

E-Commerce and Profitability

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Abstract— Business activities is essential to use technology information for all companies in the world. Including on a large, medium, or small-scale business, are affected by the availability of information technology that is currently growing rapidly on the global market. With the advancement of information technology, one can manipulate objects. MSMEs is working to increase their income rate and has a positive dampening factor throughout the business plan. The rise of information technology has affected the general populace. several communities from cities participate in activities for buying and selling on the day of online media marketplace or scope. Online media and commerce represent a type of internet news medium that attracts attention from many different group's society, where online media and the current marketplace are providing accurate information, greater than another person's business. With the prevalence of online and marketplace media. Among the many benefits it offers are being more affordable, effective, and efficient. Speed in disseminating information, being able to build a brand name or brand to be known by the public, and easier to evaluate in terms of sales, marketing, and business financial reporting.

Keywords— E-Commerce, SMEs, Digital Marketing.

I. INTRODUCTION

The technology has growing rapidly in the world, which is currently undergoing significant advancement. Developing of the business can't be separate for the information technology. The information technology use for promotion products or services to customer. Because in running his business company activities involve many people, not only people from the company, but also involve many people from outside the company. The information technology of the company has significant impact to make the efficient that can reduce cost, leading to get profitability [1]. The amount of data that is processed manually can result in some errors. Compared to an information system, manual data entry often takes longer. Because of this, time management techniques for data collection using technology are required.

Technology currently plays an important role in the economic development of the MSME sector. MSMEs already have confidence in the use of e-commerce marketing technology in supporting business activities[2]. The role of technology in the world of marketing has a progressive role in promoting various types of community economic activities as well as Amplang MSMEs in the city of Samarinda. Technological advances are one of the signs of world change where, information technology has become the main support for fast and easy access to information. The development of cyberspace can also be used to allow someone to carry out

shopping activities or sell their products. As a result, new marketing skills and understanding on the relationship between digital marketing skills and market success are needed for the shift from traditional markets to digital marketing. Developing e-commerce marketing capabilities and efficiencies for enhanced performances in business-to-business export ventures [3].

[4] Digitization technology including social media, has the potential to change consumer behavior with significant for businesses, goods, and brands [5]. Consumers are using social media and spending more time online [6] [7].

Digital marketing is a concept that makes it easier for businesspeople to run their businesses[8]. Internet network is essential for companies on business to promote the products thus, it can improve service to customers through the sale of goods on-line and can expand marketing areas to another Island. Digital marketing tools are essential because they enable businesses to hear what their customers have to say and act on it. Social network users are some of the most powerful influencers. Social relations are seen as lumps and patterns by social network theorists. They participate in the situation as players of the network, which links them to the other players in some way. A variety of deadlocks are displayed for analysis. Businesses can determine the owners' equity via a social network [9].

Micro, small, and medium-sized businesses (MSMEs) are essential to a country's economic health. They increase a country's competitiveness, diversify the nation's sources of income, and encourage economic growth, which makes economies more adaptable and resilient.

Results of this study, SMEs can identify better strategies to market their products and increase profitability on e-Commerce platforms. Small business owners are faced with several challenges, including a decline in the product life cycle, rapid changes in customer needs, technological advances, and increased competition. To solve the problems, must create innovative in marketing their products[10],[11] e-Commerce as a system in which information and communication technology (ICT) is used to sell goods and services over the Internet. The benefit of using digital marketing to attract a sizable consumer base. The web has function on businesses to influence the customer highly immediate needs for their products in the dynamic environment [12]. The overall cost of marketing efforts is something that digital marketers want to reduce. This behavior is seen as efficient because it incorporates cost-benefit analysis when managing the organization's activities [13].

These elements of website consist of reaction time, throughput of transactions, dependability, and durability. It could depend on the variables affecting development web designers and administrators. Among these are code complexity and code readability, flexibility of the code, portability connection and modifiability on the page[14].

Information richness,[15], is defined as the information that enables consumers to make decisions. when purchasing online. When people wish to shop online, this is a huge benefit. The elevated the potential for online information to produce more informed clients who are capable of make wiser choices and will be more pleased with their purchases. higher level product information about our services will result in a better buy. Information about is the main emphasis of information richness and cuts down on search time.

II. LITERATURE REVIEW

The use of online marketing media in the form of internet media such as social media (website, twitter, facebook, whatsapp, instagram and others) is part of the development of information technology. E-commerce services shape the way people shop in big cities because it has many advantages, namely ease of use, time efficiency, and reasonable prices[16]. Analysis of the impact of trust on the use of online marketing media (E-Commerce) adopted by MSMEs: DeLone & McLean Model Perspectives.

This study proposes an adaptation model based on the Theory of Reasonable Action, namely the Technology Acceptance Model (TAM). This marketing model is an online platform-based marketing model that connects buyers and sellers in cyberspace. The Technology Acceptance Model is the basis of the Theory of Reasonable Action[16].

The development of e-marketing theory; nevertheless, while Internet or digital marketing may be seen as a branch of marketing [17], marketing's core principles are the same whether it is so-called "marketing strategies", whether "conventional" or digital [18], [19],[20].

E-commerce is the process of purchasing products and services via Internet using a secure connection and electronic payments [21]. Highlighted two methods for generating value in e-commerce: the effectiveness of e-commerce business models and the extent to which they foster "stickiness." A website's effectiveness is demonstrated by "what" it offers, however enticing clients is generated by "how" it makes the offer to successfully satisfy the expectations of both visitors and the site owner [22].

Navigation design, information design, and visual design are three aspects of web design. Customizing product or service information is central to information design, whereas. The strategy employed in navigation design can either assist or hinder users as they access various page on a website.

The application of E-commerce could improve the sales of product and help the customer to get the information as the results the business sustainable [23].

According to previous study, the most important factors for e-business websites are website navigation, information, content, security, privacy, usability, real-time support, dependability, design, and ease of search. [24] [25].

There is a hypothesis that will be examine in this research:
Ha = There is a positive relation between E-commerce towards sales rate.

III. RESEARCH METHODS

In this study, the author used quantitative methods. Data Quantitative research is a research method based on positivistic (data concrete), research data in the form of numbers that will be measured using statistics as a test calculation tool, related to the problem under study to conclude. [26]The population used is the owner of amplang MSMEs in Samarinda City. The data collection method we use is a questionnaire that we share with Amplang MSME owners with several questions about online media, promotions, finances, and sales levels.

IV. FINDINGS RESEARCH

Data analysis through the program SPSS and obtained results such as table below:

TABLE I. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.684 ^a	.467	.442	.982

From the table, it is known that the R-Square of 0.467 means that the online sales media variable can explain the 46.7% increase in sales variables. However, 53.3% were affected by other aspects.

TABLE II. Coefficients

Variable X	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.107	.930		1.191	.247
Online Sale	.740	.172	.682	4.292	.000

From the table analysis, the regression coefficient value of the Online Sales variable is 0.740, which is positive. This means that for every 1 unit increase in online sales media, there will also be an increase in the level of sales at Amplang MSMEs in Samarinda. Then, if there is a decrease of 1 unit of online sales, the sales level of Amplang MSMEs has decreased. Based on the result from the table show that there is a significant.

Increased sales will be able to increase profits, this is also supported by previous research, SMEs leading to increase liability use the Internet to do business generate moreover [27], [28], [29] more of all SMEs can profit greatly from online marketing, there are several obstacles that need to be addressed before it can be implemented. The results show that the adoption of social media as a strategy has a positive and significant impact on the growth of small and medium-sized enterprises, meaning that a unit change in social media will lead to an increase in unit growth, which is significant at 1%. Therefore, at the same time, social media sites reduce costs, leading to increased growth[9]

Based on the results of the research above, the following conclusions can be drawn:

- a. The existence of this impact can produce the results of online sales (X) research of 46.7% of the Marketing Level (Y) of Amplang MSMEs in Samarinda. As for the remaining 53.3% due to other factors that were not corrected.
- b. According to the analysis of research that has been carried out, for the existence of media Online Sales (X) effectively and relevantly affects the increase in marketing (Y) on Amplang MSMEs in Samarinda City.

V. CONCLUSION

Developing of technology encourage business in the world changing from the traditional market to the digital market. E-commerce is one of the huge contribute to the economic growth in develop countries and emerging countries. The information technology become more effective on promotion of product or service. Moreover, digital marketing is one of strategy for the company get the more profitability. Digital marketing or e-commerce become more effective to selling of product. The advantages e commerce is reducing of cost due to the customer not spent money to travel in the market. Moreover, the benefit for the business/ owner to get transaction accurate and accountable because of the transaction by online. Transaction online easier to treasure on the payment each transaction sales of product, as the results the financial report will be more accurate and accountable. It can be concluded that all business, including small business and medium enterprises using online market have significant impact to increasing sales as the results improving profitability.

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