

E-Commerce and the Rural Sector in Pangandaran

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Abstract: In the modern times E-commerce is giving a tough competition to the traditional trade and business. Due to the advancement of technology the world has become a global village. E-commerce has reached most of the consumers in the urban sector, but the challenge lies in front of the companies so that it reaches the rural sector also. The rural population of Indonesia has to go at distant places or nearby cities to purchase local products especially in Pangandaran District. Here E-commerce can come to their help by widening its area of operations.

Keywords: E-Commerce, Rural Area, Pangandaran, local Products, E-Commerce

1. Introduction

The rapid development of ICT and internet has penetrated various areas of life including business and trade [7,8]. With the internet and ICT marketing and sales process can be done anytime without bound by space and time [7]. With the ability of the web / internet that can transmit various forms of data such as text, audio, video and animation, then many enterprises are utilizing this technology by creating a homepage to promote their business [2]. Now almost all levels of society (especially in developed countries) are very familiar with this web, because almost any kind of information can be obtained.

One of the ICT and internet sectors that commonly use in commerce and business is e-commerce. E-commerce is a business process that use information, transfer funds, EDI (Electronic Data Interchange), Supply Change Management, product, promotion, electronic marketing and many more to achieve change and growth of a company. The benefits and advantages of using e-commerce is for promotional media in order to increase sales volume, both for online and conventional sales [5,6,12]. In addition to these advantages, the results of several studies show that the effectiveness in using e-commerce to increase in sales volume and promoting industrial products is quite high [1, 12].

In addition to these advantages, the results of several studies show that the effectiveness in using e-commerce for boosting the increase in sales volume and promoting industrial products is very good [1, 12]. Small and medium enterprises (SMEs) is a type of business that is run on a small and medium scale basis and is not a subsidiary or branch of any company. SMEs has a crucial contribution for the Indonesian economy, because SMEs expand employment opportunities and absorb a lot of workforce [9,12].

One example of this SME is the existing SMEs in Pangandaran District, named HPP (Association of Pangandaran Craftsmen) who already have a legal institution written. HPP Pangandaran craftsmen has several programs, including promoting/publishing Pangandaran craft to the entire archipelago. Proven by the presence of this group, Pangandaran craft able to penetrate the presidential palace, with ordered 350 pcs shells box by the president as a souvenir of Indonesia's Independence Day in the presidential palace. The main problems faced by HPP are marketing [4, 9, 12].

Before the internet, offline marketing was the only form of marketing available. Offline marketing is a promotion or advertisement that is released in a medium other than the internet. Usually, offline marketing campaigns are carried out through radio, television, billboards, telemarketing, and even word-of-mouth, but they are expensive. for that we need another method that requires little cost and takes advantage of technology and will spread faster and wider [12], namely e-commerce. With the above background then the author took the title of paper "E-Commerce and the Rural Sector in District Pangandaran".

2. Literature Review

Micro Enterprises

Micro enterprises are the driving wheels of the Indonesian economy. When talking about business and the economy, especially about the business world, sometimes we are faced with a term that plays a role in the

economy, namely MSMEs. Even in terms of management efforts, it still has a close relationship with the economy of the community at various levels. But in the form of non-corporate economic enterprises. In Indonesia, this kind of business sector has actually increased in 2016 and above. This is proof that the community is still interested in running micro enterprises well.

In the business perspective as described above, it is common for observers to equate MSMEs with SMEs. However, if analyzed in more detail, the two actually have very significant differences. Especially if the review is directed at the aspect of the business scope as well as the laws that are the regulations of the two [10].

Characteristics

Characteristics of Micro Enterprises, namely [10]:

- a. The type of business goods is not fixed, can change at a certain period.
- b. The place of business is not always fixed, it can change at any time.
- c. Have not implemented simple financial administration and have not separated family finances from business finances; Human resources (entrepreneurs) do not yet have an adequate entrepreneurial spirit.
- d. The average level of education is relatively low.
- e. In general, there is no access to banking, but some of them already have access to non-bank financial institutions.
- f. Generally, do not have a business license or other legality prerequisites including Taxpayer Identification Number (NPWP).

Marketing

Marketing is an activity that is comprehensive, integrated, and planned, which is carried out by an organization or institution in conducting business in order to be able to accommodate market demand by creating products with sale value, determining prices, communicating, delivering, and exchanging offers of value to consumers, clients, partners, and the general public. In simple terms, the definition of marketing is more identified with the process of introducing a product or service to potential consumers. These aspects for marketing include advertising, public relations, promotion and sales. [3].

E-commerce

With an e-commerce website, you can get a higher margin. Most likely, your website visitors will make transactions directly on your website. So, you also don't have to compete with other sellers. [3].

3. Method

The research method used in this research is applied research, which is described in Figure 3.4 by using a flowchart of applied research methodology [9, 13]

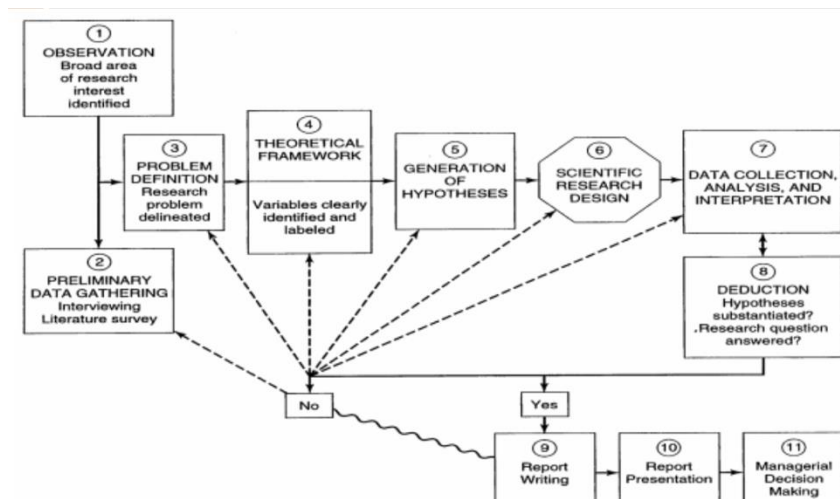


Figure 1. Applied Research Methodology [16]

4. Findings

Data Collect

The data used in this study were 150 respondents and were treated by distributing questionnaires in District Pangandaran by questionnaire method. The data classified by:

1. Male and Female (Gender)
2. Age Ranges, divided into 5 ranges
3. Type of SME

Based on the results of the questionnaires that have been distributed, data were obtained as many as 18 SMEs selling fashion, 29 SMEs selling handicrafts, 9 selling food and beverages and 9 SMEs selling catches from the sea.

4. Occupation

The data as shown below

Tabel 1. Occupation

Particulars	Frequency
Business	5
Fisherman	25
Housewife	29
Service	2
Student	2
Total	63

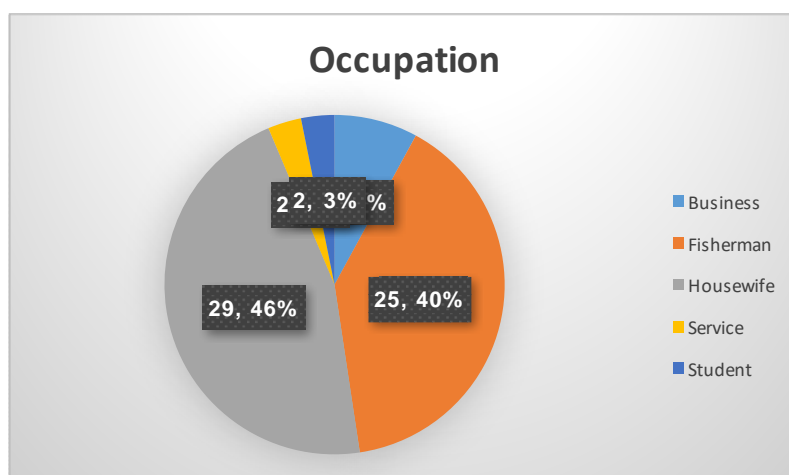


Figure 2 Occupation

5. Computer Literacy

The data that we collected as shown below:

Table 2 Computer Literacy

Particular	Frequency
Expert	2
Advanced	3
Beginners	10
Dont Know How To Operate	48
Total	63

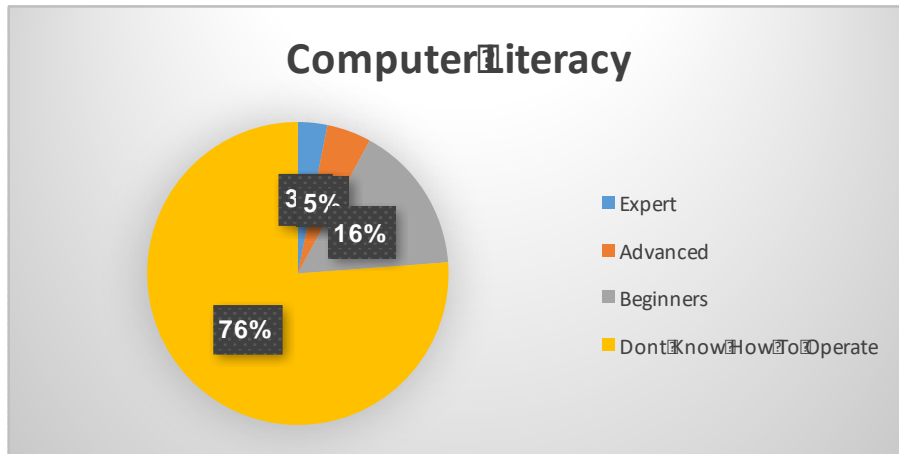


Figure 3 Computer Literacy

Data Analysis

Respondents know about e-commerce technology, they even know how to use technology, as describes on the following chart:

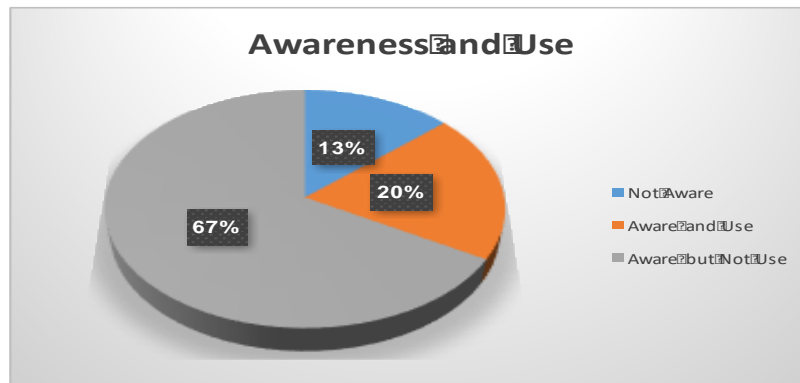


Figure 4 Awareness and Use

The respondent satisfaction as per their responses by rating their experience on hwo to use ecommerce is shown in following chart:

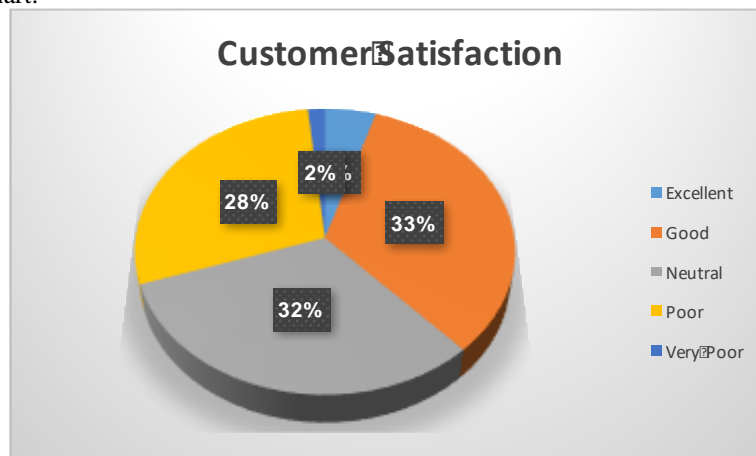


Figure 5 Customer Satisfactio

Infrastruktur telekomunikasi, teurtama layanan internet dan kurir merupakan masalah besar bagi respondents yang ditunjukkan pada gambar dibawah ini:

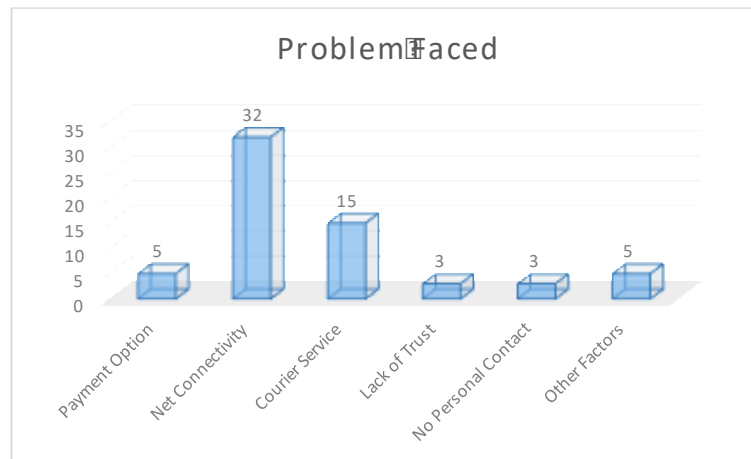


Figure 6 Problems Encountered

5. Conclusions

From the various explanations described in this report, the writer can conclude the following:

1. The use of computers in marketing and sales in recent years has grown rapidly. With the internet marketing and sales process can be done at any time without being tied and time. One of the internet applications in business and commerce is electronic commerce (e-commerce) in Pangandaran. It needs to be done website development and e-commerce as a means for promotion and marketing of business products, thereby increasing the sales volume and increasing revenue. This revenue increase will ultimately develop existing small and medium enterprises in Pangandaran district under the auspices of HPP. On the other hand, the Ministry of Cooperatives and SMEs also need to continue to encourage existing SMEs in order to use existing facilities in Pangandaran to market and display its products that are not only offline but also online.

2. Based on the results of the 83% questionnaire, HPP expects their marketing to use e-commerce with current support facilities in Pangandaran Regency.

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