



How did Tokopedia assist economic recovery through the MSMEs during the Covid-19 pandemic?

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Abstract

Discussing business during the Covid-19 pandemic is very interesting, especially about the acceleration of digitalization transformation in the country. Indonesia is predicted to have a high potential for digital economic growth in Southeast Asia. Online retail stores or e-commerce are part of the digital economy ecosystem growing rapidly in Indonesia. Tokopedia is an e-commerce technology company from Indonesia that has a mission to equalize the digital economy. This mission is in line with the Indonesian government, seeking to accelerate digital transformation, especially for local MSMEs (Micro, Small, and Medium Enterprises) as one of the drivers of the economy, especially during the Covid-19 pandemic. With the dominance of sellers from local MSMEs, Tokopedia contributes to the movement of the economy in Indonesia. Therefore, in addition to discussing the e-commerce digital economy ecosystem in Indonesia, this article aims to discuss Tokopedia's strategies in helping Indonesia's economic recovery during the Covid-19 pandemic through the digitalization of MSMEs. Tokopedia's series of strategies to digitize MSMEs provide inspirational stories to always be active in developing creative and innovative ideas in business processes.

Keywords: Digital Economy, e-commerce, Tokopedia, Indonesia, Covid-19

1. Background

The rapid development of technology will have an impact on the country's economy. The industrial sector related to technological developments brings the people of a country to the digital era. The existence of the Covid-19 pandemic has accelerated the digitalization process that affects all aspects of daily life, such as how we interact, work, study, shop, and do other activities (UNCTAD, 2021). Of course, this adds to the urgency of various parties, especially the government, to respond to this.

The digital economy was born and developed along with the development of information and communication technology. The digital economy is characterized by the digitization of various products and services and the use of the internet network to support economic activities. The digitalization process

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is changing the way business is done and has the potential to increase economic activity and competition, especially those related to management, regulation, internal issues of transformation towards a digital economy to changes in business activities and new business alliances (Unold, 2003). The digital economy has the concept of competition that can be reached by various groups, in this case, especially start-up actors who focus on collaboration. Therefore, the digital economy is known as the "sharing economy," which raises many small and medium-sized businesses to enter the business world in the digital era (Kominfo, 2016). Meanwhile, Indonesia is predicted to experience around USD 133 million digital economic growth in the next five years (Clinton, 2020). Realizing this potential, the government and business players will be paying attention to encouraging digitalization in all sectors, especially due to the ongoing Covid-19 pandemic.

Currently, the number of internet users in Indonesia is 202.6 million, with 170 million active social media users out of a total population of 274.9. The Indonesian population is ranked fifth in the longest smartphone use globally (DataReportal, 2021). This number always increases every year, and it is predicted that in 2026 the number of internet users in Indonesia will be 239.03 million (Statista, 2021). Additional data from the Indonesian Internet Service Providers Association (APJII) reveals that around 58% of internet users in Indonesia spend between 2 to 8 hours. As many as 20% spend 8 hours or more using the internet every day (Association of Indonesian Internet Service Providers, 2020). Millennials and Generation Z (adults or growing up in the technology era) make up a large part of the total population of Indonesia, which are the main drivers of digital economic growth in Indonesia. According to the National Socio-Economic Survey (SUSENAS), Millennials and Generation Z individuals are estimated to account for around 34% and 29% of the total population in Indonesia, respectively (Central Bureau of Statistics, 2017). This fact shows that more than half of the population in Indonesia has adopted the development of internet technology and provides great potential for transformation into the digital economy era for Indonesia. However, in the process, the Indonesian government also seems to have to encourage micro, small, and medium enterprises (MSMEs) in their digital business transformation efforts.

MSMEs are one of the backbones and drivers of the digital economy in Indonesia. In 2019, the MSME sector contributed 60% to Indonesia's GDP. The role of MSMEs is also very large in the absorption of labor. MSMEs can absorb 97% of the total national workforce, with details of micro-businesses as much as 89.2%, small businesses as much as 4.47%, medium businesses 3.73%, and large businesses as much as 3% of the total national workforce (Nurhidayat, 2020). Therefore, MSMEs must be the focus of digital economic activities in line with the times. The number of MSMEs that have entered the digital ecosystem has reached 15.9 million or 24.9% compared to before the Covid-19 pandemic; MSME actors connected to the new digital platform are 8 million MSMEs out of a total of around 65 MSME actors. Million units (Herman, 2021). Based on the Ministry of National Development Planning of the Republic of Indonesia/National Development Planning Agency revealed that the majority of MSMEs are experiencing problems with reduced orders, increased prices of raw materials, difficulty in distribution, and difficulty in obtaining raw materials (the Ministry of National Development Planning / National Development Planning Agency (Bappenas), 2020). Although the issue of digitizing MSMEs is being intensified, several obstacles continue to hinder the progress of MSMEs, such as MSME businesses in rural areas that must be addressed to access digital technology that is affordable, easy to understand and use.

In this digital economy era, various groups can enter an economic competition, especially MSME business players. In this case, a technology company from Indonesia founded by William Tanuwijaya and Leontinus Alpha Edison, Tokopedia, has a quite different strategy from other platforms. Tokopedia is aggressive in helping to restore the Indonesian economy through digitizing local MSMEs. During the

pandemic, Tokopedia focused on collaborating with Indonesian MSMEs to operate local MSME businesses to continue developing their business digitally through the Tokopedia e-commerce platform, which reflects Tokopedia's hyperlocal initiative in realizing the mission of digitally equalizing the economy in Indonesia. The issue of MSMEs during the Covid-19 Pandemic is very interesting to discuss, especially when Indonesia's digital economy ecosystem is developing and in-depth discussing the strategies of e-commerce technology companies that are aggressively recovering the economy through MSMEs. Therefore, this article aims to discuss Tokopedia's strategies in helping Indonesia's economic recovery during the Covid-19 pandemic. The research was conducted using a descriptive method with secondary data obtained from searching and information from companies and related articles.

2. The Development of E-Commerce in Indonesia

Since the Covid-19 pandemic, digital transformation has become fast and has become a very important aspect of everyday life. By looking at the large number of internet users in Indonesia and the composition of the population, which is dominated by a digitally literate generation, it is not surprising that the e-commerce market in Indonesia is the largest in Southeast Asia. Figure 1 shows the percentage of the population adopting e-commerce between Indonesia and countries in Southeast Asia from the Hootsuite & We Are Social survey on the DataReportal web in Q3 2020 (DataReportal, 2021). The category of e-commerce usage is distinguished from the percentage of searching for products or services online, visiting sites or online stores, purchasing products online using a smartphone, and purchasing products online other than using a smartphone. Indonesia outperformed Malaysia, Singapore, the Philippines, Thailand, Vietnam, and the percentage globally in the number of percentages of searching for products or services online, purchasing products online using a smartphone, and purchasing products online other than using a smartphone. While in visiting sites or online retail stores, Indonesia ranks fourth out of Southeast Asian countries.

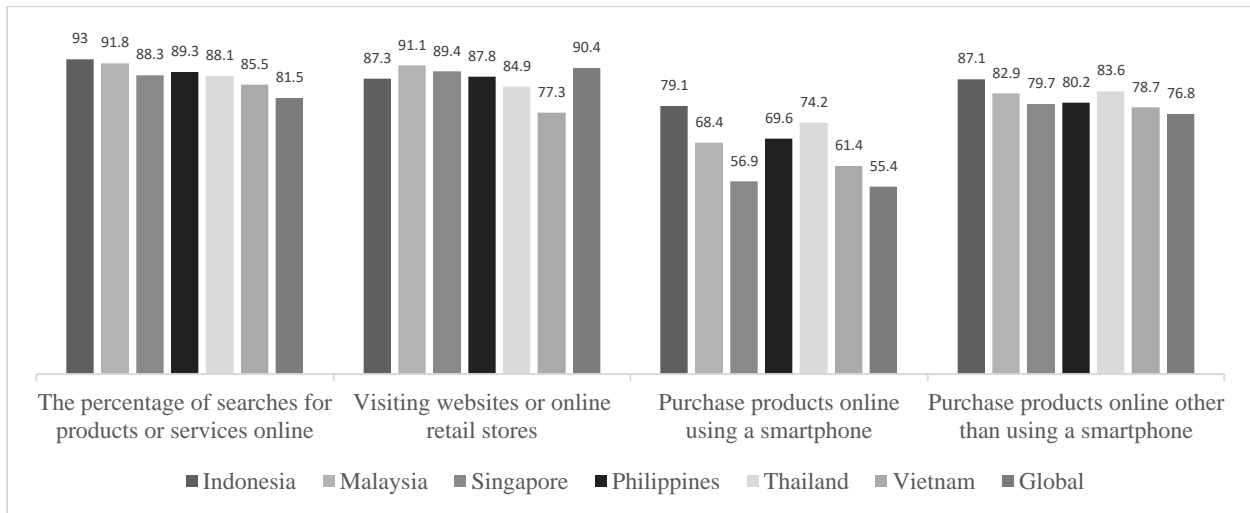


Figure 1. Adoption of the Digital Economy of E-Commerce in Southeast Asia (%). Source: DataReportal, 2021

The data in the Figure can show the behavior of the Indonesian people in adopting e-commerce digital economic technology in Indonesia. Indonesian people are starting to become familiar with searching for products or services online to make their choices and purchasing products online using smartphones or

other devices such as tablets or via PCs and the like. Even though online purchases by Indonesian people are high, visits to sites or online retail stores are still below the global average, namely from 87.3% of the global average of 90.4% (DataReportal, 2021). This can happen because Indonesian people are more comfortable with searching/purchasing products through social commerce. E-commerce maximizes efficiency with sophisticated search, purchase, virtual catalog strategies (Carroll, 2008). Meanwhile, social commerce is oriented towards social goals, such as networking, collaborating, and sharing information, with a secondary focus on shopping (Wang and Zhang, 2012).

Research from eMarketer in Figure 2 projects that e-commerce sales in Indonesia are the largest in Southeast Asia. Total e-commerce retail sales in six Southeast Asian countries (Indonesia, Thailand, Malaysia, Vietnam, Singapore, the Philippines) are estimated to reach US\$ 45.07 billion in 2021. Of this amount, as much as US\$ 20.21 billion comes from sales in Indonesia. Thailand occupies the second position with projected retail sales through e-commerce of US\$ 7.84 billion. After that, sales through e-commerce in Malaysia, Vietnam, Singapore each amounted to US\$ 7.4; US\$ 4.38; US\$ 3.47 billion. The projected retail sales through e-commerce in the Philippines is US\$ 1.76 billion, and the Philippines is estimated to have the highest growth in retail sales through e-commerce in Southeast Asia this year, which is 20%. In comparison, e-commerce retail sales in Indonesia and Malaysia grew by 15% (eMarketer, 2021). With the combined large population of the six countries, the potential for growth in the retail e-commerce business is still wide open.

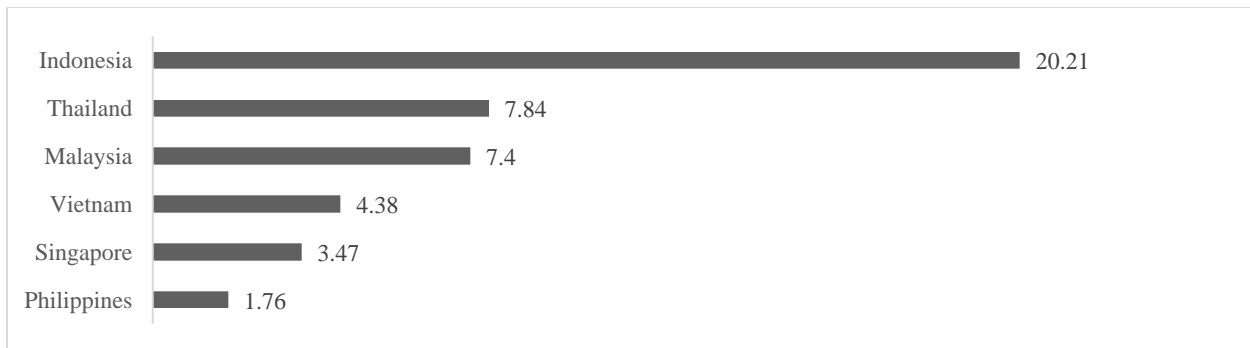


Figure 2. Projected Retail E-Commerce Sales in Certain Countries in Southeast Asia in 2021 (US\$ Billion). Source: eMarketer, 2021

Furthermore, Figure 3 is a summary of some of the e-commerce ecosystems in Indonesia. The e-commerce ecosystem starts from the e-commerce platform, payment, logistics to enablers. E-commerce is a forum for applying information and communication technology that delivers the entire value chain of the company. Business processes in e-commerce are carried out electronically and are designed to enable the achievement of a business goal. This process can be part or all of it can include business-to-business and business-to-consumer and consumer-to-business transactions (Wigand, 1997). Based on the momentum, e-commerce has many types. First, a marketplace that brings together sellers from various product and service categories such as Tokopedia, Shopee, Lazada, and so on. The second type is vertically-focused; this e-commerce focuses on certain product line categories, such as Sephora is a retail store of cosmetics and skincare. And the third type of marketplace is social commerce, which consists of social media and groups for buyers and resellers. Next is payment, which is used to process payments after shopping online and then process shipping (logistics) to enablers. Enablers help a certain brand in e-commerce to execute its digital

business strategy, starting from content production, website optimization, marketing performance to customer care such as product delivery directly to consumers (Sirclo, 2019).

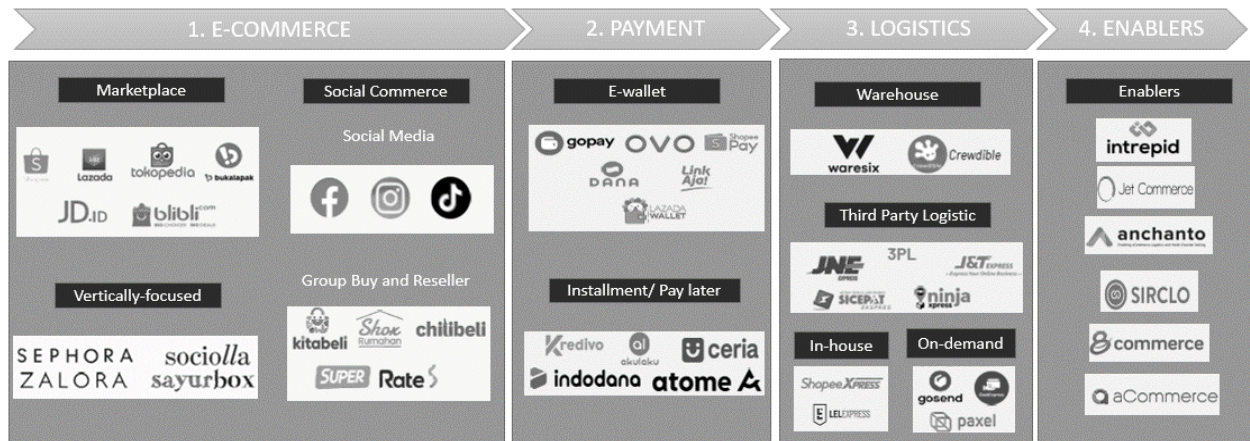


Figure 3. E-Commerce Digital Economy Ecosystem in Indonesia. Source: Momentum Works, 2021

After knowing Indonesia's e-commerce ecosystem, Figure 4 shows five e-commerce rankings based on the highest number of visitors who visited certain e-commerce in Indonesia in Q2 2021. Based on data from iPrice Insight, before 2021, the largest visits were obtained by marketplaces Shopee. From Q1 2021 to the latest data in Q2 2021, Tokopedia occupies the top position with the highest number of marketplace visits in Indonesia, amounting to 147,790,000 visitors. Then the second position is occupied by Shopee with 126,996,700 visitors, Bukalapak 29,460,000 visitors, Lazada 27,670,000, and the fifth position is the Blibli marketplace with 18,440,000 visitors in Q2 2021.

Based on the description of data from the development of e-commerce in Indonesia, with a large population both from Indonesia and other Southeast Asian countries, it will provide potential that generates growth in the retail e-commerce business, which is still wide open both at home and abroad, especially the Southeast Asia region. Along with the largest number of visitors occupied by the Tokopedia platform, it will be interesting to study more deeply related to economic recovery efforts in Indonesia which are in line with the mission of equal distribution of the digital economy, which will be discussed in the next chapter.

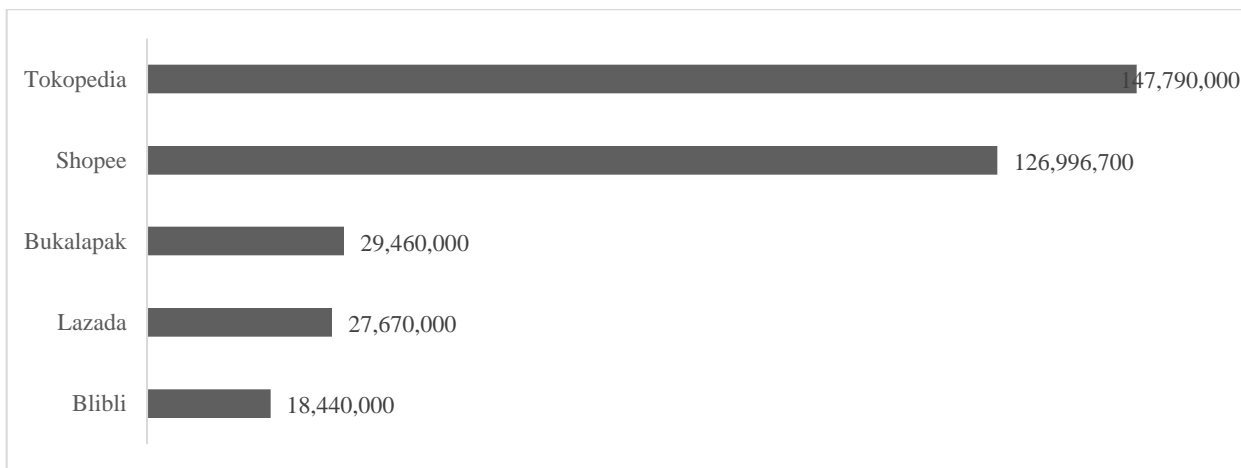


Figure 4. Ranking of the Number of E-Commerce Website Visitors in Indonesia in Q2 2021. Source: iPrice Group, 2021

3. Company Profile

Company History

PT Tokopedia was founded by William Tanuwijaya and Leontinus Alpha Edison and was officially released on August 17, 2009 (Tokopedia, 2021a). Tokopedia is a technology company from Indonesia that focuses on buying and selling online or e-commerce. Tokopedia is here by looking at the problem of inequality between sellers and buyers that appears in Indonesia, which is the largest archipelagic country in the world. For example, the uneven development of infrastructure requires sellers to move to big cities, while consumers have limited access to what they need. This has led to high urbanization, which has led to the accumulation of essential goods in big cities. Thus, the mission of the Tokopedia company is digital economic equality to shorten the gap between big and small cities. The name of this company comes from the Indonesian language, which consists of merging the store, which means "shop," with "encyclopedia" (GGV Capital, 2019).

Company Investment

Quoting from Kumparan (2018), Tokopedia's initial funding in 2009 came from PT Indonusa Dwitama; a company engaged in information technology and the internet, financial services, mineral resources, and energy. After almost a year of existence, in 2010, Tokopedia achieved an accumulated transaction turnover of more than IDR 1 billion in early 2010. This achievement also attracted other investors to invest in Tokopedia. East Ventures, a Singapore-based venture capital company, invested in Tokopedia by purchasing a portion of the company's shares but the amount of investment in series A funding is unknown. In 2011, venture capital company CyberAgent Venture invested US\$700,000 or around IDR 10.2 million. Billion in series B funding.

In the third year, funding came from the previous Beenos Partner company named Net price, Ltd. The serial C funding amount from Beenos Partner for Tokopedia was not disclosed. In 2013, Korean venture capital firm Softbank Ventures and CyberAgent Ventures, and East Ventures conducted a series D funding for Tokopedia. The amount of this agreement was not disclosed by Tokopedia or SoftBank. In 2014, Tokopedia received series E funding led by Softbank Telecom Corp with Sequoia Capital and Softbank Ventures Korea. The value of this investment reaches 100 million US dollars or around IDR 1.4 trillion. This figure was one of the largest investments at the time for start-up funding in Indonesia. So that the Tokopedia Company finally achieved Unicorn status, a title for a start-up whose valuation has reached 1 billion US dollars (Ramadhani, 2019).

In April 2016, Tokopedia again received series E-funding of US\$147 million or around IDR 2.1 billion. Tokopedia did not reveal who the investors were who injected the funds. In 2017, Tokopedia announced that it had received series F funding from Alibaba Group, reaching US\$1.1 billion or around IDR 16 trillion. In 2018, Tokopedia reportedly succeeded in raising new investment funds of US\$1 billion from some existing investors and received new funding of US\$1.1 billion or around IDR Sixteen trillion from SoftBank Vision Fund and Alibaba Group, with several previous Tokopedia investors. So Tokopedia's valuation is predicted to rise to US\$7 billion or around IDR 102 trillion. In 2020, Tokopedia received funding from US-based internet company Google and Singapore state fund Temasek Holdings (Furtado, 2020). In 2021, Tokopedia merged with Gojek (a Multi-service Platform technology company from Indonesia) and changed its name to GoTo Group. Gojek and Tokopedia have raised US\$18 billion in investor funds (Franedy, 2021). That way, the GoTo Group company has become the largest start-up company in Indonesia.

Business and Service

Based on information from the official Tokopedia website (Tokopedia, 2021b), more than 1% of economic activity in Indonesia occurs through the Tokopedia marketplace, which includes more than 11 million sellers and more than 550 million products available in the marketplace. There are several types of services provided by Tokopedia, including:

1. Marketplace

Tokopedia is a free C2C (Customer-to-customer) business platform for merchants and buyers. Several daily necessities are available on this platform, such as fashion, mother and child needs, electronics, hobbies, food and health, household needs, beauty, automotive, mobile phones.

2. Financial Technology Services

This service is intended for sellers or users. Tokopedia's financial technology services provide access to capital, affordable investment solutions, and various payment options. By making financial services more accessible to everyone, Tokopedia enables financial inclusion in Indonesia.

3. Tokopedia Partners

Mitra Tokopedia is an application that allows everyone, especially MSME business owners, to carry out business processes both online and offline. Tokopedia partners add value to traditional physical stores by expanding online customer reach and exposing sellers to a wider selection of suppliers at the best prices.

4. Logistics & Fulfillment

Delivery within the Tokopedia Company is made easy with an integrated logistics and fulfillment system. Customers can choose the package's arrival time that will be accommodated by Tokopedia partners, while sellers can store their products in smart warehouses located throughout Indonesia.

5. Tokopedia Salam

Tokopedia Salam is a new sharia-compliant service, which allows users to shop a wide selection of trusted Muslim-friendly products and services. The platform collaborates with various Islamic charities to allow users to make donations online, including obligatory charities during Islamic holidays. In addition, Tokopedia Salam also provides payment services from sharia-based banks, sharia investment products and collaborates with several partners related to Umrah services that have received permission from the Ministry of Religion (Larasati, 2019).

6. Tokopedia Academy

Tokopedia Academy is a learning place for technology activists with a series of attractively packaged programs through training, seminars, panel discussions, and workshops. On this platform, all can learn the skills and tools to contribute to Indonesia's development through technology.

Tokopedia Awards

The Tokopedia company has not traveled an easy road, but Tokopedia has proven that they are a company that always struggles in facing various challenges by getting several awards both nationally and internationally. The following are some of the awards obtained by Tokopedia based on the official website:

Table 1. Tokopedia Awards

Year	Awards
2014	Marketeers of the Year
2016	Best Company in Consumer Industry Young Global Leader
2018	Best Chosen Application in Google Play Store
2019	Top 50 Most Valuable Indonesian Brands Contact Center World
2020	William Tanuwijaya is the EY Indonesia Entrepreneur of The Year Business Insider's List of 100 People Transforming Business in Asia HR Asia Awards HR Excellence Awards CX Asia Excellence Awards Contact Center World APAC #BestofTweets 2020 Melissa Siska Juminto on Michael Page: Powering Asia's Future Baznas Award Deloitte Asia Pacific 2020 Technology Fast 500

Source: Tokopedia, 2021

4. Tokopedia's strategies

Indonesian e-commerce technology company, Tokopedia, has a mission of "equal distribution of the digital economy in Indonesia." This mission is very relevant to the current situation that requires a digital transformation in various aspects due to restrictions on outside activities during the Covid-19 pandemic. In the Euromonitor International report, PT Tokopedia occupies the 26th position as a retail mailer in Asia and first in Southeast Asia (Euromonitor International, 2021). So, it is not surprising that the Tokopedia Company claims to contribute more than 1% of Indonesia's GDP, worth 14 trillion per month or US \$ 1 billion (CNN Indonesia, 2019). During the Covid-19 pandemic, almost 100 percent of sellers on the Tokopedia platform were MSMEs. Of the 11% sellers, 94% of them are ultra-micro scale. Then, Tokopedia claims that the sellers are almost 100% of the MSMEs of the 11 million sellers, 94% of the sellers are ultra-micro scale and more than 100 million monthly active users, there are 550 million more registered products with transparent prices, and 99% of sub-districts in Indonesia are affordable (Bratadharma, 2021). In addition, based on data from iPrice, Tokopedia is the number one marketplace for the number of visitors in Q2 2021 (iPrice Group, 2021). With such a large transaction value and the dominance of local MSMEs, Tokopedia hopes that the strategies carried out can help economic recovery through digitizing MSMEs during the Covid-19 pandemic in Indonesia.

In 2020, the strategies implemented by Tokopedia encouraged an increase in economic activity during the Covid-19 pandemic through the digitization of MSMEs. This is supported by survey data LPEM FEB UI (2021) on the Tokopedia web; Figure 5 shows the Growth of Business Actors and Order Frequency at Tokopedia in 2020. The number of business actors and the frequency of orders transacting on Tokopedia every month during the pandemic always increase. The frequency of orders in the March-April period or the month after the government announced restrictions on activities due to the Covid-19 pandemic in Indonesia increased 12 times from the previous period and consistently increased in the next period. In addition, based on research by LPEM FEB UI and Tokopedia Internal Data, 7 out of 10 business actors

experienced a 133% increase in sales volume due to the shift in online sales through the Tokopedia marketplace. Tokopedia also encourages the adoption of digital payment methods. E-wallet and mobile/internet banking are the two most widely used financial products to transact the Tokopedia marketplace during the pandemic. (LPEM FEB UI, 2021). This fact is in line with the results of research from Saridakis et al. (2018), which state that MSMEs of this type have their business website or E-commerce, third party websites, social media, and being active in providing product information can increase the possibility of increasing income for MSMEs. With the dominance of local MSMEs, Tokopedia has been active in encouraging the recovery of the national economy through digitizing domestic MSMEs during the pandemic.

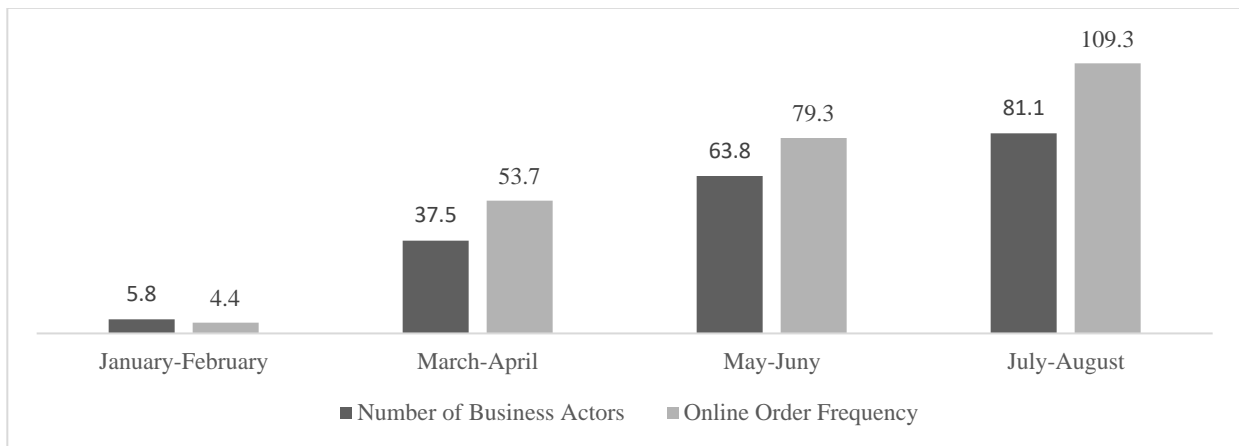


Figure 5. The Growth of Business Actors and Order Frequency at Tokopedia in 2020 (%). Source: LPEM FEB UI, 2021

Figure 6 is a projection of e-commerce transactions in Indonesia, where the projected e-commerce transactions always experience an increase in transactions. In 2021 (October Projection), Central Bank of Indonesia (Bank Indonesia) projects an increase in e-commerce transactions in Indonesia in October 2021 to reach Rp. 406 Trillion. The existence of such large transaction opportunities makes it possible for business actors who are digitizing, such as joining the marketplace, to increase their income amidst the difficulties of the Covid-19 pandemic.

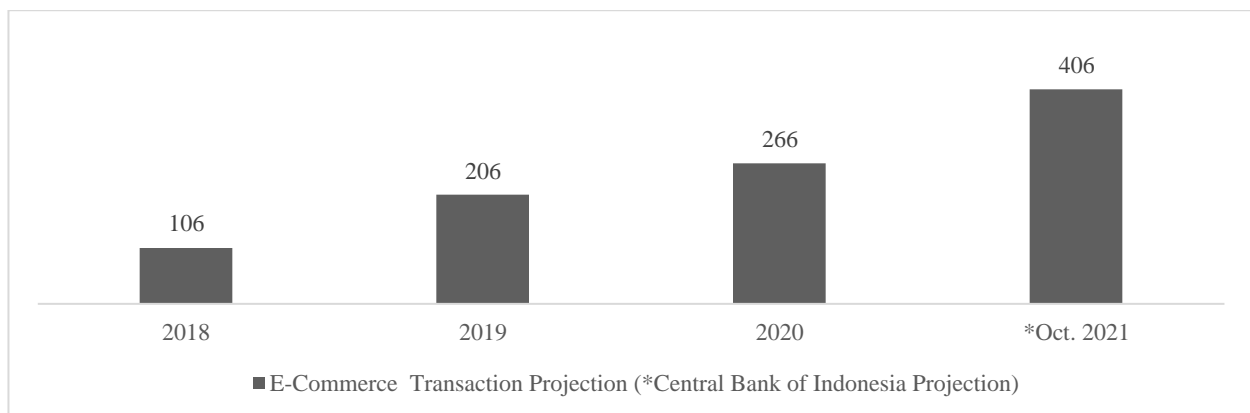


Figure 6. E-Commerce Transaction Projection (IDR Trillion). Source: Central Bank of Indonesia, 2021

To achieve the acceleration of the digitization of MSMEs in Indonesia during the Covid-19 period, Tokopedia carried out several following strategies.

Assistance in Store Opening and Education

Tokopedia has always been aggressive in realizing its mission of equitable distribution of the digital economy in Indonesia by empowering local MSME entrepreneurs. In implementing this program, Tokopedia collaborates with the local government to focus on developing local MSMEs. The shop opening assistance program on the Tokopedia digital platform is carried out through the settings feature. The feature provides steps for opening a store that runs automatically at the first installation of the application as a Tokopedia user installs the Tokopedia application for the first time. If the seller has joined Tokopedia, a seller can go directly to the Tokopedia education center or get acquainted with other Tokopedia features through the Tokopedia Seller page or on the Tokopedia Seller Education Center page topics that can be tailored to the seller's needs. Some of the education carried out include the Go Digital Tokopedia MSME training in collaboration with the Ministry of Communication and Information on November 2-13, 2020, which can be accessed online and has the theme of developing an online business according to market needs, Tokopedia's collaboration with the Ministry of Women's Empowerment and Child Protection (Ministry of PPPA) regarding online training on Digitalization of MSMEs Achieving Empowerment: Steps to Start an Online Business at Tokopedia, and other training. In creating a digital store on the Tokopedia platform, sellers are free of charge; they just have a cellphone or e-mail.

MSME Business License Features

Tokopedia claims to be the first e-commerce in Indonesia to open special features for MSME business licensing. Through this service, sellers at Tokopedia can register a Business Identification Number (NIB) through the Online Single Submission (OSS) on the Tokopedia marketplace platform. In launching this feature, Tokopedia with the Ministry of Investment / Investment Coordinating Board (BKPM) and the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop-UKM). The MSME Business List feature has also been tested before its release. To use these services, sellers can fall into two categories according to the scale of risk and effort. Both are Micro and Small Enterprises (UMK) and Non-Micro and Small Enterprises (Non-UMK). After entering the registration service, the seller fills in several requirements, starting from the Population Identification Number (NIK) to the Taxpayer Identification Number (NPWP). Based on data from the Ministry of Investment/BKPM, there was a spike in the number of NIB issuances after Tokopedia made business licensing services. The NIB registration number can reach 14 thousand from the previous only 3-5 thousand in a day (Burhan, 2021).

Hyperlocal Programs

Tokopedia continues to innovate to encourage economic recovery during the Covid-19 pandemic. One of them is through the Hyperlocal program initiative, and this program aims to ensure that all Indonesian people, especially local MSME players, can benefit from the Tokopedia digital platform as an effort to continue their business during activity restrictions due to the pandemic as well as an effort to equalize the digital economy in Indonesia. Tokopedia introduced this program in mid-2020. The first initiative of this program, namely, "Kumpulan Toko Option" (KTP), a Collection of Preferred Stores, is located in 7 Indonesian cities that are the focus of Hyperlocal, namely Medan, Palembang, Bandung, Semarang, Surabaya, Malang and Makassar. Through this local campaign, Tokopedia wants to ensure that

each seller can have their market and even contribute to regional economic growth. Buyers can enjoy various products offered by local sellers more easily because they are still in the same area.

The second initiative, "Digital Market," is the result of collaboration between Tokopedia and the Ministry of Trade of the Republic of Indonesia and the Department of Markets and Merchant Cooperatives in a number of regions. Launched in April 2020, the digital market is a manifestation of the Hyperlocal initiative that focuses on helping traditional market traders to be able to continue operating and increase competitiveness amid a pandemic by utilizing technology and selling online through Tokopedia. Currently, there are seven digital markets that have joined Tokopedia, namely Cikurubuk Market in Tasikmalaya, Sabilulungan in Bandung Regency, Cihapit Market in Bandung City, Beringharjo in Yogyakarta, Anyar Market in Tangerang, Kampung Baru and East Pa'baeng-baeng in Makassar.

The third initiative, "Toko Mart," the high enthusiasm of the community in the Food and Beverage (F&B) category throughout 2020 prompted Tokopedia to launch TokoMart, a special page on Tokopedia to facilitate daily needs. In collaboration with a number of local MSMEs from various industries, the existence of TokoMart can assist MSMEs in reaching the community more precisely because it uses geo-tagging innovations that can prioritize the closest seller from the buyer's domicile.

The fourth initiative, "Indonesian Shopping Time" (WIB), is a monthly shopping festival that has been present since July 2020. While adapting to the pandemic situation, Tokopedia strives to provide an interesting and entertaining shopping experience, in this case through WIB, which can make it easier for people to meet various daily needs without having to leave the house. WIB, which can be enjoyed every 25th until the end of this month, also provides a local WIB campaign, where this campaign is available in 7 cities which are the main focus of Hyperlocal. Now, sellers located in the area can have greater exposure.

The positive impact of the Hyperlocal initiative can also be felt by local MSME business actors in various cities. Pempek Cek Dung and the Palembang Cracker Factory are examples of typical culinary online sellers from the city of Palembang who have experienced increased sales since using the Tokopedia digital platform. Pempek Cek Dung experienced a surge in turnover of IDR 40 million per month, while the Palembang Cracker Factory made a profit of up to IDR 100 million rupiahs per month (Rizqyta, 2021).

Proud National Movement Made in Indonesia (BBI) x Tokopedia

The Proud National Movement Made in Indonesia (BBI) Program was initiated by President Joko Widodo or Jokowi through Presidential Decree (Keppres) Number 15 of 2021 concerning the Proudly Made in Indonesia National Movement Team or Gernas BBI. In its composition, the Coordinating Minister for Maritime Affairs and Investment is appointed as Chair of the BBI Gernas Team. The government, through the Ministry of Trade and the Ministry of Communication and Information, set BBI Day on May 2, 2021, and was followed by 72 e-commerce platforms in Indonesia. The existence of this Indonesian-made Nation Day is a form of enlivening the momentum of Eid al-Fitr and at the same time as an effort to encourage an increase in public consumption in addition to the policy of banning the 2021 Eid homecoming.

Tokopedia, as one of the marketplaces in Indonesia, also supports this government's idea by setting the Proudly Made in Indonesia Day, which falls on 5-13 May 2021 and takes place on the Tokopedia platform. In order to enliven BBI Day, Tokopedia provides attractive offers in collaboration with Gojek, such as Flash Sale Discounts of up to 90% and Go Send Discounts of up to IDR 20.000,00 for instant and same-day delivery. In addition, the public can also enjoy IDR 5,000.00, Free shipping up to IDR 50.000,00 and Cashback up to IDR 600,000.00 on a special page for BBI events that only shows sales of local products. During this BBI event, Tokopedia claimed to have experienced a more than 2x increase in transactions compared to the same period in the previous year (Gatra, 2021). The increase occurred in

several categories such as shops for healthy food products produced by local farmers and MSMEs, products in the Mother and Baby category, in the Health and hygiene category (masks and medicines), locally made electronic products, and fashion products with Indonesian ethnic motifs.

Other Local Campaigns

During the process of economic recovery in Indonesia due to the Covid-19 pandemic, Tokopedia has always been active in carrying out various campaigns that advertise local MSME products. Several campaigns that have been intensified by Tokopedia include the #SatudalamKopi campaign, and this campaign is carried out throughout 2020, which is a form of promoting local coffee products. In this campaign, Tokopedia collaborated with more than 1,000 coffee entrepreneurs throughout Indonesia and was able to increase coffee product transactions by 2.5 times. The next campaign is the #GerakanOtomotifNasional this campaign collaborates with the Ministry of Industry of the Republic of Indonesia to support sellers of automotive products. Next, the #BeliKreatifLokal program is intended to support local fashion, culinary, and craft products initiated by the Ministry of Tourism and Creative Economy. Meanwhile, the Food Market program, in collaboration with the Ministry of Agriculture of the Republic of Indonesia, has become a marketing platform for agricultural and livestock products.

5. Conclusion

The existence of the Covid-19 pandemic in various worlds has an impact on various aspects, especially the economy, but on the other hand, the Covid-19 pandemic has an impact on accelerating digital transformation, which greatly affects daily activities. With a large number of Internet users and the dominance of millennials and generation Z, Indonesia is predicted to have the largest digital economy assets in Southeast Asia in the next five years. So it is not surprising that Indonesia has the largest e-commerce technology company in Southeast Asia, namely PT Tokopedia. In 2020, during the pandemic, Tokopedia experienced an increase in the percentage of business actors with an increasing frequency of orders every month. With the dominance of local MSME sellers, Tokopedia always makes various innovations to encourage the digitization of local MSMEs. These efforts always include actively conducting campaigns that encourage pride in domestic products. In addition, Tokopedia is also actively collaborating with the government and domestic companies and other parties in providing education, training to collaborate to introduce MSME products and continues to innovate through its platform features to support the acceleration of the digital economy. With the potential for growth in the e-commerce market in Southeast Asia, warnings about digital transformation will be immediately carried out, especially for the government to conduct a review and infrastructure development related to the ease of internet access so that it is more equitable. So that in the future, the Indonesian generation can take advantage of digital economic assets and become players in the digital economy era both domestically and internationally.

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