Sustainability of 'Batik Madura' MSMEs with e-Commerce. Should You?

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INFO ARTIKEL

Abstract

Recently, Information technology becomes an important strategy to applied in companies. However, MSMEs have different necessities than large scale. Covid-19 pandemic Covid-19 also requires Batik Madura MSMEs to innovate in sales strategy. The purpose of this study is to analyze the factors of desires 'Batik Madura' MSMEs using digital marketing on their sales. The Object of this study is MSMEs who have production on 'Batik Madura' textile on Madura island. The sample of this study is 200 respondents with multiple linear regression as an analysis tool. The result shows that the factors of desires digital marketing on 'Batik Madura' MSMEs are: an understanding of digital marketing; readiness of human resources to face digital economic; and education are significant. While the factors that are not significant are: sales income monthly and readiness of MSMEs to face the digital economy.

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Introduction

Micro, Small, and Medium Enterprises (MSMEs) are one of Indonesia's main pillars which have increased of the economy. Along with the development of information technology, MSMEs require to improvements through innovation to compete, both domestic and international markets. One of the strategies through mentoring and increasing the capacity of MSMEs on information technology. MSMEs have been included in UU No. 20 of 2008 about Micro, Small, and Medium Enterprises. A micro business is a productive business by individual or group based on criteria are have income/ turnover less than Rp. 50 million (not include land and company building), and a year turnover less than Rp. 300 million. Meanwhile, a small business is a productive economic business with the criteria to have assets more than Rp. 50 million and less than Rp. 500 million. In addition, small businesses also have turnover more than Rp. 300 million until less than Rp.

2.5 billion in a year. Furthermore, medium enterprises are productive economics with criteria that have assets more than Rp. 500 million but less than Rp. 10 billion and have turnover more than Rp. 2.5 billion until Rp. 50 billion.

There are several limitations from MSMEs: relatively narrow market, products by MSMEs are less recognized and used by a few consumers, and has traditional collaborations. MacGregor and Kartiwi (2010), Bourletidis (2013), Hessels & Parker (2013), Myslimi & Kacani (2016), Hessels & Parker (2013), dan Irjayanti & Azis (2012) said another limitation of MSMEs is depended on small customers. However, in the business area, MSMEs still have the opportunity to get expand the market by adapting to technological developments (Ishaq, 2015; Sin et al., 2016; Moeuf et.al., 2016; Sari and Santoso, 2019; Huang and Benyoucef , 2013; Wiley et. al., 2016). Since 2020, Indonesia has a down on economy because of the Covid-19 pandemic, it also affects MSMEs. The depression of the economy makes a consumer's reduction of sales, example: Batik Madura MSMEs. Batik Madura is one of the superior products and Madurese products MSMEs. 'Batik Madura' has unique characteristics and compete with batik from another city. Because of Batik Madura is a small business and home industry, the marketing of Batik Madura MSMEs not optimal and still using traditional marketing strategies. Therefore, it's needed IT to increase sales by using e-commerce. IT be an opportunity of MSMEs to get new consumer from gadget (Huang and Benyoucef , 2013; Hsiao, 2017; Han & Kim, 2019; Cheng & Zarifis, 2019; Yang et., al. 2020). information technology is needed to expands their market segmentation (Wibowo and Haryokusumo, 2020; Cui et. al., 2020; . Tavengerwei, R. 2018; Nikaean and Abedin, 2021). Batik Madura also requires a professional marketing strategy to face the digital economy and economic globalization era. Recently, internet users increase and   many companies using internet as a marketing strategy (Quimba and Calizo, 2019).

Excellent in international competition is based on knowledge. This goal can be achieved by required considerable effort. Therefore, it's necessary sustainable concepts. The implementation of e-commerce applications is one of the media to give access for managing MSMEs to get assistance and mentoring from a lot of relation, example: researchers, banking, industry experts, trade experts, cooperative experts, and MSMEs partners . The most MSME managers are a newbie to using the internet, so training is needed to make it known. Furthermore, based on the descriptive analysis of motive factors, it can be concluded that MSMEs have six factors bases of MSMEs using e-commerce namely accessing of the global market, product promotion, building of brands, getting closer to consumers, helping communication fast, and satisfying consumers. Besides on micro problems, Batik Madura also facing serious competitiveness problems on a global scale, because at the macro level rank of Indonesia's textile bellow from China, India, Vietnam, and Thailand. The reason for it is information system's potential and innovative marketing systems are less accurate. Because of this reason, the development strategy of Batik Madura for the future must be based on IT for competitive advantages.Traditional commerce and e-commerce are different. The principle of e-commerce, consumers have flexible orders without being limited space and time (Kotler on Suryana, Bayu, and Jatnika, 2013; Giuffrida, 2017; Giuffrida, et. al., 2021) . So, the transactions will have a great opportunity. The advantage of saving cost on the transaction is felt by MSMEs in developing countries from the implementation of e-commerce.

MacGregor and Kartiwi (2010) tried to compare developed and developing countries. The research found that developed and developing countries have a difference in economic aspects and cultural factors. Furthermore, e-commerce in developing country interest to be research because have differences in socio-

cultural characteristics. Other studies were conducted on MSMEs in developing countries ((Ahmad et al. (2015); Kurnia (2015); Rahayu & Day (2015); Sin et al. (2016)), but research result is inconsistencies and hasn't been explained.
One of the successful adoption on determinants is governments involve with technology developments companies. So, the government will act as an intermediary between MSMEs and technology developments companies. Krismiaji (2002) states that information systems are an organized way to collect, entering data, process, and saving data with manage, control, and report information to become the organization can achieve the goals.

The purpose of information systems include: (a) providing information to assist management decision making; (b) assist officers in carrying operations; (c) provide information for outside users companies. Information technology readiness is a terminology applied to assess the development of information technology infrastructure that focuses on the presence of strategic, organizational, and functional features which are initial conditions that must be met by MSMEs to be able to take advantage of the potential of IT (Rosianti & ER, 2017). Furthermore, there are 3 elements of IT readiness according to Rosianti and ER (2017), namely strategic vision, process management capabilities, and IT infrastructure implementation. In this study, the concept of IT readiness is used to measure the maturity of small business processes in the garment sector. MSMEs with a lot of limitations need support from government and development companies. The government can intervene using policies and regulations to stimulate internet users on buying and selling transactions (Kuan and Chau 2001). The interaction of the three entities, namely the government, development companies, and MSMEs in this context can be interpreted as a mutualism interaction. MSMEs become a big business target for development companies, the government will get benefit from increasing the digital transaction. In recent years, using IT is an important strategy to apply to companies, starting from production until marketing. Although, using IT is common, but IT applications often do not match with needs and capabilities, especially MSMEs or the home industry. MSMEs have different needs than large-scale businesses because MSMEs have a small turnover, just a little financial resources, non-existent human resources especially IT, the leader's company has low education, and employees have ambiguity roles. Based on these conditions, this study aims to analyze the factors on Batik Madura MSMEs needed on IT of selling online.

RESEARCH METHODS

The object of this research is MSMEs that produce Batik Madura textile which are spread on Madura island (four districs: Sumenep, Pamekasan, Sampang, Bangkalan). The respondents of this study were the business owners of Batik Madura, amounting to 200 people with random sampling. The data collection process is done by filling out online questionnaires. This study also present the respondents descriptive analysis. The measurements use a likert scale (strongly agree-strongly disagree).

Analysis of factors that influence the desire to sell Madura batik online in entering the digital economy era in Madura is analyzed using multiple linear regression. The model is:

$$Y = \beta_0 - \beta_1 X_1 + \beta_2 X_2 - \beta_3 X_3 - \beta_4 X_4 + \beta_5 X_5 + \mu \qquad (1)$$

Where:
Y = desire of MSMEs to using online marketing on sales

X1 = sales turnover a month
X2 = Understanding of online marketing
X3 = MSMEs readiness to face digital economy
X4 = readiness of company HR to face MSMEs
X5 = education level
β0 = constant
β1,2,3,4,5 = coefficient of the independent variable

RESULT

The Readiness of Batik Madura MSMEs for entering Digital Economy on Covid-19 Pandemic

Respondents in this study were MSMEs aBatik Madura spread across four districts in Madura, namely Bangkalan, Sampang, Pamekasan and Sumenep districts, with a sample of 200 batik entrepreneurs. Batik Madura MSMEs who are aged 20-30 years is 28 percent, 40 percent are 31-40 years old, those aged 41-50 years are 24 percent than those aged 51-64 and over are 10 percent. It can be explained that the average MSMEs of Madura batik are cultivated by respondents or entrepreneurs of more than 70 percent productive age. However, entrepreneurs who are dominated by productive age are not followed by the education level of Batik Madura MSMEs entrepreneurs, most of whom are still elementary school graduates, which is 67 percent of entrepreneurs. As shown in Table 1 below.

Table 1. Level of Education Respondents

Level of Educations	Total	%
Not Complete on Primary School	2	1%
Primary School	133	67%
Junior High School	3	2%
Senior High School	36	18%
Bachelor	25	13%
Magister	1	1%
Total	200	100%

Source: Primaty Data (Processed).

In the table of Batik Madura entrepreneurs based on education level, they are divided into 6 levels, where respondents who did not finish elementary school were 1 percent, respondents who graduated from elementary school were 67 percent, then respondents who graduated from junior high school were 2 percent, and those who graduated from high school were 18 percent. 13 percent of bachelor and 1 percent of magister. From the explanation above, it can be seen that the Batik Madura entrepreneurs are dominated by the education level of elementary school graduates, then high school graduates are the second largest. This can hinder sales strategies in facing the digital economy era if digital marketing training is not held.

Characteristics of Madura Batik SMEs on Covid-19 Pandemic

The following table explains that the turnover the sale of Batik Madura MSMEs is divided by various levels each month, start from Rp. 500,000 to Rp. 41,000,000.. The average turnover received by Batik Madura MSMEs is starting from Rp. 500 – Rp. 10,000,000 every month, by 84 percent of entrepreneurs. This turnover can be increased if Batik Madura enterpreneurs can take advantage of the digital economy in the management and marketing of their batik, so that their

production is more efficient and effective, and their market share is expant with using online shop trend in the current era. A big turnover requires an appropriate marketing strategy for batik products, as shown in the table below which describes various marketing strategies for batik products.

Strategies carried out by Madura batik MSME entrepreneurs in marketing their products through various strategies, ranging from direct sales, comparisons with other goods, through discounts, online sales, and promotions. The majority of batik MSME entrepreneurs still sell directly, which is 61 percent of entrepreneurs. Then through online sales by 31 percent. This indicates that Madura batik SME entrepreneurs still rely on manual sales and regular customers, do not promote their products with online shops. From 31 percent of Madura batik SMEs market their batik products with various online startups as shown in the table below.

Table 2 Batik Madura Products on B2C Market (Startup)

Level of Educations	Total	%
Shopee	15	25%
OLX Indonesia	25	40%
Tokopedia	33	5%
Bukalapak	17	27%
Lazada	2	4%
Total	62	100%

Source: Primary Data (processed)

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Table 2 shows that batik madura MSME products are marketed online by various startups such as Shopee, OLX Indonesia, Tokopedia, Bukalapak, and Lazada. The average product marketing through the OLX Indonesia online application is 40 percent of entrepreneurs, then 27 percent through Bukalapak, then 25 percent through Shopee, and the rest through Tokopedia by 5 percent and 4 percent through Lazada. In today's digital economy era, batik UMKM entrepreneurs feel that they need online marketing with a high turnover and profit orientation, as shown in table 3 of respondents' desire to market their batik products online below.

Table 3 Respondent's desire to do digital marketing of Batik Madura products

Level of Educations	Total	%
Really want	89	44.5%
Want	66	33%
Less willing	12	6%
Not Willing	16	8%
Not willing at all	17	8.5%
Total	200	100%

Source: Primary Data (processed)

From table 3, it can be seen that the batik Madura MSME respondents want to use online marketing, where respondents who are really want are 44.5 percent, and 33 percent are want to sell their batik products online. The remaining 22.5 percent have less willing, not willing, and not willing at all. From the data that the researchers obtained, it is known that the platforms that respondents want in running their business are through various social media, including Instagram, Facebook, WhatsApp, Marketplace, and Website. The majority of Batik Madura MSME entrepreneurs want or have used WhatsApp social media by 46 percent, then through Marketplace by 27 percent, through Instagram by 17 percent, through Facebook by 10 percent, and the Website by 1 percent.

There are several reasons for respondents to want to use e-commerce, including targeting the millennial generation market segment by 6 percent, increasing sales by 81 percent, following trends by 1 percent, and reasons for facilitating sales by 12 percent. It can be seen from the above explanation that the orientation of Batik Madura MSMEs is driven by a strong desire to increase sales of

their batik products, to get high turnover and profits. Apart from the desire to market batik products online, other reasons hinder respondents from want to sell online.

The reasons for the batik Madura MSME respondents who do not want to do an online marketing system are caused by various things, including being comfortable with the regular sales system by 53 percent of respondents, then due to difficulty in running it by 24 percent of respondents, other reasons do not have the equipment. hardware (computers, laptops, and cellphones) by 19 percent, and reasons for having to increase the cost of capital again by 4 percent of respondents, and reasons for not having an operator (IT) by 2 percent of respondents. The reasons above illustrate the respondent's lack of understanding of selling in the digital economy, so guidance and training are needed so that batik Madura entrepreneurs can take advantage of it to reap high profits.

Understanding Respondents' of Digital Marketing

Describes the respondents' understanding of digital economy marketing using information technology is very diverse, where 61 percent of respondents understand digital marketing, and 3 percent understand very well. While the rest, 25 percent of respondents do not understand, then 11 percent of respondents do not understand, and 2 percent do not understand at all. This indicates that more than half of the respondents understand digital sales through information technology and others do not understand or do not understand the need for socialization and marketing training for business products, especially Madura batik SMEs through the digital economy. Respondents' understanding of the digital economy, which is more than half of the sample, requires innovation and strategies that must be carried out to compete in the online shop world, as shown in the table of strategies that will be carried out by Batik Madura MSMEs entrepreneurs in selling online.

Table 4 Respondent's Strategy when Selling Online

Level of Educations	Total	%
Product variations and store warranty	34	17%
Product quality and buyer data	54	27%
Product packaging and buyer safety	32	16%
Product brand and payment security	34	17%
Others	1	0.5%
Not answer	45	22.5%
Total	200	100%

Source: Primary Data (processed)

Table 4 shows that some various strategies and innovations will be carried out by respondents regarding their batik Madura products with online sales, including by making various product variations and store guarantees by 17 percent of respondents. Then, with a strategy to improve product quality and confidentiality of buyer data as 27 percent respondents, and through product packaging strategies and buyer safety as 16% percent respondents. In addition to the product brand strategy and payment security as many as 17% percent respondents, and other reasons by 0.5% percent respondents. The various strategies above can be used as references and innovations in utilizing the digital economy to selling Batik Madura products. This strategy is a form of respondents' readiness to enter the digital economy era.

Readiness of Madura batik MSME entrepreneurs in entering the digital economy era 63 percent of respondents said they were ready, 4 percent of respondents said they were very ready to enter the digital economy era. However, there was 22 percent of respondents said they were not ready, 12 percent said they were not ready, and 1 percent said they were not ready at all. The readiness of Madura batik SMEs in entering the digital economy era is more than 50 percent of respondents, followed by the readiness of Madura batik SMEs human resources.

Furthermore, the readiness of Madura batik MSME human resources in entering the digital economy era is quite a lot, where 61 percent of respondents stated that they were ready, 4 percent of respondents stated that they were very ready to enter the digital economy era. The remaining respondents stated that they were not ready as much as 25 percent, and 12 percent said they were not ready.

Strategies and Needs of MSMEs Entering the Digital Economy Era

Human Resources (HR) prepared by batik Madura entrepreneurs in entering the digital economy era include various strategies, ranging from recruiting employees who are proficient in using the internet as much as 23 percent of respondents' responses.

Then, providing understanding and training to their employees as much as 35 percent of the responses, and through the strategy of providing computers and gadgets to serve buyers quickly for their employees, as many as 23 percent of respondents. In addition, there is 19 percent of respondents want to carry out a strategy by giving authority to employees who want to take part in an event at one of the shopping centers. In addition to the strategy to improve the quality of human resources for MSMEs in batik Madura, there are technical strategies that batik MSME entrepreneurs want to implement.

Batik Madura MSMEs in taking advantage of the digital economy era through various ways and strategies, including the provision of computers and gadgets in the company's premises according to their needs, responded by 34 percent of respondents. Then there is 51 percent of respondents who want to carry out a strategy through the use of unlimited internet capacity so that there are no communication errors with buyers. As well as through a strategy of providing friendly services and accepting criticism and suggestions from buyers through social media as many as 16 percent of respondents. In addition to carrying out a strategy to increase human resources and technical strategies in selling batik Madura MSME products, there is a capital strategy that will be carried out by Madura batik MSME entrepreneurs in entering the digital economy era.

Various strategies will be carried out by batik Madura entrepreneurs in entering the digital economy era, including by partnering with online shop service providers, there is 30 percent of respondents, through strategies for using internal capital in operational activities as many as 60 percent of respondents. Then, there is 3 percent of respondents who want to use external capital strategies through bank credit, and 8 percent of respondents who want to use extra capital from non-bank financial institutions. In addition, there are various technological financial needs that respondents need in conducting online buying and selling transactions.

From the data that the researcher got, it was known that the respondents' needs regarding financial technology in conducting online buying and selling transactions for Madura batik, including respondents who stated that they needed financial technology as many as 52 percent of respondents, than respondents who stated that they needed 47 respondents. Meanwhile, only 2 percent of respondents do not need it at all. This indicates that financial technology is very much needed in conducting online buying and selling transactions in the digital economy era. In

addition, various activities have been carried out by the local government for Madura batik SMEs in entering the digital economy era.

Activities that have been carried out by the government for batik Madura MSMEs in achieving the digital economy era through responses from respondents, including conducting digital economy training for each batik Madura MSME responded by 33 percent of respondents, then providing digital economy supporting facilities for each batik Madura MSME responded by 41 percent of respondents. In addition, 26 percent of respondents responded to providing partners for each batik Madura MSME, and the government providing capital was stated by 26 percent of respondents, and others stated by 1 percent of respondents. In addition to several activities that have been carried out by the government, there are also expectations from respondents regarding programs that must be carried out by the local government for Madura batik MSMEs in preparing SMEs to enter the digital economy era.

Activities that must be carried out by the government for Madura batik MSMEs in achieving the digital economy era through responsiveness from respondents, including the government must conduct digital economy training for each batik Madura MSME which was responded to by 52 percent of respondents, then the government must provide digital economy support facilities for each batik MSME responded by 42 percent of respondents.

In addition, 3 percent of respondents responded that the government must provide partners for each batik Madura MSME, and the government must provide capital assistance stated by 2 percent of respondents, and others stated by 1 percent of respondents. In addition to several activities that have been carried out and must be carried out by the government, there are various forms of assistance carried out by the government that is needed by batik Madura MSMEs in entering the digital economy era.

Various forms of assistance must be carried out by the government that is needed by batik Madura MSMEs in entering the digital economy era, including the government assisting in conducting digital economy training for each batik Madura MSMEs which was responded to by 43 percent of respondents, then the government assisted in providing digital economy supporting facilities. 54 percent of respondents responded to each batik Madura MSMEs. In addition, 2 percent of respondents responded that the government must assist in providing work partners for each batik Madura MSMEs, and the government should assist batik Madura MSMEs in providing capital assistance activities stated by 2 percent of respondents, and others stated by 1 percent of respondents. This is done so that various activities that will be carried out or are being carried out by the government in supporting the readiness of batik Madura MSMEs run according to the targets and targets that have been determined in the program.

DISCUSSION

Based on the results of multiple regression analysis, with the above equation model it is obtained that the conditions of the five variables included as factors that influence the desire of Madura batik MSMEs to sell online, only three variables have a significant, while the other two variables do not affect significantly. Variables that significantly influence the model are variables: understanding of digital or online marketing $(X2)$; HR readiness to face digital economic $(X4)$; and education $(X5)$. While the variables that are not significant to the desires of batik Madura MSMEs to sell online are variables: sales turnover a month $(X1)$ and the readiness of MSMEs to face the digital economy $(X3)$.

To find out whether the model built above is significant or not, it is carried out by testing the model or the F test. This test is to determine whether the results of the regression analysis are significant or not when viewed together, in other words, the model that is allegedly appropriate/appropriate or not. If the result is significant, then H0 is rejected and H1 is accepted. Whereas if the results are not significant, then H0 is accepted and H1 is rejected. This can also be said as follows:
- H0 is rejected if F count> F table
- H0 is accepted if F arithmetic <F table
Following are the results of the F test model above,

Table 5 Test Results F

Variable	$F_{Calculate}$	F_{table}	Prob	Conclusion	
Desire To Make Online Sales	13.40238	2.26	0.000000	Significantly	Refuse H_0 Receive H_1

Source: Primary Data (processed)

Based on the regression results, the calculated F value is 49.21233 while the F table (α = 0.05; df 1 = 5: df = 200) is 32.26. F arithmetic> F table is 13.40> 2.26, with a probability of 0.000000 then the regression analysis is significant. Thus, it can be concluded that the desire of MSMEs to do Madura (Y) batik online sales is influenced simultaneously by the independent variables in the equation model above. Furthermore, to find out how much or dominant the free variable affects the dependent variable will be analyzed from the determinant coefficient. The coefficient of determination is used to see the contribution of the independent variable to the dependent variable. The coefficient of determination (R2) and the adjusted coefficient of determination show explanatory variables in explaining the variation of the dependent variable. If the value of R2 approaches 1, it can be stated that the model is getting better with the assumption that there is no direct regression. From the analysis of calculations the value of R2 (R-squared) is obtained as in the following Table.

Table 6 Test Results

Dependent Variable: Y				
Method: Least Squares				
Sample: 1 200				
Included observations: 197				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	-0.025038	0.050875	-0.492143	0.6232
X2	0.210673	0.084650	2.488758	0.0137
X3	-0.063259	0.114963	-0.550250	0.5828
X4	-0.485753	0.123286	-3.940060	0.0001
X5	0.205591	0.040685	5.053220	0.0000
C	5.170394	0.212740	24.30385	0.0000
R-squared	0.259724	Mean dependent var		4.482234
Adjusted R-squared	0.240345	S.D. dependent var		0.666960
S.E. of regression	0.581310	Akaike info criterion		1.782919
Sum squared resid	64.54305	Schwarz criterion		1.882916
Log likelihood	-169.6176	Hannan-Quinn criter.		1.823399
F-statistic	13.40238	Durbin-Watson stat		1.285165
Prob(F-statistic)	0.000000			

Source: Primary Data (processed)

Based on Table 6, the determination coefficient R^2 is 0.259724, meaning that 25.97% of the variables of desire to make online sales of Madura batik SMEs (Y) will be explained by the independent variables, namely sales turnover per month (X1), understanding of digital marketing or online (X2), the readiness of MSMEs to face the digital economy, (X3) the readiness of company HR to face MSMEs (X4), education (X5). Furthermore, to see the data used in this model is normal or experiencing interference, then the data normality test will be performed. This test is conducted to determine whether the residual value is spread normally or not. disturbances, namely by using the Jarque-Bera test with the provisions:
- If Jarque-Berastat> table, residuals are not normally distributed.
- If Jarque-Berastat <table, residuals are normally distributed.
Following are the results of the J-B test or data normality test from the regression model equation in this study.
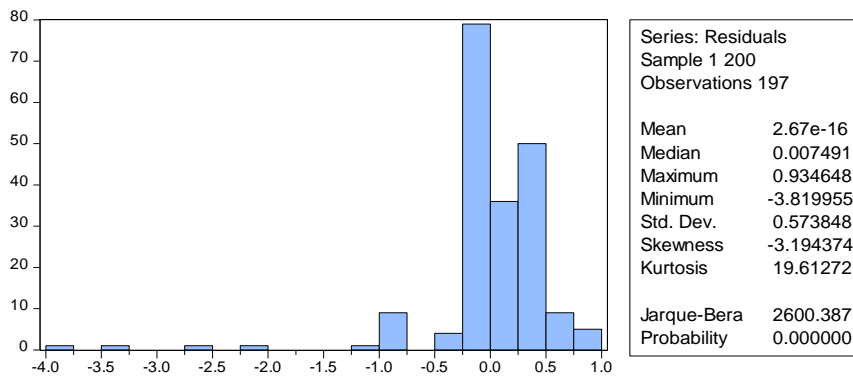

Series: Residuals	
Sample 1 200	
Observations 197	
Mean	2.67e-16
Median	0.007491
Maximum	0.934648
Minimum	-3.819955
Std. Dev.	0.573848
Skewness	-3.194374
Kurtosis	19.61272
Jarque-Bera	2600.387
Probability	0.000000

Figure 1 J-B Test Results (Normality test)

Figure 1 shown that the Jarque-Berastat value is 2600,387 and the table value obtained with = 5% and d.f = 5 is 124.34. So Jarque-Berastat is bigger than the table, which can be concluded that the model used has residual or confounding factors that are not normally distributed or the model passes normality. Furthermore, to find out the magnitude of each variable that significantly influences, namely: Understanding of online marketing (X2); HR readiness to face digital economic (X4); and education (X5) on the desire of MSMEs to sell online (Y), it will be analyzed through the value of each coefficient of the independent variable. The following results of the regression analysis of the factors that influence the desire of batik Madura MSMEs to sell online:

$Y = 5.170394 \beta_0 - 0.025038 \beta_1 X_1 + 0.210673 \beta_2 X_2 - 0.063259 \beta_3 X_3 - 0.485753 \beta_4 X_4 + 0.205591 \beta_5 X_5 + \mu.$

The results of the regression equation above can be interpreted as follows:
The constant value in this study can be seen from the results of β_0 = 5.170394, this value means the desire to do online sales of batik Madura MSMEs (Y) of 5.170394 at the time of sales turnover per month (X1), Understanding of online marketing (X2), Readiness batik Madura MSMEs Facing digital economic, (X3) the readiness of company HR to face MSME (X4), education (X5) equal to or considered zero (constant).

The influence of understanding of digital or online marketing on the desire of MSMEs to sell Batik Madura online can be seen from the results of the coefficient β2 = regression coefficient of variable Understanding of online marketing (X2) of 0.210673, this value means there is a positive influence between understanding of marketing digital or online to the desire of MSMEs to sell batik Madura online by 0.2%. If the Understanding of online marketing (X2) goes up by 1%, then the desire of MSMEs to do Madura (Y) batik online sales will increase by 0.2%. Conversely, if the Understanding of online marketing (X2) falls by 1%, then the desire to do online sales of Madura batik SMEs (Y) will decrease by 0.2%.

The effect of the company's HR readiness to face the digital economy on the desire of MSMEs to do online sales can be seen from the results of the coefficient B4 = Regression coefficient of the company's HR readiness variable facing the digital economy (X4) of -0.485753 means that there is a negative influence between the readiness of the company's HR in facing the digital economy MSMEs to do Madura batik online sales by 0.49%. If the readiness of the company's human resources to face the digital economy (X4) rises by 1%, then the desire to do online sales of Madura batik SMEs (Y) will decrease by 0.49%. Conversely, if the company's HR readiness to face MSMEs (X4) drops by 1%, then the desire to do online sales of batik Madura MSMEs (Y) will be increased by 0.49%. This condition is caused because peacock feels ready to face marketing competition online. They assume they already have their market, so they are not influenced by competitors who use online media. So they do not need sales online. According to them, the company whose HR is not ready to look for a traditional market, which requires a method or method of selling online.

The influence of education level on the desire of MSMEs to sell Madura Batik online can be seen from the results of the coefficient B5 = Educational variable regression coefficient (X5) of 0.205591 means there is a positive influence between education on the desire of MSMEs to sell batik Madura online by 0.2%. If education (X5) increases by 1%, the desire of MSMEs to do Madura (Y) batik online sales will increase by 0.2%. Conversely, if education (X5) drops by 1%, the desire of MSMEs to do Madura (Y) batik online sales will decrease by 0.2%.

While the two variables in the regression model, namely: sales turnover per month (X1) and MSMEs readiness to face digital economic (X3) did not significantly influence the desire of MSMEs to carry out Batik Madura online. The result shows that Batik Madura MSMEs need information technology from e-commerce to increase their income and take advantage of the potential of IT (Rosianti & ER, 2017). Furthermore, this result fits with older research, MSMEs with a lot of limitations need support from government and development companies. The government can intervene using policies and regulations to stimulate internet users on buying and selling transactions (Kuan and Chau 2001).

CONCLUSION

Based on the results of the study showed several findings that can be concluded as follows: Variables that significantly influence the desire of MSMEs to sell Madura batik online are: an understanding of digital or online marketing; HR readiness to face digital economic; and education. While the variables that are not significant to the desires of Madura batik MSMEs to sell online are variables: monthly sales turnover and MSME readiness to face the digital economy. For the marketing strategy of MSME Batik Madura through online to work as expected, it requires seriousness from various parties, namely MSME internal parties, internet access network providers, government, and academics.

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