
The Role of Digital Economy in Community Income Through Digital Platforms

Ansari Putra

Development Management Study Program, Universitas Asahan, Indonesia

E-mail: Anshariputra87@gmail.com

Received: August, 2024; Accepted: August, 2024; Published: November, 2024

Permalink/DOI:

Abstract

The development of the world of technology cannot be denied in human activities. The rapid pace of technology and digitalization has created a digital economy which is characterized by the high development of technology-based business, trade transactions and personal branding which can now be used as income for people in the North Sumatra area. The aim of this research is to examine how the role of the digital economy impacts people's income through the use of the TikTok digital platform and how big a role the TikTok application plays in people's income. This research is a type of qualitative research using descriptive methods. The data used is primary data through interviews. The population studied in this research are the people of North Sumatra who use the TikTok application to generate income. The research sample consisted of 3 people. The research data source is primary data obtained by interviews and observation, while secondary data is obtained by documentation. The supporting and inhibiting factors in this research are the ability to know and utilize technological media as supporting indicators for the digital economy.

Keywords: *Tiktok, Digital Economy, Revenue*

INTRODUCTION

Digital-based technology now plays an increasingly important role in human life. The application of digital technology has become more widespread in many sectors ranging from education, trade, health, agriculture, government, banking, just a few examples of how technology has provided easier and more flexible access to society.

This digitalization is an innovation in creating growth opportunities in the economic sector, marked by the emergence of new digital platforms. The digital economy, which includes industries such as financial services, e-commerce, demand-based service applications, media and entertainment, has opened up significant income opportunities for society.

Digital economic development is one of the most important strategies to change the Indonesian economy. The development of the digital economy is also driven by changes in people's behavior who tend to use digital platforms in various industries. (Alfiani: 2022).

The digital economy can change business patterns, from everything done manually to automatic. Business people can rely on the system to run their business. Operational activities that usually require labor can now be carried out by the system. The benefits of the digital economy are not only limited to cost and time savings, but also have broader implications for overall economic growth.

Changes in the form of digitalization, including in the economy, of course also change business transactions that were previously manual and now use the internet (Tapscott, 1996). The digital economy is business carried out through virtual media, the creation and exchange of value, transactions and relationships between mature economic actors with the internet as a medium of exchange. (Hinining, 2018). (Revelation: 2023).

One digital platform that is popular with the public is the TikTok application. The TikTok application is a social network and music video platform originating from China which was released in September 2016. The TikTok application is the most popular social media currently, from children to adults, including public figures. TikTok has become a medium for honing the creativity of application users by displaying various videos packaged with simple concepts to convey implied messages from content creators. Many new artists and celebrities have emerged from the TikTok application. Apart from that, TikTok now provides a new feature, namely TikTok Shop, to support small businesses and well-known brands to sell products online to all people in Indonesia, even selling imported products directly from their country. Therefore, the TikTok application is considered useful as a platform for developing business and building networks. Data from ByteDance advertising on kumparan.com shows that the number of TikTok users in Indonesia will reach 92.07 million in 2022. Even though at the start of the pandemic, in April 2020, TikTok users only reached 37 million users. (Rona: 2022)

Meanwhile, the We are Social report on dataindonesia.id stated that the number of TikTok users in Indonesia was 126.83 million people in January 2024. This figure increased by 19.1% compared to the previous three months which was 106.52 million people. Based on existing data, it is clear that TikTok's potential on social media is soaring.

Sudiantini (2023), in his research, said that digital transformation in Indonesia has developed rapidly in recent years. Several factors that accelerate the development of the digital economy in Indonesia include: (1) high growth of internet users, (2) pro-innovation regulations, (3) investment in education and training, (4) partnerships between the public and private sectors. (Dian: 2023). However, the author will determine the supporting factors of the digital economy in the form of (1) individual behavior, (2) the role of generations and (3) internet networks

Ryan (2023) in his research uses factors inhibiting digital transformation, namely (1) human resources (HR), (2) technology, (3) IT linkage with business processes and (4) digital leadership. The research results show that three of the six variables studied are factors that inhibit the Flamboyant Indah Hotel in carrying out digital transformation. The inhibiting factors are (1) IT expertise, (2) IT linkage

with business processes and (3) Digital leadership while other factors are not inhibiting. The author will use the inhibiting factors for the digital economy in the form of (1) IT skills, (2) IT linkages with business processes and (3) Digital leadership.

The aim of this research is to look at the role of the digital economy in people's income through digital platforms through the use of the TikTok application, with supporting and inhibiting factors for the digital economy as research indicators.

METHOD (Capital, 12 pts, bold)

This research is a type of qualitative research using descriptive methods. The data used is primary data through interviews. The population studied in this research are the people of North Sumatra who use the TikTok application to generate income. The research sample consisted of 3 people. The research data source is primary data obtained by interviews and observation, while secondary data is obtained by documentation.

RESULTS AND DISCUSSION

The following are the characteristics of respondents who use the TikTok application in North Sumatra, which were designated as samples. Data collection was carried out using the interview method, in order to see the role of the digital economy on the income of people who use the TikTok application.

Table 1. Characteristics of Respondents

Name	Type Sex	Age	Long User	Address	TikTok account
Zulkifli	Man	32 years	5 years	A. Canopy	just dance90
Mayangsari	Woman	39 Years	7 years	Rantauprapat	mayangalam0
Fika Nasution	Woman	25 years	3 years	Range	fikanasti

Source: Research Results (2024)

Next, the results of interviews conducted by the author with respondents will be presented to see the role of the digital economy on the income of people who use the TikTok application, based on supporting factors and inhibiting factors for using the TikTok application in increasing respondents' income.

Table 2. Respondent Interview Results

No	Question	Answer
Supporting factors:		
1.	Do you always use TikTok to support your activities?	Zulkifli: "Always because I always do live streaming regularly" Mayangsari: "TikTok is like an addiction to me, if I haven't updated it feels like something is missing in my life, especially

	since I'm just a housewife, I can get extra even from home."
	Fika Nasution: "Every time I use TikTok."
2. With TikTok's current existence, can it benefit you?	<p>Zulkfli: "Very much because with content that is uploaded and then live streamed, I earn income from TikTok."</p> <p>Mayangsari: "There's a lot, we can make a lot of money he.eee... I can market my merchandise from home without having to build another shop, especially if I get visited by advertisements wow la he.ee..."</p> <p>Fika Nasution: "Certainly, I will make friends wherever I am, especially if our content has a lot of viewers, it can help me get extra snacks for college."</p>
3. How do you see TikTok users today, are they all groups or just a few generations?	<p>Zulkufli: "Everyone can use TikTok, maybe at the beginning, you know, you don't understand, but it's not difficult. Everyone can definitely use TikTok."</p> <p>Mayangsari: "Everyone can do it, the important thing is to have a cellphone and the package, yes I hope you can actually get an income."</p> <p>Fika Nasution: "Currently the majority are Generation Z and Millennials because at that age they still have a lot of free time."</p>
4. What about networks, can the existing networks support your activities?	<p>Zulkifli: "Currently the network is evenly distributed, different from the emergence of TikTok several years ago, in Kanopan it is not evenly distributed, there is only 1 provider."</p> <p>Mayangsari: "Yes, with an existing network that doesn't slow down, we won't be disturbed when there's more people watching live."</p> <p>Fika Nasution: "Of course, more and more people are watching or liking our content."</p>
5. Does the current network show that the distribution of followers and those watching your videos or live streams is increasing?	<p>Zulkili: "Yes, now the network is getting better, the number of people watching my live is also getting wider."</p>

	Mayangsari: "Yes, now my merchandise orders have reached rural areas." Fika Nasution: "Yes, the number of my followers seems to be increasing."
Obstacle factor:	
1. Does a person's digital literacy skills really influence their use of TikTok?	Zulkifli: "I think it really influences it, if we don't understand digital enough, we will certainly have difficulty carrying out digital activities ourselves." Mayangsari: "You have to have an understanding of digital, so you don't become technologically clueless. How are you going to use social media if you don't even understand digital?" Fika Nasution: "Yes, yes, at least in general so that there is no mistake in using it. "Because it's not just about using the application but how we behave, don't let us get caught in the ITE Law."
2. How do you see the relationship between IT and business processes at TikTok, can it influence it?	Zulkifli: "There is definitely a connection because IT is the one that provides the facilities and conditions for creating the application itself." Mayangsari: "It definitely influences because the better the IT, the better it will be for applications like TikTok and others to develop."
3. By developing your business digitally, can you increase your income?	Fika Nasution: "I think it can, because with the development of IT itself, TikTok will increasingly develop its applications not only for business but also for other purposes." Zulkifli: "You definitely can, in the past people only played TikTok to fill their free time, but with developments now people play TikTok as a job because they earn income." Mayangsari: "Yes, income will definitely increase, because it really helps with marketing and product promotion. For example, I, who is just a housewife, can earn an income from home without opening a shop but have an online shop."
4. Has TikTok been able to integrate or take advantage of business into digital format?	

	Fika Nasution: "I can, because with limited capital and I am a student I can generate additional income."
	Zulkifli: "I think it's possible for TikTok, but there are also several applications that don't take advantage of this."
5. Do current regulations regulate digital business?	Mayangsari: I got it, TikTok is an application, it's digital, right?" Fika Nasution: "If you have integrated it, it has been done, but not yet if you use it, because on TikTok the application is not like Shope, Lazada and others which are specifically for online trading, the users only do it with live streaming."
	Zulkifli: "if the rules already exist and the arrangements are clear."
	Mayangsari: "The law already exists, in fact we have a tax deduction which is deducted directly by TikTok of 25%"
	FikaNasution: "The rules already exist, but there are still many who don't know them well. The suggestion is that the government should be more aggressive in socializing them, especially to users such as content creators."

Source: Research Results (2024)

Supporting factors of the digital economy on people's income

The supporting factors for the digital economy consist of: indicators (1) individual behavior, (2) generational role and (3) internet reach. The discussion for each indicator is as follows:

(1) Individual Behavior:

The results of the interviews conducted by the author show that the three respondents gave answers to question point (1) that they always use the Tiktok application to support their activities, although for different reasons according to their goals in using the TikTok application and point (2) the existence of TikTok is currently beneficial for respondents. .

Based on the research results above, the supporting factors for the digital economy from individual behavioral indicators can influence people's income. Then it is also supported by research conducted by Rizkiyah ect. (2021), regarding the Influence of Digital Payment on Consumer Behavior of Users of the OVO Digital Payment Platform, that the digital payment variable (X) has a significant effect on the consumer behavior variable (Y), so the decision in this research is

rejected and accepted so it can be concluded that digital payment has an effect on consumer behavior in the era of industrial revolution 4.0 with an influence of 62.5%. This research shows us that consumer behavior will ultimately increase OVO's own income.

(2) Generational Role:

The results of the interviews conducted by the author show that the three respondents gave answers to question point (3) that all generations use the TikTok application, although the third respondent, Fika Nasution, also added that: "Currently the majority are Generation Z and Millennials because at that age they still have a lot of time to spend. blank."

Based on the research results above, the supporting factors for the digital economy are indicators perGenerations can influence people's income. Then it is also supported by research conducted by Amani etc. (2020), regarding the contribution and existence of millennial youth in developing Indonesia through the digital economy in the era of the industrial revolution 4.0, that with this digital economy, millennial youth can improve their skills. And with the existence of a digital economy in Indonesia, it is hoped that it will be able to support creative businesses in the world, because everything can now be controlled via the internet network using gadgets/smartphones. Which can make it easier for business actors to develop their business.

(3) Internet Network:

The results of the interviews conducted by the author show that the three respondents gave answers to question point (4) that the existing internet network can support your activities, and point (5) with the current network, the distribution of followers and those watching videos or live streaming is increasing. Zulkifli also explained in more detail that "currently the network is evenly distributed, different from the emergence of TikTok several years ago, in Kanopan it is not evenly distributed, there is only 1 provider" and Mayangsari also explained that "yes, now my merchandise orders have reached rural areas.

Based on the research results above, the supporting factors for the digital economy are role indicators Internet networks can affect people's income. Then it is also supported by research conducted by Irefan and Adry (2018), regarding the Influence of Infrastructure on Economic Growth in Indonesia. The estimation results show that (1) telecommunications infrastructure has a positive and significant effect on economic growth in Indonesia, (2) road infrastructure has a positive and significant effect on economic growth in Indonesia, (3) air transport infrastructure has a positive and significant effect on economic growth in Indonesia. Together telecommunications infrastructure, road infrastructure, air transport infrastructure have a significant effect on economic growth in Indonesia at $\alpha = 5\%$.

Factors inhibiting the digital economy on people's income

The inhibiting factors for the digital economy consist of indicators (1) expertise, (2) IT linkage with business processes and (3) digital leadership. The discussion for each indicator is as follows:

(1) Skill

The results of the interviews conducted by the author show that the three respondents gave answers to question point (1) that a person's digital literacy skills greatly influence their use of TikTok. Although Fika Nasution also added that it's not just about using the application but how we behave, don't let us get caught in the ITE Law.

Based on the research results above, the digital economy inhibiting factors from skill indicators can influence people's income. Then it is also supported by research conducted Sholespy and Haryono (2022), regarding the influence of economic literacy and digital literacy on students' specific abilities in entrepreneurship. The influence of economic literacy and digital literacy on students' specific abilities in entrepreneurship, that there is a partial and simultaneous influence between economic literacy and digital literacy on specific abilities in entrepreneurship. Bachelor of Economics Education students at Malang State University.

(2) Relationship between IT and Business Processes

The results of the interviews conducted by the author showed that the three respondents gave answers to the question item (2) that sees the relationship between IT and business processes on TikTok. Although Fika Nasution added that with developments in IT itself, TikTok will increasingly develop its applications not only for business but also for other purposes. Point (3) digital business development can increase income. Mayangsari said: "Yes, income will definitely increase, because it really helps in marketing and product promotion. For example, I, who is just a housewife, can earn an income from home without opening a shop but have an online shop."

Based on the research results above, digital inhibiting factors Economic indicators of IT linkage with business processes can influence people's income. Then it was also supported by research conducted by Lubis, Etc. (2022), regarding the role of information technology in implementing business processes in supply chain management (SCM), the results of the study show how information technology plays an important role in each SCM business process. Information technology is needed to improve supply chain performance, especially to reduce uncertainty. Apart from that, from the results of the analysis it can be concluded that there are a number of obstacles in the application of information technology in the implementation of SCM.

(3) To Digital leadership

The results of the interviews conducted by the author showed that the three respondents gave answers for question point (4) that TikTok has been able to integrate and utilize business in digital format. Although Fika Nasution added, "If you have integrated it, it has been done, but not yet if you use it, because on TikTok the application is not like Shope, Lazada and others which are specifically for online trading, the users only do it with live streaming." Point (5) of the current regulations regulates digital business. Fika Nasution said "the rules already exist, but there are still many who don't know them well. The suggestion is that the government be more aggressive in socializing them, especially to users such as content creators."

Based on the research results above, the digital economy inhibiting factors from skill indicators can influence people's income. Then it is also supported by research conducted Maryati and Siregar (2022), regarding digital leadership in improving organizational performance, the role of information and communication technology, that digital leadership can influence company performance, then Information and Communication Technology (ICT) innovation is able to strengthen the relationship between leader digitalization and company performance.

CONCLUSION (Capital, 12 pts, bold)

Based on research, it can be concluded that the role of the digital economy can increase people's income through the digital platform of the TikTok application. This is based on the supporting and inhibiting factors of the digital economy, where as a result of the interviews the author conducted, all respondents agreed to each question asked. Then also based on journal references from previous researchers to support the results of this research.

REFERENCES

- Amani, Zulfa, Etc. (2020). Contribution and Existence of Millennial Youth in Growing and Developing Indonesia Through the Digital Economy in the Era of Industrial Revolution 4.0. *Pen Journal: Journal of Research and Reasoning*, 7(2), 183-188.
- Ferira Rona, (2022). Analysis of the TikTok Application as a Platform for Building Business Networks for the Millennial Generation. *Munazzama: Journal of Islamic Management and Pilgrimage*.
- Indah Sari, Wahyu, etc. (2023). Analysis of Increasing Community Economic Income in the Digital Economy Through Different Test Methods (Case Study of Pari City Village). *Edunomics*, 7(2), 1-5.
- Irefan, Septhia and Adry, Melti Roza, (2018). The Influence of Infrastructure on Economic Growth in Indonesia. *Ecoscience Journal*, 7(1), 57-66.
- Lubis, Listiya Andana, Etc. (2022). The Role of Information Technology in Implementing Business Processes in Supply Chain Management (SCM). *JIMBA: Journal of Management, Business and Accounting Students*, 4(4), 456-461.
- Maryati, Sri and Siregar, Muhammad Ichsan. (2022). Digital Leadership in Improving Organizational Performance The Role of Information and Communication Technology. *Owner: Accounting Research & Journal*, 6 (4), 3616-3624.
- Munawarah, Alfiani, etc. (2022). Development of the Digital Economy for the Development of the Modern Market in Indonesia. *Al-Aflah Journal*, 1 (2), 124-133.
- Rizkiyah, Khoyatu, Etc. (2021). The Influence of Digital Payment on Consumer Behavior (Users of the OVO Digital Payment Platform. *Management Insight: Management Scientific Journal*, 16 (1), 107-126.
- Ryan Ferdiansyah, Muhammad and Tricahyono, Dodie, (2023). Identification of Inhibiting Factors to Implement Digital Transformation in MSMEs



- (Flamboyan Indah Hotel Case Study). JIMEA: MEA Scientific Journal (Management, Economics and Accounting), 7(2), 1583-1595.
- Sholespy, Corniatin Indri and Haryono, Agung, (2022). The Influence of Economic Literacy and Digital Literacy on Students' Specific Entrepreneurship Abilities. Journal of Economic Education, 15(2), 105-113.
- Sudiantini, Dian, etc. (2023). Digital Transformation: Impact, Challenges and Opportunities for Digital Economic Growth. Trending: Journal of Economics, Accounting and Management, 1(3), 21-30.