

ABSTRACT

As a member of ASEAN Economic Community (AEC), Indonesia government initiates the strategy in advancing the medium enterprises in Indonesia in order to able to keep up with the market. Technology adoption is one of the initiation, with technology utilization; small-medium enterprises (SMEs) in Indonesia can maximize the business activities and also minimazing the business expenditures. It also what makes Telkom Indonesia as the largest telecommunication company in Indonesia established “*Bagus Indonesia*”. The program aims to foster the SMEs in adopting technology, especially internet, by giving them counselling about digital business and provide the SMEs needs to transfrom their business digitally. By adopting digital technology, SMEs are believed to increase its business growth. This led us to question the sucessfulness of digitalization or digital capabality in digital village and how much it will affected the business growth. Thus, this research is intended to analyze the influences of digital index toward business growth.

The objective of the study is to test whether there is a significant influences in digital index toward business growth or not. Population of the study is 79 and total sampling method is used. This research is a quantitative study, Using likert scale to measure each items in the questionnaire. Multiple regression test is used to find out the influences in digital index toward business growth.

Keywords: Digital Capability, Small Medium Enterprise, Digital Business, Digitalization Succesfulness, Business Growth.