

# Utilization of Digital E-Commerce Businesses for Micro, Small and Medium Enterprises (UMKM) in Sinjai Regency

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## Abstract

On study This aim For know How Utilization Business Digital *E-commerce* For Perpetrator Business Micro Small And Intermediate in Sinjai District. The type of research used is a qualitative method with format descriptive, technique collection data Which used in study This includes: observation, interviews, documentation, data analysis techniques used is collection data, reduction data And withdrawal conclusion. In Utilizing *E-commerce Digital Business* for Micro Business Actors Small and Medium Enterprises in Sinjai Regency by the Office of Micro and Small Enterprises Cooperatives Power Work JL. Jenderal Sudirman, Balannipa, Sinjai North Regency Sinjai. Writerhas reviewed the indicators that support the achievement of Business Utilization Digital E-commerce For Micro, Small and Medium Enterprises, among others, namely by utilizing MSME Product E-commerce, the first is to expand market reach, reduce infrastructure use And Save cost. From the results of research on the Utilization of *E-commerce Digital Business* For Micro, Small and Medium Enterprises in Sinjai Regency, seen from the perspective of Utilization of *E-commerce* such as online marketing using applications Shopee, Tokopedia, Bukalapak will very help for perpetrator business in market their products/sales and provide a very significant effect in meaning that it generates a lot of profit for business owners so that business actors Micro Small And Intermediate Which There is in Regency sinjai will more Proceed And Develop fast.

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## 1. INTRODUCTION

Technological advances are something that cannot be avoided in today's life, because technological advances will go hand in hand with advances in science. Every innovation created to provide positive benefits, provide many conveniences and as a new way of carrying out activities for human life. Especially in the field of technology, society has enjoyed many benefits caused by the innovations that have been produced in the last decade. The benefits of the internet are felt for its users, for example internet *marketers, bloggers, bloggers*, as well as online shops which increasingly have a place in the eyes of consumers who are in need of certain products.

The current technological developments have shown extraordinary progress, many things from various sectors of life have used the existence of the technology itself. Its presence has had a considerable impact on human life in various aspects of dimensions, as well as communication technology which is hardware

equipment in organizational structures that contains social values that enable individuals to collect, process and exchange information without being hindered by geographical boundaries. One of the strengths of the regional economy is the presence of micro, small and medium enterprises (MSMEs) when the world economy and the Indonesian economy are experiencing a recession. micro, small and medium enterprises (MSMEs) can still develop their business in supporting the country's economic growth. However, the presence of *Covid-19* in Indonesia in 2020, which was first detected on March 2, had a very extraordinary impact, especially on (MSMEs).

The impact of the *Covid-19* pandemic on the small and medium business sector (MSMEs) is of course very influential on economic conditions in Indonesia where the contribution of small and medium enterprises (MSMEs) to the Indonesian economy is very large in various fields including, (1) Number of business units in Indonesia as of 2018 a total of 64.2 million

business units, with the number of micro, small and medium enterprise units (MSMEs) of 64.1 million (99.9%) (2) contributing to the total workforce, the total Indonesian workforce as of 2018 totals 120, 6 million people, with a workforce of 116.9 million (97%) in small and medium enterprises (MSMEs) and medium enterprises (MSMEs) to GDP of 8,573,895 billion (61.07%) (4) contribution to non-oil and gas exports. investment, ju investment in Indonesia as of 2018 totaled 4,244,685 billion, with the contribution of small and medium enterprises (MSMEs) to investment of 2,564,549 billion (60.42%) (Thaha, 2020). MSMEs are productive businesses owned by individuals and business entities that already have the criteria of being a micro business. Facing this, a strategy is needed so that micro, small and medium enterprises (MSMEs) can still market their products, both during a pandemic and after a pandemic. One of the strategies needed, especially for micro, small and medium enterprises (MSMEs), is to take advantage of digital businesses such as the use of *e-commerce*, where in 2020 during the *COVID-19 pandemic*, *e-commerce* in Indonesia continues to experience significant developments until 2022 now, and especially in Sinjai Regency, the local government continues to encourage micro, small and medium enterprises to continue to innovate products and digitalize marketing in this regard. small and medium enterprises with the intention that society can adapt to the times.

Based on the results of initial observations that I made at the Sinjai District Office of Cooperatives, UKM and Labor, from 2019 to 2021 there were recorded a number of Micro, Small and Medium Enterprises (MSMEs) with detailed data of 106,901 people, some of whom had marketed products using Digital **Business**. *E-commerce* with detailed data of 17 people with different types of businesses using *Marketplaces* such as Shopee and Tokopedia. Based on the background above, the author is interested in conducting research by taking the title *Utilization of E-commerce Digital Business for Micro, Small and Medium Enterprises (MSMEs) in Sinjai Regency*. Based on the

background of the problem that the author explained earlier, the formulation of the problem in this study is *How to Utilize Digital E-commerce Businesses for Micro, Small and Medium Enterprises (MSMEs) in Sinjai Regency?*

## 2. LITERATURE REVIEW

Research conducted by Wanlaura hardilawati (2020). With the research title *Strategy for surviving MSMEs in the midst of the Covid 19 pandemic*. The research methodology used in this research is qualitative analysis with explorative steps using participatory observation techniques.

Research conducted by Imamatus (2021). With the research title *Assistance in the use of social media and E-commerce as an opportunity for independent businesses during the Covid 19 pandemic in Pandansari Village, Poncokusumo District, Malang*.

### 2.1 Agency Theory ( Agency Theory )

According to ( Musnaini, 2020). Digital Business is a real business that uses internet media Digital Business is a business that uses technology as an advantage in internal and external operations. Information technology has changed the infrastructure and operations of businesses since the internet became widely available to businesses and individuals.

### 2.2 Signal Theory

According to Rahmati (2009) *E-commerce* stands for *Electronic Commerce* which means a marketing system through or with electronic media. This *e-commerce* includes the distribution, sale, purchase, marketing and service of a product that is carried out in an electronic system such as the Internet or other forms of computer networks. *E-commerce* is not a service or an item, but is a combination of services and goods.

## 3. RESEARCH METHODS

The purpose of writing this scientific work is so that the writer can describe the *Utilization of Digital E-commerce Business for Micro, Small and Medium Enterprises ( MSME )*

in Sinjai District. There are eighteen Small and Medium Enterprises who are the object of research, namely Asmara Shop with the business of Bedda lotong, Henna, Anugrah Markisa with the Passion Fruit Syrup business, Tellusilo Aldian Jaya with the business of ginger coffee, ginger milk, various chips, Manipi coffee cooperative with ground coffee business and coffee beans, Ksm mackerel with a shredded business, meatballs, nuggets, Rubons with abon shredded business, amplang, Sapitinggi art craft with a Handicraft business, read typical lappa magazines with a bajambu calang finished food business. Edelwess with its hot chili sauce business, of all MSMEs use Tokopedia , Shopee and Grammart.

In writing this scientific work the writer uses qualitative methods. The research was conducted from 15 July to 15 September 2022 at the Sinjai District Cooperative and Labor Service. The types of data used are primary data and secondary data.

Data collection techniques are the most strategic steps in research because the main objective of research is to obtain data, both data from observation, interviews and documentation. The unit of data analysis is the unit under study relating to individual objects, groups as research subjects (Hamidi, 2005: 75-76). Sampling technique. Data analysis techniques include: data collection, data reduction, data presentation, and drawing conclusions.

#### 4. RESULTS AND DISCUSSION

The UKM and Manpower Cooperative Service is located on Jl. Jendral Sudirman no 19 Balangnipa, North Sinjai District, Sinjai Regency, to the right of the Office of Tourism, Telephone Number 0482-2425381. The Office of Cooperatives, Small and Medium Enterprises and Manpower has the task of assisting the Regent in carrying out government affairs in the fields of cooperatives and small and medium enterprises, trade and industry which are the authority of the region as well as the co-administration tasks assigned to the regions

according to their field of work. namely "The realization of an independent, just and religious Sinjai society through improving the quality of superior and competitive human resources, then realizing an effective, efficient, clean and democratic government through the administration of government that is professional, aspirational, participatory and transparent.

#### 4.1 Utilization of E-Commerce Digital Business for Micro, Small and Medium Enterprises (MSMEs) in Sinjai Regency

Expanding market reach, namely with *E-commerce*, can help entrepreneurs or service providers market their products more broadly which can be reached by consumers globally in various countries. For example, handicraft companies in Indonesia can market/sell their products abroad even though they do not open company branches abroad. The use of Digital *E-commerce Business* for MSMEs will make it easier to market their products and more affordable, without being hindered by geographical boundaries. This statement is the same as the results of an interview on August 3, 2022 with Mr. Bahri, S.Sos., as the Head of the Micro, Small and Medium Enterprises Sector who stated that: "To improve the welfare of the community, especially our MSME players at the cooperative service every year hold training and coaching MSMEs in terms of online product marketing, it is hoped that business actors will be able to improve their skills, skills in the business world, especially online marketing, by utilizing Digital E-commerce Business it *will* be easier to market MSME products in Sinjai Regency, where previously they only relied on Conventional marketing (retail sellers) with *E-commerce* has a wider market reach, such as the use of the Shopee application, product sales can be reached outside the area. Utilizing *E-commerce* can facilitate product promotion, besides that business actors can establish communication and collaboration with both customers and other entrepreneurs in Sinjai Regency and outside the region. Meanwhile, this statement is the same as the results of an

interview on August 6, 2022 with sister Noviana Nurtasmi., S.Sos. business owner Baca Majala\_khas lappa which states that:

"For about 2 months in utilizing the digital *e-commerce business* through shopee, the benefits have been obtained, namely in terms of customers, not only in one city/district, especially Sinjai, but now it has reached several regions, districts/cities such as Kab. Bulukumba, Minahasa, Bangka Belitung and until now more and more orders are coming in from outside the area, especially in the city of Makassar which often orders, then another advantage is that product delivery has free shipping from the Shopee application so buyers and sellers alike "benefit"

The statement above shows that by utilizing *E-commerce*, there are so many advantages that business actors get, product marketing expands, such as increasing customers who are not only in one area, but have reached various regions. Based on the results of the interview above, this is in accordance with the results of the author's observations where the author observed that in the shopee application several MSME products such as Karoppo\_beppa, bacamajala\_khas lappa have been enjoyed by several consumers outside the Sinjai district.

#### 4.2 Reducing Infrastructure

Reducing infrastructure, namely business owners providing *E-commerce services* can reduce the procurement of infrastructure for opening new branches because transactions can be carried out in one place, companies can only develop strategies in delivering products that are more guaranteed in improving service to consumers. Utilizing *E-commerce* Digital Business can reduce infrastructure. This statement is the same as the results of an interview on August 2, 2022 with Mrs. Nur Insana, SE, MM., as the Head of the Micro, Small and Medium Enterprises Sector which stated that: "By utilizing *E-commerce* (shopee, tokopedia, etc.) can reduce the use of infrastructure where businesses just have to stay at home to market their products by

promoting goods, delivering the latest products will reach consumers faster without having to wait a long time. The statement above shows that business actors no longer need to market their products from person to person (retail) which takes quite a long time, by using online marketing such as promotions at Shopee it will be easy for business actors to get customers. Using *E-commerce* makes a difference in terms of service. which is more practical and does not take up a lot of time and costs and is more effective. This statement is the same as the results of an interview on August 8, 2022 with Ms. Nurhayati, a Micro, Small and Medium Enterprises entrepreneur, who stated that: "In my opinion online marketing by utilizing *E-commerce* such as shopee is more effective, where I am just at *home* but Karoppo\_beppa products are everywhere, and it's easier to go online. The statement above is in accordance with the results of observations where the author directly observed that business owners (MSMEs) such as karoppo\_beppa, bacamajala\_khas lappa etc. there is no need to open a new shop outside the Sinjai Regency, to market their products, they only need to carry out promotions so that consumers who are outside the Sinjai Regency area can enjoy simply by ordering through the Shopee application, Pedia shops and open stalls. Save Costs, i.e. Business owners or *E-commerce* service provider companies can save costs by providing many buildings (branches) and a large number of employees. Using *E-commerce* makes a difference in terms of service and cost. This statement is the same as the results of an interview on August 8, 2022 with Ms. Nurhayati, a member of Micro, Small and Medium Enterprises, who stated that: "The issue of costs is actually the same, only the difference is that online marketing is more labor-efficient and does not take up time." The above statement is in accordance With the results of observations where the Shopee application provides an opportunity for sellers to offer free shipping specifically for their buyers. the free shipping fee will be borne by the shopee, in accordance

with the terms and conditions that apply so that no additional costs are charged to the seller.

The results of observations that the author observed directly in the Shopee application where the system has issued a free shipping system for business actors aimed at consumers, therefore MSME players no longer need to incur additional costs. This is in line with the results of the interviews presented above and supported by the results of the documentation that the authors obtained. Based on the results of the research, the authors conclude that the Utilization of Digital *E-commerce* Business for Micro, Small and Medium Enterprises actors has not run optimally as expected by the authors because the number of MSME actors registered at Diskopnaker is 106,901, while those who have utilized digital *E-business commerce* is still very minimal and has not reached the target, but the Sinjai Regency government continues to innovate the marketing of MSME products and MSMEs that have switched to digital business *E-commerce* through the use of the Shopee application have felt some positive impacts because the turnover from selling online is more fruitful and adds customers which is not only around Sinjai Regency but has spread in several areas.

## 5. CLOSING

### 5.1 Conclusion

The results of the study concluded that the Utilization of *E-commerce Digital Business* for Micro, Small and Medium Enterprises, especially in Sinjai Regency, Some of them have switched to online marketing ( *E-commerce* ) such as using the Shopee, Tokopedia and Buka lapak applications. Based on the indicators in this study 1) Expanding Market Reach, where the UMKM Cooperative Service has provided guidance to business actors in marketing their products through online media so that MSME Products are not only marketed around Sinjai but now the marketing is wider and can be reached by people outside of Sinjai Regency , Reducing infrastructure, MSMEs that choose to move or develop their business through online

marketing, Save Costs, MSMEs that take advantage of digital *e-commerce businesses* such as using the Shoope application , Tokopedia and Buka lapak.

### 5.2 Suggestion

It is suggested to the head of the Micro, Small and Medium Enterprises sector to continue to provide guidance to business actors so that MSMEs in Sinjai Regency continue to grow. And to business actors to remain optimistic in running their business so that they continue to develop, and can advance MSMEs in Sinjai Regency.

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