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Sustainability of E-Commerce

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Abstract

Globally, the business transition process is developing globally from conventional to digital processes so that companies need to run strategically, one way is by utilising marketing technology that leads to digital technology by utilising e-commerce. The method is done by collecting data and information related to market potential, the development of e-commerce in Indonesia and how to utilise e-commerce technology as an alternative solution in innovating marketing strategies with the aim of capturing greater market potential.

Keywords: E-Commerce, E-Commerce Sustainability, Internet

INTRODUCTION

The increasing use of smartphones or better known as smartphones as a medium in fulfilling the needs of human demands is an opportunity for entrepreneurs engaged in entrepreneurship both locally and globally amid the rapid advancement of technology. Internet users are greatly helped by the existence of internet service companies (Internet Service Providers) so that they can connect to various servers or websites around the world. Through web browsers or other applications connected through computers and smartphones, unlimited communication that connects humans is very easy to feel in the digitalisation era like today. Various economic actors using technology now, product sales can be done through the internet network, or what is called E-Commerce. To support the growth climate of the digital economy and fulfil the availability of data / information that is fast, easy and accurate. on people's lives and lifestyles The presence of E-Commerce has a big impact including creating new economic opportunities for people to start businesses individually. This global reach is what makes the opportunity for the development of e-Commerce in the country in the midst of increasingly sharp platform

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competition, proving the increasing use of e-commerce in Indonesia. In Indonesia's supply chain 2020, Indonesia is the country with the highest e-Commerce adoption rate in the world and is dominated by the millennial generation based on the Central Bureau of Statistics.

Retail trade in technological development has changed in terms of the process of buying and selling and marketing products. all trading activities are carried out through electronic media This trading process is commonly known as e-commerce or electronic commerce. E-Commerce is a process of buying, selling products either goods or services through computers connected to the internet network. Ecommerce is a form of business process by utilising application technology that connects companies with consumers through electronic transactions.

(Hanny 2020) Commerce is a system of buying and selling transactions that is set up online so that buyers do not have to come to the store to buy goods. One of the alternatives that uses the concept of entrepreneurship as a medium of company information can facilitate interaction between buyers and sellers without any boundaries both in space and time. Through commerce, digital marketing is an approach that takes advantage of the digitalisation revolution. E-commerce is buying and selling through electronic systems (Internet, television and other electronic networks). Not only commerce but e-commerce also includes business partner collaboration, business services and others.

Concepts and Definitions

E-Commerce transactions can occur between businesses, households, individuals, governments, and other private or public organisations Based on the research results of the Organization for Economic Co-Operation and Development (OECD) 2009 defines Electronic Commerce (eCommerce) as the sale or purchase of goods or services carried out through computer networks with methods specifically designed for the purpose of receiving or placing orders. Orders are placed through web pages, extranets or Electronic Data Interchange, social media (Facebook, Instagram, etc.), automated emails, and instant messaging (WhatsApp, Line, etc.).

- The Internet is a worldwide connected network that allows users to provide information interactively. Various internet communication services such as the world wide web (www), electronic mail (email), data transfer, entertainment, news, and others that use computer facilities.

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- A website is an interconnected web page that generally contains a collection of information in the form of text data, images, animations, audio, video or a combination of all of them which are usually made for personal, organisations and companies.
- The Indonesian Standard Industrial Classification (Klasifikasi Baku Lapangan Usaha Indonesia, KBLI) is a standardised classification of economic activities in Indonesia and only groups production units according to economic activities.
- Categories are the main lines of classification of economic activities. All economic activities in Indonesia are classified into 21 categories in the 2015 Indonesian Standard Industrial Classification (Klasifikasi Baku Lapangan Usaha Indonesia/KBLI) with categories coded with the letters A to U.
- Marketplace is a location for buying and selling products where sellers and consumers meet on a platform. Sellers will sell their goods in a stall that has been provided by eCommerce with a marketplace concept.
- Social media is online media, so that users can easily participate, share, and create content including social networks, blogs, wikis, forums and virtual worlds social networks and wikis are forms of social media that are generally used by people around the world.
- Instant messenger is a two-way messaging system that is fast and real time through internet media from one computer to another, and uses text-based communication for example instant messaging is Line, WhatsApp and others.
- Cash on Delivery (COD) is a method of payment method where the buyer can make payments and orders in cash when the order or package arrives at the destination. Payment can be made directly to the courier who delivers the goods or packages.
- E-Wallet or electronic wallet is a feature or application developed to facilitate users in making payments. Where E-Wallet can make money transactions through the telecommunications operator system. For example, mobile phone credit is also valid as a savings balance so that it can make transactions, even withdraw balances or pulses sent from other mobile phone owners. Examples of ewallet are GoPay, LinkAja, OVO, DANA, Kredivo, AkuLaku, PayLater, and others.
- Mobile money is a money transaction in a telecommunication operator system or through a card in the form of a balance, such as Brizzi, E-Money, and Go-Pay. Owners of mobile phones and cards can make transactions using these balances for transport payments, as well as shopping payments.

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- Seller is a person who sells goods or services that are produced by themselves or take from suppliers so that the price and profit are determined by the seller himself. there is no commission because the profit is obtained directly from the sale of goods because the seller or seller is more independent and has full control over the goods,
- Reseller is a person who buys products from suppliers or distributors at a lower price than the market price, so that they can be resold with the aim of making a profit from the sale of these goods.
- Dropshipper or intermediary sellers and buyers are almost the same as resellers, the difference is that he does not own the goods being sold, his job is only to find consumers and then report orders to suppliers. After that, the supplier's job will be to send it to consumers, and the commission from the sales transaction is what the dropshipper gets.

Benefits of E-Commerce

(Arifianto 2018) Expressing the application of information technology, especially the use of e-commerce, has been very tested for its benefits for promoting goods or services. Consumers will get the convenience of using the e-commerce system. through the use of e-commerce, fast and practical services can make businesses more flexible, free to make transactions from anywhere and anytime, increasing sales transactions for business actors because of the buying and selling system that has a wider scope with the E Commerce system. E-Commerce has a great influence on the level of sales and customer satisfaction. Business actors bring a transformational impact that creates a new paradigm in doing business in the form of digital marketing with the development of the internet which can have a strong enough impact on human life in the real world. Thus, the use of E-commerce has a positive influence on the ease of consumers in getting the desired product.

(Widani, et al, 2019) Suggests that E-Commerce provides six positive impacts on a company's business operations. The six impacts are: increasing efficiency, cost savings, improving control over goods, improving the distribution chain (supply chain), helping companies maintain better relationships with customers and helping companies maintain better relationships with suppliers.

(Mahliza, 2018) Aside from consumers and suppliers, there are also competitors, the adoption of e-commerce can be used as a tool to gain an advantage so that MSMEs are still able to compete or keep up with competitors. The more MSME players who use

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e-commerce for marketing and services to consumers, it will affect their ability and competitiveness. By optimising the use of e-commerce, the social development aspect can contribute more to consumers so that more customers make transactions on e-commerce sites. E-Commerce can play an active role in cutting promotion costs, expanding the market to new market levels to maintain the level of demand for goods and services, and can cut distribution channels. In the aspect of consumer protection, the role of e-commerce is mostly done electronically so that it can reduce operational waste such as unnecessary use of paper, fuel. Thus, the level of expenditure in the operational sphere can be minimised.

E-Commerce Sustainability

Today's modern era where technology is changing very quickly, based on this phenomenon, on-line services effectively and efficiently become one of the keys to winning the era of business competition in the future. Seeing the potential risks that will be faced by business companies, the application of ecommerce technology is one of the important aspects that can be developed in order to support the success of the product life cycle from the production process to how the product is marketed. an important aspect that can be developed in order to support the success of the product life cycle from the production process to how the product is marketed is one of the application of ecommerce technology.

Currently, the majority of Indonesia's population is Generation Z and Millennials aged 8 to 39 who have a high level of digital understanding. Young people who belong to Generation Z and Millennials who have a role in this digital era as digital talents, digital entrepreneurs, or potential consumers of domestic products. In addition, Indonesia has a demographic bonus that supports the formation of a sustainable digital ecosystem.

Based on the results of the E-Commerce survey data collection according to the Central Statistics Agency (BPS) data that conducted E-Commerce activities until 15 September 2022, it shows that only 34.10 percent of businesses. This shows that businesses that take orders or sell goods/services via the internet in Indonesia are still relatively low and conventional business types still dominate. Various economic and business sectors use digital technology such as e-commerce, which contributes greatly to the digital economy, the main sectors that support the digital economy in Indonesia are.

Figure 1. Percentage of eCommerce Businesses, 2021 and 2022

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Data from the Central Bureau of Statistics (BPS E-Commerce Statistics 2022)

Result

Development of E-Commerce in Indonesia

The rapid increase in smartphone usage has a positive impact on economic growth, predicting that e-commerce transactions will continue to grow in Indonesia.

Based on the results of the E-Commerce 2022 survey, it shows that in 2021 the number of E-Commerce businesses in Indonesia is 2,868,178 businesses. Meanwhile in 2020, there were 2,361,423 E-Commerce businesses in Indonesia. The main characteristics of most E-Commerce business actors in Indonesia are as follows:

1. Total revenue or eCommerce value is below 300 million rupiah;
2. The majority use instant messaging and social media as sales media;
3. The most frequently used payment method is Cash on Delivery (COD) orcash payment.

In Indonesia, informal trade is growing rapidly. Informal trade is the activity of buying and selling goods and services through unofficial media, such as social media and electronic messaging platforms, such as Whatsapp and Facebook. Unlike many developed countries, informal sales account for 40% of all e-commerce sales in Indonesia. (Muhammad yusuf 2022) This shows that some e-tailing actors, such as

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Tokopedia and Bukalapak, have not been able to fully reach the e-commerce market in Indonesia.



Figure 2. E-Commerce Business Distribution Map, 2021
Data from the Central Bureau of Statistics (BPS E-Commerce Statistics 2022)

Based on information from the E-Commerce Survey, E-Commerce businesses are still concentrated in Java. Out of 2,868,178 in 2021, 1,497,655 businesses (52.22 per cent) were located on Indonesia's most populous island. This is reasonable given that the production centres and supporting infrastructure for adequate internet connections are located in Java as the largest market share. The rapid increase in smartphone usage has a positive impact on economic growth. The use of e-commerce technology provides solutions and makes business potential for companies in marketing products through digital channels to reach more markets so that e-commerce transactions continue to grow in Indonesia. E-Commerce has a great influence on the level of sales and consumer satisfaction with the development of the internet which can have a strong enough impact on human life in the real world. The use of E-commerce has a positive influence on the ease of consumers in getting the desired product.

CONCLUSION

1. One way is by utilising marketing technology that leads to digital technology by utilising e-commerce.

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2. Defines Electronic Commerce (eCommerce) as the sale or purchase of goods or services carried out through computer networks with methods specifically designed for the purpose of receiving or placing orders.
3. E-Commerce has a great influence on the level of sales and customer satisfaction.
4. The use of E-commerce has a positive influence on the ease of consumers in getting the desired product.

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