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Digital Marketing Models: A Successful Way to e-Commerce (Survey in Several Indonesian e – Commerce Models)

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Abstract
The aim of this study is to know e-commerce models that are used in Indonesia e-commerce business. The method used is systematic secondary data collection and meta-analysis. Several e-commerce models that occur in Indonesia becomes the objects of the study. The results show that the e-commerce business providers in Indonesia conduct their businesses in accordance with the models that have been practiced in the digital marketing so far universally. Some e-commerce business providers employ email and ezine as well as online advertising in order to promote their products and services to the consumers.

Keywords: digital; e-commerce; marketing.

1. Introduction

Business world has changed totally since the development of the very fast information and communication technology. Online business transaction becomes more and more popular not only among the business organizations but also among the consumers. According to American Academy (2018) based on Forester research U.S. interactive marketing spending reached $55 billion in 2014, making up 21% of all marketing spending, according to a report issued. Based on the study that has been conducted by the Association of the Internet provider in Indonesia, the active Internet users develop very fast and it reaches 64,7% in 2019 (Hermawan, 2019). Furthermore, the same study conducted by Tayipnapis et.al (2020) shows that the digital economy growth in Indonesia is 6.5 million per year for online shopping. In line with those studies, based on Google research, Indonesia's digital economy will be worth as much as US$ 146 billion by 2025 as quoted by Tempo English Magazine (2021).

Those condition above is strengthened with the development of social media used by social media platforms in all over the world. Facebook for example there are more than 1 active billion users up to now; Google ++: 359 there are million active users in 2013; LinkedIn has 225 million professionals and it grows at more than two members per second, representing every company on the fortune 500 in over 200 countries; Twitter possesses over 555 million registered users; YouTube has over 6 billion hours of video are watched each month on YouTube; and foursquare has 33 million users. In the year of 2006, the Internet advertising reaches up to $7.9 billion.

Based on the above discussion, the present writer wants to conduct a study of the digital marketing in Indonesia by doing survey on several online with the aim is to make model categorization of the forms of the digital marketing business that runs in Indonesia.

2. Theoretical Basis

Digital marketing is the components of marketing that uses Internet and online based digital technologies, such as personal computers, mobile phones and other digital media and platforms used to promote products and services. Its development during the 1990s and 2000s has changed the way brands and businesses using technology for marketing.

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As digital platforms became increasingly incorporated into marketing plans and everyday life, and as people increasingly use digital devices instead of visiting physical shops, digital marketing campaigns have become prevalent, employing combinations of search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, data-driven marketing, e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e–books, and optical disks and games have become commonplace. Digital marketing extends to non-Internet channels that provide digital media, such as television, mobile phones, callback, and on-hold mobile ring tones (Wikipedia).

Another definition states that digital marketing is the act of promoting and selling products and services by leveraging online marketing tactics such as social media marketing, search marketing, and email marketing (Digital Marketer). Furthermore, digital marketing involves the internet, but it refers to marketing through the use of any electronic media. This could be through a potential consumer using a computer, mobile phone, television, or a combination of these (Econsultancy). Doberrscu, R.M. et.al. (2018) states that digital marketing includes e-business, e-commerce and e- marketing. This is in line with the statement that says digital marketing is a projection of conventional marketing, its tools and strategies, on Internet (Machado, C & Davim, P.J. 2016). Moreover, the digital marketing covers the marketing activities using Internet networks or the electronic devices to communicate with the consumers and to achieve targets of marketing by employing different online shopping modes or channels (Nagasudha, R, et.al., 2020).

To be able to conduct the digital marketing successfully, these are the steps to follow: 1) create a marketing strategy; 2) develop content used for marketing activities; 3) make a digital advertising plan; 4) know and make use the social media as means of digital marketing; 5) employ emails as a marketing tool; 6) make use search engine to assist increase the visitors' traffic; 7) apply web site analytics; 8) leverage conversion rate optimization in order to drive growth (Digital Marketer). Based on the research that has been conducted by Goldman, P.K.S et.al (2020) using sample of e – retailers from 20 European countries proved that the deployment of the digital marketing tactics has a positive effect on international business performance. Thus, the digital marketing applies digital technologies from online channels in order to contribute marketing activities aimed at obtaining profitable acquisition and retention of customers through improving the customers' knowledge and then delivering integrated targeted communication and online services which are convenient to their individual preferences and needs.

What exactly is meant by E-commerce? Definition of E-commerce according to Turban et al (2010: 46) is "the process of buying and selling; or exchange - swapping products, services or information via computer ". Next according to Laudon (2010: 8) "E-commerce is the use of the Internet and the Web for business transactions; or more formally defined as the E-commerce transactions which is in the form of digital trading between organizations with the organization or with individual to individual".

Another definition by Wikipedia states: "is the activity of electronically buying or selling of products on online services or over the Internet. E-commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange, inventory management systems, and automated data collection systems. E-commerce is in turn driven by the technological advances of the semiconductor industry, and is the largest sector of the electronics industry.

E-commerce typically uses the web for at least a part of a transaction's life cycle although it may also use other technologies, such as e-mail. Typical e-commerce transactions include the purchase of products or services. There are three areas of e-commerce: online retailing, electronic markets, and online auctions. E-commerce is supported by electronic business."

E-commerce businesses may also employ some or all of the following: a) Online shopping for retail sales direct to consumers via web sites and mobile apps, and conversational commerce via live chat, chat-bots, and voice assistants; b) Providing or participating in online marketplaces, which process third-party business-to-consumer (B2C) or consumer-to-consumer (C2C) sales; c) Business-to-business (B2B) buying and selling; d) Gathering and using demographic data through web contacts and social media; e) B2B electronic data interchange; f) Marketing to prospective and established customers by e-mail or fax; g) Engaging in retail for launching new products and services; h) Online financial exchanges for currency exchanges or trading purposes.

Furthermore, e-commerce is also defined as "the process of buying and selling products and services online. E-commerce also refers to all the efforts involved in creating the most effective systems in this process, which include digital marketing and the logistics involved in delivering the product to the consumer" (Econsultancy). E-commerce, according to cabinet office (1999) as quoted by Mahalingam, S & Ashokumar, B, 2020.), is also defined as the exchange of information across electronic networks, at any stage in the supply chain, whether within an organization, between businesses, between consumers and consumers or between the public and private sectors, whether paid or unpaid.

From those definitions above, we can conclude that E-commerce relates to commercial transactions performed digitally using a computer connected to the Internet. Therefore, the role of the Internet in e-commerce is very important because the computer used to conduct transaction should be able to be used to communicate between the buyer and the seller. Thus, the transaction model in the E-commerce will be different than conventional business transactions. If the business transaction requires face-to-face; then in E-commerce is not required face-to-face. That is why employment of digital marketing and e-commerce will enhance the success of the business. This is supported by Chaffey and Ellis-Chadwick, 2019 as quoted by Goldman et.al (2021) stating that digital marketing frameworks have outlined this same relationship related to digital marketing strategy, digital marketing tactics and enhanced business performance.

3. Research Method

This research uses systematic secondary data search methods, and meta-analysis. Meta-analysis was used to review the same literature, where in each study explained the error criteria. Meanwhile, another definition says that meta-analysis is research with a quantitative approach using numbers to be analyzed using statistical procedures where the data uses the results of previous studies which are then used to dig up as much information as possible from the data obtained to obtain common goals with research being carried out. The main requirement for using meta-analysis is the review of the results of the same research (Glass, 1981). While the nature of meta-analysis is the use of statistical analysis to obtain information and data from the same previous studies. The sample of the research are several outstanding online business entities in Indonesia.

4. Research Result and Discussion

Research Result

Models of the digital marketing employed in e – commerce are as follows:

Storefront Model

Store front is a combination of transaction processing, security, online payment, as well as the storage of information which allows traders to sell merchandise on the Internet through the website. Store fronts is the basic concept of electronic commerce in which the interaction of buyers and sellers can be carried out directly. To run a store front, it must be organized in the form of a product catalog that is placed on the page. Online business owners should also be able to accept payments online in a safe condition, regulate the delivery of merchandise to consumers and manage customer data in practice, the online merchants are using the technology called "shopping cart". By using the "shopping cart", consumers can order goods entering into "shopping cart" her, so that her shopping cart can serve the product catalog are sold must be prepared beforehand in the form of data base. There some popular storefront models in Indonesia, such as www.tokopedia.com; and www.shopee.co.id

Auction Model

An online auction model, this model serves as a forum where Internet users / neter can enter certain web sites and act as a bidder or vendor (seller). If someone acts as a seller of the product, then the question can search the websites that provide goods he was looking for, look at the time bidding activity and put the offer. An example of auction site is https://lelang.go.id

Portal Model

Portal model is another form in ecommerce. The portal contains a range of information covering ranging political and economic news, sports, technology, up to the light news about celebrity life, Lifestyle, etc. bersambug story. In Indonesia, the most famous portal site is http://www.detik.com this portal offers news and information services from entertainment, celebrities, cooking, and information technology. Until now, this portal is able to provide news services to consumers quickly and accurately.

Online Trading

Online trading model is the electronic commerce in the form of securities trading. Online stock trading is done by brokers who earn commissions for the brokerage services in organizing the course of trading the shares. Through this online stock trading, consumers can do research on securities, buy and sell investments through a computer connected to the Internet. An example in Indonesia is https://www.ukmindonesia.id

Online Loan

Online loan is one of the popular online businesses. Consumers today can seek loans through the Internet. One portal online lender is homecredit with the following address: www.homecredit.net, This site offers credit card services, home purchase loans and equipment, and calculators to make consumers proficient in deciding to borrow.

Online Recruitment

Job search through the Internet is now easy to do through the online recruitment. Sites that do the hiring providing electronic forms for job seekers to write an application and attach a list of curriculum vitae. Then the site will find a candidate companies that fit with the background and expertise of the applicant. Instead, they have new employee search corporate databases on their servers. Then they offere vacancies to job seekers. Employees who are recruited can come from anywhere and work anywhere in many countries in this world or locally country where the applicant resides. One example of the online recruitment is https://www.karir.com.

Online News Services

In the information technology era, the role of dissemination of information via the website is more and more important, because of the day to search information via the Internet continues to grow, many sites provide online news service. The advantage is the speed of their wide dissemination so that the reader or consumer can know the news more quickly and easily updated. For example, http://www.kompas.com; http://www.temponteraktif.com can update news every time there is a new news entry into their editorial.

Online Travel Services

At this time, for he who loves to travel will be easier to set it as start travel site selection, booking hotels and air tickets can be booked online. The traveler can choose the locations, both inside and outside the country. One of the advantages of the online service is that consumers can choose and compare prices easily through the computer screen. The popular site of online travel service agency is https://www.gotravelaindonesia.com.

Online Entertainment

Online entertainment services for purchasing tickets, music, movies, video, pay-per-view and video on demand can be visited at https://www.okezone.com.

Online Automotive Site

Lots of Internet sites of online car sales in which consumers can choose and buy a new car or a used car. These sites provide simulation of how to choose a car and how to

calculate the installments, if someone wants to buy a car on credit and the interest calculation. If there is already an agreement, then the consumer stay booked and the car will be delivered to the consumer. One of popular site for online automotive business can be seen at https://www.seva.id.

Online Cyber-Mall

Cybermall model is a business model on the Internet in which one site consisting of various stores that offer products or services it sells. As a traditional mall, cybermall is a set of virtual shops into one URL making it easier for consumers to shop. Cybermall consists of several categories based on the type of sale of specific products, specific industries, specific demographics, and certain geographical aspects. The types of products and services sold includes: software, books, computers, electronics, keepsakes, games, clothing, travel services, art and collectibles, automotive, food, health services and fitness, goods household, financial services, professional services, sport and recreation and so forth. Model cybermall transactions will be safe because all transactions are encrypted using certain codes. Pricing models and rates vary depending on the product or service being sold. If we are going to hire cybermall, then the rates can be flat but can also be based on a commission from the sale. One of the examples of the online cybermall is http://cybermallmalang.com.

Click and Mortar Business

The business model that combines the activities of its online and offline business by providing a physical store and a web site that represents the Internet. This model allows customers may choose to conduct transactions directly purchase in the physical store or through a web site used to offer their products via the Internet. The advantage of this model is that consumers can shop more quickly and conduct online transactions as well as can make purchases directly to the store or face-to-face transactions. The site on click and mortar business can visit at https://jakartaglobe.id.

On Demand Delivery Product

Services that allow us to make an ordered goods or online services and then the services or products that you buy delivered to the place we booked. The most popular on demand delivery service in Indonesia is www.gojek.com.

B2B E-Commerce

B2B online is a business enterprise with other companies. In other words, business is done from and for companies. The aim is to help B2B businesses other parties to improve policies, procedures, customer service, and general surgery. Thus, the service provider serves as a consultant to other companies. B2B is not just limited to the issue of services, but also can be a product. Not infrequently the implementation of this business through an intermediary known as a B2B service provider. The B2B service provider is the intermediary between the two companies that will carry out business transactions where we can find the information in https://www.ralali.com.

B2B Service Provider

Service provider that regulates or serves the business transactions between business organizations. These service providers function as an intermediary for business organizations that are buying or selling. One of the sites is https://modalku.co.id/

Social Networks

Social networking site is a web-based service that allows individuals to (1) construct a public profile, (2) articulate a list of other users with whom they share information, and (3) a list of connections / friends in their account. The members can communicate with each other. Currently the social networking site is also used as a business tool not only by individual but also medium-sized business organizations, such as bookstores, cellular phones and others. Indonesia both business providers and consumers mostly uses www.youtube.com and facebook.com.

The online marketing advertising models used are as follows:

Viral Marketing

Viral marketing is an activity that facilitates and encourages people to pass on marketing messages to others through activities or through word of mouth. In the context of viral marketing on the Internet for distributing marketing messages carried out by means of hyperlinks that contains a message to be shared or forwarded to others via email. Thus the notion of viral marketing in online marketing strategies to market products or services through the website by providing facilities on web pages specified that can be used by web visitors then to disseminate information on the web to others by filling out a page that contains hyperlinks to words like "Tell a friend about the product this " or" Tell this page to your friend ". One of the site using the viral marketing is www.shopee.co.id.

Permission Marketing

Permission marketing is one of the online marketing strategies that focuses on obtaining the consumer's consent to receive information from the company in advance. Permission marketing is also known as permission email in practice take advantage of email marketing on the Internet in an effort to provide information to consumers about products or services offered by the sellers. The e-mail is delivered on the consumer's consent beforehand by the companies submitting bids. If approved by the consumer or the consumer is pleased to subscribe it then the company will continue to send e-mail this promotion. Conversely, if the consumer minds it, so he may show objection by clicking the link that has been provided by the sender of the email. Usually the link located at the bottom part of the email. How is permission marketing strategy implemented? This online model of marketing strategies is executed by utilizing an e-mail as a means to disseminate information about products or services of a particular company to the consumer via their email address. How does permission marketing work? The working of this email permissions model of is that the company sends emails to certain people in order to allow companies submitting bids by mail addressed to the email addresses of these people. Content transmitted usually in the form of e-newsletter about the specific product information. By reading the newsletter, the consumers will be interested to visit the company web for information in the email is not complete or only briefly information. In general, the language in the email permissions are invited / awakens the desire to do

something known as" A Call to Action. " A Call to Action means what we want the customers do, for example if we promote a certain product then ask them to buy. Sites using permission marketing are www.tokopedia.com; www.isselercommerce.com

Search Engine Optimization (SEO) and Directory

Marketing via Search Engine Optimization (SEO) has the purpose is to make listed URLs our web site to search engines in order that these engines recognize the URL so that our web will easily be searched by Internet visitors when visitors to search information about products or services that are sought through the Internet. There are two ways in registering URL: register manually and using a link or software. Manual submission is done by adding the URL of our web site and supporting detailed data for a particular search engine or directory manually. Based on the research SEO contributes the biggest traffic to the e-commerce so far (Casado, JMP, 2021). Most of the ecommerce in Indonesia uses www.google.co.id

Using an E-mail as a Means of Promotion

Using email marketing is a way of offering products or services to consumers via e-mail. In contrast to permission email, email marketing is sometimes done without the consent of the parties that will receive an email. So that the marketing of this model is often treated as a junk email (spam mail). How to deliver the email can be done individually or through groups. Most of the online e-commerce sites in Indonesia employ emails as the means of the promotion. One of the examples is www.tempo.co.id; https://campaign.mokapos.com/

Online Advertising Models

What exactly is meant by the online advertising? The online promotional activities is carried out by using communication via the Internet to raise awareness about the sites that conduct the online advertisement and will eventually drive their traffic to the site. Promotion of this model is generally in the form of links, banners, or can also use email. Why do we need to do online promotion? At certain time, the online advertisement is necessary, such as posting online advertisement on the web or portals that have been popular in advance because the existence of the site is already widely known by Internet users. Portals may include online newspapers, online magazines, or tabloids. With online advertisements on web sites that have high traffic, it is expected that most visitors also will see our ads and visit our website. Examples of online advertising include are: banner, click throughs, and classified ads. Noteworthy is that the placement of banner should be placed at the front page of a web that is easily seen by visitors when the first time they open certain websites. Based on research conducted by the University of Michigan, the most effective banner is located on the bottom right side of the scrollbar because people use the mouse to draw the scrollbar all the time so that the banner is always visible to them. Some portal like www.detik.com and www.kompas.com use online banners.

Discussion

Based on the discussion above, the e-commerce models in Indonesia can be categorized into the following ones:
• Store front models

• Auction model
• Portal model
• Online trading model
• Online loan
• Online Recruitment
• Online News Services
• Online News Services
• Online Entertainment
• Online Automotive Site
• Online Cyber-Mall
• Click and Mortar Business
• On Demand Delivery Product
• B2B online
• B2B Service Provider

While the online promotion that are commonly used by them are:
• Viral marketing
• Permission marketing
• Search engine optimization
• Emails
• Online advertising, such as banner

That categorization is in line with what Doberrscu, R.M. et.al. (2018) states that digital marketing includes e-business, e-commerce and e- marketing; is a projection of conventional marketing, its tools and strategies, on Internet (Machado, C & Davim, P.J. 2016); covers the marketing activities using Internet networks or the electronic devices to communicate with the consumers and to achieve targets of marketing by employing different online shopping modes or channels (Nagasudha, R, et.al., 2020).

The higher the development of the ecommerce business providers in Indonesia, the higher the digital economy growth. This is convenient with the prediction done by the Minister of Trade of Indonesia saying that: "The growth of the digital economy itself will grow eight times from Rp. 632 trillion to Rp. 4,531 trillion. E-commerce will play a very large role, namely 34% or equivalent to Rp. 1,900 trillion," said the Minister of Trade Muhammad Lutfi when giving a press statement after the Limited Meeting on Down streaming the Digital Economy led by President Joko Widodo." (Kemenkeu, 2021). Those statement is in line with the explanation given by Minister of Communication and Informatics of Indonesia saying that Indonesia will be the biggest digital economic player in South East Asian Countries. The statement is supported with the following details: the end of 2015, the value of the country's e-commerce business is around USD 18 billion. In 2020, the volume of e-commerce business in Indonesia reaches USD 130 billion with an annual growth rate of around 50 percent. Moreover, the Government of Indonesia wants to place Indonesia as the largest Digital Economy Country in Southeast Asia by 2020. In addition to the E-commerce Roadmap, the government targets to create 1,000 new techno-entrepreneurs by 2020 with a business valuation of USD 10 billion.

5. Conclusion

From the result of study, the present writer makes the following conclusions:
• The e-commerce business providers in Indonesia conduct their businesses in accordance with the models

that have been practiced in the digital marketing so far.

- Some e-commerce business providers employ email and ezine as well as online advertising in order to promote their products and services to the consumers.
- Indonesia is predicted to the biggest digital economy player in South East Asian Countries.

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