



The Role of E-Commerce in Improving the Economic Welfare of Society in the Digital Age

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Abstract. Indonesia as one of the developing countries that Pancasila economic system must utilize new digital technologies to improve its economy, improve its economy. This research aims to understand the role of e-commerce in improving people's welfare in the digital era. It explores how the digital economy has impacted the growth of online commerce businesses in Indonesia over the past five years and examines the digital strategies adopted by e-commerce companies to improve operational efficiency and customer service. Operational efficiency and customer service. The study highlights the contribution of leading platforms such as Shopee and Tokopedia, which are use advanced digital marketing tehcniques, user-friendly interfaces and strong security measures to build trust, and strong security measures to build consumer trust and increase engagement. Financial technology (fintech) also plays an important role in supporting e-commerce by enabling transaction role in supporting e-commerce by enabling secure transactions, efficient transactions, and expanding access to financial services. In summary, the growth of combined internet usage, e-commerce, and fintech in Indonesia highlights the country's significant strides in developing a dynamic digital economy. The country's significant strides in developing a vibrant digital economy. These advancement are diving economic growth, enhancing financial inclusion, and transform the shopping experience, thereby improving the overall economic well-being of society as a whole in the digital age

Keywords: Digital Economy, E-Commerce, Financial Technology

Abstrak. Indonesia sebagai salah satu negara berkembang yang menganut sistem ekonomi Pancasila harus memanfaatkan teknologi digital baru untuk meningkatkan perekonomiannya. Penelitian ini bertujuan untuk memahami peran e-commerce dalam meningkatkan kesejahteraan masyarakat di era digital. Ini mengeksplorasi bagaimana ekonomi digital telah berdampak pada pertumbuhan bisnis perdagangan online di Indonesia selama lima tahun terakhir dan mengkaji strategi digital yang diadopsi oleh perusahaan e-commerce untuk meningkatkan efisiensi operasional dan layanan pelanggan. Studi ini menyoroti kontribusi signifikan dari platform terkemuka seperti Shopee dan Tokopedia, yang menggunakan teknik pemasaran digital canggih, antarmuka yang ramah pengguna, dan langkah-langkah keamanan yang kuat untuk membangun kepercayaan konsumen dan meningkatkan keterlibatan. Teknologi keuangan (fintech) juga memainkan peran penting dalam mendukung e-commerce dengan memungkinkan transaksi yang aman, efisien, dan memperluas akses ke layanan keuangan. Singkatnya, pertumbuhan gabungan penggunaan internet, e-commerce, dan fintech di Indonesia menyoroti langkah signifikan negara ini dalam mengembangkan ekonomi digital yang dinamis. Kemajuan ini mendorong pertumbuhan ekonomi, meningkatkan inklusi keuangan, dan mengubah pengalaman berbelanja, sehingga meningkatkan kesejahteraan ekonomi masyarakat secara keseluruhan di era digital.

Kata kunci: Ekonomi Digital, E-Commerce, Teknologi

1. INTRODUCTION

Digital age brought major changes in various aspects of life. Advances in technology and the internet have revolutionized the way we communicate, work and shop. The presence of digital technology allows access to information and services to be faster and more effective, thus creating new opportunities in various fields, including the economy. These changes not only affect the lifestyle of individuals but also have major impact on the global economy, thus forming a more dynamic and competitive ecosystem. Thanks to the advancement of digital technology, economic activities are becoming more inclusive and accessible to the wider community, thus making a real contribution to improving welfare and quality of life (Saroyo, 2023)

Emergence and development of the digital economy occurs along with the increasingly widespread use of information and communication technologies throughout the world. It is characterized by an inclusive nature that expands opportunities. These qualities include the concept of competition, which is an industry spirit that can be easily promoted by companies that value collaboration and synergy. As a result, it allows many small and medium-sized businesses to reach the global market. The digital economy represents the future development and growth of the economy, with the rapid growth of business or trade transactions that use the internet as a medium of communication, collaboration, and cooperation between organizations or individuals. (Aniqoh, 2020)

The digital economy has a positive impact on sustainable economic development. Maintaining an appropriate level of economic growth is also an indispensable condition for high-quality socioeconomic development (Jiao & Sun, 2021). The value of Indonesia's digital economy increased by 11%, from USD 40 billion in 2019 to USD 44 billion in 2020, and is expected to increase again to USD 125 billion in 2025. This increase is expected to be the highest in Southeast Asia. Indonesia's digital literacy score according to the Global Innovation Index (2020) is 3.47 on a scale of 5.00 (Coordinating Ministry for Economic Affairs, 2021)

This figure increased 51.6% compared to the previous year of Rp 266 trillion. Bank Indonesia also estimates that e-commerce transactions in Indonesia will continue to increase in 2022 with a value of IDR 530 trillion or grow by 31,4% (year-on-year) (Ayu Rizaty, 2021). The strong growth in consumptions is due, among other things, to the increasing number of buying and selling activities through many platforms, thus helping consumers more easily access goods and services "One of them is online shopping or e-commerce"(Sianturi, 2017). Based on the result of the 2020 E-commerce survey conducted

on a sample of 17,063 business actors in all provinces in Indonesia (Wicaksono & Fadilla, 2021)

The use of digital technology sometimes causes very rapid changes in the economic order in Indonesia. Indonesia as one of the developing countries that adheres to the Pancasila economic system must utilize new digital technologies to improve its economy. The internet can reach the whole world, is a valuable business tool and also develops economically and flexibly, so it is used by companies as an advertising tool to develop their business (Saroyo, 2023)

Previous research has suggested that companies that can integrate technology into their operations will be able to thrive in this industry. Using electronic commerce (e-commerce) to advertise various types of goods and services in physical or digital format is one of the technologies used to improve business operations and product sales, among others. Customers can access electronic commerce (e-commerce) services and conduct transactions from various locations. Modern consumers who want to use e-commerce do not have to be in a particular location because it is now available in major cities in Indonesia (No & Kedah, 2023)

This study aims to understand the role of e-commerce that can help improve the welfare of society in the digital age. Not only that, this study was also conducted to identify the main factors that influence the adoption of e-commerce by the community and assess the impact of e-commerce on increasing the income of individuals and companies or MSMEs. This study will also explore the challenges and obstacles faced by the community in utilizing e-commerce and provide policy recommendations so that the benefits of e-commerce can be maximized for the economic welfare of the community. It explores how the digital economy has impacted the growth of e-commerce businesses in Indonesia over the past five years, and explores digital strategies adopted by e-commerce companies in Indonesia to improve operational efficiency and customer service. And also the role of financial technology (fintech) in e-commerce to encourage financial inclusion in Indonesia. This study also aims to explain the challenges and obstacles faced by the community in utilizing e-commerce and provide policy recommendations so that the benefits of e-commerce can be maximized.

2. LITERATURE REVIEW

Definition of e-commerce

E-commerce is a term used to describe the transaction of goods and services through information technology. Overall, e-commerce has changed the traditional buying and selling transaction that requires a one-time, one-time transaction. Everything becomes easier and more efficient because buyers and sellers do not need to be in the same place to make sales transactions thanks to information technology connected to the internet (Silalahi et al., 2022). E-commerce has been developing for quite a long time in Indonesia and is used by many different circles to meet needs and sales to increase online income (Orinaldi, 2020).

Orinaldi (2020) argues that e-commerce is a new variant of digital transformation that supports the business sector. The principle of efficiency and effectiveness is becoming a key factor in the improvement of digital commerce services. This change in commercial patterns also follows the evolution of consumer behavior. Therefore, a digital approach is absolutely necessary for businesses that want to survive in the economy. This is an opportunity for e-commerce service providers to introduce service innovations that are in accordance with community conditions. The pandemic situation that limits people's physical interaction has prompted many e-commerce companies to launch a variety of products to compete and maintain business.

E-commerce platforms both domestic and local continue to emerge and are increasingly in demand by consumers. The digital age has made more and more consumers turn to online stores, thus further encouraging sellers to turn to digitizing their transactions. E-commerce will dominate the market, so many businesses will join digital platforms to expand their business horizons (Mohamad et al., 2020). This shows that e-commerce will continue to grow and be needed along with the growing needs of the digital world. To define e-commerce, it can be viewed from different points of view.

From the point of view of communication, e-commerce is the provision of information, products/services or payments online, telephone, computer network/Internet or by other means means. electronic means. From a business process perspective, e-commerce is the application of technology through automated business transactions and workflows. From a service perspective, e-commerce is a tool to meet the needs of businesses, consumers and managers to reduce service costs, while improving the quality of goods and accelerating the speed of services. From an online perspective, e-commerce

provides an opportunity to buy and sell products and information through the Internet and other online services (Riswandi, 2019).

History Of E-Commerce Development.

E-commerce is made up of transactions that facilitate the operations of many businesses. It involves the use of digital technology in business processes. The rise of e-commerce has impacted businesses all over the world. Nowadays, there are more and more people who want to improve their lives, and e-commerce is the solution. In general, e-commerce saves time and facilitates the purchase of goods. E-commerce has caused the world to become more connected. E-commerce reduces business expenses. This country relies heavily on international trade. The concept of electronic trading has also evolved over time. Initially, it was conceived as a means of carrying out electronic transactions, such as receiving documents when we requested them. Furthermore, the process known as "web trading" involves purchasing services and goods via the internet (Ferrera & Kessedjian, 2019).

Cited from news article (Evolution of E-Commerce – A Retrospective Analysis, 2024) from ecommercegermany.com there are a few stages of evoluci e-commerce from year over year.

- 1979: The Exceptionally To begin with scene of Online acquiring.

English creator Michael Aldrich presents the thought of online acquiring by utilizing phone lines to connect a computer and tv. By empowering secure information exchange, this system—known as Videotex—lays the foundation for up and coming e-commerce stages.

- 1994-1995: The Development of E-commerce Titans: Amazon and eBay.

Jeff Bezos dispatches Amazon.com, a web bookstore, meaning the initiation of one of the world's most impactful e-commerce firms. This was assist supported by Netscape's presentation of SSL encryption, which advertised a secure strategy for transmitting touchy information over the web. Subsequently, Pierre Omidyar established eBay, a web sell off and shopping stage, changing the way individuals buy and offer things. The appearance of PayPal as a secure online installment framework essentially quickens the extension of e-commerce.

- Late 1990s and Early 2000: Dotcom Boom and Bust and E-com development.

The late 1990s saw a rise in e-commerce new companies such as Pets.com and Webvan, but the dotcom bubble burst in 2000, causing numerous to shut and incidentally abating the industry. The spread of broadband web progressed online shopping encounters, and headways in coordinations and fulfillment upgraded shipping choices and diminished conveyance times.

- 2005-2006: The rise of Versatile Commerce and Intro of Shopify and Magento.

The dispatch of eBay's portable app implies the begin of portable commerce or m-commerce. A modern time of comfort has started with the capacity for customers to utilize their smartphones for exchanges and purchases. Two well-known e-commerce stages, Shopify and Magento, have been presented, making it basic for companies of all sizes to open online storefronts. These stages give broad stock administration capabilities, secure installment strategies, and completely editable layouts.

- 2014 – 2015: Social Commerce's Rise and the Time of Membership Commerce.

Social media locales like Facebook, Instagram, and Pinterest consolidate shopping highlights that let clients purchase merchandise right inside the app. Brands utilize social commerce to more proficiently interface and connected with their target group of onlookers. Businesses like Birchbox and Dollar Shave Club spearheaded the thought of permitting clients a basic way to get things regularly, which driven to a boom in membership box administrations. Subscription-based e-commerce models too picked up unmistakable quality.

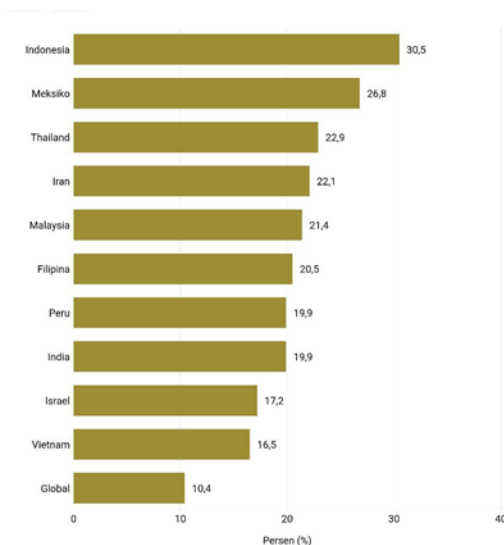
- 2020: Developing Faster In spite of the Widespread.

As a result of the COVID-19 widespread, individuals prioritize online acquiring, and physical stores near briefly. Online marketplaces, general store conveyance administrations, and computerized installment frameworks see record-breaking request and deals.

Since the COVID-19 epidemic in early 2020, the digital economy has grown rapidly, both in terms of GMV (Gross Merchandise Value) and user base. People's mobility has increased significantly in 2022, causing physical retail centers to become overcrowded once again. This is very understandable, given that consumers have historically desired to communicate directly with individuals. However, as

customers were more accustomed to making purchases online throughout the epidemic, many people continued to use e-commerce platforms (Nazar et al., 2023)

10 countries with the highest e-Commerce growth forecast for 2024



Picture 1. e-Commerce growth forecast for 2024

Source: databoks.katadata.co.id

According to the ECDB, a German e-commerce Research Institute, Indonesia will have the highest anticipated e-commerce growth rate in the world by 2024. The growth rate reached 30.5%. This prediction is almost three times higher than the global average of 10.4%. The ECDB also estimates that total online retail sales in the 150 countries surveyed will be around US\$2.2 trillion by 2023. The forecast is based on a number of methodologies adapted to market behavior. Gross domestic product (GDP) per capita, consumer spending per capita, internet penetration, and the country's population are all considered driving factors (Santika, 2024).

The positive impact of E-commerce

There's tendency that e-commerce have a noteworthy affect affect on territorial improvement since it is an externality to the economy, which suggests they have a far-reaching affect on the advancement of the territorial economy(Saraswat & Kinshuk, 2023). Within the long run e-commerce features a positive affect on the financial division, where e-commerce acts as a catalyst for the development of Micro, Little and medium enterprises (MSME).

In the mean time, benefits of on-line exchanges (E-Commerce) for organizations, exchange and companies, for customers and benefits for the more extensive community, as takes after :

A. For organizations, vendors and company

- 1) Extend the advertise to covers national showcase and worldwide showcase, so that the company can reach more clients, select the most excellent providers, and build up relationships with trade accomplices who are considered the foremost appropriate.
- 2) Decrease the taken a toll of compiling, handling, putting away and getting to paper-based data.
- 3) Permits the company to realize a profoundly specialized commerce.
- 4) Smother the time between installment and receipt of the product/service.
- 5) Increment broadcast communications costs.
- 6) Increment worker efficiency through commerce prepare reengineering.

B. For customers

- 1) Permits buyers to shop or make other exchanges at any time (24 hours a day) and from nearly any trade area.
- 2) Give more product choices and wage to clients.
- 3) Permits buyers to urge merchandise and administrations cheaper, since customers can shop in numerous places and make comparisons rapidly.
- 4) Permits clients to take part in virtual barter.
- 5) Encourage competition that leads to significant rebates for clients.
- 6) Empower clients to connected with other clients in electronic communities and trade thoughts and encounters.

C. For the more extensive community

- 1) Permitting individuals to work more at domestic and travel less for shopping, so that clog and contamination can be diminished.
- 2) Permitting a few sorts of products to be sold at a cheaper cost, so that they can be reasonable for individuals who are less able.
- 3) The plausibility of individuals in creating nations and country ranges to appreciate moderately rare products and administrations in their homes, counting in remove learning through E-University.

- 4) Encourage the conveyance of open administrations, such as wellbeing care, instruction and dispersion government social administrations are cheaper and way better quality.

Household items got to be moved forward within the improvement MSME division with the government directions administering permitting where it is supportive for the community in conducting commerce exercises in arrange to boost economy that comes from neighborhood items of great quality and at competitive costs (Ni Made Yulia Dewati Ayu & Jakaria, 2023). There are six positive impacts of E-Commerce for a company's trade operations. The six impacts are as takes after: expanded productivity, taken a toll investment funds, way better control of products, made strides supply chain (dissemination chain), progressed client relations and made strides connections with providers or suppliers (Novia Rahmadani et al., 2024)

How e-commerce helps Micro, Small and medium enterprises (MSME).

MSMEs are a very important part of Indonesian entrepreneurship. The part of MSME is exceptionally closely related to Indonesia's expanding financial development. In 2018, MSMEs accounted for almost 60.34 percent of the country's GDP. In rate terms, little businesses in Indonesia account for 93.4% of GDP, medium ventures 5.1%, and huge ventures as it were 1%. For MSMEs, e-commerce can be a awesome promoting and development instrument. trade, as examined. By opening up unused markets, making occupations, and profiting a few other e-commerce supporting businesses, e-commerce selection can quicken Indonesia's financial extension(Fadilah et al., 2023).

In today's advanced time, MSMEs in Indonesia are developing quickly. MSMEs utilize innovation, particularly social media as a implies to conduct advanced showcasing (computerized showcasing) to carry out their trade exercises. Be that as it may, Setyorini (2019) expressed that MSMEs still confronted a few deterrents in progressing the competitiveness and execution of MSMEs. The limitation components are the restrictions on capital, constrained get to to markets, conjointly the confinements on get to to data around assets and innovation. It does not run the show out the plausibility that MSMEs can offer their items to the worldwide showcase. Online requesting makes it simple for buyers to discover data almost the items they have. Utilization of e-commerce moreover gives other benefits that can progress trade effectiveness since the business is now not restricted by space and time (Rianty & Rahayu, 2021).

Be that as it may, MSME on-screen characters must actualize a number of advancements to create products and administrations tall quality and competitive to be advertised for deal online. Buyer buys are driven by tall - quality items, and MSMEs can develop their advertise through e-commerce and draw in more unused clients. As a result, it creates prospects for send out. Together with this, it is fundamental to have compelling regulatory control. You ought to make your site and e-commerce as a way to advance and offer things. This eventually makes a difference UKM flourish. For MSMEs, e-commerce can be the way to the worldwide advertise. MSMEs have the opportunity to get to the worldwide showcase thanks to computerized innovation. As innovation propels and gets to be more reasonable, more little businesses will be able to utilize e-commerce to function their operations (Fadilah et al., 2023).

The sum of Labor inferred from MSMEs make salary society increments, this demonstrates that within the national economy MSMEs can assimilate a bigger workforce (Sarfiyah et al., 2019). E-commerce gives an opportunity for MSMEs to do showcasing with the point of a worldwide showcase, so that it has the opportunity to enter sends out. By creating MSMEs, it can grow business openings and misuse the potential of Characteristic Assets and human assets to move forward the country's economy (Wira, 2001). Together with the expanding dominance of residential mechanical innovation, residential mechanical items will be able to compete in a economical worldwide advertise. With the survival of household industry, the country's national pay can possibly encounter a excess of financial development. Excess financial development can bring the well-being and thriving anticipated from any advancement handle. To overcome these deterrents, of course, requires participation between the government, e-commerce specialists, financial performing artists, and community bolster (Rahmawati & Erawati, 2021).

Factors Driving The Growth of E-commerce

E-commerce plays an critical part and is respected as one of the essential components pushing e-commerce, appropriation the components that drive the appropriation of e-commerce, which can give critical financial prospects both locally and all inclusive (Salmizi et al., 2022). Economic growth is decided by the level and improvement of beneficial strengths, advances and generation methods. There are three sorts of financial development: pre-industrial, mechanical, and post-industrial. The pre-industrial sort ordinarily exists in immature nations where agribusiness prevails, bookkeeping for more than 50% of GDP. Two primary sorts of financial development can

be recognized: broad, driven by an increment within the amount and volume of assets, and seriously, based on making strides the quality of generation variables and advancements. Different components and conditions can influence financial development, which can be separated into two huge bunches: coordinate and circuitous variables. Coordinate variables, or supply components, are marvels and forms that decide the physical conceivable outcomes of financial development (Soliyev I.I & Ganiev B.B, 2021).

According to Soliyey (2021) It is these components that encourage contribute to the advancement of the economy, there are several factors that can promote economic growth:

A. Direct Factors:

- Labor assets: Higher capacities, abilities, instruction, and capabilities move forward the quality and amount of products and administrations delivered. Cases incorporate Europe's profoundly qualified workforce and China's endless labor assets.
- Nature assets: Accessibility of arrive, minerals, vegetation, fauna, woodlands, and water impacts financial development. Nations wealthy in characteristic assets, like Qatar and Saudi Arabia, have tall GDPs, whereas those that oversee assets well, like Japan, can still accomplish financial development.
- Fixed capital: Amount and quality of settled capital (apparatus, hardware) straightforwardly impact generation levels and financial development. Way better innovation and hardware lead to higher yield.
- Innovation improvement: Mechanical headways increment efficiency, move forward workforce quality, make modern materials, and diminish reliance on characteristic assets, driving financial development.
- Generation organization: Successful entrepreneurial aptitudes and organization of generation improve asset utilize, maximizing financial development.

B. Indirect Factors:

- Showcase monopolization: Imposing business models can ruin financial development by setting tall costs and confining showcase section.
- Assess circumstance: Tall charges decrease generation motivating forces. A adjusted assess framework is basic for financial development.
- Asset costs: Lower costs for crude materials empower generation and benefit.

- Credit and keeping money framework: Available credits for business people can invigorate trade development and GDP.
- Investments: Venture in innovation and generation forms boosts generation, GDP, and by and large financial well-being.

In terms of human capital, usually too among the foremost imperative variables of financial development, particularly on the off chance that the labor drive quality or the labor support proportion is taken into thought. Li and Liu (2005) appeared that human capital in conjunction with FDI contains a solid positive affect on financial development, particularly for creating nations (Bostan et al., 2023).

3. RESEARCH METHODS

The writing method used in this article is a literature study, by connecting some previous literature with other literature as a foundation in research to explain the frame of mind in the use of e-commerce for people in the digital era (Choirunisa & Mulyanti, 2023). To align the topics and things discussed, this study uses literature that is relevant to the topic of study. The literature is selected based on inclusion criteria that include relevance, credibility of sources, and publication dates that ensure current and reliable information. Literature searches are conducted through academic databases such as Google Scholar and use specific keywords such as " e-commerce", " digital era", and "societal impact". In addition, a critical analysis of these literatures is carried out to identify existing research patterns, trends and gaps, so as to provide a comprehensive and in-depth view of the topic under study.

4. RESULTS AND DISCUSSION

How the digital economy affects growth of e-commerce

The Covid-19 widespread has had a tremendous affect on the economy. Intuitive restricted assets and fears related with the COVID-19 widespread have diminished trade movement in a ordinary framework (physical store). Little trade segments such as MSMEs are exceptionally influenced by the Covid-19 widespread, since they by and large still depend on the conventional framework. Financial on-screen characters who are incapable to adjust to alter this advancement endured mishaps and inevitably went out of trade. E-commerce is one of the leading choices to advance self-reliance endeavor particularly within the confront of retreat amid the COVID-19 widespread. E-commerce is an

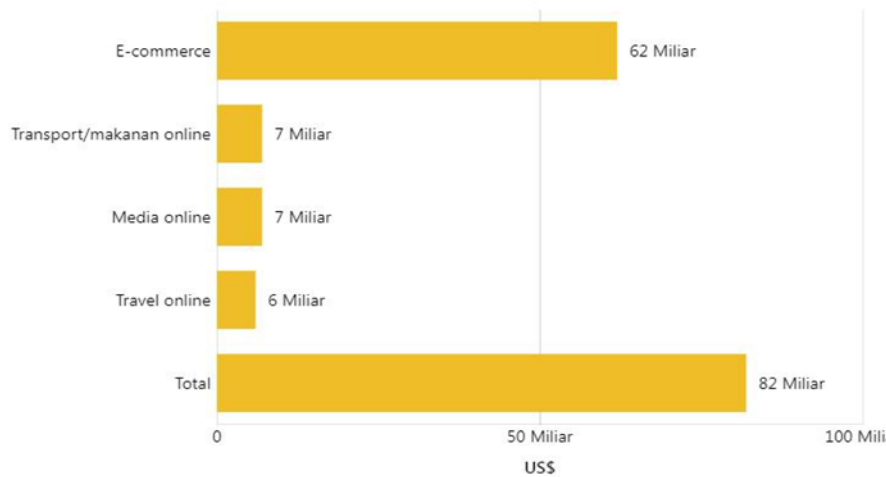
opportunity awesome for MSMEs to advertise and create their trade. With utilizing e-commerce can make strides showcase get to, make a field work and have a positive affect in different divisions that back the company other e-commerce (Rahmawati & Erawati, 2021).

One of the key variables supporting the development of electronic commerce in Indonesia is the alter in shopper behavior. Already, customers were utilized to shopping in a physical advertise environment or conventional stores. In any case, with the expanding ease of web get to and believe in e-commerce stages, numerous individuals are turning to online buys. Key components such as visionary administration, a company culture that underpins advancement, worker engagement, and innovative status are vital focuses that back inventive measures. In any case, challenges such as resistance to alter, asset limitations, and innovative integration challenges ought to be tended to with compelling administration (Hapriyanto et al., 2024). Based on information from Bank Indonesia (BI), the esteem of Indonesian e-commerce exchanges come to Rp266.3 trillion in 2020. This shows that e-commerce has ended up an indispensably portion of advanced Indonesian buyer behavior. Expanded buyer certainty. With the appropriation of superior security and encryption innovation (cyber security), shoppers have gotten to be more certain in making buys online (Maghfiroh et al., 2023).

The Association of Indonesian Internet service providers (APJII) reported that the number of Indonesian web clients in 2024 come to 221,563,479 individuals from a add up to populace of 278,696,200 tenants of Indonesia in 2023. From the comes about of the 2024 Indonesian web entrance overview discharged by APJII, the Indonesian web infiltration rate touched 79.5%. Compared to the past period, at that point there was an increment of 1.4%. "This shows a reliable increment within the positive drift chart of Indonesian web entrance within the final five a long time which has expanded essentially," said APJII Chairman Muhammad Arif when reporting the comes about of a overview of web clients at the APJII office, Jakarta, Wednesday (31/1/2024). Since 2018, Indonesia's web entrance has come to 64.8%.

At that point in arrange, 73.7% in 2020, 77.01% in 2022, and 78.19% in 2023. Based on sexual orientation, the commitment of Indonesian web entrance is for the most part sourced from men 50.7% and ladies 49.1%. Whereas in terms of age, the larger part of individuals who surf in the internet is Gen Z (born 1997-2012) as much as 34.40%. At that point, the millennial era (born 1981-1996) was 30.62%. At that point the Another, Gen X (born 1965-1980) as much as 18.98%, Post Gen Z (born less than 2023) as much as

9.17%, infant boomers (born 1946-1964) as much as 6.58% and pre boomers (born 1945 as much as 0.24%. Whereas the entrance rate of web clients by locale, APJII found that urban zones were still the biggest with a commitment of 69.5% and country regions contributed 30.5%(APJII, 2024).



Picture 2. Indonesia's largest contributor to the Digital Economy in 2023.

Source: databoks.katadata.co.id

E-commerce is the biggest donor to the advanced economy in Indonesia in 2023. This is often based on the most recent report by Google, Temasek, and Bain & Company entitled e-Conomy Ocean 2023. Famous, the net merchandise value (GMV) of Indonesia's advanced economy within the e-commerce segment is evaluated to reach US\$62 billion in 2023. This accomplishment contributes 75.6% to Indonesia's computerized economy GMV of US\$82 billion this year. Indeed so, e-commerce GMV in Indonesia developed gradually, as it were 7% from the past year (year-on-year/yoy). Compared to 2022, the country'S e-commerce GMV development come to 20% on an yearly premise (yoy)(Mutia, n.d.).

Based on “Report Buyer Behavior E-Commerce Indonesia 2023: Post-pandemic Financial Recuperation and Shopping Trends”, discharged by Kredivo in collaboration with Katadata Understanding Center, of all the number of e-commerce exchanges in 2022, customers with the most noteworthy number of exchanges will come from shoppers who are hitched with a parcel of 58.2%. The rate of e-commerce exchanges from single customers is 38.7% and the remaining 3.1% is from other bunches. In 2022, there were 6 marketplaces lead the pack among other donors to Indonesia's Net Stock Esteem (GMV). There were Shopee, Tokopedia, Lazada, Bukalapak, TikTok Shop, and Blibli.

The taking after are the points of interest and evaluated commitment of each commercial center to the overall GMV: Shopee – 36% around USD 18.7 billion (IDR 277.6 trillion), Tokopedia – 35% around USD 18.2 billion (IDR 269.7 trillion), Lazada – 10% around USD 5.2 billion (IDR 77.1 trillion), Bukalapak – 10% around USD 5.2 billion (IDR 77.1 trillion), TikTok Shop – 5% around USD 2.6 billion (IDR 38.5 trillion), Blibli – 4% around USD 2.1 billion (IDR 30.8 trillion)(Trade Administration, n.d.)

Digital strategies implemented by e-commerce companies in Indonesia to improve operational efficiency and customer service.

Marketplaces that show up in the internet are getting increasingly. Be that as it may not all of them get great comes about like shopee and tokopedia. Numerous of them come up short and lose showcase competitiveness, making them constrained to shut and conclusion their e-commerce career Online shopping has made a huge affect on Indonesian society, where there's inquire about in a city that states the pay gotten from online shopping can increment the turn of the economic wheel within the city (Setiyawati, 2020). This happens due to the ease of online shopping and more noteworthy assortment or it can too be called an choice that's advertised to buyers much more at a cost the variative. Bolstered by design and promoting that influence buyers into progressively inquisitive about shopping (Hidayat, 2019).

Shopee and tokopedia showed up at almost the same time, but what recognizes them is that shopee may be a department of a remote brand and tokopedia is an unique item made by the nation's children. Shopee and Tokopedia include user-friendly applications. In buying and executing is exceptionally simple. Indeed on the off chance that you need to create a complaint can be reacted to rapidly. It's fair that the request from shopee when enrolling an account and shopee pay is exceptionally troublesome since it requires an ID card affirmation additionally needs to hold up at slightest 1x24 hours.

These two stores are exceptionally courageous to compete and hammer costs for postage and rebates. The nearness of e-commerce significantly disentangles people's lives conjointly incredibly makes a difference increase sales and dispersion of items to places which will be exceptionally distant away. Conjointly the comparison on which stage they will make the buy. Due to the adaptability of buyers to create buys and deals, the level of guests to the online shop is exceptionally tall. Since of these components, online shopping is an choice for most individuals(Wibowo & Kunci, 2021).

Shopee E-Commerce

In carrying out its operations within the e-commerce segment, Shopee has confronted fast exponential growth. However, this development isn't without challenges. Although many of their procedures are effective, there's a continually changing showcase flow, which needs fast flexibility. One of the greatest challenges for Shopee, like numerous other e-commerce stages, is believe and security. With expanding cyber dangers and potential information breaches, Shopee must contribute altogether in their security framework. fair the elements of the showcase(Kunci, 2024).

Shopee, in situating itself as an e-commerce stage, has too illustrated ability in leveraging the most recent advances to upgrade the user encounter. Collaborative promoting, where Shopee works closely with nearby brands and influencers, is additionally a key procedure in their approach. Within the showcasing writing, associations such as these are known to extend reach and validity (Varadarajan & Cunningham, 1995). Shopee is burrowing into this association to construct believe and drive selection of their stage by customers who may not have shopped online some time recently(Kunci, 2024).

Their advanced showcasing methodology, which is wealthy with local subtleties but supported by worldwide innovation mastery, could be a confirmation to how the combination of a deep understanding of the advertise, devotion to innovation, and commitment to customer satisfaction can deliver a winning equation within the modern e-commerce time. From the starting, Shopee put its customers at the center of promoting techniques. With a profound understanding of its clients' needs and needs, Shopee has overseen to offer a shopping encounter custom-made to person inclinations, guaranteeing that each interaction on its stage includes esteem to clients. In any case, what truly sets Shopee separated is the unique combination of innovation, neighborhood understanding, and client engagement(Kunci, 2024).

This, combined with seriously showcasing endeavors and vital associations, guaranteeing that their messages and offers are continuously pertinent and curiously. Shopee's adjustment to desires of buyers in different markets has been a confirmation to its commitment to meet and surpass client desires. They not as it were provide a item or benefit but convey a fulfilling involvement. By locks in users in the co-creation prepare through audits, input, and interactive promotions, they've built a steadfast community that keeps coming back to their stage(Kunci, 2024).

It can be demonstrating that in expansion to making a difference in shopping or selling online, Shopee application can moreover trusted approximately its security, particularly within the exchange. Shopee application too has numerous highlights that can increment people's intrigued in utilizing this application since the highlights accessible can give benefits (rebates or discounts) for its clients. The accessible highlights are : Shopee coin, ShopeePay, SpayLater, My Vouchers (Free Shipping & cashback) (Agustin et al., 2023)

In a consider conducted by Agustin (2020). The Shopee application truly makes a difference the community with the taking after benefits within the shopee application:

- a. The online-based deals framework through the shopee application gives benefits or positive impacts against companies and clients (venders and buyers).
- b. The application of sales and CRM frameworks within the application has been running well and gives benefits can increment the number of clients and venders who enlist.
- c. The security framework (buying and offering transactions) within the shopee application is ensured to be secure and dependable
- d. The numerous highlights given by the shopee application for the deals framework can offer assistance and progress client intrigued in buying and offering exchanges on the shopee application.
- e. The shopee dependability highlight is exceptionally useful for clients and through these highlights can increment client devotion to the shopee application.

Disadvantages of shopee according to Syahab the preferences accessible on Shopee don't cover there may be a few deficiencies, counting portion as a isolated buyer and dealer appear complicated and wasteful, appearance portrayal the item isn't exceptionally satisfying to the eye and makes the buyer so apathetic to examined, dispensing of reserves to the account to exceptionally ancient vender, exceptionally complicated Free Shipping Promo for the vender must transfer ID card and photo receipt number, when transfer pictures and no receipt by means of the application frequently encounter disappointment.

Tokopedia E-Commerce

Digital marketing has changed the way companies associated with customers and accomplish target gathering of people. Within the e-commerce industry, stages such as Tokopedia have played an vital part in interfacing dealers with buyers online. In this setting, e-commerce companies must saddle the potential of advanced showcasing to extend brand nearness, accomplish deals targets, and fortify connections with clients. The consider will center on Tokopedia, one of the biggest e-commerce stages in Indonesia, to analyze the approach computerized showcasing utilized and its adequacy in accomplishing commerce objectives. Tokopedia was formally propelled to the open on Eminent 17, 2009 beneath the sponsorship of PT. Tokopedia it was established by William Tanuwijaya (initially from PematangSiantar, North Sumatra) and Leontinus Alpha Edison (initially from Pontianak, West Kalimantan) on February 6, 2009. Since its official dispatch, PT. Tokopedia has succeeded in getting to be one of Indonesia's web companies with exceptionally quick development(Alfianti & Ayu, 2023).

Tokopedia employments a green topic with Feathered creature Box as a brand personality. Tokopedia may be a local item that's exceptionally competitive within the commercial center. Tokopedia moreover gives multidevice clients such as computers, IOS & Android. But tokopedia offers buyer apps with dealer apps. So that clients can center more on controlling applications, checking information and making speculations. The show given by tokopedia moreover optimizes clients on portable clients. In any case, tokopedia compares the appearance of all gadgets so that there are no contrasts in plan on the stage, there are as it were contrasts in estimate(Wibowo & Kunci, 2021).

Tokopedia moreover gives installment offices. Tokopedia gives different items from mold, excellence, culinary, and others. Online shop InterX Official Store employments Tokopedia to offer its items by posting item pictures and giving subtle elements almost the items sold as appealing as conceivable to pull in shoppers additionally give the finest conceivable service so that the shoppers we serve get fulfillment that within the future can ended up standard clients afterward. By utilizing Tokopedia online store InterX Official Store can utilize the item promoting highlight in Tokopedia. so that the item can be suggested to target shoppers who require the item (Hartini, 2023).

Tokopedia moreover gives highlights that as it were offer items made in Indonesia. Tokopedia also gives speculation highlights through gold and common reserves. In expansion, investigate conducted by (al, 2021) appears that in terms of benefit quality, Shopee contains a decently great quality of Benefit. The presence of rebates and

free postage vouchers makes client opinion approximately Shopee great. Tokopedia which has the most noteworthy quality framework accessibility among others with a rate of 22.17% (Firmansyah et al., 2023).

Promos on Tokopedia are more constrained to precious stone / most noteworthy positioning clients, whereas standard clients as it were get constrained promos. Not at all like shopee which offers promos to all clients similarly with the concept of who gets it to begin with. Tokopedia offers venture administrations for those who need to form low-risk speculations, but of course too the benefits gotten are not as huge as making their possess speculations(Wibowo & Kunci, 2021).

According To Hartini (2023) Preferences and impediments of Tokopedia e-commerce. Tokopedia (e-commerce) is still one of the prevalent places to buying and offering, in expansion to having preferences does not cruel not having drawbacks. Here are a few of its preferences, among others, as takes after.

- a. Covers a more extensive deals range. With these media able to incorporate targets not as it were within the nearby range but can reach certain ranges that are distant from the real area.
- b. Increment deals. Tokopedia contributes to expanding deals since it can reach target customers outside the zone where we work.
- c. Gives a sense of security. Within the exchange is given a sense of security in the event that the requested merchandise have not arrived at their goal at a foreordained time, the exchange cash will be returned naturally to the buyer.
- d. Comfort in buy. Tokopedia makes it less demanding for shoppers to purchase products because consumers only need a smartphone/computer in their buys without having to visit the store where you're seeking out for the item.

Of course, behind these focal points, there are moreover drawbacks confronted, among others:

- a. The length of conveyance is diverse from buying the item straightforwardly where we will get the item we purchase in real time, in obtaining by means of e-commerce we still need to hold up for the item to be conveyed after we make a exchange.
- b. Benefit delivery can be exceptionally moderate due to buyers who may surpass the admin's capacity to prepare item buys
- c. Product errors currently, there are still frequent shipping errors be it delays, products that do not arrive or even products that are shipped are not in accordance with our orders.

- d. Unfortunately, for now the Tokopedia itself has not been able to fully handle which stores have the potential to deceive potential customers themselves, so we who still have to be smart in transactions do not fall into these scams.

The role of financial technology (fintech) in e-commerce

Fintech and e-commerce ended up the initiate of the company in creating its commerce within the middle of the improvement of the world of innovation and within the middle of the current widespread conditions, more than 90% utilizing monetary innovation (monetary innovation) and showcasing innovation (e-commerce). The focal points claimed innovation in coming to all strolls of life diberbabagi area and circumstance to be great commerce on-screen characters in utilizing fintech and e-commerce applications. With the preferences that businesses are able to make strides budgetary execution altogether and make it simpler for buyers to perform installment effectively and rapidly (Hasibuan et al., 2022).

According To Hasibuan (2022) Dangers and imperatives of Miniaturized scale, Little and Medium Endeavors in actualizing fintech and e-commerce to move forward budgetary execution. Each system must have shortcomings and deficiencies, it is additionally experienced by micro-business on-screen characters little and medium ventures in utilizing fintech and e-commerce applications. The shortcomings and deterrents confronted by commerce performing artists is:

1. Framework

Framework may be a process that must be tired using the application or organization, not all commerce on-screen characters have information that is able to understand the innovation framework, it is since it does not there's socialization and preparing conducted by fintech and e-commerce administrators.

2. Organize

Any network-connected computerized innovation does not continuously have a smooth organize or association, so that this gets to be one of the issues that ended up an impediment to making strides the execution of the exercises Small scale Little and medium ventures.

3. Information in utilizing

Smaller scale trade on-screen characters have a level of instruction that got to be one of the issues restraining the on-screen characters Small scale, Little and medium endeavors that have an normal of Junior Tall School graduates and have an age over 45 a long time, which makes information around fintech and e-commerce isn't completely comprehensible and justifiable rapidly.

4. Application upgrades

Applications require overhauls in arrange to preserve each period makes the commerce on-screen characters it gets to be exceptionally troublesome and troublesome.

In Indonesia itself there are a few budgetary innovation new companies that are as of now known and utilized by the community. The different new businesses are Go-Pay, OVO, Snatch, LinkAja, Midtrans, e-money and still much more. Money related innovation (Fintech) is one of the unused strategies of utilization innovation in fund. The scope of fintech is exceptionally wide since it is related to back as a major part within the creation premise of fintech. Fintech can act as a device or innovation to encourage the exchange handle between buyers and dealers and can reduce gaps or extortion within the exchange prepare. Different arrangements advertised by fintech the above has started to ended up a slant within the world together with the improvement of innovation.

This arrangement has begun to be actualized in Indonesia such as for Toll Street installments, as well as installments at different modern outlets that have mushroomed all through Indonesia. Various advantages have been gotten from e-payment arrangements in Indonesia, such as people feel secure to form exchanges, ease of exchange, simple to memorize, and a charming feeling when utilizing e-payment. Fintech moreover points to form it less demanding for individuals to get to budgetary items, make exchanges less demanding additionally progress monetary education. New businesses locked in in Monetary Innovation have been broadly utilized by a few individuals(Rahayu et al., 2022).

Shopee itself has its possess e-money / which is regularly called shopee-pay, whereas tokopedia coordinates with ovo. It is worth saying that the way they work and their advancements are getting increasingly diverse can be seen from the most occasion and the framework advertised is exceptionally distinctive. But what can be found out is that the number of clients on these two platforms is exceptionally overwhelming within

the Indonesian online advertise (Bratawisnu & Alamsyah, 2019). Fintech too incorporates speculation stages such as Stockbit that make it less demanding for people to contribute in stocks more basically and affordably (Permana et al., 2021).

Concurring to Hambali (2022) fintech and e-commerce have a positive and critical impact on the money related execution of MSMEs in Indonesia. These comes about give an in-depth understanding of the relative commitment of each calculate to the inconstancy of budgetary execution and can serve as a premise for decision-making and technique enhancement at the MSME level. Hence, the comes about of this relapse examination give an in-depth understanding of the variables that influence the money related execution of MSMEs in Indonesia. The suggestion is that expanding the esteem of fintech and e-commerce can be considered as an compelling technique to move forward the monetary execution of MSMEs, and administrative choices can be coordinated towards encourage utilization and advancement in both perspectives.

Fintech and e-commerce have a positive and noteworthy impact on the budgetary execution of MSMEs in Indonesia. Comes about it gives an in-depth understanding of the relative commitment of each figure to the inconstancy of money related execution and can be the premise for choice making and procedure change at the MSME level. The suggestion is that expanding the esteem of fintech and e - commerce can be considered as an compelling methodology to progress the money related execution and welfare of MSMEs(Hambali et al., 2024).

5. CONCLUSION

Commerce has gotten to be a key portion of Indonesia's economy, essentially contributing to the computerized scene and boosting the financial well-being of society within the advanced age. In 2023, e-commerce made up 75.6% of the advanced economy's net stock esteem (GMV), producing to \$62 billion. Driving stages such as Shopee and Tokopedia rule the advertise by utilizing progressed computerized promoting methodologies, user-friendly highlights, and solid security measures to make strides the shopping involvement and construct buyer believe. In spite of a few challenges, these stages proceed to succeed due to their viable client engagement and comprehensive administrations. Money related innovation (fintech) has played a crucial part in this computerized advancement, empowering secure and productive exchanges that back the e-commerce division. Fintech arrangements have upgraded budgetary execution and expanded budgetary consideration, making it less demanding for businesses and customers

to get to budgetary administrations. In outline, the combined development of web utilize, e-commerce, and fintech in Indonesia highlights the country's noteworthy strides in creating a energetic computerized economy. These progressions are driving financial development, making strides monetary incorporation, and changing the shopping encounter, subsequently raising the by and large financial well-being of society within the advanced age.

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