

EFFICIENCY OF E-COMMERCE: VIEWS FROM BATIK RESELLER VENDORS IN SURAKARTA

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Abstract. E-commerce is a transaction process through the internet by merchants and buyers. The transaction covers from the purchase, sale, product marketing and payment system. E-commerce ease batik merchant using the online system. But, not all merchants use e-commerce yet, so the benefits cannot spread intensively. The main hindrance is the lack of technology insight on elderly batik merchant. Therefore the influence of e-commerce becomes less efficient because some merchant still use conventional way. This study aimed to know batik merchant impression of e-commerce efficiency. The qualitative descriptive method was used in this study. Research sample consisted of 93 batik merchants who use e-commerce. The data collection was observation, interview, and documentation. The data analysis used triangulation. Data analysis technique consists of data reduction, data presentation, data conclusions and verification. The research found that there are some benefits for merchant efficiency by using e-commerce. The first benefit is from location aspect. The merchant does not need to make shop branch to expand the business. Moreover, the goods can be kept at home if needed. Second, from financial aspect. The merchant does not need to have many employee because e-commerce is optimized to be handled in with few personnel. The budget for employee salary can be budgeted for another needs. In addition, for convenience aspect, e-commerce transaction can be done anywhere and anytime because it works digitally.

Keywords: E-commerce, wholesale merchant, efficiency

1. INTRODUCTION

The development of technology and information provides many conveniences for human life. On the economy sectors, online system boosts the business growth. The internet easily connects all economic actors around the world to provide information, improving efficiency between seller and buyer. Nowadays, Internet is a suitable means to run e-commerce, an online transaction using internet. All e-commerce transactions are carried out digitally. Every transactions ranging from purchases, payments and shipping, all are done via internet. This system provides many benefits for all elements. For example, traders will use less printed transaction because everything is stored digitally. Merchants are also benefited by the fast transaction process, making works more efficient. Merchants are also able to reach wider range of customers with less costs by promoting product through e-commerce services.

WE Online, Jakarta. Indonesia is an attractive market with growing e-commerce from year to year. Since 2014, Euromonitor reported that Indonesian online transaction value had reached US \$ 1.1

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billion. Central Statistic Biro / Badan Penyelenggara Statistik (BPS) also mentioned that Indonesia's e-commerce industry had increased by 17 percent with total e-commerce unit reaching 26.2 million in past 10 years (Rahayu, 2019). With the increasing e-commerce use in Indonesia, of course, many merchants become more interested to promote their product via e-commerce. One of the example is in Pusat Grosir Solo (PGS) or Solo Wholesale Market. Batik merchants in this place are optimizing e-commerce to sell their products.

Batik merchants at PGS used to sell batik in the conventional way. They promote their product through word of mouth marketing. Present day, batik merchants have used e-commerce services to promote their products. The merchants think that if they cannot keep up with the technological advance, they will be certainly left behind. Besides those motivations, income target also become a factor that embraces batik merchants to use e-commerce. Still, there are some merchants who persist to use traditional marketing methods because they consider e-commerce is not in accordance with the merchants' principle. Lack of understanding in technological developments also can be the factor of resistance. From the case study, researchers try find out how efficient e-commerce among batik merchants in Surakarta is. Hopefully, this research is able to initiate extensive literature review and describe the efficiency of e-commerce among batik merchants

2. LITERATURE REVIEW

According to Wong (in Aco & Endang, 2017) Electronic commerce is the practice of purchasing, selling and promoting goods and services via electronic devices like radio, television and computer networks. According to Lindsay (in Khan, 2016) Electronic commerce, or e-commerce, is trading goods and services using Internet. People also use the internet to compare prices or see the latest products before purchasing, whether by online or by physical stores. Sometimes, the term e-business is used besides e-commerce. However, e-business defines a broader process of how the Internet changes the way of companies doing their business, connecting with their customers and suppliers, and thinking about business functions such as marketing and logistics. Therefore, e-commerce can be interpreted as doing business electronically. According to Mumtahana et al. (2017) e-commerce becomes a basic need for every organization related to the business sector. Using e-commerce, consumers are able to buy the desired item by utilizing internet technology. The benefit of e-commerce can be perceived by consumers (business to consumer) or even among business people (business to business), as it is shown by the efficiency of batik market in PGS after utilising e-commerce.

According to Kotler & Keller (2009) wholesalers are all activities of selling goods or services to be sold back by others for business purpose. According to Ismail Anas (2013) wholesaling is all activities that involve selling goods and services to the party who will resell the goods for business use. Wholesalers buy most items from producers and sell to retailers, industrial consumers, even other wholesalers. They are divided into three main groups: 1. Wholesalers, 2. Agents and brokers, 3. Producers' branches and sales offices. Therefore, it can be concluded that wholesaler is an act of selling goods or service to the retailer to be sold again to the customer.

According to Handoko (in Rosyad, 2018) efficiency is an ability to complete a job correctly. It is a calculation between output and input ratio. According to Stoner (in Sutanto & Imaningati, 2014) efficiency is an action to maximize income by using minimum resources. An organization is considered to be efficient if it reaches higher output value, in the form of results, productivity, and performance, compared to input value, in the form of labor, materials, money, machinery and time spent. In other words, efficiency is maximizing output with limited number of input. The costs spent for e-commerce are less and becomes more efficient than manual marketing.

3. METHODS

This study used descriptive qualitative method. According to Moleong (2017: 6) qualitative research is a research intended to understand the phenomenon experienced by the subject such as behavior, perceptions, motivations, actions holistically, then described in a particular natural context by utilizing various scientific methods. This research was conducted in April-May at the Solo Wholesale Center or Pusat Grosir Solo (PGS) located in Jalan Mayor Sunaryo No.1, 2nd Floor PGS, Gladag, Kedung Lumbu, Pasar Kliwon, Surakarta City, Central Java, Indonesia. The data is obtained by observations, interviews, and documentation. Observations were made at the location of batik wholesalers. Interviews were conducted on batik merchants who use e-commerce. In addition, the documentation in this study was done through previous research documents. Data processing used triangulation, namely resource triangulation. Data analysis used data collection, data reduction, data presentation, and drawing conclusions.

4. RESULT AND DISCUSSION

4.1 Research Location

Solo Wholesale Center or Pusat Grosir Solo (PGS) is a wholesale clothing venue in Solo. Batik becomes one of main commodity there. Viewed from sales systematic development, PGS is growing. In past, trade activity in PGS used offline commerce. Because of the technology development, more sellers start using e-commerce to promote their products, especially batik merchant. The scope of this study is batik merchant in Solo who sells batik via online, in order to expand batik overseas, since batik is well known as one of Solo cultural heritage.

4.2 Respondents Criteria

In this study, the criteria for respondents were batik merchants at PGS who used e-commerce in order find accurate data about the benefits of e-commerce. The detail of respondents characteristics can be seen in the table below:

Table 1.

Respondents Characteristics

No	Criteria	Frequency	Percentage (%)
1.	Gender :		
	• Male	14	15%
	• Female	79	85%
Total Responden		93	100%
2.	Age :		
	• 25 -40 years old	68	73%
	• 41-55 years old	17	18%
	• > 56 years old	8	9%

Total Respondents		93	100%
3.	How long using e-commerce :		
	• 0 years	28	30%
	• 1-3 years	40	43%
	• 4-6 years	15	16%
	• > 7 years	10	11%
Total Respondents		93	100%

From 93 data, a general description of the respondents can be seen in the table above. Classified by gender, there were 14 men or 5% and 79 women or 85%. It means that most of the batik merchants who use e-commerce were women with 85% rate.

Classified by age, there were 68 people aged 25-40 years or 73%. In addition, there were 17 people aged 41-55 years or 18%. While there were 8 people aged over 56 or 9%. This means that in terms of age, most batik merchants who used e-commerce were aged from 25-40 years, with total of 68 people or around 73%.

Classified by how long the merchants use e-commerce, there were 28 merchants with 0 years experience or around 30%, there were 40 merchants with 1-3 years experience, that was around 43%. In addition, there were 15 merchants with 4-6 years experience or around 16%. Last, there were 10 people with over 7 years experience or around 11%. This means that in terms of how long the merchants use e-commerce, most of batik merchants has used it for 1 – 3 years with total 40 merchants or 43 % of the respondents.

From the description above, it can be concluded that most of batik merchants in PGS are women. The merchants also have an average age of 25-40 years old. Besides that, most merchants also has used e-commerce in selling batik.

4.3. E-commerce efficiency

4.3.1. Convenience

The first respondent with initials A explained that the main reason for his decision to use e-commerce is to increase trust between buyers and sellers.

"..... hmmm using e-commerce can increase the sense of trust between the buyer and seller, Sis".

From the statement, the first respondent indicated that interest in using e-commerce according to him is to increase trust between buyers and sellers. In addition, different respondent with initials B, explained the reason he uses e-commerce. He said that there is no bargaining between sellers and buyers in e-commerce.

"lot of comfortable aspects, sis, for example, without online system, there are buyers who have already bargained, but it turns out that they don't buy. If you use online system, you don't see the person directly if they cancel their buy (so the seller won't be so upset)".

From the statement given by the second respondent, it indicated that the interest in using e-commerce according to him was the absence of bargaining between sellers and consumers. This findings supported the research conducted by Ardyanto et al. (2015) which stated that the transactions easiness attracted customers to use e-commerce services. In their research, they found that the better facilities provided by petersaysdenim.com website, the higher customers probability to buy online. The convenience provided by petersaysdenim.com website are including convenience in obtaining information, ease of use, and a clear user interface. This significant influences showed the rise of customers' trust to petersaysdenim.com website.

4.3.2. Time Efficiency

Respondents at one of the stores at PGS said that the decision to use e-commerce is to be able to manage their trade anytime, anywhere.

"Yeah first of all, it is from the time efficiency, because I can trade anywhere. At home or in the shop, even at night, I can still trade, so it is more comfortable and flexible"

From the respondent's statement, we can see that e-commerce transactions can be done anytime and anywhere. There were also a respondent who said that the reason he used e-commerce was to be able to countinue serving customers even though the store closed.

"Emmmmmmm ... for example, if I have family needs or else, I can still sell, Sis. So there is still an income even though the shop closed".

From the statements given by the respondent, we can see that e-commerce transaction could still be done even though the store is closed. There was also respondent who said that using e-commerce, their online accounts was busy everyday, contrary to the store that is crowded only at certain times.

"Well that's it, Sis, before I trade online, the store is usually only crowded at certain times such as holidays, or new academic year. Since I trade online, I find that the demand for goods in online accounts is always high, so my products are sold fast."

From the statement above, it can be seen that using e-commerce made the online account crowded every day, rather than using conventional way which was only crowded on certain days. All statements above were in accordance with research by Aco & Endang (2017) which said that e-commerce business is very good considered from the ease of transaction process. That because e-commerce really helps people to shop or sell without leaving their position. By using gadget, it is enough to do transactions without take too much time.

4.3.3. Place

The main reason of respondents in using e-commerce is that they did not need to rent a large store.

"The advantages of trading batik online, one of them, is I don't need to rent a big shop. Small is enough. As for stock, I usually store it at home, Sis".

From the statements given by respondents, we can see that selling batik online did not require a large store to sell the products. There was also a reason from respondents who used e-commerce because they do not need to establish a store branch.

"Before trading online, I had the intention to open a store branch. After using it online, I think it is only necessary to increase the sales account on different applications such as IG, WA, bukalapak, tokopedia and facebook."

From the statements given by respondents, we can see that the merchant does not need to open a store branch by using online transaction. The statements above supported the research conducted by Aco & Endang (2017). Based on business analysis, they concluded that e-commerce are now suitable to be used as a basic means to fulfill life necessities efficiently and effectively, for the transactions can be done through internet. Both seller and customer do not need to leave their place in doing transactions.

4.3.4. Cost

A respondent said that the first reason to use e-commerce was to enhance the marketing effectiveness while reducing marketing costs.

"Alhamdulillah, Sis, after using e-commerce, marketing becomes easier, cost-saving and more customer".

From the statement, we can see that using e-commerce makes marketing easier and cost saving. There was also respondents who had a reason to use e-commerce so they can reduce annual expenses.

"For the past year, I feel it, Sis. The expenses are less than in previous years, because I don't need to rent a place to store the items. Sometimes my items are stored at home, if not, the items I sell are not ready stock."

From the statement, we can see that using e-commerce can reduce annual expenses.

There was also respondent who said that he used e-commerce for he does not need to have many employees.

"Very convenient, because we don't need many employees".

From the respondent statement, using e-commerce means the merchant does not need to manage many employees. All the statements before were in line with the research conducted by Putra et al. (2018) which said that the benefits of e-commerce for sellers are the ease of promotion, sale, and providing information about the products. It is also very efficient compared to selling products on physical stores that spends a lot of cost. For buyers, the e-commerce benefits are the easiness and efficiency on finding the desired product, as well as communication convenience so the buyers can contact seller directly through their Facebook account without having to come to the physical store.

The finding is also related with research by Baršauskas et al. (2008) that stated e-commerce adoption in business has a positive impact on business efficiency in several fields. Quantitative and qualitative analysis of e-commerce impact on business efficiency showed that the main cost, which is directly dependent on e-commerce adoption and use, undergoes a considerable changes. The changes mainly affect average management inventory costs, materials order cost, and labor costs.

4.3.5. Income and Turnover

Apart from the former reasons, there were also respondents who explained that since he used e-commerce, the turnover per month is increasing.

"... after I used e-commerce, I feel that my batik sales increases and the monthly turnover also increases if compared to before e-commerce usage."

From the statement, we know that e-commerce is able to increase the number of sales and increase the monthly turnover for the seller. There are also sellers who have a reason to use e-commerce because they can attract more consumers and raise the income up to 25%.

"Wah, From what I feel, my customers have increased, Sis. After using online transactions, monthly income automatically rises to 25%".

From the statement, we know that the respondent uses e-commerce because it can attract more customers and raise income to 25%. There was also a statement explained that 30% of the turnover raises is earned from online sales.

"Alhamdulillah, Sis, the turnover reaches 40 to 50 million in one month. 30% of the turnover is from online sales. I am so happy, Sis, using the online sales".

From the statement, we can see that the turnover rose up to 30% after using e-commerce. The statements above supported the research by Sulistyorini & Royanti (2014). They found that the percentage of batik traders with weekly turnover of less than 100 pcs is 30% (45 traders), the percentage of batik traders with turnover per week between 101-400 pcs is 29% (43 traders) and the percentage of batik traders with turnover per week more than 501 pcs is 41% (62 traders). It can be concluded that the use of e-commerce can increase turnover of merchant sales.

5. CONCLUSION

Based on the discussion, the researchers drew conclusion based on some categorization. The average users of e-commerce are women with the percentage 85%, within ages 20-40 years old and have used e-commerce for 1-3 years. In terms of benefits in using of e-commerce, merchants feel more comfortable because it increase a sense of trust between seller and buyer. It also reduces numbers of buyers who only ask for the price without really buying. In addition, producers are also able to cut some expenses such as reducing marketing costs and shop rent cost. Merchants can also do the transactions anytime and anywhere so they can save more time. Moreover, merchants do not need to rent a shop since the products can be stored in the house. They also require less employees, because the tasks can be tackled easier by smaller group if using e-commerce.

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