

# PT CRIF STUDY: E-COMMERCE AND ITS DEVELOPMENT DURING THE COVID-19 PANDEMIC IN INDONESIA



The development of information, technology and communication in Indonesia is slowly changing the habits of the Indonesian people in carrying out several activities. With the internet as a bridge, now people have a new way of carrying out economic activities. One of them is buying and selling transactions. Buying and selling transactions that were initially only carried out offline where sellers and buyers had to meet face-to-face, are now starting to change. Currently, the process of buying and selling goods and services can be done in the touch of a finger using an electronic network called E-Commerce. The presence of E-Commerce greatly facilitates the public in making buying and selling transactions. In terms of business actors, they can further expand their market reach.



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Dissemination of information about a product can be done more quickly, and has a very broad scope, so this has begun to shift consumption patterns and ways, and has even become part of people's lifestyles.

Based on the results of the E-Commerce survey conducted by the Statistics Indonesia (BPS), 2020, from 16,277 business actors who carry out E-Commerce spread across 34 provinces throughout Indonesia.

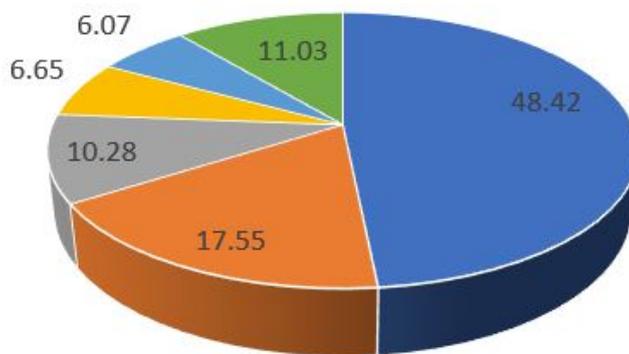
The survey results show that there were 1,162 business actors who carried out E-Commerce activities during 2019 but did not continue until August 31, 2020. One of the reasons was the COVID-19 pandemic that hit all economic sectors including the E-Commerce sector. The results of the data collection show that the E-Commerce business actors are non-formal E-Commerce businesses, with the following characteristics:

- The majority use instant messaging and social media as a sales medium;
- Total revenue and E-Commerce below IDR 300 million;
- The most frequently used payment method is Cash On Delivery (COD) or payment in cash;
- Direct delivery as the most frequent delivery method.

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Players Based on The Type of Business (%)



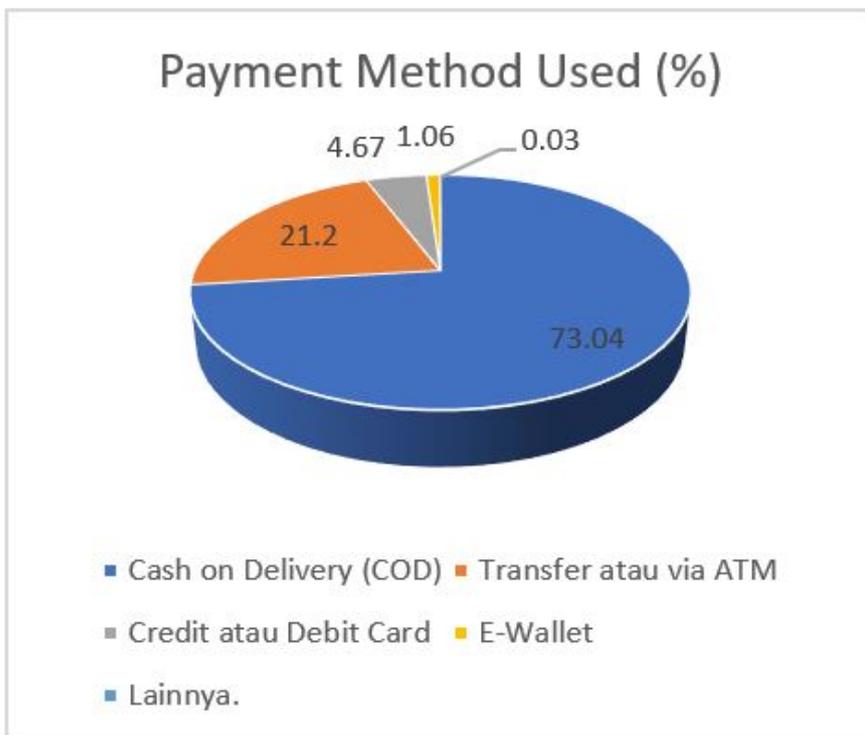
- Wholesale and Retail Trade, Repair and Maintenance of Cars and Motorcycles
- Provision of Accommodation and Provision of Food and Drink
- Mining and Quarrying, Processing Industry
- Transportation and Warehousing
- Other Services
- Others

Based on the type of business, of the 16,277 business actors, 48.42% were business actors in category G (Wholesale and Retail Trade, Repair and Maintenance of Cars and Motorcycles), as many as 17.55% were in category I (Provision of Accommodation and Provision of Food and Drinking), as much as 10.28% in categories B and C Mining and Quarrying, Processing Industry), as much as 6.65% from category H (Transportation and Warehousing), 6.07% from the Hospital category (other services), and as much as 11.03% of other businesses.

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From an economic perspective, not a few companies, especially small and medium scale companies, whose sales have fallen drastically. Based on the results of the survey, as many as 85.83% of E-Commerce business actors experienced a decrease in business income, while those who experienced an increase in sales were only around 4.58%, and only 9.59% of business actors claimed not to be affected by the COVID-19 pandemic or their income was the same. before the pandemic. When viewed from the composition of E-Commerce businesses whose income increased, 2.07% of revenues increased between 25%-50%, 1.22 percent increased by less than 25%, and 0.55% increased between 51%-75%, and 0.75% increased by more than 75%.



While in the payment process, there are several payment methods used, namely Cash on Delivery (COD), Transfer or via ATM, Credit or Debit Card, E-Wallet, and others.

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E-Commerce Businesses in Indonesia mostly use COD, where buyers can pay for orders in cash at the point of purchase using cash or pay when the order arrives at the destination. Payment is made to the courier who delivers the goods to the buyer's house, office, or other desired place. More than half of E-Commerce businesses, namely 73.04% in almost all business fields, use this payment method. About a third of E-Commerce businesses with a workforce of 100 people and more, use this method more often than other payment methods.

The next most frequently used payment method is Payment by Bank Transfer, either via ATM, Internet Banking, or Mobile Banking, which is 21.20%. More than half of E-Commerce businesses with a workforce of 100 people and more, most often use this method and Most are marketed through the marketplace.



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Based on one of the E-Commerce media, namely the marketplace, there are 5 top marketplaces that are currently the most widely used by business people and consumers, namely Shopee, Tokopedia, Bukalapak, Lazada, and Blibli (Source: kompas.com). Of the five marketplaces, there are several types of products that are popular and in demand in the market (top 5), namely fashion products, household appliances, furniture, food and beverages, cosmetics and medicines. Seeing this, business actors will try to take advantage of the high market for these five types of products. Based on the latest data from the Statistics Indonesia, in 2019, the types of goods or services that were sold the most were food, beverages and groceries, which was 30.95% of the total. The types of goods/services that are mostly sold in the second place are Fashion, including clothes, shirts, jackets, t-shirts, socks, footwear, accessories, belts, glasses and so on with a proportion of 23.95%. In third place, are the types of goods/services that are included in the Other category, and consist of goods/services of health, therapy, reflection and others reaching 17.99%. The next order is cosmetics with 8.87% and household appliances such as furniture, kitchen utensils and others which are sold at 8.29%. Until now, these five products have become the 5 most popular products that are sought after and purchased by consumers.

Based on this, the continued development of technology in Indonesia will lead E-Commerce to a better direction. And it is predicted that it will continue to grow by bringing up innovations that can make buying and selling transactions easier.