
E-READINESS OF SMES IN ADOPTION OF E-COMMERCE THROUGH LOCAL GOVERNMENT FACILITIES

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ABSTRACT

When entering a business competition in the digital market, SMEs must have readiness in the use of technology or e-readiness. Readiness to use technology is essential to compete through digital markets that have a broader scope. SMEs in Banyuwangi are trying to enter the digital market by increasing information technology capacity through assistance from the local government through the online marketing website Banyuwangi-mall.com. For this reason, this article attempts to examine the readiness of SMEs to adopt technology (e-readiness) in entering e-commerce facilitated by local governments. This study uses mixed methods by conducting quantitative methods through surveys first. To then be deepened through a qualitative research process conducted with in-depth interviews. The research results show that SMEs that use digital marketing Banyuwangi-mall.com already have a high readiness for technology adoption in the aspects of strategy and management. However, in the aspect of workers, they are still at the middle level, or there are still some shortcomings.

A. INTRODUCTION

This article is essential to provide an updated review of the many works that analyze the readiness of SMEs in adopting technology in utilizing e-commerce networks (Haug et al., 2011; Hung et al., 2014; Mutula, 2009; Spinelli et al., 2013). The novelty of this study lies in the role of the government in facilitating SMEs in entering online marketing networks. Today's business contest requires SMEs to increase their business capacity. The way that can be taken to increase the capacity of SMEs is through state intervention in providing supporting infrastructure, access to capital to

increase SME capacity related to managerial aspects, entrepreneurial techniques to innovation (Ng & Kee, 2017).

One of the central elements that the government pays attention to in helping SMEs is to provide infrastructure, especially information technology (IT) (Passerini et al., 2012). The development of IT infrastructure is the initial capital for every SME to develop a more comprehensive marketing network and impact increasing income. The use of information technology provides a reference for SMEs to adjust the right production system regarding product diversification and adjustment to market demand (Stoldt et al., 2018). Moreover, SMEs that utilize information technology can expand networks between business actors across territories to have a positive impact on each party in facing the era of globalization.

When entering a business competition in the digital market, SMEs must have readiness in the use of technology or e-readiness. E-readiness is a benchmark for assessing an organization's capacity to adopt information technology from a small organization to a national one (Kurnia et al., 2015; Lokuge et al., 2019). In addition, e-readiness can also function to photograph the readiness of SMEs in using website-based digital marketing (Hung et al., 2014). There is a detailed assessment tool with a scale and measurable indicators through the concept of e-readiness (Parasuraman et al., 2005). There are also several indicators to measure technology adoption readiness, such as IT readiness, innovation, cognitive, partnership, strategy, cultural, to resource aspects (Lokuge et al., 2019).

Studies on E-readiness in the scope of SMEs have a long and varied record. When speaking in the scope of research, e-readiness can be used to cover a research scope from the most micro, such as technological elements within organizations or small companies, to the broadest scope, such as an industrial area with a national scope (Aboelmaged, 2014; Kurnia et al., 2015; Luyt, 2006; Spinelli et al., 2013). (Mutula, 2009) has conducted an e-readiness study in a reasonably broad domain, which looks at the use of information technology in the national sphere. Furthermore, e-readiness can be used as a benchmark to see the readiness and benefits derived from SMEs activities in the digital economy (Hung et al., 2014; Lou & Goulding, 2010).

One of the studies by (Mutula & van Brakel, 2006) describes the readiness to use information technology by SMEs that carry out their business activities to an international scope. Furthermore, some studies use e-readiness to measure information technology in SMEs business activities as part of dynamic consumer demands (Nugroho et al., 2017). On the other hand, there is research that looks at the suitability of using IT infrastructure by utilizing the concept of e-readiness in non-profit organizations such as universities to libraries (Chipembele & Bwalya, 2016; Motahari-Nezhad et al., 2018; Shonhe, 2019). The concept of e-readiness can also be used to measure the implementation of government e-government in several developing countries (Aggarwal, 2009; Fathian et al., 2008; Ghosh Roy & Upadhyay, 2017; Mnjama & Wamukoya, 2007). In another area, research conducted by (Koh et al., 2007) utilizes the concept of e-readiness to see the impact of using the internet on the performance of a profit organization or company.

Empirically, this research focuses on SMEs' readiness to adopt information technology when using digital marketing Banyuwangi-mall.com. The Banyuwangi government innovates by facilitating SMEs in marketing their products through e-commerce owned by the local government (Humas Pemkab Banyuwangi, 2016). However, in its development, the number of SMEs directly involved in online marketing through the Banyuwangi-mall.com website is still minimal compared to all SMEs in Banyuwangi Regency. In fact, until 2018, there were 296,706 Micro and Medium Enterprises in Banyuwangi Regency (Dinas Koperasi dan UKM Provinsi Jawa Timur, 2018). Until 2017, there were 45 Banyuwangi SMEs (0.015%) involved in online marketing. Then slightly developed in 2018, 67 SMEs (0.015%) registered in the Banyuwangi-mall.com network.

SMEs in Banyuwangi has been facing problems in various aspects. There are 279,706 SMEs in Banyuwangi experiencing problems carrying out their business activities, such as capital,

marketing, and product quality (Kementerian PANRB, 2019). We can see the problems experienced by SMEs in Banyuwangi from the problems of small businesses selling accessories, crafts, t-shirts, culinary, and Banyuwangi batik. 800 SMEs members of the association of accessories, crafts, t-shirts, culinary, and familiar batik entrepreneurs, 40% (320 SMEs) still need to enter digital marketing (Setiawati, 2021). This SMEs problem is the foundation for the Banyuwangi Regency government to realize Banyuwangi-mall.com digital-based marketing.

In the theoretical scope, a study of e-readiness in a reasonably broad area has been carried out by looking at the use of information technology in the national realm (Mutula, 2009). Furthermore, E-readiness can also be used as a benchmark to see the readiness and benefits derived from SME activities in the digital economy (Goulding & Lou, 2013; Hung et al., 2014). In addition, there is also a study that describes the readiness to use information technology by SMEs in carrying out their business activities to an international scope (Mutula & van Brakel, 2006).

There is an e-readiness study to measure the use of information technology in SME business activities as part of dynamic consumer demands (Nugroho et al., 2017). The concept of e-readiness is used to measure the implementation of government E-Government in several developing countries (Aggarwal, 2009; Fathian et al., 2008; Ghosh Roy & Upadhyay, 2017; Mnjama & Wamukoya, 2007; Waheduzzaman & Miah, 2015). E-readiness is also used to see the impact of internet use on profit organizations or companies (Koh et al., 2007). From the development of this study, it can be seen that there is still a theoretical gap that there is no study that analyzes the e-readiness of SMEs in entering digital marketing facilitated by the local government.

This study explains the readiness to adopt information technology of SMEs participating in online marketing Banyuwangi-mall.com which the local government facilitates. The research question from this study is **How is the Readiness of SME Technology Adoption in Entering Banyuwangi-Mall.Com Online Marketing?** To answer this question, we will statistically analyze the technology adoption readiness of each SMEs that is part of Banyuwangi-mall.com. To deepen it, we will also present a qualitative analysis of the technology adoption readiness portrait of each SMEs.

The concept or theory tool used in this study is E-Readiness for SMEs. When adopting a website used for organizational activities such as SMEs, it is necessary to prepare several aspects that can support it, both organizational aspects technology to several elements related to their external environment (Yang et al., 2015). Another concept explaining the e-readiness model in SMEs divides the readiness indicators into several main points: technology, management, and organization to environmental aspects (Hung et al., 2014). The application of information technology in the SMEs sector will provide many benefits, one of which is encouraging MSMEs to engage in an international scope (Mutula & van Brakel, 2006). The use of information technology in SMEs is happening massively today because today's consumers demand a company that offers easy and affordable products (Nugroho et al., 2017). created SMEs that are adaptive to technology, preparatory steps must be taken, starting from aspects of the company's website and resources to efforts to see market conditions (Hung et al., 2014).

In this context, e-readiness is used as a company's benchmark for assessing a digital economy's readiness and benefits (Lou & Goulding, 2010). In welcoming the digital era, a micro-organization such as a company must create a new work method and carry out a new business engineering to aspects of technology utilization that can create a competitive and efficient organization. When adopting a website that will later be used for organizational activities such as SMEs, it is necessary to prepare several aspects that can support it, both organizational aspects, technology, and several elements related to their external environment (Yang et al., 2015). (Jutla, Bodorik, Dhaliwal, et al., 2002) mention several dimensions that can be used as benchmarks to assess the readiness of technology adoption by SMEs with government support, namely (a) Knowledge and innovation, (b)

Infrastructure and access related to communication and information, (c) Regulation, trust, and financial infrastructure, (d) Distribution network capabilities, (e) Leadership in e-government and (f) Access to content. Another concept that explains the e-readiness model for SMEs was developed by (Hung et al., 2014) dividing readiness indicators into several main points, namely from the perspective of technology, management, and organization to environmental aspects.

Table 1. Framework for E-Readiness Indicators in SMEs

Indicator Category	Reference	Sub-indicator element
Strategy Readiness	(Alghamdi et al., 2011; Asia et al., 2013; Haug et al., 2011; Jutla, Bodorik, Dhaliwal, et al., 2002; Mouzakitis & Askounis, 2010).	a) Achieve business goals b) Response to IT c) Change the pressure or pressure in the business d) Top Management Support e) Innovation
Management Characteristics	(Haug et al., 2011; Jutla, Bodorik, Dhaliwal, et al., 2002).	a) Owner's education and knowledge regarding IT b) Experience from participation in IT projects c) Experience using IT d) Readiness to partner with government in digital marketing e) Owner/manager attitude, owner/manager support, f) Top management support
Worker Characteristics	(Haug et al., 2011; Hung et al., 2014; Jutla, Bodorik, Dhaliwal, et al., 2002; Molla & Licker, 2005).	a) Employee knowledge b) Existence of leaders/technology experts. c) Employee attitudes and acceptance of IT

Several dimensions can be used as a reference to see the readiness of MSMEs to adopt their information technology. Some of these dimensions include the following.

a. Strategy Readiness

The strategic aspect is one of the central aspects of developing an organization in the digital era. The strategy is implemented based on the desire to increase the added value or operational efficiency

in economic activities carried out by SMEs (Dyerson et al., 2016). In addition, strategy is used as an approach to transformation in the use of information technology in producing a service, information, and interaction with parties interested in the company (Alghamdi et al., 2011). This condition forces MSMEs to formulate several steps to anticipate the presence of pressures and demands from external parties such as other businesses to customers (Haug et al., 2011). In addition, strategies are carried out to respond to information technology so that SMEs have competitive advantages and reduce distances or gaps with more advanced competitors (Haug et al., 2011). The implementation strategy is synonymous with elements such as support from top managers in technology adoption, steps to establish a rule of the game, and innovations carried out by an organization (Asia et al., 2013; Mouzakitis & Askounis, 2010).

b. Management Characteristics

The capabilities of SMEs owners related to knowledge of information technology (IT) and their education level influence business success (Haug et al., 2011). In addition, IT capacity also allows an SMEs to experience progress in the form of increasingly advanced business value prospects (Dyerson et al., 2016). In detail, several indicators are used as assessments in aspects of management characteristics such as education and knowledge, experience from participating in IT projects, experience using IT, readiness to partner with the government in digital marketing, the attitude of owners or managers to top management support aspects (Dyerson et al., 2016; Haug et al., 2011; Jutla, Bodorik, & Dhaliwal, 2002).

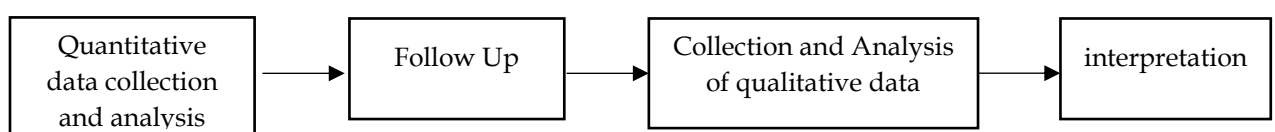
c. Characteristics of Workers

IT knowledge that builds worker capacity is essential to SMEs in improving organizational performance. The capacity of workers or employees needed in technology adoption are those who have the capacity and experience in using websites and other skills related to IT (Hung et al., 2014). Two main aspects must be owned by employees when carrying out information technology-based work functions, namely related to the management capacity of information technology and the motivational aspects employees possess in utilizing this technology (Haug et al., 2011; Molla & Licker, 2005). If we look, several sub-categories can be used to assess the readiness of technology adoption in SMEs, namely the knowledge of SMEs employees or workers, the presence of technology experts within SMEs bodies, and the attitude of employee acceptance of information technology (Haug et al., 2011; Hung et al., 2014).

B. METHOD

This study uses a mixed method between quantitative and qualitative (Mix Methods) with a sequential explanatory design. The flow of this research is quantitative research which is carried out first, to be deepened using qualitative research, which will be explained in more detail in the chart. Qualitative data is a means to deepen the results of quantitative data (Creswell, 2014). The flow of this research begins with quantitative research, which is then deepened using qualitative research (Creswell & Clark, 2011).

Chart 1. The flow of the sequential mix methods research design



Source: (Creswell, 2014)

Descriptive quantitative research is used to describe the readiness of technology adoption for SMEs using the Banyuwangi-mall.com website. Descriptive analysis is used to analyze data by describing or describing data that has been collected from the results of research conducted (Sugiyono, 2017). Then, qualitative research was conducted to look in-depth at the readiness of SMEs to adopt technology in entering Banyuwangi-mall.com online marketing.

Data collection in the quantitative process is carried out through a SMEs survey. The population of this research is 67 SMEs that participate in online marketing facilitated by the Banyuwangi government through the Banyuwangi-mall.com website. Using the Slovin formula, 56 samples of SMEs were selected as objects in this research. All respondents, totaling 56 SMEs (100%), answered questions from the questionnaire. Measurement of variables is carried out using a Likert scale. The Likert scale is generally used to measure attitudes, opinions, and perceptions of a person or group of people in conducting social observations. Meanwhile, there are mapping categories related to e-readiness standards, namely low, medium, and high. These criteria can be seen as follows (Ruikar et al., 2006).

Table 2. Category of E-Readiness Score Standards

Criteria	Category	Value
1 - 2,5	Low	Shows some aspects require urgent attention to achieve readiness.
2,6 -3,4	Intermediate	Shows that some aspects need attention to achieve readiness
3,5-5	High/Tall	Demonstrate that the organization has adequate capabilities and is ready to adopt information technology

Source : (Ruikar et al., 2006)

Then, qualitative data mining was carried out by conducting direct interviews with SMEs. We conducted in-depth interviews with the owners of 13 SMEs who are members of Banyuwangi-mall.com. Selection of informants in the research by purposive sampling where the parties interviewed are SMEs owners who have detailed insight into their business activities. The function of this interview is to find out in more detail how SMEs' E-readiness is in adopting E-Commerce Banyuwangi-mall.com. The research process took place from January to July 2019.

Table 3. SMEs owners join Banyuwangi-mall.com

Name	Position
Ahmad Majid firdaus	Owner
M. Imron	Owner

Herawati	Owner
FX Eddy Purnomo	Owner
Nurul Isnani	Owner
Mona Mawardi	Owner
Fany Wendra Wijaya	Owner
Heru Prayitno	Owner
Sulastri	Owner
Umi Sukasih	Owner
Ahmad Heryanto	Owner
Sari	Owner
Muhibut Tohari	Owner

C. RESEARCH FINDING AND DISCUSSION

Readiness of SMEs Technology Adoption in Online Marketing Banyuwangi-mall.com

The Banyuwangi Regency Government facilitates online marketing to local SMEs through the Banyuwangi.mall.com website. In order to be prepared to participate in the online marketing website, SMEs who are members must fulfill several dimensions related to information technology aspects. SMEs must have several dimensions of technology adoption in entering online marketing networks, including strategic readiness, management readiness, and worker readiness. The indicators come from a framework built from various sources to see the readiness of SMEs adoption in E-Commerce Adoption.

Readiness of SMEs in Strategic Aspect

In general, the average strategic readiness variable was obtained by an average respondent's answer of 3,661. This value indicates that strategic readiness is in a positive category, meaning that respondents think that, in general, SMEs involved in Banyuwangi-mall.com have readiness in strategic aspects.

Table 4. Description of Strategy Readiness

Items	Mean
Business goals	3.732
Employee Response to IT	3.500
Ability to Change Pressure	3.750
Variable Mean	3.661 (High E-readiness)

The readiness of SMEs in the strategic aspect is caused by the high number of supporting items such as aspects of business goals, employee responses to IT, and aspects of changing pressure. Indicators of achieving business goals/objectives obtained an average respondent's answer of 3,732. This value shows that the indicators of achieving business goals are in a positive

category, meaning that respondents think the indicators of achieving business goals have been implemented well in online business activities.

Then, an indicator of workers' response to information technology obtained an average of 3,500. This value indicates that the response indicator to information technology has been appropriately implemented in Banyuwangi-mall.com online marketing. Furthermore, points for the ability to change the pressure in business obtained an average answer of 3,750. This value indicates that the indicator of pressure for business change is positive. These results are in line with several studies which state that strategic readiness is an element that must exist in micro-businesses in the adoption of information technology (Jutla, Bodorik, & Dhaliwal, 2002; Spinelli et al., 2013). (Jutla, Bodorik, & Dhaliwal, 2002; Spinelli et al., 2013).

Readiness of SMEs in Management Aspect

In general, the average management readiness variable obtained an average of 3.613. This value indicates that management readiness is cheerful, meaning that management readiness has been appropriately implemented. The readiness of SMEs management to use Banyuwangi-mall.com is categorized as good because various supporting items show positive contributions. The table shows that the indicators of education and knowledge of the owner related to IT obtained an average respondent's answer of 3.661. This value indicates that the owner's education and knowledge indicators related to IT are in a positive category.

The experience indicator of participation in IT projects obtained an average respondent's answer of 3.536. This value indicates that the experience indicator of participation in IT projects is in a positive category, meaning that the experience indicator of participation in IT projects has been implemented well. Furthermore, the indicator of experience using IT obtained an average respondent's answer of 3.518. This value indicates that the indicators of experience using IT have been implemented well.

Table 5. Description of Management Readiness

Items	Mean
Owner's Education and Knowledge	3.661
Experience from participation in IT projects	3.536
IT experience indicators	3.518
Indicators of readiness to partner with government in digital marketing	3.571
Owner attitude indicator	3.696
Attitude indicators of top management or managers	3.696
Variable Mean	3.613 (High E-readiness)

The indicator of readiness to partner with the government in digital marketing obtained an average respondent's answer of 3,571. This value shows that the indicator of readiness to partner

with the government in digital marketing has been implemented well. The owner's attitude indicator obtained an average respondent's answer of 3.696. This value indicates that the indicators of the owner's attitude have been appropriately implemented. Indicators of the attitude of top management or managers obtained an average of 3.696. This value indicates that the manager's attitude indicators have been appropriately implemented. The description of the results of this study is in line with several studies which state that management readiness must be present in the readiness of technology adoption by SMEs (Haug et al., 2011; Jutla, Bodorik, & Dhaliwal, 2002).

Readiness of SMEs in the Aspect of Workers or Employees

In general, the average worker readiness variable obtained an average respondent's answer of 3.304. This value indicates that the readiness of workers is in the medium category, meaning that respondents think that, in general, the readiness of workers has been implemented well in several indicators and at the same time has not been good in other indicators. Several variables determine SMEs level of readiness in online marketing, such as the employee knowledge indicator, which obtained an average respondent's answer of 3.250. This value indicates that the employee knowledge indicator is in the neutral category, meaning that respondents think that several things must be improved when employees implement online marketing.

Table 6. Description of Worker Readiness

Items	Mean
Employee Knowledge	3.250
Top IT Employee Recruitment	3.464
Employee Enthusiasm for IT	3.196
Variable Mean	3.304

(Intermediate e-readiness)

Furthermore, the attitude indicators and employee acceptance of IT obtained an average answer of 3,464. This value indicates that the indicators of employee attitudes and acceptance of IT are in a positive category. The next indicator, namely the enthusiasm of employees in IT, got a score of 3,196. This value indicates that the indicator of employee enthusiasm in IT is in the neutral category, meaning that respondents think that the indicator of employee enthusiasm in the use of IT still needs to be improved. This result is undoubtedly different from several studies which state that there is worker readiness in the adoption of information technology to enter online marketing (Haug et al., 2011; Hung et al., 2014; Molla & Licker, 2005; Rosianti & ER, 2017).

Factors Driving the Readiness of SMEs Technology Adoption in Utilizing Banyuwangi-mall.com

Readiness of Online Marketing implementation and SMEs Product Innovation

One of the dimensions contributing to the readiness for technology adoption of SMEs participating in the Banyuwangi-mall.com website is the strategy readiness factor. The survey results show that the strategic readiness aspect of SMEs in the adoption of information technology is at a score of 3,661. This value indicates that strategic readiness is in a positive category, meaning

that respondents think that, in general, SMEs involved in Banyuwangi-mall.com have readiness in strategic aspects (Ruikar et al., 2006). The formation of the aspect of strategic readiness certainly does not stand alone, but several factors shape SMEs' readiness. Descriptively, a portrait of the readiness of SMEs in strategic aspects related to their participation in Banyuwangi-mall.com will be shown.

The first factor that drives the readiness of the SME strategy is that although it is not absolute, the majority of businesses involved in the Banyuwangi-mall.com marketing network can utilize the online media utilization network as a marketing base. In their business activities, they have an orientation that their participation in online marketing networks, including Banyuwangi-mall.com, is based on generating a profit and introducing the products they produce to consumers who have a broader scope. We can see one of these portraits from the statement of one of the UKM Mawar Indah, which produces chips, as follows.

"This is right, sir, the reason I use online-based marketing such as Facebook to join the Banyuwangi-mall.com government website is because today's technology developments are very fast. I want to use online marketing as an effort to introduce my product to many people or the wider community. Usually when you go offline, that's all." (Said by Ahmad Majid Firdaus)

The same thing was also expressed by M. Imron, one of the Gurame Village SMEs business owners in Sukomaju Village, Srono District, who revealed that the ultimate goal of his business is profit. Of course, to achieve progressive profits or continue to increase, there must be a process or effort, namely making product innovations to carrying out online marketing processes through various social media such as Facebook, Instagram, and WhatsApp.

"Of course, the goal of the business I run is to get as much profit as possible, sir. In the process, so that my business can continue to advance and be able to compete with other businesses, I carry out various kinds of product innovations from packaging to flavors of products to various marketing methods. For offline, I market them through gift shops to outlets. As for online marketing, I use various media such as Facebook, Instagram, WhatsApp, to the government-owned website Banyuwangi-mall.com" (Said by M. Imron R.)

The same thing was also expressed by other SMEs who innovated social media content as a marketing tool. If viewed from the argument of SMEs, they have a strategy or special steps in responding to the fierce competition between businesses, especially in the scope of online marketing. One example of a specific strategy carried out in adopting information technology is to utilize a special team, such as an IT expert, to design social media networks and other online sales tools to become more competitive in the market. One example is Herawati's efforts to prepare the strategy with her SMEs engaged in batik production.

"Before joining Banyuwangi-mall.com, I have used various online marketing tools so that my company can be competitive in the market. One of the strategies I did to be able to compete was to hire a special IT team from Surabaya to do a special design for my Instagram. I did that step so that my Instagram has a lot of diverse and interesting content so that my media display is attractive to consumers who see it. I paid a few million for the Instagram design. Apart from that, another strategy I did was to put my products in various marketplaces, bro. So it's not just one social media or stall that I use" (said by Herawati).

In addition to strategies in terms of marketing, another particular strategy displayed by local SMEs who are members of Banyuwangi-mall.com is product innovation. Product innovation is carried out by considering the value of the characteristics and uniqueness of the product that will compete in the market. The SMEs owners have an idea to do a product branding that the product is

different from the products offered by other businesses developing in the market using the uniqueness of regional recipes to be used as a basis for product innovation, for example, using Banyuwangi specialties such as Sambel Tempong for the taste of snack products such as chips. This concept was applied by UKM CB 41, owned by Mr. FX Eddy Purnomo, who produces snacks.

"In running a snack business like myself, sir, I don't only think about adventurous products, bro. The way I see the products that are sold in the market first is whether there are products or snacks that are rarely sold in the market. From there, I can see, what kind of product that doesn't exist yet should be displayed, sir. For example, my product is chips with sambal tempong. It's normal for chips to be sold in shops, man. But I added a characteristic of the Banyuwangi area to make it unique, namely the tempong sauce, mas. Likewise with some of my other products, there are also elements of his trademark, sir, whether I add it from the sauce or the shape, sir". (said by FX Eddy Purnomo).

SME's Experience in Utilizing Information Technology in Online Marketing Networks

The next aspect that is immensely contributing to the readiness to adopt information technology is the management aspect. If we look at the statistical data from the survey results, the average value of management readiness stands at 3.613. This figure shows that SMEs involved in Banyuwangi-mall.com already have readiness in management aspects (Ruikar et al., 2006). The formation of management readiness cannot be separated from the experience possessed by SMEs in the use of online marketing facilities.

The majority of SMEs members of Banyuwangi-mall.com have previous experience or have used online marketing networks to introduce their products to consumers. Survey data in the field shows that around 70-80% of SMEs have used digital-based marketing networks before participating and receiving training from creative houses. These SMEs have experience operating various marketplaces such as Bukalapak, Tokopedia to Shopee. Apart from the marketplace, SMEs also take advantage of social media such as Facebook, Instagram, Twitter to chat-based social media like Whatsapp. One of the SMEs that has experience using online marketing networks is Nurul Isnain, who produces skullcaps.

"Before my business was registered at Banyuwangi-mall.com, I had used Facebook and whatsapp. I have been doing marketing through Facebook for quite a long time. I usually use Facebook and WhatsApp as promotions as well as my means to communicate with customers. Usually a minimum of 500 pieces I receive the order from the buyer. If you get an order from outside Java or other friends, you can go through Facebook or the WA group, bro." (said by Nurul Isnain).

The same thing was also expressed by Herawati, who is in the batik business. Herawati, with the Pendawi batik business, which has been running since its inception in 2016, has penetrated online markets such as the Tokopedia, Bukalapak, and Shopee market places along with Instagram social media. By being involved in online marketing, Herawati feels that she has learned a lot about new patterns in promotions to contestations between businesses run through digital platforms. In addition, Herawati's participation in the digital platform also gave her new experience and knowledge in running an online-based business. Herawati, the Pendawi Batik business owner, has experienced training organized by the Tokopedia marketplace.

"Before participating in Banyuwangi-mall.com, I have been struggling with online marketing in 2016/2017, such as in Tokopedia, Shopee to social media such as Instagram etc. From my experience of participating in various marketplaces such as Tokopedia, Shopee, Bukalapak, I got the experience oh it turns out this is online-based marketing, such as the character of competition, how to be effective in promotions and so on. From

Tokopedia some time ago I got new knowledge from the training that I attended. Yes, what is taught is related to products, packaging, to online promotion. It's also good to join the marketplace, the bonuses are a lot.” (said by Herawati).

Furthermore, another business with previous experience in online marketing is Mona Mawardi, who runs an OKB business and produces batik. Independently, OKB SMEs can distribute their products through digital marketing networks with a reasonably broad market reach. Thanks to various marketplaces and social media, the products marketed can be sold outside the island, such as Central Sulawesi. Several social media and marketplaces used by Mona Mawardi's mother to run her online business are shopee, Twitter, Facebook to WhatsApp.

“I use social media such as shopee, twitter, facebook as an online marketing tool. I even independently developed online marketing even to Central Sulawesi. I am developing marketing outside of Java so that my product reach can be further. Of course, by using a variety of marketing tools, including online. marketplace and social media are enough to help me in the business activities that I run, bro. Yes, transactions and communications related to orders are often done via WhatsApp and social media.” (said by Mona Mawardi).

The contribution made by Rumah Kreatif to SMEs involved in Banyuwangi-mall.com can be said to be not optimal in encouraging SMEs to have readiness in the management aspect. Some SMEs feel that there is a role or encouragement from creative houses in encouraging their business readiness to enter digital marketing networks, such as training that includes teaching product design and product display on the website to the packaging. Not a few SMEs feel that the program run by the creative house or Banyuwangi-mall.com does not have a significant impact on the business they run.

“Often, sir, from packaging, production, computers and so on, there is training. Yesterday during the training, I was taught how to pack. The packaging training provided enough benefits for the progress of my business. Moreover, today's business competition is very tight.” (said by Ahmad Majid Firdaus).

However, there are also SMEs who feel that there is no significant impact on their management readiness. They mentioned that the minimal contribution from the creative house to their business was one of the causes of the absence of influence in the management aspect. Furthermore, conditions emerged in the form of a lack of communication that was built simultaneously between the creative house and the SMEs.

“Maybe there is a lack of communication with SMEs. From the Banyuwangi-mall.com marketplace, it only provides marketing. There is no communication, such as when there is a problem, or the product is lacking, how so, there is no communication with us. Several times he said the Creative House wanted to come here but how come it didn't happen, bro. Actually, thank you, mas, without Banyuwangi-mall.com itself, I can actually do marketing and manage my own company.” (said by Fany Wendra Wijaya).

Contribution of Workers in Utilizing the Use of Information Technology and the Adoption of Online Marketing

If we look at the survey results, it shows that the aspect of readiness of SMEs workers who participate in the Banyuwangi-mall.com marketing network is at the middle level (Ruikar et al., 2006:105). In general, the average worker readiness variable obtained an average respondent's answer of 3.304. This value shows that the readiness of workers in the aspect of information technology adoption is still not at the highest level in the aspect of worker readiness. Even though

they are not at the unprepared level, workers still face some problems in implementing online-based marketing implementation.

One of the problems faced by SMEs workers is the lack of direct workers' roles in online marketing through Banyuwangi-mall.com and other social media. Most workers only act as implementers in the production phase. Most of the SME's online marketing is still directly owned by the owner. The workers only know the aspect of using information technology related to the company's production. It is rare for employees to be involved by the owner in marketing at Banyuwangi-mall.com.

"For marketing management, I myself as the owner who manages online marketing through Instagram, Facebook, Bukalapak, Shopee, Tokopedia etc. In my involvement with Banyuwangi-mall.com, I myself also communicate directly with the office and creative houses" (said by Herawati).

The same thing was also acknowledged by Heru Prayitno, who owns the Dua Putri SMEs, which produces dipped ginger. According to him, so far in running online-based marketing, including his participation in the Banyuwangi-mall.com marketing network, he as the owner is the one who directly manages and communicates with the creative house. No SMEs employees are involved in any online marketing activities through Banyuwangi-mall.com or market places and other social media.

"I personally handle online marketing whether through FB, WA to marketing through Banyuwangi-mall.com. Ideally, someone should handle online marketing specifically from the employee side. However, until now, I have been the only one handling it Mas myself because I am still able to manage my online marketing business." (said by Heru Prayitno).

Workers' participation in every online-based marketing activity is related to production, for example, the use of cover or packaging designs used for products that will later be offered through online platform networks such as Banyuwangi-mall.com. Employee involvement is more of a secondary item that supports a product to sell well in the online market network.

"For the development of the packaging design and appearance of this product, I designed it myself with the production carried out by the employees. I gave the design samples to the employees, then the employees later produced the cover designs and later carried out the packaging of the products." (sadi by FX Eddy Purnomo).

D. CONCLUSION AND RECOMMENDATION

Conclusion

SMEs that are members of the banyuwangi-mall.com digital marketing network are ready from strategic and management aspects. In the aspect of workers, SMEs have a medium level of readiness. If examined more deeply, strategic readiness, which is at a high level, is influenced by several things, such as each business actor having a clear orientation in the form of efforts to achieve significant profits by utilizing digital marketing networks. The next factor driving readiness is a strategy in the form of product innovation by utilizing a distinctive clothing culture to Banyuwangi's culinary specialties. Strategic readiness is also influenced by the experience of SMEs in utilizing online marketing platforms, both social media and marketplace-based.

SMEs have readiness in the management aspect for several reasons that influence it; First, before joining Banyuwangi-amll.com, they had experience operating various marketplaces such as Bukalapak, Tokopedia, and Shopee. In addition, SMEs can distribute their products independently through a digital marketing network with a relatively broad market reach. Even so, there are still pros and cons among SMEs. SMEs feel that there is a contribution from the creative house; some even feel that there is no contribution from the creative house. While the factor that makes SMEs only have readiness at the middle level is that workers do not have readiness at a high level. After all, employees rarely engage in online marketing activities.

Recommendation

SMEs, if they want to increase their capacity in the use of information technology, several steps need to be taken, namely (1) the local government as the facilitating party needs to simultaneously provide assistance and training related to strategic aspects of digital-based marketing to managerial aspects carried out by SMEs. (2) SMEs independently must learn related to the latest practical and accurate business strategies in marketing their products online, including through banyuwangi-mall.com. (3) The government needs to conduct training to increase the capacity of workers in marketing digital-based SMEs products. (4) SMEs owners improve workers' ability independently by providing knowledge and insight related to management to marketing which is currently carried out online.

Empirically this study provides recommendations for improvement for SMEs in increasing employee participation in online marketing. In addition, the results of this study recommend that Banyuwangi creative houses improve management and stimulate product sales through Banyuwangi-mall.com. Theoretically, it is hoped that this study will fill the void and provide a new perspective on the E-readiness of SMEs entering online marketing with an e-commerce website facilitator from the local government.

Theoretically, this study fills the research gap by contributing to e-readiness in e-commerce adoption with case portraits in developing countries. So far, the focus of other studies has only looked at SMEs e-readiness independently, without any contribution from the government. This study has limitations on the readiness of SMEs for adopting e-commerce assisted by the government within the city scope. A more extensive follow-up study is needed to photograph the readiness of SMEs to adopt e-commerce, such as comparisons between cities or at the national scope.

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