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Computer Application to Gain Competitiveness Advantages In E-Commerce

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**Abstract:**

The development of the era of globalization is a challenge for Small and Medium Enterprises (SMEs) to continue to survive. Information technology, especially social media, offers benefits for SMEs to improve their marketing. One of the developing SMEs is Distribution Store (Distro), an SME engaged in trading with a business focus on selling clothing as well as accessories of its own production. This research conducted to determine the use of social media and its benefits to SMEs in the Bandung area. This study was an observational study of SMEs and social media used. The subjects selected by purposive sampling. The results showed that the most widely used social media were websites, Facebook and Instagram. Social media used by SMEs to make personal contact with consumers, promote, record what is needed by consumers and deliver responses to consumers. Social media is an effective communication medium for SMEs that can increase the scope of market share and help business decisions. The use of social media can increase sales by more than 100% if done consistently and update information every day. The conclusion of this study is social media has the potential to increase market share and sales volume, therefore it needs to be used optimally and consistently.

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**Keyword:** *SMEs, Develop, Application, E-Commerce*

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## INTRODUCTION

Globalization and free markets are a challenge for most Small and Medium Enterprises (SMEs) to continue to survive. The rapid flow of information and increasingly free competition has increased the level of awareness of consumer's decision making. If SMEs do not immediately fix themselves, then SMEs will be threatened with competition and out of business. For this reason, SMEs need to improve themselves and build long-term relationships with consumers and customers. One of the developing SMEs is Distribution Store (Distro) or Distribution Outlet, which is one of the SMEs engaged in trade, with a business focus on selling clothing and accessories that are deposited by clothing manufacturers or their own production. SMEs in this business sector distinguish their business from other similar businesses through product restrictions, namely the products produced are not mass-produced with the aim of maintaining

their exclusivity (Ghobakhloo, et al., 2011. Sarayanakumar and Lakshmi, 2012).

However, not all SME products are widely known to the public. This is because the promotion carried out by SMEs is losing heavily with the promotion of larger industries. The main cause of this is the lack of promotional budgets from SMEs. At present there are two types of marketing, namely offline marketing or traditional marketing which is done by finding customers or clients through face to face meeting. Other marketing uses a website as a marketing medium known as online marketing. The use of social media is one example of online marketing. Online marketing has changed number of SMEs that have used social media, because they have been able to reduce the huge burden of promotional costs to introduce and market the products offered (Irianto, 2015). Another sector that can be utilized is the potential of information technology. Information technology offers many benefits for SMEs in increasing the productivity and marketing of their products. In addition, it can also increase the opportunity for SMEs to collaborate with other entrepreneurs (Ghobakhloo, et al., 2011. Neti, 2011). One of the information technologies that is growing rapidly and has the potential to drive the performance of SMEs is social media. Social media has the potential to be very good at connecting many people easily and for free (Kuzma, et al., 2014. Edomwan, et al., 2011. Cheng and Shiu, 2019). Until now, there is still very little publication about how to use social media for SMEs and what are the benefits of using social media for them in Indonesia. Judging from the importance of information about how to use social media for SMEs and what benefits are obtained, it is necessary to conduct an observational study.

This study aims to describe the use of social media in SMEs and their benefits for the development of SMEs. This study used observational research methods on SMEs and social media used. Subjects were selected by purposive sampling.

## RESEARCH METHOD

The method used in this study was carried out in a descriptive manner, namely a technique that describes and interprets the meaning of the data that has been collected by giving attention and recording as much as possible aspects of the situation under study at that time, to obtain a general and comprehensive picture of the actual situation. While for the data collection technique is by interview and observation, based on interviews with the owner or manager of the distribution.

## RESEARCH RESULTS AND DISCUSSION

Based on the results of research on the use of social media by most distributions in Bandung including the following:

### *a. Types of social media used*

The use of social media by the owner or manager is very diverse, most use Facebook to display company profiles. WhatsApp (WA) and LINE are also used as corporate communication media. In addition, the most types of social media used are Facebook, Twitter and Instagram. This was chosen because this type of social media was very easy to operate and was very familiar to distro consumers. From the results of the interview, the results are shown in the Figure 1 below.

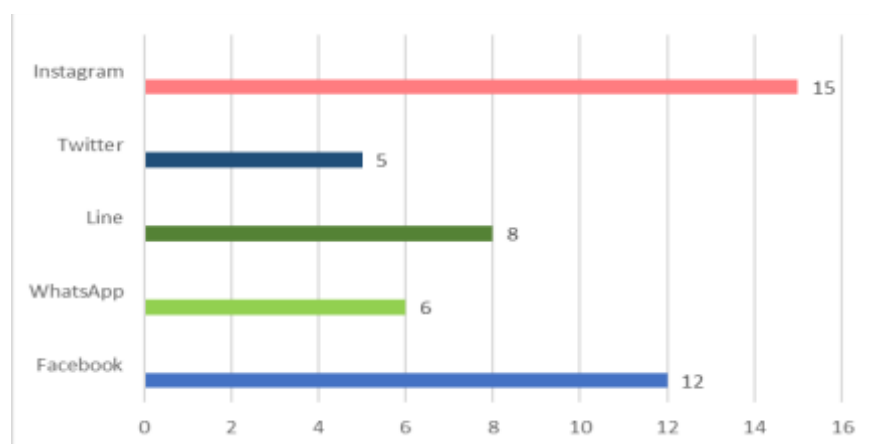


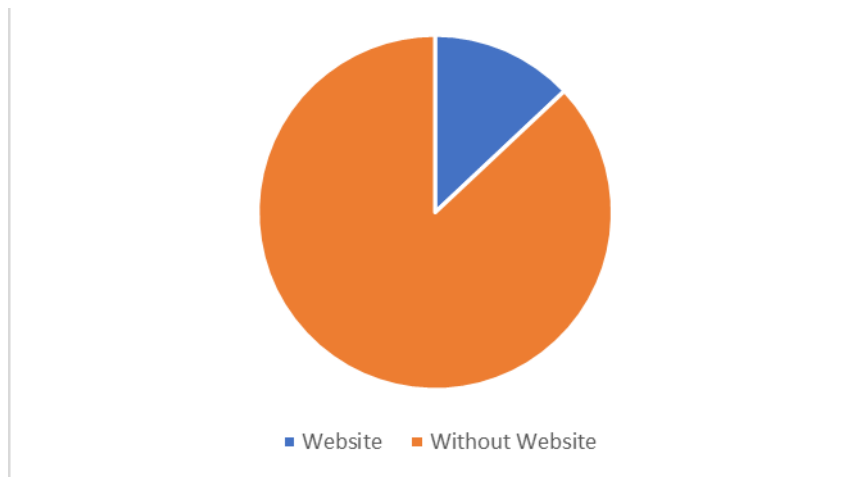
Figure 1. Used of Social Media

The results of this study are almost the same as those carried out in the North West of England that use websites, Facebook, Twitter, and Instagram (Neti, 2011). Facebook, Twitter and Instagram are preferred because of their convenience in attracting consumers' attention. Facebook with the "like" function and interacting with previous comments. Twitter with functions: tweets and followers can facilitate discussion of a product.

Instagram with the ease of posting photos as well as videos will make the attraction even higher if the content posted is good in terms of photos will certainly attract the attention of consumers (Gavino, et al., 2019. Ahmad, et al., 2019).

*b. Use of the website*

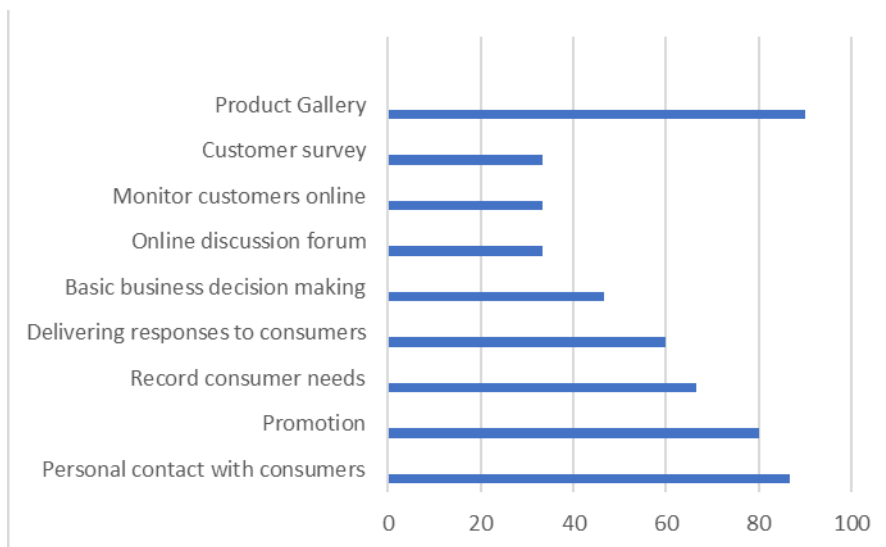
At least the use of the website by the distribution manager in Bandung as a marketing media, this is because the costs needed are large enough for the use of the website for the owners or managers of distributions, which can reduce profits and on the one hand the impact of the website itself cannot be maximized. Can be seen in the table below, distributions that have websites are only 13%, while the remaining 87% do not have a distro website (Figure 2).



**Figure 2.** Use of Website

*c. Effect of using social media*

The use of social media in SMEs provides benefits such as a means of personal contact with consumers, useful as a means of promotion / advertising, data on consumer needs, deliver responses to consumers and as a basis for business decision making. In addition, social media is also useful as an online discussion forum, monitoring customers online, customer surveys, registering supplier needs, registering supplier requirements and for displaying product galleries (Figure 3).

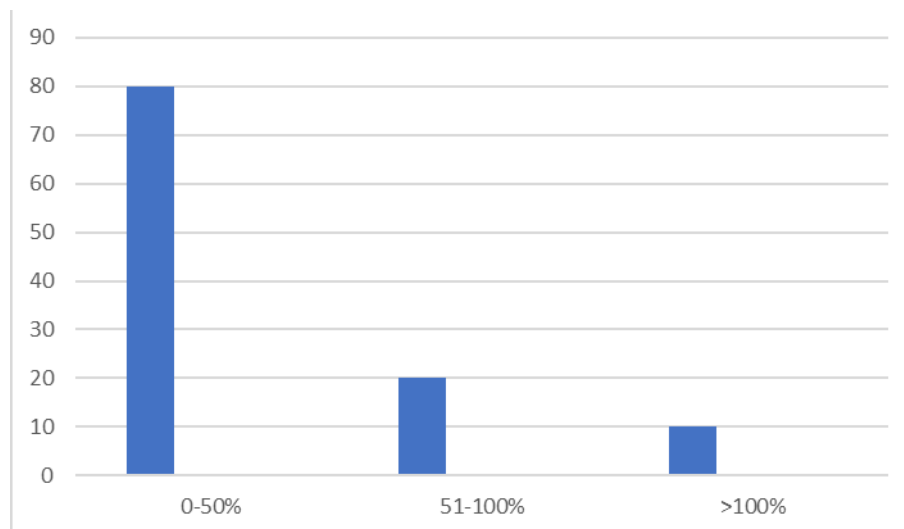


**Figure 1.** Benefits of Social Media

The many benefits that can be felt by SMEs with the use of social media is one of the

strong driving factors for SMEs to continue to use social media in order to develop products, communicate with consumers, suppliers and suppliers, and develop a wider market network. This is in line with previous studies which showed that the perception of the benefits of using information technology is one of the driving factors for SMEs to use information technology media (Naude and Sutton-Brady, 2019). Social media is one of the medias that facilitates interactive communication between entrepreneurs and anyone, including consumers, suppliers, suppliers and various interested parties; whenever and wherever you are. Social media is very helpful as a media for connecting information and communication from producers to consumers wherever they are and regardless of distance. Social media is a medium that is very potential in getting consumers to also build an image about the brand of a product (Yunan, et al., 2019. Goyal, et al., 2019. McGee and Peterson, 2019). The benefits most felt by the owner / manager of the distribution in this study is that social media is very useful in: 1) facilitating highly effective communication between distribution managers and consumers; 2) increase marketing and expand market share; 3) help improve knowledge of distribution managers and help business decisions. This is in line with previous research which explained that the use of information technology can help increase employers' opportunities to increase their productivity, strengthen competitiveness, and strengthen relations between employers and other entrepreneurs including suppliers and suppliers (Ghobakhloo, et al., 2011).

Increasing sales volume also shows the benefits of using social media. The highest increase in sales volume is 10-49%. This is in line with the results of previous studies which stated that social media is a marketing tool for products or services other than as a forum for interaction with customers to try to solve their own problems (Edomwan, et al., 2011). Another explanation states that increasing sales or reducing costs is an impact of managing long-term marketing right (Naude and Sutton-Brady, 2019). The results of the study explain that the benefits received by SMEs correlate very strongly with the adoption of Information Technology (McGee and Peterson, 2019) (Figure 4).



**Figure 2.** Increase in Sales Volume

In the use of social media can increase sales by more than 100%, however most of the increase in sales is still less than 50%. Based on observations of SMEs and social media used, SMEs that have succeeded in increasing sales volume by more than 100% because using social media as the spearhead of corporate communication and marketing, always update company information on social media every day. Whereas SMEs with an increase of less than 50%, mostly because they rarely update information with the frequency of weekly or even monthly. The results of this study are consistent with previous research which concluded that social media is a very effective marketing communication media, can increase consumer interest in the brands offered, so that it can ultimately increase sales (Aral and Ecklesh, 2019). The limitations of this study were carried out

In a cross-sectional manner and the assessment of sales volume was based on interviews with SMEs, so that there was no measurable change in sales volume between before and after using social media accurately.

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## CONCLUSION

The most widely used social media is Facebook and Instagram. The marketing strategy using social media platforms and the right strategies can be felt to benefit the most felt is the increase in broader consumer reach compared to traditional marketing strategies that have limited consumer reach. This will also have a direct impact on the number of sales of products sold which can reach up to more than 100% when using a sales strategy with the help of social media platforms, especially if information is updated every day and consistently.

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