

Using Marketplace for MSMEs: A Look at Capability and Ecosystem Perspective

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ABSTRACT: This article discusses the requirements for MSMEs to adapt to a marketplace. MSMEs must use the marketplace to increase their performance by reaching out to more significant markets. However, with limited resources, MSMEs need to build their capability to maximize their adoption. To understand MSMEs and their relation to marketplace adoption, a survey was conducted on 100 MSMEs in Bandung, Indonesia. This study hypothesizes capability and ecosystem perspectives are the requirements for adapting to the marketplace. This study's results indicate that marketplaces' use is significantly and positively influenced by capability and ecosystem perspectives. The study provides practical and academic implications, including the importance for MSME owners, especially in Bandung City, to see and review the capabilities and ecosystems of both MSMEs and marketplaces that will be used.

KEYWORDS: Capability Perspective, Digital Transformation, Ecosystem Perspective, Micro, Small and Medium Enterprises (MSMEs), Marketplace.

INTRODUCTION

The development and progress of technology today are high-speed and increasingly sophisticated, making it easier for people to absorb information such as good or services. These developments changed the trading system, the way of transacting, and the marketing system. A total of 158.6 million people purchased goods through the marketplace, marking a 14.9% increase from 2021 (Data Reportal, 2022). This fact shows that online business opportunities are likely to continue to increase. On the other hand, digital technology causes competition to increase. In the retail sector, digital technology is disrupting sales to quickly shift to digital companies such as Amazon, Apple, and Facebook in the United States, Alibaba in China, and Tokopedia and Bukalapak in Indonesia. The ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia (henceforth Ministry of Cooperatives) noted that as of February 2022, 17.25 million Micro, Small and Medium Enterprises (MSMEs) players had connected to the digital ecosystem. The Deputy of Micro Business of the Ministry of Cooperative that the growth was faster than in previous years (Catriona & Djumena, 2022).

As economic drivers and labor absorbers, MSMEs are currently experiencing a decline in productivity, resulting in a considerable decline in profitability. Based on an Asian Development Bank (ADB) survey on the impact of the pandemic on MSMEs in Indonesia, 88% of micro-enterprises have run out of cash or savings, and more than 60% have cut their workforce (Sumadi, 2021). Some experts reveal that MSMEs need the role of digital technology to improve performance and productivity. Digital technology has presented a significant role in MSMEs, so that digital transformation is applied in business processes from companies to customers and business processes from companies to their employees. Thus, there is an acceleration of digital transformation in MSMEs and customer infrastructure. Based on the Ministry of Cooperatives' data. of the total number of MSME players, only around 28% are connected to the digital world or use digital facilities in their business activities (Andriani, 2020).

Indonesia is the 10th largest marketplace growth country, with 78% growth. This condition shows that the electronic commerce business has good economic value, so it must take advantage of business actors, including MSMEs. This condition indicates that the electronic commerce business has good economic value, so it must give an edge to business actors, including MSMEs. The marketplace is one of the e-commerce concepts, where the concept is a third-party platform that provides product buying and selling services where sellers and consumers meet in an online-based location. A marketplace is a gathering place for sellers and buyers on a website. What is interesting about the marketplace is that it is a place that can increase the participation of the broader community as business actors.



The existence of MSMEs in Bandung City, for instance, is also essential for the Indonesia's economy and plays a vital role in driving the economic growth rate in Bandung City. This condition is due to the significant contribution of MSMEs to local revenue. Following this, the transaction value of electronic marketplace in Indonesia reached IDR 62.132 trillion in 2021, ensuring marketplace becomes a significant pillar in strengthening the national economy. Then, considering the government's UMKM Go Digital program launch in 2024, this will be a great potential in the future to increase MSME revenues through the digitalization of MSMEs.

However, behind this phenomenon, many MSME players in Bandung still have difficulties and have not digitized and used the marketplace in their business activities. At the end of 2021, there were only around 1,623 MSMEs using the marketplace in West Java Province. Around 58,263 West Java MSMEs have been affected by the pandemic, based on data collected from the West Java Provincial Office of Cooperatives and MSMEs. Specifically in Bandung City, almost 90% of MSMEs have been adversely affected by the pandemic, partly due to their inability to adapt to digital sales. In June 2021, Kominfo, together with BPSDMP Kominfo of Bandung City, invited MSMEs in Bandung City to join the Digital Entrepreneurship Academy (PPID Kota Bandung, 2021). Bandung City Government also synergizes with Tokopedia and Blibli to increase MSMEs in Bandung City that uses the marketplace.

In addition, digital transformation is considered more of a managerial problem than a technical one (Besson & Rowe, 2012, as cited in Li et al., 2018). Successful digital transformation requires acquiring and using technical resources and investing in human marketplace resources and organizational capabilities (Cha et al., 2015). However, few studies still discuss how MSMEs overcome managerial problems in digital transformation using third-party digital platforms. Then, management's understanding of marketplace and belief in its potential benefits is key to the successful adoption and use of marketplace (Chong et al., 2016). However, many MSME players still do not know about technology or marketplace. This will be a difficult obstacle to overcome when forcing them to compete in the online arena. Then, the factors that influence the digital transformation process in MSMEs in Indonesia were identified, resulting in a conceptual framework that includes two perspectives, namely the capability perspective and the ecosystem perspective (Wiliandri, 2020). Therefore, it is interesting to investigate whether the capability perspective and ecosystem perspective can influence the marketplace use in MSMEs in Bandung City based on the existing conceptual framework. Thus, this article addresses the following research questions regarding the use of marketplaces by MSMEs in Bandung City: (1) How does marketplace use affect MSMEs from a capability perspective? (2) How does marketplace use affect MSMEs from an ecosystem perspective? and (3) How does marketplace use affect MSMEs from the combined perspectives of capability and ecosystem?

LITERATURE REVIEW

Marketplace

Before the existence of the Internet infrastructure, there were various forms of online marketplace. In the 1970s, American Airlines began establishing internal reservation systems. These systems are now accessible to competing companies and integrated with reservation systems for other services. In the real economy, these online markets are where supply and demand meet. The basic difference is that transactions are fully or partially online using appropriate information and communication systems (Zerdick et al., 2000).

A marketplace is an electronic interactive business community platform that provides a market where companies can participate in B2B e-commerce and other e-business activities (Brunn et al., 2002). From some of these definitions, a marketplace is an electronic product marketing platform that brings together many sellers and buyers to transact with each other. It was also predicted that the online marketplace would profoundly impact business (Drucker, 2002). In fact, the world has embraced his online marketplace, and Drucker's predictions have come true.

An online marketplace is where buyers and sellers conduct commercial transactions, such as selling goods, services, or information (Turban et al., 2015). Anyone can open marketplaces and connect sellers and buyers via the internet counterparts within an organization. In Indonesia, the marketplace is one of the media that drives the Indonesian national economy. With the marketplace, people can find the desired products or services as widely as possible.

Micro, Small and Medium Enterprises (MSMEs)

MSMEs have proven to be the largest group of actors in the Indonesian economy, a safety valve for the national economy during the crisis, and a driver of economic growth after the crisis (Singgih, 2007). MSMEs have an essential and strategic role in national economic development. In addition to their role in economic growth and employment, MSMEs also play a salient role in socializing development results. MSMEs are also not affected by the crisis. Only MSMEs were able to survive when the 1997-1998 crisis hit

(Sarwono, 2015). MSMEs are one of the key elements in efforts to stabilize and improve the economy in Indonesia. According to the Ministry of Cooperatives, MSMEs are one of the pillars of the national economy, based on APEC 2018 data. With at least 64 million MSME units, it contributes 97% of the total workforce and 60% of the gross domestic product. This figure shows the significant role of MSMEs in the national economy (Humas dan Advokasi Hukum Kementerian Koperasi dan UMKM [Public Relations and Legal Advocacy of the Ministry of Cooperatives and MSMEs], 2020).

MSMEs have characteristics that are actual conditions related to business activities and the behavior of entrepreneurs in running a business. These characteristics are distinguishing characteristics among economic actors according to company size. According to the World Bank, MSMEs are categorized into micro (up to 10 employees), small (up to 30 employees), and medium enterprises (up to 300 employees) (Kementerian Keuangan [Ministry of Finance], 2012).

Capability Perspective

One of the conceptual frameworks proposed is the capability perspective (Wiliandri, 2020). It is a view of an object in terms of capabilities in management. The capability perspective focuses on dynamic managerial capabilities, which are composed of three elements: managerial cognition, managerial social capital, and managerial human capital.

Dynamic managerial capabilities are the abilities that managers use to create, expand, and modify the way the company adds revenue, helping to explain the link between the quality of managerial decisions, strategic change, and organizational performance. The concept of dynamic managerial capabilities is also directly related to entrepreneurship. Entrepreneurial managers create markets and organize resources. Thus, dynamic capabilities analysis highlights the role of entrepreneurs in reorganizing organizational resources (Helfat & Martin, 2015). A qualitative study found the correlation between dynamic managerial capabilities and digital transformation, and reviewed how these capabilities can drive digital transformation, particularly in the marketplace, with support from digital platform providers (Li et al., 2018). Organizational capabilities refer to skills more specific to the organization's interests. In this case, MSME actors are among various organizations from different environments (Li et al., 2018). Therefore, MSME actors must have organizational capabilities that follow the specifications of the business target. Organizational capabilities can be started by building a competent team to help MSMEs improve their capabilities to support digital transformation. After a competent organization is formed, it is essential to improve the ability to utilize platforms and business development to support digital transformation (Li et al., 2018).

Ecosystem Perspective

The ecosystem perspective focuses on managing the digital platform ecosystem. MSMEs' ability to control digital platforms in the digital ecosystem is essential because it affects the increase in profits and innovation realized. The digital ecosystem concept, consisting of two essential parts: individual or organizational ecology and ecosystem, was reviewed integratively (Dong et al., 2007). Individuals or organizations collaborate to maintain their environment and act as leaders who lead all followers in their group. Individuals or organizations can play the dual role of supplier and requester at the same time. Suppliers play a role in providing services, while requesters deal with the services needed. Individuals or organizations follow general or specific rules in the digital ecosystem. It is done by carrying out their respective tasks to survive and achieve the goal of the digital ecosystem environment, which is to gain profit.

Digital ecosystem environments include open environments (transparent environments that have feedback), loosely coupled environments (free and open relationships between individuals or organizations in the digital ecosystem), demand-driven environments (individuals or organizations actively join digital ecosystem communities that match demand), clustered domains environments (environments from where individuals or organizations have similar desires), self-organizing environments (individuals or organizations that can act, make decisions, and carry out digital ecosystem tasks autonomously), and agent-based environments (environments full of individuals, information technology, and interactivity): individuals or organizations have similar desires), self-organizing environment (individuals or organizations that can act, make decisions, and carry out digital ecosystem tasks independently), and agent-based environment (an environment full of individuals, information technology, interactive and knowledge sharing tools with supportive synergies between humans and organizations).

The platform ecosystem is reviewed based on the perspectives of digital platform providers and service users. It comprises sponsors from platform providers, developers, and consumers. Platform providers must consider strategies or innovations to attract developers to their digital platforms. Choosing the right digital platform affects sales increase, market expansion, and target consumers, as some



platforms lack specific product or service specifications. Users need to consider competition on these platforms, comparing products based on price, quality, delivery, or payment processes according to their preferences. Digital platforms create opportunities for users to enter the digital ecosystem (Parker et al., 2016).

Three main cores of the digital platform ecosystem: platform ownership, value creation mechanisms, and complementary autonomy. Paying attention to these core elements can help companies understand technical features and value creation, complementary interactions with the ecosystem, the ability to gain value in the digital ecosystem platform, and decision-making on creating or merging digital platform ecosystems (Hein et al., 2020).

METHODOLOGY

Research Model

The influential factors of digital transformation were identified through a literature review, emphasizing external factors like the availability of digital technology, digital competition, and digital customer behavior (Verhoef et al., 2019). The availability of digital technology includes online payments made through smartphones that encourage the development of a marketplace. In this sense, using marketplaces is one form of digital transformation. The online marketplace is used through electronic systems like the Internet, television, and computer networks (Romindo et al., 2019).

External and internal factors to encourage the digital transformation of MSMEs can be seen from both the capability and ecosystem perspectives. The Capability perspective focuses on dynamic managerial capabilities that emphasize three central cores: managerial cognition, managerial social capital, and managerial human capital (Helfat & Martin, 2015). Dynamic managerial capabilities are emphasized by adding organizational capabilities, which include a competent organizational team, the ability to use platforms, and business development to support digital transformation (Li et al., 2018).

This research also focused on digital ecosystem platform management as a necessity of MSMEs' digital transformation from an ecosystem perspective. The ability of MSMEs to control digital platforms in the digital ecosystem is important because they affect increased profits and realized innovations. An integrative review of the digital ecosystem concept, which consists of two main parts: individuals or organizations and environmental ecosystems, was conducted (Dong et al., 2007). Individuals or organizations collaborate and work together to maintain their environment by acting as leaders who lead followers in groups. Either an individual or an organization can play the dual role of supplier and requester at the same time. Individuals or organizations follow general or specific regulations in the digital ecosystem. It is done by carrying out tasks following surviving and achieving the goal of the digital ecosystem environment that gains profit. A review of the platform ecosystem considered the perspectives of platform providers, as well as users and developers of digital platform services (Parker et al., 2016).

As these MSMEs join the digital platform ecosystem, they are expected to accelerate MSME players to promote digital transformation. Therefore, the government has guided MSMEs to accelerate readiness and transform their businesses offline to online. The government has also provided facilities, such as launching programs, to encourage MSMEs to advance digitally and join several digital platforms of corporate products. The government should encourage digital transformation and MSMEs to keep their businesses running. In conclusion, the framework of this study is shown in Figure 1.

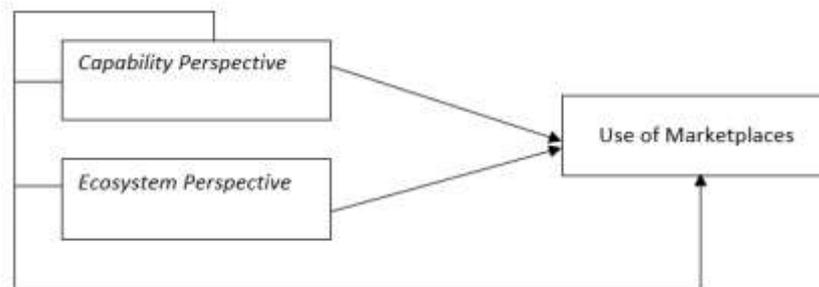


Figure 1. Research Framework

Participant and Research Procedures

The present quantitative online survey study adopted the research model and used items developed in a previous study (Wiliandri, 2020). This research covered all marketplace users in MSMEs in Bandung City (Indonesia) and all sectors of the marketplaces. The



population size for this study was 464,346 MSMEs in Bandung City. The sampling technique used was purposive sampling, and the sample size was calculated using the Slovin formula $n = \frac{N}{1 + (N e^2)}$. Determination of the number of samples used the Slovin formula with a 90% confidence interval or a 10% sample error rate (Asra & Prasetyo, 2015). N is the number of MSMEs in Bandung. e is an error term of 0.5. Then, n is the sample size being sought. Based on the results of the Slovin formula, a sample of 100 MSME players in Bandung City who have used the marketplaces was selected (see Table 1).

Table 1. Entrepreneurs and their business demographic information

Demography	Number of MSMEs
Entrepreneurs' age	
21 – 30 years old	51
31 – 40 years old	36
41 – 50 years old	13
Entrepreneurs' educational background	
High School/Lower Secondary	26
Diploma	13
Bachelor	49
Postgraduate	12
Business sector	
Food and Beverage	51
Fashion	27
Convection	4
Crafts	11
Service/Others	7
Business age	
< 10 years	74
10 – 20 years	18
20 – 30 years	6
> 30 years	2
Number of employees	
1 – 10 Employees	68
11 – 30 Employees	27
31 – 300 Employees	5
Company turnover	
< 2 billion	80
2 – 15 billion	19
16 – 50 billion	1
Marketplaces	
Shopee	15
Gofood	5
Grabfood	1
Tokopedia	2
Others	77

In this study, data analysis was performed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method through SmartPLS 3.0 software. This method was chosen as it enables the estimation of complex models with multiple constructs, indicator variables, and structural paths without requiring specific data distribution assumptions. The analysis process follows five sequential stages: model conceptualization, algorithm method determination, resampling method selection, path diagram creation, and model evaluation, where each stage influences the subsequent steps.

The evaluation process in PLS-SEM involves examining both the measurement model (outer model) and structural model (inner model). The measurement model assessment focuses on validating the model's validity and reliability. For reflective indicators in

the outer model, the evaluation encompasses convergent validity (factor loadings > 0.5 , AVE > 0.5), discriminant validity (cross-loading values > 0.7), and composite reliability (values > 0.7). Although both Cronbach's alpha and composite reliability can be used to assess construct reliability, composite reliability is considered superior in estimating internal consistency. Meanwhile, the structural model (inner model) evaluation aims to predict relationships between latent variables. This assessment examines the explained variance through R-square values for endogenous latent constructs (where 0.75, 0.50, and 0.25 indicate strong, moderate, and weak models, respectively) and utilizes bootstrapping procedures with 5,000 recommended resamples to ensure estimate stability.

RESULTS

The Effect of Using Marketplace from Capability Perspective

The first hypothesis in this study states that the capability perspective positively influences the digital transformation of marketplace usage. This hypothesis was developed into statistical hypotheses: H0.1: $g_1 = 0$: The capability perspective does not positively influence the digital transformation of marketplace usage, and H1.1: $g_1 \neq 0$: The capability perspective positively influences the digital transformation of marketplace usage.

The hypothesis testing was conducted using the bootstrapping method through SmartPLS software. The analysis yielded a path coefficient value of 0.517, indicating the magnitude of the capability perspective's influence on marketplace usage. The positive path coefficient suggests that an increase or improvement in capability perspective leads to an increase or improvement in marketplace usage. Furthermore, the analysis produced a t-statistic value of 4.336, which is greater than the t-table value (4.336 $>$ 1.96), and a p-value of 0.000, which is less than the alpha of 5% (0.000 $<$ 0.05). Therefore, H0.1 is rejected, meaning that the capability perspective positively influences the digital transformation of marketplace usage.

The Effect of Using Marketplace from Ecosystem Perspective

The second hypothesis in this study states that the ecosystem perspective positively influences the digital transformation of marketplace usage. This hypothesis was developed into statistical hypotheses: H0.2: $g_2 = 0$: Ecosystem perspective does not positively influence the digital transformation of marketplace usage, and H1.2: $g_2 \neq 0$: Ecosystem perspective positively influences the digital transformation of marketplace usage.

The hypothesis testing was conducted using the bootstrapping method through SmartPLS software. The analysis yielded a path coefficient value of 0.366, indicating the magnitude of the ecosystem perspective's influence on marketplace usage. The positive path coefficient suggests that an increase or improvement in ecosystem perspective leads to an increase or improvement in marketplace usage. Furthermore, the analysis produced a t-statistic value of 3.416, which is greater than the t-table value (3.416 $>$ 1.96), and a p-value of 0.001, which is less than the alpha of 5% (0.001 $<$ 0.05). Therefore, H0.2 is rejected, meaning that the ecosystem perspective positively influences the digital transformation of marketplace usage.

The Effect of Using Marketplace from Capability Perspective and Ecosystem Perspective

The third hypothesis in this study is capability and ecosystem perspectives simultaneously influence the digital transformation of marketplace usage. This hypothesis was developed into statistical hypotheses as follows: H0.3: $g_1, g_2 = 0$: Capability perspective and ecosystem perspective do not simultaneously influence the digital transformation of marketplace usage, and H1.3: $g_1, g_2 \neq 0$: Capability perspective and ecosystem perspective simultaneously influence the digital transformation of marketplace usage.

Based on the analysis of the influence of capability perspective and ecosystem perspective variables on the digital transformation of marketplace usage, an R-square value of 0.726 was obtained. Subsequently, the F-statistic calculation assessed the simultaneous influence of capability perspective and ecosystem perspective variables on marketplace usage. Through Equation 4.2, the F-statistic value was calculated to be 48.500. At a significance level of $\alpha = 0.05$ or 5%, with degrees of freedom $df_1 = k = 2$ and $df_2 = n - k - 1 = 100 - 2 - 1 = 97$, the F-table value was determined to be 3.090. Since the F-statistic value is greater than the F-table value (48.500 $>$ 3.090), H1.3 is accepted, indicating that the capability and ecosystem perspectives simultaneously influence the digital transformation of marketplace usage.

The model's validity is assessed using component reliability, individual item reliability, convergence validity, and discriminant validity. As shown in Table 2, Cronbach's alpha and composite reliability for all variables exceed 0.7, meeting the criteria (Straub, 1989). Each loading must exceed 0.7 to confirm instrument reliability, a condition met in this study as all loadings are above that



threshold (Hair et al., 2019). Convergent validity is assessed using the average variance extracted (AVE), with all variables showing a minimum value of 0.50, thereby meeting the established criteria (Fornell & Larcker, 1981).

Table 2. Measurement Model

Measurement	Items	Loading	Cronbach's alpha	Composite reliability	AVE
Capability Perspective	DM1	0.828	0.898	0.922	0.662
	DM2	0.797			
	DM3	0.828			
	DM4	0.787			
	OC1	0.809			
	OC2	0.833			
Ecosystem Perspective	IF1	0.735	0.902	0.923	0.632
	IF2	0.836			
	IF3	0.796			
	IF4	0.771			
	DE1	0.826			
	DP1	0.827			
Use of Marketplaces	DP2	0.767	0.903	0.940	0.839
	MP1	0.885			
	MP2	0.951			
	MP3	0.910			

Note: DM = Dynamic Managerial, OC = Organizational Capabilities, IF = Individual as Leader/Follower, DE = Digital Ecosystem, DP = Digital Platform, MP = Marketplace

Further, Table 3 shows the cross-loading value to test discriminant validity. According to the established criteria, an indicator's correlation with its own construct should exceed its correlations with other constructs (Fornell & Larcker, 1981). As shown in Table 3, all indicators have a high correlation with their constructs compared to other constructs. This means that the research model has good discriminant validity.

Table 3. Discriminant Validity Cross-Loading

Items	Capability Perspective	Ecosystem Perspective	Use of Marketplaces
DM1	0.828	0.658	0.721
DM2	0.797	0.686	0.655
DM3	0.828	0.703	0.710
DM4	0.787	0.707	0.650
OC1	0.809	0.727	0.646
OC2	0.833	0.725	0.672
IF1	0.595	0.735	0.501
IF2	0.735	0.836	0.686
IF3	0.663	0.796	0.649
IF4	0.717	0.771	0.621
DE1	0.709	0.826	0.699
DP1	0.716	0.827	0.707



DP2	0.637	0.767	0.614
MP1	0.769	0.735	0.885
MP2	0.768	0.779	0.951
MP3	0.747	0.711	0.910

Structural Model

Hypothesis testing in this model relies on the path coefficient, t-value, and p-value, with significance and predictive relevance assessed through the path coefficient and t-value (Kock, 2016). Predictions and significance in hypothesis testing can be assessed from the p-value (Kock, 2016). Table 4 shows the hypothesis test results carried out using the path coefficient value, t-value, and p-value.

Table 4. Result of Hypothesis Testing

Hypothesis	Regression Path	Path coefficient value	t-value	p-value	F-value	Summary
H1	CP → UM	0.517	4.336	0.000		Accepted
H2	EP → UM	0.366	3.416	0.001		Accepted
H3	CP + EP → UM				48.500	Accepted

Note: CP = Capability Perspective, EP = Ecosystem Perspective, UM = Use of Marketplaces

For hypothesis 3, the F-value is 48.500 at the significance level in simultaneous testing using $\alpha = 0.05$ or 5% with independent degrees $df1 = k = 2$, $df2 = n - k - 1 = 100 - 2 - 1 = 97$, and the F-table value is 3.090. So, it can be concluded that with the criteria for acceptance of significance $F\text{-value} > 3.090$ or $48.500 > 3.090$, it is known that H3 is accepted.

Furthermore, as shown in Figure 2, the capability perspective has a significant and positive effect on marketplace use; hence, H1 is accepted. Then, the ecosystem perspective also has a significant and positive effect on marketplace use; hence, H2 is accepted. Finally, the capability perspective and ecosystem perspective simultaneously have a significant and positive effect on marketplace usage; hence, H3 is accepted.

DISCUSSION

The results show that all paths between independent and dependent constructs are positively and significantly associated. This finding aligns with a conceptual qualitative study, which found that capability and ecosystem perspectives can influence digital transformation (Wiliandri, 2020). This study is about the use of marketplaces by MSMEs in Bandung City. The capability perspective has a significant and positive effect on marketplace use ($B = 0.517$, $t = 4.336$, $p < 0.05$), H1 accepted. Therefore, before using the marketplace, MSMEs must consider matters related to the capability perspective, which includes MSME owners having conducted benchmarking of MSMEs that have used the marketplace before. MSME owners also know the benefits that will arise when using the marketplace. In addition, employees in the MSMEs also need to know the benefits of using the marketplace. Afterward, the ecosystem perspective has a significant and positive effect on using the marketplace ($B = 0.366$, $t = 3.416$, $p < 0.05$), H2 accepted.

Therefore, before using the marketplace, MSMEs must consider matters related to the ecosystem perspective, which include MSMEs knowing the areas targeted in the digital ecosystem, knowing the role that they will play, knowing the activities that will go on to optimize profits by using the marketplace, MSMEs also need to know the rules that apply in the marketplace that will be used and have supporting tools to use the marketplace. The capability and ecosystem perspectives simultaneously significantly and positively affect marketplace use. ($F\text{-value} > F\text{-table} = 48.500 > 3.090$), H3 accepted. This is shown from the data processing results that the capability perspective and ecosystem perspective have an effect of 72.6% on the use of the marketplace by MSMEs in Bandung City. This shows that before using the marketplace, MSME owners/managers in Bandung City have seen and reviewed capabilities and ecosystems from the MSME itself and each marketplace used.

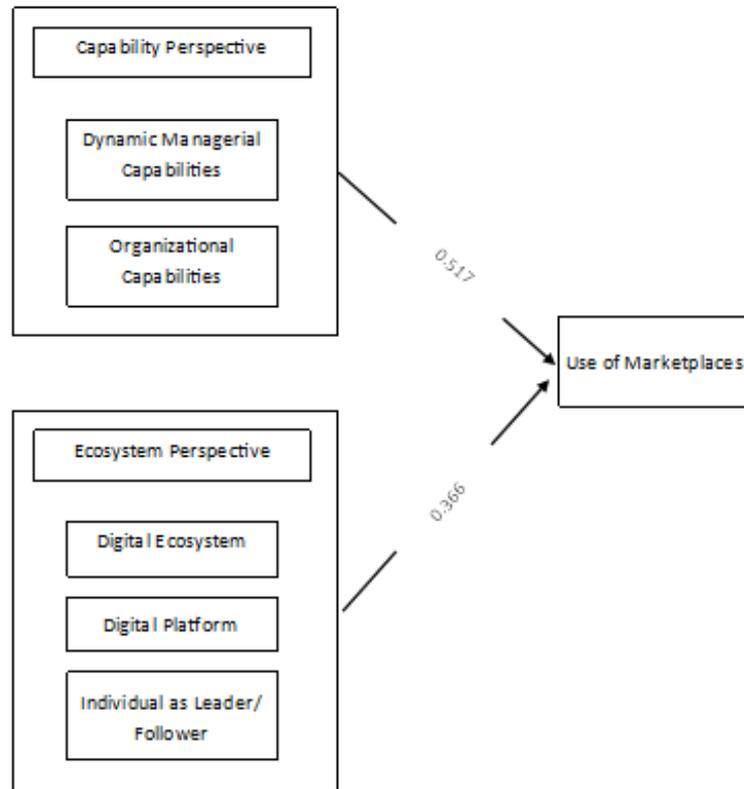


Figure 2. Result of Path Analysis

CONCLUSIONS

The capability perspective positively affects the use of marketplaces for MSMEs in Bandung City. The results of descriptive analysis for respondents' responses regarding the capability perspective variable fall into the excellent category, which is indicated by an average value of 4.29. Then, from the data processing results, it was also obtained that the path coefficient value of 0.517 and the t-value of 4.336 prove that the capability perspective variable has a positive and significant effect on the marketplace usage variable. This result shows that MSME owners/managers in Bandung City see and review the capabilities of MSMEs and marketplaces before deciding to use the marketplace.

The ecosystem perspective positively affects the use of marketplaces for MSMEs in Bandung City. The results of descriptive analysis for respondents' responses regarding the ecosystem perspective variable fall into the excellent category, as indicated by an average value of 4.33. Then, from the data processing results, the path coefficient value of 0.366 and the t-value of 3.416 prove that the capability perspective variable positively and significantly affects the marketplace usage variable. The results show that MSME owners/managers in Bandung City see and review the ecosystem in MSMEs and the marketplace before deciding to use the marketplace.

LIMITATIONS AND FUTURE RECOMMENDATIONS

Several limitations of this study need to be addressed. First, this research does not focus on only 1 MSME sector, and future research should focus on specific MSME sectors. Second, this research only uses quantitative methods to generalize the results. Future research should combine qualitative and quantitative methods. Third, the MSMEs who were the target respondents of this study are only limited to Bandung City, and the following research is expected to be able to investigate MSME objects in other cities.



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Cite this Article: Khalisa, N.A., Noviaristanti, S. (2025). Using Marketplace for MSMEs: A Look at Capability and Ecosystem Perspective. International Journal of Current Science Research and Review, 8(6), pp. 2747-2757. DOI: <https://doi.org/10.47191/ijcsrr/V8-i6-06>