Analysis and Design of E-Commerce Adoption as a Form of Digital Marketing for MSMEs: A Literature Review

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Abstract
Information technology is increasingly advanced and developing according to society's needs. Progress and development of information technology occurs in all sectors, especially trade and business. This makes business actors continue to innovate services related to the use of information technology, so that they can be known by the wider community, especially in transactions and buying and selling especially MSMEs. Besides that, the growth of the digital world and the internet, in particular, has opened up new avenues for MSMEs to offer their products and services. Digital marketing is a viable marketing strategy in the current economic climate. This paper was written using a literature review method or literature review with a qualitative approach. Based on the 7 research both international and national, obtained from various sources via Google Scholar and other online media sources from 2020-2023 with the keywords e-commerce adoption and MSME digital marketing. It can be seen that Branding, Social Media, Content and Caption Marketing, E-mail Marketing, Video Marketing, SEO, Web Design, App Development, SEM have have an important role in digital marketing to increase online sales.

Keywords
E-Commerce, Digital marketing, MSME
A. Introduction
Information technology is increasingly advanced and developing according to society’s needs. Progress and development of information technology occurs in all sectors, especially trade and business [1]. This makes business actors continue to innovate services related to the use of information technology, so that they can be known by the wider community, especially in transactions and buying and selling. One form of very rapid progress and development of information technology is the emergence of electronic commerce or e-commerce [2]. This means that in the business world the role of information technology is utilized for electronic commerce. E-commerce is universally considered a valuable tool in increasing the productivity and competitiveness of a business or economy of a company and country [3][4]. On this occasion, researchers are interested in analyzing e-commerce in an organization or Small and Medium Enterprises (UKM). Therefore, it is important to understand the factors that influence e-commerce adoption and the theoretical models that emerge in addressing e-commerce adoption itself.

According to Octavia [5], e-commerce itself is a computerized electronic process of buying and selling goods or services. MSMEs need to be encouraged to use e-commerce so as not to be left behind by businesses that have adopted e-commerce [6]. Based on research [5], the adoption of e-commerce has a significant influence in improving MSME business performance. Retail sales through e-commerce in Indonesia itself are very large, even greater than e-commerce sales in ASEAN countries [6]. However, the use of e-commerce for sales has not been fully implemented well by MSMEs.

Besides that, the growth of the digital world and the internet, in particular, has opened up new avenues for MSMEs to offer their products and services. Digital marketing is a viable marketing strategy in the current economic climate [7]. Social media, such as Facebook, Instagram and Twitter are common media for digital marketing efforts. These social media have unique features that allow businesses to promote and sell their products and services. The use of technology in marketing is very important for small companies to survive [8].

Through this research, we want to identify and analyze what factors influence the adoption of e-commerce for MSMEs, by looking at the implementation of e-commerce, which is difficult and also important for MSMEs, including marketing using technology. So that in the future we can design what kind of technology is appropriate for MSMEs to use and how to market their products appropriately and digitally.

B. Literature Review
E-Commerce
E-commerce is where you can buy and sell products and services via the internet and use computer systems to increase company efficiency [9]. In addition, e-commerce is defined as economic activities via the internet including selling or buying products and services [10]. This economic activity occurs either as business-to-business (B2B), business-to-consumer (B2C), customer-to-customer (C2C), or customer-to-business (C2B). E-commerce is not only a channel for doing business, but also an application of information technology solutions to help define
and develop new strategies to overcome business problems. Businesses can be helped by the benefits of e-commerce itself. One of the benefits of e-commerce for MSMEs is gaining benefits from 24-hour service availability, reaching a wide range of customers, improving relationships with customers well, exchanging information, meeting customer needs, cost effectiveness [9], and increasing sales and productivity [11]. Alzahrani also found that adopting e-commerce is important to achieve competitive and strategic advantages, especially for small businesses. Based on CNBN Indonesia, the percentage of e-commerce users in Indonesia is the highest, namely 88.1%. Seeing this, it is right for MSMEs to adopt e-commerce to be able to compete and excel [9].

**Micro, Small and Medium Enterprises (MSMEs)**

MSMEs or Micro, Small and Medium Enterprises are independent companies that employ a small number of employees [9]. In Indonesia, MSMEs are defined as businesses with annual sales of a maximum of IDR 300 million or net assets (excluding land and buildings) of less than IDR 50 million [10]. MSME terminology is often used by developed countries. MSMEs themselves play an important role in the economies of most countries [11]. The adoption of e-commerce has had an impact on MSMEs globally in terms of sales growth, cost efficiency, improved service processes and product quality [10]. To adopt e-commerce, it is necessary to apply a strategic approach.

**E-Commerce Adoption and MSME Performance**

Leading to the TAM (technology acceptance model) theory where acceptance of this technology is an effort to improve organizational performance because the use of this technology is already used everywhere and most of this theory is intended to determine the factors that determine the level of acceptance and involvement of individuals with technology or systems information [12]. According to [13] e-commerce is a link between companies, consumers and even certain communities through electronic transactions where trade in goods, services and information is carried out electronically, whereas according to Kotler and Armstrong [14] e-commerce is an online network that reached by someone via a gadget or computer, which is used by business owners in carrying out their business activities to obtain information with the help of a gadget or computer, which begins with providing information to consumers to determine which choice to buy. According to Mutegi [15] MSME performance is the final achievement of work evaluation from the division of task activities and roles within a company period. The performance of MSMEs can be determined by analyzing MSME performance measurements seen from internal and external factors. According to Rahardja [16] electronic commerce or often called e-commerce is a connecting application between individuals (and consumers) or between companies to carry out electronic transactions. According to [17] the use of e-commerce is a technological development that can market a product to various places in physical and digital form and with national and international reach. According to the research results of Suhada, Setiyani and Sukardi [18], e-commerce can facilitate access to information, improve business performance, improve the quality and
speed of service, keep up with technological developments and increase cost efficiency.

**Digital Marketing**

According to Harto [19], the term "digital marketing" refers to the practice of using the internet and other forms of interactivity to build and strengthen relationships between a brand and its target audience. Meanwhile, according to Rachmadi [20], digital marketing is the use of technology to market a company's products using digital media. When it comes to promoting products or services, digital marketing places an increasing focus on the use of new forms of electronic media.

Digital marketing indicators according to Fandy Tjiptono's theory are as follows [21]:
1. Trust, is a situation where consumers have a high sense of trust in an item they want to buy and depend on the seller of the item who can be trusted.
2. Convenience, is a situation where buying an item that a consumer wants can be easily accessed, consumers can freely interact with the seller, and consumers can get information about a desired product more easily.
3. Quality of Information, is a situation where good information will make it easier for consumers to find the desired item.
4. Price, is a situation where when a seller markets an item there is a price listed. Price as a benchmark for getting the desired item.

**C. Research Method**

This paper was written using a literature review method or literature review with a qualitative approach. This approach will allow researchers to holistically understand the development of e-commerce adoption as a form of digital marketing for MSMEs [22], where the author searched for and studied journals, both international and national, obtained from various sources via Google Scholar and other online media sources from 2020-2023 with the keywords e-commerce adoption and MSME digital marketing. These journals were studied to produce a conclusion on the purpose of this paper. The following is previous research that is in accordance with the discussion of this research:

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<th>Author(s)</th>
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<td>1</td>
<td>Desrizal, Iva Mas Uva, Eva Ariati, Endah Fantini (2023) [23]</td>
<td>Digital Marketing and Marketing Communication Strategy at Ciwaringin Cirebon Batik Umkm as a Challenge in Technological Development</td>
<td>Ciwaringan Batik MSMEs in digital marketing can be done in several ways, such as SMO and SEO, which have the same aim, namely popularizing a particular website or agency, so that a particular website or agency can be better known by the wider community, especially internet users. Maximizing SEO can be done by using SEO friendly website creation tools such as WordPress and another way is by carrying out promotions on other websites such as placing website links created in forums or inserting website links created in other website articles. and this must be done</td>
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continuously so that many people will visit the website created. This will increase the rating of the website created on search engines. In maximizing SMO, you can use several social media such as Facebook or Twitter. What you have to do here is increase the number of friends on the page you created and put the website link you created on your wall or post it to your friends, with the rule that every friend you have has a friend. Other networks. These two things cannot be done in a short time but must be done repeatedly and must have good relationships on social media.

MSMEs have implemented various forms of digital strategies which can be done in the form of Instagram, websites like LinkeTree, WhatsApp business, online platforms for ordering food and drinks, namely Gojek, as well as creating digital advertisements via business email. With various implementations carried out to support the development of MSME businesses, it can be seen that currently MSMEs have developed rapidly (Putri et al., 2022). Judging from the number of Instagram account followers which has increased significantly and the level of routine uploading of content related to MSME products on social media, this has made MSMEs increasingly recognized by the public (Pramadyanto & Irwansyah, 2023). Of course, while maintaining the quality of their products, currently MSMEs are selling their products via courier delivery services to all areas in Batam City.

MSMEs that have better marketing capabilities and use digital channels to promote their products or services tend to perform better in terms of sales growth, customer acquisition, customer retention and customer satisfaction. In addition, digital marketing (website, social media and promotions) plays an important role in mediating the relationship between marketing capabilities and marketing performance of MSMEs.

perceived usefulness has an influence strong influence on E-Commerce adoption by MSME players, organizational readiness for food and beverage MSME players will have a positive impact on the adoption of E-Commerce.

- Digital marketing is a new way to increase customer growth by utilizing digital/internet technology.
- Facebook Ads are advertising media aimed at
Dalam Strategi Pemasaran Facebook users as their audience. Ad placement is usually on the homepage or sidebar.

- There are several types of advertisements provided by Facebook Ads. If you look at the form, there are video ads and image ads. Facebook Ads also have several ad categories that can be seen from their purpose, for example, Impression, Traffic, Lead and so on.
- In the context of marketing strategy, Facebook ads are part of the strategy process in synchronization with other media such as email, chat media and others that can connect potential consumers with advertisers.

6. Novianto Puji Raharjo, Mohammad Rofiuddin (2022) [28]

Strategi Digital Marketing Dalam Usaha Mikro Kecil Menengah di Desa Bringin, Kabupaten Tuban must follow trends if you want to offer your products online such as shopee, tiktok and facebook, there needs to be a preparatory strategy, presence, portals, transaction integration and autonomy for MSMEs in developing and marketing their products to be distributed online


Pemanfaatan Digital Marketing Bagi UMKM Content and captions are needed to support the posting of product images/photos/videos on Instagram accounts which have a persuasive nature in the use of Digital Marketing for MSMEs

D. Result and Discussion

Even though digital marketing is everywhere, sellers, especially MSMEs, have not fully used digital marketing for e-commerce in various categories to maximize sales. As a result, the use of digital marketing for ecommerce is still being implemented. Not a few MSMEs are confused about doing digital marketing, starting from what to do first to how to utilize the features available in e-commerce to increase sales.

Based on the literature review above, 9 features of e-commerce adoption were found that had a beneficial impact on the performance of MSMEs through digital marketing. Following is the complete explanation:
1. Branding [7][23][24][25][26][27][28]
   Branding is a way to make a business or business known to many people. This can be realized through:
   - analysis Target audiences
   - Competitor research
   - Choose a product brand name
   - Create a unique shop name and own logo
   - Complete shop information
   - Install an attractive banner
   - Good customer service
   - Using feed marketplace

2. Social Media [7][23][24][25][27][28]
   Social media is a platform for interacting online, eliminating time and space limitations in socializing. Social media can be divided into several broad categories:
   - Social Networks, for socializing (Facebook, LinkedIn, etc.)
   - Discussion, facilitating conversations and discussions (Google Talk, Skype, etc.)
   - Sharing, allows sharing files, videos, music (YouTube, Slideshare, etc)
   - Publications, (Wordpress, Wikipedia, blogs, etc.)
   - Social Games, games played together (Kongregate, Pogo, etc)
   - MMO (Cartrider, Warcraft, etc)
   - Virtual Worlds (Habbo, IMVU, etc)
   - Live Broadcast (Yahoo Live, BlogTV, etc.)
   - Live Broadcast (Socializr, FriendsFreed, etc)
Social media is another alternative for launching marketing or promotional actions for a product or service. Social media itself now has a function, one of which is as a medium used to promote products by business actors. Social media has a direct response to users, making it easier for them to reach the promotion. One of the keys to success for businesspeople is to get to know their customers better. With existing supporting information, now business actors can find out in detail about who the consumers are, age range, and even gender from social media. Even social media can determine who to target to promote a product based on their interests. This can help the branding and promotion process to the right target consumers and be easier than before.

3. Content and Caption Marketing [7]
Techniques in creating content must pay attention to which side is interesting from the results of taking pictures/photos/videos and then uploading them to social media or e-commerce accounts. Different from making captions, in making captions sellers are asked to make captions that can attract consumers.
Tips for making interesting captions:
- use simple sentences full of meaning, not long and rambling ones;
- be wise with hashtags, where excessive use of hashtags can cause the quality of social media or e-commerce captions to decline;
- emoji, it is also important to install emoji to represent feelings or what is being thought. By adding emojis, captions can become livelier;
- a typo is a big mistake, intentionally or unintentionally, a typo or writing error is still considered a mistake that reduces the quality of the caption and one's own image.

4. E-mail Marketing [7][23][24][25][27][28]
E-mail marketing or a marketing method that uses electronic messages (E-mail) as a medium for disseminating information. The e-mail marketing method can be compared to the broadcast process via SMS or WhatsApp. It's just that e-mail marketing has a special method so that the e-mails we send do not contain spamming elements.
Through personalized and customized email marketing, businesses can build closer relationships with customers. Personalizing messages can create the perception that a business cares about and understands customers' individual needs.

5. Video Marketing [7][23][24][25][27][28]
Video marketing is one of the best business or brand marketing strategies in this digital era. Why? because if video marketing has been conceptualized and the results are interesting, then this video is able to display images and audio simultaneously so that it is easy for the audience to understand, as well as being able to convert the audience into customers.
Criteria
- Has a concept that is close and can be felt by the audience,
- Have good and attractive visuals,
- Able to convey values and messages well, and
- Marketed in the right place.

6. SEO [23][27]
SEO is an internet marketing technique for optimizing websites in search engines to gain visibility in search engines. In this case, SEO is used to improve website search results on the first page position in search engine searches. The advantage of using SEO techniques is that it gives people a great opportunity to see, access and buy something through a website through search engines. The functions of SEO include:
- Provide the best position in search engines.
- Provide traffic according to target visitors.
- Popularize the website quickly.

Method:
- Research Keywords
- Create UGC
- Update the Product Page
- Adding Schema Markup
- Set URL

7. Web Design [7][23][24][25][27][28]
Web design is a term regarding visual design applied to digital media, namely websites, design intended for the development and styling of information on the internet to provide high-end consumer features and provide aesthetic quality. The definition offered separates web design from web programming, emphasizing the functional features of a website, as well as positioning web design as a kind of graphic design. Indirectly, this website design focuses on appearance, but will not eliminate the main function being designed. able to provide additional comfort for website visitors and readers. (Markey, 2019).
Web design elements not only make the website look good, but also make it easier for readers to navigate the website. In other words, improving user experience (UX). Important elements in website design:
- Layout
  The layout of a website should consider the location of the arrangement of design elements to make it easier for readers to digest the flow of information.
- White Space
  White space is useful to help the human eye organize data.
- Font
  The principle of choosing letters for the web (web fonts) is somewhat different from when choosing letters for printed materials such as brochures, pamphlets, books, or other printed materials.
- Color Choice
  A website is not a canvas containing abstract paintings, we are conveying information to readers, not distracting their eyes.
- Navigation
Navigation is like a map or road map that makes it easy for readers to search for any content or product category they want.

- "Search" button
  There is nothing more annoying than visiting a website and not finding a search button.

- Contact Page
  Readers and clients certainly need to know whether the site they are visiting is really managed by a real company or person, not a fictitious one.

- Footers
  The footer may contain repetition of information, provided that this information is crucial.

- Image Quality
  However, we must still consider visual aspects to attract readers.

- Content Quality
  Content is the king of a website, if the content you present is not good, it will make your website look messy.

8. App Development [7][23][24][25][27][28]
   Application development is often misunderstood as the activity of a programmer carrying out an activity, namely coding, the process of writing code, even though in fact application development is more than just the process of writing code. Application development is a series of processes carried out by a person or group of programmers to create a series of processes from the initial design of the application, creating an application prototype, implementation, final testing of the application until the application is complete and ready to be used.

9. SEM[23][27]
   works by increasing visitability using advertising and optimization with reciprocity in the form of costs. SEM makes it easier for websites to appear on the first page of Google.

E. Conclusion
   This research prioritizes E-Commerce Adoption as a Form of Digital Marketing for MSMEs, where the higher the use of e-commerce, the higher the resulting MSME performance. By using e-commerce, marketing becomes broader, which causes the products being sold to enter new markets quickly, which causes increased sales, marketing, financial and market performance. Based on a literature review, including Branding, Social Media, Content and Caption Marketing, Email Marketing, Video Marketing, SEO, Web Design, Application Development, SEM has great potential in E-Commerce Adoption as a Form of Digital Marketing for MSMEs. The research model and supporting arguments used in this study can contribute to advancing current discussion efforts in the field of Information Systems. Therefore, this research is very relevant to be applied in further research.
F. Acknowledgment

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G. References


