

# Utilizing Digital Technology in Entrepreneurship in the Era of Globalization

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## ABSTRACT

In the current digital era, technology has provided great benefits to the world of business and enterprise. In fact, entrepreneurship can be done without requiring large capital or a strategic physical location. Everyone can now start a business just by using information technology via the internet or social media. Utilizing this technology makes it possible to create an online store easily. Additionally, all generations today have the ability to do business online and generate income from their own efforts, changing the mindset regarding work. This has the potential to have a positive impact on the Indonesian economy. By utilizing technology and social media, millennials can run their own businesses and have personal income. In its implementation, online business needs to use a strategy to continue to survive and grow, namely by explaining it through a SWOT analysis.

**Keywords:** Entrepreneurship, Online Business, SWOT Analysis.

## INTRODUCTIONS

The growth of digital technology in Indonesia has driven a significant increase in internet use. Based on the We Are Social survey (2021), the number of internet users in Indonesia reached 202.6 million people or the equivalent of 72.70% of the total population of 274.9 million people. In the past year, there has been an increase of 15.5%, adding around 27 million new users. As many as 170 million people or 61.84% are active on social media, while the cell phone penetration rate reaches 98.3% and smartphone users reach 98.2% of Indonesia's population.

The use of smartphones makes it easier for buyers and sellers to always access the internet and use various applications to buy and sell products and services, thereby bringing about changes in business models [1]

According to DBS Group Research in its article, the adoption of digital technology has had a significant impact on the business world. This is especially seen in increasing access speed and the opportunity for consumers to access various services through a single platform with one click, as well as a new method of utilizing business intelligence to gain deeper consumer insight into products [2] Digital infrastructure also allows companies to operate more efficiently without offline physical presence such as new branches or additional staff, but with online infrastructure [2].

Entrepreneurship in the digital era, better known as digital entrepreneurship, is entrepreneurship that is influenced by digital technology by adopting and utilizing digital technology in transforming conventional businesses into digital businesses [3]

Basically, various basic principles of entrepreneurship still apply and can be applied in the digital world,

such as: entrepreneurial motivation and mindset, the ability to identify opportunities well, increase the competency of key resources, provide value propositions for products and services. superior and different from competitors, establishing good relationships with suppliers and distributors and resellers, recognizing and establishing good relationships with customers, complying with legal regulations, looking for sources of business capital, carrying out effective and efficient promotions, and so on [3]. In entrepreneurship in the digital era, the fundamental change lies in digital technology-based business activities that are connected to consumers and customers who are able to use digital technology [3]

## LITERATURE STUDY

According to [4] Entrepreneurship is a science that examines the development and development of a creative spirit and the courage to bear risks in the work carried out in order to realize the results of that work.

Meanwhile, according to Hisrich et.al. in [5] entrepreneurship is the process of creating something new and of value by sacrificing time and energy, taking financial, physical and social risks, and receiving monetary rewards and personal satisfaction and freedom.

Technology according to [6] is an effort to develop and apply various equipment or systems to solve problems faced by humans in everyday life.

[7] also states that technology is a means to improve human capabilities and an instrument of change. Everything that includes the human capacity to create, innovate and choose various techniques and use them optimally in the context of the existing physical, social and cultural environment.

According to [8], digitalization is the process of managing printed documents into electronic documents. Meanwhile, according to [9], digitalization is the increasing availability of digital data made possible by advances in creating, transferring, storing and analyzing digital data, and has the potential to structure, shape and influence the contemporary world.

[10] revealed that digital technology is information technology that prioritizes activities carried out by computer or digital rather than using human power.

According to [11], there are three basic elements to form a digital economy in a developing market, namely:

### 1. Internet Access

This internet access will become a link between business and society. With internet access, economic digitalization will be created and connect business actors with consumers in almost all regions.

### 2. Transactional Access

Transactional access makes products and services available for the public to enjoy and consume. In a developing economy, easy transactional access becomes something complex enough to support increased economic growth in a region.

### 3. Entrepreneurship

Entrepreneurship plays an important role in the development of digital technology systems among entrepreneurs. Because entrepreneurs are one of the drivers of economic growth with one of their roles as a business actor.

## RESEARCH METHODS

Research methodology is a way of thinking and acting that is carefully prepared in order to achieve research objectives, namely finding, developing, or studying knowledge scientifically or for testing research hypotheses. One of the most important elements in research methodology is the use of certain scientific methods which are used as a means aimed at identifying the size of objects or symptoms and finding solutions to the problem being researched, so that the results obtained can be justified scientifically [12].

The data has been collected, processed and analyzed descriptively using the SWOT analysis tool which is a qualitative analysis carried out by examining internal and external factors. According to [13] the function of SWOT analysis is to obtain information related to situation analysis, then breaking it down into internal issues in the form of weaknesses and strengths as well as external issues which include threats and opportunities. The SWOT analysis will explain whether the information indicates something that will help the company achieve its goals or provides an indication that there are obstacles that must be faced or minimized to meet the desired income. Internal factors in this case are Strength (potential) and Weakness (obstacles). External factors consist of Opportunity and Threat.

## RESULTS AND DISCUSSION

Digital technology systems have an important role in modern entrepreneurship. It allows entrepreneurs to manage their businesses more efficiently, access global markets, and interact with customers through various online platforms. Some examples of digital technology inclusion in entrepreneurship include e-commerce, digital marketing, data analytics, and the use of business management software.

E-commerce provides the ability to buy and sell products, information and services on the Internet and other online environments. As for any trading activity, the issue of safe and reliable exchange of money between transactions is very important. In the e-commerce environment, payment takes the form of exchanging money in electronic form and is therefore called electronic payment [14].

According to research by [15] through submitting a questionnaire to several respondents regarding what social media platforms are often used by respondents to buy a product online, and the following are the results of the questionnaire.

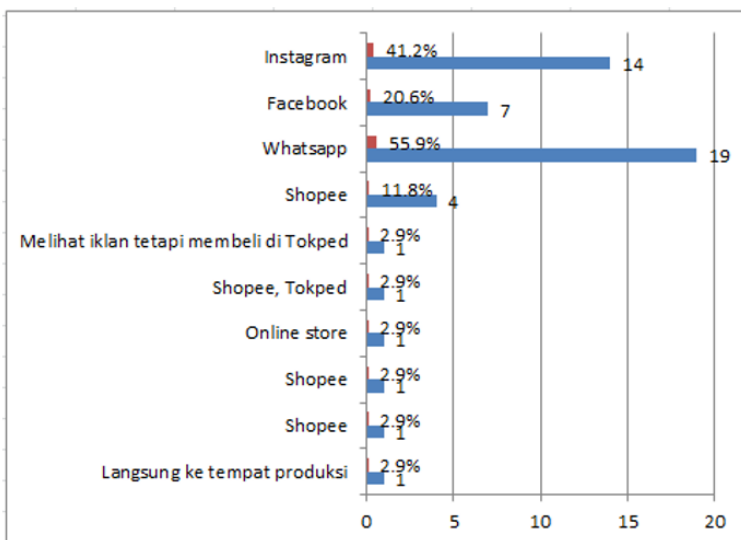


Figure 1. Social Media that Respondents Use for Online Shopping  
Source: [15]

Based on Figure 1, the social media most used by respondents is Whatsapp, namely 19 respondents with a score of 55.9%, then Instagram with a score of 14 respondents with a score of 41.2%, then Facebook, namely 7 respondents with a score of 20.6% , then Shopee with 4 respondents with a score of 11.8%, then the rest saw advertisements but bought on Tokopedia, Shopee and Tokopedia, Online Store, and went straight to the production place, each with 1 respondent with a score of 2.9%. According to respondents, social media was chosen based on ease in choosing products, comfort in communicating with sellers, and safety in shopping.

To continue to develop and survive, a strategy is needed in online business, including explaining it through a SWOT analysis. A SWOT analysis of entrepreneurship in the digital era will involve specific factors relevant to the digital business environment. The following is an example of a SWOT analysis for entrepreneurship in the digital era:

### **A. Strengths**

1. **Global Access:** Digital entrepreneurship allows access to global markets at relatively low costs.
2. **Flexibility:** Digital business models are often more flexible in adapting to market or technological changes.
3. **Rapid Innovation:** Digital entrepreneurs can quickly adopt new technologies and innovative ideas to strengthen their position in the market.

### **B. Weakness**

1. **Dependence on Technology:** Digital entrepreneurship is susceptible to technical disruptions or changes in technology that can disrupt operations.
2. **Intense Competition:** Competition in the digital space is often very high, with many competitors offering similar products and services.
3. **Vulnerable to Cyber Attacks:** Digital businesses are vulnerable to cyber-attacks such as data theft or malware attacks.

### **C. Opportunities**

1. **Emerging Markets:** Demand for digital products and services continues to increase with increasingly widespread adoption of technology.
2. **Strategic Partnerships:** Digital entrepreneurship can leverage strategic partnerships with large technology companies to increase visibility and growth.
3. **New Market Penetration:** Through effective digital marketing strategies, businesses can reach markets that were previously difficult to access conventionally.

### **D. Threats**

1. **Changing Regulations:** Regulatory changes in the digital environment can significantly impact business operations.
2. **Security Risks:** Security threats such as data theft or cyber-attacks can damage customer reputation and trust.
3. **Technological Change:** New technological developments can make existing products or services obsolete or irrelevant.

Apart from SWOT analysis, other strategies are needed to maintain a digital marketing business, including

the following according to [15]:

### **1. SEO (Search Engine Optimization)**

Optimizing social media using SEO will have an impact on increasing audience traffic, especially on Facebook and Instagram.

### **2. Facebook Business Suite**

Facebook Business Suite is not yet commonly used by company social media admins. Considering its usefulness, it can make it easier for admins to manage Facebook and Instagram accounts simultaneously and well-integrated.

### **3. Paid advertising (PPC)**

By using Facebook AdSense paid advertising regularly and measurably, it is possible to help the company's digital marketing strategy to be more optimal than before because of the large market potential that is still not reached by the company.

### **4. WhatsApp Business**

Optimizing the WhatsApp Business function and improving the management of the work systems of recruited reseller and dropshipper partners so that they remain productive and loyal in marketing the company's products. Not only providing product updates, but education or joint coaching can also be held regarding good digital marketing strategies so that they understand marketing strategies better and become more productive.

### **5. Website**

Build a website as the company's official site for the company. Websites have a big influence on consumer trust in companies because websites can provide a more professional and trustworthy image of the company. However, this can be done if the company has a good management system for its digital marketing activities.

### **6. Pricing Strategy**

It is necessary to try using the Psychological Pricing strategy in setting product prices both in online and offline stores.

## **CONCLUSION**

Leveraging digital technology in entrepreneurship opens up huge opportunities to change the way business is run and perceived. By using digital tools and platforms, businesses can improve their operational efficiency, from inventory management to marketing processes and customer service. Digitalization also allows business actors to reach a wider market globally through e-commerce platforms, social media and various other online channels.

In addition, digital technology allows entrepreneurship to be more innovative by enabling the development of new products and services supported by in-depth data analysis. This allows for quicker adjustments to market trends and customer needs. Additionally, the integration of digital technology also allows entrepreneurs to increase interactions and connections with their customers, whether through social media, communication platforms, or automated customer service solutions.

However, there are challenges that need to be overcome in leveraging digital technologies in entrepreneurship, including high implementation costs, data security issues, and a lack of digital skills among the workforce. However, with the right strategy and the right investments, the long-term benefits of digitalization in entrepreneurship can far outweigh these challenges. Thus, the conclusion that can be drawn is that utilizing digital technology in entrepreneurship is an important step and has the potential to have a significant positive impact on business growth and success.

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