



## The Role of E-Commerce For Entrepreneurs

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### ABSTRACT

E-commerce is a business model that facilitates the purchase or sale of products or services through online platforms. The focus of this research is to examine the impact of e-commerce on the growth and enhancement of entrepreneurial ventures. The objective of this study is to understand the significance of e-commerce in business development and improvement. The findings of the research indicate that e-commerce plays a crucial role, leading entrepreneurs to continuously utilize it for the advancement and expansion of their businesses. The ease of operating e-commerce platforms and their valuable contribution to business operations make them an indispensable tool for entrepreneurs. Moreover, entrepreneurs only require an internet connection to stay connected to the website or online media platform where their business operates.

Keywords: Entrepreneur, E-Commerce, Role

## 1. Introduction

Entrepreneur or Entrepreneurship is a job that can be started when you are still young. However, becoming an entrepreneur is not as easy as imagined. An entrepreneur must require thorough preparation. Therefore, many people fail to become entrepreneurs. According to Thomas W Zimmer, entrepreneurship is the application of creativity and innovation when solving a problem that turns into a great opportunity. Meanwhile, according to Raymond, entrepreneurship is a way to make oneself prosperous with something creative and innovative. According to myself, an entrepreneur is someone who carries out buying and selling, renting, etc. activities in the field of trade with the aim of making life prosperous.

In everyday life, an entrepreneur is often called a businessman. The activities carried out by an entrepreneur are called business. The business that is run involves time and the time used is called the business value, where the business value is the profit in doing business. An entrepreneur considers time to do business as a business cost. Where business fees must be paid to someone who runs the business (Apdillah et al., 2022).

Someone who wants to become an entrepreneur must have thorough preparation. Thorough preparation is thinking about success, having passion for what you do, focusing on your strengths, having a hardworking spirit, and always persisting in doing business. Apart from that, an entrepreneur must also have the courage to take responsibility or take risks for the decisions he makes. This is because every job or decision taken has risks, both small and large, and these risks must be faced and accounted for by an entrepreneur.

There is some tips and trick What a person can do to become an entrepreneur. Tips and trick These are making friends or having a friend who is an entrepreneur, choosing a number of successful entrepreneurs as role models or motivation, starting a small business that is liked by customers, and fighting myths that relate to business. If there is something that is not implemented, for example, making friends or not having friends who are entrepreneurs, what you can do is start asking people to introduce you to an entrepreneur (Yolanda, 2014).

An entrepreneur has at least basic skills orentrepreneurial abilities, where these basic abilities have broad meaning (Prasetyo, 2020). The basic abilities that must be at least possessed are seeing new opportunities, applying technology, competing, innovating, risk management,human capital, andNeed for Achiement (N-Ach).

Human capital and social capital play a crucial role in enhancing economic growth and sustainable business competitiveness. Moreover, they significantly influence entrepreneurial activity, with a strong correlation observed between tolerance and entrepreneurship. Innovation is identified as a primary driver for creating sustainable competitive advantage, while also contributing to societal benefits by enhancing communication and productivity levels. Additionally, entrepreneurial marketing, as part of our capability, plays a pivotal role in augmenting sustainable competitive advantage.

An entrepreneur also has characteristics such as demographic characteristics, individual characteristics, personal behavior, and readiness to become an entrepreneur. In terms of demographic characteristics, it is related to the age and gender of an entrepreneur (Santoso, 2020). Where entrepreneurs are dominated by productive age. This is proven by having high enthusiasm to improve their performance. Apart from that, people of productive age also have a high chance of becoming successful entrepreneurs because they are diligent in studying and easy to adapt to changes that occur in the environment.

## **2. Literature Review**

Individual characteristics relate to technical competence or ability. If an entrepreneur has the competency or technical ability to run a business, then the business he runs will be successful. Personal behavior also plays a determining role.success of a business being run. A successful entrepreneur usually has personal behavior such as being brave, hardworking and having good communication. Apart from that, the inherent readiness to become an entrepreneur is a characteristic element that determines the success of an entrepreneur in running his business. A businessman certainly carries out transactions where he can bargain, buy and sell, and other things related to trade. Nowadays, quite a few entrepreneurs trade via electronic media. Things that entrepreneurs do to facilitate the sales or purchase process and wide distribution of a product or service offered. This is usually callede-commerce.

According to Laudon and Laudon,E-Commerceis a process of buying and selling products electronically by consumers and from company to company with computers as intermediaries for business transactions. Meanwhile, in my opinion e-commerceis a business model that makes it easier for an entrepreneur or company to buy or offer a product or service through the mediaonline. E-Commercehas several components, namely products, places to sell products, how to receive orders, payment methods, delivery methods, andcustomer services In addition, there are several typese-commerce that isBusiness to Consumer (B2C), Business to business (B2B), Consumer to Consumer (C2C), Peer-to-peer (P2P), dan Mobile Commerce (M- Commerce).

In supporting implementation e-commerce In the field of trade, there are several systems that support the spread and expansion of businesse-commerce (Maulana et al., 2015). Where the support system is, namelyopen source, opencart, MySQL, Hipertext Preprocessor (PHP), give XAMPP. Apart from that, there are principles that must not be forgotten when carrying out development, namely that the system being developed is an investment, aims for management, and requires people who understand how to use the system. In the process development is carried out without having to follow the sequence, do documentation, and there is no need to hesitate to cancel a project.

In e-commerce, there are also technology standards used. This is used in business transaction activities. Where are the technology standards?adalah Electronic Data Interchange (EDI), Open Buying on the Internet

(OBI), Open Trading Protocol (OTP), Open Profiling Standard (OPS), Secure Socket Layer (SSL), Secure Electronic Transaction (SET), dan Truste.<sup>6</sup>Whereas,e-commerceitself has a unique category that is the identity of the application of this technology, among other thingsubiquity, global reach, universal standards, richness, interactivity, information density, serta personalization dan customization.

E-commercealso has several advantages and disadvantages (Cahyo, 2015). Excesse-commercecan be felt by several groups. The advantages for companies are expanding and spreading the market for products or services, improving the company brand, and improving better service to customers. Apart from that, customers can get information more quickly and efficientlyreview of the product or service you want to use, and can compare the price of one product or service with another. Also, for the community it is not necessary to travel when buying a product or service, getting a more affordable product or service cost, and helping the government in improving public services (Alfianto, 2012).

Meanwhile, the disadvantages ofe-commercealso viewed from aspects, namely technical aspects and non-technical aspects. If viewed from the technical aspect, namely software development is very fast, there is difficulty in integrating the system, and there are problems in system compatibility. Meanwhile, from a non-technical aspect, namely the high cost of construction or development somethinge-commerce, less customer trust ine-commerce, and personal data security is still difficult to achieve.<sup>8</sup>

An entrepreneur wants to improve and develop the business he runs. However, there are many ways that can be used to do this. Of the many ways, one way to take ise-commerce. Wheree-commerceis one of the opportunities that an entrepreneur can use to improve or develop the business he is running. Based on this, a problem formulation can be taken, namely what the role is e-commercein developing or improving an entrepreneur's business. This study aims to find out about the role of e-commerce in business development or improvement.

This research aims to explore how e-commerce platforms have revolutionized the way businesses operate and interact with customers. By analyzing the various strategies and technologies used in e-commerce, we seek to understand how businesses can leverage these tools to improve their efficiency, reach a wider audience, and ultimately increase their revenue.

### **3. Methodology**

This study employs a qualitative research approach to investigate the role of e-commerce in enhancing entrepreneurial ventures. Data collection and analysis methods involve literature review and content analysis of relevant academic articles, reports, and online resources pertaining to e-commerce and entrepreneurship.

### **4. Results and Discussion**

E-commerce thrives on the strategy it employs. Customers opt for convenient and efficient service. Therefore, it is imperative for entrepreneurs to excel in delivering top-notch service to customers. A well-crafted service strategy can greatly impact customers, fostering trust and loyalty.

In terms of sales, it shows that the addition of instrumental variables from business insight toe-commerceclassified as higher compared to non-through salese-commerce. This is caused by several factors, one of which is that the sales strategy using social media has a positive influence. For example, sales of clothes of the type compared to sales of clothes without clothes, where sales of clothes of the type are more popular than sales of clothes without clothes. This is because in everyday life clothes are a necessity used by the community so sales of clothing types are higher.

Apart from that, sales that include foreign marketing or known as exports are higher compared to sales that include local or domestic marketing country. This is due to the existence of cooperation between local entrepreneurs and foreign entrepreneurs. One way to carry out this collaboration is throughe-commerce.It can be said that local entrepreneurs already have a fixed amount of demand. Indonesia has contributed to international trade, where exports will become one of the important things for the Indonesian economy.

There are many social media used in online sales. One of them is Facebook, where Facebook is the most popular social media compared to e-commerce other (Setyawan et al, 2017). This is supported by research conducted by experts named Heru Nugroho and Kastaman who said that social media Facebook provide an influence in increasing online business sales (Ghufran, 2014).

For entrepreneurs, e-commerce has a very important role. According to them, e-commerce helps in reducing capital costs. Apart from that, they only need basic skills in using the internet. E-commerce can also carry out marketing and disseminate products or services widely. Entrepreneurs rely on marketing via the internet or e-commerce because marketing via the internet saves more time and business operations can be managed anywhere and anytime (Firmansyah, 2017).

Many entrepreneurs are starting to implement its use of e-commerce since the beginning of starting a business or enterprise. In this case, e-commerce is very influential in terms of reducing the minimum initial capital expenditure for a business. Besides that, e-commerce can also reduce operational costs, which otherwise would not exist. E-commerce an entrepreneur incurs costs to rent or buy a shop building and use of e-commerce can facilitate marketing or expansion of a product or service. As well as, e-commerce also has the ability to expand market share and reduce marketing costs.

Apart from that, entrepreneurs also recognize that role e-commerce influential in business development (Rehatalanit, 2021). This is proven by the ease with which entrepreneurs market the products or services they offer. The products or services offered are not only domestic or local, marketing can be carried out overseas or exported. In addition, in expansion of market share, e-commerce may include areas that do not yet sell or offer traded products or services. Application e-commerce making entrepreneurs able to compete with other entrepreneurs or keep up with constant market developments (Salim, 2020). Although, competition is something that cannot be avoided in a business. An entrepreneur can compete with other entrepreneurs by looking at the products or services needed by consumers or customers.

Role of e-commerce for entrepreneurs related to expenses. Usually expenditure costs are often referred to as operational costs. An entrepreneur does not need money to place advertisements or displays for the products or services offered and the business can be run twenty-four hours. Entrepreneurs do not require time limits on marketing activities through e-commerce. This is due to the system e-commerce runs for twenty-four hours. Besides that, e-commerce can help in terms of getting supplier new. Supplier can be said to be a provider of products that are offered if the warehouse has run out of availability or offers products that it does not have.

Role of e-commerce is very important in terms of marketing the products or services offered. For example, entrepreneurs promote various photos of the products and services offered and add information about the products or services. Additionally, through e-commerce can serve consumers or customers more responsively and satisfactorily. This is due to e-commerce can bring together sellers and buyers without meeting directly or face to face. That way, there is intense communication between sellers and buyers and can increase consumer confidence in producers.

What is no less important is the role of e-commerce on the income received. Entrepreneurs are able to generate income of more than e-commerce. This is caused by the marketing carried out through e-commerce very broad so that it attracts consumers' attention to use the products or services offered. In addition, an entrepreneur who is the sole supplier in a particular area makes a profit in an area where the product or service is not yet offered. This causes the income generated to increase from year to year.

Additionally, via e-commerce an entrepreneur will get comments from consumers regarding the products or services offered. The comments given are very good

has an effect on attracting consumers' interest in using the products or services offered. In this case, comments are defined as the level of customer or consumer trust in the producer. This is due to one important factor in use of e-commerce is trust. It is proven that the absence of trust between producers and consumers means that a transaction cannot be carried out.

In terms of price, e-commerce will collaborate with related entrepreneurs, usually occurring at certain events or large number of orders. This resulted in e-commerce provide cheap prices with the best quality. As well as, e-commerce provide discounts on certain products or services.

Entrepreneurs also mean that customers or consumers have an important role in increasing income. In general, customers or consumers are an asset with the aim of keeping a business running. In this case, customers participate in marketing or disseminating the products or services offered to their friends. This is because customers who market or distribute have a sense of trust in the producer regarding the quality of the product or service offered along with the service provided. In this case, e-commerce has an important role in making it easier for customers to market or disseminate via online media or the internet.<sup>11</sup>

In the current pandemic situation, e-commerce has a very important role. This can be proven by the large number of customers or consumers who shop via Bukalapak or Tokopedia. Where Bukalapak or Tokopedia is a platform e-commerce. Apart from that, during the pandemic, direct contact between producers and consumers can be avoided with the aim of reducing the spread of the Covid-19 virus.

Entrepreneurs have also felt the increase in sales since the pandemic. Another advantage gained since the pandemic is the business and sales coverage not only in Indonesia but throughout the world. This is a consequence of the role of e-commerce in trade. Progress of e-commerce in Indonesia has increased which is very fast. This development can be seen from the growth in the value of online business sellers in the country. This results in development of e-commerce must be monitored.

During the pandemic, many entrepreneurs were still young or in school. The capital obtained comes from pocket money given by parents. However, as time goes by young entrepreneurs will learn about online business. The online business used is e-commerce. Role of e-commerce very influential on young entrepreneurs. This is proven by new innovations emerging from young entrepreneurs. Apart from that, young entrepreneurs also contribute to the development and improvement of the creative economy in Indonesia. This is supported by the situation that will face the industrial revolution 4.0 (Amrullah, 2020).

Based on the above, the role of e-commerce which is very important so that entrepreneurs will continue to use it to improve and develop the business being run. This is caused by running e-commerce very easy and use e-commerce very helpful in running a business. There are no time and place restrictions when running a business using e-commerce. Also, entrepreneurs only need an internet connection to stay connected to the website or online media where they run their business (Suryani & Lestari, 2020).

## 5. Conclusion

E-commerce plays a crucial role in the success of entrepreneurs. It has the potential to enhance and expand the business operations. Additionally, e-commerce provides entrepreneurs with various opportunities to explore. The key advantage of e-commerce lies in its ability to streamline the sales and purchase process, as well as enable widespread distribution of products and services. The effectiveness of e-commerce is heavily reliant on the strategies employed. A well-executed service strategy can significantly impact customer satisfaction and trust. This, in turn, can lead to increased sales, particularly in foreign markets or exports, compared to local or domestic markets. Furthermore, the incorporation of instrumental variables derived from business insights in e-commerce is considerably higher than in non-e-commerce sales. E-commerce plays a crucial role in supporting entrepreneurs by reducing capital costs, requiring only basic internet skills, enabling effective marketing and wide product dissemination, and providing responsive customer service without time constraints. Additionally, e-commerce significantly contributes to lowering initial capital investment and operational expenses, thus fostering business growth. Entrepreneurs can easily market their products or services through e-commerce without the need for additional advertising costs, and their businesses can operate around the clock.

Furthermore, the significance of e-commerce cannot be overstated in terms of augmenting entrepreneurs' income. The extensive marketing endeavors employed by e-commerce platforms effectively capture the attention and feedback of consumers, thereby influencing their purchasing decisions. This collaboration between entrepreneurs and e-commerce platforms often leads to the provision of exclusive pricing offers, such as discounts, particularly during specific events or for bulk orders. In the present pandemic scenario, e-commerce assumes a crucial role. By minimizing direct contact between producers and consumers, it serves the purpose of curbing the transmission of the Covid-19 virus. Entrepreneurs have also experienced a surge in sales since the onset of the pandemic. Additionally, one of the advantages gained during this period is the

expansion of business and sales coverage beyond Indonesia, encompassing the global market. Moreover, young entrepreneurs are actively contributing to the growth and enhancement of the creative economy in Indonesia, particularly through the emergence of new innovations.

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