Analysis of Digital Business Strategy to Support Sustainable Economic Development

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**JEL Classification**

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**ABSTRACT**

**Objective:** Purpose: This study aims to analyze Digital Business Strategies to Support Sustainable Economic Development. Business digitization that is currently developing includes websites, social media, Office Automation, and other technologies. Collaboration between hardware and software here really supports the running of digital processes.

**Methodology:** The development of a digital business strategy to support sustainable economic development requires strong analysis to determine the position of the level of digital facilities used to support business. On the website, for example, it can be analyzed by applying the WebQual measurement method which uses the support of the IPA (Importance Performance Analysis) method.

**Results:** The results of this study are in the form of strategies for developing business by utilizing technology for business in the digital era, such as social media, mobile applications and websites.

**Implication:** This study presents the perception and importance approach of the user. The user's perception of a good information system is a system where users are satisfied with the quality of the website. This study is very useful for practitioners, business people to support sustainable economic development by analyzing the applied business strategy. This paper provides a valuable reference for business people and society to develop a profitable business.

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**Introduction**

In Indonesia, many businesses or business units are dominated by Micro, Small and Medium
Enterprises). The growth of MSMEs until 2019 in Indonesia can be seen in the following diagram sourced from the Central Bureau of Statistics. It can be seen from the diagram that micro-enterprises in Indonesia are always increasing. To see the development of MSMEs in Indonesia graphically can be seen in Figure 1.

![Figure 1. Growth of MSMEs in Indonesia until 2019 (BPS, Various Years)](image)

With data on the number of micro businesses that continue to increase in number, it can illustrate the statement that the micro business sector has the potential to support economic development. The good performance of MSME actors is very visible during a crisis, seen from their contribution to the Gross Domestic Product (GDP) and absorption of labor (Widyastuti, Nuswantoro, & Sidhi. This is the starting point for increasing MSME capacity so this requires special attention in supporting business applications in the industrial era 4.0. Indonesians rely on internet technology in terms of communication and sharing information at this time. In response to this, business actors are doing things based on internet technology to 'lead' public opinion in cyberspace [1].

There is a Gap analysis regarding the relationship between the growth of the business world and the development of existing digital technology, including the following:

**Gap Identification**

The relationship between digitalization and the running of the business world still creates several problems, including the lack of knowledge of business actors in the application of digitalization technology in the businesses they run. Another problem is the lack of technological facilities or infrastructure which raises a lack of motivation to use technology-based business tools, as well as the Idea Concept Business as a research object which is a business unit engaged in Web Development Services and Information Systems. The media that is often used is the website (https://ideconcept.my.id). Business planning really requires quite good knowledge about digitalization because currently digitalization is a dominant supporting factor in business, as is the case with the use of a good and correct business website and website design layout. The dependence of business units on digitization can be seen in the need for specifications for digital transactions, one of which is the "ideconcept" business. For this reason, the research team made a proposal entitled "Analysis of Digital Business Strategies to Support Sustainable Economic Development".

**Root Cause Analysis**

From the identification above, it is very necessary to deepen the case. In this condition, it is necessary to analyze the effectiveness of digital tools implemented by the business sector. The functional effectiveness of digital devices such as websites and others require an in-depth analysis of the effectiveness in their use which is expected to increase the use of digitalization as a means of supporting marketing and sales in certain ongoing business fields.

**Improvement Plan**
From the existing review, the analysis stages were carried out using the SWOT analysis method and Webqual analysis which were calculated using the IPA (Importance Performance Analysis) method.

For this reason, the results of the analysis will be obtained which provide an illustration of the terms of a good and correct web criterion. As an object of research, the "ideconcept" business can finally complement its web and will be used as a model or guide for other business unit fields in increasing the results of promotional activities and also sales via the web.

**Research Method**

This research method is to use the SWOT analysis method to map patterns or formulate strategies that will be used to help business people formulate digitalization patterns. SWOT analysis will interpret the strengths, weaknesses from the internal environment and opportunities and threats from the external aspect. The results from the SWOT analysis are then recalculated using a weighting method using the IPA (Importance Performance Analysis) method. The identification is in the form of the formulation of 4 (four) strategy patterns [2], namely:

1. **SO** (strengths-opportunities). Strategy patterns by utilizing internal strengths to capture the existing opportunities.
2. **WO** (weaknesses-opportunities). Strategy pattern by correcting weaknesses by adopting advantage factors from the external opportunity side.
3. **ST** (strengths-threats). Strategy patterns using strength factors to deal with various threats that arise from external.
4. **WT** (weaknesses-threats). Strategy patterns to reduce internal weaknesses and at the same time avoid various external threats.

The software we used in this study included: PHP XAMPP for codifying web modifications, MySQL as a web database support, Text editor in the form of Sublime Text 3, Bootstrap Framework for User Interface, and SPSS for statistical calculations.

**Results And Discussion**

An analysis of sustainable economic development supported by an appropriate digital-based business strategy is first carried out in the early stages of the analysis, namely by conducting a SWOT analysis and analyzing data from the results of the questionnaire, then the data is used for WEBQUAL calculations using the IPA method. The data is in Table 1 as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Captured Data</th>
<th>Information</th>
</tr>
</thead>
</table>
| 1. | The current business strategy is based on digital research objects, namely "ideconcept" which is located in the city of Depok | a. The current strategy in the "ideconcept" business unit, especially digital strategy, is still manual  
  
  b. The current business strategy relies on the ability to interact between business strategies that are currently running require a long operational time span to produce significant buying and selling transactions |
| 2. | Ideconcept business needs | a. The ideconcept business unit requires assistance in terms of business strategy  
  
  b. Business units need a system (Digitalization and its assistance) which includes promotion and sales matters |
3. Results of data analysis and results of strategy analysis as a solution

a. Digital facilities such as a website that is good and able to support sales which is complemented by a sales strategy, a solid sales team which is expected to increase promo and sales patterns which can ultimately increase sales transactions

The initial analysis stage that can be carried out is data observation and interviews with owners and customers to record SWOT components (Strength, Weakness, Opportunity and Threat) owned by ideconcept as a business unit that is used as the object of research. The results of the observations and interviews were immediately visualized in the form of a TAWS matrix which was then immediately analyzed to obtain the basic strategy that came from the SWOT. To realize goals in the context of an organization, business or business, a good strategy pattern is needed. SWOT analysis method can describe the situation and conditions faced by the company.

![SWOT Analysis Diagram]

**Figure 2. The usefulness of SWOT Analysis**

SWOT analysis consists of four elements, namely Strengths, Weaknesses, Opportunities and Threats:

a) Strength
Based on the results of observations and interviews with the owner and in-depth observations obtained several internal strategic factors which are said to be strengths, namely:
1. Strong Company Vision and Mission
2. Production facilities and quality are quite good
3. Good product quality
4. Research and Development carried out in support of economic development

b) Weaknesses
1. Management Control System is not good
2. The business location is far from the marketing area
3. Product prices are less competitive (competitive)
4. Promotions carried out still rely heavily on system manuals
5. The variations or series of products offered are less diverse

c) Opportunity
1. Government policies related to service businesses
2. Lifestyle in urban society
3. Development of information technology and digitization

d) Threats
1. Policies made by the government related to service businesses
2. Business competition with similar companies
3. Currency fluctuations affect service business sales figures
The results of the SWOT analysis above are described in the TAWS Matrix table in table 2 below:

<table>
<thead>
<tr>
<th>TAWS MATRIX</th>
<th>Strength:</th>
<th>Weakness:</th>
</tr>
</thead>
</table>
|            | • Strong Company Vision and Mission  
• Adequate production facilities and quality  
• Good product quality  
• Research and Development conducted to support economic development | • Poor Management Control System  
• The business location is far from the marketing area  
• Product prices are less competitive (competitive)  
• Promotions carried out still rely heavily on manual systems  
• The variations or series of products offered are less diverse |

<table>
<thead>
<tr>
<th>Opportunity:</th>
<th>SO Strategy:</th>
<th>W-O strategy:</th>
</tr>
</thead>
</table>
| • Government policies related to service businesses  
• Lifestyle in urban society  
• Development of information technology and digitization | 1. Integration strategy costs are relatively low, with low costs can be more  
2. concentrating on the production and product differentiation strategy of the resulting service products  
3. Broad differentiation strategy, creating products with uniqueness that can be accepted by the industry and creating value for customers | 1. Cost Efficiency / Promotion Costs, the most effective and efficient promotion channels are needed to reduce promotion costs because promotion is still manual by word of mouth  
2. Maximizing information technology facilities and infrastructure that can be applied and accessible as an effort to develop promotional strategies and 3. as well as other operational activities |

<table>
<thead>
<tr>
<th>Threat:</th>
<th>S-T Strategy:</th>
<th>W-T Strategy:</th>
</tr>
</thead>
</table>
| • Policies made by the government related to service businesses  
• Business competition with similar companies  
• Currency fluctuations affect service business sales figures | 1. Focus on Service Product differentiation  
2. Collaborating with several organizations in regards to increasing branding  
3. Apply the results research on business development to be able to increase business value | 1. Carrying out innovation development and product promotion with the help of information technology and computers  
2. Building the right product and service sales strategy |

1.
In the process of determining digital strategy in business, data obtained from the calculation of the webqual method is needed which is expected to be able to predict the suitability pattern of the business digitization concept used. Website is one of the components in digital business that can be evaluated using this method. Measurements on this method include:

**Figure 3. Stages of Research Determining Business Digitalization Strategy**

**Figure 4. Research Measurement Item**
In the process of measuring existing items, a questionnaire pattern can be made using the Google Form facility to capture the required data. The following is a pattern of questionnaire questions, including:

**Usability, Site Design, Information Quality, Trust, Empathy** ***USAGE (UQ)***

**UQ01, I think this website is easy to operate and learn**
- Web ideconcept is attractive because it is easy to browse
- On the web it's easy to find the info you need

**UQ02, I think this website has an easy navigation structure**
- Web ideconcept has an easy-to-understand navigation structure
- Ideconcept web interaction is clear and relevant

**UQ03, I think this website is user friendly so it's not difficult to use**
- Web ideconcept user friendly (easy to access)
- I have no difficulty in ordering service products on this web

**DESIGN (SD)**

**SD04 This website is interesting**
- Attractive ideconcept web design
- ideconcept has a variety of products

**SD05 Web made me have a positive experience**
- Web ideconcept provides a positive experience
- I am happy to order service products in ideconcept through this web

**INFORMATION QUALITY (IQ)**

**IQ06 Has information with a good degree of accuracy**
- The information on this website is accurate
- Information on this website is detailed

**IQ07 Provide correct and reliable information**
- Information on this website tends to be true and can be trusted
- Before the purchase transaction, I checked other buyers' reviews

**IQ08 Provides timely info**
- This website has a service menu for web visitors
- Services for web visitors have a fast response

**IQ09 Provides relevant info**
- The information presented on this website is relevant
- The services offered by this web are varied

**TRUST (T)**

**T10 Feeling of security for transactions**
- I feel safe ordering and transacting through this website
- I am not disappointed for transactions through this web

**T11 Privacy data is safe**
- This website has a user page
- I consider that my privacy is sufficiently maintained in interacting with this website

**Q12, I believe that the services to be delivered are appropriate**
- Service order specifications are appropriate
- Services delivered on time

**EMPATHY (E)**

**E13 Personalized**
- I rate the services provided as good
- I think this website is reliable
E14 Easily interact with sellers and the community
- I think this website has communication space with sellers
- I think this website has a communication space with the community

E15 Makes it easy to respond
- I think this website has alternatives in evaluation
- I'm easy to give a review after the transaction

The calculation results of the Importance Performance Analysis (IPA) method that have been obtained from the results of the literature study are as follows:

<table>
<thead>
<tr>
<th>Item ke.</th>
<th>Performance Kinerja</th>
<th>Performance Harapan</th>
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<tbody>
<tr>
<td>1</td>
<td>4.08</td>
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<tr>
<td>2</td>
<td>4.07</td>
<td>5</td>
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<tr>
<td>3</td>
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<tr>
<td>30</td>
<td>3.68</td>
<td>5</td>
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</tbody>
</table>

| Rata-Rata | 3.94 | 4,5 |

- The items in the table cover all aspects of the WebQual method and are calculated based on performance and expectations [4]. The results of the analysis are as follows:
The questionnaire can collect approximately 160 respondents who participate in filling out and are said to meet the criteria for calculating IPA [5]. The results of the TAWS matrix data, the SPSS statistical calculation of web visitors and the IPA calculation process illustrate that the Digital Marketing process carried out by ideconcept makes these web visitors represented for business communication and interaction. Through the web, information that the customer has not created optimal satisfaction in business interactions with digital business support still requires web development items, including adding space for interaction between sellers and buyers.

This web development is adjusted to the results of research that has been done. It can be seen from the results of this research analysis that a digital facility or facility used by a company, both small and large, such as a website, will affect the pattern of income and the operation of the business. On the other hand, if the pattern of revenue and operational running of the business can always run well and be balanced and sustainable, it will result in good business interactions that lead to better business development as well. Good business development will certainly affect the level of the existing economy. From these results it can also make digital facilities in the form of a website owned by ideconcept with all its developments able to be used as a model for other business units so that the national economy can also develop with the advancement of business units supported by existing digital technology facilities.

Conclusions And Recommendations
Research results are related to a current business mission, which is to improve business operations and increase business revenue by developing digital technology-based business strategies. In the digital technology support research used is website technology. This digital technology support is a supporting component of business progress operationally and revenue. The increase in operational business and income will certainly increase "excitement" in the existing national economy. This is because current business units such as MSMEs and the like are the dominant determining factor in the country's economic sector. We must be able to develop the MSME business and the like to develop opportunities to increase business potential that can answer the challenges of the national economy. A statement pattern was also obtained, namely that digital technology innovation would have a fairly positive impact on the rise and development of the country's economy.

With the support of technological innovation in business development which will have an impact on improving and developing the economy in a sustainable manner. A sustainable economy can be developed with the innovation and creativity of entrepreneurs in using digital technology, for example using websites.

This research still has many shortcomings so that the suggestions that can be conveyed are that this research can be developed more deeply to find out the pattern of strategies for using the right technology according to each type of business. Further research is still needed to examine the types of technology other than websites used in supporting technology such as social media, market place and others.

References


