

The Effect of Information Technology Culture on Online Business Success in Jakarta

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Abstract

Based on the increasingly large development of the internet, the use of the Internet has entered in various fields of life. Everyone can access the Internet; entrepreneurs also take advantage of this as an opportunity. The influence of information technology affects entrepreneurs to make the transition of their business into an online business. That way, the products they sell can be purchased via the internet. This study aims to determine the influence of information technology culture on online business success, the effect of one's innovation and experience on the relationship between information technology culture and online business success in Jakarta. The population in this study are online entrepreneurs in Jakarta. The sample used in this study amounted to 100 samples. This sample selection technique uses convenience sampling technique through SmartPLS 3. Data collection is done by distributing questionnaires through Google Form. The results of this study indicate that the information technology culture variable has a positive and significant effect on online business success, the experience variable has a positive and significant effect on the relationship between information technology culture and online business success. However, Personal Innovativeness variable has a negative and significant effect relationship between information technology culture and online business success variable.

Keywords

information technology culture;
personal inovativeness;
experience; business success



I. Introduction

Technological developments cannot be separated from the lives of the younger generation. In 2021, the number of consumers who shop online in Indonesia is 32 million people. This number increased by 88 percent through online (Uli, 2021). From this data, it can be seen that technology in Indonesia is increasing rapidly and opening up opportunities for business people to sell online. Through creative and innovative ideas, the younger generation must be able to increase their competitiveness and create works for the benefit of the community. In business, there is a lot of competition. Therefore, it is important for companies to add value to product excellence or innovate in products (Rodhiah, 2021). A company that is willing to take risks but lacks innovation will be less likely to get opportunities while a company that has high innovation will always be at the top of the competition. and have an impact on the people's economy, like it or not, many internet facilities are used for business (Situmeang, 2018). Development is a systematic and continuous effort made to realize something that is aspired. Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired. In addition, development is also very dependent on the availability of natural resource wealth. The availability of natural resources is one of the keys to economic growth in an area. (Shah, M. et al. 2020).

Online business is one of the industries with very potential business potential. This happens along with the times, which is currently the trend with online shopping that is being widely applied by people all over the world, including Indonesia. From this, many companies that initially implemented offline business then flocked to start venturing into online business. Online business with internet media is growing in Indonesia. This online system is very useful for people in conducting transactions because it is enough to use a cellphone or computer that is connected to the internet, one can buy goods anywhere and anytime.(Alkhairi et al., 2019). With the ease of transactions, there are many kinds of business categories that sell online. In 2020, the food, beverage and grocery business that is in the top rank is 40.86 percent. Followed by Fashion which is in second place with 20.71 percent and then followed by Household Necessities, Cosmetics and other goods(Kusumatrisna et al., 2021). Based on this background, the purpose of this study is to determine the influence of information technology culture on online business success with one's innovation and experience as moderating variables.

II. Review of Literature

2.1 Information Technology Culture

Information technology culture is a habit carried out by a group or individual to provide information, collect information data and solve problems with information technology(Nord et al., 2007). WhereasAbubakre et al., (2022)states that, Information technology culture is carrying out all activities to meet the needs of individuals or groups through information technology. Information technology culture is useful in describing how individuals or organizations apply information technology to business.

2.2 Someone's Innovativeness

According toNathasia & Rodhiah (2020)A person's innovation is an individual who transforms ideas and knowledge into new values through creative thinking. Innovativeness is an important element of entrepreneurship. With innovation, companies have a greater opportunity to win the competition.(Abubakre et al., 2022). Meanwhile, according toPrasad (1998)A person's innovation is the individual's ability to identify an innovation or new knowledge and tend to adopt information technology innovations earlier than others.

2.2 Experience

Experience can influence the behavior of organisms can be considered as a learning opportunity(Shahrial, 2004). Learning outcomes from experience will make someone work more effectively and efficiently. Whereas(Robbins & Judge, 2008)Experience is the level of mastery of a person's knowledge and skills in his work which can be measured from the period of work or the knowledge and skills he has to improve his performance.

2.3 Online Business Success

Business success has a diverse existence where the understanding of success is also different(Vesper, 1990). An entrepreneur considers success if the income is higher, whereas another entrepreneur may believe that success equals proving one's effectiveness. Business success is characterized by two things, namely an increase in the number of employees and an increase in turnover(Lindrayanti, 2013). As forArlianto, (2014)The success of a business can be seen from the increasing number of sales, increasing the number of production, increasing profits or profits and the business is always growing.

2.4 The Link between Information Technology Culture and Online Business Success

In a previous study by (Nambisan, 2017) states that digital entrepreneurship success is dynamic and fluid due to the constant changes in scope, features of digital technology, and the value of product or service offerings. According to Walsh, (2010) The use of digital technology by entrepreneurs can be based on their needs and motivation by using technology features to achieve their goals.

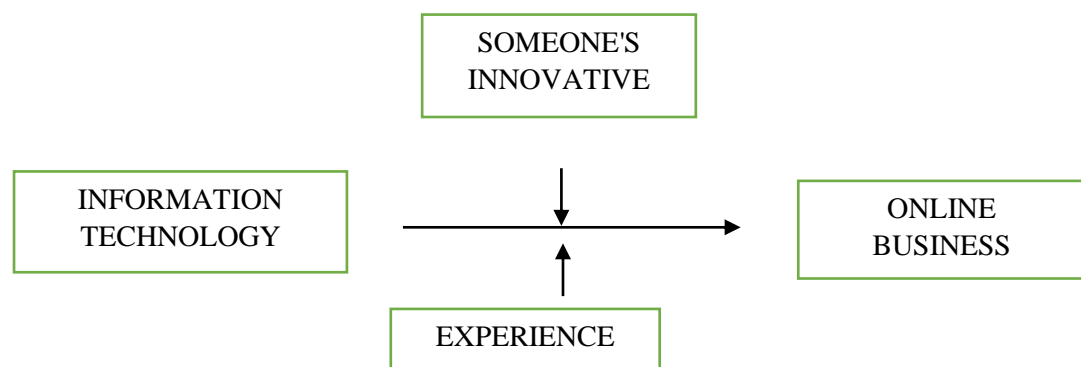
2.5 The Link between Information Technology Culture and Online Business Success

According to Abubakre et al., (2022) someone with higher innovativeness tends to have a stronger perception of the use of information technology, which leads to positive intentions and digital entrepreneurial success. Furthermore, Prasad, (1998) states that to be successful, entrepreneurs need entrepreneurial skills such as self-confidence, need for achievement, propensity to take risks, tolerance for ambiguity, internal locus of control, and innovation.

2.6 The Link between Experience and Online Business Success

According to (Li et al., 2018), previous experience is very important to develop knowledge and expertise in overcoming business problems, especially information technology projects to realize entrepreneurial success.

2.7 Research Picture



Based on the picture of the research model, the research hypotheses are:

- H1: Information technology culture has a positive effect on online business success.
- H2: A person's innovation has a positive effect on the relationship between information technology culture and online business success.
- H3: Experience has a positive effect on the relationship between information technology culture and online business success.

III. Research Method

The research design used for this research is descriptive research because it is hypothesis testing that can analyze the relationship between variables. This descriptive study uses convenience sampling technique in collecting data. Descriptive research is research that collects data describing characteristics or subjects (such as people, organizations, products and brands), events or situations, depending on the topic or problem raised. (Sekaran & Bougie, 2016).

According to (Sekaran & Bougie, 2016) population refers to the entire group of people, events, or interesting things that the researcher wants to study. The population in this study are online entrepreneurs operating in Jakarta. In the study, sampling was carried out with the aim of obtaining information about the object of research. There are 100 respondents of online entrepreneurs who participated in this research. The sample selection method used is non-probability sampling.

The data for this study were collected using a questionnaire distributed online using a google-form. Of the respondents collected, as many as 100 respondents were involved in the actual statistical test. The data is processed using PLS (Partial Least Square) with the help of smartPLS 3 software.

IV. Result and Discussion

4.1 Population Policy During Turki Utsmani 1512-1566 M

Respondents in this study are online entrepreneurs located in Jakarta. The respondent's profile includes gender, length of business running, Type of Online Business and Recent Education. The number of respondents who participated in this study were 100 people. Respondents with the most gender were male as many as 57 respondents. Respondents who participated in this study showed that the average length of online business running was mostly in less than 3 years as many as 76 respondents with a percentage of 76%. Respondents who participated in this study showed that the most types of online business businesses were in the field of Fashion, Food and Beverage, and other fields as many as 26 with a percentage of 26%.

4.2 Validity Test Result

The validity test was carried out to prove how well the results obtained from the instrument in measuring the constructs used in the study were.(Sekaran & Bougie, 2016). The results of the Average Variance Extracted (convergent validity) are shown in the following table:

Table 1. Average Variance Extracted Analysis Results

Variable	AVE	Information
Information Technology Culture	0.604	Valid
Someone's Innovativeness	0.705	Valid
Experience	0.691	Valid
Online Business Success	0.673	Valid

Based on the results of the Average Variance Extracted (AVE) in Table 3.6 above, it can be concluded that each variable in this study meets the validity criteria, namely the AVE value is above 0.5 (>0.5).

For the results of Outer Loadings (Convergent Validity) in this study, all indicators in each variable are said to be valid because they are more than 0.7. Then the results of Cross Loadings (Discriminant Validity) are said to be valid because:the value of the outer loadings of each indicator on its own variable is greater than the value of the outer loadings of the other variables.

4.3 Reliability Test Results

Reliability testing is the constraint of a measurement that shows the extent to which the measure is unbiased (not wrong) and therefore ensures consistency of measurement over time across various items in the instrument, in other words, reliability is an indication of stability and consistency in instrument measurements to create good measurements.(Sekaran & Bougie, 2016). The results of the reliability test are shown in the following table:

Table 2. Cronbach's Alpha and Composite Reliability Analysis Results

Variable	<i>Cronbach's Alpha</i>	<i>Composite reliability</i>	Information
Information technology culture	0.920	0.934	Reliable
Someone's Innovativeness	0.864	0.908	Reliable
Experience	0.776	0.870	Reliable
Mo. Someone's Innovativeness	1,000	1,000	Reliable
Mo. Experience	1,000	1,000	Reliable
Online Business Success	0.903	0.926	Reliable

Based on the reliability test in Table 3.5 above, it can be concluded that all of the above variables are reliable, because it can be seen that all variables have met the minimum value requirements, namely the Cronbach's Alpha value above 0.6 (>0.6), and the Composite Reliability value above 0.7 (>0.7).

4.4 Test Result -Square

Table 3. Coefficient of Determination Test Results (R²)

Variable	R-Square
Online Business Success	0.711

Based on the results of the coefficient of determination (r square) generated by the research construct is 0.711. These results mean that 71.1% of online business success variables are moderately influenced by information technology culture variables, one's innovation and experience. Then the remaining $100\% - 71.1\% = 28.9\%$.

4.5 Q-Square Test Results

Table 4. Predictive Relevance Test Results (Q²)

Dependent Variable	Q-square
Online Business Success	0.445

Based on the results of the predictive relevance value (q-square) generated by the research construct, it is 0.445 in online business success, which means it is greater than 0 then information technology culture, one's innovation and experience with online business success have predictive relevance.

4.6 GoF (Goodness of Fit) TEST RESULTS

Table 5. Goodness of Fit (GoF) Test Results

Variable	Value of Average Variance Extracted (AVE)	R2
Information Technology Culture	0.604	-
One's Innovativeness	0.705	-
Experience	0.691	-
Online Business Success	0.673	0.711
Average	0.668	0.711

$$\text{GoF} = \sqrt{\text{AVE} \times R^2} = 0.717 \sqrt{0.668 \times 0.711}$$

The results of the above calculation show that the GoF value generated by this research model is 0.717, which concludes that the overall performance of the prediction model that is reviewed at the level of conformity of the inner model with the outer model has a high level of feasibility.

4.7 Hypothesis Test Results

Table 6. Path-Coefficient Analysis Results

Hypothesis	<i>Original Sample</i>	<i>T-Statistics</i>	<i>P-Values</i>	Conclusion
Information Technology Culture → Online Business Success	0.325	2.550	0.006	Received
One's Innovativeness → Online Business Success	-0.286	1,907	0.029	Received
Experience → Online Business Success	0.262	1,741	0.041	Received

4.8 Discussion

Based on the validity and reliability tests that have been carried out previously, it can be stated that all variables are declared valid and reliable. In the results of data analysis, the majority of student respondents who participated were male. The majority of respondents run a business for less than 3 years. Respondents who participated in this study showed that the most types of online business businesses were in the field of Fashion, Food and Beverage, and other fields as many as 26 with a percentage of 26%. The analysis in this study includes the results, R - Square, Q-Square analysis, Goodness of Fit Test and Hypothesis Testing.

The results of the R-Square test show that the online business success variable is 0.711 or 71.1%. This shows that the variables of information technology culture, one's innovation and experience have a moderate influence on the online business success variable.

The results of Goodness of Fit (GoF) in this study are included in the large category, so that the model in this study has a good level of suitability and fit. Based on the results of hypothesis testing, the variables of information technology culture and experience have a

positive influence on online business success. However, a person's innovation variable has a negative effect.

Based on data analysis and discussion and evidence from statistical tests, important points will be given regarding the conclusions of this study as follows:

H1: *Information Technology Culture has a positive effect on Online Business Success*

This hypothesis is proven to be statistically accepted that information technology culture has a positive effect on online business success, where the original sample value is $0.325 > 0$ which means it has a positive effect. Then the T-statistics value is $2.550 > 1.645$ and the P-values are $0.006 < 0.05$, which means that it has a significant effect. The results of this study are in line with the results of the study (Abubakre et al., 2022) which states that the culture of information technology has a positive and significant effect on the success of digital entrepreneurship. The higher the culture of information technology in online businesses, this will also increase success in an online business.

H2: *One's innovation has a negative relationship between information technology culture and online business success*

This hypothesis is proven to be statistically accepted that a person's innovativeness has a significant effect on the relationship between information technology culture and online business success. However, the value of a person's innovation has a negative value with a result of -0.286 . However, the T-statistics are $1.907 > 1.645$ and the P-values are $0.029 < 0.05$, which means that it has a significant effect, so this hypothesis is accepted. The results of this study indicate that, if a person's innovativeness is low, the relationship between information technology culture and online business success increases. The results of this study are not in line with the results of previous studies by (Abubakre et al., 2022) which states that a person's higher innovativeness will tend to have a strong perception of the use of information technology.

H3: *Experience has a positive relationship between information technology culture and online business success*

This hypothesis is proven to be statistically accepted that experience has a positive relationship to information technology culture and online business success, where the original sample value is $0.262 > 0$ which means it has a positive effect. Then the T-statistics value is $1.741 > 1.645$ and the P-values are $0.041 < 0.05$, which means that it has a significant effect. This is in line with previous research conducted by (Kollmann et al., 2008) who argues that experiences that evolve over time tend to influence a person's beliefs and attitudes, as well as influence information technology and business issues that can have an effect on the success of digital entrepreneurship.

V. Conclusion

1. Information technology culture has a positive and significant influence on online business success.
2. A person's innovation has a negative influence on the success of an online business, but it has a significant effect.
3. Experience has a positive and significant influence on the success of an online business.

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