

CHAPTER I

INTRODUCTION

1.1 Background

The development of business life today has progressed quite rapidly, while people's initiative and creativity have increased through various issues such as information technology, transportation, economy, socio-culture, politics and organizational elements. ladies and gentlemen In the era of globalization, information technology has experienced a very complex and rapid development in recent years, which has affected various fields of life, including the business world. This development has given rise to new familiar terms such as e-commerce, e-commerce, e-learning, e-university, e-book and online banking. The problem for online business students is that it is difficult to implement online business because to use it requires certain strategies. This is why e-commerce training is so important. Kartika et al. (2021: 41) E-commerce training is very important because it is a core business. The most important thing that merchants need to build when adopting e-commerce is how to build trust with consumers to buy online (Yunanto and Paizal, 2019: 2).

Another problem faced by online business students is that students often feel inferior, have not focused on dividing time between college and running a business and maintaining a business. The business world, including online student businesses, must be able to compete to increase competitiveness by utilizing technological developments in the form of online media. One of them is the introduction of electronic commerce (Lesmono, 2015). Online shopping in this case is not only online buying and selling, but also marketing of commercial products on certain platforms, product sales, delivery and services implemented through an integrated system. E-commerce (e-commerce) is an activity between connected businesses, customers, suppliers, and other business partners, which involves buying and selling products, marketing, services, payments, delivery through online

networks or media (Tharob et al, 2017). According to Adnan in Riswandi (2019) the advantages of e-commerce are that retailers who use the website will enjoy the benefits of a growing number of consumers. Various geographical barriers that have existed so far disappear and there are no restrictions on the period of activity. Operating hours are only limited by hardware and software. Growing revenue. Websites open up a wide range of possibilities for sales and distribution.

Locus of Control is the extent to which a person takes personal responsibility for what happens to him. According to locus of control theory, employee attitudes and behavior in conflict situations are influenced by locus of control characteristics, especially internal locus of control characteristics, where internal locus of control is the perspective from which all results are obtained . . good or bad, is due to actions arising from talent and internal factors.

Many studies have looked at the factors that influence business performance, but this research is relatively new because no research has been conducted using the same variables for college students with online business owners. Towards the era of multilateral globalization in 2020, the perspective of companies, especially in relation to competition, will change a lot. This change was triggered by the turmoil experienced by many companies, both domestic and multinational. The competitiveness and competition of entrepreneurs and the bureaucratic system also have a significant impact in Indonesia.

Innovation is often described as the life force of organizations and their determinants in the company. The true value of innovation is expressed in the outcome (Outcome) as a traded product. company's ability Business innovation can help dominate current markets or emerging new markets, driving sustainable industry leadership. Therefore, success in commercializing innovations is an important strategy for companies (Datta et al., 2013). The results of his research show that innovation has a positive impact on the performance of small and medium enterprises (SMEs). The same thing was also done by Hassan et al. (2013: 257) in the Pakistani manufacturing industry showed that the magnitude of innovation affects performance.

Table 1.1 development of E-commerce users in Indonesia

No.	Years	Users (Million)	Percent (%)
1.	2020	181,5	66,3%
2.	2021	193,2	69,9%
3.	2022	203,5	72,9%
4.	2023	212,2	75,3%

Source: Databoks, 2023

E-commerce users in Indonesia have grown considerably in recent years. The prediction is that growth will continue in the next few years. The Statistics Agency noted that the number of e-commerce users in Indonesia in 2020 reached 181.5 million users, then rose 4.2% to 193.2 million users in 2021. and then rose again in 2022 around 203.5 million users. This year it is projected to reach 212.2 million in 2023. The same thing also happens to the e-commerce penetration rate, which is always increasing. Until 2023 it is projected to reach 75.3% of the total population of the selected market.

Based on the background above, the researcher is interested in conducting research with the title “ **The Influence of Using E-Commerce, Locus Of Control and Innovation on Business Performance of The Bengkalis Reseller Actors.**”

1.2 Formulation of the Problem

Based on the background above, the problem formulation taken from this research is How does the use of E-commerce, Locus of Control and Innovation affect business performance of the Bengkalis Reseller Actors.

1.3 Purpose of the Study

Based on the existing background, the research objectives of this study are:

1. To determine and analyze the effect of using e-commerce, locus of control and innovation simultaneously on business performance in the online business of the Reseller Actors
2. To determine and analyze the effect of E-commerce on the business activities of online traders of the Bengkalis Reseller Actors

3. To find out and analyze how locus of control affects the business performance of online traders of the Bengkalis Reseller Actors
4. To find out and analyze the effect of innovation on the business development of online traders of the Bengkalis Reseller Actors

1.4 Significance of the Study

Based on the background of the problem, the objectives of this study are:

1. For Business Actors
Marketers should benefit from this study develop their business to achieve business performance online trying and can implement similar companies in the future.
2. For researchers
The purpose of this research is to increase knowledge and understanding of the connection between the theory learned in lectures and reality and can deepen the author's knowledge, especially on the subject of entrepreneurship.
3. For Further Researchers
This study can be used as a reference that can be used as a comparison material in further studies.

1.5 Scope and Limitation of the Problem

To avoid expanding the discussion and confusion in analyzing the problem, this research is given a scope limitation on the Reseller Actors. The discussion is only about analyzing E-commerce, Locus of Control and Innovation on online business performance.

1.6 Writing System

The report follows the following systematic writing:

CHAPTER I : INTRODUCTION

This chapter discusses the background, problem formulation, research objectives, research benefits, scope and limitations of the problem and the systematics of reporting.

CHAPTER II : LITERATURE REVIEW

This chapter discusses research first, the theoretical foundation and the framework of thought.

CHAPTER III : RESEARCH METHODOLOGY

This chapter deals with the location, time and object of the research, types and sources of data, populations and samples, sampling techniques, data collection techniques, technology of data processing, scale measurement, validity and reliability testing, data analysis methods, research hypotheses, research models, research types, definition of conceptual and operational variables as well as research schedules and budgets.

CHAPTER IV : RESULT AND DISCUSSION

This chapter discusses the results of research, discourse and limitations of research.

CHAPTER V : CONCLUSIONS AND SUGGESTION

This chapter deals with conclusions and Suggestion.