THE IMPACT OF E-COMMERCE ON THE GROWTH OF YOUNG ENTREPRENEURSHIP: LITERATURE REVIEW

Putu Ayu Ossi Widiari[1*], Putu Riska Wulandari[2], Ni Made Rai Kristina[3], Ni Luh Putu Uttari Premananda[4], Astrid Krisdayanthi[5], Komang Rika Trisnayanti[6]
Universitas Hindu Negeri I Gusti Bagus Sugriwa, Denpasar, Indonesia
*widiariossi@gmail.com

ABSTRACT

E-commerce plays an essential role in supporting young entrepreneurs by providing easier access to markets, lower business costs, and wider opportunities for innovation. However, there is still a gap between theories of digital entrepreneurship and real practices, as many young entrepreneurs face challenges such as limited digital literacy, funding, and business management skills. This study aims to analyze how e-commerce influences the growth and sustainability of young entrepreneurship and to identify the main factors that support or hinder their success. Using a systematic literature review based on PRISMA guidelines, this research reviewed studies published between 2015 and 2024 from Scopus, ScienceDirect, and Google Scholar. The analysis used three main theories: *Entrepreneurial Opportunity Recognition Theory*, *Technology Acceptance Model*, and *Resource-Based View*. The findings show that e-commerce not only serves as a platform for transactions but also as an ecosystem for learning and innovation. It helps young entrepreneurs recognize opportunities, adopt technology, and manage resources more effectively. However, strengthening digital education, access to finance, and policy support is needed to ensure the sustainability of youth entrepreneurship in the digital era.

Keywords: e-commerce, young entrepreneurs, digital entrepreneurship, innovation, sustainability

INTRODUCTION

The global economic system went through significant changes as a result of the advancement of digital technology during the last 20 years. The rise of electronic commerce (e-commerce), which permits business transactions to be carried out online with a broad market reach, cheap operating costs, and high distribution efficiency, is one of the most notable phenomena of this shift. In addition to altering consumer purchasing habits, e-commerce has given young entrepreneurs new chances to launch and expand companies with lower startup costs and more quantifiable risks (UNCTAD, 2023).

The development of digital technology has significantly changed the global economy, especially in terms of how individuals and organizations conduct their business. The emergence and rapid growth of e-commerce has shifted the conventional business paradigm to a more efficient, faster, and easily accessible digital-based business model (Laudon & Traver, 2022). This phenomenon has opened up opportunities for large companies and paved the way for the younger generation to become entrepreneurs. Millennials and Generation Z are regarded as the most adept at technology generation. Growing up, seen the development of digital platforms, social media, and a globally integrated culture. Due to this, they have an enormous opportunity to play a significant role in the digital economy, particularly by using e-commerce as a means of building new businesses (OECD, 2022).

E-commerce grown quickly in Indonesia. Indonesia is one of the biggest digital markets in Southeast Asia, having e-commerce sales expected to reach over US$80 billion by 2025, according to Statista data from 2024. The number of young digital entrepreneurs who use platforms like Shopee, Tokopedia, Lazada, and TikTok Shop to sell goods and services has also increased in tandem with this growth. This demonstrates how e-commerce has become into a crucial entry point for the development of entrepreneurship.

However, behind these opportunities, there are various challenges faced by young entrepreneurs. These included limited digital literacy, access to capital, managerial skills, and long-term business sustainability (International Labor Organization [ILO], 2022). Many digital startups fail because of a lack of management strategy, product innovation, and adaptation to the dynamics of the online market. Therefore, understanding how e-commerce impacts the development and sustainability of young entrepreneurs is crucial, both from an academic and public policy perspective.

previous studies have examined the relationship between e-commerce and entrepreneurship. (Wang, 2016) states that the adoption of e-commerce significantly increases business efficiency and expands market reach, especially for small businesses. Meanwhile, (Muttakin et, al., 2015) found that the use of digital technology can accelerate business growth and increase competitiveness in developing countries. (Pradana and Wibowo, 2021) shows that e-commerce has a direct impact on increasing sales and strengthening the existence of young entrepreneurs in the creative economy sector. (Dewi, 2022) adds that the integration of e-commerce and social media plays an important role in building relationships with consumers and increasing trust in local products.

However, previous studies have been limited to economic and marketing analysis. There haven’t studies that highlight e-commerce as a catalyst for build the character and adaptive abilities of young entrepreneurs in facing digital disruption. Therefore, this study seeks to broaden the perspective by examining the role of e-commerce not only as an economic instrument but also as a means of strengthening the entrepreneurial capacity of the younger generation.

Therefore, this study seeks to fill this research gap by integrating three theoretical: Entrepreneurial Opportunity Recognition (EOR), the Technology Acceptance Model (TAM), and the Resource-Based View (RBV). Together, these theories provide a more holistic understanding of how e-commerce supports the growth of young entrepreneurship beyond efficiency and market access. EOR explains how young entrepreneurs identify and exploit new opportunities emerging from digital transformation. TAM clarifies how perceptions of usefulness and ease of use influence their technology adoption decisions. RBV, in turn, contextualizes how internal capabilities and digital resources determine the sustainability of those entrepreneurial ventures.

This study is expected to make an important contribution both theoretically and practically to the study of digital entrepreneurship. Theoretically, this study contributes to the literature by proposing an integrative framework that connects cognitive, technological, and resource-based perspectives to explain digital entrepreneurial behavior. Practically, the findings aim to inform policy and education strategies that enhance youth digital capabilities, encourage technological innovation, and strengthen the sustainability of digital entrepreneurship ecosystems.

The results of this study are also expected to help strengthen the capacity of the younger generation in facing the challenges of the digital economy era through increased digital literacy, managerial training, and support for access to inclusive e-commerce platforms. Thus, this study not only provides a conceptual understanding of the impact of e-commerce on young entrepreneurship but also offers a strategic direction for strengthening a sustainable entrepreneurial ecosystem in the digital era.

METHODS

This study uses a systematic literature review approach to analyze the impact of e-commerce on the growth of young entrepreneurs. This method was chosen because it allows researchers to find, evaluate, and synthesize various research findings that are thematically and methodologically relevant. The literature review was conducted in four main stages—identification, screening, eligibility, and inclusion—in accordance with the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines. The data sources were collected from publications published between 2015 and 2024 from various international scientific databases such as Google Scholar, Scopus, ScienceDirect, and Emerald Insight.

Furthermore, articles that have criteria were analyzed qualitatively with reference to three main theoretical perspectives: Entrepreneurial Opportunity Recognition Theory (Shane & Venkataraman, 2000), Technology Acceptance Model (Davis, 1989), and Resource-Based View (Barney, 1991). Data from the selected studies were analyzed through a thematic coding process to identify recurring patterns and emerging themes related to the influence of e-commerce on youth entrepreneurship. The coding was performed manually using a structured matrix to categorize data under three main theoretical lenses: Entrepreneurial Opportunity Recognition (EOR), Technology Acceptance Model (TAM), and Resource-Based View (RBV). This manual process was supported by verification using NVivo 12 software to ensure consistency and reliability in theme classification.

The final synthesis combined descriptive analysis (frequency of key concepts and research designs) and interpretative analysis (linking theoretical perspectives and findings). The integration of EOR, TAM, and RBV served as the analytical framework to explain how e-commerce enables opportunity recognition, technology adoption, and resource management among young entrepreneurs.

FINDINGS AND DISCUSSION

A literature review shows that e-commerce plays an important role in creating new entrepreneurial opportunities among young people through easy access to markets and business efficiency. Research (Choshin and Ghaffari, 2022) found that e-commerce platforms expand the market reach for young entrepreneurs in developing countries by lowering entry barriers and strengthening their innovative capacity. Thus, e-commerce is not only a means of transaction but also a platform for young entrepreneurs to innovate in products, marketing, and customer service.

1. **Theoretical Implications The relationship between e-commerce and youth entrepreneurship**

From a theoretical perspective, the results of this study to known the relationship between e-commerce and youth entrepreneurship by integrating the Entrepreneurial Opportunity Recognition theory, Technology Acceptance Model, and Resource-Based View.

a. *Entrepreneurial Opportunity Recognition Theory*

This theory was proposed by Shane and Venkataraman (2000), who found that entrepreneurship emerges when individuals can recognize, evaluate, and exploit new economic opportunities arising from environmental changes—including technological changes. In the context of the digital economy, e-commerce fosters the creation of a new environment that provides opportunities from easy access to market information, consumer data, and global demand trends that can be identified in real time.

The younger generation has a comparative advantage in terms of digital literacy and capabilities of adaptation to new technologies (OECD, 2022). This makes them more sensitive to market opportunities created through e-commerce, such as sales of products based on social media trends, cross-border collaboration through global marketplaces, and the development of direct-to-consumer (D2C) business models. (Laudon and Traver ,2022) emphasize that e-commerce provides an infrastructure that enables new entrepreneurs to quickly identify market gaps and test products with minimal risk. Thus, from the perspective of Shane and Venkataraman's theory, e-commerce serves as a catalyst for the process of opportunity recognition among young entrepreneurs.

b. Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) theory developed (Davis, 1989) is an important framework for understanding the adoption of digital technology by young entrepreneurs. According to TAM, the acceptance of a technology is determined by two main factors, perceived usefulness and perceived ease of use. In the e-commerce, young entrepreneurs will be more likely to adopt digital platforms if they feel that the technology simplifies business activities and provides clear economic benefits.

Modern e-commerce platforms such as Shopee, Tokopedia, and TikTok Shopoffer features that significantly improve business efficiency, from marketing automation to sales data analysis (Li, et al., 2023). This reinforces perceived usefulness among young users. In addition, the younger generation has a higher level of technological self-efficacy, which has implications for perceived ease of use. Thus, TAM theory explains how psychological factors and user perceptions play a role in influencing the level of e-commerce adoption by young entrepreneurs.

This Research related by (Choshin and Ghaffari, 2022) that shown perceptions of the ease and benefits of e-commerce have a significant positive relationship with digital entrepreneurial intention. Therefore, technology acceptance is a fundamental element that bridges the transformation from conventional entrepreneurship to digital entrepreneurship.

c. Teori Resource-Based View (RBV)

The Resource-Based View (RBV) (Barney, 1991) provides an important perspective for understanding the dynamics of young entrepreneurs' competitiveness in the e-commerce ecosystem. RBV theory emphasizes that a company's competitive advantage depends on its ability to manage resources that are valuable, scarce, difficult to imitate, and difficult to replace. In the context of young entrepreneurs, these resources are not only financial capital, but also intellectual capital (digital knowledge), social capital (online networks), and innovative capabilities (creative capacity).

However, the literature shows that many young entrepreneurs in developing countries face limitations in these aspects of resources. According to the International Labor Organization (2022), limitations in digital literacy, access to capital, and lack of business experience are the main obstacles to their success in optimizing the potential of e-commerce. Similar findings were reported by Haseeb et al. (2021), who highlighted that although e-commerce lowers market entry barriers, business sustainability still depends on managerial capacity and digital resource management strategies.

Therefore, RBV theory provides a framework for understanding that the adoption of e-commerce alone does not guarantee the success of young entrepreneurs; true success depends on their ability to strategically integrate digital, social, and human resources in a competitive environment.

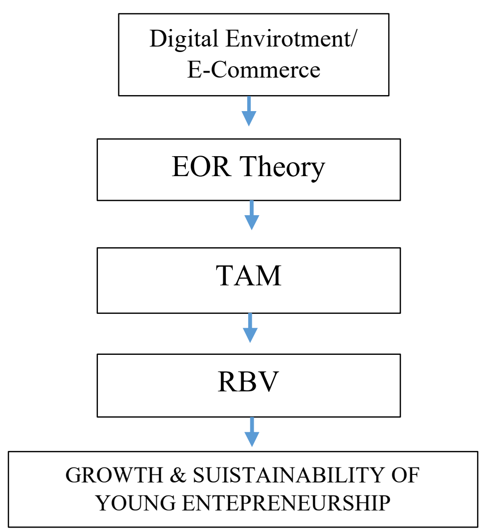
d. Integration of Teoritical Perspective

The integration of Entrepreneurial Opportunity Recognition, Technology Acceptance Model, and Resource-Based View offers a comprehensive explanation of how e-commerce drives the emergence and sustainability of young entrepreneurs. These three theories are interconnected and mutually reinforcing.

First, EOR theory explains that opportunity identification begins when individuals recognize digital market gaps made visible through e-commerce platforms. The continuous flow of data and online consumer interactions enables young entrepreneurs to detect emerging needs and design innovative business ideas.

Second, TAM complements this process by explaining how young entrepreneurs' willingness to use digital tools depends on their perceptions of technological usefulness and ease of use. The easier and more beneficial they perceive e-commerce technologies to be, the more likely they are to transform recognized opportunities into viable digital ventures.

Third, RBV emphasizes that sustaining these ventures requires strategic management of internal and external resources. Young entrepreneurs must leverage their digital literacy, creativity, and networks to maintain competitiveness in the digital marketplace. These theories demonstrate that digital entrepreneurial behavior is not merely driven by technology availability but also by the cognitive ability to recognize opportunities and the strategic capacity to manage digital resources effectively. E-commerce, therefore, serves as both a trigger for opportunity discovery and a platform for capability development. The relation of these theories can be shown on diagram :



Picture 1. The Integration of Theoretical Perspective

2. Pratical Implication

Based on theoritical review, e-commerce can be the catalysator to increase the developing of young entepreneurship, however it can be separated with the ecosystem. This study, shown important rules of obligation that increase the digital capability of young entepreneur and the ease to acsess capital loan for small bussines. Practical implication, on this study can be shown:

a. Policy and Digital Ecosystem

From a policy perspective, the government and decision-making institutions need to create a digital environment that supports the growth of young entrepreneurs through pro-inclusive and facilitative regulations. Based on the findings of the Resource-Based View theory (Barney, 1991), external resources such as digital infrastructure, access to financing, and distribution networks play an important role in building competitive advantages. Therefore, policies that provide equitable internet access, digital microfinancing, and technology-based business incubators will help young entrepreneurs optimize their e-commerce potential.

In addition, support for digital literacy policies is crucial. The (OECD, 2022) emphasizes that countries that invest in youth digital literacy succeed in creating a generation of entrepreneurs who are more resilient, adaptive, and innovative. Integrated training programs that combine aspects of digital marketing, cybersecurity, and online business management need to be strengthened so that young entrepreneurs do not only become passive users of technology, but also creators of new economic value through digital innovation.

In the Indonesian context, this can be strengthened through the Gerakan Nasional Literasi Digital (GNLD) Siberkreasi, initiated by the Ministry of Communication and Informatics (Kementerian Kominfo), which promotes competencies in digital culture, skills, ethics, and safety. This national framework can be expanded to include entrepreneurial digital literacy modules focusing on e-commerce operations, social media marketing, cybersecurity, and online business management.

Furthermore, integration with existing programs such as UMKM Go Digital or Digital Talent Scholarship can create a multi-tiered pathway that supports young entrepreneurs from foundational digital skills to advanced business innovation. Such initiatives ensure that young entrepreneurs are not merely passive users of technology but become active creators of economic value through digital innovation, aligning with the broader goals of Indonesia's digital transformation agenda (Indonesia Digital Vision 2045).

b. Youth Entepreneurship Capability

The findings of the study also emphasize the need for reform in the entrepreneurship education system to align with the realities of the digital economy. Based on the Technology Acceptance Model theory (Davis, 1989), perceptions of the benefits and ease of use of technology are greatly influenced by an individual's experience and level of confidence in their technological abilities (technological self-efficacy). Therefore, higher education institutions and training institutions need to integrate project-based digital learning and practical experience in using e-commerce platforms as part of the entrepreneurship curriculum.

This approach not only improves technical skills but also strengthens psychological aspects such as self-confidence, innovation orientation, and risk resilience. In addition, collaboration between universities, local governments, and the digital industry can produce more contextual and sustainable digital entrepreneurship incubation programs. In line with this, the (ILO, 2022) also recommends a hybrid training model that combines online training with field mentoring for young entrepreneurs.

In Indonesia, such collaboration is exemplified through initiatives like Startup Campus by the Ministry of Education and Culture (Kampus Merdeka), which partners with local startups to provide hands-on experience in digital product development, and the Innovation and Creativity Centers (PIK) established by several provincial governments to nurture student-led business ideas. Similarly, the Digital Entrepreneurship Academy (DEA) by Kementerian Kominfo promotes a hybrid training model, combining online modules on digital marketing, business analytics, and e-commerce management with on-site mentoring from industry practitioners.

c. Business Strategy and Innovation

From business practice perspective, the theory of Entrepreneurial Opportunity Recognition (Shane & Venkataraman, 2000) provides important insights for young entrepreneurs in developing adaptive strategies in a dynamic e-commerce environment. Young entrepreneurs need to develop the ability to recognize market opportunities through digital data such as search trends, consumer behavior, and social media analysis. The use of analytical tools such as Google Trends, Meta Ads Insights, and TikTok Analytics can help them detect changes in demand more quickly than conventional methods. In addition, it is important for young entrepreneurs to adopt customer-centric innovation strategies for products and services. According to Laudon and Traver (2022), the success of digital businesses often depends on the speed of product iteration and the ability to tailor the customer experience through data-driven personalization. Thus, young entrepreneurs must develop a continuous learning mindset and data-driven decision-making to remain competitive in the rapidly changing digital market.

Furthermore, cross-platform collaboration and technological integration such as artificial intelligence (AI), augmented reality (AR), and chatbot automation can be utilized by young entrepreneurs to enhance customer experience and operational efficiency. Findings by Li et al. (2023) show that entrepreneurs who are able to utilize advanced technology in their online businesses have a 2.5 times greater chance of expanding into international markets compared to those who rely solely on traditional strategies.

CONCLUSION

This study concludes that e-commerce has become a crucial driver in promoting the growth and sustainability of young entrepreneurship in the digital era. Through easy market access, cost efficiency, and flexibility, e-commerce enables young entrepreneurs to create new business models, improve innovation, and expand their competitive advantage. The literature review shows that e-commerce serves not only as a transactional platform but also as a digital ecosystem that fosters learning, creativity, and collaboration among young entrepreneurs.

However, the study also highlights that the success of young entrepreneurs in e-commerce depends on several key factors such as digital literacy, access to financing, and resource management skills. Therefore, collaboration between the government, educational institutions, and the private sector is essential to build a supportive ecosystem for youth entrepreneurship. Strengthening digital education, providing inclusive financial access, and creating adaptive policy frameworks are necessary to enhance the long-term sustainability and innovation capacity of young entrepreneurs. In conclusion, e-commerce can be seen as both a tool and a learning platform that empowers the next generation of entrepreneurs to thrive in the global digital economy.

REFERENCES

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99–120. https://doi.org/10.1177/014920639101700108

Choshin, M., & Ghaffari, A. (2022). An investigation of the impact of e-commerce on entrepreneurship development: A developing country perspective. *Journal of Internet Commerce, 21*(3), 205–222. https://doi.org/10.1080/15332861.2022.2031456

Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly, 13*(3), 319–340. https://doi.org/10.2307/249008

Haseeb, M., Hussain, H. I., & Kot, S. (2021). Impact of e-commerce adoption on SMEs' performance in emerging economies: The role of digital literacy. *Sustainability, 13*(15), 8457. https://doi.org/10.3390/su13158457

International Labour Organization. (2022). *Youth entrepreneurship and the digital economy*. ILO Publications. https://www.ilo.org

Laudon, K. C., & Traver, C. G. (2022). *E-commerce 2021–2022: Business, technology, and society* (17th ed.). Pearson.

Li, Y., Chen, M., & Liu, J. (2023). Digital transformation and young entrepreneurs: Exploring the role of e-commerce platforms. *Technological Forecasting and Social Change, 189*, 122334. https://doi.org/10.1016/j.techfore.2023.122334

Muttakin, M. B., Khan, A., & Subramaniam, N. (2015). Firm characteristics, board diversity, and corporate social responsibility: Evidence from Bangladesh. *Pacific Accounting Review, 27*(3), 353–372. https://doi.org/10.1108/PAR-01-2013-0007

Organisation for Economic Co-operation and Development. (2022). *Youth and digital transformation: Policy insights*. OECD Publishing. https://doi.org/10.1787/9789264981234-en

Pradana, A. A., & Wibowo, H. (2021). Analisis dampak e-commerce terhadap pertumbuhan usaha mikro dan wirausaha muda. *Jurnal Ekonomi Digital Indonesia, 3*(1), 22–35.

Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review, 25*(1), 217–226. https://doi.org/10.5465/amr.2000.2791611

Statista. (2024). *E-commerce worldwide – Market data & forecasts 2024–2025*. https://www.statista.com

United Nations Conference on Trade and Development. (2023). *E-commerce and development report 2023*. United Nations Publications. https://unctad.org

Wang, Y. (2016). The impact of e-commerce adoption on firm performance and organization structure. *Information Systems Research, 27*(1), 1–21. https://doi.org/10.1287/isre.2015.0609