

# E-Commerce Implementation By Small Business That Is Influenced By Planned Behavior Factors And Economic Motivation

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**Abstract:** The main of Small Business is business sector consists of trade, retail, services, processing, transportation, and industries. At present the use of e-commerce is very well known and becomes a necessity for society through electronic commerce; communication becomes faster and efficient. The objective of the study was to determine the implementation of e-commerce by Small Business in planning marketing strategies based on the Theory of Planned Behavior and economic motivation. This is based on the fact that each Small Business in Surabaya has the opportunity to expand marketing by implementing e-commerce. The feasibility of the model is based on the criteria of the goodness of fit model. The results of the study showed that the Theory of Planned Behavior and Economic Motivation could be partly applied to assess the behavior of small business actors in implementing e-commerce into business strategies

**Keywords:** Small Business, E-commerce, Theory of Planned Behavior

## 1 Introduction

E-commerce in Surabaya is being promoted and fully supported by the Regional Government of the City of Surabaya. More Micro, small and medium business owners in Surabaya attended the 'UKM Surabaya Go Digital and International' workshop. The Mayor of Surabaya also welcomed this activity. We held the workshop - ASEAN Business Council, the Indonesian Ministry of Cooperatives and SMEs and the United States consulate general at Grand City Surabaya, July 3rd, 2018. With this event, it could increase competition in the future," said Mayor Tri Rismaharini.

According to Risma, the economic development in Surabaya City is 98% supported by the micro-small economy traders sector; the remaining 2% is from large companies. This was able to materialize because so far the small business was taught knowledge to compete through Go Global Go Digital. With e-commerce, a small business can use it to search for networking for market products and to seek capital so that small business can increase their capacity. Not only that small

businesses to be more efficient, more profitable, and more interrelated to support small business in Indonesia and all ASEAN countries. Digitalization allows micro, small, and medium enterprises in Indonesia and throughout ASEAN to participate in cross-border trade that enables them to grow and weigh business needs without having to reduce costs. "Indeed not all, but if the government and companies support the development of inclusive digital economy will soon be realized," said Desi. Individual understanding of the process of technology education to support its activities, as well as the factors that influence decisions are still an essential focus in research in the field of marketing. The behavior of using technology is influenced by the perception of someone that the technology is easy to use and useful [1].

E-commerce through the internet gets special attention because of its very fast development. E-commerce through the internet is a continuation or evolution of Electronic Data Interchange, where the process becomes faster and more efficient. Small business generally applies to trade through electronic networks to increase revenue. In order to improve the ability of micro, small, an medium enterprise managers to utilize Information and Communication Technology both in terms of computer maintenance, data or information management through computers, Business information access, and promotion of small business products through the internet, The Deputy of Business System Development and Business Restructuring Affairs conducting assistance activities using the internet in the form of websites for micro, small, an medium enterprise named [www.sentraumkm.com](http://www.sentraumkm.com) [2].

Small Business have a considerable opportunity to be developed especially if Small business implements e-commerce in the promotion. Small business influence the existence of a small business. In the Theory of Reasoned Action, it is stated that a person's behavior is formed from Attitude Toward Behavior and Subjective Norm [3]. Ajzen then refines the theory of Reasoned Action by adding Perceived Behavior Control as an Antecedent of intention to do attitude and become a new framework called Theory of Planned Behavior. Theory of Planned Behavior can explain that a person's behavior is influenced by Intention to Behavior, while the intention to behavior is influenced by attitudes toward behavior, subjective norms, and perceived behavioral control.

Theory of Planned of Behavior states that behavioral attention to technology implementation will determine by three levels of trust in use, namely behavioral beliefs, normative beliefs and control beliefs [4], [5]. There is a debate about the relationship between attitude or attitude and behavior or behavior, and there is a belief that attitude causes behavior. This is a driving factor for research to replicate the model that is estimated to be relevant for testing the factors that influence the implementation of E-Commerce by small business in Surabaya using the Theory of Planned Behavior model and implemented in research settings in Surabaya, East Java.

The analysis was carried out to determine the influence of the factors that made small business actors continue to implement e-commerce because it was realized that every small business in Surabaya had the opportunity to expand its marketing by implementing e-commerce. The analysis aims to find out to (1) Effect of attitude towards behavior on the economic motivation of small business in implementing e-commerce, (2) Effect of subjective norms on the economic motivation of small business in implementing e-commerce, (3) Effect of perceived behavior control on the economic motivation of small business in implementing e-commerce, and (4) Effect of economic motivation on the usage behavior of small business in implementing e-commerce.

## **2 Literature Review And Development Of Hypotheses**

The relationship model between variables in this study is based on the Theory of Planned Behavior model (Ajzen, 2006). This theory was to help understand how we can change a person's behavior. Attitudes toward behavior refer to the level of someone evaluating a behavior that is good or not good and can also be said of one's research on behavior. Attitudes toward behavior are determined by beliefs about behavior and the costs or benefits of the behavior [6], [7].

Subjective norms in the Theory of Planned Behavior are social factors. Subjective norms refer to one's feelings about how to perceive pressure from the environment to do / not do something or normative values that apply in society and the environment [6], [7]. Subjective norms are social pressures that a person receives to do or not take action or behavior [8].

Another factor that is considered by someone to do a behavior is interest. Interest in the Theory of Planned Behavior is a factor of perception of a person's ability to control behavior that will be done. Behavioral control that is felt is a condition when people believe that an action is easy or difficult to do [8]. In this study, interest was explained by economic motivation.

Economic motivation is an impulse that arises in a person to improve his ability in order to achieve the desired financial award [9]. Financial awards consist of direct awards such as salary payments, overtime, leave, payment based on performance — indirect awards such as insurance, pension programs, etc. [10]. As in complex human theory, one of the leading models of the complex human theory is human economics motivated by financial rewards.

The desire to behave, someone, is a factor that determines a person's behavior to do an act [6], [7]. The intention is a variable that mediates the attitude to behavior variable (Attitude Toward Behavior, subjective norms, and Perceived Behavior Control), to the behavior of a person (Usage Behavior).

### **2.1 Hypothesis**

Variables that influence original intention (economic motivation) in doing something are the attitude, subjective norm, and perceived behavior control variables [6], [7]. The results of Ajzen's research are the development of the theory of reasoned action [3], [6], [7]. Attitude is the result of genetic factors and the learning process and is always related to an object. Attitudes usually give an assessment (accept/reject) of the object at hand. The first hypothesis: attitude toward behavior affects economic motivation.

Meanwhile, the norm in the Theory of Planned Behavior is a social factor and is a subjective norm, which refers to one's feelings about the way he perceives pressure from the environment to do or not do something or normative values that apply in society/environment [6], [7]. He also states that variables that influence individual intentions (economic motivation) in doing things are the attitude, subjective norm, and perceived behavior control variables. The second hypothesis: subjective norm affects economic motivation.

Another factor that is considered by someone to conduct an behavior in the Planned Behavior Theory is the perception factor (perceived behavior control) about a person's ability to control the behavior that will be done (planned behavior control). This perception is determined by one's belief in controlling factors that inhibit or encourage behavior [6], [7]. The third hypothesis: perceived behavior control affects economic motivation.

The desire to behave, someone, is a factor that determines a person's behavior to do an act [6], [7]. The intention is a variable that mediates the attitude to behavior variable (Attitude Toward Behavior, subjective norms, and behavioral control abilities (Perceived Behavior Control), to the behavior of a person (Usage Behavior). The influence of user behavior is economic motivation. The fourth hypothesis: economic motivation affects user behavior [11].

### 3 Methods

The study was conducted through a survey of the research population which included all Small Business in Surabaya. The sample is determined by Convenience Sampling and randomly selected 100 Small Business as representatives of each small business who have used information technology with e-commerce. Data on respondents' responses were analyzed descriptively. Hypothesis testing is done by statistically testing using the SEM analysis model with the help of the AMOS 20 application and SPSS 17.

### 4 Result

The population of this research is all small business in Surabaya who in implementing e-commerce marketing. Valid research samples totaling 100 units of small business were determined by simple random sampling convenience technique; each small business unit was represented by a respondent who had a chance at filling out the questionnaire.

Respondents consisted of 70% female and 30% male, age range up to 20 consist 7%, age 21-30 29%, age 31-40 38%, age 41-50 25%, and age above 50 only 1%. This indicates that most respondents are in working age. Knowledge of e-commerce is 80% have known about e-commerce while only 11% do not know about e-commerce.

#### 4.1 Reliability test

Based on table 1 it can be concluded that all variable attributes have a high level of reliability because it is obtained Cronbach Alpha value more than 0.6

**Table 1.** Instrument Reliability Test Results

Variable Attributes	Cronbach Alpha value	Alpha	Information
Attitude toward using	0.812	0.50	Reliabel
Subjective norm	0.784	0.50	Reliabel
Perceived behavioral control	0.825	0.50	Reliabel
Economic motivation	0.859	0.50	Reliabel
Implementation e-commerce	0.749	0.50	Reliabel

## 4.2 Normality test

The normality test is done using AMOS 20.0. The results of the normality test show a minimum, maximum, skewness. Kurtosis. The critical ratio for each variable and total multivariate values. Figures for multivariate kurtosis 85.247 and multivariate critical ratio 13.479 greater than  $\pm 2.58$  (critical ratio at a significance level of 0.01) so that it can be stated that the data used multivariate has abnormal distribution. In SEM. Multivariate normality is not only necessary for realizing the desiderate of standard theory estimators. Based on these theoretical explanations. the analysis can proceed to the next stage even though the data does not meet the assumptions of normality

## 4.3 Outlier test

Evaluation of multivariate outliers on 23 indicators was carried out with AMOS 20.0 software with the criteria of Mahalanobis distance at the level of  $\rho < 0.001$ . All cases that have a Mahalanobis distance greater than  $X^2(23, 0.0001) = 46.33$  are multivariate outliers. The number of outliers is in the data of 3 respondents. Namely number 40 respondents with Mahalanobis square of 52.758; 55th respondent with Mahalanobis square 50.889; respondent no. 122 with Mahalanobis square 50.557; the value of Mahalanobis square is above 46.33, but the data is still included in the processing of data for the complete number of data processed which includes 115 respondents.

## 4.4 Model fit assessment

The most fundamental test tool for measuring the overall fit is the likelihood ratio chi-square statistic. Chi-Square is sensitive to the size of the sample used. The results of the conformity index and cut-off valuation test are used in testing the acceptance or rejection of a model.

**Table 2.** The goodness of Fit Indicates Full Structural Equation Model

The goodness of fit index	Cut off Value	Model Results	Information
Chi-Square		792.413	
Probabilitas	$\geq 0.05$	0.000	<i>Fit</i>
CMIN/DF	$\leq 2.00$	2.271	<i>Fit</i>
GFI	$\geq 0.90$	0.672	<i>Fit</i>
AGFI	$\geq 0.90$	0.592	<i>Fit</i>
TLI	$\geq 0.95$	0.801	<i>Fit</i>
CFI	$\geq 0.90$	0.829	<i>Fit</i>
RMSEA	$\leq 0.08$	0.113	<i>Fit</i>

*The goodness of fit indicates the full model structural equation model shows that generally the model is built fit. The probability of 0.330 states that the model is fit.*

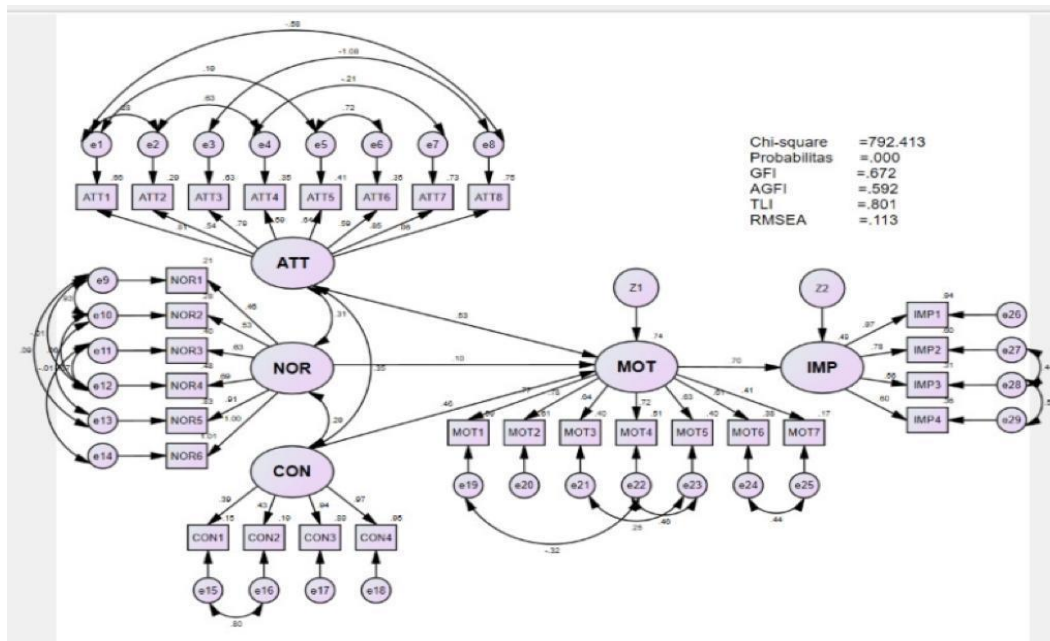


Fig. 1. Full Analysis of the Structural Equation Model

#### 4.5 Hypothesis testing and discussion

Hypothesis testing is done by looking at the magnitude of Critical Ratio and probability towards regression weight output.

Table 4. Full Model Regression Weights (Group Number 1 - Default Model)

			Estimate	S.E.	C.R.	P	Label
MOT	□	CON	0.794	0.241	3.300	***	par-25
MOT	□	NOR	0.119	0.084	1.412	0.158	par-26
MOT	□	ATT	0.291	0.051	5.674	***	par-31
IMP	□	MOT	0.996	0.147	6.750	***	par-27

Test the Effect of Attitude Toward Behavior on Economic Motivation

C.R value of 5.674 and a probability value of 0.000 < 0.01 (1% significance level) so that the first hypothesis (H1) states that attitude toward influential behavior (positive significant) to economic motivation is tested and accepted.

Test the Effect of Subjective Norms on Economic Motivation

C.R value is 1.412, and probability value is 0.158 < 0.10 (10% significance level) so the second hypothesis (H2) which states that influential subjective norms (positive significant) to economic motivation are tested and Rejected.

Test the Effect of Perceived Behavior Control on Economic Motivation

C.R value of 3.300 and a probability value of 0.000 < 0.01 (1% significance level) so that the third hypothesis (H3) which states that perceived influential control behavior (the most significant positive) for economic motivation is tested and accepted.

Test the Effect of Economic Motivation on Usage Behavior

C.R value of 6.750 and a probability value of 0.000 < 0.05 (10% significance level) so that the fourth hypothesis (H4) states that Economic motivation affects (positive significant) on proven and accepted usage behavior.

## **5 Discussion**

Attitude toward behavior positively affects Economic motivation. Which means that the higher attitude-behavior will affect increasing economic motivation. The results of this study are not different from the results of previous studies among others [6], [7]. Moreover, the variables that influence the original intention to do something (economic motivation) are attitude variables toward behavior. Subjective norms. Moreover, perceived behavior control [12].

Subjective norms have a nonsignificant positive effect on economic motivation. This means that subjective norms do not effect on increasing economic motivation. In other words. This means that norms as rules. Either explicitly or implicitly that can regulate one's thoughts, and behavior does not affect economic motivation to run e-commerce. This happens because the implementation of e-commerce is entirely new compared to traditional trades. Therefore there are still little advises and pressures from family. Friend. Relatives who suggest running e-commerce. Resulting in no significant effect on norms towards economic motivation. This research different from [6], [7] which stated that variables that influence individual intentions (economic motivation) in doing things are the attitude. Subjective norm. Moreover, perceived behavior control variables. Also. The attitude has the most significant positive effect on economic motivation, which means that the increase in attitude increases economic motivation.

The results of this study are different from the results of [6], [7] who stated that perceived behavior control and subjective norms influence economic motivation. [11] also states that perceived behavior control has a strong influence on interest (economic motivation). Perceived behavior control positively influences economic motivation, which means that the increase in perceived behavior control affects increasing economic motivation.

Economic motivation positively influences Usage Behavior of e-commerce implementation, which means that higher or more economic motivation will influence the increasing usage behavior of e-commerce implementation. The results of this study are not different from the results of [11] where will intention is a feeling when someone plans or intends to do it, which will soon be

manifested in Usage Behavior. That interest economic motivation can have a substantial direct influence on Usage Behavior.

Attitude to behavior that affects Economic motivation indicates that small business actors who have an accepting attitude towards the implementation of technology will be interested in implementing e-commerce. Small business practitioners who feel that implementing e-commerce will not produce anything negative will be interested in implementing e-commerce. Subjective norms do not influence the growing interest of small business actors in implementing e-commerce. Social values that are good in the eyes of the public about e-commerce and positive views about e-commerce from essential people such as friends or family of small business actors will not influence the desire of small business factors to implement e-commerce. Some one's perception or thought that implementing e-commerce is easy to do. Allows the person to implement e-commerce in their marketing needs.

Moreover, interest in implementing e-commerce that grows in a person is possible for the person to implement e-commerce. If a small business feels that they can control their behavior to continue using e-commerce after they decide to use e-commerce, it will bring interest to small business actors to implement e-commerce. The implementation of e-commerce by small business was due to the interest that arose because of the consideration of the overall players — namely attitude toward behavior.

Moreover, they have perceived behavior control. [6], [7] states that strong perceptual factors are essential to convince a person so that they generate keen interest in someone. Bring up and grow attitude toward behavior. Moreover, perceived control behavior needs to be done so that interest in using e-commerce still exists.

The results of this study are different from the results of previous studies and prove that the Theory of Planned Behavior can be partly applied to assess the behavior of small business actors in implementing e-commerce. Academics can use the results of this study as a reference to initiate research that implements the Theory of Planned Behavior. Moreover, to help the development of small business in Indonesia by implementing e-commerce.

## **6 Conclusion and Implication**

Based on the results of data analysis and discussion. It can be concluded that the following matters (1) attitude toward behavior affects (positive significant) on economic motivation. This means that the attitude of small business actors towards the behavior of e-commerce usage has a positive effect on the interests of small business in implementing e-commerce, (2) Subjective norm does not affect (not significant) on economic motivation. This means that the social values of families. Parents. Relations.

Moreover, neighbors do not influence the interests of small business actors in marketing their products or services through e-commerce, (3) Perceived behavioral control effects (positive significant) on economic motivation. This means that behavioral control affects the emergence of interest in small business actors to implement use e-commerce, and (4) Economic motivation affects (positive significant) on the usage behavior. This means that the higher the desire of someone small



business to market their products through e-commerce. The more it will support the increasing need for e-commerce use.

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