

The Impact of E-Commerce Development on The Implementation of Consumer Protection Law In Trade Law In Indonesia

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ABSTRACT

The development of information and communication technology has brought major changes in various aspects of life, including in the field of trade. E-commerce or electronic commerce has become one of the sectors that is growing rapidly in Indonesia. However, on the other hand, the development of e-commerce also raises various new challenges in consumer protection. This research aims to analyze the impact of e-commerce developments on the application of consumer protection laws in trade law in Indonesia. This research uses normative juridical research methods. The data collection technique used in this research is literature study. The collected data was analyzed using qualitative analysis methods. The research results show that the development of e-commerce in Indonesia has had a significant impact on the implementation of consumer protection laws. Some of the main problems faced by consumers include non-transparency of product information, fraud, and a lack of effective dispute resolution mechanisms. Although there are various regulations governing consumer protection, their implementation still needs to be improved, especially in the context of e-commerce. This research recommends increasing outreach and education regarding consumer rights, strengthening regulations specific to e-commerce, and developing dispute resolution mechanisms that are more effective and easily accessible to consumers.

Keywords: e-commerce, consumer protection, commercial law

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INTRODUCTION

The rapid development of information and communication technology (ICT) has given birth to a new era in the world of commerce, namely e-commerce. E-commerce, or electronic commerce, includes all buying and selling activities or transactions carried out via electronic media, especially the internet. Often, e-commerce is equated with a marketplace. In fact, if you examine it further, the marketplace is an example of an e-commerce business model. Marketplace functions as a platform or intermediary that connects buyers with sellers. Marketplaces can be considered as virtual markets that bring together sellers and buyers in cyberspace (Kemenkeu, 2022).

The growth of e-commerce in Indonesia is very significant. Indonesia is included in the ten countries with the largest e-commerce growth, with a growth rate reaching 78 percent, placing it in first place. Meanwhile, Mexico is in second place with growth of 59 percent. This condition shows that electronic commerce has significant economic value, so it must be utilized by business actors, especially micro, small and medium enterprises (MSMEs) (KOMINFO, 2019).

The growth of e-commerce in Indonesia is very significant and brings many benefits. One of the main benefits is ease and efficiency in transactions. Consumers can make purchases

and payments online quickly and easily, without having to leave home. Apart from that, e-commerce also allows business actors to expand their market reach. Through online platforms, products and services can be reached by consumers throughout Indonesia and even abroad, which was previously difficult to achieve using conventional trading methods. However, on the other hand, the development of e-commerce also raises various new challenges in consumer protection.

Consumers who transact online are vulnerable to various potential violations. One of the violations that often occurs is fraud, where sellers deceive consumers by offering products or services that do not correspond to reality, or not sending the goods they have purchased (Rustam, Hamler, Marlina, Handoko, & Alamsyah, 2023). In addition, many consumers receive fake goods or products that do not match the description given by the seller (Afifah, 2022). Privacy violations are also a serious issue, because consumers' personal data can be misused by business actors (Suari & Sarjana, 2023). Unclear information is also often a problem, where consumers do not get clear and complete information about the products or services offered, so they cannot make the right purchasing decisions. All these challenges point to the need for stricter regulations and protections in e-commerce to ensure consumer rights are well protected.

Previous research by (Ady, Nisrina, Ramadhani, & Irawan, 2022) found that the general provisions of Commercial Law require legal codification to adapt the provisions to suit developments and community needs. The suggestion in this research is that it is necessary to immediately complete the draft codification of the Commercial Code in order to create certainty and protection for consumers' personal data. Another research by (Paryadi, 2018) found that Law No. 7 of 2014 concerning Trade (Trade Law) and Law No. 8 of 1999 concerning Consumer Protection (Consumer Protection Law) are references for every business actor in carrying out trade transactions, both trade conventional or trading via online or e-commerce. The implementation of e-commerce transactions which are growing rapidly must be balanced with strict supervision from the government in every implementation.

Similar research by (Rahman, Mayasari, & Nurapriyanti, 2023) shows that although consumer protection laws exist, there are still glaring gaps in terms of enforcement, awareness and practical implementation. Consumers face problems related to data privacy violations, deceptive advertising, counterfeit products, and difficulties in resolving disputes. These challenges not only erode consumer confidence, but also hinder the realization of digital commerce's full potential

This research can enrich the literature on consumer protection law, especially in the context of e-commerce which continues to grow. This research can identify and fill gaps in existing consumer protection legal theories, by adapting old theories to technological developments and modern market dynamics. This research aims to analyze the impact of e-commerce developments on the application of consumer protection laws in trade law in Indonesia.

METHOD

This research uses normative juridical research methods. The normative juridical approach is a method based on the main legal material by examining theories, concepts, legal principles and statutory regulations that are relevant to this research. This method is also known as a bibliographic approach, which involves the study of books, statutory regulations and other documents related to the research (Ismaidar & Annur, 2023). The data collection technique used in this research is literature study. Literature studies are carried out by collecting data and information from various secondary sources such as books, scientific journals, articles, research reports and relevant legal documents. This data was collected to understand consumer protection laws and e-commerce developments in Indonesia. The collected data was analyzed

using qualitative analysis methods. The data analysis process involves three main stages, namely data reduction, data presentation and drawing conclusions.

RESULTS AND DISCUSSION

The current digital era has an impact on the trade sector in Indonesia. The development of information technology and the internet has changed the way business is done, from supply chain management to marketing strategies and product distribution (Munawati, Wahyuddin, & Marsuki, 2024). E-commerce is one of the main aspects that is experiencing rapid growth, allowing businesses to sell products online without being limited by geographic location. This provides a great opportunity for small and medium enterprises to expand and reach a wider market, both at home and abroad (Nazar, Oloando, Putri, Berri, & Tazkia, 2023). In addition, digitalization also affects consumers by providing easier and faster access to search for product information, compare prices, and conduct transactions directly through online platforms. This has changed consumer behavior and requires businesses to be more responsive and innovative in providing a better shopping experience (Utami & Nasution, 2023).

E-commerce is a form of commerce conducted through a digital platform or the internet, allowing sellers and buyers to conduct buying and selling transactions of goods and services online. Through e-commerce, businesses can reach a wider market without being limited by geographical location, while consumers can easily search, compare and purchase products or services from various sellers around the world. E-commerce encompasses a variety of business models, including Business-to-Consumer (B2C), Business-to-Business (B2B), Consumer-to-Consumer (C2C), and Consumer-to-Business (C2B). The information and communication technology underlying e-commerce provides convenience in the transaction process, inventory management, digital marketing, and customer service, thus creating efficiency and effectiveness in the modern world of commerce (Rehatalanit, 2021).

E-commerce and traditional transactions have significant differences in transaction methods, market reach, accessibility, product information, operational costs, security, and social interaction. E-commerce allows transactions to be conducted online through a digital platform, which offers great flexibility with 24/7 access and global market reach without geographical boundaries. Product information is presented digitally with descriptions, images, and user reviews, as well as electronic payment methods such as credit cards or digital wallets. In contrast, traditional transactions are conducted in physical stores with cash or card payments, are limited to operating hours and locations, and require direct interaction between sellers and buyers. While e-commerce operating costs tend to be lower as it does not require physical stores, there is a need for investment in technology and digital marketing. In terms of security, e-commerce faces challenges in personal data protection and the risk of cyber fraud, while traditional transactions face the risk of physical theft. These differences reflect how technology has changed the way consumers and businesses interact, and emphasize the importance of adapting to digital developments in modern trade (Riswandi, 2019).

Positively, e-commerce enables greater access to the global market for small and medium-sized enterprises, reduces operational costs, and improves efficiency in the supply chain with the use of information technology. It also gives consumers easier access to search for products, compare prices, and make purchases practically and efficiently from anywhere. In addition, e-commerce encourages product and service innovation, and provides opportunities for entrepreneurs to start businesses with more affordable capital (Ainulyaqin & Edy, 2024). However, e-commerce also brings negative impacts, including challenges to the security of online transactions and consumer data protection. Security threats such as identity theft and online fraud are risks that need to be faced by both businesses and consumers (Handrawan, Setyaningrum, & Ariani, 2021). E-commerce can also change consumer shopping patterns by reducing visits to physical stores, which has the effect of reducing the

attractiveness and sustainability of traditional retail businesses. Technology adoption in e-commerce can also increase the digital divide between those who have access to and competence in technology and those who do not (Anjani & Pramono, 2024).

Along with the rapid development of digitalization in the trade sector, consumer protection is becoming increasingly important. Consumer protection is very important in the modern economy because it protects the basic rights of consumers in buying and selling goods and services. This includes not only the right to obtain safe and quality products, but also the right to obtain honest and transparent information about the products or services purchased (Silalahi, 2022). Consumer protection also plays a vital role in ensuring that business practices are conducted with integrity and fairness, reducing the risk of fraud, non-transparent pricing practices, or products that do not meet promised standards. In addition, effective consumer protection supports market stability by building trust between consumers and sellers, which in turn contributes to sustainable and inclusive economic growth (Asmara, Sujana, & Puspasutari, 2019).

Consumer protection is key to ensuring that consumers not only have easier and more efficient access to transactions, but are also protected from risks and abuses in the dynamic e-commerce environment. This includes protecting the privacy of consumers' personal data, guaranteeing the security of online transactions, clear information obligations from sellers to consumers, and effective mechanisms for resolving disputes between consumers and sellers (Apandy & Adam, 2021).

Consumer protection is a series of legal and policy efforts aimed at protecting consumer rights in buying and selling goods and services. This includes providing fair and transparent access to product information, ensuring safe and quality products, and providing effective mechanisms to resolve disputes between consumers and sellers. Consumer protection does not only focus on aspects of product safety and quality, but also includes consumers' rights to obtain honest information, the right not to be coerced, the right to be cared for, and the right to be heard and obtain justice in the legal system (Fibrianti, 1977).

Consumer protection in trade law in Indonesia is an important aspect to ensure that consumer rights are safeguarded in various commercial transactions. Consumer protection laws, such as Law No. 8/1999 on Consumer Protection, provide a legal framework governing consumers' rights to clear information, safe and quality products, and protection against unfair trade practices. Effective implementation of these regulations is necessary to build consumer confidence and promote a healthy and sustainable trading climate. In addition, consumer protection in e-commerce is also becoming increasingly crucial with the growth of digital trade, requiring adaptation and adjustment of regulations to remain relevant to evolving market dynamics (Bambangan, 2022).

Other relevant regulations include provisions in Law No. 7/2014 on Trade that strengthen consumer protection from harmful trade practices. In addition, other relevant regulations include provisions in Law No. 7/2014 on Trade that strengthen consumer protection from harmful trade practices. This law emphasizes the need for transparency in trade transactions, the seller's obligation to provide accurate and complete information about the product, and the seller's responsibility to ensure the quality and safety of the product being traded. It also provides for stricter supervision and enforcement mechanisms to ensure that consumer rights are effectively protected. This regulation plays an important role in creating a fair and reliable trading environment, encouraging businesses to operate transparently and responsibly, and providing stronger protection for consumers in various commercial transactions, both conventional and digital (Putra, Budiarta, & Ujianti, 2023).

Law No. 11/2008 on Electronic Information and Transactions (ITE) also regulates consumer protection in the context of online transactions and personal data protection. This law establishes a legal framework to ensure that electronic transactions are conducted safely

and reliably. Consumer protection in this context includes the obligation of service providers to maintain the confidentiality and security of consumers' personal data, as well as provide clear and accurate information about the products or services offered. In addition, the ITE Law also regulates dispute resolution mechanisms arising from electronic transactions and establishes sanctions for violations that harm consumers. Thus, ITE Law plays an important role in building consumer confidence in e-commerce and digital transactions, as well as ensuring that consumer rights are protected in the growing digital era (Afrineldi, 2021).

Good regulation and effective implementation of consumer protection rules are crucial in building consumer trust in e-commerce. Comprehensive regulations ensure that consumer rights are protected in every online transaction, including personal data protection, payment security, and the provision of clear and transparent information by sellers. Effective implementation of these rules, including strict oversight and fair enforcement, helps prevent fraud, unfair trade practices, and data abuse. With trust built, consumers feel safer and more comfortable transacting online, which in turn encourages the growth of the digital economy and the maximum utilization of technological advances in commerce. The government, regulatory agencies, and industry players need to work together to develop a framework that suits the dynamics of e-commerce, so that consumers can enjoy the benefits of the digital trade ecosystem safely and confidently (Rongiyati, 2019).

Thus, the development of e-commerce in Indonesia has had a significant impact on the application of consumer protection law in commercial law. This phenomenon requires adaptation in consumer protection that was originally more oriented towards conventional transactions. E-commerce presents new challenges such as the security of online transactions, the quality of products sold, and more complex dispute resolution. The Indonesian government has responded by issuing more specific regulations and policies to protect consumers in the context of e-commerce, including information transparency requirements, electronic transaction security guarantees, and effective dispute resolution mechanisms. Nonetheless, challenges continue to arise as the dynamics of e-commerce continue to evolve, requiring cooperation between the government, industry players, and consumers to ensure that consumer protection laws can be effectively applied in this digital era.

CONCLUSION

The development of e-commerce in Indonesia has had a significant impact on the implementation of consumer protection laws. Some of the main problems faced by consumers include non-transparency of product information, fraud, and a lack of effective dispute resolution mechanisms. Although there are various regulations governing consumer protection, their implementation still needs to be improved, especially in the context of e-commerce. This research recommends increasing outreach and education regarding consumer rights, strengthening regulations specific to e-commerce, and developing dispute resolution mechanisms that are more effective and easily accessible to consumers. So with these steps, it is hoped that consumers can be better protected and feel safe when carrying out online transactions.

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