

The Importance of E-Commerce on The Development of Micro, Small and Medium Enterprises (MSMEs) in The Rural Area During Covid-19

Yoanita Kartika Sari Tahalele¹, Marini Yunita Tanzil², Fabio Ricardo Toreh³
Universitas Ciputra Surabaya, Surabaya, Indonesia^{1,2,3}
[E-mail: yoanita.tahalele@ciputra.ac.id](mailto:yoanita.tahalele@ciputra.ac.id), marini.yunita@ciputra.ac.id
fabio.toreh@ciputra.ac.id

Abstract: The Covid-19 pandemic that has been spreaded on March 2020 in Indonesia has greatly affected the economy and changed the nature of business in Indonesia. The new normal has led to a surge in e-commerce and digital transformation. However those who live in rural areas could not take advantage of this transformation, as they have very minimal access and knowledge about digital literacy. The researchers believe one way to make them know and understand about this matter is through training. Thus, this study aims to understand the importance of e-commerce training on the development of micro, small and medium enterprises (MSMEs) in the field of creative industry in the rural area during Covid-19 Pandemic, using a case study in Biak Numfor, Papua. The analysis is based on a qualitative study using focus group discussion toward 6 women, who have MSMEs in the creative industry in Biak Numfor and have joined e-commerce training. The study assessed that the training is important and provides an understanding about the importance of e-commerce and its significant to help their business development. The results are expected to be able to contribute frameworks and ideas to the community, government, and MSMEs players associated to the importance of e-commerce and the training on the development of MSMEs in the rural area during Covid-19.

Keywords: *e-commerce, MSMEs, Covid-19, rural area*

1. Introduction

The emergence and rapid spread of Covid-19 around the world has been infecting millions and greatly affected the global economy. It steadily has changed the nature of economic activity and has brought economic deprivation as many countries imposed lockdown and tight restrictions on movement to cease the spread of the virus. According to a research on economic activity during Covid-19 pandemic, 52% of consumers avoid shopping activities and crowded areas. Furthermore, 36% avoid shopping activities until they are vaccinated (Bhatti et al., 2020). In the midst of face to face economic activity halt, Covid-19 has led to a surge of digital economic transformation and e-commerce (UNCTAD, 2021). The new normal has pushed producers, businesses and consumers to go digital, selling and buying goods online. Thus make the global market of e-commerce rise from 14% in 2019 to about 17% in 2020 (UNCTAD, 2021).