

28-THE IMPACT OF BUSINESS CAPITAL AND E-COMMERCE ON BANDUNG'S MSME

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THE IMPACT OF BUSINESS CAPITAL AND E-COMMERCE ON BANDUNG'S MSME

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ABSTRACT

The quantitative method is used at this stage of the research, which includes reviewing the amount of capital used, the source of capital used, and the technology used by these MSME actors. The goal of this research is to determine how much capital and e-commerce (Papatong.id) influence the turnover or income of MSME players in Bandung, West Java. This study's sample included 47 MSME actors, the majority of whom were micro business actors. This study used multiple linear regression with moderating variables. The findings indicate that capital has a significant or positive influence in Bandung City, West Java area. Of course, this e-commerce technology (Papatong.id) has a partially positive and significant impact on the turnover or income of MSMEs in Bandung, West Java. Simultaneously, capital and e-commerce technology (Papatong.id) have a very positive and significant influence on the income of MSMEs in the Bandung City area of West Java.

Keyword: Startup Capital, E-commerce, Income, MSMEs

1. INTRODUCTION

Has a significant impact on economic growth. One reason is that MSMEs have an advantage in terms of utilizing natural resources to produce intensive work, particularly in agriculture, fisheries, animal husbandry, food crops, and other sectors. Thus, this demonstrates that MSMEs and large business actors or large companies are related, require, and complement each other, even though, when we look at it, it is the MSME actors who absorb more labor because they create more new jobs, according to.

According to Rudjito on, medium, small, and micro businesses are business activities whose existence has a

significant impact on Indonesia's economic development system because MSMEs create new job opportunities and increase state revenue through business entity taxes.

The MSME growth data for 2021 show an increase from the previous year; in 2020, the number of MSMEs in the City of Bandung is 437,290, while it will be 464,347 in 2021, indicating that MSMEs in the City of Bandung increased by 6.18% from 2020 to 2021. This demonstrates that the number of SMEs in Bandung is increasing year after year. As a result, MSMEs are more dominant in creating employment and absorbing their workforce, and MSMEs contribute

significantly to state revenues. Even though MSME actors play an important role in national contributions, they do not always run their businesses smoothly because there are still many obstacles that impede the business that MSME actors run. According to the report, some of these

According to Bambang Riyanto (1998:10) on (bisabisnis.id, n.d.) capital is a financial resource owned by individuals or business entities that can be used in building and improving new businesses, in terms of the production of goods or services. Thus it can be said that business capital is a very significant thing both in starting a business and in an ongoing business. The government has now provided convenience regarding business capital, especially for MSME actors. This was done because based on the 2020 statistical center survey, around 69.07% of MSMEs experienced problems in terms of capital. Based on observations in the field, the cause of MSMEs still has problems in capital, namely MSME actors are still afraid of dealing with bank credit so that MSME actors are reluctant to apply for capital in the banking sector. Then MSME actors are still not neat in their administrative matters, they are still unable to organize finances such as separating household operational money

(personal money) from money used in their business.

Another factor that becomes an obstacle for MSME players besides the capital factor is the technology factor. Meanwhile, technology has now been widely used by business people because technology can support the continuity of the business, technology is very influential for business processes, be it a company that has been going on for a long time or one that is being started. In the business world, technology is usually used and implemented by industry players as a tool in expanding market segmentation, such as e-commerce or electronic commerce because with e-commerce, business actors will market their products more optimally because they are not limited by time and space and customers. can also make transactions anytime and anywhere (Bestcamp Admin, 2018). There are still many MSMEs who have not used information technology (IT) tools such as e-commerce in terms of marketing, while the key to success in business continuity is expanding market segmentation so that they have a broad and definite market.

Papatong.id is an e-commerce site created by the West Java provincial government and authorized by the Governor of West Java to help MSMEs

in the region. Papatong launching is one method of increasing demand through the State Civil Apparatus (ASN) by shopping. Aside from that, the Papatong.id launching movement is one of the government's efforts to promote the Proud Movement Made in Indonesia. By hosting this event, the government hopes to foster resilient MSMEs through the use of digital technology. As well as adding value to the economy and establishing MSMEs as champions both in their own country and internationally.

2. LITERATURE REVIEW

2.1. Startup Capital

Entrepreneurs require capital to run their businesses. When compared to a house, capital is part of the foundation that determines whether or not the house is strong. Similarly, the role of capital in a business will be the foundation of doing business, because capital will determine the amount of income obtained. As a result, capital is required before starting a business. Because many people are hampered in starting a business due to the difficulty in obtaining capital (Purwati, 2012). As a result, according to Bambang R (2001) in (Purwati, 2012), business capital is absolutely necessary because capital is very much needed in a business, and the source can be personal capital, capital from financial organizations both banks and non-banks, or capital from government

assistance. According to Widjaya (1985), the concept of capital is related to business spending decisions and complex requirements.

2.2. E-Commerce

According to (Turban, 2012) in (Putra & Aswitari, 2020), E-commerce (Electronic Commerce) is the process of buying and selling, sending and exchanging products, services, and information over computer networks, most commonly the internet network. According to Himawan et al. (2014), the implementation of e-commerce can certainly increase the reach of market products and expand competition; thus, E-commerce is capable of providing good service facilities or a quick response to consumers (Putra & Aswitari, 2020; Sutawan et al 2022). Kraemer et al., 2002 in (Marantiani & Budhi, 2017).

2.3. Papatong.Id

According to Ridwan Kamil in the article, the West Java Innovation in Selling Methods (ICALAN) program with Creative and Creative Innovation (KREASI) to revitalize the economy of West Java MSMEs (Wisnu Wage Pamungkas, 2021). Papatong is a collaboration between the West Java provincial government, West Java Ekraf, also known as the West Java creative economy, and BJB (Bank Jabar Banten),

and is supported by the West Java Provincial Representative Office of Bank Indonesia (KPW BI). On February 10, 2021, Papatong.id was officially launched. The goal of Papatong.id is to assist MSMEs whose turnover has decreased as a result of the Covid-19 pandemic. Because ASN income does not include those affected by the Covid-19 pandemic, the government also encourages ASN (State Civil Apparatus) to contribute to this program. As a result, the concept of "Salih Asih Silih Tulungan" was born on a large scale, involving all ASNs in West Java, which numbered over 300,000, and is expected to become a potential market for MSMEs selling on papatong.id.

2.4. Micro, Small, And Medium

Enterprises (Msmes)

MSMEs, or micro, small, and medium enterprises, are commercial activities in the economic sector carried out by the community, be it groups, families, or individuals, that operate independently and on a small scale. According to Siswono (2014) in (Sularsih & Sobir, 2019), MSMEs are business activities that can last longer than other business fields because it was proven right after the 1997 crisis. As a result, MSMEs play an important role in the Indonesian economy. Despite their importance, MSMEs face a number of challenges. According to Setianto et al. (2016), these obstacles and constraints

can be caused by a lack of business capital and human resources, as well as a lack of technological independence (Hasanah et al., 2020).

3. RESEARCH METHOD

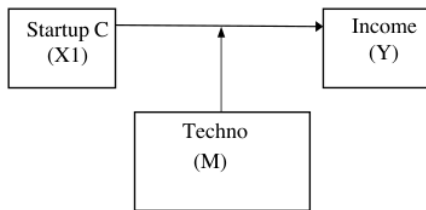
The research site for this study was in Bandung, West Java. Bandung has a high concentration of MSMEs, which is why this Location was chosen for research. This is because Bandung has become an icon of West Java, resulting in a plethora of tourist attractions and produce shopping sectors. The subjects of this study are Bandung-based MSME actors. In the meantime, the goal of this study is to look into the impact of capital and E-Commerce (bodongdong.id) on business income in Bandung. stratified random sampling sample This study's sample size and population were 47 MSME actors.

This study collects data through observation and the distribution of questionnaires. This study relied on primary data. The multiple linear regression data analysis method with moderating variables was used in this study's analysis. Normality, multicollinearity, and heteroscedasticity tests are the most commonly used assumption tests.random stratified sample The population and sampling for this study included 47 MSME actors.

In this study, data is gathered through

observation and questionnaire distribution. This study relied on primary sources. In this study, the multiple linear regression data analysis method with moderating variables was used. The most common assumption tests are the normality test, multicollinearity test, and heteroscedasticity test.

Framework



Picture 1. : Research Models

4. RESULT AND DISCUSSION

4.1. The purpose of this study was to determine the impact of capital (X1) and E-Commerce (Papatong.id) (M) on MSME income in the city of Bandung.

First Hypothesis: Does business capital (X1) influence income? (Y).

The table below summarizes the results of the first regression test, which used income (Y) as the dependent variable and capital (X1) as the independent variable:

Table 1. Summary Models

Models	R	Square	Adjusted	Std. Error
		R	R	of the
				Square Estimate
1	.181 ^a	.072	.052	1.432

Source : 2022

The adjusted R square number represents the variance's coefficient or position (the independent variable and the dependent variable). The adjusted R square value is 0.064, indicating that the X1 variable only accounts for 6.4% of the Y variable, with the remainder explained by other factors.

Table 2. Significance.I Regression

ANOVA ^a						
Model	S	Mean	F	Sig.		
Squares						
1	Regression	6.221	1	7.567	4.264	.038 ^b
	Residual	81.532	34	1.700		
	Total	87.846	39			

Source : 2022

Coefficients ^a						
Model		Unstandardized Coefficients		t	Sig.	
		B	Std. Error			
1	(Constant)	8.172	1.453	5.623	.000	
	X1	.095	.047	.291	2.038	.047

Source : 2022

$$Y = 8.161 + 0.095X1$$

Begin by noting in the table below that the F hit rate is 4.153, with a level of significance of 0.047 and a meaning of less than 0.05. This ensures that Capital (X1) produces positive results (Y).

The results of regression analysis I (table

5) show that t arithmetic capital (X1) is approximately 2.038 greater than $t_{table} = t_{/2; n-k-1} = t_{(0.025;45)} = 2.01410$, with a level of significance of 0.047 (indicating a positive trend) and a determination coefficient of 0.095. (Y).

Dependent variable, and E-Commerce (Papatong.id) as a moderator. Table 3:

Table 3. Summary Models

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.861 ^a	.741	.729	.721

Source : 2022

The adjusted R square number represents the coefficient of determination or the position of the variance (the independent variable when it is related to the dependent variable). Table 7 shows that the results improved by 8.7% from adjusted R Square regression I to regression II. The adjusted R square figure of 0.729 indicates that 72.9% of the income variable (Y)

Table 3. Significance of F Regression Model II

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	65.567	2	32.783	62.986	.000 ^b
Residual	22.901	44	.520		
Total	88.468	46			

Source : 2022

Tabel 4. Significance of Regression Model T Value II I Coefficients^a

Model Coefficients	Unstandardized		Standardized Coefficient		Sig.
	B	Std. Error	Beta		
1 (Constant)	8.765	.768		12.253	.000
X1	-.225	.034	-.661	-4.253	.000
XM	.013	.013	1.250	11.454	.000

Source : 2022

$$Y = 9.885 - 0,216(X1) + 0,023(X1*M)$$

The adjusted R square number represents

the coefficient of determination or the position of the variance (the independent variable when it is related to the dependent variable). Table 7 shows that the results improved by 8.7% from adjusted R Square regression I to regression II. The adjusted R square figure of 0.729 indicates that 72.9% of the income variable (Y)

4.2. Impact Commerce's on Income (papatong.id)

According to the t test results, the results of e-commerce (Papatong.id) had a positive and significant impact on MSME income in the city of Bandung. This statement is supported by research (Gustina et al., 2022), which shows that e-commerce can facilitate transactions between producers and consumers, thereby increasing business income. Thus, the connection with this research is that e-commerce can act as a capital and income reinforcement. Because the existence of e-commerce (Papatong.id) provides MSME

actors with a clear target market, they can increase MSME income in the city of Bandung.

5. CONCLUSION

According to the findings of this study, the simultaneous test (f test) results show that venture capital and e-commerce (Papatong.id) have an important or positive effect on the income of MSMEs in the city of Bandung. The conclusion is that if more capital is invested in a business, the output or wages received by MSMEs in Bandung will increase. And if business actors become more technologically literate, particularly with regard to e-commerce, these business actors can increase their income through e-commerce, because e-commerce can facilitate product distribution, or market segmentation can be said to be expanding. As a result, it is possible to conclude that business capital and e-commerce (Papatong.id) have a positive (significant) impact on MSMEs' income in Bandung.

SUGGESTION

Based on this research, the West Java Provincial Government, particularly the Government of the City of Bandung, will be advised to conduct socialization if they are to provide assistance. Assistance in

the form of capital for business actors, in particular, because many business actors are still unsure if government assistance is available. As well as providing or facilitating trainings for the community, particularly business people or business people, in order to advance the quality of human resources in the city of Bandung.

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