
Does On-Line Shop Influence The Volume of Sales?

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Abstract:

Dhinda hijab store, one of the micro, small, and medium enterprises in Karawang City, implements an inclusive marketing strategy. This shop actively participates in sales through the e-commerce platform Shopee and also opened a physical shop in Karawang downtown. Dhinda hijab store develops a marketing network by having resellers help distribute its products. To increase sales volume on the Shopee e-commerce platform, Dhinda hijab store is running various promotional features. Dhinda uses product advertising, holds live streaming, and arranges attractive store decorations to attract consumer attention.

Keywords: *Dhinda MSME hijab shop, Sales volume, E-commerce Shopee*

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1. Introduction

Indonesia is a country with very rapid development of technology and information, one of which is the internet, which is widely used and utilised in various community activities related to the economy, many of which utilise digital technology such as online transactions, online motorcycle taxis, online shopping, online payments, and ordering food or goods. online (Yani and Triadinda, 2022a). Innovation in utilising technology provides opportunities for companies to improve their performance in new information or introduce new products or services to potential consumers (Rosmawati et al., 2023). The advantages can be received by using technology wisely, such as the benefits of boosting business expansion, generating employment opportunities, and elevating the standard of living for the community. A prime example of such technological progress is e-commerce, which has become prevalent among diverse demographics across Indonesia.

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Figure 1. The highest percentage of e-commerce users in the world (2024)

Source : <https://id.techinasia.com/indonesia-hobi-belanja-online>

Based on the studies conducted by Lidwina (2021) on Artasya and Nuri (2022), up to 88.1% of Indonesian internet users have used e-commerce services to purchase various products in the past few months, the percentage is the highest in the world according to the "We Are Social" survey conducted in April 2021. In frequency of online shopping, Indonesia is in 9th rank from the latest survey by We Are Social, released in 2024. This trend is quite common in Indonesia, which has seen the establishment of several e-commerce companies and the digitalization of various aspects of people's lives. In general, e-commerce refers to the buying and selling of goods and services over the Internet, which brings together buyers and sellers in a way that makes transactions easier for both parties. Today, e-commerce has made it effortless for customers to access thousands of products offered by numerous online stores (Oktaviani et al., 2023).

E-commerce services in Indonesia include Shopee, Tokopedia, Lazada, Bukalapak, Blibli, Zalora and other platform products. Shopee is one of the markets sponsored by the SEA Group (Southeast Asia). Shopee allows buying and selling activities between consumers and provides a place for users to sell their products by opening an online shop on Shopee (Nilasari et al., 2019). According to SimplyWeb, Shopee is the most visited marketplace in Indonesia. In September 2023, the Shopee website received 237 million visits, an increase of around 38% compared to the beginning of the year. Shopee's visitor growth has exceeded its main competitors: Tokopedia, Lazada, Blibli, and Bukalapak (Alamin et al., 2023).

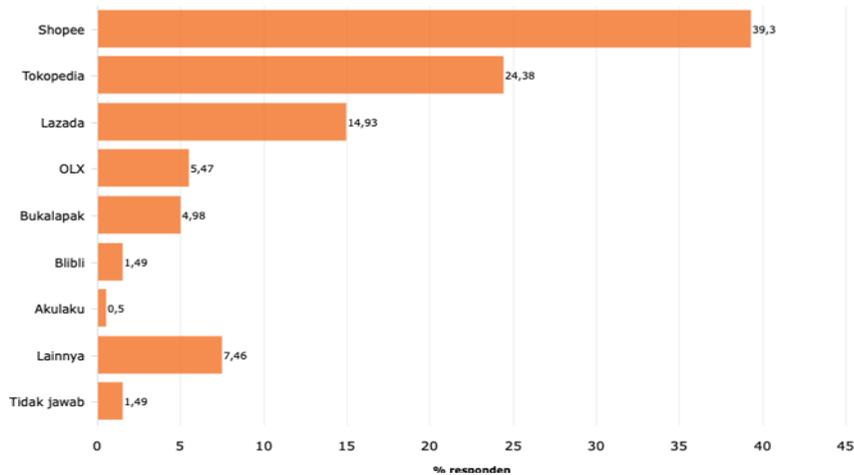


Figure 2 Marketplace used by MSMEs

Source: <https://databoks.katadata.co.id/datapublish/2022/06/11/>

According to research by the Indonesian Internet Services Association (AJII) in 2024, of the 545 MSME respondents who used marketplaces, only 26.58% of the remainder were not very active in marketplaces, but 41.39% of these MSMEs were also dependent on marketplaces. Of all respondents, around 39.3% use the Shopee platform. This percentage is higher than Tokopedia, which is used by 24.38% of MSMEs (Widhyaestoeti et al., 2024). According to Fachrina (2022) in Fauzi et al. (2023) study, Shopee has promotional features with various strategies that can increase and facilitate sales of an MSME, which was previously only done traditionally. Shopee, an online marketplace, employs four communication strategies to enhance sales activities.

These strategies encompass product, distribution, promotion, and pricing. However, to ensure their efficacy, they must be supplemented by superior customer service. Research has demonstrated that service quality significantly impacts sales volume. A recent study conducted on micro, small, and medium enterprises (MSMEs) in Jakarta reveals that service quality contributed to 55.3% of the change in consumer buying interest (Caniago and Rustanto, 2022). The research conducted by Amelia and Sudrartono in 2023 explains how the use of Shopee can increase Hoodie Jackets from Mikaylan Shop and shows a significant increase in sales compared to traditional direct selling methods. The research demonstrates similarities in how different stores can use the Shopee marketplace to increase sales, which were previously conducted offline for MSME activists.

This study aims to see the extent of the benefits of the Shopee platform with different brands, with the case study of Dhinda hijab MSMEs. However, this research focuses more on the existence of Shopee with its features and attractiveness so that it can increase the volume of hijab sales in Dhinda hijab, which has never been done in

previous research. The three previous studies focused on utilising the marketplace for MSMEs by improving the strategies of each store specifically, such as products, marketing, prices, and store services. This research discusses Shopee as a platform that has advantages in various features such as live streaming, Shopee advertisements, and shop decorations, which can make selling activities easier and increase sales.

Dhinda hijab is a hijab shop that markets its products through e-commerce. Dhinda hijab Shop is a hijab manufacturer located in the city of Karawang. There are several reasons why Dhinda hijab MSMEs were chosen as respondents for research on customers attraction to Shopee e-commerce and increasing sales volume. Dhinda hijab was founded and used the platform in the same year in 2020. In recent times, Dhinda hijab has thousands of customers throughout Indonesia. It shows that Dhinda hijab MSMEs have an appeal to customers. Dhinda hijab has experienced a significant increase in sales volume after using Shopee. It concluded that Shopee has a positive influence on selling.

Dhinda hijab MSMEs have products that suit Shopee target market. Dhinda hijab MSME products are fashion products, especially hijabs. This research study will focus on Dhinda hijab MSMEs as an appropriate case study for the following reasons. Firstly, this research will be able to provide a more accurate picture of customers attraction to Shopee e-commerce by increasing sales volume. Secondly, it was found during the initial study on the owner of Dhinda hijab that they market their products through Shopee. Additionally, Dhinda hijab has opened a reseller/membership system and also affiliate marketing. The number of Dhinda hijab followers on Shopee alone has reached 56.7 thousand, and sales have exceeded 20 thousand.



Figure 3 Number of Dhinda hijab followers on the Shopee marketplace

Source: <https://shopee.co.id/dhinda.hijab>

2. Theoretical Background

In recent years, electronic commerce has rapidly grown. Electronic commerce, or e-commerce, is the sale of goods or services via a computer network by also utilising computer devices to support the implementation of sales activities. In this sale, sellers and buyers cannot meet in person, so they need an intermediary to meet online in this activity. Marketplace is defined as an internet-based (web-based) online media provider as a place for business activities and transactions between buyers and sellers.

Currently, many marketplace applications have emerged in Indonesia, including Shopee. Shopee is a free marketplace for all individuals and business owners in Indonesia to open and manage their online stores while providing a safe and comfortable online buying and selling experience. The slogan is "Top of Mind" for online shopping for Indonesian women. Shopee offers different types of media that can help sellers boost their sales, such as advertising programs, free shipping vouchers, and live streaming features. Many sellers on the Shopee platform have utilized its features to sell their products without meeting buyers in person. The convenience of these features has made Shopee very popular, resulting in a significant increase in impulse purchases (Artini, 2022).

An impulsive purchase is a spur-of-the-moment buying decision made by a customer without any prior planning. It presents an opportunity for sellers to boost the sales volume of their products. The sales volume can be measured in two ways: meeting sales goals and generating higher profits from the company's total real sales within a given period (Novitasari et al., 2021).

Research Framework And Research Hypothesis

Research Framework

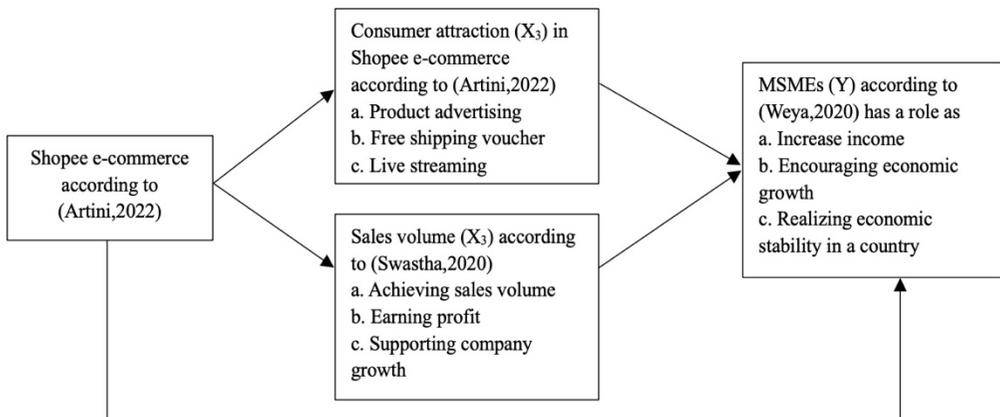


Figure 4. Research Framework

Source: Processed by research

3. Methodology

This research uses a mixed method (mix methods) descriptive method with a qualitative approach, according to Nadirah, Pramana and Zari, (2022), mix methods is a research method that combines quantitative methods with qualitative methods to be used in a research activity, so as to obtain data that is more valid, real (reliable) and objective. In this research, quantitative research was carried out first, then qualitative research was used. The results of quantitative and qualitative research can be combined to provide a more comprehensive picture of Shopee attractiveness in increasing the volume of hijab sales in Dhinda hijab MSMEs.

Data collection in this research used data collection obtained through direct observation and interviews with the owner of the Dinda hijab shop located on Jl. Hs Rongowaluyo Sukaharja Village, Ulekan Village, East Telukjambe District, Karawang Regency in depth with the aim of collecting accurate data from Dhinda hijab shop owners. Apart from that, data collection using a questionnaire was carried out with customers of the Dhinda hijab shop to collect information. The customers selected as 50 respondents were customers who had purchased goods at the Dhinda hijab shop online or offline, using an online questionnaire, namely via Google form. The survey was conducted from September to December.

4. Empirical Findings/Result



Figure 5. Dhinda hijab Outlet

Source: Dhinda hijab shop owner

Dhinda hijab is one of the MSMEs in the city of Karawang Regency. Dhinda hijab shop operates in the fashion sector, namely hijabs. Established in 2020, Dhinda hijab

shop is a premier hijab manufacturer that offers an array of products. These include instant hijabs, rectangular hijabs, pashmina hijabs, and accompanying accessories such as inners and hair ties. The shop is renowned for its innovative and appealing concept, which delivers outstanding value without compromising on quality. With a wide range of colours available, from basic to pastel shades, customers can easily find the perfect match for their style.

The target market for the Dhinda hijab shop is women with an age range of 10 – 45 years. Currently, Dhinda hijab has 50 employees, consisting of production employees, packing admins, shop admins, and marketing admins. In developing a business, Dhinda hijab has implemented the right marketing strategy. A marketing strategy is a strategy used by a business actor that aims to determine the right marketing targets to be used to increase sales (Taharruddin et al., 2022). The marketing strategy used by the Dhinda hijab shop is to actively sell through e-commerce sites such as Shopee, and open a physical shop on Jl. Hs. Ronggowaluyo, Sukaharja Village, Ulekan Village, East Telukjambe District, Karawang Regency, and open members and resellers to help sell its products. Dhinda hijab has 3000 active resellers in various regions.

5. Discussion

With the rapid growth of technology and communication in Indonesia, there are advantages and disadvantages to consider. However, the benefits are clear for users, particularly business owners. Dhinda hijab shop is a prime example of a business that leverages the latest technological advancements to promote its products through popular social media platforms like Instagram and TikTok. By maintaining an active presence on these channels, Dhinda hijab can expand its reach and make it easier for people to discover and engage with the brand (Yani and Triadinda, 2022).

Indonesia's marketplace has made it easy for businesses to interact with customers. It benefits both parties and has made transactions more practical for customers (Nilasari et al., 2019). Dhinda hijab shop earns 60% sales income from the marketplace and 40% from its physical store in Karawang.

Table 1. Questionnaire Results 50 customers know about Dhinda Hijab products

Information	Social media / marketplace	Offline Store
Customers know the product exists Dhinda hijab MSMEs	56%	44%

Source: Author Preparation

Table 1 showcases the outcome of a comprehensive survey conducted among 50 customers of the Dhinda hijab shop. The questionnaire aimed to explore how customers became aware of the shop's products and its physical location. The results of the survey show that a majority of customers, precisely 56%, found out about the

shop's products through social media and online marketplaces. On the other hand, 44% of customers discovered the physical shop by visiting it in person.

Table 2. Income data from sales of Dhinda hijab products

Year	Shopee Dhinda hijab income	Dhinda hijab Offline Store Income
2021	IDR 316.442.380	IDR 907.592.550
2022	IDR 530.043.000	IDR 1.093.351.500
2023	IDR 4.072.970.000	IDR 2.000.944.050

Source: Owner Dhinda hijab store

Table 2 is the data income results for the Dhinda hijab shop from 2021-2023. In 2020, the Dhinda hijab was only sold through physical stores and not yet implemented an accountancy system. In 2021, sales through the Shopee marketplace will receive IDR 316,442,380, while sales through physical stores will receive IDR 907,592,550. In 2022, Dhinda hijab will experience an increase in sales through the Shopee marketplace and physical stores, namely IDR 530,043,000 in sales revenue through the Shopee marketplace and IDR 1,093,351,500 in sales revenue through physical stores. Sales income in 2023 through the Shopee marketplace is IDR 4,072,970,000, and sales income through physical stores is IDR 2,000,944,050. From this data, the Dhinda hijab shop experiences an increase in two years, especially income through the Shopee marketplace.

The main activity carried out by the Dhinda hijab shop to increase sales volume on Shopee e-commerce is carrying out several promotional features consisting of product advertisements, live streaming, and attractive shop decorations. Advertising is one of the features that must be carried out by business actors. The purpose of advertising is to provide various information to the public about the products or services of a company.

Table 3. Data on Dhinda hijab Advertising Income

Month	Advertising Capital	Income
May	IDR -	IDR -
June	IDR 2.800.000	IDR 7.600.000
July	IDR 3.100.000	IDR 13.800.000
August	IDR 1.200.000	IDR 9.000.000
September	IDR 2.800.000	IDR 17.800.000
October	IDR 19.600.000	IDR 132.900.000
November	IDR 11.100.000	IDR 108.900.000
Amount	IDR 45.400.000	IDR 290.000.000

Source: Owner Dhinda hijab store

Table 3 shows advertising turnover data in 2023 for the shop. The shop first advertised products on Shopee e-commerce in June 2023; the capital spent was IDR

2,800,000, with advertising revenue in June of IDR 7,600,000. In July, the Dhinda hijab shop experienced an increase in sales of IDR 13,800,000, with advertising capital spent of IDR 3,100,000.

The Dhinda hijab shop experiences an increase in advertising every month. The main reason that the Dhinda hijab shop does this is to learn more deeply about the advertising features found in Shopee e-commerce. From August to November, there are fluctuations in income from advertising and capital spent. Through advertising, consumers can see the specifics of the products sold by Dhinda hijab, which consists of product reviews made by previous consumers.

Live streaming is a form of online marketing that provides MSMEs with the opportunity to create a more interactive buying and selling process, allowing them to display products in real-time on air, answer consumer questions, and encourage purchases directly. Shopee is an e-commerce company with live streaming capabilities launched in 2019. This live streaming feature has been implemented by the Dhinda hijab shop since 2021 on other e-commerce sites. The Shopee live feature will be used by the Dhinda hijab shop in 2023.



Figure 1 Live streaming activities Shopee Dhinda hijab

Source: Owner of Dhinda hijab

At Dhinda hijab shop, a team of eight dedicated employees are currently engaging in promotional activities through the use of live streaming. This innovative feature has been successfully utilized on various e-commerce platforms since 2021 and will soon be implemented on Shopee in 2023. These informative and engaging live streams are available daily, work hours from 5:30 AM to 11:00 PM.

Table 4. Income data for the Dhinda hijab via Shopee Live

Month	Income
January	IDR -
February	IDR -
March	IDR 206.295
April	IDR -
May	IDR -
June	IDR 24.169.310
July	IDR 20.656.488
August	IDR 94.687.076
September	IDR 192.828.500
October	IDR 369.496.530
November	IDR 402.420.030

Source: Owner Dhinda hijab

Table 4 represents data for January and February. Dhinda hijab has not promoted products through Shopee live due to a lack of human resources in this field. In March, the Dhinda hijab shop conducted a trial by promoting its products via Shopee live. In that month, there was no increase like in April and May. In June, the Dhinda hijab shop started and remained consistent in promoting products via Shopee live. In June and July, the Dhinda hijab shop only implements one shift, namely live from 10:00 AM to 15:00 PM for 30 days each month. In July, the Dhinda hijab shop received training and continued to study the Shopee live feature so that it could implement it in the following month and get good results.

The revenue from Shopee live promotions has been on the rise every month. To boost sales on Shopee live, it's crucial to maintain consistency in live streaming, pay attention to streaming duration, and offer alluring promotions such as cashback, discounts, and prizes to customers. E-commerce features can also help business owners increase their sales volume. Along with Shopee advertisements, live shop decoration is a vital aspect of attracting customers. This feature enables business owners to arrange their shop yard more appealingly and is available to all MSMEs who are active shoppers on Shopee.

Dhinda's hijab shop boasts captivating decorations that elevate the shopping experience. Thankfully, the user-friendly Shopee e-commerce platform simplifies the process of implementing these adornments. Shopee generously provides MSMEs with free, customizable templates to decorate their storefronts. The decoration centre also offers various attractive incentives, such as free shipping vouchers and additional cashback. These enticing benefits are conveniently displayed on the page, ensuring seamless accessibility for customers.

6. Conclusions

The appeal of Shopee has a positive influence on the volume of hijab sales at Dhinda hijab. This is evidenced by Dhinda hijab shop's marketing strategy, which is heavily reliant on technology and information, with Shopee serving as one of its principal platforms. Several strategies implemented by Dhinda hijab to increase its appeal on Shopee include utilising Shopee features, having active members, and maximising sales through e-commerce.

The Dhinda hijab store uses features such as Shopee live, product advertisements, and attractive store decorations to increase visibility and engagement with potential buyers. Dhinda hijab has built an active member community in various regions, which helps increase sales through customer loyalty and satisfaction. Dhinda hijab understands the potential of e-commerce and makes maximum use of it to reach a wider market. Even though there are several inhibiting factors, such as the lack of competent human resources in the field of digital marketing, Dhinda hijab shows persistence in developing the right strategy to increase sales volume.

Based on the conclusions above, the suggestions that Dhinda hijab can implement are to increase its attractiveness on Shopee and achieve higher sales targets, such as by developing HR skills, perfecting marketing strategies, and strengthening cooperation with Shopee. Such as holding training or workshops to increase employee knowledge and skills in the field of digital marketing, especially related to live streaming and managing Shopee accounts; conducting regular market research to understand consumer trends and preferences on the Shopee platform, which are relevant to Dhinda hijab target market; and taking advantage of new features launched by Shopee to increase the attractiveness of the store and make the purchasing process easier for consumers.

By implementing the suggestions above consistently and sustainably, Dhinda hijab is expected to increase its appeal on Shopee, reach more consumers, and achieve higher sales targets.

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