

ABSTRACT

The transition from non-digital business processes into digital on Kampung-Digital Rajut Binong SMEs businesses have not been able to adopt the new technologies that exist. Due to lack of knowledge and the need a separating cost driver in the transformation process and absence of monitoring in the process of adopting the digital technology. It's necessary to create a value added to the goods.

The purpose of this study to determine how much influence of the digital index which is the result from value chain transformation toward business growth on Kampung-Digital Binong SMEs. The sampling technique that used in this study was a non-probability sampling by selecting a saturated technique sampling. The method used in this researched is descriptive and correlational type by including 159 respondents from Kampung-Digital Rajut Binong SMEs craftman. The variables studied were nine digital index as dependent variables and business growth as a dependent variable. For data processing used SPSS 22.0 software as a multiple regression analysis.

Based on the results of the study showed that nine digital index as independent variables have no partial effect to business growth. So, do the exploration by eliminating a particular variable to determine partially the relationship between independent variables to business growth as the dependent variable. So, that would be obtained by the result of partial test using the new three digital index (store presence, marketing and sales, internal communication) with H_0 rejected, which means that the three digital index has influence partially to business growth. While the simultaneous test on the nine digital index showed that H_0 is rejected, which means that nine digital index jointly have a simultaneous effect to business growth.

Keywords : digital index, business growth, transformation value chain