

Digital Transformation of MSMEs: A Study on the Impact and Motives of Using Third-Party E-Commerce Platforms: Profitable or Not?

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ABSTRACT

With the development of technology, the lifestyle of today's society has changed. Therefore, it encourages MSMEs to keep up with technological advancements to survive competition in this new era. This article discusses the impact and motives of MSMEs in using third-party e-commerce platforms. The purpose of this article is to gain a deep understanding of the digital transformation impact from both the positive and negative perspectives of MSMEs using third-party e-commerce platforms. In addition, this research identifies the factors influencing the success of MSMEs in digital transformation, as well as the challenges they face during the digital transformation process in business. This research employs the Uses and Gratifications Theory (UGT) approach to better understand the motives of MSMEs to join or digitize their business through third-party e-commerce platforms. A descriptive qualitative method is used, involving in-depth interviews and observations as primary data, and e-journals, e-books, and websites as secondary data. Deep interviews were conducted with 11 (eleven) MSME owners/managers in Makassar City, who have varying characteristics such as business size (based on the Central Bureau of Statistics), product type, and duration of using third-party e-commerce platforms. This study found that the digitization of MSMEs through third-party e-commerce platforms involves complex dynamics. The findings provide valuable insights for policymakers, MSME associations, and platform providers to mitigate risks and dependency.

KEYWORDS digital transformation, digitalization, MSMEs, e-commerce platform, uses of gratifications theory (UGT).



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INTRODUCTION

Unlike most prior research that focused only on benefits, this study provides a balanced view by also exploring risks and dependence. During the Covid-19 pandemic era, the economic sector was severely affected, resulting in economic growth declining in various sectors, such as household consumption and the realization of government spending. So that with the Covid-19 pandemic, it has an impact on the community and businesses, where there are restrictions on interacting

and leaving the house. The Covid-19 pandemic has triggered digital growth with the increasing popularity of (Bening et al., 2023)(Bening et al., 2023; Pandey, 2022)e-commerce platforms where people can buy and obtain all their needs without having to leave the house. The Covid-19 pandemic has made MSMEs have to move quickly to keep up with changing circumstances, namely by adopting technology to run their business processes. After the Covid-19 pandemic passed, habits or lifestyles where people only need to use mobile devices to get all their needs are still carried out, because the existence of (Teresya et al., 2022)e-commerce platforms undeniably makes it easier for people to get their needs (Evanita & Fahmi, 2023).

The existence of third-party e-commerce platforms, such as Tokopedia, Shopee, and Lazada, is the answer for MSMEs who want to digitize their business but are hampered by limited working capital or the inability to build their own e-commerce platform(Asadullah & Lim, 2023; Ni, 2017). Platforms in the world of technology are a combination of hardware and software that allows software to be operated. The existence of third-party e-commerce platforms, it has a great impact on MSMEs to develop existing businesses, where with the existence of (Putranto & Rani, 2022)e-commerce platforms MSMEs can reach a wider market. The presence of third-party (Kala'lembang, 2020)e-commerce platforms provides MSMEs with the opportunity to gain wider market access, features that support MSME promotion, product distribution features, and other features that can support MSME performance and income. (Putranto & Rani, 2022; Suganda et al., 2024)

Although third-party e-commerce platforms offer many advantages for MSMEs, there are also external challenges faced by MSMEs, such as tight competition, data security, and lack of human resources who have digital skills. In addition, there are negative impacts of MSMEs' dependence on third-party (Vathyma Azzahra et al., 2024).e-commerce platforms, such as platform commission feestall ones. Where the commission fee is determined based on the category of products sold, as well as based on the type of MSME membership on the third-party e-commerce platform. (Chen et al., 2022; Huang & Zhang, 2022; Ni, 2017).

This research aims to deeply understand the experiences of MSME actors who digitize their businesses by joining third-party e-commerce platforms. The focus of this research is to explore the perception of MSMEs regarding the impact of MSMEs in the use of e-commerce platforms, both from the positive side that supports their business growth, and from the negative side that is an obstacle and challenge faced by MSMEs. In addition, this study will also identify factors that are considered important for MSMEs that affect the success of MSMEs in using e-commerce platforms, specific challenges faced by MSMEs in carrying out digital transformation through e-commerce platforms, such as high commission costs, and

difficulties for MSMEs in managing e-commerce platforms, and the impact felt by MSMEs due to changes in platform policies.

This research focuses on MSMEs in the retail industry, where MSMEs in the retail industry, not only compete with fellow MSMEs but also have to compete with distributors and manufacturers who now serve many directly to consumers through e-commerce platforms. This study is important because it will provide a more balanced perspective on whether digital transformation through e-commerce platforms really benefits MSMEs in the long run, or actually causes losses that have not been studied before. Because most of the research focuses on the benefits or positive impacts that MSMEs get from using third-party e-commerce platforms. This research will also investigate the motives and reasons for MSMEs to use (Atmanegara et al., 2023; Budiarti & Akbar, 2021; Junaedi et al., 2023; Martini et al., 2023; Putranto & Rani, 2022)e-commerce platforms as a means of business digitalization using the Uses and Gratifications Theory (UGT) approach.

RESEARCH METHOD

This study uses a descriptive qualitative approach. The sample size of 11 MSMEs was justified by the qualitative research principle of achieving theoretical saturation rather than statistical generalization, allowing for in-depth exploration of diverse experiences. The main focus of this study is to provide an in-depth overview of how the phenomenon under study occurs and the characteristics of the phenomenon. The important thing to see in qualitative research is to focus on the meaning, experience, perspective and interpretation of a phenomenon, in addition to this research using an inductive approach to develop theories from the data obtained.

Using this method makes it possible to thoroughly explore the perspectives, experiences, and challenges faced by MSMEs related to the impact and motives of MSMEs in the use of third-party e-commerce platforms. In addition, a deep understanding of the dynamics and contextual insights related to the impact and motives of MSMEs in the use of third-party e-commerce platforms can be achieved using qualitative methods. This study involved 11 (eleven) owners or managers of MSMEs in Makassar City, South Sulawesi. All participants provided informed consent and confidentiality of their responses was maintained throughout the research process. The 11 (eleven) selected MSMEs will have different characteristics, ranging from the size of the business (based on the Central Statistics Agency), the type of products sold, and the length of use of third-party e-commerce platforms. Table 1 describes the data of the resource persons in detail.

Table 1. Resource Person Data

No	Source	Category: MSMEs	Product Type	Field	Long Term Use of the e-commerce platform
1	MSMEs 1	Small MSMEs	Sports equipment	<i>Retail</i>	3 years
2	MSMEs 2	Micro MSMEs	HP Accessories	<i>Retail</i>	2 years
3	MSMEs 3	Small MSMEs	Household Necessities	<i>Retail</i>	3 years
4	MSMEs 4	Small MSMEs	Electronic devices	<i>Retail</i>	5 years
5	UMKM 5	Medium MSMEs	IT Products	<i>Retail</i>	5 years
6	UMKM 6	Small MSMEs	Electronic and electrical appliances	<i>Retail</i>	3 years
7	UMKM 7	Micro MSMEs	Pita <i>handmade</i>	Creative Industries	6 years
8	MSMEs 8	Micro MSMEs	<i>Packaging F&B</i>	<i>Retail</i>	5 years
9	MSMEs 9	Micro MSMEs	<i>Tableware</i>	<i>Retail</i>	4 years
10	MSMEs 10	Micro MSMEs	Bag	<i>Retail</i>	4 years
11	MSMEs 11	Small MSMEs	Agricultural Materials	<i>Retail</i>	3 years

Source: Analysis results, 2025

The selection of these 11 (eleven) MSMEs which are generally engaged in the retail sector because the retail industry is faced with opportunities and threats, if the retail industry does not know the necessary strategies to carry out digital transformation, the retail industry can experience difficulties in competing and eventually become lost. To obtain data, related to MSMEs that digitize their businesses by joining third-party e-commerce platforms, deep interviews will be conducted with MSME owners or managers, and observations will be conducted. In information collection carried out by MSMEs, it is allowed to use more than one e-commerce platform, and MSMEs can provide more than one motive, reason, factor or impact felt from the use of e-commerce platforms. So that in the results of data analysis, an approach based on the number of answers will be used.

The interview design was specifically structured to align with UGT constructs, exploring gratifications sought (expanding market reach, increasing sales), gratifications obtained (actual benefits received), and factors leading to continued use or dependency on platforms. Primary data was collected through deep interviews in the form of text and audio, and observations. Secondary data in this study came from literature, journals, e-books, and websites relevant to the research topic. The transcript of the questions that will be used when conducting a deep interview that will be part of the primary data collection, will be about MSMEs

joining one or more third-party e-commerce platforms, what contributions are made by MSMEs (for example, increasing revenue, or MSMEs can expand market reach).

MSMEs' ability to adapt to changes in policies or features, reasons for MSMEs in choosing to join specific e-commerce platforms (e.g., commission fees, reputation, features, or societal trends owned by e-commerce platforms), the motives and reasons for MSMEs to join the e-commerce platform (e.g., increasing sales, or expanding market reach), challenges faced by MSMEs (e.g., commission fees, policy or feature changes, or stiff competition), MSMEs' views on benefits and risks, after MSMEs decided to digitize their business by using a third-party e-commerce platform. To analyze the data, data is transcribed, reduced, and coded. After the analysis is complete, the data is validated by triangulation. This is done to increase the validity of the research.

RESULT AND DISCUSSION

With technological disruption and changes in consumer behavior, most MSMEs have to carry out digital transformation of their businesses through e-commerce platforms in order to remain competitive. Of the eleven MSMEs that have been interviewed, it was found that the majority of MSMEs choose to join third-party e-commerce platforms as a tool to digitize their business. The majority of MSMEs choose to use e-commerce platforms such as Tokopedia and Shopee. These two platforms were chosen because MSMEs feel that both platforms have websites or applications that have an interface that is easy to use (user friendly) so that it makes it easier for MSMEs to manage their business. Besides having a user-friendly interface, both platforms have a large popularity and user base. As stated by the speakers:

"I chose to use Tokopedia because Tokopedia has a seller-specific application and website where the application and website are easy to use (user friendly)." (MSMEs 4)

"I chose to use Tokopedia and Shopee because both platforms are the most used by the public." (MSMEs 5)

"I chose to use Shopee and Tokopedia because the platforms are easy to use and are the most used by the public." (MSMEs 10)

The majority of MSMEs in carrying out digital transformation through e-commerce platforms, not only use a single platform, but the majority of MSMEs, namely 54.55%, use more than one platform (multiple platform) in the digital transformation process. The results shown in Figure 1 and Figure 2 and Table 2, are calculated and collected based on the number of answers.

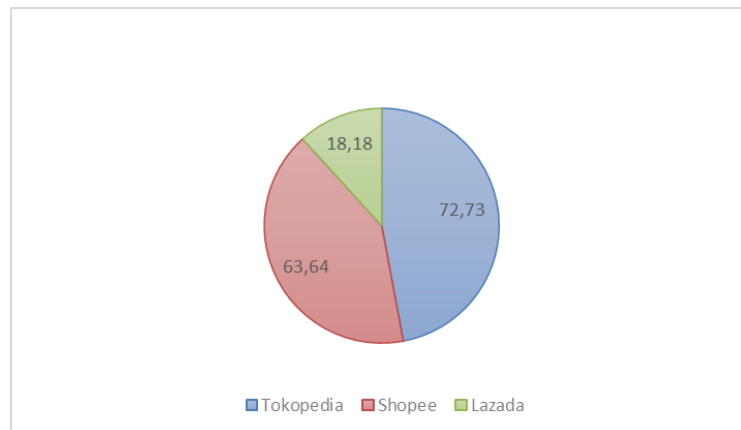


Figure 1. Types of E-commerce Platforms
Source: Analysis results, 2025

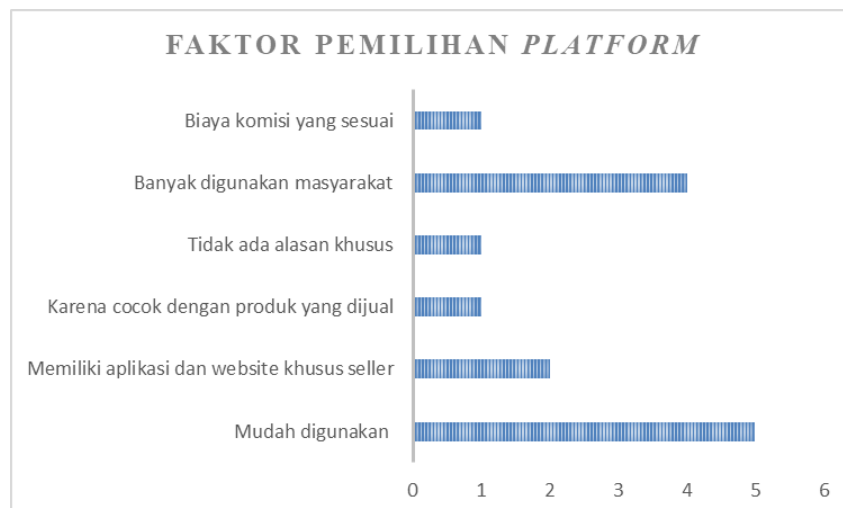


Figure 2. Factors for MSMEs Choosing to Use E-Commerce Platforms
Source: Analysis results, 2025

Table 2. Use of Single Platform Vs Multiple Platforms

Items	Percentage
Platform Tunggal	45,45%
Multiple Platform	54,55%

Source : Analysis results, 2025

The Impact of Using E-commerce Platforms on Businesses

According to most of the speakers, since MSMEs have carried out digital transformation by joining e-commerce platforms, it has had a positive impact on their business, namely an increase, a wider market reach, several administrative activities can be streamlined and the level of visibility and brand awareness of MSMEs has increased. As explained by the speakers:

"Since I joined the e-commerce platform , my sales have increased by 2x compared to before, and I have gained a lot of customers from outside the city." (MSMEs 3)

"Joining an e-commerce platform gave me a significant increase in sales, and I didn't have to have any trouble controlling out-of-town storage, as I was able to replace out-of-town warehousing with transactions via the platform." (MSMEs 11)

However, the increase in sales felt by MSMEs is not always certain to get an increase in sales because the increase in sales can also be influenced by many other factors. As explained by MSMEs 7:

"Since I joined an e-commerce platform, sales increase has not always occurred, generally sales increase occurs at certain moments, such as Christmas and Chinese New Year. This is because the products I sell are not products that are always used but seasonal products."

The experience of MSMEs 7, the use of e-commerce platforms by MSMEs cannot definitively obtain an increase in sales, so by knowing other factors that affect sales (for example, seasonal products) so that this can be an additional consideration for MSMEs to provide strategies to obtain increased sales.

According to some MSMEs, the integration of MSMEs with e-commerce platforms can also help MSMEs in streamlining business operations, especially in administrative activities, this is because e-commerce platforms have been integrated with logistics and payment services, as explained by MSMEs 7:

"I feel that joining an e-commerce platform can make it easier for consumers to shop, besides that as a seller who sells products online, I no longer need to check shipping costs, nor check payment transfers made by consumers manually. Because by joining the platform, these activities are integrated into the platform and consumers can freely choose the logistics party they want to use."

Although MSMEs have a lot of positive impacts from using e-commerce platforms , MSMEs still need to spend money on using the platform. However, most MSMEs feel that the costs incurred since joining an e-commerce platform are still comparable to the benefits obtained by MSMEs, such as increased sales and market expansion, thus making MSMEs who join e-commerce platforms more valuable. As explained by the speakers:

"I feel that the costs incurred since joining the e-commerce platform are still comparable to the benefits I have obtained. This is because joining the e-commerce platform has increased sales and stores are becoming more known." (MSMEs 2)

"I feel that the fees such as commission fees and other fees that I have to pay on the platform are proportional to the benefits I get. Because for me these costs are a substitute for promotion." (MSMEs 11)

In addition to the positive impact felt by MSMEs as a result of the use of the platform on businesses, some MSMEs also feel the negative impact of using the platform, as stated by the speakers:

"Since my sales through the platform have decreased, I have several times promoted by activating ads in the hope of increasing sales, it's just that the ad costs incurred do not result in sales as expected and even never generate sales at all. So the ad costs incurred do not benefit me." (MSMEs 8)

"I think since joining an e-commerce platform the average increase in sales I have earned is only around 2-5%, so the costs I have to incur since using the platform do not provide significant benefits to my business." (MSMEs 4)

It is a fact that the costs that must be incurred by MSMEs using e-commerce platforms are not always proportional to the benefits obtained by MSMEs. However, these MSMEs stated that they will still use the e-commerce platform even though they do not get benefits, as explained by MSMEs 8:

"I still use e-commerce platforms even though the costs (commission fees and free shipping fees) that I spend are not very beneficial, it's just that I no longer spend other costs such as ad costs, because the ad costs are more unprofitable for my business. I still stick with using the platform even though the benefits I get are not much, but I think the use of the platform still needs to be used."

With the costs that need to be incurred by MSMEs, if MSMEs do not get benefits comparable to the costs incurred, these costs can have a negative impact on MSMEs, because these costs can reduce the profits obtained by MSMEs. Especially if the costs incurred by MSMEs (for example, ad costs) do not provide results in the form of sales, then these costs do not provide benefits for MSMEs, then these costs can reduce the amount of income owned by MSMEs.

Fierce competition in business e-commerce This is also inevitable, this is because more and more MSMEs as well as large companies and distributors who initially only served B2B, are starting to join the platform e-commerce, especially in the field of retail, so the competition becomes very fierce. As stated by MSME 10:

"I feel that the level of competition is now getting tighter, this is because now many factories or distributors that initially only served B2B have also started to switch and serve B2C by joining third-party e-commerce platforms, or building their own websites or applications. So the competition becomes very tight because generally distributors or factories sell goods relatively cheaper than us who are the third distributor."

With the increasingly fierce competition that occurs in the e-commerce business, which generally leads to unhealthy competition, namely price competition, MSMEs need to have a strategy in dealing with this competition. Because if MSMEs do not succeed and do not have the right strategy in facing

competition, then MSMEs will lose competition or be excluded from the e-commerce business. This fierce competition generally greatly affects MSMEs.

In addition, the limited control over the business is because MSMEs must follow the procedures determined by the platform in running a business. Some of the limitations of control faced by MSMEs are price control, where some platforms set a minimum price in setting the selling price. In addition, the dependence on e-commerce platforms makes MSMEs have to follow the policy changes set by the platform where the policy changes can have an impact on the business. With the negative impact of using e-commerce platforms, MSMEs need to have a strategy to minimize the impact so as not to affect business growth too much.

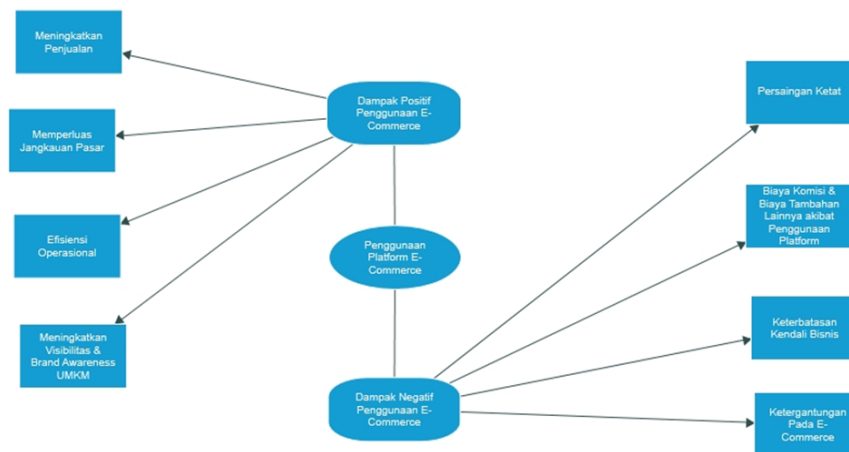


Figure 3. Mind Map Impact of Platform Use

Table 3. Comparison of the Impact of Platform Use between Micro Businesses vs Small Businesses

Items	Percentage	
	Micro	Small Business
Positive Impact of Using the Platform	40%	80%
Negative Impact of Platform Use	60%	60%
The Impact of Platform Policy Changes on Businesses	40%	60%

Source: Analysis results, 2025

The results in Table 3 are calculated based on the number of answers, so that the percentage value exceeds 100%. From Table 3, it can be seen that the positive impact of the use of the platform is generally felt more by MSMEs with small categories than by micro-category MSMEs. This could be because small category MSMEs have more adequate resources (for example, human resources who have qualified digital literacy, better financial resources) so that small category MSMEs can maximize the features on the platform. This is inversely proportional to micro category MSMEs which generally have limited resources, so that micro

category MSMEs feel the positive impact of using the platform but not as optimal as small category MSMEs.

Important Factors for Successful Use of E-commerce Platforms

MSMEs realize that joining an e-commerce platform cannot guarantee the existence of a business, so MSMEs realize that to be able to succeed and survive in the e-commerce business requires a strategy and MSMEs need to be equipped with important factors that can support the success of using the platform. Some of the factors that support the success of using the platform according to MSMEs are having competitive prices, store services such as good service and fast and responsive service, store products such as product completeness, product availability, and product quality, positive assessments from customers obtained by MSMEs through the platform, and the ability of MSMEs to optimize the use of features owned by the platform and the ability of MSMEs to see market changes.

According to MSMEs 10: "In order for the use of e-commerce platforms to successfully face the level of fierce competition, our strategy is to set competitive selling prices." Because according to MSMEs, competitive prices are a factor that plays an important role in the success of MSMEs using the platform, this is due to the fierce competition in the e-commerce business in general, in terms of price, so that the price set by MSMEs is an important factor for the existence and success of MSMEs in using the platform. Pricing is important, this is because people are generally quite vulnerable to prices and by doing business on e-commerce platforms it is easy for people to compare prices between stores.

However, not all MSMEs feel that price is the only important factor, but there are other factors that can also support the success of MSMEs in using the platform such as services, products, positive assessments from customers on the platform and the ability of MSMEs themselves that need to be improved or maintained by MSMEs to be able to continue to compete with other e-commerce businesses and be able to provide success in using the platform. So, MSMEs need to combine all the important factors that exist to be able to succeed in using the platform.

The Challenges of Digital Transformation Through E-Commerce Platforms

MSMEs are doing digital transformation in business because MSMEs realize that business competition is advancing and with digital disruption, MSMEs must start to follow technological developments in this digital era to be able to continue to compete. Therefore, the existence of an online store can help offline stores to increase sales. So that the implementation of digital transformation by MSMEs can increase productivity, and with the implementation of digital transformation can

accelerate MSMEs in penetrating the market, and help MSMEs to eliminate geographical boundaries so that MSMEs can serve customers from various regions.

Although digital transformation through e-commerce platforms has a positive impact such as accelerating market penetration, the digital transformation also faces various challenges that come from all aspects, both internal and external, as illustrated in Figure 5. So MSMEs must have a strategy to be able to overcome it so that they can compete and optimize the digital transformation process carried out. The internal challenge that most MSMEs face is the limitation or gap of human resources who have digital knowledge and skills to be able to manage e-commerce. As explained by several speakers:

"As a store owner, I don't feel any difficulties in using the features in the platform, it's just that the employees I have do not have enough technology literacy, so the transaction service process through e-commerce must be done by me." (MSMEs 3)

"I have not fully mastered how to use the features in the e-commerce platform, besides that the employees I have still do not have enough skills for technology. So my digital transformation process is still not optimal." (MSMEs 6)

"I think some of the features in the e-commerce platform are quite complicated, so I just focus on using the features I understand." (MSMEs 7)

So that the majority of MSMEs feel that the human resource gap is an internal challenge that needs to be overcome by MSMEs in carrying out digital transformation. So MSMEs need to increase digital literacy, so that the digital transformation process can be optimal. The strategy that is generally carried out by MSMEs if the human resources owned by MSMEs have limited digital knowledge is to make managers or owners of MSMEs who manage their e-commerce platforms.

Another challenge faced is the cost of technology adoption such as the cost of providing adequate hardware, so that the digital transformation process can run optimally. Because adequate hardware plays a role in maximizing digital transformation. If this challenge can be overcome by MSMEs, MSMEs can compete and optimize the digital transformation process in the e-commerce business. Because MSMEs are not hampered to explore existing features, because MSMEs have adequate hardware.

Meanwhile, the challenges of digital transformation through e-commerce platforms from the external side are fierce competition, commission costs, ad costs, and other additional costs from using the platform, limited business control, and MSMEs' dependence on e-commerce platforms. These external challenges faced by MSMEs that can be measured, such as commission costs, ad costs, and other additional costs, make MSMEs must be able to calculate these costs appropriately, so that income or sales profit margins can remain optimal. Meanwhile, other

challenges such as the fierce competition strategies that are generally carried out by MSMEs to face these challenges are by conducting promotions using features on e-commerce platforms, as well as conducting additional promotions on other social media to increase the visibility and brand image of MSMEs. The challenges of limited business control and dependence on platforms require MSMEs to have the right strategy to deal with these challenges, for example, MSMEs also build relationships with consumers slowly outside of e-commerce platforms, and use social media to promote or sell as a strategy to mitigate the risk of MSMEs' dependence on e-commerce platforms.

The Impact of E-commerce Platform Policy Changes on Businesses

The majority of MSMEs feel the positive impact of using e-commerce platforms, so it is undeniable that more and more MSMEs are joining e-commerce platforms and slowly have a dependency on the platform. With the many positive impacts felt by MSMEs, more and more MSMEs are joining e-commerce platforms which makes the platform stronger so that platform policies are increasingly occurring. The positive impact felt by MSMEs, making MSMEs dependent on the platform is also a dynamic for MSMEs in digitizing their business by using third-party e-commerce platforms. This is because MSMEs do not have much control over their business and MSMEs must comply with the policies imposed by e-commerce platforms.

Some of the impacts of the change in platform policies felt by MSMEs are the increase in commission costs, making MSMEs have to increase the selling price of products, to cover commission costs which if not done then the profits obtained by MSMEs are very minimal. As stated by MSMEs 6:

"The change in platform policy in the form of an increase in commission fees results in stores having to increase the selling price of products sold through the platform in accordance with the commission fees that must be paid, because if the store does not increase the selling price, the store's profits are getting thinner. As a result of the increase in the selling price of products, store sales are decreasing because the selling price of the store is higher than competitors."

So that the MSME policy to increase selling prices makes it more difficult for MSMEs to compete with other MSMEs that offer lower prices, resulting in a decrease in sales. In addition to the impact of the increase in commission costs, another impact of the change in platform policy is that the operational efficiency of MSMEs is not as efficient as before. As stated by several speakers:

"With the change in policy, this has quite an impact on store operational activities. Where in the past, if MSMEs got an order with a regular courier regardless of the number of packages, the package would be picked up by the courier concerned. However, due to policy changes, where MSMEs that do not meet

the requirements for the number of regular courier package deliveries for a month, the packages must be drop-off independently by MSMEs. This results in MSMEs feeling that their store operational activities have little impact and are not as efficient as before." (MSMEs 4 and MSMEs 8)

Changes to the e-commerce platform delivery policy based on the official website of Tokopedia seller, as follows:

"Sellers who activate recommended couriers with a minimum transaction of 125 for recommended couriers for the last 30 days, can choose to use package pick-up or drop off services. Meanwhile, sellers who in the last 30 days do not reach the minimum transaction with the recommended courier can only drop off the package independently."

Therefore, changes in e-commerce platform policies require MSMEs to act wisely to adapt businesses to these policies. Changes in platform policies such as commission fees, changes in delivery service policies, changes in shipping costs, and changes in algorithms can have a significant impact on businesses. This is because MSMEs do not have control over the business, therefore MSMEs need to comply with the provisions set by the platform, including what products are allowed to be sold to avoid violations of e-commerce platform policies that can have a fatal impact on MSMEs such as stores being deactivated or products being blocked. Some MSMEs feel the negative impact of platform policy changes such as declining sales, MSMEs having difficulty in setting competitive prices, thinner profit margins, decreasing sales outside the MSME area due to higher shipping costs, or lack of visibility of MSMEs due to changes in algorithms.

Although there are some MSMEs that do not feel a significant impact from the change in platform policies on their business. As stated by some speakers:

"In my opinion, changes in platform policies, both in the form of increased commission fees and other policies, do not have a significant impact on my business. This is because I feel that the increase, especially the commission fee, is only about 2-3% of each increase so it does not affect the selling price of my product." (MSMEs3)

"I don't think the change in platform policy has had an impact on my business." (MSMEs 2)

With the presence of MSMEs that do not feel the impact of the change in platform policies, this is reinforced by the fact that there are several MSMEs who initially pioneered the business of having offline stores and online stores, but along with the improvement of online sales and the decline or ineffectiveness of offline stores, MSMEs decide to close offline stores and only rely on online stores.

This situation makes MSMEs that only rely on online stores, have a very high level of dependence on e-commerce platforms. MSMEs' dependence on platforms for the long term is quite risky, because MSMEs do not have control over their

business and MSMEs cannot predict the future, especially related to platform policies, so MSMEs need to carry out risk mitigation strategies from dependence on e-commerce platforms, to avoid full dependence on one e-commerce platform.

Motives and Reasons for MSMEs to Use E-commerce Platforms

The majority of MSMEs, namely 54.55%, agreed that the initial motive for MSMEs to join e-commerce platforms was to be able to increase sales and expand market reach. In addition to increasing and expanding market reach, this study also obtained several other motives owned by MSMEs as the basis for encouraging MSMEs to use e-commerce platforms as a digital means of their business. Table 3 shows several motives for MSMEs in using e-commerce platforms, in addition to increasing sales and expanding market reach, as many as 18.18% of MSMEs use platforms for other motives, namely reaching more customers, increasing the visibility and brand awareness of MSMEs, and following business developments caused by technological developments in the digital era to be able to remain competitive.

With the development of technology, e-commerce platforms have become a very important means of business competition for now, in addition to the existence of an e-commerce platform, the process of digitizing MSME businesses is simplified. So that more and more MSMEs are digitizing their businesses, to be able to continue to compete with other businesses, both large-scale and other MSMEs.

MSMEs also have reasons to join the e-commerce platform, namely by joining the e-commerce platform, logistics services and payment processes have been integrated so that it makes it easier for MSMEs to serve transactions, ease of using or opening an online store, business processes that have become more efficient and because of changes in customer behavior, especially since Covid-19 where customers prefer to shop online.

Table 4. Reasons for Using E-commerce Platforms

Motif	Percentage
Expanding Market Reach	54,55%
Reach More Customers	18,18%
Increase Sales	54,55%
Increase Visibility and Brand Awareness	18,18%
Keeping Up With Business Developments	18,18%

Source : Analysis results, 2025

In Table 4, the results of the data calculation are based on the number of answers, so that the total percentage exceeds 100%.

Discussion

In the current digital era, research underscores that digital transformation is an imperative for MSMEs, serving as a critical strategy to adapt to changes and leverage opportunities to maintain competitiveness. This is supported by previous findings which emphasize the necessity of technology adoption for the survival and competitiveness of MSMEs. Utilizing e-commerce platforms is a key aspect of this transformation, acting as an effective promotional medium to enhance visibility and brand awareness while erasing geographical boundaries to expand market reach and increase sales. Furthermore, these platforms significantly boost productivity and operational efficiency by integrating logistics and payment systems, freeing up valuable time and resources for MSMEs to focus on other core business activities.

However, the adoption of e-commerce platforms also introduces significant negative impacts and challenges that MSMEs must navigate. These include intense competition, commission fees that can erode profit margins, and a concerning dependence on the platforms that forces businesses to adhere to external policies, ultimately leading to a loss of control. The challenges are both internal, such as a lack of digitally skilled human resources and the cost of using the platforms, and external, including fluctuating platform policies and fierce market competition. Consequently, while the benefits are substantial, MSMEs must develop robust strategies to mitigate these concurrent risks and negative effects.

To succeed in this dynamic environment, MSMEs need to equip themselves with key competitive factors and a comprehensive strategy. Essential factors for success include setting competitive prices, conducting effective promotions, ensuring product quality and availability, providing excellent service, garnering positive consumer reviews, and having personnel capable of maximizing platform features and adapting to market changes. By cultivating these strengths, MSMEs can build a sustainable competitive advantage. Moreover, to combat the risk of dependency and vulnerability to platform policy changes, a prudent strategy involves diversifying their sales channels beyond a single e-commerce platform and investing in enhancing their internal digital capabilities.

Applying the Uses and Gratifications Theory (UGT) reveals that MSMEs are initially motivated to join these platforms to fulfill specific economic, functional, and social gratifications, such as increasing income, accessing useful features, and enhancing their reputation. Yet, this initial satisfaction can evolve into a cycle of dependency, creating an uneven power dynamic dominated by the platforms, a finding consistent with Resource Dependency Theory. This study ultimately enriches the understanding of MSME digitalization by highlighting its complex duality of benefits and risks. It also expands the application of UGT by showing how initial gratification can lead to dissatisfaction and confirms that such dependency makes MSMEs highly vulnerable to uncontrollable external forces.

This research provides significant theoretical implications by expanding the Uses and Gratifications Theory (UGT), demonstrating that the decision to adopt a media platform can be an organizational act driven by goal-oriented motives such as market expansion, operational efficiency, and competitiveness, rather than just individual consumer choice. It further argues that UGT must integrate external factors like shifting platform policies and market competition, which influence sustained gratification, and reveals how the initial satisfaction from platform use can evolve into a dependency as outlined by Resource Dependency Theory (RDT). This shows that UGT and RDT are complementary frameworks, together offering a more complete understanding of how external resource reliance ultimately shapes MSMEs' business strategies.

From a practical standpoint, the study offers crucial insights for MSMEs, highlighting the dual impact of e-commerce platforms as both a tool for advantage and a source of risk. It advises MSMEs, especially new adopters, to prepare for these challenges by diversifying their online presence across multiple platforms and social media to avoid over-dependence. Furthermore, to succeed, MSMEs must proactively enhance their human resources' digital skills, manage costs proportionally, develop targeted marketing strategies, and improve service quality to maintain customer loyalty, thereby balancing the benefits with a strategic approach to mitigate the inherent risks.

CONCLUSION

This research reveals that digital transformation via third-party e-commerce platforms presents complex dynamics for MSMEs, offering both growth opportunities and dependency risks that differ notably by business size. While these platforms enable market expansion and operational efficiency, micro-businesses disproportionately struggle with commission fees and policy shifts compared to small businesses. The study extends Uses and Gratifications Theory by demonstrating how initial platform benefits may evolve into dependency, while Resource Dependency Theory highlights MSMEs' vulnerability arising from power imbalances with platforms. These findings offer essential guidance for policymakers to create protective regulations, for MSME associations to develop risk-aware digital literacy programs, and for platform providers to design equitable service models tailored to diverse business capacities. Future research should explore longitudinal effects of platform dependency on MSME sustainability and investigate strategies to enhance resilience across different MSME segments.

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