Applying e-commerce marketing for global economic development in Medan

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Abstract. The information technology development has increased the trading throughout the world. The goods and services trading business use e-commerce to develop marketing strategies, including Medan. In 2018 the community who used the e-commerce in trading as much as 54.68%, but in 2019 it had been increasing become 64.8%. However, the influence of technological advances is increasingly widespread in a variety of potential challenges faced by both business, individuals and society. This present has been an appealing situation to discuss the concept of e-commerce, which can improve the economy. This research uses the prescriptive normative method. The data are legal rules and practices to occur in e-commerce trading of goods and services. This study shows the existence of the seller provide price higher than the market prices, the seller doesn’t send the quality goods to the online buyers, and the seller doesn’t confirm payments of the online buyers. It makes the negative impact on the consumer confidence to the seller, but also hampering the economic development of society. E-commerce sellers should apply the green marketing concept and conduct the legal marketing responsibility. The implementation of green marketing concept is beneficial not only for customer, but also for the regional development.

1. Introduction

Medan is one of the oldest cities in Indonesia, thriving in its business and tourism activities. Revolution in information and communication technology has rapidly changed the financial, production, investment, and trade activities. Currently, almost all people enjoy the benefits and conveniences of using information and communication technology [1]. In general, the production of goods and services have also influenced the human resources and technology. It has led to trade relations among parties to meet the needs of the society, formed from the marketing advantages of their respective regions [2]. The current developments of science and technology have become the primary basis of all these activities.

The trade marketing has been increasingly merging with technology, which causes inconsistency of economic growth in the society. It makes business competition in every city increasing in every year. Economic globalization has formed a constant, rapid, radical, simultaneous, and pervasive change [3]. The goods and services trading business that uses e-commerce continues to develop their marketing strategies, including Medan. In 2018 the community who used the e-commerce in trading as much as 54.68 %, but in 2019 it had been increasing become 64.8%. However, the influence of technological advances is increasingly widespread in a variety of potential challenges faced by both business individuals and society.
The basis character of e-commerce trade marketing should confirm in line with the conventional sales, which conducted in Medan. It requires validity in the business agreement among the parties in accordance with the legal terms in Article 1320 of the Civil Code. From this business contract, the mechanism of world trade formed, which is increasingly developing due to the globalization. In implementing the e-commerce trade in Medan, the society needs a suitable concept in its economy [5].

E-commerce marketing provides a fast and inexpensive business transaction model but does not have legal marketing certainty. E-commerce commercial transactions are increasing for 3 (three) basic advantages, namely accuracy, speed, and efficiency. The parties conduct an indirect agreement in e-commerce transactions, which contributes to the local government expenditure revenue budget from taxing the online purchases. However, the seller must provide a fixed market price on the e-commerce sales. Thus a proper economic concept can be made.

E-commerce marketing offers a special or discounted price. Therefore, the application service must state the deadline for such price. The e-commerce trade in Medan does not adjust to the discounted rate. The seller is also oblige to be responsible for the validity of each e-commerce transaction so that the city and globalization development towards the economy does not decrease. The condition above describes the e-commerce transaction in Medan.

2. Method
This research uses the prescriptive juridical normative study, which viewing from a systematic basis with the compliance to the hierarchy of legal structures. The analysis describes the facts thoughtfully in answering the problem [6]. This study analyzes the implementation of e-commerce trade marketing in Medan. It also examines the available rules in Medan community, which can improve the national economy.

3. Results and discussion

3.1 History of e-commerce trade marketing
The development of the law in Medan City mandates in the 1945 Constitution. As a business center, Medan also influences the development of e-commerce trade marketing. The city government does not only manage the trade relations among the countries but also guarantees these electronic transactions. It is important since it has a significant impact on the legal and economic development. The development of the internet began with a research project sponsored by the United States Military in 1960 called ARPANET (Advanced Research Projects Agency Network). This project intended to create safe communication with good rebound effect enabled the coordination of military activities [7]. E-commerce activities in Medan have been increasing since 1999. In this 21 centuries, the concept of green marketing should be able to guarantee the e-commerce trade marketing implementation in Medan. It can produce a legal certainty of the trading activity for the parties involved.

3.2 Implementation of e-commerce trade marketing

![The Growth of E-Commerce](image)

**Figure 1. The Growth of E-Commerce (Source : Variable Media Electronic)[4]**

The graph shows the growth of e-commerce from 2014 to 2021, with significant increases in the last few years. The growth is measured in Trillion USD.
E-commerce marketing frequently offers discounted price in a big promotion advertisement in the city. However, only 50% of e-commerce in Medan are by the actual and effective dates. For example, a promotion for a high discounted price by using a price in the voucher offer food & beverage. When the customers try to use a promotion in the restaurant, they cannot use it unless the payment uses a credit card. Cases like these negatively impact e-commerce marketing in Medan. Therefore, in e-commerce marketing, companies must be held responsible for the validity of their advertisements. If not, e-commerce marketing will decrease.

The condition above does not directly influence nationalism. However, it can generally reduce the sense of them. The globalization has broadened the perception of society. The good things in a country will aspire the society to apply them back home. Sometimes, it causes a dilemma. Whenever fulfilled, it might not be appropriate to Indonesia. If not satisfied, it might lead to destructive actions which disrupt national stability, national security, and even the unity and integrity of the nation [8]. The dissonance of e-commerce advertisements is due to the existence of e-commerce marketing, which provides price higher than the market price. Such was a case in 2016 when Tokopedia provided price higher than the market price. There was also another event when e-commerce marketing did not ship items that had been purchased in 2017, stating that there was a delivery of goods from OLX that did not reach the consumers. It also happened when e-commerce marketing did not confirm payment that had been made, as in the case of uncertain Deal Java Medan voucher. This condition can hurt on the consumer trust in e-commerce marketing, thus risk hindering the economic development of society.

Many negative factors affect the values of nationalism. Such factors need to be anticipated by fostering a strong spirit of them on instilling and applying of Pancasila, instilling and implementing the teachings of religious values, realizing the legal supremacy, implementing and enforcing the law in the trust and fairest sense, and being selective to the influence of globalization in the fields of politics, ideology, economy, and national social culture [9].

E-commerce has already been developing in Medan for sometime. Therefore, e-commerce trade marketing must adapt to the green marketing concept. Hence, the trading transaction between the parties is legitimate according to Law No. 11 of 2008 jo. Law No. 19 of 2016 concerning Electronic Information and Transactions. Applying the law to information technology raises two things; the trade changes and regulations relating to information technology and technology. The validity of trade marketing is formed in the subjective and objective nature, as stated in Article 1320 of the Civil Code. The green marketing concept is also worth applying because it presents legal certainty by the regulations. The e-commerce transaction process without the physical appearance of the parties requires legitimate evidence by sending the proof of the electronic transaction as the e-receipt to the consumer’s email. Thus, there will be no application makes fraud to consumers. The confirmation of the seller and buyer must do in a well and smooth manner.

The parties to the agreement made in e-commerce transactions must use the principles of freedom of contract. According to civil law, people have the right to legally bind them in an agreement both in terms of form and content. The provision of Article 1338 paragraph (1) of the Civil Code regulates the freedom of contracts which stating all agreements made legally apply as laws for those who make them. Therefore, e-commerce trade marketing transactions can be formed legally because the seller must guarantee the goods and services offered. It also ensures the green marketing concept to be conducted openly to the public [10].

The civil law regulation and Indonesian trade law regulate the concept green marketing, which also means as a representative for marketing. The representative includes the meaning derived from the law concerning the agency. Compared to the Common Law system, the representation comes from the law, as done by parents of minors. It is not included in the field of the agency but rather in trust. The agency can cover every regulation, as stated in the lasting (authorization) agreement from the Civil Code in addition to concern the broker and commissioner in the code of business law.

However, economic progress in Medan has created various e-commerce laws on marketing agency based on the green marketing concept derived from the Common Law system. It forms a balanced position of the parties. Agreements made under the principle of freedom of contract, as implicitly
stated in Article 1338 paragraph (1) of the Civil Code, allow the parties to create a new legal relation because the agreement between the parties for e-commerce trade marketing does not contain the defect. The basis of an e-commerce agreement between the parties is the application service providers as their agents and provider companies that guarantee sustained internet connection. However, consumers must be careful in conducting transactions over the internet due to some problems like payment mechanisms and security risks [11].

With the green marketing concept in electronic transactions and documents, e-commerce activities have a legal basis and protection which influence the economic development of the society. If there are uncertainties in the e-commerce transaction, the seller must be responsible for the activity. The Law Number 8 of 1999 about Consumer Protection, Article 1, number 1 states that “all efforts to guarantee legal certainty should provide for consumer protection.” All of business actors in carrying out economic activities must agree to the principle of legal certainty.

If there is a dispute on the e-commerce trading between the consumer and the seller, the seller should be responsible for such a transaction. It also guarantees the validity of consumer-oriented e-commerce, which integrates into the flexible and neutral global e-commerce framework. Adjustment to a changing global environment and transparency are the predictive abilities of the law. The main aim of this principle is to keep up with developments by maintaining flexibility.

In e-commerce trading activities, there should be a consistent commitment ensuring the quality of good and service offered. Under the green marketing concept, the seller must guarantee a legitimate selling transaction between the parties to the buyers of making payments. If the seller advertises a special offer to consumers, they must give a clear data and effective deadline of such offer. It is needed to ensure synchronization of the e-commerce trade in Medan. The green marketing concept can build a more qualified and beneficial economy to society. The agreement is also a forum that brings together the interests of several parties for a fair exchange. Justice has also become the most important part of establishing a balanced position between the seller and the consumer so the accountability of the seller can be by the applicable regulations[12].

4. Conclusions
Medan, as a business center, has been affected by e-commerce trade marketing. The authorities do not only take care of the trade relations between countries but have also guaranteed these electronic transactions. However, e-commerce transactions have caused some problems like offering a higher price than the market price, not sending products that have been purchased through online marketing, and not confirming a payment made by a buyer. Therefore, problems can reduce consumer trust and hamper the economic development of society. A green marketing concept in e-commerce marketing states it as a forum that brings together the interests of several parties for a fair exchange. Justice has also become the most important part of establishing a balanced position between the seller and the consumer so that the accountability of the seller can be by the applicable regulations.

E-commerce sellers should apply the green marketing concept, a legitimate form of marketing between the parties with a guaranteed responsibility of the seller. Applying a green marketing concept is beneficial not only to society but also to regional development.

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