

Digital Marketing

Week 11:

E-Commerce & Digital Sales Strategies

Lecturer: Gloria Pratiwi Waang, SE., MBA
Jakarta International University, Indonesia

Learning Objectives

- Explain the fundamentals of e-commerce and its key components.
- Identify and differentiate popular e-commerce models in Indonesia, such as B2C and C2C.
- Analyze the digital sales funnel and its application within e-commerce.
- Design effective digital sales strategies utilizing local Indonesian platforms.
- Compare and contrast marketplaces and independent e-commerce websites.
- Identify and describe the key payment systems, logistics, and fulfillment methods used in Indonesia.
- Understand the concepts of live selling and influencer marketing in the Indonesian e-commerce context.
- Apply pricing strategies suitable for e-commerce businesses.
- Recognize the importance of social proof in building customer trust and driving sales.
- Explain the role of big data in enhancing e-commerce operations and decision-making.
- Analyze gamification strategies in e-commerce through the case study of Shopee.
- Identify key challenges faced by e-commerce enterprises and evaluate proposed marketing strategy models from recent research.

Introduction to E-Commerce

What is E-Commerce?

E-commerce: The buying and selling of goods and service over the internet (online transaction).

(Baltzan, 2020)



What is E-Commerce?

Electronic commerce is the combination of **Internet information technology** and **traditional offline business activities**.

(Xiuli Ma & Xue Gu. 2024)



E-Commerce Components

1



Online Storefront

Website or app where products are displayed.

Example: Shopee, Tokopedia

2



Shopping Cart

Feature to select and manage products before buying.

Note: Built-in in e-commerce platforms.

3



Checkout & Payment

Process of finalizing purchase and payment.

Note: Integration with payment gateways

4

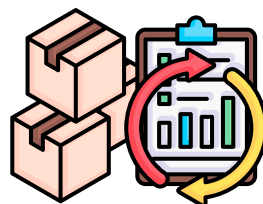


Payment Gateway

Secure transaction processing technology.

Example: Midtrans, DOKU, Xendit

5



Inventory Management

Tracks product stock and availability

Note: Real-time stock updates



Order Management & Fulfillment

Handling order processing and delivery.

Example: Gojek GoSend, JNE, SiCepat

6

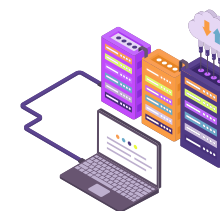


Customer Relationship Management (CRM)

Managing customer data and marketing.

Example: Salesforce, HubSpot

7



Web Servers & Hosting

Infrastructure hosting the e-commerce platform.

Example: Cloud servers (AWS, Google Cloud)

8



Database Management System

Stores product, customer, and transaction data.

Example: MySQL, PostgreSQL

9



Security Systems

Protects data and transactions.

Example: SSL, firewalls, anti-fraud mechanisms

10



Marketing & Analytics Tools

Tools for promotion and performance tracking.

Example: Google Analytics, Facebook Ads

11

Growth of E-Commerce in Indonesia

- Indonesia is Southeast Asia's **largest and fastest-growing e-commerce market.**
- **Factors driving growth:**
 1. Increasing smartphone penetration (more than 170 million users)
 2. Young, digital-savvy population
 3. Expansion of digital payments (OVO, Gopay, ShopeePay)
 4. COVID-19 accelerated online shopping, even for traditional SMEs



Example:

Thousands of small warungs now sell online through GrabFood, GoFood, or Shopee.

Major E-Commerce Platforms



Major E-Commerce Platforms



Indonesia's E-Commerce



What about Gojek?



E-Commerce Ecosystem in Indonesia

Key Players:

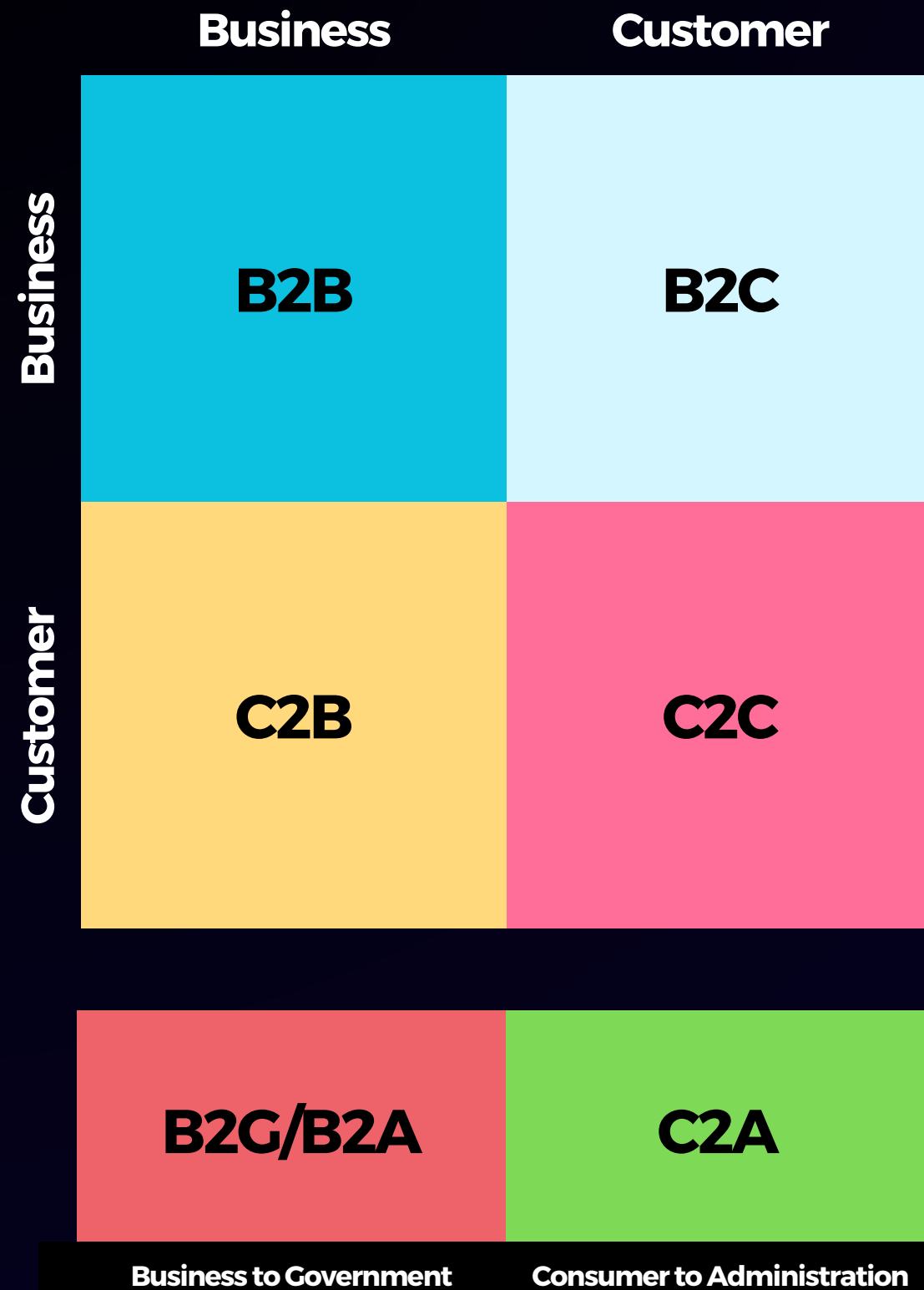
1. Sellers (SMEs & big brands);
2. Buyers;
3. Platforms;
4. Logistics;
5. Digital payments.

Regulations:

Consumer Protection Law and Electronic Information and Transactions Law (UU ITE).



E-Commerce Business Models



E-Business Term	Definition
Business to Business (B2B)	Applied to business buying from and selling to each other over the internet.
Business to Customer (B2C)	Applies to any business that sells its products or services to customer over the internet.
Customer to Business (C2B)	Applies to any customer that sells a product or service to a business over the internet.
Customer to Customer (C2C)	Applies to site primarily offering goods and services to assist customers interacting with each other over the internet.

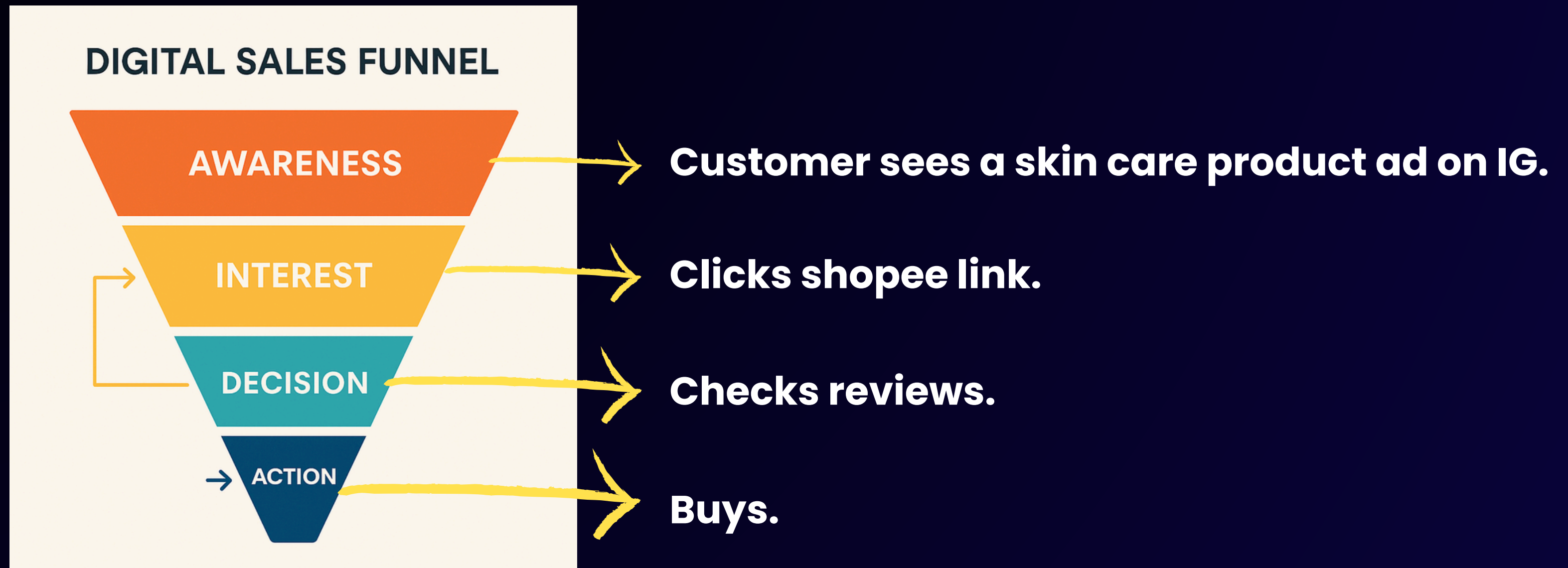
(Baltzan, 2020)



Which e-commerce model is best suited for local businesses in your region?

Digital Sales Funnel

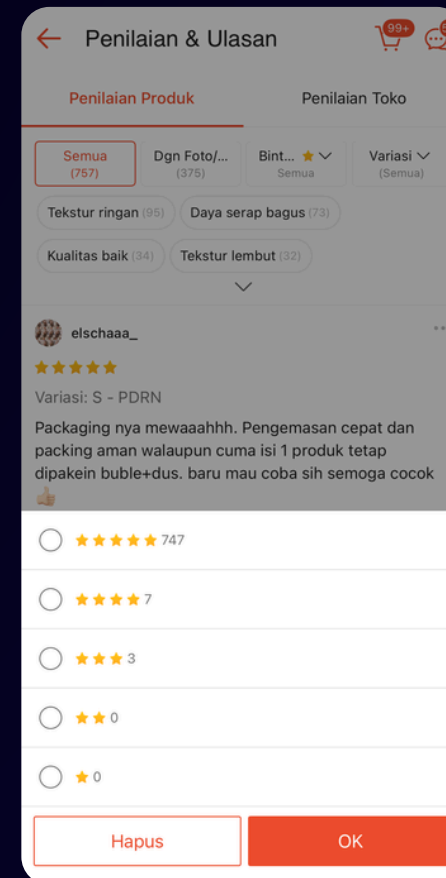
- **Funnel:** The process from awareness to purchase
- **Awareness → Interest → Decision → Action**



Digital Sales Funnel

Example:

Customer sees a skin care product ad on IG → clicks shopee link → checks reviews → buys.



Marketplace vs Website

• Marketplace

• Website

Pros

1. Large built-in audience and high traffic (Shopee, Tokopedia).
2. Trust and security features already in place.
3. Easier for beginners to start selling.
4. Logistics and payment systems integrated.

Cons

1. High competition and price wars.
2. Limited control over branding and customer data.
3. Platform fees or commissions can reduce profit.

Pros

1. Full control over design, branding, and customer experience.
2. Better access to customer data for personalization.
3. Ideal for building long-term brand loyalty.
4. No platform commission fees.

Cons

1. Requires investment in development and traffic generation (SEO, Ads).
2. Trust and payment security need to be built manually.

Example:

Erigo uses both Shopee (marketplace) and their own website (erigostore.co.id) to balance reach and branding.



Payment Systems in Indonesia

- **Digital Payment:**



- **Bank transfers and COD (Cash on Delivery) are still popular.**



Logistics & Fulfillment

- **Reliable and fast delivery is essential in e-commerce.**
- **Key players in Indonesia:**



- **Features:**
 - Real-time package tracking.
 - Same-day or next-day delivery in urban areas.
 - Integration with marketplaces for automated shipping labels.
 - Use of fulfillment centers (e.g., Lazada eLogistics, Shopee Express Warehouse).

Live Selling & Influencers

- **Live Selling:**

- Broadcast-based selling on platforms like TikTok, Shopee Live, and Instagram.
- Sellers demonstrate products in real-time, answer questions, offer limited-time deals.

- **Influencers:**

- Macro and micro influencers promote products through reviews or live sessions.
- **Example:** Tasya Farasya endorsing beauty brands; local SMEs using TikTok creators (Nano & Micro Influencer).



Pricing Strategies

- **Types:**

- **Discount pricing** (flash sales, seasonal promotions)
- **Bundling** (buy 1 get 1, combo packs)
- **Psychological pricing** (Rp49.900 instead of Rp50.000)
- **Dynamic pricing** based on demand or competitor price

Local Example:

Shopee 6.6 or Harbolnas promotions with big discounts.



Importance of Social Proof

- **Why it matters:** Builds trust and reduces purchase anxiety.
- **Forms:**
 - Customer reviews and ratings.
 - User-generated content (photos/videos from customers).
 - Testimonies and unboxing content.

Ratings and reviews heavily influence our purchasing decisions. However, based on personal and professional experience, I can affirm that some metrics carry more weight than others. According to a study conducted by BrightLocal, up to 98% of consumers read reviews before making a purchase. Moreover, customers tend to trust companies with a higher volume of reviews, with an average consumer reading around 10 before forming an opinion of trust. But that's not all. Buyers also pay attention to how brands interact with reviews. Consumers expect companies to respond to reviews, and 88% of consumers are more likely to buy from a company that replies to all its reviews, both negative and positive. Engaging with reviews not only shows that the company cares about its customers but also helps build trust and strengthen its reputation. This is the foundation of online reputation.

Source: **Forbes** "How Reviews And Ratings Affect Clients' Buying Decisions"

Example:

Tokopedia's "Top Rated Seller" badge or Shopee Mall reviews.

Retention Strategies

- **Customer Loyalty Programs:**
 - Points collection and redemption
 - Exclusive access to sales or new products
- **Email and WhatsApp Marketing:**
 - Follow-up messages, cart reminders, product recommendations.
- **Personalized Discounts:**
 - Birthday vouchers, special offers for repeat buyers.
- **Community Building:**
 - Invite loyal customers to join online groups (e.g., Facebook groups, Telegram)



Role of Big Data in E-Commerce

- **Definition:** Big data refers to the vast volume of consumer data generated through online behavior.
- **Applications in E-Commerce:**
 - Personalization of Customer Experience
 - Dynamic Pricing Optimization
 - Enhanced Security and Fraud Detection
 - Improved Customer Service
 - Marketing Campaign Effectiveness
 - Predicting Trends and Demand



Indonesian Context:

Platforms like Tokopedia and Shopee use user data (browsing history, purchase frequency, reviews) to optimize homepages and send tailored notifications.

Gamification in E-Commerce

- **Definition:**

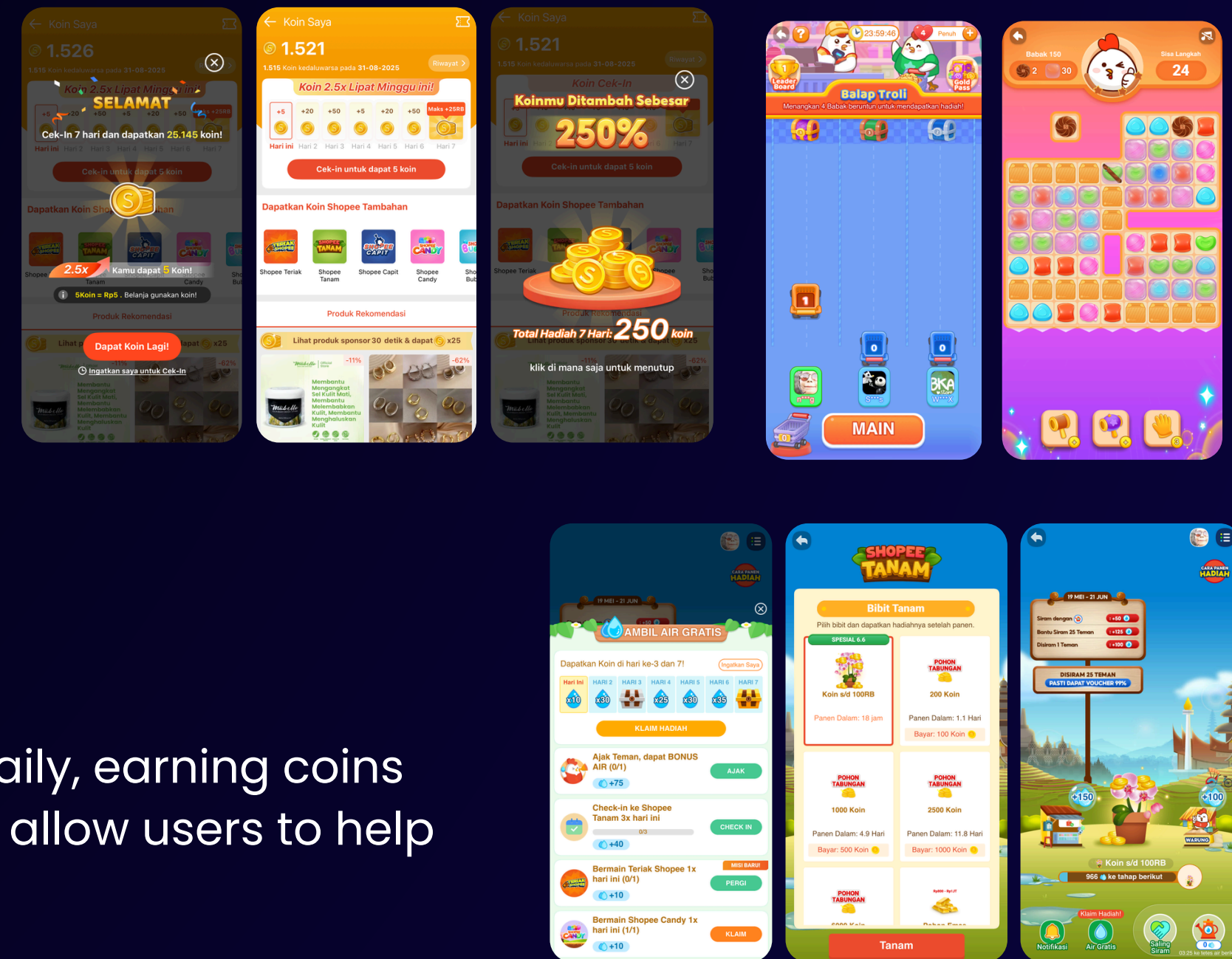
- The application of game-design elements (such as points, challenges, rewards, leaderboards, and interactive features) in non-game contexts—including e-commerce platforms—to increase user engagement, motivation, and loyalty.
- It transforms ordinary shopping experiences into interactive and entertaining activities, encouraging users to spend more time and interact more with the platform

- **Benefits:**

- Increases User Engagement
- Boosts Brand Awareness
- Enhances Customer Loyalty
- Drives Conversions
- Collects First-Party Data

Case Study: Shopee's Gamification Strategy

- **Reward System:** Users collect points, coins, and badges for completing actions, achieving milestones, or winning games. These rewards can be exchanged for shopping discounts or exclusive offers.
- **Shopee Games:** A suite of mini-games (e.g., Shopee Candy, Shopee Lucky Prize, Goyang Shopee) where users play for points, vouchers, and prizes. Goyang Shopee alone was played 500 million times in its first year.
- **Shopee Tanam:** Users "plant" and "water" virtual crops daily, earning coins and vouchers redeemable for discounts. Social features allow users to help friends' plants, fostering community interaction



Case Study:

Shopee's Gamification Strategy

Impact and Effectiveness

- **Customer Engagement:** Research shows that Shopee's gamification—especially reward and challenge elements—significantly increases user engagement and time spent on the app.

No.	Dimensi	Skor	Skor Maksimal	%	Keterangan
1	<i>Enthusiasm</i>	1165	1392	83,69	Tinggi
2	<i>Attention</i>	1099	1392	78,95	Tinggi
3	<i>Absorption</i>	907	1392	65,16	Tinggi
4	<i>Interaction</i>	665	928	71,66	Tinggi
5	<i>Identification</i>	610	928	65,73	Tinggi
TOTAL		4.446	6032	65,73%	Tinggi

Sumber : Data primer yang diolah, 2020

- **Customer Loyalty:** Gamification strategies directly improve customer loyalty. Studies indicate that Shopee's games and reward systems increase repeat purchases, with effectiveness scores as high as 65.9% in user surveys.
- **Purchase Intention:** While gamification's direct effect on purchase intention is mediated by increased loyalty and engagement, the overall impact is positive—users who are more engaged and loyal are more likely to make repeat purchases and spread positive e-word-of-mouth.
- **Community Building:** Social interaction features, such as helping friends in Shopee Tanam, foster a sense of community and collective achievement, further enhancing loyalty and engagement.

Key Problem Faced by E-Commerce Enterprises

(Xiuli Ma & Xue Gu. 2024, New Marketing Strategy Model of E-commerce Enterprises in The Era of Digital Economy)

- **Lack of Integrity:**

Many e-commerce businesses struggle with maintaining trust and transparency.

- **Homogeneity:**

Products and marketing approaches often lack differentiation, leading to intense competition.

- **Large-Scale, Generic Strategies:**

Over-reliance on broad marketing tactics reduces effectiveness.

- **Insufficient Big Data Utilization:**

Many firms fail to analyze and apply big data insights to personalize their marketing.



Paket Shopee COD Action Cam 2,7 Juta, Barang Tidak Sesuai yang Dikirim Hanya Powerbank dan Foam



Proposed Marketing Strategy Model

- **Building a Reasonable Product Management Structure**
- **Customized Marketing Content**
- **Social Media Marketing Based on Information Sharing**

Proposed Marketing Strategy Model

- **Building a Reasonable Product Management Structure**

1. Organize product lines to address diverse consumer needs.
2. Focus on product differentiation and innovation.
3. Align product offerings with market trends and customer feedback



Proposed Marketing Strategy Model

- **Customized Marketing Content**

1. Use big data to analyze customer preferences and behavior.
2. Deliver personalized content and offers to different customer segments.
3. Shift from mass marketing to targeted, individualized campaigns



Proposed Marketing Strategy Model

- **Social Media Marketing Based on Information Sharing**

1. Leverage social platforms to engage customers and encourage sharing.
2. Foster community and trust through interactive content.
3. Use social media analytics to refine marketing strategies



Key Takeaways

- **Indonesia's E-Commerce Boom:** Driven by mobile adoption, digital payments, and SMEs going online.
- **Digital Sales Funnel:** Awareness to action must be supported by engaging content and trust signals.
- **Marketplace vs. Website:** Each has strategic pros and cons—smart brands often use both.
- **Tech Infrastructure Matters:** Payments (OVO, DANA) and logistics (JNE, SiCepat) are vital for smooth user experience.
- **Modern Sales Tools:** Live selling, influencers, optimized listings, and dynamic pricing drive conversions.
- **Social Proof & Retention:** Reviews, loyalty programs, and personalized offers build customer trust and loyalty.
- **Big Data Advantage:** Enables personalization, better targeting, and fraud prevention.
- **Ethical E-Commerce:** Transparency, responsiveness, and privacy must be upheld in all digital sales strategies.

Thank You.

– E-Commerce & Digital Sales Strategies –

References:

- Xiuli Ma & Xue Gu. (2024). New marketing strategy model of E-commerce enterprises in the era of digital economy. Heliyon.
- Baltan P. (2020). Information System (5th Ed). McGraw-Hill.
- Apriana Elizabeth Taruli, Arianis Chan, Pratami Wulan Tresna. 2020. THE EFFECT OF GAMIFICATION “SHOPEE TANAM” VERSION ON THE CUSTOMER ENGAGEMENT OF SHOPEE INDONESIA MOBILE APPLICATION (SURVEY OF SHOPEE IN APP GAMES USERS’S IN BANDUNG CITY). Jurnal Pemikiran dan Penelitian Administrasi Bisnis dan Kewirausahaan. Page 283-295
- Debora Soli Bulu & El Chris Natalia. 2024. The Effect of Gamification in Shopee Games on Users’ Brand Loyalty. Jurnal Komunikasi, Vol 17 (2), December 2024, page 257-269.