

E-Commerce Pandemic Covid-19 Home Industries and SMEs

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Abstract. This study aims to identify and analyze the impact of the Covid-19 on the home industry and SMEs sector. The research method used was a literature study. Literature study is method research conducted by examining ten previous studies on strategies to survive the SMEs during the pandemic. Small and medium enterprises (SMEs) are on the edge of a cliff. The Covid-19 pandemic caused the economic downturn. The lockdown stopped economic activity, reduced demand, and reduced interactions with others. At the beginning of the lockdown, SMEs one by one suffered losses and went bankrupt. The impact of the Covid-19 pandemic on the home industry and SMEs sector is certainly influential because it has made a significant contribution to the economy in this field. The results showed that the use of information technology had been applied quite widely in various areas. Quite a lot of offline shops have also tried to open shops online, e-commerce sites, and even web e-commerce, apart from being accessed via the web, are also widely available. From the use of computers and the internet in managing their business. The conclusion that millennial customers' online buying interest during the Covid-19 outbreak was not influenced by product prices but influenced by millennial customer trust.

1. Introduction

When the economic situation worsens due to the Corona Virus, business people must make decisions. The right strategy is needed for MSMEs. One way is to create neat company books. All financial transactions, income, expenses, and other transactions must be documented well. Home industries and SMEs are affected by Covid -19. Most of which are engaged in daily food and beverage, creative endeavor, and the agricultural sector. According to the Kemenkop UKM (State Minister for Cooperatives Small and Medium Enterprises), there were around 37,000 SMEs. They were very seriously affected by this pandemic, with approximately 56 percent reporting a decrease in sales, 22 percent reporting problems in the financing aspect, 15 percent reporting on the issues with the distribution of goods, and 4 percent said difficulty obtaining raw materials [1].

Covid-19 affects different products differently, meaning the impact of Covid -19 on several products is very high while on some others is less [2, 3]. The use of e-marketing for SMEs' sustainability during the Covid -19 pandemic is through the role of technology, business

activities, and distribution of goods. It encourages SMEs to do digital marketing to continue to operate and be able to compete through digital marketing or online promotion [4]. There are new norms for business people when facing a pandemic. It requires business people to look at technology. It will also apply after Covid -19, which involves the recovery of SMEs to adapt to the new normal, which requires intersecting with technology [5]. Besides, the rapid development of Information And Communication Technology (ICT) is beneficial for entrepreneurs to start their businesses. Information Technology (IT) helps companies multiply from year to year [6]. They have the tools that can help entrepreneurs better and more effectively sell their goods or services to the public. The use of information technology (IT) plays a critical role. In this case, accurate software can help companies improve performance in producing financial information, so managers can use it to make decisions. Information technology is connected with many components so that its use is more reliable than humans [7].

Electronic commerce (e-commerce) is the distribution, sale, purchase, and marketing of goods and services that rely on electronic systems, such as the internet, television, or other computer networks. E-commerce involves transferring funds, electronic data exchanges, management systems, and data collection automatically [8]. S-commerce is a part of e-commerce that utilizes social media, online media that supports social interaction, and user contributions to help sell and buy goods or services online. S-commerce uses social media as a transaction medium to complete sales transactions, but in some innovative s-commerce, there is no exchange of money at all. S-commerce not only means e-commerce on social media platforms but can also be interpreted as a feature of social media in e-commerce [9]. Almost every industrial sector supported by electronic information technology will continue in the future. The clean economy has significance for developing innovative business concepts based on electronic information and network communications [10]. The administration and processing of transaction data from business actors using information technology can be done digitally with the support of adequate facilities and infrastructure, such as social media applications that use the internet such as Facebook, YouTube, TikTok, and other social media. Media is available on gadgets or computers that will make it easier for humans to communicate. This social media can also as a medium for transactions in the trade sector, better known as online shopping or e-commerce [11]. There is the fastest increase in information technology in Indonesia, such as cellular access for users in the payment of goods or money transfers [12].

This study aimed to identify and analyze the impact of the virus on the home industry and SMEs sector. The research method used is a literature study.

2. Method

The research method used was a literature study. Literature study is a research method conducted by examining ten previous studies on strategy to survive during the pandemic. The research findings are in the form of recommendations to SMEs to adopted and carried out to survive a pandemic.

3. Results and Discussion

To prove that the use of information technology in the home industry or SME business was carried out a series of tests using the IBM SPSS Statistics 20 application by looking at the coefficient of determination (R^2), which is to determine the percentage of influence given by

the dependent variable on the independent. Variable's, then test the hypothesis. The empirical model for estimating the use of information technology and SMEs can see in Table 1:

Table 1. Results of the coefficient of determination of the use of information technology for SMEs

Model	R	R Square	Adjusted R Square
1	.837 ^a	.700	.693

a. Predictors: (Constant), Utilization of Information Technology

b. Dependent Variable: Home Industry Business and SME

Based on the model based on Table 1, the R Square value of 0.700, which means the independent variable (Home Industry Business/SMEs) is affected by 70 percent by the dependent variable (Utilization of Information Technology) and 30% percent is supported by other factors. Related is the use of information technology. It is needed more to be used by industry players, home-based businesses as a tool in the trade-in products or services produced to be more effective and efficient.

In my opinion, the development of technology is very rapid, especially smartphones and computers, where almost all activities are in your hands online. Maybe not everyone has a computer, but now, everyone has a smartphone. The use of information technology has been applied quite widely in various fields. Many offline shops have also tried to open shops online, too, on e-commerce sites and even the web E-commerce, apart from being accessed via the web, is also widely available. Therefore, the authors write about the use of information technology for home industry businesses and SMEs. The influence of information technology in business development States that information technology makes it easy for information to develop online business [13]. Utilization of Information Technology in Micro and Small Enterprises agrees to analyze the use of information technology analysis on SMEs, which shows that SMEs access is still limited in using information technology. It can be seen from computers and the internet in managing their business [14]. Utilization of Information Technology in Small and Medium Enterprises more dominant in developing technology by using its functions. From the internet in their business [15].

Demografi	Persentase
Gender	
Male	25.6
Female	74.4
Age	
17	1.3
18	3.4
19	36.8
20	38
21	14.1
22	3.4
23	1.7
24	0.4
25	0.9

Figure 1. Demographic Information

Based on Figure 1, it can be seen that the respondents in this study amounted to 50 respondents who came from 5 districts and cities. Male respondents were 25.6%, and female respondents were 74.4%. Based on age, this is dominated by respondents aged 20 years as much as 38% and aged 19 years as much as 36.8%. Then from this data, it can seem that most shopping enthusiasts are in the age 17-25 years.

In Figure 2 below, any goods become impact the pandemic of Covid-19. With the e-commerce market, all of the goods every year are always continue to rise.

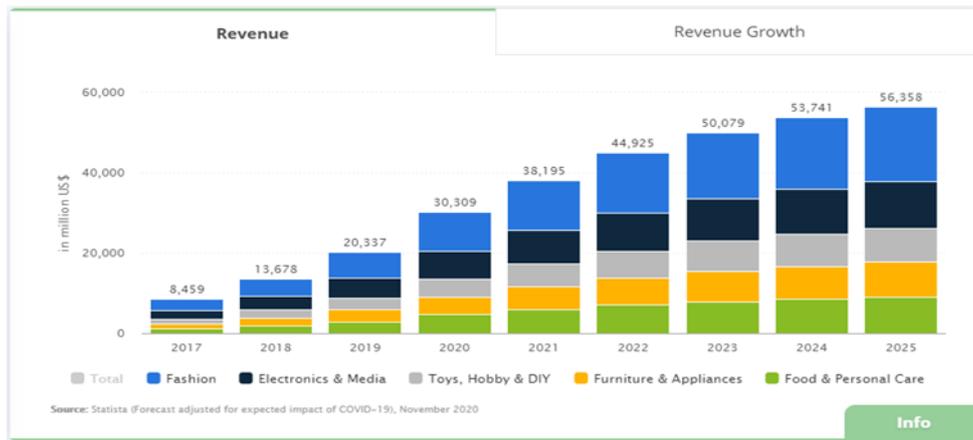


Figure 2. Statistics By Type Of Goods

In 2020, 30.8% share of users aged 25 to 34 years. Young consumers dominate e-commerce users. In the E-commerce market, the number of users estimated to reach 221.0 million by 2025. Lazada, Tokopedia, Bukalapak, Blibli, Shopee and JD are currently the most popular online distributors in Indonesia. They all offer a wide variety of products and hope to take on market leader positions shortly. So far, this tool has been seen more in urban centers. And, it is widely used by people between the ages of 20 and 39. Their success is based not only on ease of internet access and individual marketing strategies but also on the creativity of presenting new transportation and payment opportunities. Indonesia still lacks a shipping system regulated by the government, and to date, not all prospective e-commerce customers use online banking. Although it can be assumed that online banking is only a matter of time, it is irrelevant which company can provide the best, fastest, and reliable delivery method. However, the general success of the e-commerce industry is anything but risky[16].

4. Conclusion

From the results of this study, it can be concluded that millennial customers' online buying interest during the Covid-19 outbreak was not influenced by product prices but influenced by customer trust. These results indicate that efforts to increase interest in buying online can increase the trust of customers first.

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