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E-business in Indonesia: It still has a prospect?

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Abstract

This study is aimed to investigate the current state of e-business in Indonesia and to discuss its prospect. An Internet research method is adopted to search and collect various data from online sources and to analyze e-business websites. The framework of investigation covers three parties: Internet users, government supports, and e-business firms. The findings reveal the mixed pictures. The number of Internet users is quite big but the national average penetration is still low. In terms of government supports in providing ICT infrastructure and regulation, Indonesia is still behind of many countries. However, there is a promising progress recently in this industry such as the emerging payment gateway companies to support electronic transactions, the investment of big global e-commerce firms, and the establishment of e-commerce association. Academics could use the finding as a preliminary outlook to more focused research topics. Investors could use it also as a preliminary thought to invest in this industry.

Keyword: e-business, e-commerce, digital economy, ICT, Indonesia, ASEAN

1 Introduction

The futurist Alvin Toffler in his “The Third Wave” book about 30 years ago described the evolution of society from agricultural society to industrial society, and to information society. It is perceived that industry-based economy gives more values than agriculture-based economy, and information-based economy also gives more value than industry-based economy. This could be ‘wrongly’ to drive national or local governments to shift toward the information-based economy though the previous stage(s) is not well developed.

Indonesian government and businesses have put some resources to develop and to take the opportunity of the digital era. In Indonesia, e-business has emerged since the late 1990s which is indicated by a substantial number of websites (Dinastindo, 2001). However, the picture about the current condition is often mixed. The objective of this paper is to present some figures of the current state of e-business in Indonesia, and to discuss of its prospect. The Internet research method is adopted to search and collect various data from online sources, and to analyse e-business websites. The investigation covers three parties: Internet users, government supports, and businesses.
2 Indonesian internet users

Indonesia population is about 245.6 million which is the fourth in the world, and it contributes about 40% of the total ASEAN population. The number of Internet users and their behavior become a key element to see the prospect of e-business development.

2.1 Internet users

The number of Indonesian Internet users was 30 million people in 2009 and increased to 55 million at the end of 2011 as reported by International Telecommunication Union (ITU) (InternetWorldStat, 2012, 2010). The penetration rate as percentage of the population also raised from 12.3% of the population in 2009 to 22.4% at the end of 2011. This later rate is still slightly under the Asia rate of 26.2% and the world rate of 32.7%, as shown in Table 1.

Table 1. Internet users

<table>
<thead>
<tr>
<th>REGION</th>
<th>Population (2011 est.) in million</th>
<th>Pop. % World</th>
<th>Internet User 31-Dec-11 in million</th>
<th>Penetration (% Pop)</th>
<th>Users</th>
<th>Facebook 31-Mar-12 in million</th>
<th>FB users/Int users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>245.6</td>
<td>3.54%</td>
<td>55.0</td>
<td>22.40%</td>
<td>2.43%</td>
<td>43.5</td>
<td>79.13%</td>
</tr>
<tr>
<td>Asia Only</td>
<td>3,879.7</td>
<td>56.00%</td>
<td>1,016.8</td>
<td>26.20%</td>
<td>44.80%</td>
<td>195.0</td>
<td>19.18%</td>
</tr>
<tr>
<td>Rest of world</td>
<td>3,050.3</td>
<td>44.00%</td>
<td>1,250.4</td>
<td>41.00%</td>
<td>55.20%</td>
<td>640.5</td>
<td>51.22%</td>
</tr>
<tr>
<td>World total</td>
<td>6,930.1</td>
<td>100.00%</td>
<td>2,267.2</td>
<td>32.70%</td>
<td>100.00%</td>
<td>835.5</td>
<td>36.85%</td>
</tr>
</tbody>
</table>

Source: Internet World Stats, 2012

ITU also released the number of Facebook users for each country. The number of Facebook accounts among Indonesian people has raised from ‘only’ 27 million on August 2010 (Internet World Stats, 2010) to 43.5 million by end of March 2012 (InternetWorldStat, 2012). This means that the percentage of Indonesian internet users having Facebook accounts is 79%, which is more than double of the world rate. As reported by Socialbakers.com (2012), the majority of Facebook users in Indonesia is young people, as appears in the following data:

- 13 – 15 years old 11%
- 16 - 17 years old 15%
- 18 – 24 years old 41%
- 25 – 34 years old 21%

This confirms the global trend about social networking adoption among young people. Data released by comScore Media Metrix indicates that average hours spent per visitor on social networking sites are 4.6 hours for April 2011 (comScore, 2011). Other ASEAN countries are even more addictive in using Facebook in which Philippines for 7.9 hours and Malaysia 5.1 hours. Though most of young people might not do online shopping currently, their engagement with online interaction could be seen as the potential market for e-business.
The Indonesian Internet users are not evenly distributed across this archipelago country with thousands of island. The urban – rural divide in the ICT access is still wide. As reported by ITU (2011), the figure for Indonesia indicates that the percentage of individuals using the Internet in 2010 is 3.8% for rural area and 16.1% for urban area. In fact, people living in rural areas should need ICT access more than others because ICTs have the potential to deliver services such as distance learning and e-government.

2.2 *Indonesian Internet users among other countries*

In Asia, the number of Internet users in Indonesia is 4th in Asia below China, India and Japan. The following figure shows the top ten Asian Internet users.

![Figure 1. Asia Top Internet Countries (Dec 31, 2011)](image)

Source: Internet World Stats, 2012

The use of Internet mostly for social networking, online game, and entertainment rather than for research and business has become a big concern as said by the Minister of Communication and Information Technology (AntaraNews, 2012).

Among the top 10 countries, five are ASEAN countries subsequently: Indonesia, Philippines, Vietnam, Thailand, and Malaysia. The following Table 2 depicts the data of Internet penetration in 10 ASEAN countries.
Table 2. ASEAN countries internet users

<table>
<thead>
<tr>
<th>No</th>
<th>ASEAN country</th>
<th>Population (2011 est.)</th>
<th>Internet Users, Year 2000</th>
<th>Internet Users 31-Dec-11</th>
<th>Penetration (% Population)</th>
<th>Users 31-Mar-12</th>
<th>Facebook</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brunei Darussalem</td>
<td>401,890</td>
<td>30,000</td>
<td>318,900</td>
<td>79.40%</td>
<td>234,060</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Cambodia</td>
<td>14,701,717</td>
<td>6,000</td>
<td>491,480</td>
<td>3.10%</td>
<td>449,160</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Indonesia</td>
<td>245,613,043</td>
<td>2,000,000</td>
<td>55,000,000</td>
<td>22.40%</td>
<td>43,523,740</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Laos</td>
<td>6,477,211</td>
<td>6,000</td>
<td>527,400</td>
<td>8.10%</td>
<td>156,160</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Malaysia</td>
<td>28,728,607</td>
<td>3,700,000</td>
<td>17,723,000</td>
<td>61.70%</td>
<td>12,365,780</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Myanmar</td>
<td>53,999,804</td>
<td>1,000</td>
<td>110,000</td>
<td>0.20%</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Philippines</td>
<td>101,833,938</td>
<td>2,000,000</td>
<td>29,700,000</td>
<td>29.20%</td>
<td>27,724,040</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Singapore</td>
<td>4,740,737</td>
<td>1,200,000</td>
<td>3,658,400</td>
<td>77.20%</td>
<td>2,602,880</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Thailand</td>
<td>66,720,153</td>
<td>2,300,000</td>
<td>18,310,000</td>
<td>27.40%</td>
<td>14,235,700</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Vietnam</td>
<td>90,549,390</td>
<td>200,000</td>
<td>30,516,587</td>
<td>33.70%</td>
<td>3,173,480</td>
<td></td>
</tr>
</tbody>
</table>

Source: ITU (Internetworldstat, 2012)

Though the number of Indonesian Internet users is the top but the penetration level is only in the 6th place among ASEAN countries. This reflects the limited Internet infrastructure to cover rural areas dispersed among thousands of island.

A survey research called Netizen 2011 conducted by MarkPlus Insight among urban citizens reveals that internet users are dominated by young people (15 – 30 years old) with percentage between 50% and 80% (KompasTekno, 2011). This survey also found that the average users accessed Internet through smartphone dan notebook. The survey found that the penetration of mobile Internet users (per total internet users) is 57%. It means that there is about 29 millions of mobile Internet users.

### 2.3 Popular sites

Another valuable aspect to observe from the Internet user behaviour is the popular sites they mostly access. Taking the data from Alexa.com (2012), Table 3 presents the top 20 popular sites accessed by internet users in Indonesia. Among them there are 6 local sites (30%). The first is Kaskus.co.id (formerly kaskus.us) as the local community site and classified ads in the 7th place. Three news portal sites: detik.com, kompas.com and viva.co.id sit in the 10th, 15th, and 18th place. Furthermore, klikbca as the pioneer of Indonesian e-banking in the 12th place. Another buy and sell classified ads is tokobagus.com in the 17th place. The emerging ‘offline’ transactions through online classified ads is an indication of the growing personal trust between individual sellers and buyers in online environment.

Table 3. Top 20 popular sites accessed by Indonesian Internet users
### 3 Infrastructure and regulation

Government plays a main role in providing ICT infrastructure. How good the ICT infrastructure to support e-business is presented and discussed based on three popular measures: ICT Development Index and ICT Price Basket from The International Telecommunication Union (ITU) and the Digital Economy ranking from Economist Intelligence Unit (EIU). In addition, government takes a critical role to regulate the e-business transactions.

#### 3.1 ICT Development Index and ICT Price Basket

The International Telecommunication Union (ITU) is a United Nations agency responsible for information and communication technology (ICT). The ITU have published several ICT related indices, including an ICT Development Index (IDI) and an ICT Price Basket (IPB) for most countries (ITU, 2011). The IDI is a composite of 11 indicators, and is used to compare the overall level of ICT development between countries. The IDI has three sub-indices based on ICT access, use and skills. The IPB is a composite basket based on the prices for fixed telephone, mobile cell-phone, and fixed broadband internet services, expressed as a percentage of average income levels. These two indices were first published by the ITU in 2009 (using 2008 data). At the time of writing, the most recent versions were published in 2011 (using 2010 data). Table 4 presents the IDI and IPB scores for ASEAN countries.

<table>
<thead>
<tr>
<th>No</th>
<th>Country</th>
<th>IDI score</th>
<th>IDI category</th>
<th>IPB score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brunei Darussalam</td>
<td>5.61</td>
<td>Upper IDI</td>
<td>1.2</td>
</tr>
<tr>
<td>2</td>
<td>Cambodia</td>
<td>1.99</td>
<td>Low IDI</td>
<td>40.1</td>
</tr>
<tr>
<td>3</td>
<td>Indonesia</td>
<td>2.83</td>
<td>Medium IDI</td>
<td>6.7</td>
</tr>
</tbody>
</table>

Source: Alexa (12 August 2012)
4.3 The IPB score may vary between a theoretical 'zero' (all three services are for free) and 100 (the price of all three baskets is equal to or exceeds the monthly GNI per capita). The table implies that the price in Indonesia is still higher than Singapore, Brunei, Malaysia, and Thailand. This condition is likely to be one factor to slow the internet penetration rate.

3.2 Digital Economy Ranking

The Digital Economy Ranking (previously named E-readiness Ranking) is a yearly ranking published by Economist Intelligence Unit and IBM. This ranking assesses the quality of a country’s ICT infrastructure and the ability of its consumers, businesses, and governments to use ICT to their benefit. When a country uses ICT to conduct more of its activities, the economy can become more transparent and efficient. This ranking consists of six categories of indicator as follows (EIU, 2010):

- Connectivity and technology infrastructure 20%
- Business environment 15%
- Social and cultural environment 15%
- Legal environment 10%
- Government policy and vision 15%
- Consumer and business adoption 25%

Indonesia is ranked at 65th in the Digital Economy Ranking 2010, the same place as in 2009. This rank implies that e-business is still far to be ready and to deliver its benefit to the economy development. A comparison to other ASEAN countries is presented in Table 5. It shows that Singapore is far ahead.

Table 5. Digital Economy Ranking of ASEAN countries

<table>
<thead>
<tr>
<th>No</th>
<th>Country</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brunei Darussalem</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>2</td>
<td>Cambodia</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>3</td>
<td>Indonesia</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>4</td>
<td>Laos</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Source: Measuring the information society 2011 (ITU, 2011)

Note: High IDI (6.16-8.40) Upper IDI (4.09-6.04) Medium IDI (2.59-4.05) Low IDI (0.83-2.55)
<table>
<thead>
<tr>
<th></th>
<th>Malaysia</th>
<th>36</th>
<th>38</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Myanmar</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>7</td>
<td>Philippines</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td>8</td>
<td>Singapore</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>9</td>
<td>Thailand</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>10</td>
<td>Vietnam</td>
<td>62</td>
<td>64</td>
</tr>
</tbody>
</table>

Source: EIU (2010)

### 3.3 Government regulation

Three indicators of the Digital Economy Ranking: legal environment, government policy- vision, and connectivity/ infrastructure indicates the important role of government. In Indonesia the ICT development is placed under the Ministry of Communication and Information Technology (MCIT). MCIT has released a report titled Indonesia Communication and Information Technology - White Paper 2010 which contains the milestone and outlook of ICT development (MCIT, 2010). The paper also provides roadmaps for ICT development, digital TV Internet IPV6, and satellite.

The main regulation for e-business transaction is the Law no 11 year 2008 about Information and Electronic Transaction. It covers the content of regulation; information, document, and electronic signature; the implementation electronic certification and electronic system; electronic transaction; domain name, IPR, privacy policy; prohibited actions; dispute resolution, role of government and society, investigation; and criminal provisions.

To support the acceleration and expansion of economic development, ICT infrastructure development needs to adapt to international trends and available new technologies. The Indonesian government has targeted the development of the National Broadband Network (NBN) for the period 2010-2015. This is in line with the World Bank study which states that for developing countries, every 10 percent increase in broadband penetration can enhance economic growth by 1.38 percent (MCIT, 2010).

As one of the major national economic activity, the development of NBN is integrated into the Masterplan for Acceleration and Expansion of Indonesia Economic Development 2011-2025 (CMEA, 2011). The target to be achieved in the development of ICT infrastructure is to develop NBN based on the development of the Telkom Super Highway network and other network operators that currently exists. With this, the target of the development of ICT by 2014 is reaching broadband connection level of 8 percent of all households or 30 percent of the population already covered by broadband access. However, the development of NBN to support economic growth must also be synchronized with the efforts to revitalize the domestic ICT industry, considering that during this process, the ICT sector remains largely dependent on imported goods.
Table 6. National ICT Service Target

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>238</td>
<td>240</td>
<td>242</td>
<td>252</td>
</tr>
<tr>
<td>Number of household (million)</td>
<td>61</td>
<td>62</td>
<td>63</td>
<td>66</td>
</tr>
<tr>
<td>Number of broadband (million)</td>
<td>0.41</td>
<td>0.85</td>
<td>1.25</td>
<td>19.7*</td>
</tr>
<tr>
<td>BB penetration (% of household)</td>
<td>0.20%</td>
<td>0.40%</td>
<td>0.50%</td>
<td>8%</td>
</tr>
<tr>
<td>BB penetration (% of population)</td>
<td>0.70%</td>
<td>1.40%</td>
<td>2%</td>
<td>30%*</td>
</tr>
</tbody>
</table>

Source: Telkom Indonesia (2011) taken from CMEA (2011)
Note: *) Target

The government through the MCIT is implementing a project to increase the Internet users in rural areas and expect that by the end of 2014, the number of Internet users will be 80 millions (Detiknet, 2012). This project will also reduce the gap of rural-urban divide. A resource person from MCIT said that the potency of e-commerce market this 2012 will reach IDR 330 trilion. The detail regulation for e-commerce transaction (as the elaboration of the UU ITE 2008) is being finalized and expected to be released by this year (JakartaPost, 2012). This draft has been harmonized by the ministry of Communication and Information Technology, Ministry of Law and Human Rights, Indonesia Central bank, and Ministry of Trade.

4 Business side

This part investigate the characteristics of e-business players in this industry.

4.1 Establishment of e-commerce association

E-commerce association, as other industrial bodies, will contribute significantly in the development of a e-commerce industry. The role of association is very important for a new business such as e-commerce to create the rule of the game or to propose the regulation to the government. The e-commerce association can play as a body to strengthen trust among parties in e-commerce transactions. Though Indonesian e-commerce companies have emerged in the late 1990s, the establishment of the association has just been made in 2012. This association is established by 10 big e-commerce companies: Berniaga.com, Bhinneka.com, BliBli.com, Dealgoing.com, Gramedia.com, Kaskus.us, Multiply.com, Plasa.com, Tokobagus.com, Tokopedia.com (Jakarta Post, 2012; DailySocial, 2012). The basic idea of this Indonesian E-commerce Association (idEA) is to represent the e-commerce companies in Indonesia and deal with the government regarding regulations and policy. This association will also focus on issues like e-commerce education, industry regulations, intellectual property, payment, cyber crime, logistics and consumer protection. This idEA will engage with government and non-government related bodies such as Ministry of Trade, Ministry of Communications and Informatics, Ministry of Treasury, Consumer Protection Foundation, etc.
4.2 Online shopping

The availability of online shopping can be seen from the availability of online retail sites. There are a number of online directories for online retail sites. The most comprehensive ones are endonesia.com (but at the moment closed for maintenance), and daftartokoonline.com. Hundreds of sites are listed. For example 99 active sites in the ‘online bookstore’ category are listed in daftartokoonline.com by August 2012. However, there is no data found about the total amount of online sales.

MasterCard Worldwide Online Shopping Survey 2012 conducted to measure consumers’ propensity to shop online reported that the percentage of Indonesian people using Internet for online shopping is 57% (MasterCard, 2012). The figure for neighboring countries are: Thailand 80%, Malaysia 67%, Vietnam 61%, Singapore 57%, Philippine 41%. Indonesia and Philippine have experienced the biggest increase which is 15% from the previous survey (http://www.masterintelligence.com accessed 25 August 2012). On the other side the decline is reported for Singapore (-10%). Not specific for Indonesia but for all, the survey identified the most popular website for online shopping are clothing, coupon, books-DVD, and movie tickets. In addition, the mobile shoppers (using mobile phones) buy music (24%), apps (31%), coupon deal sites (17%), clothing and accessories (17%), and cinema (16%).

A survey research conducted by MarkPlus Insight on 2011 among urban citizens reveals that the growth of online selling and buying increase 100% compared to the previous year (KompasTekno, 2011). Furthermore, a quarter of Internet users have e-payment tools. Among these tools, SMS and Internet banking are the popular ones. Two internet banking sites klkBAC.com, and bankmandiri.co.id stay in the 12th and 23rd in Alexa.com (on August 2012).

4.3 Indonesian web domain

As reported by ecommerce report.com.au that the country-code of dot.id is not often seen, with most Indonesian businesses preferring a global dot.com address. In fact, there is a regulation that web domain contains the country indication, except web from US. For example, nearly all of UK online retail sites (studied by the author) co.id.

To investigate this issue, data from Indonesia Internet Domain Names Registry (www.pandi.or.id) is analysed as presented in Table 7.

| Table 7. Indonesian Domain name (August 2012) |
|--------|--------|--------|--------|
| No     | domain | Jan-12 | Aug-12 | Growth (Jan-Aug) |
| 1      | .co.id  | 30,932 | 37,566 | 21%               |
| 2      | .web.id | 17,432 | 31,760 | 82%               |
| 3      | .sch.id | 6,400  | 7,838  | 22%               |
| 4      | .or.id  | 3,890  | 4,374  | 12%               |
| 5      | .go.id  | 2,625  | 2,826  | 8%                |
| 6      | .ac.id  | 2,161  | 2,474  | 14%               |
| 7      | .net.id | 314    | 336    | 7%                |
### 4.4 Investigation of online store domains

To explore further about the use of co.id domain name, a web analysis is conducted among online shopping (B2C) sites. The sample frame is sites listed in daftartokoonline.com, which is observed as the most comprehensive online shopping directory at the moment. There are 19 categories, and for this web analysis this study select ‘bookstore’ category, just because of ‘amazon’ success story has inspired many e-business start-ups to establish online bookstore. There are 99 sites listed (August 24, 2012), and two of them hosted in the blogspot.com. Therefore there are 97 active sites with their company domain names. Here is the finding:

- Sites with .com 88 (91%)
- Sites with .net 4 (4%)
- Sites with co.id 4 (4%)
- Sites with web.id 1 (1%)

This result supports that most of Indonesian e-commerce site (especially online store) are in dot com domain rather than dot co dot id. It shows that dot id domain is only adopted by only 5% of the online store. This condition is likely happened because the domain registration of .com, .net, .org, .info, .biz, .name, .us, .asia, .tv, .cc, and .in are without any requirement. On the other hand the registration for .co.id requires at least the identity card of the proponent and the copy of the business/ company establishment certificate. The requirement for .web.id is less complicated as it only requires a copy of identity card. Therefore we can see the emerging use of .web.id. In addition a little survey among university students indicates that people still perceive .com is sound better (like amazon.com) than .co.id. Minister of Communication and Information Technology suggested companies to use .co.id domain.

The Indonesian potential e-business market has been seen by eBay, a global online auction firm, who sets-up a joint venture with PT Telekomunikasi Indonesia, the nation’s biggest telecommunications operator (JakartaGlobe, 2012). This joint venture called MetaPlasa offer e-commerce services in Indonesia. The joint venture will enable customers to buy and sell goods on eBay through Plasa.com. The cooperation is expected to help small and medium enterprises that subscribe to Telkom’s services to market their products and enable access to a wider domestic market as well as international customers (Jakarta Globe, 2012). In the previous year, another global e-commerce company based in Japan named Rakuten invested in Indonesia and launched an online store called rakuten.co.id. This site has been voted as one of 8 popular websites in Indonesia by TechInAsia (2011) an online technology news startup based in Asia. Rakuten provides ease of payment with Internet banking or credit card and service to open an online store in that site.

An analysis published by DailySocial (2011) said that though many e-commerce companies have been launched and then many of them died, but so far, none of these
companies have huge success in the huge market and huge opportunity. Some possible reasons stated are: lack of trust, lack of payment infrastructure, lack of mobile shopping service, logistic infrastructure, and regulation.

5 Concluding remarks

The findings show that Indonesia has a big number of Internet users though the penetration rate is still low. The major Internet users are young people are, who are likely to access Internet through laptops and mobile phones and to use Internet for social networking and other entertainment purposes. These less valuable activities can be seen as an alarming condition. This study suggests that educating society to use Internet wisely for more valuable purposes is critical. This education is important to shift the current Internet use for social networking and other entertainment into more valuable activities such as in education, research, business, government administration, and other social activities. The extensive use of Internet for social networking and entertainment will consume a lot of bandwidth and slow down Internet access.

The low scores in Digital Ranking, IDI and IPB might be interpreted in various ways: e-business is unlikely to have prospects, or e-business could happen but have potential problems, or those evaluation are perceived inaccurate as Indonesian e-business has been already operating. The more feasible option is that the current e-business practice could not grow if the weaknesses in this industry such as ICT infrastructure, regulation and law enforcement, and lack of e-business support services are improved. In the current lacking condition, the right progress has appeared recently such as the establishment of e-commerce association, the establishment of payment gateway companies (e.g. doku.com, unik.co.id, indomog.com, NsiaPay.com) to provide online payment service to support e-business transaction. Moreover, the detail regulation for online transaction is going to be released by this year (KompasTekno, 2012) and is expected to foster and protect e-business transactions. As reported by ecommercereport.com.au (2010) “Indonesia could be just about to start on what might well be a truly remarkable ecommerce adventure”. The investment from global e-business firms in Indonesia recently might be a sign for this e-business prospect. Though the prospect might not come very soon, now it might be already a good time of investment for those wish to be the dominant e-business firms in Indonesia. Who wants to grab the opportunity to be the first Indonesian ‘Amazon’?

6 References