



Research Paper

Development of Digital Small Medium Enterprises (SMES) In Promoting Local Products In The City Of Samarinda

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ABSTRACT

This research aims to describe and analyze the Digital Small and Medium Enterprises (UKM) development program in Samarinda City in promoting local products. The type of research conducted is a type of qualitative descriptive research. The main focus of the research set is the implementation of the Samarinda City Government implementing the digital Small and Medium Enterprises (UKM) program in promoting local products in the Samarinda City with the sub-focus of the research set including: Organizations within the Samarinda City Government implementing the digital Small and Medium Enterprises (UKM) program in promoting local products in Samarinda City, Human Resources (HR) in the Samarinda City Government implementing digital Small and Medium Enterprises (UKM) programs in promoting local products in Samarinda City, Supporting and inhibiting factors for the Samarinda City Government implementing the Small and Medium Enterprises (UKM) program digital in promoting local products, indicators to find out the results of the Samarinda City Government's Digital Small and Medium Enterprises (UKM) Development in promoting local products. The types of data used include primary and secondary data, while data collection techniques are carried out by means of observation, interviews, and documentation. The analysis used is the interactive model proposed by Miles, Huberman, and Saldana. The results of this study show that there is no serious action or promotion of the Digital Small and Medium Enterprises (UKM) development program in Samarinda City in promoting local products. Since 2017, the Decree of the Mayor of Samarinda Number: 517.05/183/HK-KS/IV/2017 concerning the Establishment of the Samarinda City Creative Home Team in 2017 has been carried out, but unfortunately business actors are still reluctant to touch the facilitation provided by the government to promote Small and Medium Enterprises (SME) products. The digital concept of electronic transactions looks suspended, the government has not issued further regulations for Small and Medium Enterprises (SMEs) to be required to participate in socializing the use of digital applications. This is not in line with the expectations targeted by the central government. There are obstacle factors, one of which is that people are not familiar with technology and are reluctant to use it because it increases production costs.

KEYWORDS: Digital SMEs, Samarinda local products

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I. INTRODUCTION

Small and Medium Enterprises (SMEs) have an important role in the economic development and industrial growth of a country. Almost 90% of the total business in the world is a contribution from SMEs. Indonesia has great economic potential with abundant natural wealth, a large number of young workers and a fast pace of urbanization. Indonesia recorded an impressive rate of economic growth over the past decade averaging 5% per year. This economic growth is driven by several sectors, one sector that has a very strategic role is the Micro, Small and Medium Enterprises sector or MSMEs (Hafsah, 2004).

The large role of SMEs in the national economy is supported by several factors, one of which is digital buying and selling activities or you could say Digital SMEs/Online Shops/Electronic Transactions. SMEs can grow faster in terms of income, provide employment opportunities and become more innovative and more competitive in the face of the globalization era of technology and information.

Digital is a concept of understanding of the times regarding technology and science, from everything that is manual to automatic, and from everything that is complicated to be concise. According to Munir (2017),

in order to keep up with technological developments in the global economy, the Government also issued Law Number 11 of 2008 concerning Electronic Information and Transactions, namely the regulation regarding the Implementation of Electronic Transactions which is explained in Article 16 Paragraph (1) regarding Good Electronic System Governance (IT). Governance) includes the process of planning, implementing, operating, maintaining, and documenting. So that all types of marketing activities, transactions and providing information are carried out by electronic system, this cannot be separated from the principle of e-governance, E-Governance is the use of information technology by government agencies such as Wide Area Networks (WAN) internet, mobile computing, which can be used to build relations with the community, business world and other government agencies by Wibawa (2009).

Government Regulation of the Republic of Indonesia Number 17 of 2013 Article 6 Paragraph 1 concerning the Government and Regional Governments prioritizing the development of Micro, Small and Medium Enterprises (MSMEs) through technology and information facilities. The government carries out its function as a public servant to SMEs with the concept of electronic services usually referring to 'Providing services via the Internet (the prefix "E" stands for electronics, as is the case in many other uses), so e-Service may also include e-Commerce which is usually e-commerce. provided by the government.

Rahayu (2017) states that the characteristics of SMEs in Indonesia are still very few to develop digital marketing that is networked and uses sophisticated technology. This can be seen from SMEs that still use static sites by 32.5%, interactive sites by 25%, and have not been digitally involved with a percentage of 7.2% of SMEs. Based on this, the central government and local governments must carry out promotions in the digital SME program to the public for business actors to strengthen the digital economy sector.

In essence, SMEs that grow in Samarinda City are under the responsibility of the Samarinda City Government. There are so many superior products that come from the Samarinda City SMEs, from the food, handicrafts, textile industry, and printing sectors. Most of these products are well known both nationally and internationally. To increase competitiveness in promoting local products, the City of Samarinda government created a Creative Economy Team. Decree of the Mayor of Samarinda Number: 517.05/183/HK-KS/IV/2017 Regarding the Determination of the Samarinda City Creative Home Team in 2017. One of the articles has decided that the Samarinda City Creative House Team is tasked with providing guidance and development of e-commerce to actors/traders who participate as well as a member. The government agencies involved in this team are the Samarinda City Communication and Information Office (Diskominfo) as facilitating the development of digital services, the Samarinda City Tourism Office as the driving force for the creative economy team from the Small and Medium Enterprises (SME) sector and the Samarinda City Industry Office as fostering and empowering actors. Small and Medium Enterprises (SMEs).

Since the issuance of the above policy, the three agencies have carried out their duties according to procedures. The Samarinda City Diskominfo has issued an application product that provides sales services/electronic transactions in the form of a web application called "Samarinda Mart" and can be accessed through www.samarindamart.id, the application provides facilities for the community of Micro and Small and Medium Enterprises (MSMEs) to be able to sell through the application. The Industry Office and the Samarinda City Tourism Office in collaboration with the Creative Council provide understanding to business actors to be able to switch and carry out digital transaction activities through gradual socialization and during field evaluations. There are only 12 sellers who are actively promoting or trading local products they manage, or based on observations in the application.

Small and Medium Enterprises spread across the City of Samarinda who have been recorded as being included in the development and coaching program at the Industrial Office of Samarinda City are 95 business actors. While data obtained from (BPS) Business Registration Results of the 2016 Economic Census of East Kalimantan Province states that Samarinda City has 71,234 Micro Business actors, 9,056 Small Business actors 3,185 Medium Business actors with a total of 83,475 Micro Small Medium Enterprises (MSMEs) who spread across the city of Samarinda. This means that it can be said that there are still many business actors who have not been recorded by the Samarinda City Industry Office. This is one proof that the city government has not been maximal in carrying out its main tasks and functions. If all business actors have been recorded, the development program for the use of digital technology in the concept of Digital Small and Medium Enterprises (UKM) of Samarinda City can be better known by business actors. The application in the form of a place to promote local products will certainly have more than 12 sellers who register to trade their products and the goal of making the Samarinda City Digital Small and Medium Enterprises is achieved according to the government's target.

The research objectives are: (1) to determine the implementation of the development of digital Small and Medium Enterprises (SMEs) in Samarinda City in promoting local products; (2) to find out the supporting factors and inhibiting factors for the development of digital Small and Medium Enterprises (SMEs) in Samarinda City in promoting local products; and (3) to find out the results of implementing the development of digital Small and Medium Enterprises (SMEs) in Samarinda City in promoting local products.

II. RESEARCH METHODOLOGY

A. Types and Approach

The type of research carried out is a descriptive research type and will be analyzed qualitatively. Qualitative research in addition to revealing real events, can also reveal the values contained in the Development of Digital Small and Medium Enterprises (SMEs) in Samarinda City in Promoting Local Products.

B. Research Location

The research location is the place for SMEs in the city of Samarinda, the Department of Industry of the City of Samarinda and the Office of Communication and Information of the City of Samarinda.

C. Research focus

The focus of this research is as follows:

1. The implementation of the Samarinda City Government regarding the digital SME program in promoting local products in the City of Samarinda.
2. Supporting and inhibiting factors of the Samarinda City Government implementing digital SME programs in promoting local products in Samarinda City
3. Indicators to determine the results of the Samarinda City Government's Digital SME Development in promoting local products: (a) achieving targets for service users and application users; (b) sales results (turnover); and (c) application of technology

D. Data source

The sources of data taken in the study include:

1. Primary Data:

Primary data sources are:

(a) Informant

The selection of informants was carried out using purposive sampling technique in accordance with the needs and stability of the researcher in data collection. After the data collection process was no longer found informants (reached a saturation point), the researchers did not look for new informants and the informant collection process was considered complete. In this case, the number of informants can be small, but there can also be many, it all depends on: (1) whether or not the informants were chosen correctly; and (2) the complexity and diversity of the phenomena studied.

(b) Key Informant

1) Key includes:

- a) Head of the Samarinda City Industry Service
- b) Head of the Samarinda City Communication and Information Office

2) Informant

- a) Head of Metal, Machinery, Engineering, Electrical Equipment, Transportation and Miscellaneous Industries (Samarinda City Industry Office)
- b) Head of E-Government Application and Services (Department of Communication and Information Technology of Samarinda City)
- c) Small and Medium Enterprises (SMEs)

2. Secondary Data

Secondary data sources in the form of documents, archives, reports, sources of reading material, as well as results of browsing (browsing) data via the internet are further data sources that can assist in the process of writing this journal.

E. Data collection technique

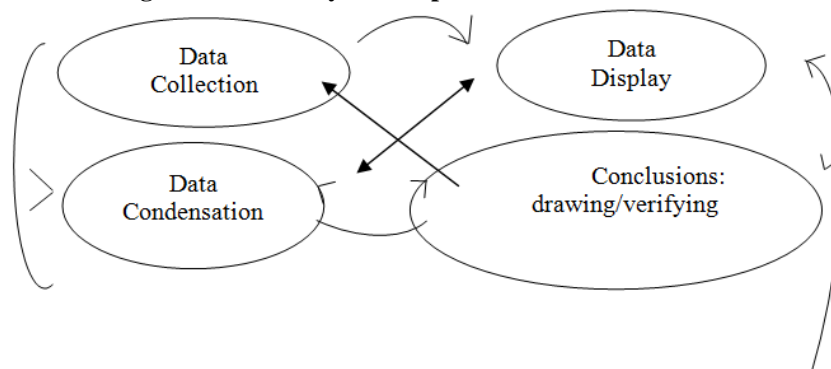
There are three types of data collection (data logging) used, namely:

1. Observation, namely making direct observations to the object of research to obtain information related to the Development of Digital Small and Medium Enterprises (SMEs) in Samarinda City in Promoting Local Products.
2. In-depth interviews were conducted to get an overview of the Development of Digital Small and Medium Enterprises (SMEs) in Samarinda City in Promoting Local Products.
3. Documentation, used to collect data taken from progress reports on the implementation of Digital Small and Medium Enterprises (UKM) Development in Samarinda City in Promoting Local Products in the form of documentation and other related archives.
4. Questionnaire, which collects data by distributing questionnaires ora number of questions to informants and key informants.

F. Data analysis

Analysis of the data used is qualitative analysis, namely by describing and analyzing data obtained from resource persons in order to reveal events that occurred in the field. While the data analysis used in this study is an interactive model data analysis proposed by Miles, Huberman, and Saldana (2014).

Figure1.Data Analysis Components: Interactive Model



Source: Matthew B. Miles, A. Michael Hubberman and Jhony Saldana (2014)

In qualitative data analysis there are three flow of activities that occur simultaneously: (1) data condensation (2) data presentation and (3) conclusion/ verification.

III. RESULTS AND DISCUSSION

1. MSMEs Samarinda City

MSMEs are one of the majority in Samarinda City. According to Asaddin (2020) that the number of MSMEs registered and having addresses in East Kalimantan at the end of 2019 reached 307,343 units. Of the recorded number of MSMEs, most of them were dominated by Micro Enterprises as much as 94.96% and the remaining 5.03% were filled with Small Business class 4.61% and Medium Enterprises 0.42%.

The distribution of MSMEs is further reported that 94.60% or 290.760 units spread across three main cities in East Kalimantan, namely Samarinda with 158,624 units or 55%, Balikpapan with 105,060 or 36%, and Bontang with 27,076 units or 0.09%. The number of MSMEs in Samarinda is ranked first, this is supported by several the reason is that from ancient times Samarinda as a City of Commerce and Services, as the administrative center of the capital of East Kalimantan Province, population density is relatively high compared to regencies and cities others, are in the Mahakam River channel.

The role of MSMEs is very strategic in an effort to encourage equity and improve community welfare. Nationally, MSMEs contributed to the Gross Regional Domestic Product (GDP) of 12.48% and contributes ± 97% employment, but this role in East Kalimantan is not optimal.

2. Response of MSME Actors to Digital Technology

Changing an old habit into a new habit and is quite foreign among Small and Medium Enterprises actors to be technology literate is not an easy thing like turning the palm of the hand. The response of the community of business owners who were participants at the Gebyar UKM performance at the Samarinda City shopping center held by the City Industry Service, here is a statement from Reni, the owner of UKMD'craft:

"I prefer offline promotions than doing online transactions, because I am not very familiar with the internet and others. If I follow then I have to hire other people to help me, and I have to pay them, instead of paying them I'd better add to the cost of the product." (Wednesday, October 13, 2021)

The second response is the same as the first response that they prefer to sell directly at home or at the market, the following is a statement from business participant Fadli, the owner of a knitting business:

"It's complicated, madam, buy another data package, install wifi again, I have to have my computer, it's better to just market it." (Wednesday, October 13, 2021)

Summing up the two things above, the author confirms the words of the staff of the E-government Application and Service Division of the Samarinda City Communication and Information Office when met at his office:

"The community still has not responded to the application we made, only 12 resellers have registered. Even though we have done socialization." (Monday, October 4, 2021)

Added by the Head of the Application Section of the Communication and Information Office of Samarinda City:

"There is no firm policy yet to require business actors to switch to digital transactions or electronic transactions, for sure we have provided facilities to help them in promoting their products" (Monday, October 4, 2021)

Referring to the statement above, it is very clear that the development program for Digital Small and Medium Enterprises (UKM) of Samarinda City in terms of promoting local products has not been carried out optimally and according to the expectations of the digital economy concept. This should be the responsibility of the local government, especially the appointed government agency. In order to implement government programs in promoting digital economic activities, especially Digital Small and Medium Enterprises (SMEs). The results of this study show that there is no serious action or promotion of the Digital Small and Medium Enterprises (UKM) development program in Samarinda City in promoting local products. Since 2017, the Decree of the Mayor of Samarinda Number: 517.05/183/HK-KS/IV/2017 concerning the Establishment of the Samarinda City Creative Home Team in 2017 has been carried out, but unfortunately business actors are still reluctant to touch the facilitation provided by the government to promote Small and Medium Enterprises (SME) products. The digital concept of electronic transactions looks suspended, the government has not issued further regulations for Small and Medium Enterprises (SMEs) to be required to participate in socializing the use of digital applications. This is not in line with the expectations targeted by the central government. There are obstacle factors, one of which is that people are not familiar with technology and are reluctant to use it because it increases production costs.

IV. CONCLUSIONS AND SUGGESTIONS

A. Conclusions and Suggestions

Based on the results of research and discussion, it is concluded that:

1. Implementation of Government Policies in Digital Small and Medium Enterprises (SMEs) in Samarinda City:
 - a) Legality from the view of the law and entered into the legal sheet of Samarinda City in the form of the Decree of the Mayor of Samarinda Number: 517.05/183/HK-KS/IV/2017 concerning the Determination of the Samarinda City Creative House Team.
 - b) Human Resources (HR) are selected and placed in accordance with their competent expertise in the field of Information and Communication Technology (ICT)
 - c) The mechanism for the development of Digital Small and Medium Enterprises (UKM) in Samarinda City in Promoting Local Products is carried out by the Samarinda City Industry Office in accordance with its Main Functions and the Samarinda City Communication and Information Office as a provision of internet network access services and government applications.
2. Supporting and inhibiting factors for the Development of Digital Small and Medium Enterprises (SMEs) in Samarinda City in Promoting Local Products:
 - a) Supporting Factors:
 1. Routine 2018 APBD budget and self-help from each division head.
 2. Human Resources (HR) who are competent in the field of information technology and computerization.
 3. Adequate facilities and infrastructure.
 4. As well as comprehensive and accountable management.
 - b) Inhibiting factor:
 1. Small and Medium Enterprises who are still technologically stumped.
 2. Misunderstanding or misperception of Small and Medium Enterprises (SMEs) regarding digital programs.
 3. Lack of a more in-depth government outreach program to Small and Medium Enterprises (SMEs) regarding this digital program.
 4. There is no further policy from the Samarinda City government in terms of promoting the implementation of the Digital Small and Medium Enterprises (UKM) development program.
3. Development of Digital Small and Medium Enterprises (SMEs) in Samarinda City in promoting local products cannot be said to be successful because the indicators to be said to be successful have not been seen clearly:
 - a) Achievement of targets in service users and application users
The minimum number of digital application users provided by the Samarinda City Communication and Information Office does not match the large number of Digital Small and Medium Enterprises (SMEs) in Samarinda City.
 - b) Sales results (Turnover)
Does not show a satisfactory amount or a significant increase in any period of time.

c) Application of Technology

The application of technology has used the sophistication of informatics technology according to the times or it can be said that this service innovation uses electronic service (e-service) and has provided service system technology learning to the business community from anywhere. It's just that there are still a few Digital Small and Medium Enterprises (SMEs) who use this technological sophistication.

4. Suggestion

The suggestions from the research results are:

1. For readers, the results of this study are expected to add insight into knowledge related to the Development of Digital Small and Medium Enterprises (SMEs) in Samarinda City in Promoting Local Products and the factors that influence it. Especially those who are interested in knowing more about the Development of Digital Small and Medium Enterprises (SMEs) in Samarinda City in Promoting Local Products (conducting research) it is necessary to modify the independent variables, either adding variables or adding time series data. So that it will be more objective and varied in conducting research.
2. For the local government of Samarinda City, as a reference in making policies regarding the Development of Digital Small and Medium Enterprises (UKM) in Samarinda City in Promoting Local Products For DPMPTSP Samarinda City, it is expected:
 - a) Conduct periodic surveillance activities on business actors at their place of business so that information regarding their existence is updated.
 - b) Can be more intense for socialization activities to the community of business actors so that the Development of Digital Small and Medium Enterprises (SMEs) in Promoting Local Products
 - c) Conducting learning activities to other regions about choosing good and easily affordable infrastructure.

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