

The Effect of E-Commerce on Product Selling Power to MSMEs Moslem Owners

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Abstract: This study aimed to analyze the effect of e-commerce on product selling power. It was studied on products which were produced by Micro, Small and Medium Enterprises (MSMEs) that were owned by Moslem owners at Klambir V Kebun village, North Sumatra. Most of products were cullinary. A descriptive quantitative method through a questionnaire was used as data collection. The questionnaire was distributed to thirteen MSMEs Moslem owners and then were analyzed by using SPSS 22.0. The result findings revealed that there was a significant linear relationship between X variable and Y variable, which meant that e-commerce affected product selling power to MSMEs Moslem Owners at Klambir V Kebun village, North Sumatra. It was also found that 86.9% e-commerce influenced product selling power, while the remaining 13.1% was influenced by other variables which were not analyzed in this study.

Keywords: E-Commerce, Product Selling Power, MSMEs Moslem Owners.

Abbreviations: Micro, Small and Medium Enterprises (MSMEs).

Introduction

The Covid-19 pandemic which is endemic in all countries in the world has greatly affected all sectors of people's lives. Indonesia is a country that has received adverse impacts and attacked almost all sectors and economic systems, which are the foundation of society, the Covid-19 Pandemic has resulted in a slowdown in the economic sector with its various derivatives, including the most important sector in the economic sector, namely Micro, Small and Medium Enterprises (MSMEs). MSMEs are feeling the impact. This is what all parties are worried about because it has caused the MSME sector to experience a significant setback (Arianto, 2020).

MSMEs are parties that have a significant share in the movement of the national economy. MSMEs have contributed to increasing national income and income for people who have low incomes. MSMEs are one of the fields that make a significant contribution in spurring Indonesia's economic

growth, absorbing labor and being close to the common people (Handayani, 2017).

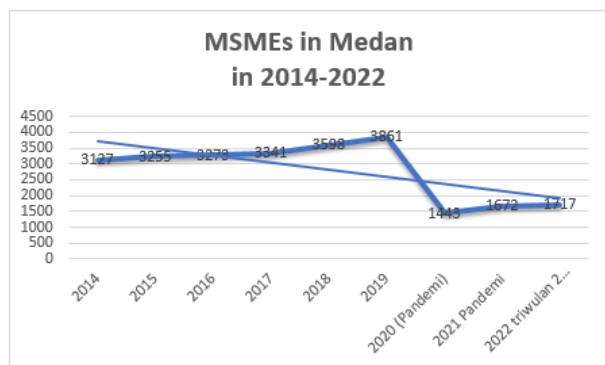
Based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs in Indonesia in 2021 will reach 64.2 million with a contribution to GDP of 61.07% or a value of 8,573.89 trillion rupiahs. Medan City as one of the big cities in Indonesia with a lot of economic traffic clearly has enormous potential for the development of MSMEs. The Medan City Government has included MSMEs as one of the priorities in the economic development work program through the Medan City Cooperatives and MSMEs Office (Anggraini & Nasution, 2013).

MSMEs are the most numerous community businesses in Medan City because during the Pandemic era that hit the world, MSMEs were expected to be able to develop and at the same time be a savior for the country's economy. Based on this, the Medan City Cooperatives and MSME Service collected data regarding the development of MSMEs in Medan, this can be seen from:

Table 1. The Development of MSMEs in Covid-19 Pandemic

Year	MSMEs Amount
2014	3127
2015	3255
2016	3273
2017	3341
2018	3598
2019	3861
2020	1443
2021	1672
2022	1717

Source: Cooperative and MSME Office of Medan

**Figure 1.** Graph Data on the Development of MSMEs in Medan. Source: Cooperative and MSME Office of Medan

After the Covid-19 pandemic, many people still carry out all their activities from home, in line with government policies which, this policy is in line with technological developments which are also increasing rapidly. Many platforms or e-commerce can be used by the public to carry out their shopping desires, as well as MSME players who have started using e-commerce as a place to sell which can also increase income and make it easier to attract buyers with a wider marketing network reach.

In Hampan Perak sub-district, Klambir 5 Kebun village itself, some of the problems that are often experienced by MSME business actors during the Covid-19 pandemic are the lack of use of technology, product innovation, the uneven distribution of local government social assistance to help business actors' capital, as well as the increasing amount of production. decreased due to a lack of public interest in buying during the pandemic, decreased distribution volume, and

decreased product quality due to business actors lacking capital and income during this pandemic.

A business that sells its products or services through e-commerce in Indonesia is still classified as very low, this also reflects that the Bogor area is still far from the expectations of its business to be able to market it online, MSME actors prefer to sell their products/services through shops or open stalls in roadside, even though in this competitive era, especially during the Covid-19 pandemic like this, it is necessary to have marketing through online or e-commerce that can increase the selling power of products and compete with other similar businesses. As the results of research conducted by (Rahayu & Day, 2015) "The characteristics of MSMEs in Indonesia are still very few to develop digital marketing that is networked and uses sophisticated technology. 32.5% of MSMEs still use static sites, 25% interactive sites and are not yet digitally involved, with a percentage of 7.2% of MSMEs."

E-commerce is a type of electronic business mechanism that focuses on individual-based business transactions using the internet (digital network-based technology) as a medium for exchanging goods or services between two institutions (business to business) and direct consumers (business to consumer), through constraints of space and time which have been the dominant things (Sa'ad, 2017). While selling power is the degree to which a product is suitable for commercial sale and the degree to which the product can be bought and sold easily and quickly.

This was reinforced in a research by Effendy et al., (2021), among the obstacles to the development of MSMEs is "Limited business facilities and infrastructure, especially related to technological tools. Most MSMEs use technology that is still simple, making it difficult to compete in quality and quantity." Because currently in the digital era, a solution in developing a business is digital marketing or online promotion, this is according to research conducted by Effendy & Sunarsi (2020) "Promotion is very effective through online media, especially more effective promotion through social media than promotion through electronic media and print media." As well as research conducted by Anugrah (2020), according to him, "With the

tendency of people to prefer spending their time on social media, companies will easily achieve the targets they set."

This research was conducted to examine the correlation of e-commerce that influence the selling power of MSMEs products in Klambir V Kebun village, Hamparan Perak district, which was done by MSME Moslem owners so that they are able to continue to survive and become more responsive to changes in the post-pandemic business climate.

Methods

Research Design

This type of research was a descriptive research with a quantitative approach, Umar (2008) stated that descriptive design is useful for studying how a variable affects different variables, and is also useful in experimental research where independent variables are handled in a controlled manner by researchers to see their impact on the dependent variable as a whole live.

Data Collection Procedures

The data used in this study were primary data obtained directly from the original source. Researchers gave questionnaires to respondents. Thirteen respondents were asked to state their degree of agreement on the questions in the questionnaire using a Likert Scale. Data collection techniques were done by:

1. Determining the subject of the research; MSMEs Moslem owners at Klambir V Kebun village.
2. Observing; Observation is a way of collecting data by observing ongoing activities. Observation is an activity that includes systematic recording of events, behavior, objects that can support the research being carried out. This study uses passive observation where researchers only observe activities in the field. Thus, researchers are not directly involved in any activity. In this study, researchers observed:
 - a. Development of MSME Moslem owners when producing products they want to sell.
 - b. The activities carried out by MSME Moslem owners in using e-commerce which is

expected to increase the income of MSME owners at Klambir V Kebun village.

3. Conducting interviews. This interview technique was carried out by presenting general topics to help researchers understand the meaning perspectives of the interviewees. This is in accordance with the basic assumptions of qualitative research, that the answers given must be able to provide the perspective being studied, not the other way around, namely the perspective of the researcher himself.
4. Questionnaire. Questionnaires were distributed at the beginning of the study to collect the needs for MSMEs productivity development.
5. Doing documentation. This research uses official documents such as photos of the display of MSMEs businesses at Klambir 5 Kebun village. The documentation is used to support the acquisition of information and data needed in this research.

Data analysis

The data were analyzed by using Instrument Testing (Validity and Reliability Test), Classical Assumption Test, Simple Linear Regression Analysis, Coefficient of Determination Testing and Hypothesis Testing. SPSS (Statistical Package for Social Science) version 20.0 program was used in this study to help calculating the data. The hypotheses in this study was:

- H_0 : There was not a significant impact of e-commerce on product selling power to MSMEs Moslem owners.
- H_a : There was a significant impact of e-commerce on product selling power to MSMEs Moslem owners.

Results and Discussion

First, the questionnaire items were tested for validity and reliability, and the results of the validity test were shown in Table 1.

Table 1. The Validity Test.

Variables	Item	R _{Score}	R _{Table}	Description
The Using of E-Commerce (X)	X1	0,757	0,553	Valid
	X2	0,897	0,553	Valid
	X3	0,677	0,553	Valid
	X4	0,176	0,553	Invalid
	X5	0,621	0,553	Valid
	X6	0,655	0,553	Valid
	X7	0,539	0,553	Invalid
	X8	0,818	0,553	Valid
	X9	0,626	0,553	Valid
	X10	0,494	0,553	Invalid
	X11	0,588	0,553	Valid
	X12	0,646	0,553	Valid
	X13	0,696	0,553	Valid
	X14	0,707	0,553	Valid
	X15	0,725	0,553	Valid
	X16	0,093	0,553	Invalid
	X17	-0,345	0,553	Invalid
	X18	0,432	0,553	Invalid
Product Selling Power (Y)	Y1	0,565	0,553	Valid
	Y2	0,925	0,553	Valid
	Y3	0,499	0,553	Invalid
	Y4	0,563	0,553	Valid
	Y5	0,534	0,553	Invalid
	Y6	0,416	0,553	Invalid
	Y7	0,579	0,553	Valid
	Y8	0,768	0,553	Valid
	Y9	0,879	0,553	Valid
	Y10	0,499	0,553	Invalid
	Y11	0,915	0,553	Valid
	Y12	0,926	0,553	Valid
Y13	0,853	0,553	Valid	
Y14	-0,438	0,553	Invalid	
Y15	0,794	0,553	Valid	
Y16	0,910	0,553	Valid	
Y17	0,252	0,553	Invalid	
Y18	0,809	0,553	Valid	
Y19	0,088	0,553	Invalid	
Y20	0,126	0,553	Invalid	

The questionnaire was also subjected to a reliability test, which revealed that all of the questionnaire items were reliable. It was demonstrated by the fact that the X and Y variables were higher than the cronbach's alpha (0.835 and 0.867 > 0.60).

Second, in the classical assumption test, the normality and linearity tests were used. The normality test was used to determine whether the residual variable in the regression model has a normal distribution. The test results are shown in Table 2:

Table 2. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		13
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	8,41835032
Most Extreme Differences	Absolute	,143
	Positive	,087
	Negative	-,143
Test Statistic		,143
Asymp. Sig. (2-tailed)		,100

a. Test distribution is Normal.

b. Calculated from data.

Table 3 revealed that the Kolmogorov-Smirnov value was higher than the significance value, or 0,200 > 0,05, indicating that the distribution assumption in this test was normal. In the linearity test, F_{Score} was found to be lower than F_{Table} (0,225 < 8,85). It revealed that there was a significant linear relationship between the X and Y variables. Table 3 summarizes the data:

Table 3. ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
E-Commerce * Product Selling Power	Between	(Combined)	345,026	9	38,336	,220	,967
	Groups	Linearity	17,269	1	17,269	,099	,774
		Deviation from Linearity	327,757	8	40,970	,225	,955
	Within Groups		522,667	3	174,222		
Total			867,692	12			

In order to determine whether a regression model has residual variance inequality, the heteroscedasticity test was used. Table 4 shows the

results of the heteroscedasticity test using the Glejser test:

Table 4. Heteroscedasticity Test

		Coefficients ^a				
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	-4,700	7,500		-,627	,544
	E-Commerce	,238	,155	,420	1,537	,153

a. Dependent Variable: Abs_RES

The significance values obtained were 0.894 and 0.242, both of which were higher than 0.05. As a result, the regression model had no heteroscedasticity. In this study, Simple Linear

Regression Analysis was used to determine the difference in the dependent variable when the independent variable changed.

Table 5. Simple Linear Regression Analysis

		Unstandardized Coefficients		Standardized	t	Sig.
Model		B	Std. Error	Coefficients		
		1	(Constant)	-44,272	10,549	
	E-Commerce	1,651	,193	,932	8,535	,000

a. Dependent Variable: Product Selling Power

Table 5 revealed the regression equation $Y = -43,162 + 1,642X$. That equation explained:

- a. A constant of -43,162 means that if the e-commerce variable did not exist, then a product selling power variable of -43,162 existed.
- b. The regression coefficient for e-commerce was 1,642. A positive coefficient indicated that there was a positive relationship between e-commerce

and product selling power, indicating that for every 1,642 increase in e-commerce, product selling power increased by 1,642.

The coefficient of determination was then used to determine how well the regression model explained the variation in the dependent variable.

Table 6. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,932 ^a	,869	,857	3,497	2,718

a. Predictors: (Constant), E-Commerce

b. Dependent Variable: Product Selling Power

The coefficient of determination obtained from Table 6 was 0.859. This demonstrated that e-commerce influenced 85.9% of product selling power, while the remaining 12.1% was influenced by other variables not examined in this study.

For hypothesis testing, the calculation revealed that sig value. 0.000 0.05 and T_{Score} was 8.535, both of which were greater than T_{Table} 2.179, implying

that H_0 was rejected and H_a was accepted, and that there was an impact of e-commerce on product selling power.

Discussion

Electronic Commerce (E-Commerce) offers convenience in marketing in the business world which will make it easier for business people or

small and medium enterprises to improve marketing of their products. Marketing is the spearhead of a series of business activities engaged in services or goods. Marketing also determines whether the business being run generates profits or not. In this case, marketing uses internet media as Electronic Commerce (E-Commerce) where businesses can market and sell their products using the internet or known as Electronic Commerce (E-Commerce). This increase in product marketing and sales will trigger an increase in the income earned by producers. Thus the Use of Electronic Commerce (E-Commerce) used in the MSMEs group in Klambir V Kebun Village have a positive impact on increasing the selling power of products, which has a significant influence on the income of MSMEs in Klambir V Kebun Village so that they can market their products not only in the area but outside the area.

This research was in line with the finding result which was found by Rahmadi et al. (2018). They found the same result with this research but they implemented on different commodities and research location.

Conclusions

Electronic Commerce (E-Commerce) has an influence on increasing income which is oriented towards increasing consumer demand which of course directly increases sales. Electronic Commerce (E-Commerce) also has a very good impact on business progress where producers can always develop their products and gain their own trust from consumers so that it is good for the continuity of the business. In addition, by using this system entrepreneurs can exchange information in terms of business so that they can advance their business and expand business networks.

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Conflict of Interest: The authors declare that there are no conflicts of interest concerning the publication of this article.

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