

E-Commerce Feasibility Analysis and Strategic Planning to Develop a Small-Medium Enterprise Project in Banking Company

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Abstract - The research aimed to identify the problem and the need to develop a small-medium enterprise project in a banking company. The analysis used a literature study, interviews, and observations. The method consisted of data collection, data analysis and depth interview. The information involved in this research were Head of E-Commerce Department and Head of Marketing Communication Department. The results of the analysis support the problem and are manifested in the development of information systems in the form of a recommendation for an e-commerce web design. The result shows that the banking company already uses Bukalapak to enhance their sales and brand. However, based on research, Facebook and Twitter also can be an option to enhance clients' market access.

Keywords: e-commerce, strategic planning, small-medium enterprise, banking company

I. INTRODUCTION

The advancements in the Internet in recent years have made new systems available to business. The social media like online communities is a good example (Lu & Hsiao, 2010). Communications and information technology are the biggest components of the terminology related to the whole process rather than information conveyance. The term of communications and information technology surfaced after there was integration between computer hardware and software with communications technology in the middle of the 20th century. The Internet is one of the means used in telecommunications.

The population of Indonesia is 251.160.124 with 51% of city dwellers and 49% of rural inhabitants. Internet users in cities account for 18% or 38.191.873 people (wearesocial.sg, 2014). The Internet is also one of the most revolutionary kinds of technology. It has changed the business environment and has had a dramatic effect on electronic commerce (e-commerce). E-commerce can be

defined as the purchasing and selling of products, services, or information through a computer network, especially the Internet.

E-commerce can also be defined as all forms of business transactions that use communications and information technology. However, in line with developments over time, the definition of e-commerce has become more general. At this time, e-commerce can be considered as not only buying and selling through the Internet, but it also includes online customer service and business document exchanges (Chandra, 2014).

According to statistical data from Kementerian Komunikasi dan Informatika (Kemkominfo - Ministry of Communication and Information Technology), it reveals that there are 93,4 million Internet users in Indonesia and 77% among them search for product information and shop online (Kominform, 2015). Moreover, based on analysis results from a MasterCard online shopping behavior research, there was an increase in online shopping penetration from 55,8% to 70,6% throughout 2014. This market potential attracted the interest of several Indonesian banks to coordinate with e-commerce businesses. This also increased transactions in their banks (Molasiarani, 2015). This is also one of the interests of the banking company to follow the e-commerce business path. Besides assisting clients in advertising their products and ensuring the success of small-medium enterprise support programs, the banking company also increases the number of its business partners.

E-commerce is a new concept that can be depicted as a buying-selling process of a good or service through the Internet. It can also be said as the buying-selling process or an exchange process of a product, service, and information through an information network including the Internet. E-commerce can be seen from several perspectives (Hidayat, 2014). First, communications perspective is e-commerce that sends information, product/service, or payment through a telephone line, computer network, or other electronic means. Second, it is the business process perspective. E-commerce is a technology application towards transaction automatization and company workflow.

Third, service perspective views e-commerce as an instrument to fulfill the needs of customer, company, and management in trimming service costs and improving the quality of goods and service expedition. Last, online perspective is e-commerce that is related with the buying-selling capacity of products and information on the Internet and other online services.

Uses and gratifications theory is relevant to social media because of its origins in the communications literature. Social media is a communication mechanism that allows users to communicate with thousands and billions of individuals all over the world (Williams, Crittenden, Keo, & McCarty, 2012). Colliander and Dahlén (2011) stated that most marketers used social media to develop loyal fans (72%) and gain marketplace intelligence (71%). In addition, Han and Windsor (2011) showed that social media users could assure each other through their information exchange and experience. Thus, it increased trust and consequently willingness to buy.

A social network site is a source that has many enthusiasts. A challenge from the social network site is how to control information with an appropriate attitude and meaningful way to bring profit to an organization. A social network is also a suitable framework for marketing activities on the Internet. A social network provides an opportunity to interact directly with the buyers at the personal level, which is generally difficult to achieve through traditional marketing. A social network should be treated as a supplementary channel with unique characteristics that can support other marketing processes (Assaad & Gómez, 2011).

At this time, social media also continue to be developed as there are function changes and function expansion. Thus, the definition of social media also changes. According to Nielsen (2015), social media consists of several channels which are based on users (inbound marketing) like Facebook, Twitter, blogs, and YouTube. This channel represents several forms of advertisements. Managing a certain social media channel is a responsibility of the marketing division. However, according to Marjorie Clayman from Clayman Advertising, Inc. (Cohen, 2011), social media is a new instrument that can find out customers' desires and predict new ways in a customer approach. Social media is the beginning of the marketing revolution.

Moreover, based on The Wall Street Journal (Prihadi, 2015), there were 69 million Facebook users in Indonesia as of June 2014. Meanwhile, Twitter had 50 million users. Then, for another social network like Path, it had 4 million users about the same number as LinkedIn users. Another social media like Line already had 216 million users in Indonesia.

In this research, the researcher uses two primary researches from Hidayat (2014) and Rababah and Masoud (2010). It is appropriate e-commerce mapping for a small-medium enterprise program to develop a small-medium enterprise project in a banking company. Those are qualitative researches that use research results from published and valid journals. Also, this research is based on in-depth observation results for six months at the company.

There are limited scope and time in advertising clients' products, lack of awareness of the product advertisements promoted, insufficient client personal information security, and a lack of client sales access. Thus, this research strives to make an initiative to develop small-medium enterprise project business networks and business information technology in company pillars. So, it can increase clients' market access and sales.

The purpose of this research is to analyze and document the unit that advertises their products through an announcement board media. This research starts with identifying clients' problems and needs in the banking company and suggesting a business process design and e-commerce user interface to suggest new social media to enhance market sales. This research is also based on previous research in social media (Hidayat, 2014; Rababah & Masoud, 2010). The researcher replicates the indicators from the previous one, so the organization can have some suggestion for using another social media to boost the market access.

II. METHODS

In conducting this research, two methods are used such as the literature study, in which books and other written materials are studied in this research. Then, a qualitative research model is chosen because the researcher can look more in-depth regarding the problem of the topic. Furthermore, the researcher is free to interpret data from interviews.

A primary and secondary data gathering is from interviews by conducting question-and-answer sessions directly with the related parties. It can obtain overall depictions of the company and problems related to the discussion of this research. An open interview method is used so the researcher can discover other aspects to widen the scope of this research. The interview is conducted in two days, and the interviewees are Head of E-Commerce Department and Head of Marketing Communication. Around 20 questions are asked including the background of business, problems, and current condition of using existing social media channel. The secondary data are taken from some online resources to provide the primary data. Then, observations are made of the data gathering method used. It can find the basic problem. Full observations are conducted for four weeks of the objects. The researcher observes all staffs under Head of E-Commerce and Head of Marketing Communication. Observations are conducted based on interview results, the flowchart of the units, and comparison all of sales results from Jan 2016 – Dec 2017.

III. RESULTS AND DISCUSSIONS

The new program in the banking company can be a new program for clients to advertise their products on announcement boards in every banking branch offices. However, from the analysis results, several problems are discovered. Then, the suggested solutions are offered for each problem after being agreed to by the company.

Based on the problems and solutions mentioned previously, it is suggested that e-commerce should be used. Therefore, appropriate e-commerce mapping will be done for small-medium enterprise and become the banking business partner by using successful e-commerce determinant indicators.

According to the interview results of several employees at the banking, one of company the appropriate criteria for the banking clients is to provide easy and free sales experience. The reason is that the majority of the banking clients are from small-medium enterprises. Besides that, security and having the same vision are also important factors in this partnership.

In determining which e-commerce can become the banking business partner, the determinant indicators are needed. It becomes the points of evaluating the e-commerce

suitability that will be compared. The e-commerce includes Bukalapak, Elevation, and Rakuten. The good e-commerce determinant indicators are adapted from Hidayat (2014) and Rababah and Masoud (2010). The result is seen in Table 1.

Table 1 Mapping Process in Choosing E-commerce for Banking Business Partner

No.	Variable	Bukalapak	Elevation	Rakuten
1	Increase profit	V	X	X
2	Provide unlimited service	V	V	V
3	Have unlimited sales regions	V	V	V
4	Access the global market	X	X	X
5	Facilitate transactions	V	V	X
6	Have business partners	V	V	V
7	Have a greater variety of goods sold	V	V	V
8	Have a ready stock	V	X	X
9	Have a promotional means	V	V	V
10	Have networks and retains customers	V	V	V
11	Do not have big financial capital	V	X	X
12	Expand distribution and marketing networks	V	V	V
13	Have diverse customers	V	V	V
14	Facilitate developing a business	V	V	V
15	Have mutual trust between all business processes	V	X	X
16	Optimize sending goods	V	X	V
17	Have operational feasibility	V	V	V
18	Have difficulty in checking listed goods	V	V	V
19	Have conspicuous deceptions	X	V	V
20	Prevent customers from fraudulence	V	X	X
21	Have efficiency	V	V	V
22	Have user-friendliness	V	X	X
23	Have navigability	V	V	V
24	Have maintainability	V	V	V
25	Have involvement capacity	V	X	X
26	Have functionality	V	V	V
27	Have security	V	X	X
28	Have reliability	V	V	V
29	Have integrity	V	V	V
30	Have trustworthiness	V	V	V
31	Have content adequacy	V	V	V
32	Have scalability	V	V	V
33	Have availability	V	V	V
34	Have readability	V	V	V
35	Have standards of conformance	V	X	X
36	Have ease of manipulation	V	V	V

From the mapping process in Table 1, it can be seen that Bukalapak is the preferred choice. It passes more evaluation indicators compared with the other e-commerce. Based on Hidayat (2014), the research results obtained by using a quantitative observation method reveal that the optimization factor of e-commerce is the first factor to be considered. The e-commerce can involve respondents by sending goods, replying to buyers' messages, and others. This is done so that buyers can feel satisfied with the e-commerce service. Bukalapak also does this by providing a message feature and customer service.

According to Rababah and Masoud (2010), good e-commerce must have a good foundation to have good quality, and the e-commerce developer should have the ability to see the strengths and weaknesses of the e-commerce. Related to this, it is expected to create high-quality e-commerce. Bukalapak undoubtedly possesses this added with the security quality of Bukalapak in conducting transactions.

Bukalapak was founded in September 2011 by Achmad Zaky. He had the vision to become the top online marketplace in Indonesia and a mission to empower all small-medium enterprises all over Indonesia. This vision and mission are similar to the banking company. The banking company has a vision and mission to improve the economic prosperity of small-medium enterprises in Indonesia in addition to the majority of clients who have small-medium enterprises. This is also one of the supporting factors in the partnership between Bukalapak and banking company.

Moreover, a project has a point where it begins and ends. A project cannot go on indefinitely. Related to a project, it is certainly connected with project management. It applies knowledge, abilities, instruments, and techniques for activities in a project to fulfill the project needs. Project management has several process stages including determining the project goal, planning the project, carrying out the project plan, wrapping up the project, and evaluating the project (Marchewka, 2015).

The small-medium enterprise store is a project that will coordinate with Bukalapak e-commerce that official documentation and planning are needed. A project charter will be used as official documentation in planning a project and determining the source and stakeholders. Table 2 shows the project in detail.

Based on the theoretical landscape of social media, it shows that the social media is a marketing instrument that has become a trend. Moreover, it is an effective additional marketing channel.

According to Kwahk and Ge (2012), social media is frequently used for e-commerce or usually called as social commerce. There are two kinds of social media influences in e-commerce. Normative social influence means someone understands and trusts the information in social media based on the influence or trust of other users. Then, informative social influence is when someone trusts information from social media if a fact or knowledge is strong enough to prove that information. These two kinds of social influences will affect customers' attitudes when they want to shop through social commerce that is provided by e-commerce.

Moreover, Kwahk and Ge (2012) also explained that social media in e-commerce was very important these days. When information was presented in social media, it would be accessed by many people. Many customers would search for information about a company, brand, or product through social media. Some e-commerce had already started to provide a social network service to increase interactions

with customers. Customers could also receive product information from interacting with the provided social media.

As seen in Kominfo (2013), according to the Director of Public Information and Communication, Selamatta Sembiring, the social network that was most frequently accessed in Indonesia was Facebook and Twitter. Facebook use in Indonesia was ranked 4th after USA, Brazil, and India. Meanwhile, Twitter in Indonesia was the 5th after USA, Brazil, Japan, and England.

According to CNN Indonesia, Facebook and Twitter consider social media users in Indonesia to be an essential market. The CEO of Facebook, Mark Zuckerberg, also states that Indonesia is a market with great potential as seen from the 65 million Facebook active users. It is a small amount compared with the Internet penetration and population of Indonesia that is about 240 million people. Moreover, the CEO of Twitter, Dick Costolo, also agrees that the number of Twitter users in Indonesia has already reached 50 million users. He also reveals that Indonesia is one of the most profitable markets seen from its rapid growth (Prihadi, 2015). Then, the nine most popular forms of social media in Indonesia are Facebook, WhatsApp, Twitter, Facebook Messenger, Google+, LinkedIn, Skype, Pinterest, and Line (wearesocial.sg, 2015).

As depicted in Figure 1, among social media with a social network type, Facebook has the highest popularity with 16%. The other social media have various results. Those are Twitter (13%), Google+ (10%), LinkedIn (8%), and Pinterest (7%). Then, there are also WhatsApp (14%), Facebook Messenger (10%), Instagram (8%), Skype (7%), and Line (7%).

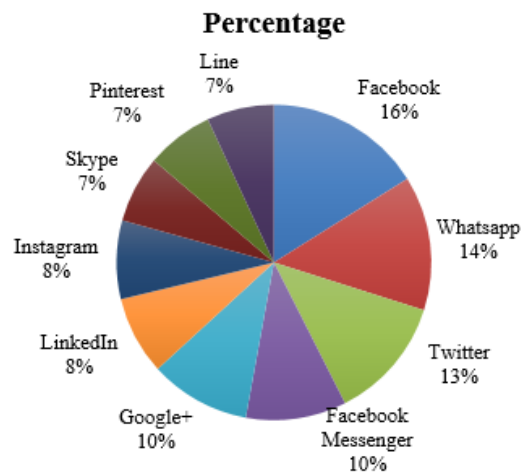


Figure 1 The Percentage of Social Media Users in Indonesia

Table 2 Project Charter

Project Title: Small-medium enterprise store			
Business Case: it is as one of the developments in small-medium enterprise project. It is done through development to become e-commerce.			
Problem/Opportunity Statement: current condition, banking company only presents clients' products in the form of paper attached to the company announcement board, so that there are limitations in how far the product advertisements can reach prospective customers, and the market target is too small.			
Goal Statement: To increase the number of clients and expand the client market target.			
Project Scope: E-commerce buying and selling advertisements and transactions			
Project Champion: Yoseph		Other Stakeholder:	
Project Sponsor: Bukalapak			
Project Manager: Anto			
Steering Committee: Daniel			
Estimated Cost Savings: Rp300.000.000,00		Realized/Actual Cost Savings: 200 million	
Preliminary Plan	Start Date	Actual Date	Notes/Lessons Learned:
Start Date	March 2016	March 2016	The small-medium store in coordination with Bukalapak can save an estimated 300 million in making its e-commerce at the cost of 500 million.
DEFINE	April 2016	April 2016	
MEASURE	May 2016	May 2016	
ANALYZE	June 2016	June 2016	
IMPROVE	July 2016	July 2016	
CONTROL	August 2016	August 2016	
Completion Date	August 2016	August 2016	

According to Hajli (2014), e-commerce buyers do social interactions through social media like a Facebook online forum. This creates a new way to conduct e-commerce socialization or social commerce. The buyers influence other buyers to buy the goods. Moreover, there is also a finding that the function of e-commerce becomes an important aspect followed by trust. Next, from Bukalapak, it has a safe payment function and message function from buyers to sellers. Buyers become a machine in social media that they disseminate information and shopping experience in e-commerce from one person to another. This will become a very useful value in introducing new e-commerce for the small-medium store.

Moreover, Ramsaran-Fowdar and Fowdar (2013) stated that companies, in general, enjoyed exchanging and disseminating information, exchanging products or services, and maintaining good relations with customers. Companies realized that by keeping good relations with customers, it would be beneficial, especially for those who used Facebook. Facebook could become an additional instrument for company promotional activities.

Facebook allows companies to be connected with more customers than by using traditional marketing. One of the benefits of using Facebook is companies do not need to spend much money on promotional activities through Facebook. Facebook can become an ideal alternative to regular marketing. Companies can also acquire valuable findings such as customers' habits through Facebook.

Similarly, Al-Husain and Mirza (2015) suggested that Twitter could be used for a marketing campaign by making tweets or a Twitter status. Then, it would be re-tweeted by its followers. The issued information by the company would be disseminated and reached all Twitter users.

From the three researchers mentioned, they show that the social media can be used for promotions. Through social media, buyers can influence other buyers to pay attention to the products that they will purchase. Then, the other buyers

will influence other buyers. This will certainly benefit the small-medium enterprise store to disseminate information and attract customers through social media. It is similar to Facebook. The small-medium enterprise store can use Facebook to introduce itself to all customers, disseminate information, inform about events, maintain relationships with customers, and provide various information about customers' habits. Then, the small-medium enterprise store can reduce its promotional costs and make Facebook as an alternative instrument for advertising.

Finally, the small-medium enterprise store can also use Twitter as a promotional campaign. It is more or less the same social networking concept. The small-medium enterprise store issues a tweet that may contain news or product information. By re-tweeting, the information will be spread easier. Twitter also provides a mean for free advertising. The small-medium enterprise store increases clients' revenue because their products are disseminated through Twitter.

Through the analytical results, it is suggested to use social media for marketing socializing of the small-medium enterprise store to the public. The banking company already has various social media like Facebook, Twitter, and LinkedIn. However, according to observations conducted, the social media from the banking company's functions is more to introduce the banking company brand. From the form of partnership with Bukalapak, the small-medium enterprise store does not carry the banking company brand.

The banking company already has a small unit called GR which also does not carry the banking company brand. GR is a community under the support of a banking company. It is a discussion forum to support the small-medium enterprise economy in Indonesia. GR currently uses Facebook and Twitter for its social media. For Facebook, GR has 7.786 likes, and for Twitter, GR has 13.000 followers. The small-medium enterprise store can use GR as a promotion channel. Thus, it can use Facebook and Twitter from GR.

IV. CONCLUSIONS

This qualitative research is limited to only one area banking company that runs project for small medium enterprise. Problems found within the small-medium enterprise program of the banking company are the lack of space and time in advertising clients' products, awareness of the product advertisement put up, security regarding clients' personal information, and clients' sales access. Based on the research results, several conclusions can be drawn. The program of small-medium enterprise has time and space limitations. Therefore, it is suggested to use e-commerce to develop the small-medium enterprise program. Bukalapak can be the choice of the banking company to do a partnership due to the similar vision and mission.

Moreover, Bukalapak passes more indicators than the other e-commerce. Furthermore, through this small-medium enterprise e-commerce, clients have a mean to expand their market access, so that their economic capacity will increase. In developing this small-medium enterprise program, it is suggested to keep developing partnerships with other e-commerce that have the same vision and mission or at least the same type as Bukalapak. Thus, the client empowerment can continue to improve, and the small-medium enterprise can use social media like Facebook and Twitter to increase buyers' awareness, its popularity, and the clients' product marketing areas. For the future research,

researcher can add more banking company that also runs the similar projects to enrich the results for other e-commerce platform.

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