



## The Role of E-Commerce in Encouraging the Indonesian Economy during the Covid-19 Epidemic as a Form of Modern Entrepreneurship

Jizenji Tyas Wirastomo<sup>1</sup>, Settings Langgeng Sri Handayani<sup>1</sup>, Syahrul Alim<sup>1\*</sup>

<sup>1</sup> Universitas Pelita Bangsa, Indonesia

\*Corresponding author email: [syahrul.alim@pelitabangsa.ac.id](mailto:syahrul.alim@pelitabangsa.ac.id)

### Article Info

#### Article history:

Received January 19, 2024

Approved February 8, 2024

#### Keywords:

*Covid-19, E-Commerce, Entrepreneurship, Indonesian Economy*

#### ABSTRACT

*The many sectors in online business make business people who want to invest examine profitable business in the era of the COVID-19 pandemic. Because of this pandemic, the startup business sector has experienced an increase where online health platforms such as Halodoc have become popular because they help people to consult. E-Commerce business is also the main need for people to make transactions, considering that people are afraid to shop in person. Apart from well-established national e-commerce business platforms, local e-commerce platforms are also emerging, especially to meet basic needs. The young generation in several cities created it to help with the process of purchasing goods. Next there are startup business collaboration tools such as the Zoom and GotoMeeting applications which are popular in the COVID-19 pandemic era. Opportunities in this sector have been explored by foreign companies, considering that only a few are taking advantage of this business. People are increasingly avoiding public places and offline stores, so online sales are increasing. Reporting from [neilpatel.com](http://neilpatel.com), the food, health and pharmaceutical sectors increased significantly. The food sector increased by 55%, health by 19%, and pharmaceuticals by 11%. In the United States itself, online sales are predicted to increase to 12% of total expenditure in 2020. From these results, it is concluded that despite the many benefits of e-commerce businesses, there are still many impacts for offline business people who do not use social media as a business tool.*

Copyright © 2024, The Author(s).

This is an open access article under the CC-BY-SA license



**How to cite:** Wirastomo, J. T., Handayani, L. S., & Alim, S. (2024). The Role of E-Commerce in Encouraging the Indonesian Economy during the Covid-19 Epidemic as a Form of Modern Entrepreneurship. *Jurnal Ilmiah Global Education*, 5(1), 294–302. <https://doi.org/10.55681/jige.v5i1.2161>

## INTRODUCTION

The rise of e-commerce companies in Indonesia posted an increase in sales volume with more and more people implementing social restrictions in the midst of the Covid-19 pandemic. The government has also begun to look at the e-commerce sector as a solution to overcome the tax deficit due to the economic slowdown. Compared to Malaysia and Singapore, the Indonesian government is reluctant to implement strict quarantine procedures for fear of economic and social impacts [1].

However, the Government decided to implement a partial lockdown in Jakarta which has been in place since April 10, 2020 and ordered offices to close, prohibiting gatherings of more than five people, reducing the operating hours of public transportation and prohibiting dine-in in restaurants. Achmad Yurianto again conveyed information on the performance of health data regarding the development of the COVID-19 pandemic in Indonesia. On Tuesday 7 July 2020, 17,816 specimens were examined. Of this number, there were an additional 66,226 confirmed cases of COVID-19 positive. Before the lockdown was implemented, many large companies in Jakarta had started to implement a policy of working from home which was originally proposed by the central and regional governments. In addition, a number of malls, shops, and restaurants have also taken the initiative to reduce operating hours, switch to online services, and even stop business activities completely. Before shops selling non-essential goods were closed, many people had preferred to shop online in line with the increase in the number of COVID-19 cases.

E-commerce has actually been able to attract many consumers in Indonesia even before the covid 19 outbreak. E-commerce is also one of the main drivers that made Indonesia the country with the largest digital economy value in Southeast Asia reaching \$40 billion in 2019 and is predicted to increase to \$130 billion by 2025. With more retail stores and consumers forced to switch to e-commerce, growth can be scaled even further. Before the COVID-19 pandemic, e-commerce was just an option. But for now, it is very important for retail stores and manufacturers to sell products through e-commerce platforms in order to be able to maintain their business. This will have a positive long-term impact because consumers will become more accustomed to shopping online. Meanwhile, the changing market dynamics caused by the COVID-19 pandemic have also created opportunities for online food delivery services. Market leaders such as GoFood and GrabFood, which can be accessed through GoJek and Grab, have implemented contactless delivery mechanisms and strict hygiene procedures to continue serving consumers. Industry players say that the food delivery market in Indonesia has the potential to double in 2020 due to the COVID-19 pandemic.

Indonesians are loyal users of international social media platforms such as Facebook and Twitter, as well as streaming sites such as Netflix and Spotify. Video over internet protocol services such as Zoom have also become increasingly popular since the work from home policy implemented by several companies since March. Previously, these platforms could generate significant revenue in Indonesia without being taxed. However, this will change with new regulations if the platform has products, sales or active users in Indonesia that meet the criteria for being taxed. Implementing regulations will be issued to further explain the technicalities of taxation, including income tax on foreign e-commerce companies that have a significant economic presence in Indonesia. If the new regulations can be implemented effectively, this will have a good impact on domestic e-commerce companies because they can create a level playing field.

The factor that needs to be observed regarding the speed of this online business is that the COVID-19 pandemic has succeeded in forcing traditional business players, such as MSMEs, traditional markets and food and beverage businesses to transform into the online realm. According to Andry Satrio, an Indef Observer, the pandemic itself has succeeded in accelerating and even forcing the transformation of businesses, especially food and beverages as well as their buying and selling activities from traditional to online or online through the principle of digitization. According to Andry, currently all parties are forced to operate online and apply the principles of digitalization, otherwise economic and business activities will die.

A real example, how traditional markets today inevitably have to be able to carry out the principle of delivering goods after receiving orders online or via telephone, otherwise they can lose to other competitors. Currently all buying and selling activities are carried out online and carry out the delivery principle, especially for the restaurant sector and the food-beverage business is forced to run a business where orders can be placed online. Previously, none of these transformations could be as fast as now after the emergence of the covid 19 pandemic. Supermarkets can now serve orders via social media applications such as Whatsapp. In the midst of this pandemic, consumers are increasingly relying on e-commerce services and services. More and more consumers will start shopping for necessities online even though they have never before. Retailers will increasingly adopt technology to meet consumer needs, even after the pandemic ends [1].

With the support of e-commerce as an online shop business, not a few have an online business that only has a smartphone that can be reached anytime, anywhere. With the existence of an online shopping business, it can make it easier for consumers to shop which is done computerized or customers do not need to go to outlets to carry out buying and selling or making payments. This can change the lifestyle of people who are affected by technological developments that tend to be active in cyberspace such as online shopping or online shopping. Behind the role of the internet as a means of doing business, this has a significant impact on offline businessmen where people prefer to shop online, because the process is fast and easy and does not have to bother making transactions outside the home. This of course will have an impact on offline businessmen, where consumers will gradually turn to online customers. The purpose of this study is to find out how big the role of online business is as a modern entrepreneurship supported by e-commerce on current entrepreneurship and its impact on offline businessmen from the online business.

#### E-commerce

E-commerce is where a website provides or can make transactions online or it can also be a way of shopping or trading online or direct selling that utilizes internet facilities where there is a website that can provide "get and deliver" services. E-commerce will change all marketing activities and at the same time cut operational costs for trading activities [1].

The opinion regarding the understanding of E-Commerce that E-commerce refers to the internet for online shopping and its reach is narrower. where e-commerce is a sub-tool of E-Business. the method of payment: through digital money transfers such as through a paypal account or credit card, whereas, E-Bisnis refers to the internet but has a wider reach. the business area occurs when a company or individual communicates with clients or customers via email but marketing or sales are carried out over the internet so that it can provide benefits in the form of

security, flexibility and efficiency. The method of payment is through digital payments using E-Gold and has been recognized worldwide in conducting online transactions [2].

In general, website visitors can see goods or products sold online and can do correspondence with the seller or website owner via email. In practice, shopping on the website requires a connection to the internet and a browser that supports secure electronic transactions, such as Microsoft Internet Explorer and Netscape Navigator. Microsoft and Netscape, in collaboration with credit card companies (Visa and MasterCard) and internet security companies, have developed a special encryption standard that makes transactions over the web extremely secure. In fact, Visa and MasterCard provide a 100% security guarantee to their credit card users who use e-com [4].

#### Types of E-commerce

There are several types of transactions in this e-commerce, including business to business, business to consumer, consumer to consumer or consumer to business. Therefore, the terms e-commerce and e-business are always associated. (1) E-Commerce Business to Business. This e-commerce transaction is carried out by two parties who both have business interests. These two parties understand each other and know the business they are running. Generally, the business is carried out on an ongoing basis or simply by subscribing. A simple example of B2B is producers and suppliers who transact online, both for consulting the needs of goods, to the payment process. (2) E-commerce Business to Consumer. Business to consumer is carried out by business people and consumers. These e-commerce transactions occur like ordinary buying and selling. Consumers get product offers and make purchases online. (3) C2C e-commerce. For C2C, transactions are carried out by consumers to consumers. If you often use Tokopedia, Bukalapak, OLX and the like, then this is what is called B2C e-commerce. Buying and selling transactions are carried out online through the marketplace. So C2C here is an intermediary between the seller and the buyer. (4) Consumer to Business. C2B is the opposite of B2C where the final consumer acts as the seller and the company acts as the buyer. (5) Media or E-commerce Applications. As explained in the definition of e-commerce above, this business transaction depends on a number of applications and online media [5].

#### E-Business

E-Business is the practice of implementing and managing key business processes such as product design, raw material supply management, manufacturing, sales, order fulfillment and service provision through the use of computerized communication technology, computers and data [6]. E-Business uses information technology in the form of the internet and other computer networks to carry out the main business processes, namely buying and selling [7]. The prefix "e" in the word e-Business means "electronic", which means activities or transactions that are used without exchange or physical contact, transactions are held electronically or digitally, this has become possible with the support of the rapid development of digital communications. E-Business is an extension of E-commerce, where not only purchases, payments for goods and services, but also customer service, collaboration with business partners with electronic support as a transaction tool or organization, in its application e-Business will use all eyes chain in its business processes, such as electronic purchasing processes and supply chain management, electronic order processing, managing customer service to working with partners [8]. In e-Business, money transactions are not necessarily necessary, because in principle e-Business also involves marketing, product design, and evaluation of consumer services. So, e-Business is an

integration of electronic buying and selling, electronic procurement, electronic distribution and delivery of goods, online services for customers, electronic marketing, secure transactions, automated processes and also collaboration of all parts electronically [9].

#### Online media

Online media are media or communication channels that are presented online on internet websites. All types of channels (communications that exist on the internet or can only be accessed with an internet connection are called online media [10]. The term online media combines two words: media and online. In language, media is a tool or means of communication such as newspapers, magazines, radio, television, films, posters, and banners. Media also means intermediaries, liaisons and others [11] Online in Indonesian is called online because online media is also called online media.

### **METHODS**

The research method taken is a qualitative method with a literature review approach. The data used in this study is secondary data about phenomena that are in accordance with the state of the discussion in research through journals, online articles and books. The tools used are from the internet and various existing journals.

### **RESULTS AND DISCUSSION**

With e-commerce as a forum or means of buying and selling online that can be accessed by anyone who can be used by various groups, including adults or parents without any restrictions. Accessed computerized so that consumers do not need to spend energy to buy goods or services. This of course will create new entrepreneurs who are innovative and creative with the existence of information technology supported by e-commerce, there will be more and more users of these social networks as a means of online shopping business [12].

Based on growth from year to year, the largest source of Indonesia's economic growth in the first quarter of 2020 was in the information and communication sector at 0.53 percent. This is reasonable considering that with the recommendation not to leave the house, many people access work, entertainment and education through information technology. Along with this, the volume of PLN electricity sales to households increased [13]. Based on a release from the Central Statistics Agency, the number of foreign tourists who came to Indonesia in the first quarter of 2020 also dropped dramatically to only 2.61 million visits, a decrease of 34.9 percent compared to last year. This is in line with the ban on flights between countries which came into effect in mid-February. The number of rail and air transport passengers also grew negatively in line with the enactment of the PSBB. Then when will the COVID-19 outbreak end and how will it affect the Indonesian economy? Based on data analysis released by The Singapore University of Technology and Design using the pandemic estimation method, Susceptible Infected Recovered with Data Driven Estimation, it is estimated that the peak of the pandemic in Indonesia has occurred on April 19, 2020 ago and will gradually end in total on April 19, 2020. end of July 2020 [14]. Below is a picture of social media users as online businesses from 2017 to 2020.

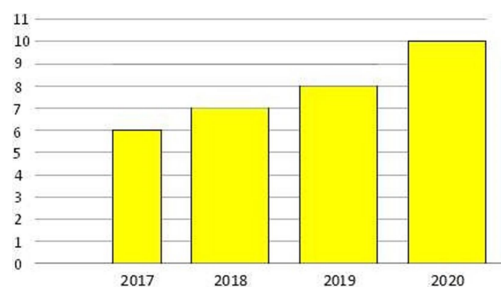


Figure 1. Social Media User Growth

From the data above, it can be seen that users of social network networks based on online e-commerce businesses are increasing from year to year, it is a sign that from year to year there are a lot of business people who use the internet as a means of business. The table above indicates that the role of e-commerce as an online shop business tool for modern entrepreneurs in Indonesia is very useful. In fact, it is not only companies that use e-commerce as a means of doing business, there are also individual entrepreneurs who use e-commerce as a means of online shopping-based business such as students, students and even housewives who use the e-commerce facility as an addition to pocket money for life. daily.

As for some of the roles of e-commerce for entrepreneurship, for consumers and the difference with offline businessmen are: (1) For Entrepreneurship. (a) Entrepreneurs can increase their company's or individual's income by increasing their product creativity so that the company can continue to run smoothly. (b) By using e-commerce as a means of buying and selling, entrepreneurs can save costs and time. (c) By using social networking e-commerce networks, entrepreneurs can reach anyone in various parts of the world because the internet can be reached by anyone, anytime and anywhere. (d) Buying and selling online can improve communication with consumers so that they will know what consumers need, the form and type or the existence of the product. (e) The reason why companies or individuals do business online is to make it easier and there is no need to provide or rent a place because the business can be done anywhere [15].

(2) Role for the business world. (a) Make it easier for Individuals or Companies to do business. (b) As a means of doing business in this modern era. (c) Make it easier for consumers to shop [16].

(3) The role for consumers. (a) With the existence of e-commerce as an online shop provider, consumers do not need to go to direct outlets because with this online business, consumers can do online shopping, so there is no need to incur costs. (b) In addition to consumers being able to conduct online buying and selling transactions, consumers can also save time and costs by doing online shopping. (c) If the consumer has made online transactions and has done so many times, the consumer can simply make online transactions in one place only. (d) Finally, with the existence of e-commerce, consumers before making online buying and selling transactions, consumers can communicate with their business people using social media such as line, whatsapp, Instagram and others [17].

Behind the advantages of e-commerce for consumers, it turns out that there are also disadvantages of e-commerce for consumers, namely: (1) The brand is not clear. (2) Sometimes the goods do not match what is seen from the picture. (3) The number of frauds, for example, goods do not reach [18]. E-Commerce includes the entire online process of developing,

marketing, selling, shipping, servicing, and paying for products and services. E-Commerce systems rely on resources from the internet, intranets, extranets and other technologies that support every step of the e-commerce transaction process [19]. Internet social networks as a means of marketing or promoting products.

The internet as a means to market products or promote products today is a very good strategy because of technological developments that are increasing from year to year. known by anyone globally, can be accessed by anyone anytime and anywhere. Internet social media is very appropriate to be used as a promotional tool to increase company income or profit because considering the large number of social media users today, it will be easily accessible [20]. Social media used for product promotion means Facebook, Instagram, Line, Whatshap, Ebay, Website, Twitter, or existing applications such as Lazada, Blibli.com and others [18].

#### Business Opportunities for Modern Entrepreneurs

By using e-commerce as an online-based business platform by utilizing it thoroughly, especially with increasingly sophisticated technology, it will grow new business opportunities that can be reached by the global community, which in turn will create a new market share [16]. By taking advantage of existing market opportunities, it will bring the Company or Individual to success by creating quality products at low prices that can be reached by the community, creating creative products that do not exist with other companies, it will increase enormous market opportunities.

#### The Influence of Online Business on Offline Businesses

In addition to online business bringing considerable benefits for modern entrepreneurs who create independent, creative and innovative entrepreneurs, it turns out that this has a significant negative impact on offline businesses. Where some people are lazy to leave the house to make direct buying and selling transactions and instead choose to make transactions online, this is of course very influential for offline businessmen which has an impact on decreasing income or decreasing turnover from time to time. There are several impacts caused by online business on offline business: (1) The more users of information technology as a business tool, the narrower the market opportunities for offline or manual businessmen who only rely on an existing building as a means of buying and selling transactions. (2) With the large number of customers turning to online shop businesses or buying and selling online, the turnover will be quite large which has an impact on the continuity of offline business companies. (3) The more sophisticated information technology, the more changing lifestyles of consumers who were previously active outside social media or buying and selling by visiting outlets, now with the existence of online e-commerce business providers, consumers will switch to online businesses that assume more efficient online business, effective, save time, cost and effort. (4) Due to increasingly sophisticated social networks that cause consumers to switch to online businesses, then inevitably offline businessmen must use internet social networks so that they are not less competitive with online businesses at this time [4].

#### The Sustainability of the Offline Businessman Company

Even though offline businesses are unable to compete with online business actors, online businessmen can still compete if offline businesses promote their products online by creating creative products and doing research on what consumers currently need, then making a product

to attract consumers' attention. The advantages and disadvantages of doing business offline for consumers. Excess. (1) Trusted brand. (2) Clear goods. (3) Consumers can immediately see the goods. (4) Not easily deceived. (5) You can try the item before buying it, so that consumers will know the size or item that fits them.

Disadvantages of doing business offline: (1) The place is far away so lazy to buy these items. (2) High transportation costs. As is known, if the strategy of doing business online is better than doing business offline, then offline businessmen must make a good marketing strategy so that the company can last a long time in the market, including: (1) Improving strategies that can increase market share. (2) Increase creativity in order to attract the attention of consumers. (3) Improving the marketing process using social media. (4) Increase price promotions such as buy 1 get 1 on certain items. (5) Expanding the marketing process, as we know if an online business has a wider marketing process.

## CONCLUSION

From the discussion above, it is concluded that technological developments from year to year are increasingly sophisticated so that they can be used as a business facility for those who are supported by e-commerce as a provider of an online buying and selling process as a modern entrepreneur today. Even companies have always used online shops or e-commerce as supporters to increase their company turnover. In fact, it's not just companies now that use the internet as a means of doing business for students, housewives can access everything, E-commerce as a means of buying and selling online can increase the income of a company or individual and bring success to the company and the sustainability of the company.

E-commerce as a means of online buying and selling transactions that have been widely used by companies or individuals has actually had an impact on offline businessmen, which resulted in their companies experiencing a significant decline in turnover. This can result in the bankruptcy of the Company if the Company does not issue their marketing strategy and changes their promotional tools using social media as a support to increase turnover.

## REFERENCES

- Adhitya, David. & Marheni Eka. (2016). Analisis Model Bisnis Pada Bisnis Sepatu Guten.Inc Menggunakan Model Bisnis Kanvas. *Jurnal Sosioteknologi*, Vol. 15, No .3.
- Ali, Muhammad Yusri. & David Sukardi Kodrat. (2017). Faktor-Faktor Penyebab Kegagalan Bisnis Pada Perusahaan Mitra Jaya Abadi. *Jurnal Manajemen Dan Start-Up Bisnis*, Vol. 2, No. 1.
- Anggriawan, Denny. & Temy Setiawan. (2018). Analisis Pendapatan Dan Biaya Relevan Pada Peralihan Bisnis Offline Toonline (Studi Kasus Pada Toko Fashion Hproject).
- Cucinotta, Domenico. & Maurizio Vanelli. (2020). Who Declares Covid-19 A Pandemic. *Acta Biomed 2020*, Vol. 91, No. 1.
- Fathurohman, Ferdi. (2018). Model Bisnis Kawasan Peternakan Kabupaten Subang. *Jurnal Ilmiah Ilmu Dan Teknologi Rekayasa*, Vol. 1 No. 1, 37-46
- Fauzia, Ika Yunia. (2016). Pemanfaatan e-commerce dan m-commerce dalam bisnis di kalangan wirausahawan perempuan. *Journal of Business and Banking*, Vol. 5 No. 2, 237-256.
- Fitria, Tira Nur. (2017). Bisnis Jual Beli Online (Online Shop) Dalam Hukum Islam Dan Hukum Negara. *Jurnal Ilmiah Ekonomi Islam*, Vol. 03, No. 01.
- G, Rani. & Natarajan .(2020). Women Entrepreneurship in India.Vol-40.



- Ilman, Abdul Hadi. (2016). The Effect of Foreign Direct Investment on Economic Growth in Indonesia. *Jurnal Ekonomi Dan Bisnis Indonesia (Jebi)*, Vol. 1, No. 2, Pp, 18- 24.
- Karambut, Fermico. Et al. (2019). Efek Faktor Demografi Dan Karakteristik Bisnis Online Terhadap Minat Pengajuan Kredit Mikro. *Jurnal Ilmiah Manajemen*, Vol.9, No. 1, 141 - 159
- Kusnindar, Arum Arupi. Et al. (2018). Pemanfaatan E-Commercepada Umkm Di Kabupaten Pringsewu. *Jurnal Kelitbangan Pengembangan Dan Inovasi Iptek Kabupaten Pringsewu*, Volume 3, No 2, 84-94.
- Nugroho, Hanantyo Sri. (2018). Democratic Governance (Studi Mengenai Governability Dalam Pengembangan Umkm Berbasis E-Commerce Di Kotayogyakarta). *Jurnal Ilmu Administrasi Publik*, 6 (1), 30-46.
- Rudiatin, Endang. & Anwar Ilmar Ramadhan. (2018). Kekuatan Moral Dan Budaya, Mendukung Perekonomian Indonesia: Sebuah Gambaran Usaha Kecil Dan Menengah. *Journal of Business and Entrepreneurship*, Vol. 1 No. 1.
- Setiawan, Nashrullah. Et al. (2016). Analisis Hubungan Antara Kepuasan Pelanggan Berdasarkan Kualitas Layanan E-Commerce Terhadap Loyalitas Pelanggan Dengan Menggunakan Metode Statistik (Studi Kasus Di Website E-Commerce Lazada). *Seminar Nasional Ienaco*.
- Sianturi, Posmaria. (2017). Peran Ekonomi Digital Dalam Mendorong Pertumbuhan Ekonomi Nasional. *Jurnal Inspirasi*, Vol. 8, No. 2, 51-55.
- Sijabat, Rosdiana. (2016). E-Commerce Adoption: A Study on Opportunities and Challenges in Indonesia. 236-247.
- Siregar, Padian Adi Selamat. (2019). Keabsahan Akad Jual Beli Melalui Internet Ditinjau Dari Hukum Islam. *Jurnal Edutech*, Vol. 5 No.1.
- Yashinta, Adystiana. (2017). Model bisnis E-commerce Produk Pertanian (Studi kasus pada PT. Limakilo Maju Bersama petani). *Jurnal Manajemen dan Bisnis: Performa*, Vol. XIV, No. 2.
- Ummaryroh. Et al. (2020). Penerapan Marketing 4.0 Dan Pengaruhnya Terhadap Keberhasilan Kegiatan Promosi Pemasaran Politeknik Negeri Sriwijaya.
- Yasundari. (2016). Hubungan Penggunaan Instagram Dengan Motivasi Wirausaha Pebisnis Daring (Online) Dalam Meningkatkan Produktivitas. *Jurnal Kajian Komunikasi*, Vol.4, No. 2, 208-218.