


INVESTIGATION OF E-BUSINESS MOTIVATION AMONG BATIK SMES IN INDONESIA

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 01 October 2023</p> <p>Accepted 29 December 2023</p>	<p>Purpose: This research explores how to establish a conceptual framework for an empirical model of e-business motivation in small organizations, while most e-business studies focus on large companies. To explain SMEs' tactics and features, notably family businesses' increased e-business motivation.</p>
<p>Keywords:</p> <p>Batik Village; E-Business Motivation; ANOVA; Strategic Orientation; Characteristics of Batik SMEs.</p>	<p>Theoretical Framework: Technological developments have an impact on changing business management patterns, many business opportunities can be captured by companies including small and medium enterprises (SMEs) to be able to expand the market and increase sales.</p> <p>Design/Methodology/Approach: ANOVA analysis was used for quantitative analysis. This research took a sample of 122 Batik SMEs from the Batik center villages of Klaten, Jarum, Beluk, Banyuripan, and Kebon Regencies. The sampling method was purposive, namely by using batik SMEs that have used social media or websites to carry out promotions and sales.</p>
	<p>Findings: SMEs in the innovator category were more driven than reactors. Innovative companies succeeded in internet marketing, communication, and profit. However, the two groups employed e-business for study similarly. This shows that innovators and reactor companies have not fully adopted the e-business market or industry surveys.</p> <p>Implications of Research: This research shows that the success of e-business practices, especially electronic promotion and selling, will increase with strategic orientation that strives for innovation, as market coverage expands, and business duration increases.</p> <p>Originality/Value: E-business strategies and competencies in small businesses are infrequently investigated, whereas major enterprises are extensively studied. demonstrates that SMEs have distinct firm structures and HR development programs than major companies, hence their e-business practices will differ.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v9i1.4047</p>

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INVESTIGAÇÃO DA MOTIVAÇÃO DO E-BUSINESS ENTRE PME BATIK NA INDONÉSIA

RESUMO

Objetivo: Esta pesquisa explora como estabelecer uma estrutura conceitual para um modelo empírico de motivação do e-business em pequenas organizações, enquanto a maioria dos estudos de e-business se concentra em grandes empresas. Explicar as táticas e características das PME, nomeadamente a motivação acrescida das empresas familiares em matéria de comércio eletrónico.

Quadro Teórico: os desenvolvimentos tecnológicos têm impacto na mudança dos padrões de gestão empresarial, muitas oportunidades de negócio podem ser captadas por empresas, incluindo pequenas e médias empresas (PME) para poder expandir o mercado e aumentar as vendas.

Projeto/Methodologia/Abordagem: A análise ANOVA foi usada para análise quantitativa. Essa pesquisa obteve uma amostra de 122 SMEs Batik das vilas centrais de Klaten, Jarum, Beluk, Banyuripan e das Regências de Kebon. O método de amostragem foi intensivo, nomeadamente utilizando PME batik que utilizaram redes sociais ou sítios Web para realizar promoções e vendas.

Constatações: as PME da categoria dos inovadores foram mais impulsionadas do que os reatores. Empresas inovadoras tiveram sucesso em marketing, comunicação e lucro na internet. No entanto, os dois grupos empregaram o e-business para estudar da mesma forma. Isso mostra que os inovadores e as empresas de reatores não adotaram totalmente o mercado de e-business ou as pesquisas da indústria.

Implicações da Pesquisa: Esta pesquisa mostra que o sucesso das práticas de e-business, especialmente a promoção e venda eletrônica, aumentará com uma orientação estratégica que busca a inovação, à medida que a cobertura do mercado se expande e a duração do negócio aumenta.

Originalidade/Valor: as estratégias e competências do comércio eletrônico em pequenas empresas são pouco investigadas, ao passo que as grandes empresas são objeto de um estudo exaustivo. A demonstração de que as PME têm estruturas firmes e programas de desenvolvimento de recursos humanos distintos dos das grandes empresas, pelo que as suas práticas de comércio eletrônico serão diferentes.

Palavras-chave: Batik Village, E-Business Motivation, ANOVA, Orientação Estratégica, Características de Batik SMEs.

INVESTIGACIÓN DE LA MOTIVACIÓN DEL COMERCIO ELECTRÓNICO ENTRE LAS PYMES BATIK DE INDONESIA

RESUMEN

Objetivo: Esta investigación explora cómo establecer un marco conceptual para un modelo empírico de motivación e-business en pequeñas organizaciones, mientras que la mayoría de los estudios de e-business se centran en las grandes empresas. Explicar las táticas y características de las pymes, en particular la mayor motivación de las empresas familiares por el comercio electrónico.

Marco Teórico: Los desarrollos tecnológicos tienen un impacto en los cambiantes patrones de gestión empresarial, muchas oportunidades de negocio pueden ser capturadas por las empresas, incluidas las pequeñas y medianas empresas (pymes) para poder expandir el mercado y aumentar las ventas.

Diseño/Methodología/Enfoque: Se utilizó el análisis ANOVA para el análisis cuantitativo. Esta investigación tomó una muestra de 122 PYME Batik de las aldeas del centro Batik de Klaten, Jarum, Beluk, Banyuripan, y Kebon Regencies. El método de muestreo fue intencional, es decir, utilizando batik pymes que han utilizado redes sociales o sitios web para llevar a cabo promociones y ventas.

Hallazgos: Las pymes en la categoría de innovadores fueron más impulsadas que los reactores. Las empresas innovadoras tuvieron éxito en el marketing, la comunicación y las ganancias en Internet. Sin embargo, los dos grupos emplearon el comercio electrónico para estudiar de manera similar. Esto demuestra que los innovadores y las empresas de reactores no han adoptado plenamente las encuestas sobre el mercado del comercio electrónico o la industria.

Implicaciones de la Investigación: Esta investigación muestra que el éxito de las prácticas de comercio electrónico, especialmente la promoción y venta electrónica, aumentará con la orientación estratégica que se esfuerza por la innovación, a medida que se expande la cobertura del mercado y aumenta la duración del negocio.

Originalidad/Valor: Las estrategias y competencias de las pequeñas empresas en materia de comercio electrónico se investigan con poca frecuencia, mientras que las grandes empresas se estudian exhaustivamente. Esto demuestra que las pymes tienen estructuras de empresas y programas de desarrollo de recursos humanos distintos de los de las grandes empresas, por lo que sus prácticas de comercio electrónico serán diferentes.

Palabras clave: Aldea Batik, Motivación del Comercio Electrónico, ANOVA, Orientación Estratégica, Características de las PYME Batik.

INTRODUCTION

Universities play a very strategic role in carrying out coaching, guidance and strengthening efforts for local business actors, especially in the context of preparation for business internationalization. This is becoming increasingly relevant, especially for the Small and Medium Enterprises (SME) sector which plays a role in the production of superior products. One of the superior products that has become an icon of Klaten Regency is batik, with significant development potential in several production centers in Bayat, Wedi and Juwiring Districts. Considering that the very promising market prospect is the international market, research, coaching and assistance for SMEs that produce superior products is very important.

In this context, strengthening internet-based business practices plays a significant role. By implementing this strategy, efforts to popularize batik as an icon of Klaten Regency at the global level will be more effective. Thus, the involvement of universities in supporting local business actors, especially SMEs that produce superior products, will have a positive impact in supporting business internationalization efforts and expanding market coverage for Klaten Regency batik products. This is in line with the opinion of Saroso (2007) who states that along with the increasingly significant growth of SMEs in Indonesia, SMEs are faced with new problems in the business management process, especially related to the use of information technology and expansion of marketing networks. In the context of technological developments and the transformation of consumer behavior leading to increasing digital preferences, business entities need to adopt effective digital marketing strategies as the key to their success in facing competition in a competitive market (Atmanegara et al., 2023).

Klaten has become the center of rapid growth of the batik industry, with the famous area being the Batik Industrial Area in Bayat District. This area is home to more than 600 batik craftsmen located in several villages, such as Jarum, Beluk, Banyuripan, and Kebon. On December 17 2017, Klaten was officially designated as a Batik Center by the Regent of Klaten through a decree (SK) (Klaten Village, 2019). This area is known as "Banjarkeluk," an abbreviation of the names of four villages that are home to skilled batik craftsmen (<https://desaklaten.com/desa-klaten/4-desa-pusat-batik-di-klaten/>). The batik produced by this center is widely known, both regionally, nationally and internationally. This is because many batik SMEs carry out promotions and marketing online (Kusmantini, 2012). In January 2023, the number of internet users in Indonesia reached 212.9 million people, and the internet penetration rate in Indonesia at the beginning of 2023 reached 77.0 percent of the total population (Simon Kemp, 2023). Of the total 64.2 million Micro, Small and Medium

Enterprises (MSMEs) in Indonesia, only around 33.98% or 21.8 million MSMEs utilize E-commerce as a means of selling and marketing their products (Glory Asteria et al., 2023).

Studies regarding the strategies or capabilities of e-business practices in small companies are still rarely carried out (Levenburg et al., 2006), several researchers focus on studying e-business practices in large-scale companies (De Lone, 1981; Levenburg et al., 2006). Kusmantini (2012) explains that e-business practices in small companies will be different because SMEs have organizational structures and HR development programs that are not the same as large-scale companies. Therefore, it is interesting to conduct a study regarding e-business motivation in SMEs. It is hoped that the results of this research will provide specific evidence regarding the basic reasons that batik SMEs in Indonesia have to be motivated to carry out e-business practices.

LITERATURE REVIEW AND HYPOTHESES

E-Business Motivation

Increasingly global business competition and the dramatic development of information technology have encouraged organizations to transform their business processes using the internet (Shaw and Chang, 2005). That's why e-business has become a strategic issue today. SMEs as the driving force of the regional economy are expected to be able to optimize the use of natural resources and core competencies in their respective regions, so that each region needs to identify its ability to create superior regional commodities. Considering that the target market for superior products is abroad, strengthening internet-based SME business capabilities is very necessary. To understand how the strategies and characteristics of SMEs that have high e-business motivation will help the success of the e-business practice mentoring process for SMEs. The conceptual framework for developing an e-business motivation model refers to the empirical model developed by Levenburg et al (2006), namely measuring the concept of e-business motivation as a perception of the actual benefits that SMEs will obtain when adopting e-business. The benefits that can be realized include benefits in the fields of marketing, market research, profit creation and communication. SMEs are motivated to adopt e-business when they believe that the company will be more capable in these 4 things. The literature review section will present the relationship between e-business strategy and company characteristics with e-business motivation.

The development of information and communication technology (ICT) has an impact on business management patterns without knowing the boundaries of time and place. Lawson,

et al. (2003) explained that the use of ICT encourages organizations to improve business processes and make company communications more effective, both within the organization and with business partners. The application of ICT in supporting electronic business in SME settings has been widely studied by several previous researchers. A number of studies using research settings in small companies have identified that the use of the internet in small firms is generally used as a means to promote and sell their products abroad. So the e-business application that is commonly implemented in small companies is an online sales application. According to Hobbey (2001), the accumulated benefits for organizations that adopt online sales will create business opportunities to build market networks abroad, thereby increasing sales, expanding employment opportunities and ultimately having an impact on a country's economic growth. Even though the contribution of SMEs to national income is relatively small, because the quantity of SMEs is large and the absorption capacity of local labor is also large, strengthening SMEs is very relevant and strategic for encouraging local economic growth. Research examining business strategies in developing online sales applications was carried out by Fisher et al (2007), the results of the research identified that website management strategies as a medium for SME sales transactions were proven to have a positive and significant influence on consumer visit intensity and purchase intentions. Empirical findings reveal that the use of e-business has a direct positive impact on financial performance in the context of reducing operational costs (Popa et al., 2018). The development of e-business processes has contributed to the formation of new value chains, linking key business activities with sales and distribution channels (Remeikiene et al., 2019). However, research related to e-business strategies using the perspective of companies as service providers is still very limited.

Levenburg *et al* (2006) defines e-business motivation as a reason or business goal that provides encouragement and direction for companies to adopt e-business applications. Some literature emphasizes that in the study of eBusiness Motivation four groups can be distinguished based on the company's business objectives, including (1) to create competitive advantage through the marketing function (Berrill, et al., (2004); Downie (2003); (2) to improve communication business (Access Market international, (2001); Berrill, et al. (2004); (3) improving internal operations (Access Market International (2001); Berrill, et al. (2004) and (4) for access to market information (Access Market International (2001). In this research, the e-business application platforms analyzed adapt to conditions in the field, where SMEs in Indonesia prefer to adopt social media or website-based marketing. Generally, companies anticipate the benefits of using e-business applications, such as efforts to increase sales, introducing products

to the market, saving operational costs, these are the things that encourage companies to make decisions to adopt internet-based marketing technology (Wagner et al, 2003). But empirical evidence reports whether the company believes that the motivating reasons can be proven, or the perceived benefits that are expected can be realized by the company.

Relationship Strategic Orientation and E-Business Motivation

Strategy is defined as a framework to guide a company's direction in achieving its business goals. Company strategy according to Levenburg et al (2006) in relation to e-business adoption decision behavior is defined as a framework for implementing innovation using information technology, especially the internet, to support efforts to increase company profits. Most researchers adopt the strategy typology developed by Miles and Snow (1978), namely that strategy generally has 4 characteristics, namely type: prospector or innovator; defender, analyzer or reactor. The innovator strategy type has the strong characteristic of always developing new products, in an effort to capture new market opportunities. The innovation capability of the innovator strategy group is to have superior and excessive resources in terms of mastery of new technology to support new product development activities and marketing activities. Meanwhile, the defender strategy group is more oriented towards maintaining the company's competitive position, the emphasis is on cost savings compared to product development efforts which require a relatively large budget. Analyzer strategy groups are more focused and pay attention to actions taken by industry leaders, while reactors focus on change efforts due to market demands. Several strategy researchers generally use this strategy typology, for example Kusmantini, Haryono, Untoro and Setiawan (2018) also tested the strategy framework developed by Miles and Snow.

Strategy implementation will be effective if it is in accordance with company conditions (Levenburg et al, 2006), the strategy alignment process also applies to the concept of entrepreneurial strategy. Auger et al (2003) explain that the type of entrepreneurial strategy that tends to be proactive has characteristics such as: being aggressive in looking for new opportunities, daring to take risks to produce new ideas that will be solutions in facing business challenges. So a proactive entrepreneurial strategy is in line with a prospector or innovative strategy. Freel (2000) in his research provides empirical evidence that proactive strategies produce higher sales growth compared to group reactive strategies. Auger et al. (2003) produced empirical evidence that the innovator type entrepreneurial strategy group had a positive view of the internet, and was recognized as the first driving force in e-business

practices. The innovativeness of the business owner, the experience of the business owner in information technology (IT), and the ability of the business owner in the IT field are determining factors in the adoption of e-commerce by MSMEs in Indonesia (Ausat & Peirisal, 2021). Thus, MSME business owners play a very important role in the adoption of e-commerce technology. The use of e-commerce has a significant impact on accelerating the growth of business sectors at various scales, including small, medium and large-scale businesses. This positive impact can be felt if the company is able to integrate e-commerce appropriately, according to its business needs and characteristics (Hasibuan et al., 2023). From several previous research results, the author expressed the view that SMEs that are more innovation-oriented will have stronger motivation towards e-business practices.

H1: The SME group whose strategic orientation focuses on innovation has stronger e-business motivation than the reactive SME group.

Relationship Size Company and E-Business Motivation

It is hoped that the target research results above can support the opinion of Rao et al. (2003) who stated that before conducting research on technology adoption, researchers should measure the company's level of commitment to using the internet to support its business strategy. "Commitment reflects an organization's motivation for using the internet and as a way to achieve company strategic goals such as increasing sales and providing better service to consumers." (Rao, et al., 2003:16). This is in line with research by Dabbous and Barakat (2020) that companies are encouraged to use social media-based sales because social media content design strategies will influence consumer involvement to provide feedback information to companies regarding their purchasing intentions. Meanwhile International Market Access (2001); Berrill et al (2004) and Downie (2003) also argue that currently, there is little research aimed at identifying the important role of motivation in the eBusiness adoption process. Generally, partial exploratory research aims to identify inhibiting factors (Lawson, et al., 2003) and identify the benefits that companies perceive if they adopt the internet to support their business (as done by Fitzferald, et al., 2005).

The success of each company's e-business practices is largely determined by the learning process in adopting new technology. Several researchers have examined the relationship between company characteristics or demographic factors that may influence a company's e-business adoption. For example, company size (Goode and Stevens, 2000; Levenburg, et al., 2006); market reach (Longenecker, et al., 2003; Levenburg, et al., 2006);

the company's operating age (Miller, 2001; Levenburg, et al., 2006) and industry type (Levenburg, et al., 2006). Previous research also found that organizational variables, namely operational period and MSME size, had a significant impact on e-commerce adoption (Ausat & Peirisal, 2021). In the context of company size and e-commerce adoption, findings from previous research indicate that organizational size has the potential to influence e-commerce adoption decisions.

This research does not test e-business motivation based on industry type, because the sample in the study is homogeneous. Many researchers emphasize that company size is a determining factor in success in making changes. Likewise, Goode and Stevens (2000) identified company size as a driving factor for companies to adopt new technology. The researchers' basic argument is that larger companies will require greater resources, skills, and expertise to support technology adoption decisions. Goode and Stevens further explained that the group of companies that use traditional technology has a negative relationship with the decision to adopt e-business technology. Small companies generally have the perception that the process of adopting e-business technology requires financial and HR resources that are more expensive than traditional technology. This is in line with the opinion of Levenburg, et al. (2006) which states that the majority of companies that have a positive attitude towards the adoption of e-business technology are large-scale companies. In contrast, MSMEs in Indonesia do not identify company size as a variable that influences e-commerce adoption decisions (Rahayu & Day, 2015). This is an interesting finding that shows the expansion of understanding regarding the factors that influence e-commerce adoption in the context of MSMEs in Indonesia. This is different from the opinion of Goode and Stevens (2000) who stated that small companies actually have a big opportunity to adopt e-business technology if they want to develop products and markets. Goode and Stevens stated that there are still many new e-business technology platforms that are much cheaper, require less supporting infrastructure development and more practical adoption mechanisms.

Especially if you believe in the need to support innovation. Levenburg, *et al* (2006) explains that generally company size is determined by the number of employees or company profitability. In this research, because the sample companies are SMEs which generally have no more than 20 employees, the company size uses the sales turnover of batik SMEs. Based on the results of previous research, the author proposes a hypothesis that there is a relationship between sales turnover and e-business motivation, so the first demographic factor hypothesis statement is as follows:

H2a: The SME group that has a sales turnover of more than 50 million will have stronger e-business motivation than the SME group that has a smaller sales turnover.

Fisher, et al. (2007) argue that online sales practices are generally carried out by companies to reach a wider market. Levenburg et al. (2006) explains another benefit of e-business, namely to promote the company more widely. This supports the research results of Zimmerer and Scarborough (2002) that online sales encourage global marketing opportunities for companies, and this global business potential can also be utilized by small companies. Levenberg, et al (2006) also emphasize that when a company is oriented towards a wider market coverage, the company will be encouraged to carry out e-business activities. Based on the arguments of several researchers, the author proposes a hypothesis that demographic factors in marketing reach are related to e-business motivation, and the hypothesis proposed is as follows:

H2.b.: SME groups that have a wider marketing reach (national or international) will have higher e-business motivation than SMEs that have local or regional marketing reach.

Several researchers have examined the context of a company's operational age as a determining factor in entrepreneurial strategy (Entrialgo, et al., 2001); strategy type decisions (Miller, et al., 2001; McKone-Sweet et al., 2009; Kusmantini, et al., 2018). Research by Goode and Stevens (2000) put forward the hypothesis that companies that have been operating for a long time are more motivated to adopt websites, also Fisher et al (2007) identified that companies that have been adopting websites for a long time have better performance. quality website design capabilities compared to companies that have just started operating. Levenburg, et al. (2006) stated that operational age reflects a company's accumulated experience and acts as a resource for e-business technology adoption. Income and business duration have been proven to be factors that support e-commerce adoption (Yusgiantoro et al., 2019). The higher the income and the longer the duration of the MSME business, the greater the business owner's ability to develop his business through e-commerce. This finding shows that there is a positive relationship between income and business duration and the business owner's ability to develop a business through e-commerce.

However, there are inconsistencies in research results, for example those conducted by Levenburg, et al. (2006) who differentiate between three company operational age groups, where the operational age group that has been operating for too long apparently does not have better e-business motivation than the moderate age group. This is thought to be because the mechanisms and structures in old companies are more rigid, which is certainly not conducive to the innovation that should encourage website adoption. However, groups of companies that have been operating

for 10 years and new companies are proven to have higher e-business motivation. For this reason, the hypothesis formulation for the third demographic aspect is as follows:

H2.c.: SME groups that have been operating for a long time (more than 10 years) will have higher e-business motivation than new SMEs.

RESEARCH METHODS

The strategic orientation questionnaire adopts the characteristics of the innovator strategy typology with reactors introduced by Miles and Snow (1978), namely the characteristics described in 4 indicators (aggressive technological improvements, new ways of marketing products, focus on product development and HR training), the orientation variable strategy measurement scale uses a differential semantic scale. Grouping strategic orientation of SMEs uses a mean split, above the mean will be grouped as an innovator strategy type, while below the mean will be grouped as a reactor strategy group. Meanwhile, the e-business motivation variable was adopted from research by Levenburg, et al. (2006) which has been tested using factor analysis and the results are 19 indicator items which are extracted into 4 factors as dimensions of e-business motivation. The four dimensions of e-business motivation are the marketing dimension (5 items); communication dimensions (4 items); dimensions of e-profit creation (6 items) and research (3 items). Apart from covering 19 specific reasons regarding e-business motivation, the questionnaire also includes confirmation regarding the required characteristics or demographic factors of SMEs. Variable measurement uses a five-point Likert scale, where respondents will be asked to determine the level of importance of each item whether it motivates them to adopt e-business or not and also fill in the characteristics of SMEs according to existing data. Does the SME have a sales turnover of more than 50 million per million or not, does it have local/regional or national/international market marketing reach, and has it been operating for more than 10 years or not.

Questionnaires were sent directly and distributed to 160 batik SMEs in three central villages in Klaten Regency, namely Jarum, Beluk, Banyuripan, and Kebon. The criteria for SMEs selected as samples are SMEs that have implemented internet-based marketing practices, have used at least one e-business application platform, namely a website, Instagram, Facebook or Twitter. The questionnaire has been returned and can be processed by 122 batik SMEs. The analysis technique uses the ANOVA (Analysis of Variance) technique.

RESULT AND DISCUSSION

The e-business technology platform that is of great interest to batik SMEs in Bantul is the use of Facebook social media, namely 51.64% of SMEs use Facebook media to promote their products, although SMEs do not separate the use of Facebook for business and personal purposes. Then as many as 32.78% of SMEs use Instagram, and the Instagram platform has only been used for product promotion media, while 21 SMEs use Twitter or 17.21%. The fewest who use websites, namely 18 SMEs, have updated their content and their websites are still active for communicating and selling products.

Companies that have an innovator strategic orientation focus more on new product development efforts; development of new technologies; quite intensive development of HR skills and the application of new ways of marketing products. The Innvator strategy group is smaller than the reactor strategy group, namely 38% or 46 batik SMEs. Meanwhile, batik SMEs have a reactor orientation the number is larger, namely 62 batik SMEs or 62% percent of the total SMEs.

Table 1. Description of e-business practices and e-business strategy orientation

Adopted e-business practices platform	Number of SMEs	Percentage
Website	18	14,75%
Instagram	40	32,78%
Facebook	63	51,64%
Twiter	21	17,21%
Orientasi Strategi	Number of SMEs	Percentage
Innovator	46	37,70%
Reactor	76	62,30%

Source: Processed data by author (2023).

Testing the first hypothesis regarding company strategy as measured by strategic orientation produced significant evidence, meaning that overall SMEs in the innovator strategy group were proven to have higher motivation than the reactor strategy group. As presented in Table 2. The online marketing, communication and profit creation dimensions are stronger in innovator SMEs than in the reactor group. While there is no significant difference in the dimensions of research as a motivation for e-business in the two groups, this means that the innovator or reactor groups have not yet maximized the ability of e-business practices to support the need for market or industry surveys.

Table 2. Testing the strategy orientation hypothesis using ANOVA

Dimensions	Innovator	Reactor	Test results
Overall Model	3,86	3,62	Significant
Marketing	3,31	3,06	Significant
Communication	2,84	2,32	Significant
Online profit creation	2,54	2,41	Significant
Research	2,22	2,14	Not significant

Source: Processed data by author (2023).

Testing the relationship between demographic aspects or characteristics of SMEs is presented in Table 3. Testing the second series of hypotheses regarding the relationship between demographic aspects of SMEs, namely company size or income; market reach and operational age. The company size test is divided into two groups, namely the SME group which has revenues of more than 50 million per year and less than 50 million per year. The result is that the benefits of e-business adoption for online marketing, communication and profit creation between the two groups are not proven. This means that for companies with high or low sales turnover, the need for access to market information becomes important. Even though sales turnover is smaller, SMEs still consider online marketing activities and online communication and online sales to be very important. This supports the results of Pratt's (2002) research, that companies both large and small use the internet to access information. What is interesting is the test results on the research dimension, where online research capabilities in companies that have high sales levels are proven, meaning that companies are better able to meet customer needs so that sales turnover is higher.

The characteristic dimensions of marketing reach, both the overall model and the motivation dimension per e-business, were proven to be significant, meaning that companies that have a wider marketing reach were proven to have better marketing, communication, profit creation and online research efforts compared to the motivation dimension per e-business. SME group whose marketing reach is still limited. local and regional markets. The results of this study support the opinion of Levenburg, et al. (2006), namely that companies that have a wider market reach view e-business applications as a way to reach and serve their widely spread markets more efficiently. Marketing technology is becoming more sophisticated daily, so with increasingly advanced technology, it will be easier to implement the latest innovation (Shakuntala and Ramantoko, 2023)

In the aspect of company operational age, there is evidence that groups of companies that are older or have been operating for more than 10 years are proven to place more emphasis on e-business practice activities for marketing than new companies. This indicates that marketing activities are important for companies that have been operating for a long time.

Meanwhile, in other dimensions, it is not proven. Regarding communication activities, profit creation, and unproven research reflect that the need for online communication, increasing online profits, and online market research efforts are also required by small companies who are also equally challenged by extensive information exploration. The results of this study are consistent with the results of research by Fisher *et al* (2007) and also Levenburg *et al* (2006).

Table 3. Hypothesis testing for aspects of company characteristics

Characteristics: company size	Less than 50 million per month	More than 50 million per month	Test result
Overall Model			*
Marketing	3,54	3,67	TS
Communication	3,62	3,70	TS
Profit Creation online	2,98	3,06	TS
Research	2,20	2,64	**
Characteristics: Market reach	Local/regional	National/International	Test result
Overall Model			*
Marketing	3,52	3,78	**
Communication	2,61	2,82	**
Profit Creation online	3,02	3,64	*
Research	2,76	2,94	**
Characteristics: Age of SME operations	More than 10 years	Less than 10 years	Test result
Overall Model			**
Marketing	3,44	3,62	*
Communication	2,86	2,92	NS
Profit Creation online	3,02	3,22	NS
Research	2,76	2,88	NS

Source: Processed data by author (2023).

Note: NS Not Significant, *Significant < 0.05; **Significant < 0.01

CONCLUSION

In the last two decades, the issue of e-business has had an impact on the business revolution in the world, the strength of SMEs as a supporter of economies throughout the world, and this is supported by a lot of empirical evidence that shows the success of e-business. SME e-business. Although some studies report SMEs lagging behind in e-business adoption, many studies report more evidence of the benefits derived from e-business practices. It is hoped that the results of this research can provide motivation for SMEs to continue to improve the quality of electronic services in building customer satisfaction. This research also examines the influence of strategy and demographic aspects or characteristics of SMEs on SME motivation in adopting e-business. The use of e-business in research activities has not been carried out optimally, SMEs hope that e-business practices can support marketing, build closer communication with customers, and create profits from online sales. This supports the research

results of a number of researchers who have tested the influence of online sales which has been proven to influence consumer involvement (customer engagement) in providing feedback on their requests to companies directly, so that companies will be motivated to provide fast responses. response to consumer demand (Dabbaous and Barakat, 2020; Martin-Consuegra et al, 2019; Hallock et al, 2016).

Based on the characteristics of the size of sales turnover and operational age, it is proven that there are no differences in the motivation of SMEs, meaning that SMEs' awareness of the benefits of the internet to support the achievement of business goals is very good. The perceived benefits are more dominant for marketing purposes, introducing products and company information to customers.

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