

Optimization of E-Commerce Using Digital Media in Small Medium Micro Business

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Abstract— *E-commerce is a solution for Micro, Small and Medium Enterprises in promoting products, but it also has security risks in transactions. Entering the 4.0 era, Micro Small Medium Enterprises seems to be required to develop competitiveness through the use of digital platforms. Unfortunately, there are still a few of the new ecosystems that use technology to support their business activities. Limited resources to support digital-based capacity development are one of the obstacles in product promotion. For this reason, it is hoped that MSME business actors can utilize and develop online stores through existing E-commerce, can utilize and optimize digital media.*

Keywords— *E-commerce, optimization, digital.*

I. INTRODUCTION

Empowerment Micro, Small, and Medium Enterprises (MSME) are a strategic step toward improving and strengthening the majority of Indonesians' basic economic lives. MSME empowerment is directed at building independence and competitiveness through creating a conducive business climate, applying science and technology, and strengthening economies of scale. The empowerment of Micro Small Medium Enterprises is also used to increase their contribution to improving the economy, both in poverty reduction and in the creation of jobs.

Utilization of information technology, especially the E-Commerce system is considered as one of the solutions that can be used to help improve and develop Micro Small Medium Enterprises. The capacity to swiftly receive feedback from clients is an essential component in the adoption of E-Commerce, and it can also save money on marketing. Without the use of the E-Commerce system it is believed that Micro Small Medium Enterprises will weaken in its marketing. Fatmariansi (2011) in his research shows that the higher the adoption of information technology E-Commerce systems in Micro Small Medium Enterprises, the higher the performance of Micro Small Medium Enterprises the. Another study conducted by Sevitan (2011) shows the magnitude of the simultaneous influence of E-Commerce on sales volume by 90.9% and the rest is influenced by other factors. According to a survey conducted by Maryama (2013), the most significant benefit of embracing E-Commerce is a 31 percent boost in sales turnover. E-Commerce, according to Karagozoglu and Lindell (2004), has a beneficial impact on client base development (marketing function) but no substantial impact on purchasing management.

Entering the 4.0 era, micro, small and medium enterprises as if required to develop competitiveness through the use of digital platforms. Unfortunately, there are still few of the

ecosystems in the classified segment Micro Small Medium Enterprises who are new to using technology to support their business activities. Limited resources to support digital-based capacity development are one of the obstacles in product promotion. For this reason, it is hoped that business actors Micro Small Medium Enterprises can utilize and develop online stores through existing e-commerce, can utilize and optimize digital media.

1.1. Research Problem Formulation

Based on the identification of the problems above, the authors limit the problems discussed in this study, namely optimizing e-commerce using digital media.

1.2. Research Objectives and Benefits

The goal to be achieved in this research is to determine the optimization of e-commerce using digital media in Micro, Small and Medium Enterprises.

The expected benefits of this research are expected to be able to contribute ideas in the development of science in general and knowledge about optimizing e-commerce for consumers Micro Small Medium Enterprises in increasing sales.

1.3. Literature review

a) Definition of Optimization

Optimization according to the Big Indonesian Dictionary is the highest, best, perfect, best, most profitable. Optimization is an effort to maximize activities so that they can realize the desired or desired benefits (Assyifa et al., 2020). This study examines the efforts made by Micro Small Medium Enterprises in taking advantage of e-commerce opportunities using digital media. The aspects studied are the optimization objectives, namely to determine the optimization objectives related to profits that must be maximized or costs that must be minimized, decision making in achieving the goals that have been set, and adequate resources.

While optimizing e-commerce, namely maximizing e-commerce transactions in order to get maximum profit and minimize operational costs so as to get results as expected effectively and efficiently. The form of optimizing e-commerce is almost the same as optimizing social media as a means of promotion. According to Dellia Mila Vernia, the level of optimization of social media in business development can be seen from consistency, focusing on one media, giving a personal touch to every social media content (Vernia, 2017).

b) Understanding E-Commerce

According to Laudon and Laudon (2018), e-commerce is a process of buying and selling products electronically by

consumers and from company to company with computers as intermediaries for business transactions. E-Commerce helps market products owned by its users. So that it can open a wider target market. Buyers can easily make transactions because e-commerce can cut the distribution network between producers and consumers.

c) Types of E-Commerce

Classification of e-commerce is generally done based on the nature of the transaction. According to Laudon and Laudon (2018), the classification of e-commerce is distinguished as follows:

1. Business to Consumer (B2C),
2. Business to business (B2B).
3. Consumer to Consumer (C2C).
4. Peer-to-peer (P2P).
5. Mobile Commerce (M-Commerce)

The buying and selling process in the e-commerce system that distinguishes it from the traditional buying and selling process is that all processes start from finding information about the goods or services needed, placing orders, to making payments electronically via the internet. According to Meier and Stormer (2015), the mechanism of trade in e-commerce systems is explained through the value chain in e-commerce as follows:

- E-Products and E-Services
- E-Procurement
- E-Marketing
- E-Contracting
- E-Distribution
- E-Payment
- E-Customer Relationship Management.

II. RESEARCH METHODOLOGY

1.1. Method of collecting data

According to V Wiratna Sujarweni, the data collection method is the method that researchers use to uncover or collect data from respondents or informants in accordance with the data selected for research (Sujarweni, 2019). There are several research data collection techniques commonly used such as tests, interviews, observations, questionnaires or questionnaires, surveys, and document analysis. However, the researcher used the following data collection techniques:

1. Observation

Observation is a formal observation and recording of the symptoms that appear on the object of research (Sujarweni, 2019). Observations are considered important by researchers, so that researchers can test the quality of the truth of a problem being tested.

2. Interview

Interview is one of the methods used to take the results orally. This is done in order to obtain detailed information according to the object being studied (Sujarweni, 2019).

3. Documentation

Documents are information about past situations. Documents can also be in the form of writing, drawings, or monumental works. If accompanied by related documents, the analysis and interview findings will be more reliable

(Sujarweni, 2019). Documentation is a method of collecting data to support the problem being researched.

1.2. Data analysis method

Data analysis is an activity to organize, sort, group, code or mark, and categorize it. So that it gets in the form of findings based on the focus or problem to be answered. It can also be interpreted as an effort of data that is already available then processed with statistics and can be used to answer the formulation of the problem in research. In qualitative research, data analysis is carried out from the beginning of the study and during the research process. Details were collected from interviews and observations, then processed systematically for data collection, editing, classifying, then presenting the research results in concluding the data. According to V.

III. RESULTS AND DISCUSSION

3.1. Problem analysis

Today's Indonesian people tend to prefer to shop for products in a way that is more practical, fast, safe, effective, and efficient. So that e-commerce business is needed now and in the future. Given the increasingly dynamic challenges, increasingly mushrooming competitors and the demand to follow global trends that often require innovative interventions, the use of e-commerce is projected to have an impact on the growth rate of the business world, both small and medium businesses (Anggraini, 2021).

Efficiency in the business world is one function of the use of e-commerce. Efficiency in material (cost) and non-material (energy and time). Companies can minimize prices in terms of costs, such as by using the internet as a platform to sell and advertise products or services. Because these operational costs are cheaper than using traditional methods or offline stores. The e-commerce optimization model is as follows:

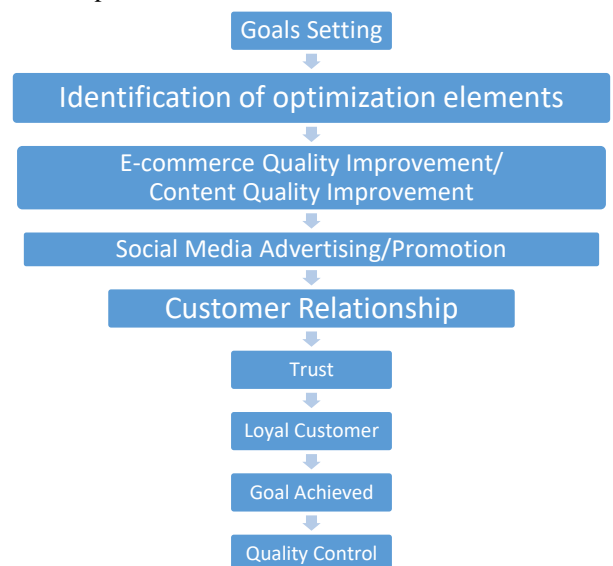


Fig. 1. E-Commerce Optimization Model

Optimization is the process of finding the best solution. The optimization model is carried out starting from the determination of goals. The goal to be achieved can be in the form of maximization or minimization. When the optimization

objective is related to profit, sales, and the like then use the form of maximization. If the target is associated with cost, time, distance and the like, then use the form of minimization. In setting goals, you must pay attention to what is minimized or maximized. However, it is not always the highest profit that can be achieved if the optimization goal is to maximize profits, or not always the lowest cost that can be reduced if the optimization goal is to minimize costs.

Optimization is needed in various activities, especially in the buying and selling process. Buying and selling activities here are usually projected to have a stable growth rate, even during the COVID-19 pandemic, optimization is very much needed. E-commerce here targets increasing sales, profits and revenues and minimizing operational costs. In addition, every business that is being run must have competitors, both in the form of products that are almost the same as well as the range of adjacent sales areas. So it is necessary to identify the elements of optimization to be able to achieve the expected target by using the right selection alternative. Such as production optimization can be done by increasing productivity, resulting in high performance and affect the resulting product. So that the production plan or production target can be achieved accurately.

After identifying the optimization elements, what is done is to improve the quality of e-commerce starting from the speed of replying to prospective buyers' chats, fast and friendly service quality, always updating product stock, monitoring ratings from buyers, providing security for goods ordered by buyers, accuracy delivery time, and so on. As well as improving the quality of content. Great content is one of the success factors of a campaign. A brilliant strategy backed by state-of-the-art marketing technology will fail to achieve its goals if the content is not optimized for conversions. The content displayed contains information about the product and its functions. Improving the quality of e-commerce and content can be done with the help of promotions. Promotional activities are carried out on various social media to be able to reach the wider community and increase demand or sale of goods offered. So that it can increase the profit earned. In addition, promotional activities also provide convenience in planning further marketing strategies, because promotional activities are usually used as a way to communicate directly with potential consumers. The promotional models carried out are as follows.

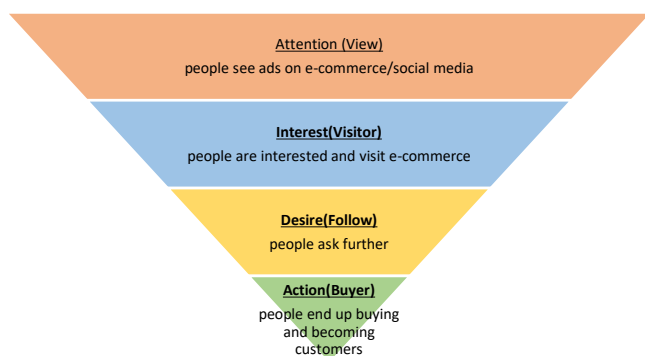


Fig. 2. Advertising Model in E-Commerce

The promotion model that is carried out is starting from attracting the interest of potential consumers. The product being

sold must be attractive. This is achieved by the use of promotional materials. This is a kind of "eyecatcher". This is the point at which potential buyers first get to know the product and the company name. At this stage the seller finds out and makes a strategy so that consumers can be aware of the existence of the product being sold. This stage is done by using video ads that are unique, funny, and entertaining or can be adjusted to the expectations of potential buyers. When potential buyers become interested and start looking at the products offered, what is next is to arouse the interest of potential buyers and feel comfortable with the content displayed. In addition, it displays a positive message (review) to encourage potential buyers to buy and find out the advantages of the product being sold compared to other competing products. When they are interested and compelled to buy, the seller convinces potential buyers that the product has added value. Until finally the prospective buyer is determined to make a purchase for the first time.

Promotions are carried out consistently, one of which aims to maintain relationships with customers, so that customers always make purchases of the products offered. Promotion is very important for various business circles, ranging from small-scale businesses to large-scale businesses. Relationships with customers (customer relationship) is the key to the success of a business. Without good relationships with customers, there will be no sales so the business will not run. Loyal customers will continue to return and provide income for the business that is being run. It can even be free marketing with recommendations given by customers because they have received good service.

More broadly, the effect of increasing customer loyalty can increase revenue growth because loyal customers tend to increase their spending over time, in addition to reducing marketing or advertising costs due to familiarity with existing products and services. Indirectly, it can achieve the goal of optimizing e-commerce, namely maximizing and minimizing. With customer loyalty it is easy to minimize operational costs as a result of less time spent answering questions from customers. After the goal is achieved, the last stage is the existence of quality control for business continuity.

In addition to the optimization process above, the steps taken to increase sales in e-commerce are as follows:

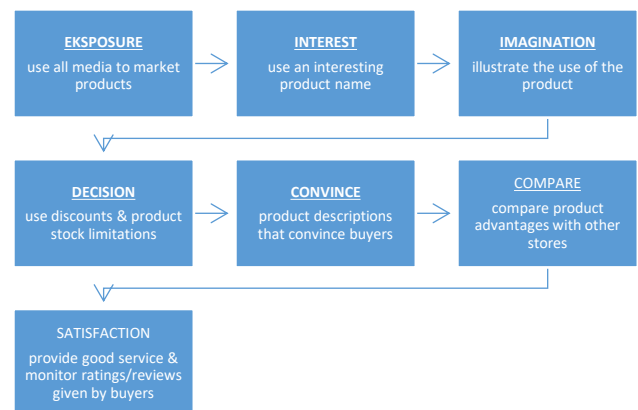


Fig. 3. Steps in Maximizing Sales in E-Commerce

Today's digital society almost entirely has social media accounts, be it Facebook, Instagram, Twitter and so on. This is the reason sellers market through social media, because consumers spend most of their time on social media. So it presents a great opportunity to reach consumers anywhere and anytime. The first importance of advertising on social media is its affordable price. Digital marketing is much less expensive when compared to other marketing methods. The prices do vary quite a bit, but the budget for digital advertising tends to be lower in other forms of marketing. Consumer coverage is very deep because advertisements are posted on various social media sites. Not only can target regions within and across regions,

After consumers are exposed (exposure), usually curiosity arises from consumers, in order to make consumers interested, the sellers here make strategies, such as competitive prices, attractive packaging, etc. In the e-commerce industry, buyer interest starts with low prices, attractive product names, and attractive product photos. After buyers are interested, the next thing to do is to imagine. Start imagining by looking at interesting photos, clear and interesting descriptions, videos to reviews from previous buyers.

In addition to improving the quality of e-commerce sites, prospective buyers usually compare prices with other stores. So how the seller can convince potential buyers to remain interested in the goods they sell. That is by providing the best quality to prospective buyers, starting from the speed of responding to chats of potential buyers to being friendly in dealing with potential buyers. Up to the decision of the prospective buyer. Usually at this stage inform product availability and offer discounts. And the last one is to give a positive impression by inserting a thanks card and asking for a review so that other potential buyers can believe in the products being sold.

IV. CONCLUSIONS AND RECOMMENDATIONS

1.1 Conclusions

Based on the results of the discussion, it can be concluded that the optimization is carried out starting from the determination of objectives. E-commerce here targets increasing sales, profits and revenues and minimizing operational costs. identification of optimization elements to be able to achieve the expected target by using the right selection alternative. Optimization is done by increasing the quality of e-

commerce and increasing the quality of content with promotions to grow customer relationships until trust arises so that they become loyal customers and goals are achieved. E-commerce in the midst of the COVID-19 pandemic is able to survive by utilizing social media technology.

4.2. Recommendations

The suggestions for this research are:

1. Future researchers are expected to be able to conduct more in-depth research and include data according to the latest conditions, such as the post-covid-19 pandemic. As well as being able to explain in a wider discussion and describe more clearly about developments in the digital era.
2. For the public, it is hoped that their awareness of digital marketing through e-commerce can be done by anyone and at any time to reduce unemployment in Indonesia.

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