

Success of SMEs through Electronic Commerce Learning

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The improvement of SMEs Indonesia has started to change. This can be noticed from the present progress of SMEs, growing from a small number of SMEs to a large number. In previous times, SMEs' sales plans and strategies were static; no one used information technology. SMEs still used traditional or conventional commercials and flyers in their sales strategy, although they did use technology in the sales procedure for transactions. Information technology and computers can help SMEs sell goods and/or services. Some of the capabilities of information technology can increase the sales of SMEs, such as electronic commerce websites that can be used by SMEs to offer goods or services with price specifications, discounts, product details and other relevant information. It stands to reason then that applying electronic commerce, such as by developing websites as a means of advertising and selling, is a desired sales strategy, but there are still several SMEs that have not used electronic commerce as their commercial strategy. This condition is caused by SMEs' privation of understanding about the use of electronic commerce to support their business processes. Therefore the purpose of this study is to develop an Electronic Commerce Information Technology Level (ECITIL) model for SMEs.

Key words: *Small Medium Enterprise, Electronic Commerce, Training, Electronic Commerce Information Technology Level (ECITIL).*

Introduction

Indonesia is now a rising country, economically, as can be perceived from the variety of commercial fields that have started to appear. All societies are challenging in which to create businesses, be they companies that are SME to large scale. SMEs have a significant role in growth, as seen when the monetary disaster in 1998 drove numerous big corporations in Indonesia into solvency.

Electronic Commerce which is appropriate for the players of SMEs is the practice of using the electronic market place and e-commerce as the means of retailing the product. Based on the investigation by the Association of Indonesian Internet Service Providers, in 2017 the number of the population who were internet users in Indonesia was 262 million, with 132 million internet penetration, or 55%. (AIISP & Comm.Inf., 2017). Therefore, the growth of internet consumers reasons that the dependency of the community on the internet also grows.

Literature Review

Electronic Commerce

Electronic commerce is the preservation of commercial relations, and a managed trade arrangement via telecommunications. Therefore, E-commerce involves the sell-buy relationship and bargaining between firms. Electronic commerce is a new, popular name, but research suggests it arose about a half-century ago, as an electronic data interchange (EDI), the computer-to-computer interchange of homogenised electronic agreement documents, although what can now be called conventional E-commerce has not been restricted to EDI and contains business built around computer-to-computer communication with a difference of news forms (Inayatulloh, 2019).

Electronic integration, keeping up by EDI and further information technologies, cuts the time anhat protects a firm, but also restricts its rivalrous opportunities. Electronic integration has led to shifts in the definition of a firm, with the arrival of virtual business whose ability to take their goods to the market are defined mostly by their capability to order and preserve a network of firm relationships, rather than by their capability of production of goods (Inayatulloh, 2019).

A. Electronic commerce for SMEs

Some of the main non-technical boundaries that are moving slowly within the range of electronic commerce between SMEs are as follows: Small Medium Enterprises are greatly concerned about the start-up budgets required for evolving electronic commerce into a firm. There are several fundamental elements of the cost concerned with electronic commerce that are temporary yet important impairments to electronic commerce implementation by SMEs. Among these are internet connection expenses, the charge of suitable hardware and software, plus installation and preservation costs (Nath et al., 1998). The comparatively great number of consumers and providers not being online, and a declining production level due to avoidable practice is another restriction related to internet-based electronic commerce (Walczuch et al., 2000).

In addition to these factors, most SMEs fail to realise gains in important profits from electronic commerce due to hitches in sales conclusion and problems in retaining competent employees with essential skills or knowledge. SMEs beginning their electronic commerce systems as a

service in the manufacturing automation or technology of information areas are rising in Turkey at a yearly rate of 30 per cent (Fielding, 2005, p. 16).

In 1996, Michigan-based small trades were nominated to train their skills as they promoted their goods on the internet (Mc.Cue, S 1999). The research was targeted to recognise public pitfalls and achievements of marketing via the internet. The results show that SMEs in this research basically did not need to design EC to interest customers. Many expected to market goods by providing on-line quotations, promoting in extra markets at fewer expenditure, using e-mail as a marketing tool, and a reduction in costs of production, marketing and supply. They also estimated to trade over EC, improve reliability by projecting an expert image, by having a discussion in many languages about the company's product, and to conduct business with an overseas market. Therefore, the SMEs wanted to increase their service for customers by providing better service, receiving feedback, having documentation without paper, and a rising response time to consumer questions.

B. SMEs and Training

There are several corporate actors, especially the players of SMEs, who ride alone. The holder of this type of corporate entity rest on their individual capability to create a merchandise. Therefore, the holder of SME frequently find problems with the success of their corporation. This undoubtedly disturbs corporate continuousness. Hence, in order to increase the business continuousness, both the holder's skill and the workers' capability must be developed.

Training is, in part, to improve the knowledge and capacity of the workers in undertaking their occupation so that the business will be better organised (Sofyandi & Herman, 2008). Therefore, it is a prerequisite that the business holder pay consideration to staff in developing their skills, and in response to the market density which creates high rivalry levels, SMEs need to pay kindness to preserve and encourage their employees as their most significant assets (Beaver & Hutchings, 2005). Learning on the job at SMEs can be an unofficial undertaking that must be completed through methodical improvement in order to investigate the training needs appropriate for the SME (Kotey & Slade, 2005). Conventionally, the business can spend human capital on learning, in which the training can improve the soft skills of staff individually (Bucher, 2000). Training is most frequently directed towards developing workers' performance and upon finishing such learning, information can be acquired as to whether the learning goal is realised or not after the training is finished (Broad, 1997).

There are some benefits of training that can be completed by the player of SMEs, as follow; (1) it can increase the production of the organisation, (2) it can help with organising staff to realise and regulate the work standard, (3) it can reduce the risk of attendance of staff who have a reduced working capability. Therefore, training is necessary and to be agreed upon by all employees, so that work can be arranged accordingly.

Methodology of Research

Pertaining to Deloitte (2015), there are four types of information technology usages for SMEs as follows:

1. SMEs support their business offline: if a business is deprived of internet access, without information technology such as desktop PC, mobile device computer and internet connection,
2. SMEs support their business with basic online facilities: there is internet access, the business has an information technology infrastructure such as a PC or mobile device computer,
3. SMEs support their business with intermediate online facilities: over an arrangement of network places combined with social media,
4. SMEs support their business with advanced online facilities: the business has informed connectivity, a combined social media network and electronic commerce capability.

Based on Deloitte (2015), more than 36% of Small Medium Enterprises have not known how they don't know about the commercial potential of EC. Over the learning or training, it is projected that the SMEs can apply information technology, whether selling goods or services. It definitely widens the variety in shoppers associated with their product, as opposed to when they trade goods offline.

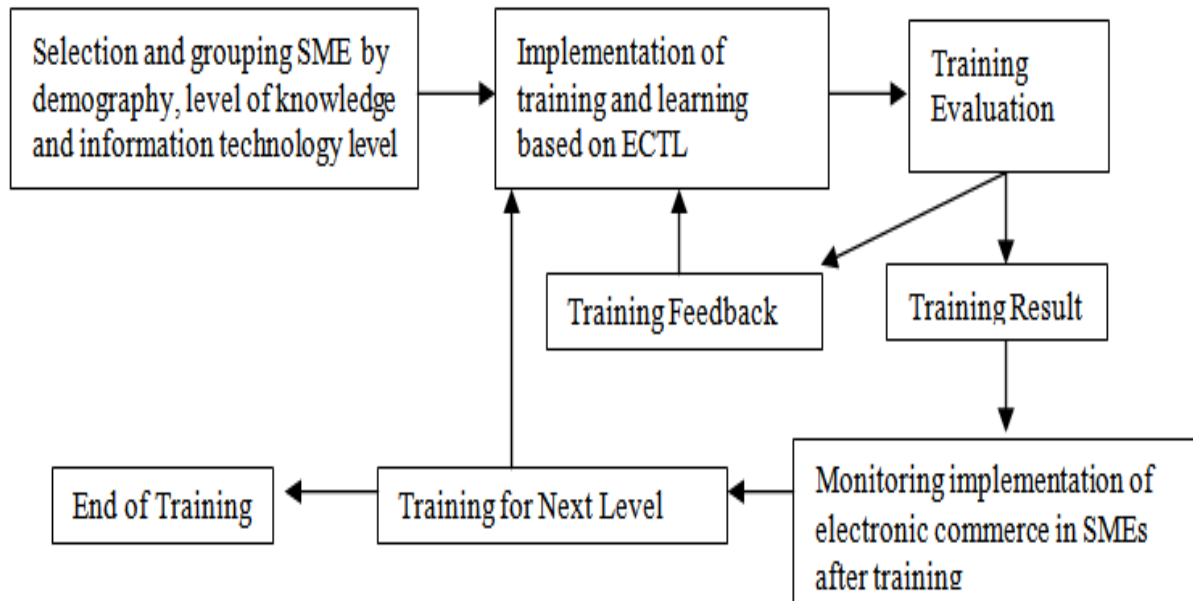
Research Diagram

Figure 1 displays the phases that must be engaged by the holder of SMEs when attending a course in electronic commerce learning. Some procedures that are carried out as a requirement for conducting SME training or learning are as follows:

1. Make observations and investigations into SMEs to get data and information about the level of SMEs' knowledge,
2. Grouping SME data based on demographics, level of knowledge and the level of use of SME information technology.

Demographic classification is useful for grouping SMEs according to type of business. Different types of businesses will affect the type of SME training and learning methods, for example, SMEs with culinary business will be different from SME training methods for fashion businesses. Grouping based on business scale will affect the budget allocated for online transactions. For example, large-scale SMEs have a budget to implement e-commerce with payment gateways, but small-scale SMEs do not have the budget to implement high-tech electronic commerce.

Figure 1. Procedure of Electronic Commerce Training for SMEs



1. Selection and grouping of SMEs by demography, level of knowledge and information technology level.
2. Implementation of training and learning based on Electronic Commerce Information Technology Level.
3. Feedback and the result of training are the outcomes of the training implementation. Training feedback is an improvement in the method of implementing training, obtained from training participants, while the training results illustrate the ability of SMEs to absorb knowledge.
4. The next stage is the implementation of e-commerce for SMEs based on the knowledge gained during training and at the same time monitoring the actuation of e-commerce implementation. This process is carried out to guide SMEs in implementing e-commerce.
5. After SMEs successfully carry out e-commerce at a certain level, SMEs will participate in training for the next level, until SMEs use all of the information technology to support the company's sales process. After observing the business activity and an improvement has been made, then the training level can be increased and training based on the next level completed. When all the training has been undertaken up until the advanced online position, then the digital marketing training process is complete. The results can then be used to ascertain whether there is an improvement or a decrease. If there is a decrease, the reason needs to be found.

Result and Discussion

In the latest corporate expansion, SMEs essentially understand trade practices of using the internet. However, there are still numerous SMEs who do not recognise how to use the internet. It is probable that only around 10% of 60 million SMEs engage in the practice of using

information technology in their trading. We need to make effort towards reducing that training or learning is required so that SMEs can develop electronic commerce. Moreover, the current shopper looks for many kinds of goods, many of which are internet- based purchases.

Allowing to the product process by customers (Digital, 2019), when the buyer is in the situation of “Searching”, sales completed by them are made using electronic commerce. Thus, the holders of SMEs greatly need to develop electronic commerce. There are some approaches that can be prepared, including:

1. Electronic commerce provides detailed information about the offered goods or services.
2. Electronic commerce provides product images to make it easier for customers to understand the company's goods.
3. Electronic commerce provides a review of the use of company products through video to provide maximum understanding to customers.
4. Electronic commerce provides online chat features so that customers can directly communicate with customer service if customers encounter problems.
5. Electronic commerce provides several types of payment features to facilitate customers making payment transactions.
6. Electronic commerce provides testimonial features from previous customers to better convince new customers to use the company's products.
7. Electronic commerce provides search engine features to make it easier for customers to find the information they need.

(Domikus Juju , 2013; Sanjaya , 2009; Sonia , 2014).

Therefore, increasing the ability of SMEs to implement electronic commerce is needed. Each SME has different factors of knowledge, budget, culture, and others, which will be considered in the implementation of the training. For example, some SMEs have used the internet for limited sales on product promotion, some SMEs have used the internet for selling products yet communication with customers is still done through offline media, and so on.

After detailed observation, there are four types of Electronic Commerce SMEs that are known, which are related to the view stated by Deloitte (2015).

Table 1: Electronic Commerce Users from SMEs

Offline trading	Online for Basic level	Online for Intermediate level	Online for Advanced level
<ul style="list-style-type: none"> - SMEs do not use information technology to support company sales - SMEs use a physical place to conduct sales transactions 	<ul style="list-style-type: none"> - SMEs already know about electronic commerce - SMEs already have a mobile device - SMEs have communicated with customers using a mobile phone 	<ul style="list-style-type: none"> - SMEs already offer company products via mobile phones - SMEs already use social media to communicate with customers 	<ul style="list-style-type: none"> SMEs already use electronic commerce to offer and sell company products

To see the position of SMEs based on knowledge, we can refer to the Electronic Commerce Information Technology Level (ECITIL)). Table 2 illustrates ECITIL, where we can map the position of SMEs in the readiness to implement electronic commerce: basic, intermediate or advance. Each level is given a score to evaluate the position of SMEs.

Table 2: Training for Small & Medium Enterprises Based on Their Knowledge Level

Offline	Basic Online	Intermediate Online	Advanced Online
SMEs will gain knowledge using mobile device technology related to online transactions such as creating bank accounts, making e-mail or online sales mechanisms in general, parties involved in online transactions etc.	SMEs will gain knowledge about the use of social media to support online sales such as creating blogs and WordPress, selling via Facebook and other social media and making simple free e-commerce websites	SMEs will get deeper and complete e-commerce development knowledge with all standard features and additional features using a mobile phone.	SMEs will get knowledge about online payments with payment gateways and e-commerce security

Category	Component	1	5	10	Total Score
Basic	Infrastructure	SME Do not have network devices	SME Has a mobile device and local internet network	SME Has a mobile device and wide-area internet network	
Intermediate	Application	SME Does not have social media applications such as Facebook, Instagram, online chat supporting e-commerce	SME Has a social media application but not yet used maximally for commerce activities	SME Has all social media applications and e-commerce websites	
Advance	Knowledge	SME has no knowledge of using e-commerce support technology.	SME Has limited knowledge of the use of information technology in applications	SME Has knowledge of the use of hardware and software information technology.	

Conclusion

Based on the research and discussion outcome concerning electronic commerce for SMEs, there are still many SMEs that have not used electronic commerce. Some research shows 50% of internet users search for goods via the internet. Based on observation, the first step taken by the customer to find items needed is via the internet, therefore it can be concluded that the customer changes the way to search for goods from offline to online. Therefore, SMEs must sell their goods and services through electronic commerce (AIISP& Com. Inf., 2017).

The implementation of the training provides great benefits for SMEs. At the basic level, SMEs gain knowledge about the use of smartphones with existing features. SMEs will gain knowledge about social media as a way to support online sales. At a higher level, SMEs gain knowledge of building e-commerce with all the features that can maximise sales. At a higher



level, SMEs will gain knowledge about the security of e-commerce. Before participating in training, SMEs can use ICITIL.

During the training, SMEs will go through an assessment process to evaluate the progress of SMEs until the SMEs can use information technology with all the advantages. This training has a positive impact on increasing SMEs knowledge about e-commerce.

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