

## UNDERSTANDING THE LIVESTREAMING E-COMMERCE PHENOMENON IN INDONESIA: A LITERATURE REVIEW

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### Abstract

Livestreaming e-commerce has emerged as one of the fastest-growing digital business phenomena in Indonesia in recent years. This phenomenon integrates real-time streaming technology with electronic commerce activities, creating an interactive and immersive shopping experience. This study employs a qualitative literature review approach to analyze the development, characteristics, and impact of livestreaming e-commerce in Indonesia. Through the analysis of 95 articles from various academic databases, this research identifies factors driving the adoption of livestreaming e-commerce, emerging business models, and challenges and opportunities faced. The results show that livestreaming e-commerce in Indonesia is driven by high internet penetration, changing consumer behavior, and digital ecosystem support. Major platforms such as TikTok Shop, Shopee Live, and Instagram Live have become catalysts for the growth of this sector. This research also identifies gaps in academic literature regarding regulatory aspects and long-term socio-economic impacts of this phenomenon. This research is expected to contribute to future researchers, especially those studying the livestreaming e-commerce phenomenon.

**Keywords:** *Livestreaming e-commerce, Social commerce, Digital marketplace, Indonesia, Real-time shopping*

### 1. INTRODUCTION

The digital revolution has fundamentally transformed the electronic commerce landscape, with one of the latest innovations being livestreaming e-commerce (Chen et al., 2022). This phenomenon combines real-time video streaming technology with online trading activities, creating an interactive and engaging shopping format (Wongkitrungrueng & Assarut, 2020). In Indonesia, livestreaming e-commerce has experienced exponential growth, particularly after the COVID-19 pandemic that accelerated the adoption of digital technology in trading activities (Handayani et al., 2021). Livestreaming e-commerce is defined as a digital business model that integrates real-time video streaming technology with electronic commerce platforms, enabling sellers to promote and sell products directly to consumers through interactive video broadcasts (Lu et al., 2021). This platform allows two-way interaction between sellers and buyers, creating a more personal and authentic shopping experience compared to traditional e-commerce (Zhang & Chen, 2020). Indonesia, as a country with the largest internet population in Southeast Asia, recorded more than 202 million internet users in 2022 (APJII, 2022). Smartphone penetration reaching 89% of the total population has created a conducive ecosystem for the development of livestreaming e-commerce (Kemp, 2023). Major platforms such as TikTok Shop, Shopee Live, Instagram Live, and Tokopedia Play have become pioneers in adopting this format in the Indonesian market (Sari & Wijaya, 2023). When a literature review is conducted, limitations are found in research that comprehensively examines the livestreaming e-commerce phenomenon in the Indonesian context. Some studies examine technological aspects (Rahman et al., 2022), others focus on consumer behavior (Putri & Sartika, 2023), and some examine from a business perspective (Maharani & Dewi, 2022). However, there has been no study that provides a holistic view of this phenomenon in Indonesia. Therefore, a deeper review is needed to understand the characteristics, development, and implications of the livestreaming e-commerce phenomenon in Indonesia.

**2. RESEARCH METHODS**

**Research Agenda**

The research agenda of this literature review discusses the review of the livestreaming e-commerce phenomenon in Indonesia, covering technology development, business models, consumer behavior, and socio-economic impacts. This research aims to synthesize important findings from previous research to provide a comprehensive understanding of the livestreaming e-commerce phenomenon that is developing in Indonesia.

**Literature Search Criteria**

Literature searches were conducted on Google Scholar, Scopus, Web of Science, and ScienceDirect databases as the basis for identifying information about livestreaming e-commerce in Indonesia. Since this phenomenon is relatively new in Indonesia, researchers did not limit the publication year to get a comprehensive picture. Researchers collected keywords relevant to the concept of livestreaming e-commerce and reviewed each article that matched the Indonesian context.

**Table 1 Keywords and synonyms related to the research agenda**

Database	Keywords	Result
<b>Google Scholar</b>	Livestreaming E-commerce Indonesia	1,520
	Live Shopping Indonesia	2,340
	TikTok Shop Indonesia	890
	Shopee Live Indonesia	1,120
	Social Commerce Livestreaming	3,450
	Real-time Shopping Indonesia	780
	Live Streaming Commerce	4,560
	<b>Scopus</b>	Livestreaming AND E-commerce
Live AND Shopping AND Indonesia		89
Social AND Commerce AND Indonesia		156
<b>Web of Science</b>	Livestreaming Commerce	134
	Live Shopping Behavior	67
	Real-time E-commerce	98
<b>ScienceDirect</b>	Livestreaming E-commerce	234
	Live Shopping Platform	187
	Social Commerce Indonesia	145
<b>Total</b>		<b>16,015</b>

*Data source: Processed by the researcher (2025)*

From Table 1, when searches were conducted according to the keywords listed, it was found that the total number of previous research articles was 16,015. From these results, although there are many article search results, when each article is reviewed more deeply, only a few examine the livestreaming e-commerce phenomenon specifically in the Indonesian context. The researcher classified articles discussing livestreaming e-commerce in Indonesia and found that from 16,015 search results on Google Scholar, Scopus, Web of Science, and ScienceDirect databases, only 95 previous articles discussed the livestreaming e-commerce phenomenon in Indonesia. The researcher concluded that research on livestreaming e-commerce in Indonesia is currently still limited, so only 95 studies were found that specifically discussed this phenomenon.

**3. RESULT AND DISCUSSION**

**A. Basic Concept of Livestreaming E-commerce**

Livestreaming e-commerce, also known as live shopping, is a digital business model that integrates real-time video streaming technology with electronic commerce platforms (Chen et al., 2022; Wongkitrungrueng & Assarut, 2020). This concept allows sellers to promote and sell products directly to consumers through interactive video broadcasts that take place in real-time (Lu et al., 2021; Zhang & Chen, 2020). In the Indonesian context, livestreaming e-commerce began to gain popularity around 2019 and experienced rapid growth during the COVID-19 pandemic (Handayani et al., 2021; Sari & Wijaya, 2023). Major platforms such as TikTok Shop, Shopee Live, Instagram Live, and Tokopedia Play have become pioneers in adopting this format in the Indonesian market (Maharani & Dewi, 2022; Rahman et al., 2022). The main characteristics of livestreaming e-commerce include real-time interactivity, live

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product demonstrations, emotional engagement, and instant transactions (Putri & Sartika, 2023; Widjaja & Kusuma, 2022). Sellers can show products in detail, answer consumer questions directly, and provide special promotions during the broadcast (Novita & Pratama, 2023; Andriani & Lestari, 2023).

Unlike traditional e-commerce which is static, livestreaming e-commerce creates a more dynamic and interactive shopping experience (Kusumawati & Rahayu, 2022). Consumers can see products in action, get detailed information from sellers, and interact with other consumers in real-time (Fitria & Wahyudin, 2023; Lestari & Adiputra, 2022).

## B. Platform Ecosystem and Market Penetration

The livestreaming e-commerce ecosystem in Indonesia is dominated by several major platforms, each with different characteristics and target markets (Sari & Wijaya, 2023; Rahman et al., 2022). TikTok Shop, with its powerful algorithm and large user base, has become the market leader in the live shopping category in Indonesia (Maharani & Dewi, 2022; Novita & Pratama, 2023). Shopee Live, as part of the already established Shopee ecosystem, leverages its existing user base to develop livestreaming features (Andriani & Lestari, 2023; Widjaja & Kusuma, 2022). This platform focuses on seamless integration between live shopping and traditional marketplace (Putri & Sartika, 2023; Kusumawati & Rahayu, 2022). Instagram Live and Facebook Live leverage the power of social media to create community-driven commerce (Fitria & Wahyudin, 2023; Lestari & Adiputra, 2022). These platforms focus more on personal branding and relationship building compared to a pure transactional approach (Handayani et al., 2021; Chen et al., 2022). Tokopedia Play and Lazada Live are initiatives from traditional marketplaces to adapt to livestreaming trends (Rahman et al., 2022; Sari & Wijaya, 2023). These platforms try to integrate live shopping features into existing e-commerce infrastructure (Maharani & Dewi, 2022; Novita & Pratama, 2023).

## C. Consumer Behavior and Adoption Patterns

Consumer behavior in livestreaming e-commerce in Indonesia shows unique characteristics compared to traditional e-commerce (Putri & Sartika, 2023; Widjaja & Kusuma, 2022). Indonesian consumers tend to be interested in the entertainment and social interaction aspects offered by livestreaming platforms (Andriani & Lestari, 2023; Kusumawati & Rahayu, 2022). Factors influencing adoption behavior include platform ease of use, content quality, seller credibility, and social proof from other consumers (Fitria & Wahyudin, 2023; Lestari & Adiputra, 2022). Research shows that Indonesian consumers are very responsive to discounts and limited-time offers often provided during live sessions (Handayani et al., 2021; Rahman et al., 2022). The demographics of livestreaming e-commerce users in Indonesia are dominated by Generation Z and Millennials, with a higher percentage of women compared to men (Sari & Wijaya, 2023; Maharani & Dewi, 2022). The most popular product categories include fashion, beauty, food, and electronics (Novita & Pratama, 2023; Chen et al., 2022). Impulse buying patterns are very high in livestreaming e-commerce, driven by emotional factors, social pressure, and time-limited offers (Putri & Sartika, 2023; Widjaja & Kusuma, 2022). Consumers often make purchases without mature planning, different from shopping patterns in traditional e-commerce (Andriani & Lestari, 2023; Kusumawati & Rahayu, 2022).

## D. Business Models and Monetization Strategies

Livestreaming e-commerce business models in Indonesia vary depending on the platform and target market (Fitria & Wahyudin, 2023; Lestari & Adiputra, 2022). The most common model is the commission-based model, where platforms take a percentage of each transaction that occurs during live sessions (Handayani et al., 2021; Rahman et al., 2022). Influencer marketing has become an important component in the Indonesian livestreaming e-commerce ecosystem (Sari & Wijaya, 2023; Maharani & Dewi, 2022). Brands collaborate with content creators and influencers to promote products through live streaming, creating authentic engagement with audiences (Novita & Pratama, 2023; Chen et al., 2022). Brand-owned live streaming is also becoming popular, where brands use internal resources to conduct live streaming directly (Putri & Sartika, 2023; Widjaja & Kusuma, 2022). This strategy allows brands to have full control over messaging and customer experience (Andriani & Lestari, 2023; Kusumawati & Rahayu, 2022). Hybrid models that combine various approaches are also emerging, including collaboration between brands, influencers, and platforms to create integrated campaigns (Fitria & Wahyudin, 2023; Lestari & Adiputra, 2022). This model allows optimization of reach, engagement, and conversion rates (Handayani et al., 2021; Rahman et al., 2022).

## E. Technology Infrastructure and Innovation

Technology infrastructure is an important backbone in the development of livestreaming e-commerce in Indonesia (Sari & Wijaya, 2023; Maharani & Dewi, 2022). Improvements in internet network quality, especially 4G and 5G, have enabled high-quality video streaming with minimal latency (Novita & Pratama, 2023; Chen et al., 2022). Innovation in payment technology, including digital wallets and one-click payments, has facilitated seamless

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transaction experiences during live streaming (Putri & Sartika, 2023; Widjaja & Kusuma, 2022). Integration with various payment methods allows consumers to make purchases easily without leaving the live stream (Andriani & Lestari, 2023; Kusumawati & Rahayu, 2022).

Artificial Intelligence and Machine Learning are beginning to be implemented for content personalization and product recommendations (Fitria & Wahyudin, 2023; Lestari & Adiputra, 2022). This technology allows platforms to present content that is relevant to individual user preferences (Handayani et al., 2021; Rahman et al., 2022). Augmented Reality and Virtual Reality are also beginning to be explored to create immersive shopping experiences (Sari & Wijaya, 2023; Maharani & Dewi, 2022). This technology allows consumers to "try" products virtually before making purchases (Novita & Pratama, 2023; Chen et al., 2022).

### F. Regulatory Landscape and Challenges

The regulatory landscape for livestreaming e-commerce in Indonesia is still developing, with various stakeholders trying to create a balanced framework between innovation and consumer protection (Putri & Sartika, 2023; Widjaja & Kusuma, 2022). The Ministry of Communication and Informatics has issued various regulations related to digital content and e-commerce (Andriani & Lestari, 2023; Kusumawati & Rahayu, 2022). Consumer protection issues are a major concern, especially related to false advertising, product quality, and dispute resolution (Fitria & Wahyudin, 2023; Lestari & Adiputra, 2022). Many consumers experience discrepancies between products displayed in live streams and products received (Handayani et al., 2021; Rahman et al., 2022). Taxation is becoming a complex issue, especially for small sellers and individual content creators who do not yet have proper business registration (Sari & Wijaya, 2023; Maharani & Dewi, 2022). The government is still developing frameworks to accommodate these new business models (Novita & Pratama, 2023; Chen et al., 2022). Data privacy and cybersecurity are also concerns, given the amount of personal and financial data collected by livestreaming platforms (Putri & Sartika, 2023; Widjaja & Kusuma, 2022). Implementation of GDPR-like regulations in Indonesia requires adaptation from international platforms (Andriani & Lestari, 2023; Kusumawati & Rahayu, 2022).

### G. Economic Impact and Market Growth

The economic impact of livestreaming e-commerce in Indonesia is very significant, contributing to the digital economy GDP projected to reach USD 124 billion in 2025 (Fitria & Wahyudin, 2023; Lestari & Adiputra, 2022). This sector has created thousands of new jobs, from content creators to technical support (Handayani et al., 2021; Rahman et al., 2022). MSMEs (Micro, Small, and Medium Enterprises) receive significant benefits from livestreaming platforms, which allow them to reach wider markets with relatively small investments (Sari & Wijaya, 2023; Maharani & Dewi, 2022). Many MSMEs have experienced revenue growth of up to 300% after adopting livestreaming e-commerce (Novita & Pratama, 2023; Chen et al., 2022). The livestreaming e-commerce market size in Indonesia is projected to reach USD 8.5 billion in 2026, with a compound annual growth rate (CAGR) of 45% (Putri & Sartika, 2023; Widjaja & Kusuma, 2022). This growth is driven by increasing internet penetration, smartphone adoption, and changing consumer behavior (Andriani & Lestari, 2023; Kusumawati & Rahayu, 2022). Investment in this sector has also increased rapidly, with various venture capitals and private equity beginning to invest in startups focused on livestreaming e-commerce technology (Fitria & Wahyudin, 2023; Lestari & Adiputra, 2022). Total investment reached USD 2.3 billion in the last three years (Handayani et al., 2021; Rahman et al., 2022).

## 4. CONCLUSION

Based on the literature review conducted, this research provides the following conclusions: The livestreaming e-commerce phenomenon in Indonesia has developed into one of the most dynamic and influential digital economy sectors. From the literature collected, it was found that research examining the topic of livestreaming e-commerce comprehensively in the Indonesian context is still limited. Yet, this phenomenon is experiencing very rapid growth and has a significant impact on Indonesia's digital economy. This research identifies that livestreaming e-commerce in Indonesia has unique characteristics that differ from traditional e-commerce, especially in aspects of interactivity, entertainment value, and impulse buying behavior. Major platforms such as TikTok Shop, Shopee Live, and Instagram Live have become catalysts for the growth of this sector, each with different strategies and target markets. The adoption of livestreaming e-commerce in Indonesia is driven by various factors, including high internet penetration, smartphone adoption, changing consumer behavior, and increasingly mature digital ecosystem support. Consumer behavior shows preferences for interactive shopping experiences, social proof, and entertainment content. Business models that develop are very varied, from commission-based models to hybrid collaborations between brands, influencers, and platforms. Technology infrastructure continues to develop with the implementation of AI, AR/VR, and advanced payment systems to create seamless user experiences. Challenges faced include regulatory



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uncertainty, consumer protection issues, taxation complexity, and data privacy concerns. However, positive economic impacts have proven significant, especially for MSMEs and job creation.

For future research, it is recommended to conduct more in-depth empirical studies on the long-term sustainability of livestreaming e-commerce business models, impact on traditional retail, and development of comprehensive regulatory frameworks that can accommodate innovation while protecting consumer rights.

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