The data found were analyzed using indicators of effectiveness according to Budiani (2017).

RESULTS AND DISCUSSIONS

Banyuwangi-Mall.Com Platform Dysfunction

The e-commerce platform Banyuwangi-mall.com is designed to improve the economy of the community, especially for small and medium-sized entrepreneurs, this is why to support the program the government assists existing MSMEs. The assistance is carried out in a creative house, the creative house itself gets direct direction and guidance from the Banyuwangi Corporation and Micro Business Office (Agung et al., 2019). The establishment of Banyuwangi-mall.com whose purpose is to provide a place or space for MSMEs to be able to offer all forms of productivity to the wider community. But at this time the problem is the hopes and ideals of the design of the Banyuwangi-mall.com platform are dismissed by the fact that the operation of the banyuwangi-mall platform.com no longer works, as usual, this is reinforced by the findings on the display on the website Banyuwangi-mall.com that are not visible can be used to do online buying and selling activities.

As reported from banyuwangikab.go.id who said that MSMEs in the village were given technical training which was then marketing based online through MSME shopping sites banyuwangi-mall.com. Banyuwangi-mall.com is made to accommodate MSMEs in Banyuwangi so that their productivity results can be sold and known by the public on a wider scale. The wider the public's knowledge related to a product, the wider the possible value of the demand. This condition can certainly shift the number or income level of MSME actors in a positive direction. Online-based services such as digital marketplace platforms are quite administrated as tools that can boost economic growth efficiently, let's call it digital platforms such as Shoppe, Tokopedia, and Bukalapak. Of the three digital platforms, it is certain to have overshadowed many MSMEs in Indonesia.

Figure 2 shows the normal view of the platform ban-yuwangimall.com while it is still accessible for buying and selling online. Based on figure 2 looks like online buying and selling platforms there are generally.
Categorization of product types ranging from typical products of Banyuwangi area such as batik cloth, souvenirs typical of Banyuwangi, handicrafts, banyuwangi tour packages, men's women's fashion, bags, and shoes are all completely provided on the menu. Figure 1 can be seen that the Banyuwangi-mall.com website still looks normal and works properly.

Several online media in Banyuwangi also reported similar incidents or cases. As reported from radarbanyuwangi.jawapos.com reported that the banyuwangi-mall.com platform no longer works. It was mentioned that there was one banana chip craftsman who wanted to access MSME news on the banyuwangi-mall.com website which aims to market its products on the e-commerce platform Banyuwangi-mall.com, but after opening the display turned out not to be as expected.

This fact is further reinforced by the results of researchers’ searches on Banyuwangi-mall.com pages (as in figure 2), indicating that when the website is opened it does not display the products sold on the homepage. So online buying and selling activities through Banyuwangi-mall.com cannot be done.

Figure 3. Display of the Banyuwangi-mall.com platform at the end of January 2022 Source: Website Banyuwangi-mall.com

Figure 3 shows the appearance of banyuwangi-mall.com at the end of January 2022, in the appearance, no product menu appears as a product that is sold. It looks more likely to be like online news, which contains informative news in general.

Launching from radarbanyuwangi.jawapos.com the head of the Diskominfo and the press of Banyuwangi Regency revealed that for the time being the operation of the website (banyuwangi.mall.com) could not be accessed. This is due to the evaluation process of the developer. The condition then questioned how the effectiveness of Banyuwangi-mall.com in the development of Banyuwangi MSMEs, saw the operational website did not run from the end of February 2021 until the end of January 2022. This reality shows how precise the purpose of the program is and the achievements of the program carried out by the Banyuwangi Regency government. The purpose of forming Banyuwangi-mall.com is to develop MSMEs and improve the economy of MSME actors, but facts show that the absence of e-commerce platforms Banyuwangi-mall.com has an impact on the stagnation of buying and selling activities carried out by MSME actors.

The official website account of the Banyuwangi Regency government shows that the banyuwangi-mall.com platform was launched for the first time on April 20, 2016, until in 2018 the Banyuwnagi-mall.com platform was able to accommodate as many as 103 MSMEs in Banyuwangi with 847 products (Wibisono, 2019). Research conducted by Janah (2019) said that there are 110 MSMEs incorporated in the Banyuwangi-mall.com with 652 products marketed.

Effectiveness of E-Commerce Platforms Banyuwangi-Mall.Com

According to Sondang P. Siagian in Amelia (2015), effectiveness is interpreted as the utilization of resources, facilities, and infrastructure in a certain amount that is consciously set in advance to produce several goods for the services of the activities it carries out. Effectiveness shows success in terms of achieving the goals that
have been set. In this context, the goal to be achieved by the e-commerce platform Banyuwangi-mall.com is to increase the market share and competitiveness of MSME players. When the results of the activity get closer to the target, it means the higher the level of effectiveness. Utilization of facilities, resources, and infrastructure in a certain amount that is consciously set in advance to produce several goods for the services of the activities it carries out. Effectiveness shows success in terms of achieving the goals that have been set. If the results of the activity are getting closer to the target, it means that the higher the effectiveness (Amelia, 2015).

The digital-based economy in Indonesia is currently quite rapidly growing. This development can create new jobs and new business opportunities for the community (Adiningh, 2019). The presence of globalization mentioned can cause small entrepreneurs to potentially become cornered in the vulnerable to experiencing destruction. Competition occurs in many ways including price, quality, even product appearance design. The limitations of these small entrepreneurs lead to low competitiveness (Budiarto et al., 2018).

To measure the level of effectiveness of the Banyuwangi-mall.com platform, effectiveness indicators are used according to Budiani (2017) there are at least 4 variables that become a benchmark for the effectiveness of the implementation of a program in Banyuwangi-mall.com including the following:

Program Objective Accuracy. The accuracy of program goals is the main key to the successful implementation of a program. Before the program is implemented, the program objectives must have been projected first, then when the program runs assessing or measuring the success of implementing the program can be done easily. From the program planning stage to the stage of implementing the program is the main focus in the successful implementation of the program.

Based on previous research with the title "Analysis of Factors That Affect User Satisfaction of Banyuwangi-Mall website using end-user computing satisfaction (EUCS)" method shows that the target is the banyuwangi-mall marketplace website. This is to bridge or as a medium between sellers (producers) and buyers (consumers) so that they can make buying and selling transactions directly or without other intermediaries, so MSMEs can expand their market scale through e-commerce platforms Banyuwangi-mall.com (Janah, 2019).

So far, it can be seen from the target of the program is MSME actors in Banyuwangi, so some previous research such as conducted by Wibisono (2019) entitled Digital Marketing Model "Banyuwangi-Mall.Com and Competitive Strategy of MSMEs Assisted by Creative House Teams in Banyuwangi Regency", mentioned that from 2016-2018 the growth of business actors and products in Banyuwangi-mall.com has indeed increased. But this condition is inversely proportional to the number of MSMEs recorded by the Banyuwangi Central Statistics Agency which shows the number of 269,267 business actors in 2014. While the number of MSMEs incorporated in the Banyuwangi-mall.com in 2018 was only 103 MSMEs. Of the 269,267 compared to 103, it is certainly not a small difference in numbers that can be concluded that MSMEs that have been incorporated into the Banyuwangi-mall.com there is not half of the total number of MSMEs.

The accuracy of the program’s target, when viewed from the object, is indeed appropriate. Where the target of the object is the MSME actors. But if viewed as a whole by looking at the quantity of MSMEs that have been incorporated and who have not been incorporated in the Banyuwangi-mall platform.com has a considerable number difference.
Socialization. The socialization of the program is carried out as an effort so that the public can get information related to the program to be implemented. Mass socialization is carried out, of course, the more participants who understand and know about a program that is socialized with more and more participants who understand the program to be implemented, the chances of participants who will participate in the implementation of the program will be more and more capacity.

Practically when massive socialization activities are carried out, of course, the target of the objects used as participants in socialization is more and more and vice versa. The target of socialization participants is more and more by the massive socialization carried out, of course, it will provide a high output value. Namely in the form of increasing the number of MSMEs incorporated in the Banyuwangi-mall.com. Inversely proportional to the number of MSMEs that are incorporated is still at the number 103 with the total number of all MSMEs in Banyuwangi as many as 269,267 so it can be concluded that the socialization carried out is not as much as the target participants should be achieved.

Achievement of Program Objectives. The achievement of the objectives of the online buying and selling program through the e-commerce platform Banyuwangi-mall.com can be interpreted as the conformity of the implementation of the program with the specified program objectives. The achievement of the objectives of a program can be seen from how the conformity between the implementation of the program to the goals of the program that has been predetermined. Based on several findings on each effectiveness indicator variable that has been mentioned, the purpose of forming a Banyuwangi-mall.com platform with the achievement of program objectives is slightly off, whereas the purpose of the e-commerce platform is to increase the market share and competitiveness of MSME players. However, the operation of the website Banyuwangi-mall.com has a direct impact on the core of its objectives, with the malfunction of the Banyuwangi-mall.com operation automatically stopping the implementation of the program or occurs the name of stagnant program implementation. In addition, the number of MSMEs that are incorporated is still not proportional to the total number of MSMEs that exist, this condition can then cause MSME business actors who have joined or who still want to start joining cannot sell their products there, besides that in terms of prospective buyers are also paralyzed.

A big challenge in the implementation of a program is how the program can continue to run continuously and sustainably, meaning it does not stagnate. Stagnant conditions have occurred in Banyuwangi-mall.com as shown in figure 1 (normal condition / still functioning) and figure 2 (banyuwangi-mall.com no longer works) from the end of February 2021 until the end of January 2022. The non-functioning of the Banyuwangi-mall.com page in online buying and selling activities has a direct impact on achieving the objectives of the program, where the purpose of the presentation of the platform is to increase the market share and competitiveness of MSME players in Banyuwangi, thus the codes contrast with what was the original goal of the establishment of an e-commerce platform Banyuwangi-mall.com so that the indicator of achievement of its goals is not met.

Program Monitoring. Program monitoring needs to be done to maintain the sustainability of program implementation so that program programs do not stop in the middle of the road in other words program monitoring is interpreted as a follow-up or controlling the implementation of a program. Monitoring of the implementation of the
program is carried out. Then the program will not stop operating because monitoring this program if there are obstacles in the implementation of the program will be completed. Consistency in the implementation of a program is the main key to the program can still be a service to the community so that the purpose of the program can be carried out properly and optimally.

CONCLUSIONS

The inactivity of banyuwangi-mall page.com as a marketplace for online buying and selling Banyuwangi Regency increasingly questions how the consistency of the government in achieving the goals of a program. December 2020 Banyuwangi-mall.com website is still accessible. However, from the end of February 2021 until the end of January 2022 the platform could not be operated, it is known that based on the explanation from the head of diskominfo and persandian Banyuwangi Regency, stagnant on the platform banyuwangi.mall.com occur due to the evaluation process from the developer so that website operations banyuwangi.mall.com) cannot be carried out.

Based on the analysis using effectiveness indicators according to Budiani, it can be concluded that the effectiveness of the Banyuwangi-mall platform.com cannot be said to be completely effective, this is conveyed by the existence of several indicators of measures of program effectiveness that have not been met, as well as in indicators of achieving program goals. The non-functioning of Banyuwangi-mall.com operations will directly impact the achievement of the program objectives. This condition is certainly contrary to the original purpose of designing Banyuwangi-mall.com.

Indicators of effectiveness measured according to Budiani itself consist of 4 indicators, namely program accuracy, achievement of program goals, socialization, and program monitoring. The non-fulfillment of indicators of the achievement of program goals then the level of effectiveness is ineffective.

REFERENCES


