



UNIVERSITAS INDONESIA

**THE ROLE OF INTERNET SERVICES IN SUPPORTING
INDONESIA'S EXPORTS**

THESIS

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**FACULTY OF ECONOMICS
MASTER OF PLANNING AND PUBLIC POLICY**

**JAKARTA
JANUARY 2010**



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INDONESIA'S EXPORTS**

THESIS

**Submitted in partial fulfillment of the requirements for
the degree of Master of Economics**

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**FACULTY OF ECONOMICS
MASTER OF PLANNING AND PUBLIC POLICY
ECONOMIC GLOBALIZATION**

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Jakarta, January 2010

Hary Setiaji



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ABSTRACT

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In the globalization era, the application of internet services in all business activities is a requirement that can not be abandoned. The application of internet services is useful in supporting export activities in developing countries including Indonesia. The application of the Internet service consists of 3 main functions: the function of providing and disseminating information, promotional functions, and facilitation function. In connection with the application of Internet services to support export activities, NAFED has been providing Internet service which aimed to improve the ability of Indonesian exporters, which in turn to increase Indonesia's exports.

The purpose of this study are, the first is to see the influence of the application of internet services to the export performance of 31 developing countries including Indonesia using the cross section data : Internet users per country, imports of each country, and the population of each country. The second objective is to know what kinds of information and promotion is needed by the exporter Indonesia and its impact on their business performance. The third objective is to find out the perception of Indonesian exporters on NAFED websites.

The results of the study showed that the application of internet services have a positive effect on developing countries exports including Indonesia. Furthermore, a lot of information needed by the Indonesian exporters are information on : exchange rate, information on competitor, information on buyer, market taste, and information on trade show agenda. Promotion activities that often carried out are: promotion through the company website, email promotion, and promotions through the e-commerce website. This study also found that the level of user satisfaction on the websites provided by NAFED relatively still low.

Keywords: internet, exporter perception, the role of the Internet, exports, cross section data.

ABSTRAK

Nama : Hary Setiaji
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Judul : Peran Layanan Internet dalam Mendukung Ekspor Indonesia

Dalam era kemajuan globalisasi, penggunaan layanan internet dalam semua aktifitas bisnis merupakan suatu kebutuhan wajib. Penggunaan layanan internet mendukung aktifitas bisnis khususnya ekspor negara berkembang termasuk Indonesia. Penggunaan layanan internet terdiri dari 3 fungsi utama yaitu : fungsi penyediaan dan penyebaran informasi, fungsi promosi, dan fungsi fasilitasi. Sehubungan dengan pemanfaatan layanan internet untuk menunjang aktifitas ekspor, BPEN telah menyediakan layanan internet yang bertujuan untuk meningkatkan kemampuan eksportir Indonesia yang pada akhirnya akan dapat meningkatkan ekspor Indonesia.

Tujuan dari study ini adalah yang pertama mencoba melihat pengaruh penggunaan layanan internet terhadap kinerja ekspor 31 negara berkembang termasuk di dalamnya Indonesia dengan menggunakan data : cross section pengguna internet tiap Negara, impor tiap Negara, dan populasi tiap negara. Tujuan kedua adalah mengetahui jenis informasi dan promosi yang dibutuhkan oleh exporter Indonesia serta pengaruhnya terhadap kinerja bisnis mereka. Sedangkan tujuan ketiga adalah mengetahui persepsi eksportir Indonesia terhadap layanan website BPEN.

Hasil studi menunjukkan bahwa penggunaan layanan internet berpengaruh positif terhadap ekspor Negara berkembang termasuk Indonesia. Selanjutnya, informasi banyak dibutuhkan oleh eksportir Indonesia adalah informasi mengenai : nilai tukar rupiah, informasi pesaing, informasi pembeli, informasi selera pasar, dan informasi pameran dagang. Promosi yang banyak dilakukan oleh eksportir Indonesia adalah : promosi melalui website perusahaan, promosi lewat email, dan promosi melalui layanan website e-commerce. Studi ini juga menemukan bahwa tingkat kepuasan pengguna terhadap website yang disediakan oleh BPEN relative masih kurang.

Kata kunci : internet, persepsi eksportir, peran internet, peningkatan ekspor, cross section data.

List of Contents

Page of Title	i
Statement of Authorship	ii
Page of Endorsement	iii
Acknowledgement	iv
Statement of Assertion	vi
Abstract	vii
List of Contents	ix
List of Tables	xi
List of Figures	xii
List of Annexes	xiii
1 INTRODUCTION	
I.1. Background	1
I.2. Research Questions	3
I.3. Research Objectives	3
I.4. Methodology	3
I.5. Research Coverage	3
2 THE USE OF INTERNET SERVICES FOR BUSINESS AND THE ROLE OF TRADE PROMOTION ORGANIZATION	
II.1. Internet Usage in Business	5
II.2. Motives to Introduce Internet	5
II.3. Trade Portal Function	6
II.3.1. Information	7
II.3.2. Promotion	8
II.3.3. Facilitation	8
II.4. Obstacles in Introducing Internet	10
II.5. Website Quality	12
II.6. The Role of Trade Promotion Organization	13
II.7. The role of Trade Promotion organization in the Digital era.....	14
II.8. Related Study	16
3 THE NAFED EFFORTS IN DEVELOPING INDONESIA'S NON OIL AND GAS EXPORTS	
III.1. The Role of NAFED in supporting export	20
III.2. NAFED's websites services	24
III.2.1. General information (www.nafed.go.id).....	24
III.2.2. NAFED Virtual Exhibition (www.nafedve.com).....	26

4 RESEARCH METHODOLOGY	
IV.1. Methodology of Data Collection	27
IV.1.1. Secondary	27
IV.1.2. Primary Data	27
IV.2. Methodology of Analysis	
IV.2.1. Econometric Analysis.....	27
IV.2.2. Descriptive Analysis	30
5 RESULTS AND ANALYSIS	
VI. Econometric Analysis	41
V.1.1 basic test	41
V.1.2. Analysis	42
V.2. Descriptive Analysis	47
V.2.1. General Description of Respondents	47
V.2.2. Analysis on the Trade Portal Function	49
V.2.3. Analysis of The Website Quality	54
V.2.4. Analysis on the Obstacles	56
V.2.5. Analysis of NAFED Website Services	57
V.2.6. Analysis on the Influence of Internet Service Usage to the Exporter	65
6 CONCLUSION AND RECOMMENDATION	
V.1.1. Conclusions	68
V.1.2. Recommendations	70
References	71
Annexes	73

LIST OF TABLES

Table III.1	NAFED Activities	21
Table III.2	NAFED's website users by territory.....	25
Table V.1.1	Multicollinearity Test	41
Table V.1.2	Serial correlation test	42
Table V.2.1	Reliability test.....	47
Table V.2.2	information on market and product	49
Table V.2.3	information on database	50
Table V.2.4	information on supporting parties.....	51
Table V.2.5	information on procedures	51
Table V.2.6	promotion activities	53
Table V.2.7	facilitation	54
Table V.2.8	website quality.....	54
Table V.2.9	influences of internet usage.....	65

LIST OF FIGURES

Figure III.1	NAFED Organization	20
Figure III.2	Mechanism for participants recruitment	26
Figure IV.2.1	Concept	31
Figure V.2.1	Respondent business categories and Sectors.....	48
Figure V.2.2	Analysis on obstacles.....	57
Figure V.2.3	Utilization of NAFED's Website	58
Figure V.2.4.	NAFED user who do know NAFED website.....	58
Figure V.2.5	NAFED website user by sector	59
Figure V.2.6	Internet Service usage by NAFED website user	61
Figure V.2.7	Frequency of NAFED website Utilization.....	62
Figure V.2.8	NAFED website level of easiness	64

LIST OF ANNEXES

- Annex 1 Regression Result
- Annex 2 Questionnaire
- Annex 3 NAFED websites & Alibaba.com



CHAPTER I

INTRODUCTION

I.1. BACKGROUND

In the era of world trade globalization, competition between countries in international trade took place very strict. Each country has the policy to win the competition with other countries. Each country conducted kinds of activities and efforts intended to increase exports and improve product competitiveness in international markets. The efforts to increase exports might be a policy, or form of activities that aimed to increase exports through variety of programs and promotional activities intended to promote and export products from to other country. Along with the advancement in information technology in recent years, the utilization of information technology through the use of internet services to support the export activities have become inseparable and mutually supportive to other conventional activities.

The Internet is changing the very fundamentals of the international market place for *all* products and services. The functions of internet services to support export development activities including the function: 1) to obtain and disseminate Information; 2) as a promotion tool; and 3) as a facilitation tool.

The use of internet services as a tool to gain information is widely recognized. In the current era, information plays a very important role in business activity. In making policy, information accuracy is needed and cannot be abandoned by the parties involved in formulate policies to encourage exports from both the government and by private parties. The quality of information will determine the quality of a policy or program created that will ultimately have an impact on export performance.

The use of Internet services for promotional activities also cannot be ignored. Through the use of internet services, exporters can promote their

products throughout the world without any barriers, which means cheaper and more efficient compared to conventional promotional activities which they had been doing.

Based on International Telecommunication Union (ITU)¹, the world user data in 1998 amounted to 185.6 million people or approximately 3.7% of the world population. This number increased significantly in the 2008 to 1.6 billion people or about 23.75% from the world's population. In 1998 the number of internet users amounted to 510 thousand inhabitants, or approximately 2.6% of total population in Indonesia and in 2008 grew to 30 million inhabitants, or approximately 13.2% of the total population of Indonesia. When compared with an average of the world's Internet users, Internet users in Indonesia are still below the average internet user world.

The internet users in Indonesia are including the exporters who use internet services for their business interests. Like other countries exporters in using the internet service, Indonesian exporters are also use internet services to obtain information and to promote their product.

Currently the usage and utilization of internet services to support business activities such as in export activities has increased in recent years. This resulted in that all parties involved in export development to also use the same services in an effort to meet the needs of their users.

National Agency For Export Development is a part of the Ministry of Trade Republic of Indonesia which has the responsibility to develop non-oil and gas exports. For this, NAFED has a variety of programs and activities that aimed to encourage non-oil exports. To meet the needs of exporters National Agency for Export Development (NAFED) has two websites : www.nafed.go.id and www.nafedve.com. The first website is a public website that contains the information about NAFED's activities and programs in addition there are several data which required by the exporter. The second website is a website specifically created to facilitate Indonesian exporters to promote their products online.

¹ International Telecommunication Union database, 2009

In the use of internet services to support business activities, exporters also experienced constraints or barriers. This condition will affect to the results obtained not to be as expected

I.2. QUESTIONS

- I.2.1. How significant of internet usage in affecting export.
- I.2.2. What are the information and promotion that through internet services needed by Indonesian exporters and the influence of internet service usage on their business activities.
- I.2.4. How the perception of Indonesian exporters on the internet services provided by NAFED through its websites.

I.3. RESEARCH OBJECTIVES

- I.3.1. To analyze the effect of internet usage on export.
- I.3.2. To identify the types of information and promotion through internet services needed by Indonesian exporters and their perception on the influence of internet service usage on their business activities.
- I.3.2. To identify the perception of Indonesian exporters on the NAFED websites services

I.4. METHODOLOGY

This research is using econometric analysis to analyze the impact of internet usage on export and descriptive statistics to gain : a. the information on the exporter's perception on the influence of internet service usage on their business activities; b. the types of information and promotion through internet services needed by Indonesian exporters ; c. their perception on NAFED websites services.

I.5. RESEARCH COVERAGE

In the descriptive analysis, this research is limited to the population of Indonesian exporters in the NAFED's exporters database which located in DKI Jakarta Province. The respondents are chosen by clustered sampling

method. The survey holds on October to December 2009. In the econometric analysis, this research limited just to analyze the effect of internet usage on export.



CHAPTER II

THE USE OF INTERNET SERVICES FOR BUSINESS SUPPORT AND THE ROLE OF TRADE PROMOTION ORGANIZATION

II.1. Internet Usage in Business

Labbé (2007) argues that advancement in information technology has helped improve the company's ability to gain access to information and promotion. One type of information technology that provides many benefits is the use of internet in business. Internet is the most important communication vehicle developed since the telephone. The internet gives SMEs the same tools big companies use to do business².

Kumar and Chadee, (2002) explain that Information and Communication Technology is a source of competitiveness for an enterprise through its potential to deal directly with end users and respond quickly to market shifts. The database of clients, competitors, and suppliers, among others, are an important information source and may be a source of significant competitive advantages. Such databases are not simply a set of unclassified data but rather consist of an internal structure of relations, which enables full advantage to be taken of the information contained within. These databases can be mined to help plan future product lines and individual product offerings. Thus, ICT makes it possible for firms to shift from a product-focused to a market-driven orientation where firms focus on market signals by relying on a sophisticated ICT network. The outputs from these processes are enhanced productivity, more competitive price, and improved quality³.

II.2. Motives to Introduce Internet

Information and Communication Technology have long been considered effective tools to overcome obstacles for SMEs to facilitate international trade.

² Labbé, ITC, An Introduction to e-Commerce, 2007

³ Kumar, Chadee, 2002, "International Competitiveness of Asian Firms : an Analytical Framework" p. 9

Kuwayama, Ueki, Tsuji (2005) on their study found that the main objectives for private firms to introduce ICT are to ⁴ :

- 1) improve information access;
- 2) improve internal administrative management;
- 3) improve product management and quality control;
- 4) enhance productivity by improving internal management as listed above;
- 5) facilitate collaboration with other companies and seek economies of scale;
and
- 6) Acquire new business opportunities.

On the other hand, they also found that the main motives for public institutions to promote ICT policies and introduce ICT are to:

- 1) improve SMEs' competitiveness
- 2) promote partnerships between large firms and SMEs, and among SMEs
- 3) decrease costs related to trade procedures for both the private and the public sectors
- 4) increase productivity and transparency of the public sector
- 5) Facilitate implementations of trade promotion policies and trade agreements.

They also argue that the reason why public sector encouraged to utilize ICT are for two very different reasons:

- a) To implement their policies for economic and social, and national regional development more efficiently and effectively, and
- b) To improve their internal management.

II.3. Trade Portal Functions

According to Mc Master and Nowak (2006), Information and Communication technologies (ICTs) have been identified as keys to trade facilitation. Virtual trade portals that rely on Electronic Data Interchange (EDI)

⁴ Kuwayama, Ueki, Tsuji, 2005, "Information Technology for Development of Small and Medium-sized Exporters in Latin America and East Asia", P. 19

and the internet technology are the primary tools used in electronic trade facilitation, trade information dissemination and trade promotion. Trade portals classified into three types : 1) those that focus primarily on trade promotion, i.e., providing market and product information and marketing opportunities to traders; 2) those that facilitate the trade transaction and transport of goods by offering online submission and approval of trade documentation and payments; and 3) those that combine the two functions, trade facilitation and trade promotion into one single portal⁵.

Trade promotion portals often combine trade and investment promotion and aimed to strengthen individual countries' international competitiveness. In many countries, particular regions in these countries have developed sub-national trade portals for a geographic area.

Trade facilitation portals or gateways are developed with the support of the private sector and all the government institutions involved in the trade facilitation process. These portals are typically designed to process trade information submitted electronically by traders and forward it in the appropriate format to all the relevant agencies for approval or further action.

II.3.1 Information

There are several information, available both in the domestic and in the foreign market which often required by Exporters⁶: Training, business consultancy, credit agencies, suppliers, customers, export clubs, chamber of commerce, Research institutions, Public promotion fairs, National trade fairs, International trade fairs, International organizations.

When the information is available, according to Thieme quoted from Akbar (2007) exporters will be able to⁷ :

- determine market and customer orientation
- identify of new opportunities

⁵ McMaster, Nowak, 2006, "The evolution of trade portals and the pacific islands countries E-trade facilitation and promotion", p. 4

⁶ Voerman, Wedel, Zwart, Export Market Information Behaviour of SMEs: The Influence of Firm Characteristics, University of Groningen, p. 8

⁷ Thieme, Jens. Guide to Establish a Market Competitive intelligence function in your organization.

- have early warning of competitor's moves
- minimizes investments risks – detect threats and trends early on
- have better customer interaction – gain an intensified customer view of the market
- select the better market
- be quicker, efficient and cost-effective information

II.3.2. Promotion

Export promotion programs are all measures designed to assist firms' exporting activity to ultimately achieve national economic and corporate objectives. The main objective for these programs is to act as external resources for firms to gain knowledge and experience that is vital for successful foreign market involvement. These measures involve the creation of awareness of exporting as a growth and market expansion opportunity, the reduction of export barriers, and providing incentives and different forms of assistance to potential and current exporters. Some of the programs also facilitate learning by exporting.

There are two common inadequacies of export promotion programs: the lack of information about what services specific groups require and an inability of policy developers to effectively target export assistance efforts to prospective users. The awareness of the export assistance programs varies by the degree of firm's internationalization where the level of awareness is lower among non-exporters and partially interested exporters than regular exporters⁸.

The role of promotion is to communicate effectively that become the necessarily information to target market. Furthermore by doing promotions (advertising, sales promotion, exhibition, etc), it is expected that can influence the consumer to make a purchase decision.

II.3.3. Facilitation

Kuwayama (2005) explains that heavy trade-related procedures are substantial barriers for exporters or SMEs to export their products. Inefficient

⁸ Ali M. Yunus, Barriers to Export and Export Promotion Programs: Insights from SME Managers, Queensland University of Technology, p. 2

handling of trade-related documents that are overseen by governmental departments raises the total cost of international trade. Trade facilitation requires extensive countermeasures against these problems. The subjects to be examined are, for example: improvement of access to information on trade-related policies and regulations; simplification of trade-related procedures; mutual recognition of sanitary and phytosanitary measures; digitalization of trade-related procedures such as customs clearance, sanitary and phytosanitary measures, and certificates of origin; and establishment of “single window systems” that interconnect various computerized systems related to international trade and transportation⁹.

The importance of trade facilitations lie in simplifying and facilitating procedures related to export and import by enabling countries to liberalize their trade and allows flows of their products to world markets and vice versa. Facilitation of goods and commodities flow has a strategic dimension as a result of current and expected increases in goods transports’ costs. For example, reducing the cost of air and sea transport, increases the efficiency of harbors, custom environment, structural frame work and services sector structure.

Low transportation cost results in improving companies’ capacity to increase wages, which has positive impact on direct foreign investments flow, and developing small and medium companies, which are considered the main engine to development and employment in transitional economic countries. Also, reducing transport cost decreases production cost as a result of total cost decreases¹⁰.

According to ECLAC research (2007) the following is a non-exhaustive list of the principles that should orient governments in the implementation of trade facilitation programmes and the negotiation of commitments¹¹ :

- Transparency: deals with the availability and accessibility of information on laws, regulations and administrative policies and procedures;
- Simplification: discusses the streamlining of border related rules and procedures to achieve their objectives in a practicable and efficient way.

⁹ Kuwayama, p. 21

¹⁰ Abas, 2009, “Trade Facilitation and its Expected Impact on Arab and Syrian Trade”, p. 4

¹¹ ECLAC, 2007, “Using ICT and Trade Facilitation Tools for SME Development–Options For Latin America and The Caribbean”, p. 2-3

- Non-discrimination: explores the subject of rules and procedures relating to trade and the need to consider equally goods and/or modes of transport.
- Due process: provides access to an unbiased administrative appeal process and the ability to seek remedy in accordance with the relevant legislation of individual countries.
- Cooperation: makes possible enhanced cooperation amongst and between government authorities, business and the trading community.
- Consistency and predictability: clear and precise procedural guidance based on standard policies and operation procedures applied in a non-discretionary and uniform manner.
- Communication and consultation: provision of inputs during the development, implementation and review of rules and procedures related to trade.
- Protection and compliance: enforcement and compliance in relation to health, safety and protection and a careful balance among these and facilitation, through the adoption of rules and procedures.
- Standardization: the widest implementation of procedures and obligations based on international trade instruments and rules. Standardization can be aided by the adoption and implementation of international conventions and agreements such as the Revised Kyoto Convention of the World Customs Organization; the International Convention on the Harmonized Commodity Description and Coding System; the International Convention on the Harmonization of Frontier Controls of Goods; or by following best practices

II.4. Obstacles in Introducing Internet

According to Lederman, in many cases SMEs face generic barriers to use internet service including trust, transaction security and concerns about intellectual property rights as well as challenges in areas of management skills and technological capabilities. The issues for governments are to move beyond policies that encourage basic connectivity and to foster business environments

that facilitate e-business and the use of more complex applications of information technology¹².

According to OECD report (2004), factors inhibiting the use of information and communication technology (ICT) by small and medium businesses include (a) inconsistency of business processes, (b) limitations in terms of managerial knowledge and use of ICT, (c) the cost of developing and maintaining electronic systems, (d) computer network infrastructure issues and communications, (e) issues of trust and security of ICT use, (f) legal uncertainty, and (g) the challenges associated with the adoption of electronic business processes¹³.

Low use of e-commerce by customers and suppliers, concerns about security, concerns about legal and liability aspects, high costs of development and computer and networking technologies for e-commerce, limited knowledge of e-commerce models and methodologies, and unconvincing benefits to the company are among some factors found in another study. SMEs definitely have limited resources (financial, time, personnel). This problem has an effect on the adoption of e-commerce, as they cannot afford to experiment with technologies and make expensive mistakes¹⁴

Crawford, (1998,) as cited in Pease & Rowe, (2003), identified a number of internal and external factors affecting the uptake of E-Commerce by SMEs¹⁵

Internal Factors :

- Lack of awareness and knowledge of E-Commerce;
- Lack of skill and time to investigate and implement E-Commerce;
- Technology 'phobia' amongst proprietors;
- Cost of implementation and lack of realisation of the benefits associated with the implementation of E-Commerce;
- Concerns with security and privacy;

¹² Promoting Entrepreneurship and Innovative SMEs in a Global Economy, 2004, OECD, p. 28

¹³ Ibid

¹⁴ Kapurubandara and Lawson, "Barriers to Adopting ICT and e-commerce with SMEs in Developing Countries: An Exploratory study in Sri Lanka" *University of Western Sydney, Australia*, p. 4

¹⁵ Wegrzyn, Matthew, "Factors Affecting SME Adoption of Electronic Commerce: A Study of SMEs in the Sutherland Shire Region", 2005, University of Wollongong, p. 7-8

- Poor business management generally, as evidenced by a lack of strategic direction or perspective; and
- High failure rate of new SMEs.

External Factors :

- Lack of Suitable software standards;
- Lack of easily accessible, independent and inexpensive advice and assistance to SMEs;
- Electronic authentication issues; and
- Bandwidth capacity and infrastructure issues.

II.5. Website Quality

According to Rababah et al (2006) as cited by Chang (2007), the factors that affect users' perception of a website's quality are ¹⁶ :

- a) Attractiveness – Concerned with the extent to which the web site is visually appealing, consistent, fun and easy to use and how these elements positively affects users;
- b) Content Adequacy – Concerned with such issues like relevancy, accuracy, scope, level of detail, quality, and timeliness of the information;
- c) Readability – Concerned with clarity of information and how easy it is for users to grasp the information provided;
- d) Reliability – Concerned with the extent of personalization of information, customer services, and promotions of product or services;
- e) Efficiency – Concerned with the speed of access and the availability of the web site at all times;
- f) Navigation – Concerned with the issues of how easy it is for users to obtain required information using navigational aids, searching, help, FAQ (Frequently Asked Questions), and other means;
- g) User Friendliness – Concerned with the ease of guiding the users in searching for information

¹⁶ Chang, Lam, Liew, Arroyo, 2007, "Understand Users: Factors that Affect Users' Perception of a Website's Quality", Nanyang Technological University, Singapore, p. 2

- h) Security – Concerned with the security system provided for users’ privacy of using the web site.

According to Trueman (2006), website is considered as crucial component of any business practices. A well designed site, are “effectively marketed”, “easy to find”, “up to date”, “clear”, “accurate”, “ease”, “speed of use”¹⁷.

II.6. The Role of Trade Promotion Organization

The main objectives of governments establish Trade Promotion Organizations (TPOs) is to develop and implement the country's export promotion and development programmes. TPOs normally have a dual role: (a) to provide specialized support to the producers of products for export, and (b) to serve as a catalyst for related services provided by other entities in the public and private sectors.

A TPO acts as adviser to the government on foreign trade and related matters. Due to the nature of its services, the TPO and the export community should develop close ties. This will give the TPO an opportunity to have first-hand knowledge of policies and procedures that support (or hinder) the development of exports. In this way, the TPO also acts as a bridge between the export community and the government.

The TPO can also be an effective bridge between the export community and the foreign markets, if it can call on the services of other specialized institutions. In this way, the TPO also serves as a catalyst for the use of specialized services.

It is also possible for the export community to establish direct contacts with foreign markets and with the government through channels other than the TPO. However, these other contacts should not prevent the TPO from acting for the benefit of exporters. Export promotion and development activities should be

¹⁷ Eid, Trueman, Ahmed, 2006, “B2B international internet marketing A benchmarking exercise”, p. 4

carried out by specialized institutions devoted to this task. This makes the TPO a key actor, which receives support and relies on other specialized institutions¹⁸.

The objective of Export Promotion Agencies is to help (potential) exporters find markets for their products, as well as provide them with a better understanding of products demanded in different export markets. One can divide the services offered by EPAs into four broad categories : 1) country image building (advertising, promotional events, but also advocacy); 2) export support services (exporter training, technical assistance, capacity building, including regulatory compliance, information on trade finance, logistics, customs, packaging, pricing); 3) marketing (trade fairs, exporter and importer missions, follow-up services offered by representatives abroad); and 4) market research and publications (general, sector and firm level information, such as market surveys, on-line information on export markets and electronic bulletin, publications encouraging firms to export, importer and exporter contact databases).¹⁹

The activities of TPOs must start by creating the conditions required for a successful, dynamic export promotion programme. Generally, these activities aim to: identify and develop products and markets; locate new investment possibilities; provide trade information and specialized support services such as assistance with export procedures, product quality issues, export financing and transportation; and carry out promotional activities abroad through trade fairs and missions²⁰.

II.7. The Role of Trade Promotion Organization in the Digital Era

In the digital era, the Trade Promotion organization (TPO) is in the same situation as the business sector that facing a new business proposition, and must respond with speed and efficiency, innovation and flexibility. According to Intracen, Trade Promotion Organization must :

¹⁸ UNESCAP, p. 25

¹⁹ Lederman, Olarreaga, Payton , Export Promotion Agencies: What Works and What Doesn't, p.11

²⁰ UNESCAP, Introduction to Export Promotion, p. 7-8

- **Cater to a growing client base.** Assist enterprises which, through the Internet, now see the potential of the international market place and have a communications and business tool with which to develop this potential.
- **Change the content of its support.** Provide clients with advice on e-trade, e-markets and Internet marketing and develop its own e-awareness, e-competency and e-promotion programmes.
- **Change the way its support is delivered.** Interact with local enterprises through e-mail and the Internet and establish online networks to raise and broaden response capacities.
- **Improve the quality of its advice and information.** Provide tailor-made advice and information to differentiate it from services that are available directly to the enterprise from other Internet sources.
- **Become more responsive to its clients.** Develop databases on clients and their needs/demands and create client feedback possibilities on the website. In short, the TPO must itself become fully e-competent.

In order to transform itself into a proactive as well as responsive institution, the Trade promotion Organization must:

- **Change its internal work processes.** Staff must use the Internet for research and to develop contacts, information networks and online communities.
- **Upgrade its technology.** Install business systems to capture, store and easily retrieve information on clients, markets and solutions and integrate these into the institution's website.
- **Change internal culture and behaviour.** Establish a knowledge sharing, client-servicing culture.

II.8. Related Study

A. V. Kanti Prasad, K. Ramamurty, G.M. Naidu ²¹

The authors offer a conceptual model linking market orientation, marketing competencies, and export performance and investigate the role of the Internet technology in these relationships.

The authors use the definition from Narver and Slater (1990). Market orientation refers to a firmwide commitment to the creation and delivery of superior value to customers and to coordinated activities and processes that are designed to accomplish this purpose. They define market orientation as "the organization culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and thus, continuous superior performance for the business."

According to Narver and Slater, market orientation can be constructed in terms of three behavioral components: a. customer orientation, which reflects a continuous and proactive disposition and action to understand and meet customer needs and create an "augmented product" continuously; b. competitor orientation, which emphasizes an understanding of and response to the strengths, weaknesses, and strategies of current and potential competitors; and c. interfunctional coordination, which reflects a coordinated use of companywide resources in addition to the marketing function for creating superior value for customers.

Investigations of the market orientation-market performance relationship implicitly assume that the focal firms are better than their competitors in terms of their marketing competencies. However, none of the previous studies has explicitly focused on marketing competencies as an intermediate (endogenous) variable in linking market orientation and market performance.

There are five major multi-item constructs as outlined in this study's conceptual framework. Market orientation, competitive intensity, Internet-marketing integration, marketing competencies, and export marketing performance. Market orientation is a construct that has been widely investigated

²¹ V. Kanti Prasad, K. Ramamurty, G.M. Naidu, 2001, "The Influence of Internet-Marketing Integration on Marketing Competencies and Export Performance, Journal of International marketing"

in marketing research. As noted previously, they measured the market orientation construct in the current study using Narver and Slater's (1990) scale, which has three components: customer orientation, competitor orientation, and interfunctional coordination. Fifteen indicator variables represent these dimensions.

Data were collected from manufacturing firms in a large mid western state of the United States through a mail survey instrument. All three components of market orientation, customer orientation, competitor orientation, and interfunctional coordination have highly significant influences on the marketing competencies realized by the firms in this study.

Marketing competencies built up by a firm enable it to enjoy superior export performance. Furthermore, both size and degree of export dependence emerge as moderators of the relationship between market competencies and export performance.

This study is among the first to investigate the relationship among three key concepts : market orientation, marketing competencies, and export performance and the role of Internet-marketing integration in this relationship. The results suggest that market orientation influences export performance through marketing competencies, a relationship that until now has only been implicitly assumed by researchers. The study's central hypothesis, that integration of Internet technology moderates the relationship between market orientations and marketing competencies, is generally supported. The results also demonstrate that a firm's size and degree of export dependence moderate the influence that marketing competencies have on export performance. The study also finds that when the competitor orientation component of market orientation is honed to fit with the extent of competitive intensity, the firms can realize an even greater level of marketing competencies.

On the basis of an analysis of survey data from 381 manufacturing firms involved in exporting, the authors find that firms' integration of Internet technology into marketing activities generally leverages the influence of market orientation on the firms' marketing competencies (compared with competitors), which in turn have a positive impact on their export performance.

B. Rasha H. A. Mostafa, Colin Wheeler, Marian V. Jones²²

The authors investigate links between entrepreneurial orientation, commitment to the Internet and export performance in small and medium sized firms. The central argument is that entrepreneurs are more likely to use the Internet to develop export market opportunities, and to have better export performance than less entrepreneurial firms.

They use entrepreneurship definition from Miller (1983, p. 770) that an entrepreneurial firm is one that “engages in product market innovativeness, undertakes somewhat risky ventures, and is first to come up with proactive innovations, beating competitors to the punch.

Based on the literature and exploratory interviews with companies, they argue that Internet commitment in small and medium sized exporters is seen as having five dimensions; resources committed to the Internet; Internet use; perceived internal and external benefits; Web function and experience with the Internet.

Experience with the internet, is experience with the constituent parts of the Internet like email, the Web, corporate home pages, intranet and internet telephony.

Export performance was measured using pre-tested and validated measures used by Cavusgil and Zou (1994). These comprise objective and subjective measures: export sales growth; export profitability; strategic objectives achieved; perceived self-success and competitors’ perceptions of the firm’s export success.

In testing this proposition, a measure of ‘commitment to the Internet’ was developed and used in a mail survey of UK exporters. Data was collected from a sample of UK based manufacturing SME exporters using a structured mail questionnaire. The industries sampled were food and beverages, textiles and clothing, biotechnology and instrumentation, and computers and office machinery. The selected industries have a strong international presence and have

²² Rasha H. A. Mostafa · Colin Wheeler · Marian V. Jones, 2006, “Entrepreneurial orientation, commitment to the Internet and export performance in small and medium sized exporting firms

a high level of exporting activities based on the assessments of the DTI (2001), and are also significant parts of British manufacturing industry. The results show that firms with high entrepreneurial orientation are more committed to the Internet and have better export performance than firms with low entrepreneurial orientation.

C. George R. G. Clarke²³

The author tries to assess one aspect of these claims, looking at whether Internet access appears to affect the export performance of enterprises in low- and middle-income economies in Eastern Europe and Central Asia. The focus on low- and middle-income countries is appropriate because, unlike in the United States or Western Europe where Internet coverage is extremely high, there are large numbers of enterprises without Internet access in these economies. This variation makes it easier to assess the impact of Internet access on enterprise performance and behaviour in these economies.

The author use descriptive analysis and empirical analysis to know the influence of internet connectivity on export performance. The main source of data used in this paper is the World Business Environment Survey (WBES), a cross-sectional survey of industrial and service enterprises conducted in mid-1999 by the World Bank and several other agencies. The main purpose of the WBES is to identify perceived constraints on enterprise performance and growth in developing and transition economies.

The author found that internet access increase export performance by making it easier for enterprises to communicate with foreign buyers, by improving access and information on markets, consumers and standards in developed countries, by linking the enterprise directly to consumers in developed countries, or by allowing enterprises to bid for contracts over the Internet or to participate in business to business exchanges.

²³ George R. G. Clarke, 2002, "Does Internet Connectivity Affect Export Performance? Evidence from the Transition Economies"

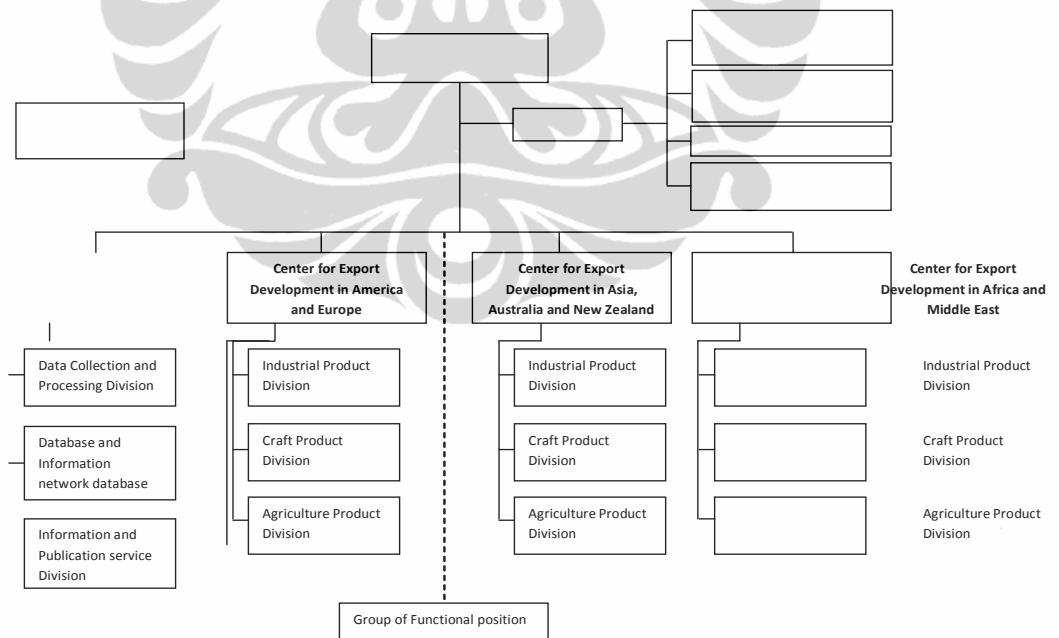
CHAPTER III

THE NAFED EFFORTS IN DEVELOPING INDONESIA'S NON OIL AND GAS EXPORT

III.1. The Role of NAFED in supporting export

NAFED is the unit that supports the task of the ministry and has a responsibility to the Minister of Trade. NAFED is charge to implement the coordination and development of the national export. In conducting its duties, NAFED is tasked with the following responsibilities:

- a) Formulate policies and guidelines to encourage and support the expansion on non oil and gas export
- b) Provide information services on non oil and gas export
- c) Organize export promotion activities
- d) Expand the range of export products and markets



Source : NAFED

Figure : III.1. : NAFED Organization

To develop Indonesia's non oil and gas exports, NAFED perform the following activities :

Table III.1. : NAFED activities

1. Export Information	1) General information services 2) Market intelligence and market analysis 3) Export forum 4) Seminar and workshop 5) Business consultation for SMEs
2. Product adaption and development	1) Brand development 2) Cluster development
3. Buyer service	1) Buyer reception desk 2) Mini display room 3) Inquiry services
4. Export promotion	1) Trade fair 2) Trade Mission 3) Trade Export Indonesia 4) Regional export trade fair 5) Virtual exhibition 6) Marketing point
5. Export Training Center	
6. Primaniyarta Award	

III.1.1. Export information

NAFED's information services are of two kinds aimed at assisting two distinct users. The first is information to exporters about market possibilities and methods of penetration for Indonesian products. The second one is information to overseas buyers about the quality and availability of non-oil & gas products offered by Indonesia.

To improve competitiveness of Indonesian products in overseas markets, NAFED compiles market intelligence and analysis from results of seminars, workshops, researches, export forums, and publications on economic and trade affairs. This includes market profiles of countries around the world.

As from 2006, in line with the change of Resource Indonesia Exhibition into Indonesian Trade Expo, the Forum is called Tourism, Trade, and Investment (TTI) Forum, where subjects on tourism and investment opportunities are also discussed.

NAFED organizes many kinds of seminars and workshops that aimed at improving product quality and developing product adaptation. NAFED also provide services to the SMEs the information related to market penetration to the point of transaction related to market penetration to the point of transaction with overseas buyers.

III.1.2.Product adaption and development

To improve quality of products and to comply with international market taste and demand, Indonesian products should conform to quality of international standard. For this purpose, NAFED carries out various programs to assist Indonesian exporters to produce and market products that suit market products that suit market taste and demand. These programs are carried-out in many ways such as by training, workshops and seminars, and consultation and guidance by domestic and overseas experts.

III.1.3.Buyer service

- Buyer Reception Desk, The BRD's task to help the coming overseas buyers to find Indonesian products they are interested in.
- Inquiry Service, Overseas buyers can also obtain information ion Indonesian products and the suppliers by sending inquiry through e-mail, letter or fax, which will be forwarded to potential manufacturers or exporters to be followed-up.

III.1.4.Export promotion

- Trade Fair, NAFED organizes the participation of Indonesian exporters at domestic and international trade fairs overseas by providing assistance from the preparation to the execution.
- Trade Mission, NAFED organizes selling mission to certain overseas markets the missions are consisting of selected Indonesian entrepreneurs dealing with certain products or services and accompanied by minister, senior government officials and representatives of other business sectors.

- Trade Expo Indonesia, This trade exhibition is the largest of its kind organized in the country. It has succeeded in attracting thousands of overseas buyers to visit the show every year, resulting substantial amount of trade transaction.
- Regional export Trade Fair, in collaboration with the regional or province trade office NAFED also organized regional trade fair.
- Marketing point, the establishment of marketing points is aimed at facilitating the small and medium enterprises in the border crossing regions to display and promote their products to traders and visitors from neighboring countries.

III.1.5. Export training center

To improve exporter's knowledge and skill in order to be competitive in international market, NAFED established Indonesian Export Training Center. In addition, to help exporter's in the regions to obtain training programs for improving their knowledge and skill in export matters, NAFED in cooperation with JICA has established Regional Export Training and Promotion Center (RETPC) in Surabaya (East Java), Medan (North Sumatra), Makassar (South Sulawesi), and Banjarmasin (South Kalimantan)

III.1.6. Primaniyartha awards

Since 1992, Indonesian Government has granted export award, called Primaniyartha Award, to successful exporters in various level and categories. The Primaniyartha Award is granted in recognition for the exporters' achievement and excellence performance in increasing non-oil & gas exports.

III.2. NAFED's websites services

With the increasing use of internet services, NAFED also provide websites services that aimed to assist exporters Indonesia. NAFED provide two websites with different purposes. Promotion and information services online through websites NAFED is under the responsibility of the Center for Export Information Services, one of the echelons in NAFED.

III.2.1. General information (www.nafed.go.id)

Website www.nafed.go.id is a websites designed to provide information about NAFED activities and programs and also provide information and database which is required by Indonesian Exporters. The information provided by this website such as :

- Information on promotional events agenda (overseas trade fairs, international domestic trade fairs, trade missions)
- Publications (market brief, product catalogue, product design, etc)
- Database of importers or buyers
- Database of Indonesian exporters
- Other information that related to export

Data from NAFED for the period 1 December 2008 to 1 December 2009, show that there is 63,988 visits to the website www.nafed.go.id. From this data can then be viewed:

a. Traffic Sources Overview

- Direct traffic : 33.638 (52.57%)
- Search Engines : 19.800 (30.94%)
- Referring Sites : 10.547 (16.48%)
- Other : 5 (0.01%)

From these data it can be seen that the majority of website users are :

- users who know nafed.go.id website address, this indicates that they are NAFED website users or at least know of the existence of NAFED website.

- users who knows the website address through the service search engines (Google, Yahoo, etc). When viewed from the keyword the use, the most is NAFED (39.8%), followed by BPEN (11.95%), nafed.go.id (6.57%), www.nafed.go.id (5.6%), and nafed Indonesia (4.27%). From the keywords used, can be seen that NAFED is the most popular word even when compared with BPEN.
- users who visit to nafed.go.id website through another website in which there is a link to the website NAFED (website Ministry of Trade, Ministry of Communication and Information, Indonesian Representatives (Embassy), and other). These data show that they really did not mean to directly visit the website NAFED. But when they saw a link that connects between the website they visit to the NAFED website, they become attracted to visit.

b. Visitors by country

Table III.2. : Nafed.go.id users by territory

Country / Territory	Visits	Avg. time on site	% new visits
Total	63.988	01.25	58.97%
Indonesia	40.554	01.22	52.41%
China	3.652	01.12	78.61%
India	1.894	01.29	76.61%
United States	1.695	01.19	73.27%
Singapore	1.250	01.32	65.52%
South Korea	1.067	01.22	69.35%
Malaysia	656	01.46	76.22%
Hong Kong	631	01.38	53.57%
Australia	564	01.14	71.28%

The data shows that the main NAFED website users are come from Indonesia, followed by China and India. More than half of NAFED.go.id visitors are new visitor's first visit to the website. Data

average time in site for 01.25 minute shows that they only look briefly at this website.

III.2.2. NAFED Virtual Exhibition (www.nafedve.com)

NAFED has introduced a media called "virtual Exhibition", which can be accessed through website: www.nafedve.com. The website provides a one-stop source of information on certain products with pictures, price quotation and name and address of the company concerned.

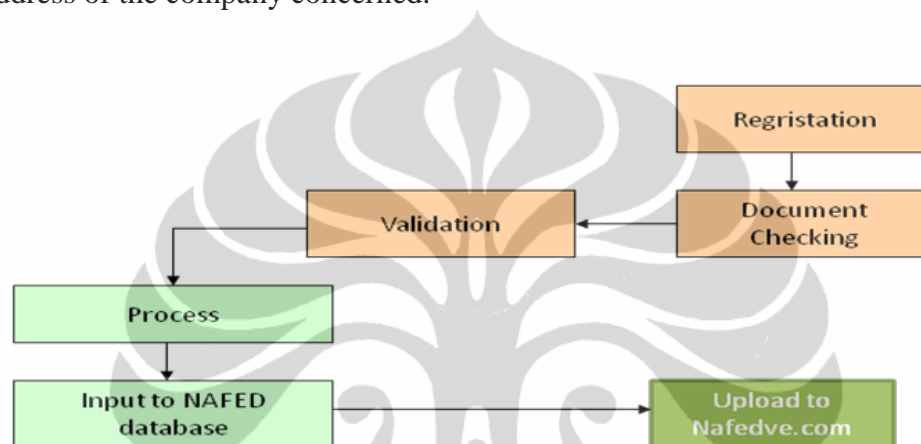


Figure : III.2. : Mechanism for participants' recruitment

NAFED regularly updates information on the Virtual Exhibition every six months. Until December 2009 there are 420 companies listed. Company registration comes from the Nafedve socialization, registration by email, by fax, and direct application to NAFED. After that all required documents completeness checked. The next process is the validation process by checking the correctness of the data filled by the applicants. Validation can be done by phone or by directly visiting the company. After obtained a valid data about the company, then the next step is to process the data and image and then entering into the NAFED database and upload to the website Nafedve.com.

Data for the period 1 December 2008 to 1 December 2009, show that there is only 7.058 visits or in average 19 visit per day to the website www.nafedve.com and the average time on site only 01.03 minute. These data indicate that there is still a lack of utilization of this website by the users.

CHAPTER IV

RESEARCH METHODOLOGY

IV.1. Methodology of Data Collection

IV.1.1. Secondary data

Secondary data from this study was obtained from several sources such as Ministry of Trade, Trademap by International Trade Center, IFS by IMF, publications, internet and other sources that relevant to the objective of this study.

IV.1.2. Primary data

Primary data from this study has obtained from questionnaires and interviews to Indonesian exporters. Structured questionnaires is a method that used to obtain information from the Indonesian exporters regarding the use of internet services for business interests and their views about the role of the internet to export. In-depth interviews were also conducted to further explore the respondent's answer.

IV.2. Methodology of Analysis

IV.2.1 Econometric analysis

The main objective of econometric model is to analyze the influence of internet usage on export. Given the variables that affect export are very much, in this equation is only used several independent variables that affect the export.

This equation is used cross-section analysis to see the influence of several independent variables to the export of group of countries at one time period.

George R. G. Clarke and Scott J. Wallsten, on their research use the cross section data analysis as follow :

$$Exports_{ij} = \alpha + \beta InternetUse_i + \gamma Control\ Variables + \varepsilon$$

Where export value is the independent variable, the dependent variables are internet use and the control variables include population, area, GDP, and a dummy variable representing whether the country is a major oil exporter.

a. The Model :

From above model, in this equation is only used a few independent variables to analyze the influence of internet usage to exports :

$$\mathbf{Log EX}_{iw} = \beta_0 + \beta_1 INT_i + \beta_2 IMP_i + \beta_3 POP_i + e$$

Where :

- EX_{iw} : Export value of country i to the world
 INT_i : Internet User in country i
 IMP_i : Import of country i
 POP_i : Population in country i

b. Definition of variables :

- Value of export, as a dependent variable, value of export is representing the export value of selected countries in the period 2008. The value of export is in millions US\$.
- Internet user, internet usage will accelerate communication and in obtaining information, as well as providing a huge opportunity for companies to promote their products abroad.
- Import, this variable indicates that imported product which also used as raw material of export product will influence the export. Import done because not all products can be produced in the country. Many exported products are not only rely on components that come from within the country but also come from imported goods.
- Population, this variable is a source of labor for production, so that if the population increases, the more labor is available will be result in the ability to produce more product.

c. Data sources

Data that use to analyze the econometric model is cross section data in the period 2008, data come from :

- Value of export from Trade Map provided by International Trade Center in 2008.
- Internet user come from International Telecommunication Union for the period of 2008

- Value of import in 2008 from Trade Map provided by International Trade Center.
- Population come from IFS (International Financial Services) published by IMF.

d. Countries

Countries that will be analyzed are countries in the ASEAN region (minus Singapore, Myanmar & Laos), South and Central American countries, and South Asian countries. The following countries are considered developing economies according to the International Monetary Fund's World Economic Outlook Report :

1. Argentina	17. Indonesia
2. Bangladesh	18. Jamaica
3. Bolivia	19. Malaysia
4. Brazil	20. Mexico
5. Brunei	21. Pakistan
6. Cambodia	22. Panama
7. Chile	23. Paraguay
8. Colombia	24. Peru
9. Costa Rica	25. Philippines
10. Dominica	26. Sri Lanka
11. Dominican Rep.	27. Thailand
12. Ecuador	28. Trinidad
13. El Salvador	29. Uruguay
14. Guatemala	30. Venezuela
15. Honduras	31. Viet Nam
16. India	

Some of the basic assumptions must be met in order to produce a good econometric model. Some of the problems that typically arise in linear regression models are²⁴:

- a. Autocorrelation is defined as correlation between members of series of observations ordered in time (as in time series) or space (as in cross-section data). Serial correlation or autocorrelation is errors in one time period are correlated directly with errors in the ensuing period. In Eviews 5.1, to detect autocorrelation in the regression model is used Breusch-Godfrey Serial Correlation LM Test.

²⁴Winarno, Wing Wahyu, 2007, Analisis Ekonometrika dan Statistika dengan Eviews, UPP STIM YKPN, Yogyakarta, p.5.1

- b. Multicollinearity is linear relationship between some or all variables of a regression model. Multicollinearity can be detected by : high R^2 but few significant t ratios.
- c. Heteroscedasticity²⁵, or unequal variances. The variable that determine have affected on exports has detected heteroscedasticity by White General Heteroscedasticity test.

IV.2.2. Descriptive analysis

This study use descriptive analysis approach to determine: 1) the perception on Indonesian Exporters on the influence of internet service usage on their business; 2) the types of information and promotion through internet services needed by Indonesian exporters ; and 3) the perception of Indonesian exporters on the NAFED website services.

1) Population and Sample

This study uses a population of Indonesian non-oil and gas exporters. This research faced obstacles to cover all Indonesian Exporters spread throughout Indonesia which will take up a lot of time and cost.

To overcome the above problems, the clustered sampling technique is used. In this technique the population is divided into several clusters : industry, craft, agriculture. Then the sample is selected based on the group not by individuals. Indonesian exporters as listed in NAFED's exporters directory which located in Jakarta have chosen as the sample groups. From the list, respondents were chosen based on the sequence starting from the first sequence; the next respondent was selected on fifth order, and so on. When respondents did not answer, the respondents selected on the next two numbers on it and so on. The Study conducted in October 2009 – December 2009.

2) Concept

This descriptive method is used to identify the use of internet services to support business activities that include:

²⁵ Pindyck, Robert. S, and Daniel L. Rubinfeld, 1998, *Econometric Model and Economic Forecast*, Mc Graw Hill, Singapore, p. 146

- A. Trade Portal Functions
 - a. Information
 - Market and Product
 - Database
 - Events & Supporting parties
 - Procedures
 - b. Promotion
 - c. Facilitation
- B. Indicator related to website quality
- C. Obstacles
- D. the utilization of the online services provided by NAFED
- E. the benefits of Internet services

The explanation from those concept can be seen as follow :

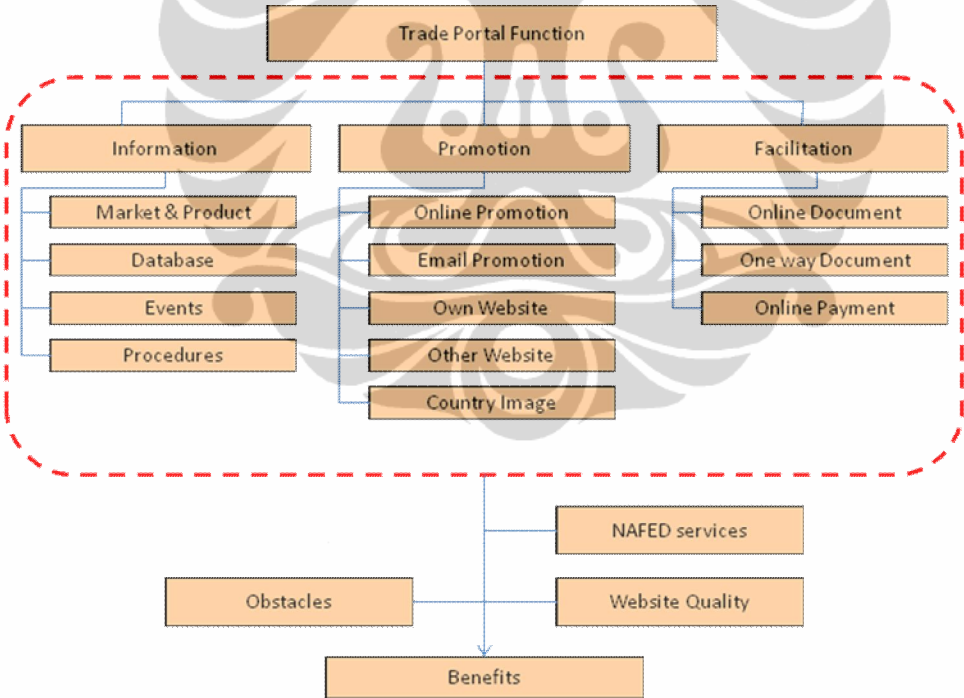


Figure IV.2.1.: Concept

A. Trade Portal Function

The use of internet services to support business activities or exports can be divided into three main functions: those that related to information, those that related to promotion and those that related to facilitation. Figure IV.2.1. shows the function of the trade portals.

1. Information Services

a. Market and product

Market and product provide information on market conditions and information about the product. This information including a country profile, market tastes, designs, product specifications, product quality requirements, standards and regulations for certain products, tariff, packaging.

- Country profile provides general information about the export destination country. This information includes economic condition of a country, political and security conditions of a country, and society condition.
- Trend or market tastes, provides information on changes in market tastes and product design from time to time. For example, changes in fashion trends from year to year which is constantly changing.
- Standards and product quality requirements, each country has specific criteria for product quality. Information on standard and quality will help exporter to produce a product with the same standard as required in destination country.
- Packaging, information on packaging requirement in a country will help the exporter to fulfill that requirement, because if the product packaging
- Tariff, imposition of tariff by a country can affect the demand for a product, because it will affect to the price of product.
- Product safety, this information related to safety or security in the use or consumption of a product by consumer. This information may

include information about specifics that should not be contained in a product.

- Environmental issues in production, this information related to the production process that does not damage the environment, for example for the furniture product some countries require that the wood is not sourced from illegal logging.
- Technology, this information related to new technologies that can be used by the company to improve the quality and production quantity.

b. Database

Provides information on suppliers of raw materials of their products, information about the buyer or the importer of data, information related to competitors both from domestic as well as from other countries, information related to the trade data and economic data to support business analysis.

- Information on the availability of suppliers associated with raw materials for production continuity. By knowing information about the suppliers it will facilitate the company get raw materials so as to ensure continuity of production.
- Data base related to the buyer information about buyers of their products in certain countries making it easier for companies to promote their products directly to the buyer.
- Competitors, this information related to the company faced competitors in entering the market or a particular Country. With the information about the company's competitors are expected to get an idea of who his business competitors, the company's position in the market, etc
- Trade statistics, this information related to trade statistics such as data export - import, the trade balance between Indonesia and destination country, as well as general economic information such as foreign exchange rates.

c. Supporting parties & events

Provide information on activities that aimed to improve the ability of exporters such as seminars, trainings, etc. Information related promotion activities both at home and abroad, information related to the assistance or consultation from the experts, and information related to the parties that can assist in the development of products and markets.

d. Procedures

Provide information related to export financing and procedures, information about licensing in the operations and exports, and information related to the export procedure.

2. Promotion

Consists of activities related to promotion such as promotions and transactions via the Internet (e-commerce), direct email promotions to customers and prospective buyers, promotion through own website, promotion through other company websites, and promotional activities to enhance the country image.

3. Facilitation Services

Consists of activities related to facilitation process, includes facilitation on online transaction and payment, facilitation online document submission, and one way document accomplishment.

B. Indicator-related website quality

The factors that affected to the quality of website can be viewed on the following :

- 1) The website display, an interesting website will cause people who visit these websites will be interested to see the contents of the website. When the website display is not attracting, it will reduce the interest of visitors to see more in the contents of the website.

- 2) The accuracy, relevantly, and quality of the website contents. Visits to a website are also very influenced by the contents of the website. If the content of the website is accurate and the information contained therein quality then people will believe the contents of the website so that it will return to visits website.
- 3) The information is clear and easily understood. This can be explained that the content of the website information in a clear and easily understood so visitors will be able to use information more easily acquired. Although the information and services contained in a website important if it cannot be understood by readers, the important information and services become less useful.
- 4) The easiness to find information needed, Concerned with the ease in guiding the users in looking for information
- 5) Data security and confidentiality of users. Some websites require users to websites that will utilize the information and services on the website to register on the website by filling in profiles and data about the user. This sometimes causes users worried about security of that data and information can be misused by the parties - parties who are not responsible
- 6) The speed of accessing a website can affect the interest of people to visit the website. The slow response from the website will lead to people less interested in visiting the website.
- 7) The availability of the tools needed in a website. Not everyone can get what you can get the information they want and use the navigation found in the website. Guidance as frequently asked questions (FAQ) or Help guide will facilitate the easy web users find information and use the navigation on the website.

C. Obstacles

The obstacles in the use of internet services can be divided into several groups, among others:

- 1) Lack of access, lack of access is one factor inhibiting the use and utilization of Internet services. To be able to use the internet service users must have Internet access.
- 2) Less understanding of the use of the Internet, other constraints usually encountered is a lack of understanding about the benefits of using Internet services and a lack of understanding of the use of Internet services for business purposes. This happens because of ignorance about how prospective users use Internet services and its utilization for business purposes.
- 3) Intellectual property rights issues. Problem of piracy of intellectual property rights is an issue that is very skeptical and feared by many internet users. For example, if a company or product image display product design on a website it opens an opportunity for those who are not responsible for plowing or cheat and design products for the benefit their own.
- 4) Trust and data security. Trust and security issues can arise due to the use of the internet service that cannot be linked directly face to face so as not to know their background - each party will have an impact on the trust issue. Security problems also an issue that often arises relating to information security and data from the use by other parties who are not responsible.
- 5) Problems of legal certainty. This issue is related to the transactions and business agreements with internet service. If there is one party to cheat or break a promise it will be difficult for legal action can be done because not all countries have laws that can protect the parties - the parties involved in the use of Internet services.
- 6) Infrastructure costs. The cost of infrastructure provision is a problem usually faced by small firms to operate their company was still having problems so they cannot afford to buy the infrastructure to be able to access Internet services.
- 7) Language barrier, language barrier is also inhibiting the utilization of Internet services for business purposes. There is so much information and

data contained in the Internet services that use a foreign language so that for users who do not understand the language would be difficult to use. Language barriers can also arise in communication with buyers from other countries.

- D.** The use of NAFED's websites by exporters, NAFED has two websites, www.nafed.go.id for public or general use and www.nafedve.com for business to business promotion and transaction.

E. The influence of internet services to the company

- 1) The influence of the use of internet services to the company's overall image. In general it can be seen that the uses of internet services in business activities will increase the company's image as a whole.
- 2) The influence of the use of internet services to the export. The use of internet services can help enhance sales performance. By using the internet services company can promote the company's products to buyers directly and thus more effective in getting buyers.
- 3) The influence of the use of internet services to the company's operational performance. The use of internet services can improve the operational performance compared to other companies in terms of communication cheaper cost, for example communication costs by using an email service, chatting and teleconference using Skype is cheaper than using conventional communications networks such as telephone, airmail, facsimile.
- 4) Internet services can build a good communication relationship with buyers. One of the key in business is good communication relationships between the seller or exporter with the customer or buyer. By using Internet services communication, communication relationship between the exporter and importer can more easily and quickly implemented, among others by the use of email service, chat, video teleconferencing, this can be compared with the use of conventional means of communication such as telephone, mail, facsimile that time-consuming and costly.

- 5) Internet services help companies to penetrate into new market. With the use of Internet services exporters will not face constraints in terms of getting potential buyers from non-traditional countries that had not been able to penetrate because of limited information about the country and the buyer in that country. By using the internet services on a country's information and data the buyer can easily be obtained that allows exporters to offer their products to prospective buyers. Internet services can enhance the competitiveness of the company. Use of internet services can enhance the competitiveness of firms when compared to companies that do not use the internet service. Use of internet services can increase companies improve access to find a buyer when compared with conventional means of promotion. In the case of communication with the buyer, the use of internet services can also facilitate relationships with buyers so much faster in every follow-up response from the buyer. This directly resulted in the increasing competitiveness of these companies in export markets.
- 6) With the use of internet facilities will facilitate the exporters in getting feedback from the buyer more quickly. This is because buyers can easily and quickly see pictures of products, design, product specifications, and all things related to these products so that if buyers can easily and quickly in providing feedback and desires of these products to the exporter.
- 7) Internet services can help exporters to find new buyer. With the use of Internet services exporters get unlimited access in obtaining information and data on potential buyers and also have a huge opportunity to promote their products to prospective new buyers. This resulted in the opportunity to get new buyers become very large.

IV.2.4. Questionnaire

Based on the above concept, Questionnaire is made to gain the perception on Indonesian Exporters on the influence of internet service usage on their business and the perception of Indonesian exporters on the NAFED website services. Questionnaires are directly distributed and through emails to the

respondents, also conducted interviews with respondents to gain the deeper explanation.

The questionnaire consists of five sections in five pages which include:

1. Information about the use of trade portal functions
2. Information on user perception on the influences of internet services
3. Information on the user perception on good quality website and the obstacles
4. Information about their knowledge on NAFED and NAFED's services
5. General information about respondent, among other types of business and export experience

The indicator variables that addressed on the perception of respondent on the importance of internet services is measured using Likert's Scale (6 points), The questionnaire in this study is using 6 points Likert Scale. In 1986 Birkett (as cited in Krosnick & Fabrigar, 1997) compared even scales of 2-points, 6-points, and 14-points and found that the 6-point scale was the most reliable.²⁶

Likert's 6 points ;

- 1 : Strongly Disagree
- 2 : Disagree
- 3 : Less Agree
- 4 : Fair
- 5 : Agree
- 6 : Strongly Agree

The reliability test indicates the extent to which measurements can provide results that remain relatively unchanged or consistent when measurements were taken back to the same subject and in the same condition. Analysis of the Reliability of the questionnaire included variables the influence of internet service usage and variable that affect the visits of a website.

²⁶ Krosnick, J. A. & Fabrigar, L. R. (1997). Designing rating scales for effective measurement in surveys. P. 145

To measure the reliability, one common way of computing correlation value between the variables is by using Cronbach's Alpha. It will estimate the proportion of true score variance that is captured by the items through comparing the sum of item variances with the variance of the sum scale. The formula is :

$$\alpha = (k(k-1)) * \left[1 - \frac{\sum (s_i^2)}{S_{sum}^2} \right]$$

Where :

- α : coefficient alpha
- s_i^2 's : the variances for the k individual items
- S_{sum}^2 : the variance for the sum of all items

If all items are perfectly reliable and measure the same thing (true score), then coefficient alpha is equal to 1. Specifically, $1 - (\sum s_i^2) / S_{sum}^2$ will become equal to $(k-1)/k$; if multiply this by $k/(k-1)$, obtain 1. In brief, if the result is closer to one then the higher the reliability estimate of the variable.

According to Yaffe, Robert A. quoted from J.C. Nunnally (1998), the alpha of a scale should be greater than .70 for items to be used together as a scale. The alpha for the total scale is also computed assuming that the item under examination is deleted. If the alpha increases over the current total scale alpha when an item is deleted, then the rule of thumb is to delete the item unless it is theoretically necessary for the analysis²⁷.

To examine the validity and reliability of the questionnaire in capturing the information needed, this study performed the validity and reliability using SPSS 15th version as a tool.

²⁷ Yaffee Robert A., 2003, Common Correlation and Reliability Analysis with SPSS for Windows, Statistics and Social Science Group

CHAPTER V

RESULTS AND ANALYSIS

V.1. ECONOMETRIC ANALYSIS

Regression model is used to analyze the effect of internet usage on export from selected countries in ASEAN region, South Asia region, South and Central America to the world. The model consists of export value of selected countries as dependent variable. Then there are three independent variables that have defined could affected on export, namely : internet usage (internet user), import value of each countries, and population of each countries.

V1.1. Basic Test

Several basic assumptions need to be fulfilled in order to find a good econometric model. The test results are as follow :

1) Multicollinearity test.

The presence of multicollinearity in the model can be noticed from the presence of pairwise correlation among independent variables. To find the correlation between independent variable is used Eviews 5.1 program. After the pairwise correlation found, the next step was finding the pairwise correlation value among regressor which whether it was higher from 0.8 or not. According to Nachrowi and Usman, (2006: 247), the pairwise correlation value which is higher than 0.8 shows that there is a strong correlation among variables. Hence, it indicates the presence of multicollinearity among regressors. This study has found that there is no multicollinearity, because all the coefficient correlations between these variables are below 0.80.

Table V.1.1. Multicollinearity test

	INT	IMP	POP
INT	1	-0.12004	-0.24609
IMP	-0.12004	1	0.55958
POP	-0.24609	0.55958	1

2) Serial correlation

Based on serial correlation test using Eviews 5.1. the probability of obs*R-squared is 0.842 (84.2%) with the 5% degree it mean that this variable have no serial correlation.

Table V.1.2. Serial Correlation test

Obs*R-squared : 341858	Prob. Chi-Square (2) 0.842881
------------------------	-------------------------------

3) The result of Heteroscedasticity Test

The Heteroscedasticity test is conducted in order to find out whether there is a heteroscedasticity problem in the model or not. To detect the heteroscedasticity can be seen from the value of of *R-squared is 25.58889 and the probability is 0.029180 (higher than $\alpha = 1\%$). This value indicates that there is no heteroscedasticity problem in this model.

V.1.2. Analysis

After performing several test of basic linear regression on the variables, next the following model has build up to analyze the effect of internet user on export value of 32 countries to the world.

Export value of non oil and gas export is determined as a dependent variable, then there were four independent variables which are Internet user, Import, and Population.

Then all the dependent variable and independent variables are putting down on the equation together and processed it by Eviews 5.1. The result of regression is shown in appendix 1 and can be summarized :

$$\text{LOG(EX)}_{iw} = 3.962182063 + 0.0254364393 \cdot \text{INT}_i + 0.6452609453 \cdot \text{LOG(IMP)}_i + 0.3957667914 \cdot \text{LOG(POP)}_i$$

Based on the results, some interpretation on this model could be made as follow :

1. The value of R^2 is 0.8069 or 80.69%. The R^2 shows that export of selected countries could be explained by variable of Internet user in exporting countries, Import of exporting countries, population of exporting countries. Otherwise, 19.31% is cannot be explained by those variables.
2. To test the influence of the above-mentioned independent variables on the dependent variable used t test, by comparing the value of t statistics with t value table. If the value of t statistics less than the table t value, then H_0 is

accepted and vice versa if the value of t statistics greater than the table t value of H_0 is rejected or accepted H_a . With $\alpha = 5\%$ obtained t value table 1684, whereas the value of t statistics for each variable that is the internet usage (2.176090), import (3.301868) and population (2.290537). From the above values can be concluded that all statistics t value greater than t table value, or in other words all the independent variables affect export. Internet user in exporting countries, Import of exporting countries, and population of exporting countries have a connection and positively affected to the selected countries export in 2008.

3. To see the level of trust in decision-making can be seen from the probability value of each independent variables. Those three independent variables are significant at the level $\alpha = 5\%$ (Appendix1)
4. Effect of Internet user in exporting countries

This variable shows the positive sign. It means the increasing of Internet user in exporting countries as much as 1% will push up export of these countries as much as 0.025%. The coefficient value of internet user in exporting countries also indicates the inelastic relation between internet user and these countries export value, which means that the increasing of Internet user in exporting countries is not too responsive to the changes of these countries export.

The use of the internet has an impact on increasing the value of developing country exports. The use of the internet by exporters in developing countries is very helpful in terms of communicating with buyers in other countries, especially in developed countries. The use of internet services facilitates supplier and buyer to communicate in real time and online so accelerate and make more efficient the communication and transaction process. When compared to traditional means of communication such as telephone and fax usage, the use of internet services give more benefit and also reduce the cost so making the process more efficient. With the reduction in communication and transaction costs it will reduce the cost and increase the product competitiveness in terms of price.

The Internet service usage also provides a vast opportunity for exporters to promote their products throughout the world without significant constraints. Through the Internet, exporter can promote their products to buyers from other countries by using an email service, using the company's website as well as promoting their products through a special portal services created as a digital marketplace. If we see the development of world Internet users, can be seen that the use of the Internet is quite uneven. In 1998 the world population who use Internet services amounted to 3.7% and in 2008 increased to 23.71% of the entire world's population uses the internet service. From the Internet usage rate that continues to increase, it means that the flow of information exchange becomes increasingly easy to do. Promotion using the internet service will save the cost of corporate promotion. When the company uses traditional means of promotion such as participating in trade fairs at home and abroad, it will require huge costs and can only reach the buyers who attended the trade show only. Those promotion activities also require a large cost that will have an impact on product prices increased. But if the exporter promote their products through the internet, the costs will become less and also able to reach buyers from all over the world.

For example, the use of digital services marketplace continues to increase, especially in developing countries. One of the digital marketplace website the most widely used by business people is Alibaba.com, a company that was founded in 1999 in Hangzhou, China. According to data from Alibaba.com, a member of Alibaba.com in 2005 still amounted to 1,949,741 members. This figure increased more than 4 times in the year 2009 to 7,914,630 members of Alibaba.com. Alibaba.com members are mostly in the area of developing countries. Alibaba.com members in the ASEAN region recorded 11% of the total members of Alibaba.com, China 7%, India 11% and South America 4%.

5. Effect of import

Based on above table, import of these selected countries shows the positive sign. This variable indicates that imported product as raw

material of export product influence positively for these countries export. It shows that 1% increasing of import will increase these countries export as much as 0.645%. The coefficient value of these countries import also indicates the inelastic relation between import and these countries export value, which means that the increasing of import in these countries is not too responsive to the changes of these countries export.

If we see the value, it is known that the country imports more than the value of exports or through deficit or it can be said that the country has a high dependence on imported goods. From 31 countries above, the difference between imports and exports reached U.S. \$ 397,666,515. This can be said that imports play a very important role in those countries. Imports that influence the increase of export is import in the form of capital goods. Imports of capital goods are a source of raw materials and equipment used to produce goods in the country. These products in addition to fulfill the domestic needs also exported to other countries.

For example, 10 of Indonesia's biggest imported goods are dominated by import of goods included in the category of capital goods. In 2008, Indonesia imported capital goods such as: Machineries, electrical goods, steel, automotive and parts, plastics, iron goods, and fertilizer with a total share of more than 66.75%. almost the same as in Indonesia, import goods of Brazil in South American region and India in the southern Asia region except oil and gas are also dominated by capital goods. In 2008, Brazilian imports of capital goods include machinery, automotive parts, automotive vehicles, electronic components, fertilizer. For India, imports of capital goods in 2008 were recorded dominated by machinery, electronic components, fertilizer, parts & accessories of motor vehicles.

6. Effect of population

The population of these exporting countries also shows the positive sign. Population is a source of labor for production, so that if the population increases, the more labor is available so that production costs become cheaper and product price becomes more competitive. This positive sign means population of these countries influence positively for these

countries export. It shows that the increasing 1% of population will increase these countries export as much as 0.395%. This also indicates that the population has an inelastic relation with these countries export or the changes population is not too responsive to the changes of these countries export.

If we look at the characteristics of the above countries can be said that the country has a large number of citizens who also serves as a source of labor. With the availability of labor resources the country will tend to produce goods with the characteristics of labor intensity. This also can be seen from the characteristics of those belonging to the group of developing countries. If we look at their export products, except products of natural resources such as mining, agriculture and fisheries, another product which is the stronghold of many products use labor to produce it. Products that use many labors to produce among other are textile products and garments, footwear, housewares, paper products and other products. For example, if we look at Indonesia's exports in 2008, other than products based on natural resources (agriculture, mining) the export of products that provide a large enough share of the product that includes labor as well as product intensity products.

Labor Intensive sector refers to that sectors, which requires substantial amount of human labor to produce the products. As the name suggests, these labor intensive **industries** use labor intensively. This means, the proportion in which labor is used for production is much higher than the proportion of capital.

For the developing economies, labor intensive industry structure can be proved to be a better option than a capital intensive one. The countries, which are not rich and generate low level of **income**, labor intensive industry can bring economic growth and prosperity. In most of the cases, these low income countries suffer from scarcity of capital but are blessed with abundant labor force. If they can use this abundant labor force properly in their industry production, then they can experience industrial growth. Supply of labor to any industry or sector can trigger the industry

growth rate. In this way, the developing countries can improve their industrial economy without doing heavy capital investment. Moreover, export of the products manufactured by labor intensive industries can strengthen the export base of developing country. As the labor intensive industries generate employment on a large scale, they in a way contribute to economic well being.

V.2. DESCRIPTIVE ANALYSIS

Validity and reliability test has done on questionnaire before it was distributed to the respondents. The test result is valid and reliable for all variables. The reliability test for all the items on the variables the influence of internet service usage and the variables that affect the visits to a website are shown by table V.2.1.

Table V.2.1. Reliability test

Variable	Reliability Value				
The influence of internet service usage	<p>Reliability Statistics</p> <table border="1"> <tr> <td>Cronbach's Alpha</td> <td>N of Items</td> </tr> <tr> <td>.794</td> <td>7</td> </tr> </table>	Cronbach's Alpha	N of Items	.794	7
Cronbach's Alpha	N of Items				
.794	7				
Variable that affect the visits to a website	<p>Reliability Statistics</p> <table border="1"> <tr> <td>Cronbach's Alpha</td> <td>N of Items</td> </tr> <tr> <td>.926</td> <td>7</td> </tr> </table>	Cronbach's Alpha	N of Items	.926	7
Cronbach's Alpha	N of Items				
.926	7				

These results are above the condition where require a reliability of 0.70 or higher before it can be use as an instrument²⁸. All the questions for each of these variables can be confirmed reliable.

V.2.1. General Description of Respondents

a) Business Categories

Respondents in this study are based on NAFED's exporters database. However, based on research results, there are also companies that do not export their products. Based on the research results on types of business, there

²⁸ Yaffee Robert A., 2003, Common Correlation and Reliability Analysis with SPSS for Windows, Statistics and Social Science Group

are 60 respondents or 65.2% as a producer and exporter, 12 respondents or 13.04% as exporters only and 20 respondents (21.7%) as producer only, as could be seen on the figure 5.2.1 below :

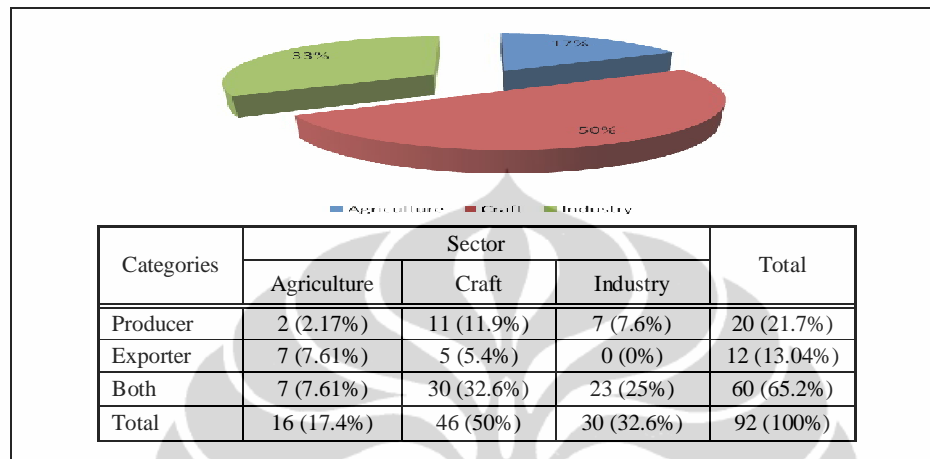


Figure : V.2.1. : Respondents Business Categories and Sectors

b) Business Sectors

Sectors in this study are divided based on the sectors grouping by NAFED. Products are divided into 3 sectors of Agriculture, Craft, and Industry. Based on these groupings, the results show that the largest is Craft sector by 46 companies or 50% followed by industry sector with 30 companies or 32.6% and the last is agriculture sector 16 respondents or 17.4%. As a comparison in some promotional events organized by NAFED include Trade Expo Indonesia, also dominated by crafts sector as a participant, and followed by industry sector and the agriculture sector.

By using cross-tabs between the business-type analyses by business sector obtained the results that the dominant groups of producer and exporter for craft products by 30 respondents or 32.6%. From figure 5.2.1 above can be seen that in general for industry and craft sector, they export their products directly. There are 20 companies that producing only, these groups usually sell their products in the domestic market or sell to exporters.

V.2.2. Analysis on Trade Portal Functions

If the website functions as a means of export development is classified, in general it can be divided into three main functions namely information, promotion and facilitation functions. This function is typically used by exporters to increase exports.

A) Information Function

1) Market and Product

From the below figure can be analyzed that the most information related to market and product required by the respondents are information on market taste (81.52%), followed by information on standard and quality (76.09%). Information on market taste will provides information on changes in market tastes and product design from time to time. Information on standard and quality will help exporter to produce a product with the same standard as required in destination country.

Table V.2.2 : information on market and product

VARIABLES	FREQUENCY						N
	NEVER	EVER	SOMETIMES	OFTEN	VERY OFTEN	ALWAYS	
ECONOMIC CONDITION	0	13	17	29	23	10	92
	0.00%	14.13%	18.48%	31.52%	25.00%	10.87%	100.00%
POLITICAL AND SECURITY CONDITION	0	14	34	25	15	4	92
	0.00%	15.22%	36.96%	27.17%	16.30%	4.35%	100.00%
SOCIETY CONDITION	0	13	17	30	19	13	92
	0.00%	14.13%	18.48%	32.61%	20.65%	14.13%	100.00%
MARKET TASTE	0	9	8	28	27	20	92
	0.00%	9.78%	8.70%	30.43%	29.35%	21.74%	100.00%
STANDARD & QUALITY	3	6	13	34	30	6	92
	3.26%	6.52%	14.13%	36.96%	32.61%	6.52%	100.00%
PACKAGING	4	17	15	33	16	7	92
	4.35%	18.48%	16.30%	35.87%	17.39%	7.61%	100.00%
TARIFF	3	6	19	48	8	8	92
	3.26%	6.52%	20.65%	52.17%	8.70%	8.70%	100.00%
PRODUCT SAFETY	4	5	15	39	19	10	92
	4.35%	5.43%	16.30%	42.39%	20.65%	10.87%	100.00%
ENVIRONMENTAL ISSUES	3	3	35	31	11	9	92
	3.26%	3.26%	38.04%	33.70%	11.96%	9.78%	100.00%
NEW TECHNOLOGY	8	25	14	18	17	10	92
	8.70%	27.17%	15.22%	19.57%	18.48%	10.87%	100.00%

2) Database

Related to the information on database, the most information needed by respondent are information on exchange rate (84.78%) competitor (83.7%) and buyer (82.61%). Information on exchange rate will help the exporter to set the appropriate price for their product. Information on competitor and its product will help the exporter to understand the advantage and disadvantage of their product compared to the competitor. Information on competitor also help exporter to get an idea of who are their competitors and the company's position in the market. Information on buyer will help exporter to know the characteristic of buyer so they can promote effectively to the buyer.

Table V.2.3 : information on database

VARIABLES	LEVEL OF FREQUENCY						N
	NEVER	EVER	SOMETIMES	OFTEN	VERY OFTEN	ALWAYS	
SUPPLIER	0	27	14	29	9	13	92
	0.00%	29.35%	15.22%	31.52%	9.78%	14.13%	100.00%
BUYER	0	9	7	15	35	26	92
	0.00%	9.78%	7.61%	16.30%	38.04%	28.26%	100.00%
COMPETITOR	0	14	1	46	15	16	92
	0.00%	15.22%	1.09%	50.00%	16.30%	17.39%	100.00%
EXCHANGE RATE	0	5	9	26	24	28	92
	0.00%	5.43%	9.78%	28.26%	26.09%	30.43%	100.00%
TRADE STATISTICS	0	32	39	12	6	3	92
	0.00%	34.78%	42.39%	13.04%	6.52%	3.26%	100.00%

3) Events & Supporting parties

Information on events and supporting parties that needed by exporters are information on trade fairs (79.35%), followed by information on seminar and training (48.91%). Information on trade fair will help exporter to arrange the promotional activities. Information on seminar will help exporter to choose the appropriate seminar or training which will increase their knowledge.

Table V.2.4 : information on events and supporting parties

VARIABLES	LEVEL OF FREQUENCY						N
	NEVER	EVER	SOMETIMES	OFTEN	VERY OFTEN	ALWAYS	
SEMINAR, TRAINING,etc	0	19	28	23	19	3	92
	0.00%	20.65%	30.43%	25.00%	20.65%	3.26%	100.00%
TRADE FAIRS, TRADE MISSIONS	0	3	16	32	20	21	92
	0.00%	3.26%	17.39%	34.78%	21.74%	22.83%	100.00%
CONSULTATION	7	29	26	13	14	3	92
	7.61%	31.52%	28.26%	14.13%	15.22%	3.26%	100.00%
SUPPORTING PARTIES	12	19	22	19	18	2	92
	13.04%	20.65%	23.91%	20.65%	19.57%	2.17%	100.00%

4) Procedures

Information on procedure is rarely used by the exporter. There are only 56.52% respondents that often using information on licensing, the next is information on export procedure (43.48%). If we analyzed this data, we know that exporters have knowledge on the procedures.

Table V.2.5 : information on procedures

VARIABLES	LEVEL OF FREQUENCY						N
	NEVER	EVER	SOMETIMES	OFTEN	VERY OFTEN	ALWAYS	
BANKING PROCEDURES	18	27	13	28	5	1	92
	19.57%	29.35%	14.13%	30.43%	5.43%	1.09%	100.00%
LICENSING	10	6	24	27	25	0	92
	10.87%	6.52%	26.09%	29.35%	27.17%	0.00%	100.00%
EXPORT PROCEDURES	12	29	11	21	17	2	92
	13.04%	31.52%	11.96%	22.83%	18.48%	2.17%	100.00%

In connection with the website service functions that provide information to support the export, if we refer to the most information needed by the respondents are the information on exchange rates (84.78%), information on competitor (83.7%), information about buyer (82.61% of respondents), information on market tastes (81.52%), and information on trade fairs (79.35% of respondents).

From the below figure can be analyzed that the most information required by the respondents are information that directly related to their exports. Information about the exchange rates also needed to be able to set product prices in accordance with the expected profit margin. By knowing information about buyers and their characteristics they will be able to promote directly to the buyer including through email services.. Information on trade fairs are also a lot of information they seek, by knowing the agenda of trade fairs in domestic and foreign countries and they can prioritize trade fairs wherever they are going to participated. Information about the market taste is also useful to determine the appropriate product design with the tastes of their buyers.

From the information needed by exporters, can be seen that NAFED website also provides some information about the buyers, trade fairs, market taste, and other information. However, based on user satisfaction levels of NAFED website is still relatively less and based on interviews with some respondents, they consider the quality of the contents of NAFED website still needs to be improved, for example: databases, many of the importer or buyer in the NAFED website is invalid, and also the information or publication on the website less updated by NAFED.

Based on the information needed by these exporters are still a lot of information that has not been provided by NAFED, for that it is still necessary to increase the information and data required by the exporter.

B) Promotion Function

Promotion activities through the internet service are a combination to conventional promotional services such as through trade fairs and trade missions. For functions that related to promotion through the internet service, can be seen that promotion on own company website (71.7%), this data can be compared with the level of the company website ownership by respondents (68.5%), followed by promotion via email directly to the buyer is a promotion activity that often and always carried out by the respondents (68.4%), this is related with the analysis the most information needed is information on buyer. Followed by online promotion and transaction through the digital marketplace (ex. Alibaba.com)

(41.3%) and promotion through the website of another company (ex. Internet advertising in Google, Yahoo, etc). Other promotional activity that is important but is rarely carried out is promotion that aimed to improve the country image, it is quite reasonable that good country image would directly affect the buyer's perception of the product or exporters of a country.

Table V.2.6 : promotion activities

VARIABLES	LEVEL OF FREQUENCY						N
	NEVER	EVER	SOMETIMES	OFTEN	VERY OFTEN	ALWAYS	
ONLINE PROMOTION & TRANSACTION	9	45	0	2	13	23	92
	9.78%	48.91%	0.00%	2.17%	14.13%	25.00%	100.00%
EMAIL PROMOTION	9	5	15	11	24	28	92
	9.78%	5.43%	16.30%	11.96%	26.09%	30.43%	100.00%
PROMOTION VIA OWN WEBSITE	26	0	0	5	15	46	92
	28.26%	0.00%	0.00%	5.43%	16.30%	50.00%	100.00%
PROMOTION VIA OTHER WEBSITE	15	25	21	17	11	3	92
	16.30%	27.17%	22.83%	18.48%	11.96%	3.26%	100.00%
COUNTRY IMAGE PROMOTION	25	11	28	17	9	2	92
	27.17%	11.96%	30.43%	18.48%	9.78%	2.17%	100.00%

Based on the promotion functions performed by the exporter, promotion functions by email, own company website, promotion through the digital marketplace can be analyzed that related to the promotion via email, NAFED website has provided a database of importer in the world so that exporters can find the data and directly promote their products to the buyers. NAFED virtual exhibition website is also provides a digital marketplace functions, but seeing the number of companies listed and the traffic to the website can be seen that the use of this website is not maximum.

C) Facilitation Function

The use of internet services for business facilitation function is still small, it can be seen from the use of payment services via the internet services (internet banking) are only by 48.91% respondent that said often make payment transactions through internet banking facility, The low utilization of this facility probably due to still lack the facilities provided.

Table V.2.7 : Facilitation

VARIABLES	LEVEL OF FREQUENCY						N
	NEVER	EVER	SOME TIMES	OFTEN	VERY OFTEN	ALWAYS	
ONLINE DOCUMENT ACCOMPLISHMENT	23	20	21	15	8	5	92
	25.00%	21.74%	22.83%	16.30%	8.70%	5.43%	100.00%
ONE WAY DOCUMENT ACCOMPLISHMENT	24	15	8	36	8	1	92
	26.09%	16.30%	8.70%	39.13%	8.70%	1.09%	100.00%
PAYMENT VIA INTERNET	16	23	8	19	18	8	92
	17.39%	25.00%	8.70%	20.65%	19.57%	8.70%	100.00%

V.2.3. Analysis of the Website Quality

The utilization of the Internet service or website to support export activities are influenced by the quality of the website or the internet service itself. Based on the results of research on variables that affect the quality of a website that causes an interest in visits or use, there are several variables that determine the user interest on a website :

Table V.2.8 : website quality

VARIABLES	LEVEL OF FREQUENCY						N
	STRONGLY DISAGREE	DISAGREE	LESS AGREE	FAIR	AGREE	STRONGLY AGREE	
WEBSITE DISPLAY	0	0	0	4	26	62	92
	0.00%	0.00%	0.00%	4.35%	28.26%	67.39%	100.00%
CONTENT ACCURACY	0	0	3	0	44	45	92
	0.00%	0.00%	3.26%	0.00%	47.83%	48.91%	100.00%
EASY TO UNDERSTAND	0	1	3	0	26	62	92
	0.00%	1.09%	3.26%	0.00%	28.26%	67.39%	100.00%
EASY TO FIND	0	0	0	4	23	65	92
	0.00%	0.00%	0.00%	4.35%	25.00%	70.65%	100.00%
USER DATA SECURITY	0	0	0	5	20	67	92
	0.00%	0.00%	0.00%	5.43%	21.74%	72.83%	100.00%
WEBSITE RESPOND	0	0	0	4	43	45	92
	0.00%	0.00%	0.00%	4.35%	46.74%	48.91%	100.00%
WEBSITE GUIDANCE	0	3	0	13	29	47	92
	0.00%	3.26%	0.00%	14.13%	31.52%	51.09%	100.00%

a) Website displays

Interesting website display will cause people interest to see and know the contents of the website. If the website display is not interesting, it will reduce the interest of visitors to visit the website any longer. From 92 respondents, the majority or 62 respondents (67.39%) stated strongly agree and 26 respondents (28.26%) said agree that a good website display will affect the interest of people for visiting and using the website for business purposes.

b) Website's Content Accuracy

The website content accuracy led website visitors will believe in the use of the website. They believe in the truth and validity of information in the websites. If they get the accurate data and information, it will help and facilitate them in making decisions. A total of 45 respondents (48.91%) stated strongly agree, 44 respondents (47.83%) stated agree only 3 respondents said less agree (3.26%).

c) Easy to understand

The level of easiness to understand information and data contained on a website is one of the main things that determine the quality of a website. Although, websites display is interesting and the content is accurate if the information and data available cannot be understood by the user, it will cause the data and information becomes less useful. In terms or language, the language that is too technical or academic should be avoided because exporters are usually preferred simple and practical things. If seen from the perception of respondents on this variable found that 62 respondents (67.39%) stated strongly agree that the website content should be easy to understand, 26 respondents (28.26%) stated agree, 3 respondents (3.26%) stated less agree, and only 1 respondent stated disagree.

d) Easy to find

This variable also determines the level of users satisfaction with a website. The easiness in obtaining data and information are required to become one of the priorities of the website service provider. Easiness in finding information and data needed by the user will cause the user will be more effective in using the website services. This can be seen from the respondents opinion, 65 respondents (70.65%) stated strongly agree, 23 respondents (25%) stated agree, and 4

respondents (4.35%) said fair. One of the primary needs of exporters is the need for information, if the users easy to find information and data they need in the websites easily, it indicates that the website meets this criteria.

e) Data and user security

Some websites require that users must be register first by filling out their identity before using the website. This is sometimes a concern for the user identity and security of their data input can be misused. The website administrator should be able to maintain the security of user data from unauthorized use. Associated with the user data security, 67 respondents (72.83%) stated strongly agree, 20 respondents (21.74%) stated agree, and 5 respondents (5.43%) said fair.

f) Website's respond

Other variables that support the quality of a website is a website respond. What is meant by the website's respond, among others is the speed of the website server response, for example if we visit a web site but the web server is very slow in responding, it will result in the user's interest to visit the website will reduced. Perceptions of respondents to the website's respond are 45 respondents (48.9%) stated strongly agree, 43 respondents (46.74%) stated agree, 4 respondents (4.35%) expressed fair.

g) Website's guidance

Many users want to directly obtain information and data they need only, for that the assistance instruments such as Search, FAQ, and the sitemap is required. By leveraging these guidelines then the website user will find out whether the information and data they need is available or not. This is in accordance with the statement that 47 respondents (51.09%) said strongly agree that the website's guidance is needed, 29 respondents (31.52%) stated agree, 13 respondents (14.13%) expressed fair and only 3 respondents (3.26%) which stated disagree .

V.2.4. Analysis on the obstacles

In using Internet services to support business activities, exporters are also facing several obstacles, both originating from the company itself or sourced

from outside the company. Constraints may reduce or affect the use of Internet services so that the benefits gained is reduced.

Based on the below figure, the biggest obstacle that faced in using the internet service is the problem of piracy (52.17%) followed by the legal certainty constraints (39.13%). The sector that has many concerns and facing these obstacles is the craft sector. For the piracy problem, 28 craft companies facing or concerned about the piracy problem. This problem usually occurs when the company displays their product photo or design through internet services that can be viewed or accessed by all people including these who would imitate their products. When they have piracy problem from domestic and abroad, it is costly when they want to sue.

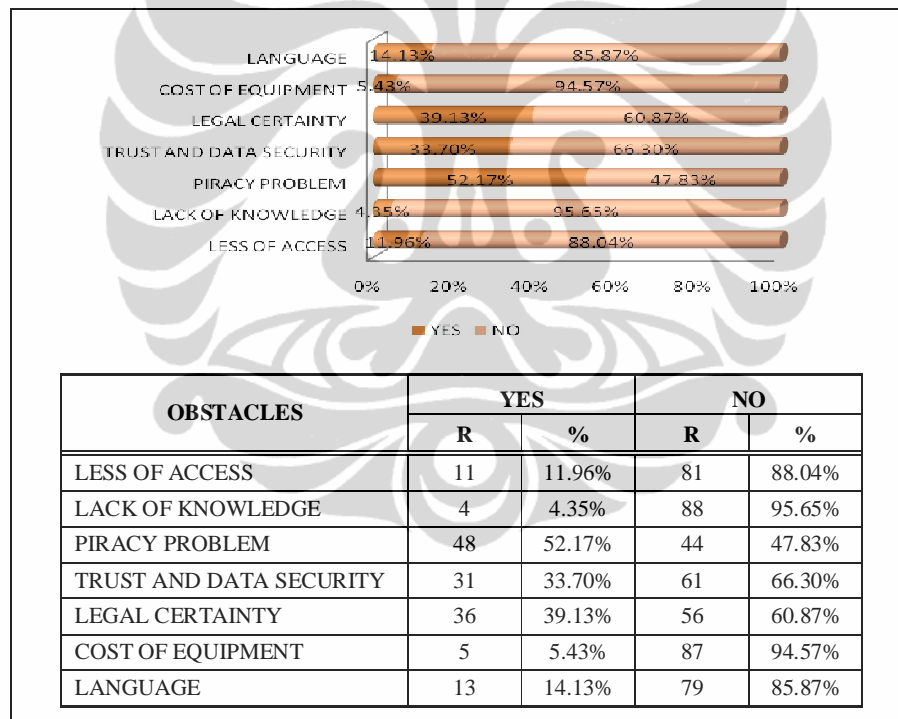


Figure V.2.2 : the obstacles faced in using internet services

V.2.5. Analysis of NAFED Websites services

Internet services play a very vital role in the company's business activities. For the exporter, the Internet is a one way to get information and also

promotion media. Website is a facility to bridge the flow of data and information on the Internet.

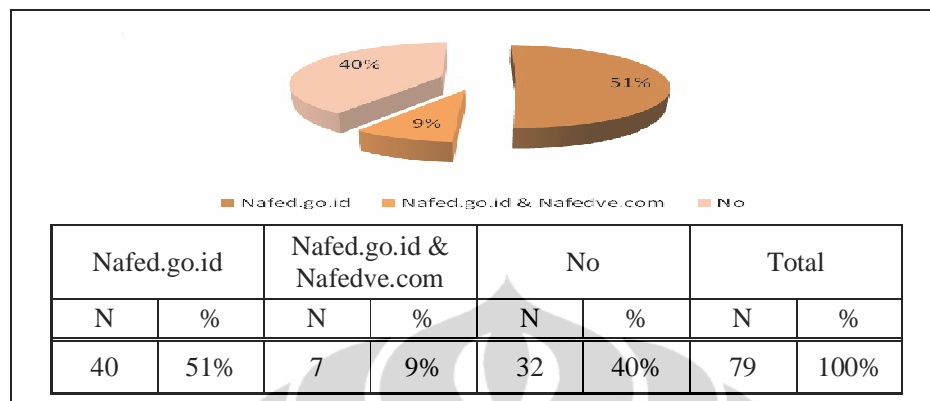


Figure V.2.3 : Utilization of NAFED's websites by user

As a government agency with responsibility to develop export, NAFED has two websites : www.nafed.go.id and www.nafedve.com. The first website contains information about activities and services NAFED, whereas the second site is a website that facilitates the Indonesian exporters to promote their products online through a website or digital marketplace. Based on research results, from 92 respondents, 79 respondents know NAFED and use its services, there are 47 respondents (59.5%) who also use the NAFED's websites services and there are 32 respondents or 40.5%, stated that do not know NAFED's websites.

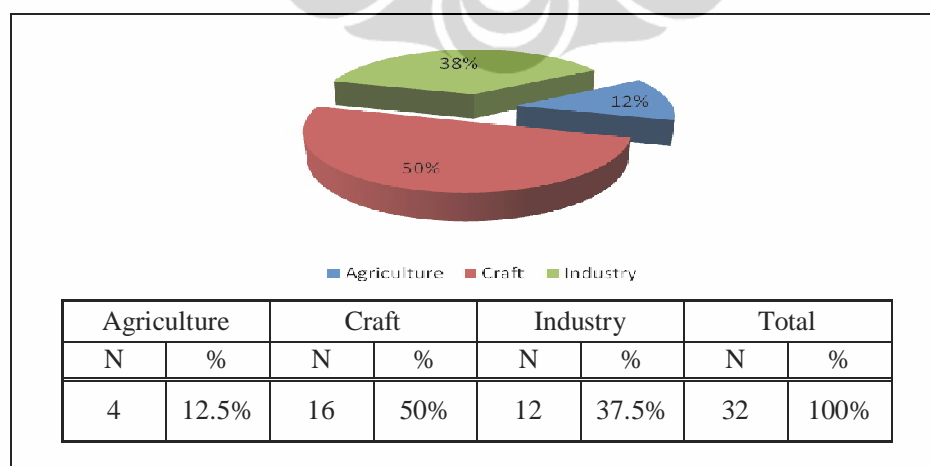


Figure V.2.4 : NAFED service users who do not use the NAFED websites

Based on their sector, 16 respondents come from craft sector (50%), followed by industry sector 12 respondents (37.5%) and the agriculture sector 4 respondents (12.5%). In connection with this analysis, the number of NAFED users who do not know and use the services NAFED's websites is quite significant. Why as NAFED service users they do not know the existence or address NAFED websites, one possible reason why they do not know about the NAFED's websites is the lack of announcement for the existence of NAFED's websites. With many events organized by NAFED in which many exporters are involved, announcement on the existence of NAFED websites can be done more effective.

From 79 companies that use NAFED services, there are 47 companies (59.5%) which also use NAFED websites services, this means that they combine the use of conventional offline services and online services. The biggest NAFED website users is the craft sector 27 respondents (57.4%), this is consistent with conventional service provided by NAFED such as trade fair services in the country which is generally dominated by craft sector participants.

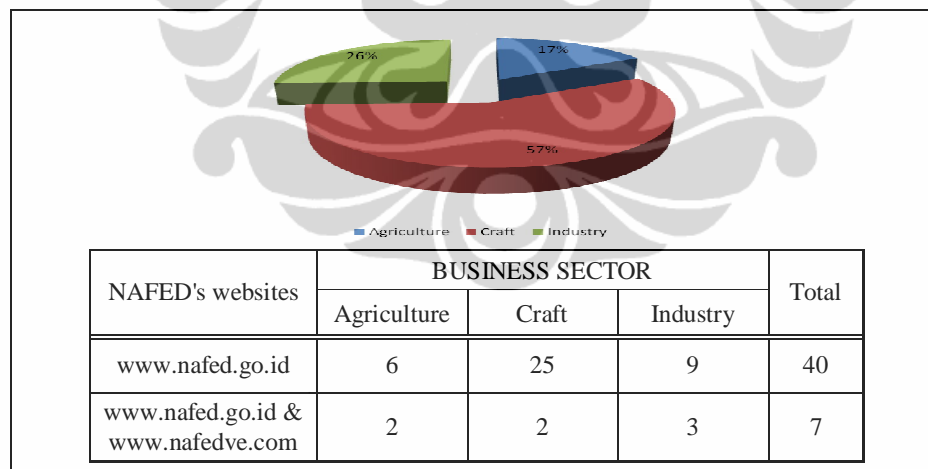


Figure V.2.5 : NAFED's websites by sector

Utilization of NAFED's website by respondents can be seen from above figure, 47 respondents which use NAFED's websites, 40 respondents or 85% just use Nafed.go.id website, and 7 respondents or 15% use both NAFED's websites and no respondents who only use the website Nafedve.com. Based on this reality

that utilization of Nafedve.com website is still very small, it can be analyzed that they do not know the existence of this website because of the lack of announcement of Nafedve.com website which aimed to facilitate exporters in promoting their products.

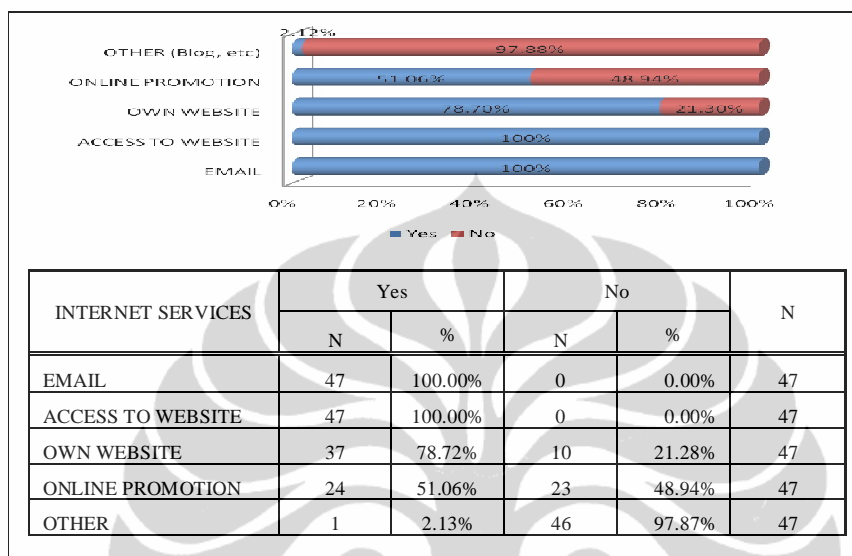


Figure : V.2.6 : internet services usage by NAFED websites users

If we look at online promotion activities of these 47 companies, several respondents also use the digital services marketplace that is almost similar to nafedve.com, among other services Alibaba.com. Respondents which use the online promotion and transaction through Alibaba.com services are 24 respondents or 51.06%, this number is very far from the use nafedve.com by 7 respondents or 14.9%. Based on interviews with companies that use Alibaba.com services, they are interested in promoting their products through Alibaba.com website, because this website already known and accessible by buyers from around the world. As a result they also get the transactions through this service. This can be a good input for NAFED to be Nafedve.com widely known by the buyers from all over the world. NAFED need more announcement programs for Nafedve.com facilities to get as many companies and types of products to join Nafedve.com, besides that, NAFED also need to promote Nafedve.com to buyers from around the world to let them know that the products they need are available at the Nafedve.com.

NAFED also realized that the digital services marketplace like Alibaba.com is widely used as a promotion tool by the Indonesian exporter. In this regard, on 26 June 2009, NAFED has signed a partnership with Alibaba.com to facilitate 250 Indonesian SMEs to promote their products on Alibaba.com. According to NAFED chairman, NAFED reason to give online promotional facilities online through Alibaba.com is the consideration of efficiency when compared to facilitate SMEs through promotional activities abroad. As an illustration, the funds needed for activities overseas exhibitions is about one billion dollars with only 20 companies could be facilitated, whereas if through Alibaba.com funds can facilitate more than 100 SMEs. Selected SMEs are SMEs achievers, among other things Primaniyarta Award winner, Inacraft Award, etc..

Analysis on User perception about NAFED websites

One measure to determine Indonesian exporter interest in accessing the NAFED websites is to look at frequency of their visits to these websites. From 47 respondents which access NAFED websites, no one of respondents visit NAFED websites every day, 44 respondents (93.6%) infrequent visit the websites or sometimes and 3 respondents (6.4%) which visit NAFED's website each week.

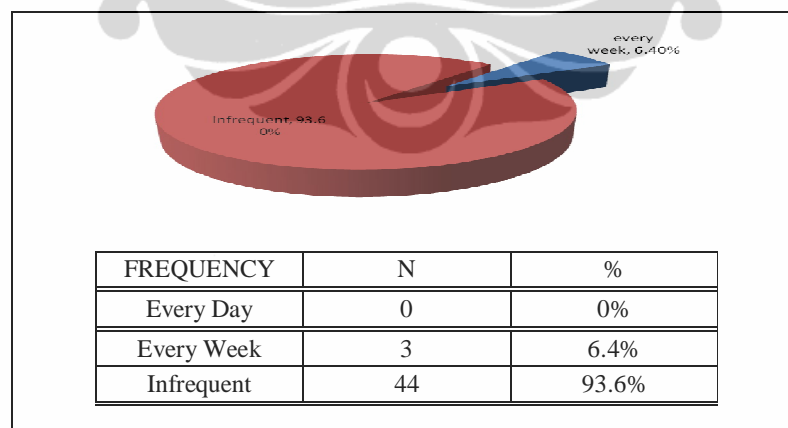


Figure V.2.7 : frequency of NAFED website utilization

From the analysis of frequency of visits and user satisfaction level of NAFED websites can be seen that the user satisfaction of NAFED websites is still low, it causes frequency of their visits to NAFED website is infrequent.

The above figure shows that the visits and the use of NAFED websites are not a priority for exporters. On the other hand the use of their internet services to find information and to promote their products relatively high. In the competition era that requires exporters to use all of information and promotion channels that are available, the use of websites that provide information and promotion tool is one of the measures taken by exporters. NAFED website should be able to bridge the needs of the exporter in accordance with the function of information and promotion NAFED websites.

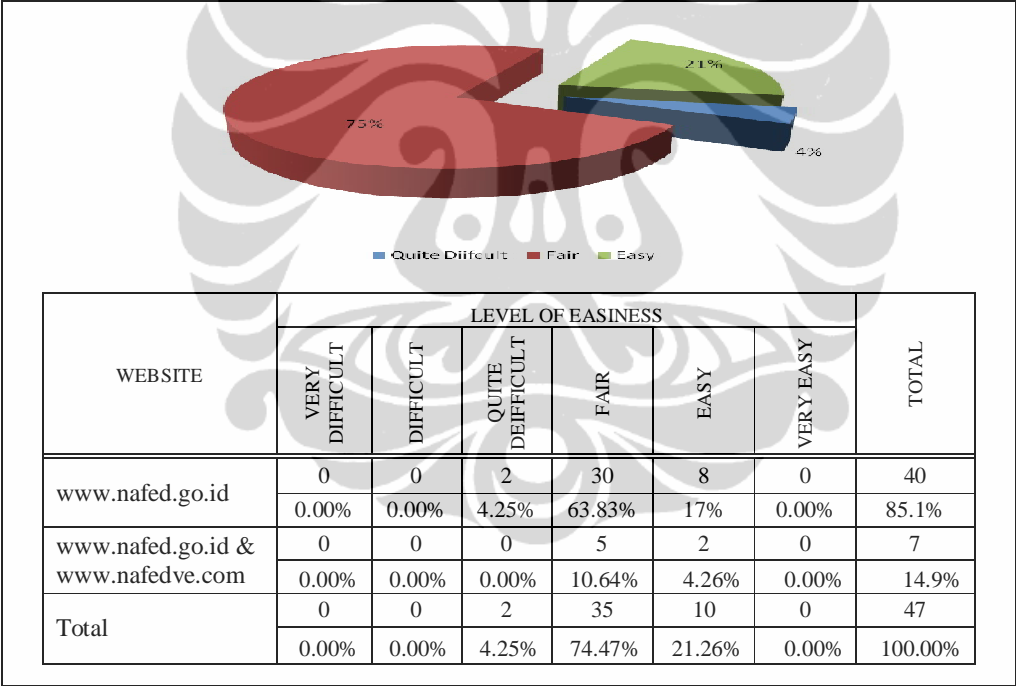


Figure V.2.8 : NAFED websites Level of Easiness

Furthermore, if we look at the visitor's perception on the level of easiness of NAFED's websites usage, can be seen that from 47 respondents which use the NAFED website services, only 10 respondents (21.26%) who stated easy in using these websites, the rest or 78.74% said fair and rather difficult. This figure shows

the lack of user satisfaction level about NAFED website quality. Based on these facts, continuous improvement of the website must be done to improve user satisfaction NAFED's websites. Regarding to the information provided by NAFED there are some respondents that request to receive the latest information and data by email facility.

To learn more about the user's perception to the NAFED website, interviews were conducted with several respondents with the following results:

- a. Respondents knew NAFED website address through search engines like Google and Yahoo. There are no respondents who know already know the website address of NAFED.
- b. Then the frequency of visits to the website NAFED obtained answers that they only occasionally visited the website in one month NAFED, with time an average visit 2-3 minutes. This shows that the frequency of visits to the website is still very low NAFED.

From the information available on the website NAFED, the most frequently viewed by the user NAFED website is information about the list of buyers as well as information on promotional activities both within and outside the country. Other information contained on the website is still underutilized by NAFED website users. They advice NAFED to always validate the accuracy of the information and data contained on the website NAFED. This is based on the user experience that that a lot of information and data on NAFED website is not valid anymore. For example, many buyers and email addresses can not be contacted anymore.

- c. According to NAFED website user, view NAFED website is still less attractive, especially from the less bright colors and the use of the letters that are too small. They hope that NAFED website display can be improved to attract more visitors much longer in visiting NAFED websites. They assume that the attractive look of the website is the first thing that attracted them to visit a website.
- d. One assessment of the quality of a website is easy to find or discover information needed by the user. They argue that when they are looking for

any information contained on the website NAFED, they are quite difficult to find where the information is located. According to their opinion, the placement of icon on the website NAFED need to be reorganized so that much information can easily be found on the NAFED website.

- e. Related to the use NAFED Virtual Exhibition website (NAFEDVE.com), respondents thought that the main indicator of the website is useful if many buyers who use the website to find the product they want. Based on their experience, falling far short of buyers who know their products through service NAFED Virtual Exhibition website. When compared with the results they obtained from similar services such as Alibaba.com, the results obtained from the virtual exhibition site NAFED still lacking. By being a registered member of Alibaba.com website, they feel the benefit directly because they get transactions through Alibaba.com. According to them, Alibaba.com as a business to business e-commerce website that the most famous and widely used by businesses around the world. This is the key to why they can get the transaction through the website Alibaba.com. They also suggested that NAFED should continued campaigning the presence of NAFED virtual exhibition website to the buyer abroad so more of them are using NAFED virtual exhibition website.

V.2.5. Analysis on the influence of internet services usage to the Exporters

The usage of internet services to support export development has a significant impact on the company. Based on the results of this study, can be seen that the usages of internet services to support business activities have an impact on the following:

Table V.2.9 : influences of internet usage

VARIABLES	LEVEL OF FREQUENCY						N
	STRONGLY DISAGREE	DISAGREE	LESS AGREE	FAIR	AGREE	STRONGLY AGREE	
IMAGE	0	0	0	11	65	16	92
	0.00%	0.00%	0.00%	11.96%	70.65%	17.39%	100.00%
EXPORT/SELLING	0	0	0	9	63	20	92
	0.00%	0.00%	0.00%	9.78%	68.48%	21.74%	100.00%
OPERATIONAL PERFORMANCE	0	0	2	21	38	31	92
	0.00%	0.00%	2.17%	22.83%	41.30%	33.70%	100.00%
COMMUNICATION	0	0	0	0	46	46	92
	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	100.00%
MARKET PENETRATION	0	1	2	36	41	12	92
	0.00%	1.09%	2.17%	39.13%	44.57%	13.04%	100.00%
FEEDBACK	0	1	2	26	47	16	92
	0.00%	1.09%	2.17%	28.26%	51.09%	17.39%	100.00%
NEW BUYER	0	0	2	15	46	29	92
	0.00%	0.00%	2.17%	16.30%	50.00%	31.52%	100.00%

- 1) The influence of the use of internet services to the company's overall image. In general it can be seen that the uses of internet services in business activities will increase the company's image as a whole. Based on above figure : there are 65 of 92 respondents (70.65%) stated agree that their company image increase, 16 respondents said strongly agree (17.39%), the rest or 11 respondents (11.96%) stated fair.
- 2) The influence of the use of internet services to the export or sales. The use of internet services can help enhance sales performance. By using the internet services, company can promote the company's products directly to buyers and thus more effective in getting buyers. This information related to the utilization of internet services by respondent that the most frequent information needed is information in buyer. Regarding to the questionnaire results from 92 respondents, 63 respondents (68.48%) stated agree that the

use of internet services has increased the company's sales, followed by 20 respondents (21.74%) that stated strongly agree, and 9 respondents (9.78%) stated fair.

- 3) The influence of the use of internet services to the company's operational performance. The use of internet services can improve the operational performance compared to other companies in terms of exchange of information and communication, internet can enhance the flow of information within the division in the company which will results in the company's operational performance. Based on above figure, 38 respondents (41.3%) said agree that the use of internet service has increased the company's operational performance, 31 respondents (33.7%) stated strongly agree, 21 respondents (22.83%) respondents said fair, and 2 respondents (2.17%) said less agree.
- 4) Internet services can build a good communication relationship with buyers. One of the key in business is good communication relationships between the seller or exporter with the customer or buyer. By using Internet services communication, communication relationship between the exporter and importer can more easily and quickly implemented, among others by the use of email service, chat, video teleconferencing, this can be compared with the use of conventional means of communication such as telephone, mail, facsimile that time-consuming and costly. This condition also related to respondent perception, 46 respondents (50%) stated strongly agree and 46 respondents said agree that the use of internet services has increased the communication relationship with buyer or customer.
- 5) Internet services help companies to penetrate into new market. With the use of Internet services, exporters will not face constraints in terms of getting information about potential buyers from non-traditional market or countries. By using the internet services, information and data about the buyer and country profile can easily be obtained that allows exporters to offer their products to prospective buyers. Internet services can enhance the competitiveness of the company. Use of internet services can enhance the competitiveness of firms when compared to companies that do not use the

internet service. The use of internet services can increase companies improve access to find a buyer when compared with conventional means of promotion. In the case of communication with the buyer, the use of internet services can also facilitate relationships with buyers so much faster in every follow-up response from the buyer. This directly resulted in the increasing competitiveness of these companies in export markets. Based on the questionnaire result, 41 respondents (44.57%) stated agree, 36 respondents (39.13%) said fair, 12 respondents (13.04%) stated strongly agree, 2 respondents (2.17%) stated less agree and 1 respondent (1.09%) stated disagree the use of internet service will help company to penetrate into new market.

- 6) With the use of internet facilities will facilitate the exporters in getting feedback from the buyer more quickly. This is because buyers can easily and quickly see pictures of products, design, product specifications, and all things related to these products so that if buyers can easily and quickly in providing feedback and desires of these products to the exporter. From 92 respondents, 47 respondents (51.09%) stated agree, 26 respondents (28.26%) said fair, 16 respondents (17.39%) stated strongly agree, 2 respondents (2.17%) stated less agree, 1 respondents (1.09%) said disagree.
- 7) Internet services can help exporters to find new buyer. With the use of Internet services exporters get unlimited access in obtaining information and data on potential buyers and also have a huge opportunity to promote their products to prospective new buyers. This resulted in the opportunity to get new buyers become very large. According to the questionnaire results, 46 of 92 respondents (50%) stated agree that internet service can help exporters to find new buyer, 29 of 92 respondents (31.52%) said strongly agree, 15 respondents (16.35) said fair, and 2 respondents (2.17%) that said less agree.

CHAPTER VI

CONCLUSION AND RECOMMENDATION

VI.1. CONCLUSION

VI.1.1 Based on the Econometric analysis, the influence of internet usage to export of the selected countries in 2008 could be concluded that the impact of the use of internet services gives positive impact for export.

V.1.2. Based on the results of descriptive analysis, the utilization of trade portal functions to support business could be concluded that :

- a) In connection with the information utilization through Internet services, can be seen that the most information needed by the Indonesian exporters are: information on exchange rates, information on competitor, information about buyer, information on market tastes, and information on trade fairs . The most information required by the respondents is information that directly related to their exports. From the information needed by exporters, some information is also provided by NAFED website.
- b) Related to promotional activities which are always and very often carried out by Indonesian exporters through internet services, the largest is promotion via own website, followed by email promotion, and online promotion through digital marketplace such as Alibaba.com. This condition is related to the information needed by the exporter.

V. 1.3. Based on the results of descriptive analysis, the perception of Indonesian exporters on the influence of internet services on their business activities could be concluded that :

- a) Indonesian exporters feel the benefits of using internet services in improving their business. They felt that the use of internet services have been able to improve corporate image, increase sales or exports, improve the company's operational performance, improve

communications with their customers, to help penetrate to the market, helping to gather feedback and suggestions from customers to improve the product, and help finding new buyers.

- b) The impact of the use of Internet services for operational and sales performance of Indonesian exporters is relatively high.
- c) If we see variables that influenced by internet service usage, the biggest is on communication, followed by increased sales, and company image.

VI.1.4 Based on the results of descriptive analysis, the perception of Indonesian exporters on the NAFED websites services could be concluded that :

- a) The uses of NAFED internet services by Indonesian exporters are still low. From 79 respondents who know and use the services from NAFED, there were 32 respondents (40%) who did not know and use the services NAFED websites.
- b) From 47 NAFED websites users, there are 10 respondents (21.26%) which stated that the use of NAFED websites easy 35 respondents (74.473%) expressed fair, there are 2 respondents (4.25%) who expressed less difficult. From this data we can conclude that the easiness level of NAFED website is still low.
- c) According to the users, some of the items that is still less than NAFED websites include: NAFED website display is still less attractive, the information contained on the website NAFED difficult to understand and find, a lot of information and data is not valid anymore such as data on buyer.
- d) The biggest website quality variable that stated by the respondents are content accuracy, website display, easiness to understand, easiness to find and user data security.

VI.2. RECOMMENDATION

The use of internet services have a positive impact on company business, but on the other side of the level of knowledge and usage of NAFED websites is still relatively low, therefore:

- 1) In order to maximize the benefit from internet usage, the campaign of the utilization of Internet services for business purposes is needed.
- 2) The campaign of the existence of NAFED websites to the Indonesian exporter is needed. This socialization can be done also through the NAFED other activities such as trade shows, seminars, and other activities.
- 3) NAFED need to improve the quality of its websites. Improving the quality of the display variable should include the website display, content accuracy, easiness to understand, easiness to find, user data security, the website respond, and website guidance
- 4) Website should provided by a lot of information that needed by Indonesian exporters include information about the buyer, exchange rates, promotional events, market taste, standards and quality requirements, etc.

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APPENDIX 1

Dependent Variable: LOG(EX)

Method: Least Squares

Date: 01/04/10 Time: 05:40

Sample: 1 31

Included observations: 31

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.962182	2.832457	1.398850	0.1732
INT	0.025436	0.011689	2.176090	0.0385
LOG(IMP)	0.645261	0.195423	3.301868	0.0027
LOG(POP)	0.395767	0.172783	2.290537	0.0300
R-squared	0.806954	Mean dependent var		16.66550
Adjusted R-squared	0.785504	S.D. dependent var		1.883966
S.E. of regression	0.872534	Akaike info criterion		2.685084
Sum squared resid	20.55553	Schwarz criterion		2.870115
Log likelihood	-37.61880	F-statistic		37.62097
Durbin-Watson stat	2.106210	Prob(F-statistic)		0.000000

APPENDIX 2

KUESIONER STUDI TENTANG PERANAN PENGGUNAAN LAYANAN INTERNET DALAM PENINGKATAN EKSPOR INDONESIA
<p>Kuesioner ini adalah suatu cara untuk mendapatkan informasi dan data yang akurat dari para pelaku usaha khususnya eksportir mengenai peranan layanan internet dalam meningkatkan ekspor.</p> <p>Informasi dan data yang terkumpul dari hasil kuesioner ini nantinya akan digunakan sebagai suatu rekomendasi bagi instansi dan unit yang terkait dengan pengembangan ekspor di Indonesia.</p> <p>Kerjasama Anda dalam memberikan masukan yang jujur dan juga apa adanya akan membantu dalam mengetahui kondisi dan situasi yang terjadi saat ini secara obyektif.</p>
<p><u>Kerahasiaan :</u> Hasil kuesioner ini tidak akan disampaikan dan disebarluaskan dalam bentuk yang dapat mengidentifikasi responden. Kerahasiaan data responden dijamin secara penuh.</p>

- 1. Mohon sebutkan apakah Anda atau perusahaan Anda menggunakan layanan internet berikut ini untuk kepentingan bisnis**

	Layanan Internet	Ya	Tidak
a.	E-mail untuk berkomunikasi & promosi		
b.	Mengunjungi / akses ke website (ex. Google, Yahoo, dsb)		
c.	Website milik perusahaan		
d.	Promosi on-line (Alibaba, ebay, dll)		
e.	Lainnya (Blog, dll), sebutkan		

(jika tidak ada satupun layanan internet yang Anda pilih, mohon langsung menuju ke pertanyaan P.10)

Untuk pertanyaan 2 s/d 7 pilihlah jawaban Anda berdasarkan pilihan sebagaimana tersebut dibawah ini

SLL : Selalu	KK : Kadang-kadang
SS : Sangat Sering	P : Pernah
S : Sering	TP : Tidak Pernah

- 2. Mohon identifikasi seberapa sering Anda menggunakan layanan internet dalam mencari informasi dibawah ini untuk menunjang kegiatan bisnis**

	PERNYATAAN	SLL	SS	S	KK	P	TP
a.	Mencari informasi tentang kondisi ekonomi suatu negara						
b.	Mencari informasi tentang kondisi politik dan keamanan suatu negara						
c.	Mencari informasi tentang kondisi masyarakat suatu negara						
d.	Melihat gambar, foto, desain, warna dsb mengenai selera pasar suatu negara /pasar terhadap produk Anda						
e.	Mencari informasi persyaratan standard kualitas produk di suatu negara						
f.	Mencari informasi mengenai persyaratan packaging, label, ukuran, dsb						
g.	Mencari informasi pengenalan Tariff terhadap produk Anda di suatu negara						
h.	Mencari informasi mengenai persyaratan keamanan produk dan kesehatan						
i.	Mencari informasi yang berkaitan dengan isu-isu lingkungan dan isu-isu ketenagakerjaan dalam produksi						
j.	Mencari informasi mengenai teknologi baru untuk meningkatkan kuantitas dan kualitas produksi						

3. Mohon identifikasi seberapa sering Anda menggunakan layanan internet dalam mencari informasi dan data dibawah ini untuk menunjang kegiatan bisnis

	PERNYATAAN	SLL	SS	S	KK	P	TP
a.	Mencari informasi pemasok untuk bahan baku produk Anda						
b.	Mencari data dan informasi mengenai pembeli (buyers) / importers yang berkaitan dengan produk anda						
c.	Mencari informasi mengenai pesaing /competitor Anda baik yang berasal dari dalam negeri maupun dari negara lain						
d.	Mencari Informasi mengenai kurs rupiah terhadap beberapa mata uang dunia						
e.	Mencari Informasi mengenai statistic perdagangan (data ekspor-impor, neraca perdagangan)						

4. Mohon identifikasi seberapa sering Anda menggunakan layanan internet dalam mencari informasi dibawah ini untuk menunjang kegiatan bisnis

	PERNYATAAN	SLL	SS	S	KK	P	TP
a.	Mencari Informasi tentang kegiatan seminar, workshop & pelatihan yang berkaitan dengan pengembangan produk dan pasar						
b.	Mencari informasi yang berkaitan dengan kegiatan pameran di dalam dan luar negeri, misi dagang, dsb						
c.	Mencari informasi yang berkaitan dengan bimbingan dan konsultasi dari pihak yang ahli dalam hal pengembangan produk dan pemasaran (ekspor)						
d.	Mencari informasi mengenai pihak-pihak yang dapat membantu bisnis Anda (ex. KADIN, Asosiasi, institusi pemerintah, dsb)						

5. Mohon identifikasi seberapa sering Anda menggunakan layanan internet dalam mencari informasi dan data dibawah ini untuk menunjang kegiatan bisnis

	PERNYATAAN	SLL	SS	S	KK	P	TP
a.	Mencari informasi yang berkaitan dengan dukungan perbankan dan prosedur untuk pembiayaan / pendanaan produksi dan ekspor						
b.	Mencari informasi yang berkaitan dengan perijinan – perijinan						
c.	Mencari informasi yang berkaitan dengan prosedur ekspor						

6. Mohon identifikasi seberapa sering Anda menggunakan layanan internet dalam mencari informasi dan data dibawah ini untuk menunjang kegiatan bisnis

	PERNYATAAN	SLL	SS	S	KK	P	TP
a.	Promosi dan transaksi melalui internet (Alibaba, Ebay, dll)						
b.	Promosi melalui email kepada calon pembeli						
c.	Menampilkan produk Anda pada website milik perusahaan						
d.	Mempromosikan produk Anda pada website perusahaan lain						
e.	Melihat iklan /promosi untuk memperbaiki dan meningkatkan image Indonesia di mata internasional						

7. Mohon identifikasi seberapa sering Anda menggunakan layanan internet dalam melakukan kegiatan dibawah ini untuk menunjang kegiatan bisnis

	PERNYATAAN	SLL	SS	S	KK	P	TP
a.	Mengurus dan mengisi dokumen dan perijinan secara on-line						
b.	Mengurus dokumen / perijinan melalui layanan satu pintu (satu instansi) sehingga tidak perlu mengurus ke beberapa instansi						
c.	Menerima atau melakukan pembayaran melalui fasilitas internet banking						

Untuk pertanyaan 8 dan 9, pilihlah jawaban Anda berdasarkan pilihan sebagaimana tersebut dibawah ini

SS : Sangat Setuju	KS : Kurang setuju
S : Setuju	TS : Tidak setuju
C : Cukup	STS : Sangat tidak setuju

8. Mohon jelaskan pengaruh penggunaan layanan internet terhadap perusahaan Anda

	PERNYATAAN	SS	S	C	KS	TS	STS
a.	Secara umum penggunaan layanan internet telah meningkatkan image perusahaan secara keseluruhan						
b.	Penggunaan internet dalam aktifitas bisnis perusahaan telah meningkatkan penjualan perusahaan / export perusahaan						
c.	Penggunaan internet meningkatkan kinerja operasional perusahaan (ex. kemudahan komunikasi diantara karyawan, kelancaran produksi dsb)						
d.	Penggunaan layanan internet telah meningkatkan hubungan komunikasi yang baik dengan pembeli / pelanggan						
e.	Penggunaan layanan internet telah membantu perusahaan melakukan penetrasi ekspor ke pasar yang baru						
f.	Penggunaan layanan internet telah membantu perusahaan untuk mendapatkan masukan dari pelanggan (buyer)						
g.	Penggunaan internet telah membantu perusahaan dalam mendapatkan pelanggan (buyer) baru						

9. Mohon identifikasi, setujukah Anda pada pernyataan tersebut dibawah ini meningkatkan minat dan kunjungan Anda pada suatu website

	PERNYATAAN	SS	S	C	KS	TS	STS
a.	Tampilan website yang menarik						
b.	Isi website yang akurat						
c.	Informasi yang jelas dan mudah dipahami						
d.	Kemudahan dalam mencari informasi yang dibutuhkan						
e.	Keamanan data dan kerahasiaan pengguna						
f.	Kecepatan dalam mengakses website						
g.	Ketersediaan panduan atau alat bantu (ex. FAQ, help)						

10. Kendala apa yang Anda alami sehingga tidak / dalam menggunakan layanan internet?

	Layanan Internet	Ya	Tidak
a.	Kurangnya akses internet		
b.	Kurang pemahaman penggunaan internet		
c.	Masalah hak kekayaan intelektual (pembajakan)		
d.	Kepercayaan dan Keamanan data		
e.	Masalah kepastian hukum		
f.	Biaya pengadaan prasarana		
g.	Kendala Bahasa		

11. Melalui media apakah Anda memperoleh tambahan Informasi dan melakukan promosi untuk menunjang bisnis?

	MEDIA	Ya	Tidak
a.	Media Cetak (majalah, Koran, dsb)		
b.	Media elektronik (TV, radio, dsb)		
c.	Asosiasi bisnis (KADIN, dsb)		
d.	Pameran, misi dagang		
e.	Instansi pemerintah, (sebutkan)		

12. Pengenalan terhadap BPEN (NAFED)

Apakah Anda mengetahui bahwa BPEN (Badan Pengembangan Ekspor Nasional) / NAFED merupakan unit yang bertugas memberikan bantuan kepada eksportir dan calon eksportir dalam bidang pengembangan ekspor?

Ya

Tidak

(Jika jawaban Anda adalah tidak maka lanjut ke lembar terakhir (data responden))

13. Jenis layanan yang pernah diperoleh dari BPEN / NAFED

SM :	Sangat Mudah	AS :	Agak Sulit
M :	Mudah	S :	Sulit
B :	Biasa	SS :	Sangat Sulit

	Jenis Layanan	Memanfaatkan		Tingkat Kemudahan					
		Ya	Tidak	SM	M	B	AS	S	SS
a.	Pameran Dalam Negeri								
b.	Pameran luar Negeri								
c.	Misi Dagang								
d.	Pelatihan, Seminar, dsb								
e.	Informasi pasar / produk								
f.	Seleksi Primaniyarta Award								

14. a. Pengenalan terhadap website BPEN/ NAFED

Pengetahuan tentang website BPEN	Ya	Tidak
Anda mengetahui bahwa BPEN / NAFED mempunyai website		

b. Kunjungan atau Pemanfaatan website BPEN / NAFED

	Jenis Website	Memanfaatkan		Tingkat Kemudahan					
		Ya	Tidak	SM	M	AM	AS	TM	STM
a.	www.nafed.go.id								
b.	www.nafedve.com								

c. Frekuensi kunjungan ke website BPEN / NAFED

Frekuensi kunjungan ke website BPEN	Tiap Hari	Tiap Minggu	Tdk menentu
Mengunjungi website BPEN			

DATA RESPONDEN

Nama Perusahaan :

Telepon :

Email :

Website :

Contact Person :

Jenis Usaha :

Produsen
 Produsen & eksportir
 Eksportir
 Lainnya,

Bidang Usaha :

Agro & Perikanan
 Kerajinan
 Industri
 Lainnya,

Tahun berdiri :

Pernah melakukan ekspor :

Pernah
 Tidak pernah

Jika pernah, tahun berapa :

mulai ekspor :

Negara tujuan ekspor :

.....

Terima kasih atas partisipasi Anda mengisi kuesioner ini

-----000-----

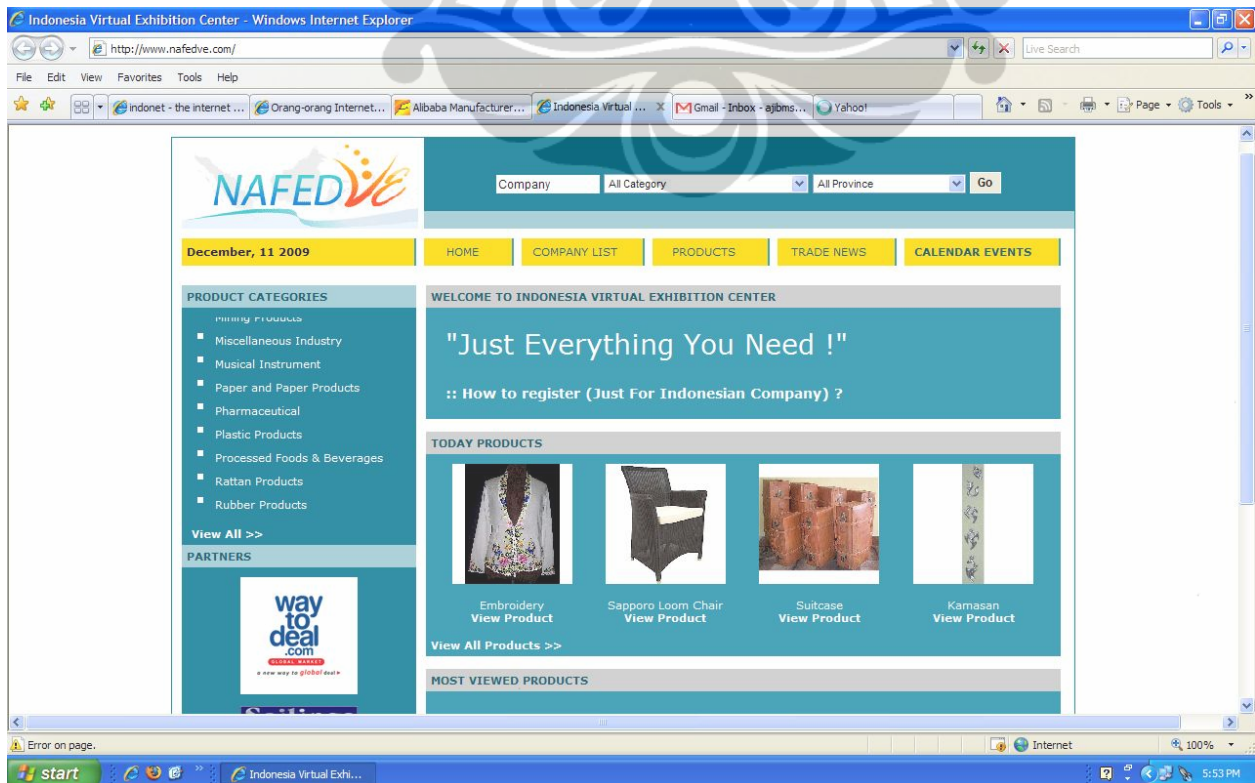
APPENDIX 3

NAFED websites

www.nafed.go.id



www.nafedve.com



Alibaba.com

The screenshot shows the Alibaba.com website interface in Internet Explorer. The browser's address bar displays "http://www.alibaba.com/". The page header includes the Alibaba.com logo with the tagline "Global trade starts here." and navigation tabs for "Products", "Suppliers", "Buyers", and "All Express". A search bar is prominently featured with the text "Search Products" and "Select Country/Region". Below the search bar, it lists "Your Recent Searches: tea, craft, coffee".

The main content area is divided into several sections:

- Categories:** A vertical list of product categories such as Agriculture, Apparel, Automobiles & Motorcycles, Beauty & Personal Care, Business Services, Chemicals, Computer Hardware & Software, Construction & Real Estate, Consumer Electronics, Electrical Equipment & Supplies, Excess Inventory, Fashion Accessories, Food & Beverage, Furniture & Furnishings, General Industrial Equipment, and General Mechanical Components.
- Latest Products:** A grid of product listings including "Used Nokia N97 Multimedia S...", "digital photo frame", and "Instant water heater/instan...".
- Latest Buying Leads:** A grid of buying leads including "used excavator,second hand...", "shower slide bar", and "For Sell Brand New BlackBer...".
- Trade with the World:** A section highlighting trade opportunities in China, India, and South Korea.
- Hot Products:** A featured section with "SuperDeals" on various items: "10.2 Inch Laptops" (US\$175.96, 28% OFF), "R/C LED Helicopters" (US\$13.9, 30% OFF), and "Valentine's Gifts" (Gift of Love from US\$1.94).
- Services:** Promotions for "Gold Supplier" and "Ali Express" are displayed.

The bottom of the browser window shows the Windows taskbar with the start button and several open applications, including Internet Explorer, Microsoft Office Word, and Adobe Photoshop. The system clock indicates the time is 7:16 AM.