Management & Accounting Expose **e-ISSN: 2620-9314**
Vol. 8, No. 2, Bulan 2025, pp. 107-122

http://jurnal.usahid.ac.id/index.php/accounting

Consumer Protection Policy in Building Competitive Advantages of Online Businesses

Yuherman[1], Annisa Retno Utami[2*], Indhira Afahodwatun Hasanah[3], Ikhwanul Ichsan Rasjid[4], Andriana[5]

Abstrak

Studi ini bertujuan untuk menganalisis peran kebijakan perlindungan konsumen dalam membentuk keunggulan kompetitif melalui pendekatan Analisis Regulasi yang dikombinasikan dengan Analisis Kebijakan Berorientasi Bisnis dan Pemetaan Kebijakan. Dengan menggunakan desain penelitian kualitatif, data diperoleh dari peraturan perlindungan konsumen dan bisnis digital, dokumen kebijakan pemerintah, dan literatur yang relevan dalam bisnis dan manajemen. Analisis dilakukan melalui pemetaan kebijakan untuk memeriksa keterkaitan antara substansi regulasi, tata kelola bisnis, perlindungan konsumen, dan implikasinya terhadap keunggulan kompetitif. Temuan menunjukkan bahwa kebijakan perlindungan konsumen yang jelas, konsisten, dan pasti secara hukum meningkatkan kepercayaan konsumen, reputasi bisnis, dan keberlanjutan bisnis jangka panjang dalam ekosistem digital. Hasil ini menegaskan bahwa kebijakan perlindungan konsumen berfungsi sebagai sumber daya strategis yang memperkuat tata kelola bisnis dan mendukung keunggulan kompetitif yang berkelanjutan.

Kata Kunci: Tata Kelola Bisnis; Keunggulan Kompetitif; Kebijakan Perlindungan Konsumen; Perilaku Konsumen Online; Kerangka Regulasi.

Abstract

This study aims to analyze the role of consumer protection policies in shaping competitive advantage through a Regulatory Analysis approach combined with Business-Oriented Policy Analysis and Policy Mapping. Using a qualitative research design, data are derived from consumer protection and digital business regulations, government policy documents, and relevant literature in business and management. Analysis is conducted through policy mapping to examine linkages between regulatory substance, business governance, consumer protection, and their implications for competitive advantage. Findings indicate that clear, consistent, and legally certain consumer protection policies enhance consumer trust, business reputation, and long-term business sustainability in the digital ecosystem. These results confirm that consumer protection policies function as strategic resources strengthening business governance and supporting sustainable competitive advantage. This study offers practical insights for policymakers.

Keywords: Business Governance; Competitive Advantage; Consumer Protection Policy; Online Consumer Behavior; Regulatory Framework.

Article History:
Submitted/Received 15 Dec 2025
First Revised 20 Dec 2025
Accepted 26 Dec 2025
Publication Date 30 Dec 2025

*Correspondence E-mail: annisa_utami@usahid.ac.id

[1,4,5] Faculty of Law, Sahid University, Jakarta, Indonesia
[2,3] Faculty of Economics and Business, Sahid University, Jakarta, Indonesia

INTRODUCTION

Digital business transformation has shifted conventional business models toward a more integrated, adaptive, and technology-driven digital ecosystem, enabling companies to reach broader markets and operate more efficiently. This digital business development has become a key driver of global economic transformation by changing the way companies create value, compete, and interact with consumers using digital technology and online platforms (Chawla & Kumar, 2022; Kerber, 2016). The use of information technology, the internet, and digital platforms has transformed the way companies conduct business activities, from marketing and distribution to consumer interactions. The growth of digital businesses has transformed the way businesses reach a wider market, reduce operational costs, and increase the speed and efficiency of transactions. Digital-based business models, particularly online businesses and e-commerce, are growing rapidly along with increasing internet penetration, the use of mobile devices, and changes in consumer behavior that increasingly rely on digital services to meet their daily needs. However, on the other hand, this transformation has also given rise to new, complex challenges, particularly related to consumer protection in indirect and cross-border digital transactions (Chawla & Kumar, 2022; Choeirunnissa et al., 2024b; Sikder & Allen, 2013; Triasih et al., 2019).

Several previous studies have stated that online business transactions have a higher level of risk than conventional transactions, particularly regarding information asymmetry, personal data security, online fraud, and uncertainty about the quality of products and services (Aldboush & Ferdous, 2023; Badruzaman, 2025; Shaik & Poojasree, 2021). The problems that arise put consumers in a more vulnerable position and have the potential to reduce trust in online businesses, due to the prevalence of fraud, account hacking, and product mismatches with the original product. Consumer trust is a key factor in determining the success, reputation, and sustainability of digital businesses (Aldboush & Ferdous, 2023; Haseeb et al., 2019; Urdea et al., 2021). Without a guarantee of consumer protection, the growth of online businesses is at risk of being hampered and it is difficult to achieve sustainable competitive advantage.

The phenomenon of online business growth is becoming an increasingly prominent paradox between the growth of the digital market and the vulnerability of consumer protection. On the one hand, online businesses are growing rapidly, offering easy access, fast transactions, and a wide variety of products and services (Kano et al., 2022; Urdea et al., 2021). However, on the other hand, the intense competition and focus on rapid growth are often not matched by adequate consumer protection practices. Various cases, such as inconsistencies in product information, misuse of personal data, weak return and complaint mechanisms, and non-transparent business practices, remain common in the online business ecosystem. These conditions not only harm consumers but also have the potential to undermine overall market confidence.

Consumer protection issues will directly impact the ability of online businesses to build a sustainable competitive advantage. Online businesses' competitive advantage is no longer solely determined by price, technology, or product innovation, but rather by the level of trust and perceived security felt by consumers (Anggraini & Daniel Thorp, 2020; Prasojo, 2020). When consumers experience legal uncertainty or risk in digital transactions, loyalty and repurchase intentions tend to decline, hindering reputation building and business differentiation. In the long term, weak consumer protection can increase reputation costs and business risks, ultimately reducing a company's competitiveness in an increasingly

competitive digital marketplace (Haseeb et al., 2019; Kano et al., 2022; Prastyanti & Sharma, 2024).

Consumer protection is often positioned as a defensive regulatory obligation, rather than an integral part of business strategy. Many online businesses view compliance with consumer protection policies as a cost burden and a barrier to business flexibility, leading to minimal implementation. However, clear, consistent, and legally certain consumer protection policies have the potential to become strategic differentiation mechanisms that distinguish credible online businesses from their competitors. This inability to integrate consumer protection into business governance and strategy is the root of the problem in building a sustainable competitive advantage for online businesses. Consumer protection and competitive advantage for online businesses stem not only from regulatory weaknesses but also from managerial gaps in understanding consumer protection as a strategic asset.

Consumer protection policies play a strategic role in creating a safe and trustworthy digital business ecosystem. However, most previous research still positions consumer protection policies as normative legal instruments oriented toward regulatory compliance, rather than as part of a business strategy (Arifin et al., 2021; Chawla & Kumar, 2022; Prastyanti & Sharma, 2024; Triasih et al., 2019). In fact, from a strategic management perspective, competitive advantage can be built with resources and capabilities that are able to create value, are difficult to imitate, and support business sustainability (Chen et al., 2021; Gareche et al., 2019; Haseeb et al., 2019).

The existence of research gaps requires a more integrative study in analyzing consumer protection policies, not only from a legal perspective, but also from a business and management perspective. Therefore, this study focuses on the analysis of consumer protection policies as a strategic mechanism in building competitive advantages for online businesses. By using a Regulatory Analysis approach combined with Business-Oriented Policy Analysis and Policy Mapping, this study is expected to be able to provide conceptual contributions to strategic management literature as well as practical implications for business actors and policy makers in developing competitive and sustainable online businesses.

The purpose of this research is to analyze the role of consumer protection policies as a strategic instrument in building competitive advantage for online businesses in the digital economy era. Specifically, this research examines how the substance and implementation of consumer protection policies contribute to strengthening business governance, increasing consumer trust, and business sustainability in the online business ecosystem. Through a Regulatory Analysis approach combined with Business-Oriented Policy Analysis and Policy Mapping, this research maps the relationship between consumer protection policies, online business practices, and their implications for competitive advantage, as well as providing conceptual contributions to the development of strategic management literature and practical recommendations for business actors and policy makers. This research provides scientific contributions by broadening the perspective of strategic management through the interpretation of consumer protection policies not only as legal instruments, but as strategic resources that play a role in building governance and competitive advantage for online businesses in the digital economy era.

LITERATURE REVIEW

Online Business and Digital Economic Transformation. The digital economic transformation is characterized by a shift in business activities from conventional models to models based on digital technology and online platforms that enable transactions, distribution, and interactions with consumers to occur quickly, flexibly, and across borders. The digital economy is not only changing the way companies create value but is also reshaping market structures, competitive patterns, and the relationship between businesses and consumers (Chen et al., 2021; Chen, 2019). Previous research has shown that online businesses play an important role in increasing operational efficiency and expanding market access, especially for small and medium enterprises, by reducing transaction costs, optimizing supply chains, and utilizing consumer data as a basis for strategic decision making (Chen et al., 2021; Hakim, 2025; Kano et al., 2022). However, the virtual and information-based characteristics of online businesses also give rise to challenges in the form of information asymmetry, dependence on digital platforms, and increased risk of uncertainty for consumers (Kerber, 2016).

From a strategic management perspective, digital economic transformation requires companies to rely not only on technology-based advantages but also on building trust, good governance, and institutional legitimacy. Research shows that sustainable competitive advantage in the digital economy is increasingly determined by non-technological factors, such as regulatory compliance, consumer protection, and business risk management (Aldboush & Ferdous, 2023; Haseeb et al., 2019; Prastyanti & Sharma, 2024). In addition, adaptive regulations and public policies are seen as playing an important role in creating business certainty while protecting consumers from detrimental business practices (Chawla & Kumar, 2022; Chen et al., 2021; Chen, 2019). Thus, online business as the main manifestation of digital economic transformation demands an integrated strategic approach between digital innovation, business governance, and consumer protection to build business competitiveness and sustainability.

Consumer Protection in Online Business. Consumer protection in online businesses has become a crucial issue as the intensity of indirect, cross-border, and information-based digital transactions increases. Unlike conventional transactions, the characteristics of online businesses place consumers in a more vulnerable position due to information asymmetry, limited product verification, and increased risks of data security and digital fraud. Previous research has shown that weak consumer protection can reduce trust and hinder consumer participation in the digital marketplace (Chawla & Kumar, 2022; Choeirunnissa et al., 2024a; Kerber, 2016). In addition, the development of digital platforms as transaction intermediaries has also increased the complexity of consumer protection, particularly regarding information transparency, the division of business actors' responsibilities, and the effectiveness of dispute resolution mechanisms (Choeirunnissa et al., 2024a; Triasih et al., 2019).

In the context of national law, consumer protection is both a legal requirement and an inevitability, expressly stipulated in Law Number 8 of 1999 concerning Consumer Protection (UUPK). UUPK affirms consumers' rights to security, comfort, and accurate information, and requires businesses to act in good faith and be responsible for any losses experienced by consumers. In the context of online businesses, these principles become increasingly relevant given the nature of digital transactions, which involve minimal direct contact and rely heavily

on trust. Therefore, consumer protection cannot be viewed simply as a formal legal norm, but as the foundation for fair and sustainable online business governance.

Effective consumer protection serves not only as a legal instrument but also as a strategic mechanism for building trust and sustainability in online businesses. Previous research has shown that compliance with consumer protection and personal data regulations contributes to increased trust, loyalty, and reputation in digital companies (Aldboush & Ferdous, 2023; Chen et al., 2021; Chen, 2019; Haseeb et al., 2019). The results of this study are strengthened by (Fainmesser et al., 2023) which emphasizes that data protection and privacy policies create economic incentives for companies to build long-term relationships with consumers. Thus, consumer protection in online businesses can be positioned as a strategic mechanism that not only protects consumer rights but also supports business competitiveness and sustainability in the digital economy ecosystem.

Consumer Protection Policy as a Strategic Instrument. Traditionally, consumer protection policies have been generally understood as legal instruments aimed at protecting consumers from harmful business practices by regulating the rights and obligations of the parties. However, with the transformation of the digital economy and the growth of online businesses, consumer protection policies have shifted in meaning to become strategic instruments that play a role in building trust, governance, and competitive advantage for businesses. In strategic management studies, regulations are not always a business obstacle, but can function as a mechanism for creating value and strategic differentiation when effectively integrated into a company's strategy (Haseeb et al., 2019).

Having a strong and consistent consumer protection policy contributes to increasing consumer trust and the reputation of online businesses (Choeirunnissa et al., 2024; Triasih et al., 2019). Besides that (Aldboush & Ferdous, 2023), found that compliance with consumer protection regulations, particularly those related to digital ethics and data protection, strengthens customer trust and loyalty, which ultimately impacts long-term competitive advantage. These research findings align with research (Chawla & Kumar, 2022), which states that consumer protection regulations in e-commerce not only protect consumers, but also create a healthier and more sustainable competitive environment for business actors.

From the perspective of resource-based theory (Resource-Based View), consumer protection policies can be positioned as strategic resources that are intangible, because they are able to build reputation, institutional legitimacy, and market trust that are difficult for competitors to imitate. (Fainmesser et al., 2023) emphasizes that data protection and privacy regulations are part of the institutional infrastructure that creates economic incentives for companies to invest in trust and the quality of long-term relationships with consumers. Thus, consumer protection policies serve as a governance mechanism that strengthens the competitive position of online businesses in the digital ecosystem.

In the context of regulation, in Indonesia, consumer protection policies are normatively regulated in Law Number 8 of 1999 concerning Consumer Protection, which guarantees consumers' rights to security, comfort, and accurate information, and regulates the obligations of business actors in conducting business activities. Along with the development of digital businesses, regulatory strengthening is also carried out through Law Number 11 of 2008 concerning Electronic Information and Transactions (ITE) as amended by Law Number 19 of 2016, and Law Number 27 of 2022 concerning Personal Data Protection, which emphasizes the responsibility of business actors in maintaining consumer data security. These regulations

provide a legal framework that is not only protective but also creates business certainty for online businesses.

At the international level, policies such as EU Consumer Rights Directive dan General Data Protection Regulation (GDPR) demonstrates how consumer and personal data protection can become strategic standards that increase cross-border trust and the competitiveness of digital companies in the global market (Kerber, 2016). Study (Chen, 2019; Saberi & Sadeghi, 2022), highlighted that digital platform regulations play a crucial role in maintaining fairness, transparency, and sustainability of the relationship between businesses and consumers within the platform ecosystem. Therefore, consumer protection policies can no longer be positioned solely as a legal obligation, but rather as a strategic instrument that supports business governance, builds consumer trust, and creates sustainable competitive advantage. Therefore, integrating consumer protection policies into online business strategies is key to navigating increasingly complex digital competition.

Competitive Advantage in Online Business. Competitive advantage in online business refers to a company's ability to create superior value compared to its competitors in a highly dynamic and competitive digital environment. In the context of online business, competitive advantage is no longer solely determined by price or economies of scale, but also by a company's ability to leverage digital technology, manage data, and build trust and positive customer experiences (Asmah, 2022; Gareche et al., 2019; Graef, 2019; Kerber, 2016). Previous research has emphasized that sustainable competitive advantage must come from resources and capabilities that are valuable, difficult to imitate, and capable of providing long-term benefits (Haseeb et al., 2019).

In the digital marketplace, consumer trust and online reputation are becoming increasingly important intangible assets in differentiating a company from its competitors. Study (Gareche et al., 2019; Judijanto et al., 2024; Saberi & Sadeghi, 2022), revealed that the competitive advantage of online businesses is greatly influenced by non-technological factors, such as business governance, information transparency, and compliance with regulations and consumer protection. Besides that (Chawla & Kumar, 2022; Fietroh & Rizqi, 2025) added that an e-commerce environment supported by strong consumer protection policies can create healthier competition and increase business competitiveness. Study (Aldboush & Ferdous, 2023) revealed that consumer protection practices and digital ethics contribute to increased customer trust and loyalty, which ultimately strengthens the competitive position of digital companies.

In an online business ecosystem characterized by intense competition and ease of imitation, competitive advantage increasingly depends on a company's ability to build institutional legitimacy and long-term relationships with consumers. Research result (Fainmesser et al., 2023) emphasizes that data protection and privacy policies not only protect consumers but also create incentives for companies to invest in their reputation and business sustainability. Thus, competitive advantage in online business can be understood as the result of the integration of digital innovation, good governance, and a commitment to consumer protection, which together shape business competitiveness and sustainability in the digital economy era.

The Relationship Between Consumer Protection and Competitive Advantage. Consumer protection and competitive advantage are increasingly linked in the context of online business and the digital economy. In a digital marketplace characterized by high levels of competition and ease of imitation, competitive advantage no longer stems solely from price,

technological innovation, or business scale, but also from the level of trust and perceived security felt by consumers. Effective consumer protection can reduce information asymmetry and transaction risks, thereby increasing consumer trust in online businesses (Kerber, 2016). This trust is an important foundation in building business reputation and differentiation, which ultimately strengthens the company's competitive position in the digital market.

Previous research shows that consumer protection policies contribute positively to business performance and competitiveness (Asmah, 2022; Chen, 2019; Gareche et al., 2019; Judijanto et al., 2024). The existence of consumer protection regulations in e-commerce not only serves to protect consumer rights, but also creates a healthy and sustainable competitive environment for business actors (Chawla & Kumar, 2022). Besides that, (Aldboush & Ferdous, 2023) found that compliance with consumer protection policies and digital ethics has a significant impact on increasing trust, customer loyalty, and the reputation of digital companies, which are key elements in building long-term competitive advantage.

The relationship between consumer protection and competitive advantage is developed through the Resource-Based View theory, which views trust, reputation, and institutional legitimacy as valuable and difficult to imitate intangible resources (Aldboush & Ferdous, 2023; Prastyanti & Sharma, 2024). The existence of data protection and privacy policies creates economic incentives for companies to invest in long-term relationships with consumers, thereby increasing business sustainability and competitiveness (Fainmesser et al., 2023). Thus, consumer protection cannot be positioned solely as a regulatory obligation, but rather as a strategic instrument that directly or indirectly contributes to building competitive advantages for online businesses in the digital economy era.

RESEARCH METHODS

This research uses a qualitative approach using Regulatory Analysis methods combined with Business-Oriented Policy Analysis and Policy Mapping. This approach is used to gain a comprehensive understanding of the role of consumer protection policies not only as a legal instrument but also as a strategic mechanism for building competitive advantage in online businesses.

The research data sources are secondary, including laws and regulations related to consumer protection and online businesses, government policy documents, and scholarly literature from relevant business, management, and law journals. The regulations analyzed cover consumer protection, electronic transactions, and personal data protection policies, both at the national and international levels, to gain a broader and more comparative perspective.

The data analysis technique used policy mapping, a systematic mapping technique to identify the interrelationships between policy objectives, regulatory substance, involved actors, and their impact on online business governance practices. This analysis was complemented by content analysis to interpret the norms, principles, and implications of the policy from a strategic management perspective. This research approach was used to explain how consumer protection policies can be positioned as strategic resources that support the competitive advantage and sustainability of online businesses in the digital economy era. The following is a flowchart of the research stages:

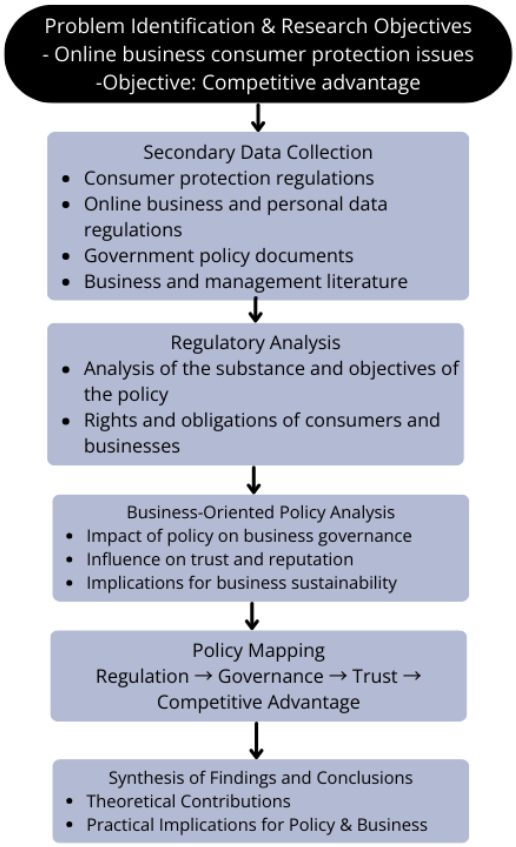


Figure 1. Research Flowchart
Source: Author's elaboration (2025)

RESULTS AND DISCUSSION

Research findings from an analysis of consumer protection policies in the context of online businesses, emphasizing their relationship to business governance, consumer trust, and the development of competitive advantage, demonstrate that consumer protection policies play a strategic role in building competitive advantage in online businesses, particularly through mechanisms to strengthen consumer trust, business reputation, and business sustainability (Aldboush & Ferdous, 2023; Arifin et al., 2021; Choeirunnissa et al., 2024b; Prastyanti & Sharma, 2024). Regulatory analysis shows that the legal framework for consumer protection has been designed to create safe and fair digital transactions through the principles of information transparency, business actor responsibility, and protection of consumer data and rights. Previous research confirms that consumer and personal data protection are essential foundations for stability and trust in digital markets (Kerber, 2016). Based on the results of the research discussion, this research is divided into several studies, namely Regulatory Analysis, Business-Oriented Policy Analysis and Policy Mapping.

Regulatory Analysis Study Results. The results of an analytical review of regulations/policies indicate that the regulatory framework for consumer protection in online businesses is fundamentally designed to create safe, transparent, and fair digital transactions. Regulations such as the Consumer Protection Law and the Electronic Information and Transactions Law emphasize the obligation of business actors to provide accurate

information, ensure transaction security, and be responsible for consumer losses. From a normative perspective, these regulations reflect the state's efforts to respond to the risks of digital transactions characterized by information asymmetry and limited consumer control. In previous research, (Kerber, 2016) emphasized that consumer and personal data protection are key prerequisites for stability and trust in digital markets.

However, when these regulations are compared to real-world conditions, a gap is found between legal norms and online business practices. In practice, many businesses still haven't fully implemented the principle of information transparency, particularly regarding product specifications, transaction terms and conditions, and return mechanisms. This situation demonstrates that even though regulations are in place, their effectiveness depends heavily on business compliance and oversight capacity. Study (Chawla & Kumar, 2022), revealed that the weak implementation of consumer protection regulations in e-commerce has the potential to reduce consumer trust and create unhealthy competition between business actors.

The aspect of personal data protection was a key finding in this regulatory review. While regulations stipulate business actors' obligations to maintain the confidentiality and security of consumer data, consumer concerns regarding data leaks and misuse of personal information are still frequently encountered. This situation indicates that the implementation of data protection is not fully aligned with the objectives of the regulations. Study (Fainmesser et al., 2023), emphasizes that data protection and privacy are not only legal issues, but also economic issues that affect the trust, reputation, and sustainability of digital businesses.

Furthermore, regulatory studies also show that consumer dispute resolution mechanisms in online businesses still face challenges. Although regulations provide channels for dispute resolution, in practice, consumers often experience difficulties accessing these mechanisms, particularly in cases of cross-regional or cross-platform transactions. This situation reinforces the research findings (Graef, 2019) highlighting the power imbalance between digital platforms and users, as well as the need for fairer and more adaptive governance in the online business ecosystem. Ineffective dispute resolution has the potential to weaken the regulatory function as a protection tool and reduce consumer incentives to transact digitally.

The results of the regulatory analysis indicate that consumer protection regulations have provided a relatively adequate legal foundation for online businesses, but their effectiveness is still limited by implementation challenges in the field. This gap between regulation and practice has direct implications for the level of consumer trust and the ability of online businesses to build competitive advantage. These findings strengthen the argument that the success of consumer protection regulations is determined not only by policy design but also by the consistency of enforcement and its integration into business governance practices, as emphasized in the strategic management literature (Haseeb et al., 2019).

Business-Oriented Policy Analysis. The results of this business-oriented policy analysis study indicate that consumer protection policies have significant strategic implications for the governance and performance of online businesses. From a business perspective, consumer protection regulations serve not only as normative constraints but also as a framework that shapes market behavior, incentive structures, and consumer perceptions of business credibility. Regulations governing information transparency, transaction security, and personal data protection encourage online businesses to adopt more responsible governance practices. These research findings align with (Chen et al., 2021; Permana, 2021; Wolfgang

Kerber, 2016), which emphasizes that consumer protection policies in the digital economy play a role in reducing information asymmetry and creating a more stable and trustworthy market environment.

When compared to real-world conditions, the analysis shows that online businesses that proactively integrate consumer protection into their business strategies tend to gain competitive advantages over their competitors. Practices such as providing transparent product information, responsive complaint mechanisms, and clear privacy policies contribute to increased consumer trust and loyalty. Study (Aldboush & Ferdous, 2023; Prastyanti & Sharma, 2024) supports the findings that adherence to digital ethics and consumer protection policies significantly increases customer trust and the reputation of digital companies. In the context of intense online business competition, this reputation and trust are differentiating factors that are difficult for competitors to imitate.

However, business-oriented policy analysis also reveals that some businesses still view consumer protection policies as a cost burden and compliance risk, rather than a strategic investment. This is reflected in business practices that consistently lack transparency, weak data protection, and inadequate responses to consumer complaints. This situation has the potential to increase reputational costs and reduce business competitiveness in the long term. Study (Chawla & Kumar, 2022) emphasizes that the failure of business actors to comply with consumer protection policies can create unfair competition and harm both consumers and business actors who comply with regulations.

Furthermore, from a business sustainability perspective, consumer protection policies serve as a business risk mitigation mechanism. Clear and consistent regulations provide certainty for businesses in designing long-term business strategies while minimizing the potential for disputes and legal losses. Study (Fainmesser et al., 2023) data protection and privacy policies create economic incentives for companies to build long-term relationships with consumers, positively impacting revenue stability and the sustainability of digital businesses. Therefore, compliance with consumer protection policies can be viewed as part of a risk management and value creation strategy. The results of a business-oriented policy analysis confirm that consumer protection policies have strategic value for online businesses when integrated into corporate governance and strategy. These policies not only establish legal compliance but also impact consumer trust, business reputation, and business sustainability.

Policy Mapping. Policy mapping in this study was used to map the relationship between consumer protection policies, online business governance practices, consumer trust levels, and the formation of competitive advantage. Policy mapping was used with consumer protection policy mapping as a starting point that shapes the direction and quality of online business practices. Regulations governing information transparency, transaction security, personal data protection, and dispute resolution mechanisms encourage business actors to implement more responsible, accountable, and consumer-oriented business governance. The following are the results of the policy mapping:

Tabel 1. Policy Mapping

No	Policy Domain	Mapped Legal/Policy Basis	Evidence/Findings from previous research and regulations	Conditions on the ground (implementation issues)	Business Implications (competitive advantage mechanisms)
1	Transparency of information and certainty of transactions	UUPK: rights to information & obligations of business actors; ITE Law: provisions on electronic document information, elements of electronic contracts, transaction confirmation	The Consumer Protection Law (UUPK) and the ITE Law emphasize information transparency, integrity, and responsibility; business actors are required to provide accurate/complete information and confirm agreements (Agloes et al., 2025).	Information is not always transparent (misleading details, unclear contract terms), reducing trust and triggering complaints.	Transparency → trust → positive reviews → reputation & repeat purchase
2	Product & Transaction Information Transparency	UUPK No. 8/1999 (right to information); ITE Law No. 11/2008 jo. 19/2016 (information & electronic contracts)	Transparency reduces information asymmetry and increases trust (Chawla & Kumar, 2022; Kerber, 2016)	Product information is often incomplete/misleading; terms & conditions are difficult to understand.	Consistent transparency → premium trust, digital reputation, and repeat purchases
3	Prohibition of detrimental standard clauses	UUPK Article 18 (prohibition of detrimental standard clauses)	The research results show that there are still many violations of standard clauses that are detrimental to consumers in e-commerce practices (Agloes et al., 2025)	Consumers are often "forced to agree" to unfair teams; disputes escalate	Fair contract compliance → ethical differentiation → increased loyalty
4	Security and protection of personal data	ITE Law Article 26 (electronic data protection); (relevant strengthening: data privacy & security policies)	Data privacy & security is positioned centrally; transparency of data usage is essential to building trust (Chen et al., 2021; Chen, 2019)	Data protection is considered weak; the platform does not fully guarantee data security/confidentiality, risking misuse (Agloes et al., 2025)	Strong privacy practices → trust premium → reduced churn → sustainable advantage
5	Sanctions and enforcement of electronic transaction violations	ITE Law Article 28 (criminal/civil sanctions); other enforcement tools	The ITE Law contains a sanctions mechanism; however, implementation still requires systematic improvement(Agloes et al., 2025)	Challenges of electronic evidence, victim reporting, and law enforcement capacity were cited as barriers (Shaik & Poojasree, 2021)	Effective enforcement → suppresses fraud → healthier markets → strengthens market confidence
6	Dispute resolution &	UUPK Article 60 (BPSK);	BPSK was formed as a conflict resolution institution,	Barriers to accessing legal mechanisms in cross-regional/cross-	Fast ODR/complaint handling →

No	Policy Domain	Mapped Legal/Policy Basis	Evidence/Findings from previous research and regulations	Conditions on the ground (implementation issues)	Business Implications (competitive advantage mechanisms)
	consumer recovery	complaint mechanism	but implementation has not been optimal for the complexity of e-commerce (Choeirunnissa et al., 2024b; Triasih et al., 2019)	country cases (Chawla & Kumar, 2022; Prastyanti & Sharma, 2024)	service recovery → customer reputation and retention
7	Governance & Fairness Platform	E-commerce regulations & digital competition policy	Fairness increases the sustainability of the platform ecosystem (Graef, 2019)	Dependence of MSMEs on large platforms	Fair governance → ecosystem sustainability → systemic excellence
8	Regulatory Certainty & Policy Consistency	Synchronization of UUPK, ITE Law, PDP Law	Consistent regulation encourages investment and innovation (Chen, 2019)	Policy fragmentation still occurs	Business certainty → long-term advantages

Source: Processed by the author based on regulatory analysis and reviewed literature, 2025

The policy mapping results indicate that consumer protection policies operate as a multi-layered mechanism linking regulations to the performance and competitive advantage of online businesses. Regulations emphasizing information transparency, personal data protection, and contractual fairness have proven to be a key foundation for building consumer trust, which in strategic management literature is viewed as an intangible asset that is difficult to imitate. However, the mapping results also reveal a gap between legal norms and business practices on the ground, particularly in the areas of data protection and digital dispute resolution mechanisms. This gap has the potential to undermine the strategic impact of policies on online business competitiveness.

Furthermore, the research findings confirm that the competitive advantage of online businesses is not solely shaped by technological innovation, but by the company's ability to integrate regulatory compliance into its business strategy. Online businesses that proactively implement consumer protection not only minimize legal and reputational risks but also achieve trust-based differentiation and institutional legitimacy. Thus, this policy mapping strengthens the argument that consumer protection policies can be positioned as a strategic instrument that directly contributes to the competitive advantage and sustainability of online businesses.

CONCLUSION

This study concludes that consumer protection policies have transformed from merely reactive legal instruments into strategic elements that play a crucial role in building the competitive advantage of online businesses. The research findings indicate that regulations governing information transparency, transaction security, personal data protection, and dispute resolution mechanisms directly impact consumer trust, business reputation, and

business sustainability in the digital ecosystem. However, despite Indonesia's relatively adequate regulatory framework, this study identified a gap between legal norms and implementation. This gap is reflected in the weak compliance of some business actors, limited law enforcement, and the suboptimal implementation of consumer protection mechanisms in addressing the complexities of digital transactions and cross-border platforms.

Using a Regulatory Analysis approach combined with Business-Oriented Policy Analysis and Policy Mapping, this study demonstrates that consumer protection policies serve not only as legal instruments to protect consumer rights but also as mechanisms for building trust, reputation, and business legitimacy. Clarity and consistency of regulations, particularly those governing information transparency, transaction security, personal data protection, and dispute resolution mechanisms, have proven to be essential foundations for creating a safe and sustainable online business ecosystem. However, this study also identifies gaps between the regulatory framework and implementation on the ground, potentially undermining consumer trust and hindering the development of long-term competitive advantage.

Going forward, online businesses should no longer view consumer protection as a compliance burden or additional cost, but rather as a strategic investment that creates long-term value. Integrating consumer protection into business governance and strategy is an inevitable necessity in the face of increasingly fierce and easily imitated digital competition. Online businesses that consistently implement consumer protection principles through transparency, digital ethics, and responsible data management will achieve trust-based differentiation and institutional legitimacy that will be difficult for competitors to replicate. Thus, future competitive advantage will be determined not only by technological innovation but also by the quality of governance and commitment to consumer protection.

From a public policy perspective, this study's findings indicate that future challenges lie not solely in adding regulations, but rather in strengthening implementation, harmonizing policies, and adapting to the dynamics of the digital economy. Consumer protection policies need to be directed not only at protecting consumers from harmful business practices but also at creating a fair, healthy, and sustainable business climate. Developing effective digital dispute resolution mechanisms, improving legal and digital literacy for businesses and consumers, and fostering synergy between regulatory agencies are key agendas for strengthening trust in the digital market. Thus, consumer protection policies are expected to serve as a governance foundation that supports the growth of competitive, inclusive, and sustainable online businesses in the digital economy era.

The implications of this research are both theoretical and practical. Theoretically, this study expands the study of strategic management by positioning consumer protection policies as an intangible strategic resource, in line with the Resource-Based View perspective and digital business governance theory. These findings emphasize that regulations are not always a barrier to business but can create value and differentiation when integrated into corporate strategy. Practically, this study provides implications for online businesses to view consumer protection not merely as a compliance obligation, but as a strategic investment in building customer trust and loyalty. For policymakers, the results of this study emphasize the importance of strengthening the implementation and enforcement of regulations, including the development of dispute resolution mechanisms that are adaptive to the characteristics of digital transactions.

Suggestions for further research include combining a policy approach with empirical methods, such as surveys or case studies, to quantitatively examine the relationship between

consumer protection, trust, and the competitive advantage of online businesses. Furthermore, cross-country comparative studies are recommended to identify best practices in consumer protection policies to support digital business competitiveness. Further research is expected to enrich understanding of the integration of public policy and business strategy in addressing the evolving dynamics of the digital economy.

REFERENCE

Agloes, S. S., Aditya, M., Putra, P., Udayana, U., & Badung, K. (2025). *Analisis Yuridis Terhadap Hak Konsumen Dalam Perlindungan Transaksi Pada E-Commerce Di Perlindungan Transaksi Pada E-Commerce Di*. *3*(10).

Aldboush, H. H. H., & Ferdous, M. (2023). Building Trust in Fintech: An Analysis of Ethical and Privacy Considerations in the Intersection of Big Data, AI, and Customer Trust. *International Journal of Financial Studies*, *11*(3). https://doi.org/10.3390/ijfs11030090

Anggraini, D., & Daniel Thorp, J. (2020). Pengaruh Pendidikan, Ukuran Usaha, dan Lama Usaha terhadap Penggunaan Informasi Akuntansi. *Management & Accounting Expose*, *3*(1), 22–29. https://doi.org/10.36441/mae.v3i1.134

Arifin, R., Kambuno, J. A., Waspiah, & Latifiani, D. (2021). Protecting the Consumer Rights in the Digital Economic Era: Future Challenges in Indonesia. *Jambura Law Review*, *3*, 135–160. https://doi.org/10.33756/jlr.v3i0.9635

Asmah. (2022). The role of business competition law in online business: A comparative study of United Kingdom and Indonesia. *Cogent Social Sciences*, *8*(1). https://doi.org/10.1080/23311886.2022.2142398

Chawla, N., & Kumar, B. (2022). E-Commerce and Consumer Protection in India: The Emerging Trend. *Journal of Business Ethics*, *180*(2), 581–604. https://doi.org/10.1007/s10551-021-04884-3

Chen, C. L., Lin, Y. C., Chen, W. H., Chao, C. F., & Pandia, H. (2021). Role of government to enhance digital transformation in small service business. *Sustainability (Switzerland)*, *13*(3), 1–26. https://doi.org/10.3390/su13031028

Chen, R. (2019). Policy and Regulatory Issues with Digital Businesses. *Policy and Regulatory Issues with Digital Businesses*, *July*. https://doi.org/10.1596/1813-9450-8948

Choeirunnissa, J., Situmorang, M., Zidan, M., Sutrisno, E., & Rahman, A. (2024a). Legal Protection for E-commerce Business Actors regarding Consumer Reviews. *Jurnal Impresi Indonesia*, *3*(5), 367–371. https://doi.org/10.58344/jii.v3i5.4852

Choeirunnissa, J., Situmorang, M., Zidan, M., Sutrisno, E., & Rahman, A. (2024b). Legal Protection For E-Commerce Businesses Against Consumer Reviews. *JOSS: Journal of Social Science*, *3*(3), 1264–1282. https://joss.al-makkipublisher.com/index.php/js

Dudi Badruzaman, D. B. (2025). Legal Review of Consumer Protection in E-Commerce Transactions in Indonesia. *Equality : Journal of Law and Justice*, *2*(1), 89–102. https://doi.org/10.69836/equality-jlj.v2i1.271

Fainmesser, I. P., Galeotti, A., & Momot, R. (2023). Digital Privacy. *Management Science*, *69*(6), 3157–3173. https://doi.org/10.1287/mnsc.2022.4513

Fietroh, M. N., & Rizqi, R. M. (2025). Peran Brand image Sebagai Variabel Mediasi pada Hubungan Promosi E-WOM Terhadap Keputusan Pembelian di Marketplace Shopee. *Management and Accounting Expose*, *8*(1), 10-24.

Gareche, M., Hosseini, S. M., & Taheri, M. (2019). A Comprehensive Literature Review in Competitive Advantages of Businesses. *International Journal of Advanced Studies in Humanities and Social Science*, *8*(3), 223–240. https://doi.org/10.33945/sami/ijashss.2019.3.1

Graef, I. (2019). Differentiated treatment in platform-to-business relations: Eu competition law and economic dependence. *Yearbook of European Law*, *38*(1), 448–499. https://doi.org/10.1093/yel/yez008

Hakim, L. (2025). *Analysis of the Influence of Marketing Strategy on the Acceleration of Micro and Small Business Growth*. *3*(2), 61–71. https://doi.org/10.60046/joere.v3i2.255

Haseeb, M., Hussain, H. I., Kot, S., Androniceanu, A., & Jermsittiparsert, K. (2019). Role of social and technological challenges in achieving a sustainable competitive advantage and sustainable business performance. *Sustainability (Switzerland)*, *11*(14). https://doi.org/10.3390/su11143811

Judijanto, L., Taufik, M., Dewi, R. S., Nur, S., & Jiao, D. (2024). The Influence of Consumer Protection Policies on the Business Practices of E-commerce Companies: Case Studies in Online Markets. *Rechtsnormen Journal of Law*, *2*(2), 199–208. https://doi.org/10.55849/rjl.v2i2.980

Kano, K., Choi, L. K., Riza, B. subhan, & Dinda octavyra, R. (2022). Implications of Digital Marketing Strategy The Competitive Advantages of Small Businesses in Indonesia. *Startupreneur Business Digital (SABDA Journal)*, *1*(1), 44–62. https://doi.org/10.34306/sabda.v1i1.72

Permana, A. F. (2021). Pengaruh Tax Planning dan Investment Opportunity Set terhadap Firm Value dengan Good Corporate Governance sebagai Variabel Moderasi. *Management & Accounting Expose*, *2*(2), 124–133. https://doi.org/10.36441/mae.v2i2.104

Prasojo, E. (2020). Pengaruh Celebrity Endorsement Terhadap Minat Beli Melalui Brand Image. *Jurnal Riset Manajemen Dan Bisnis*, *14*(2), 83. https://doi.org/10.21460/jrmb.2019.142.338

Prayudi, D., & Oktapiani, R. (2023). Nano-Influencers on Social Media As An Effective And Efficient Marketing Promotion. *Management and Accounting Expose*, *6*(2).

Prastyanti, R. A., & Sharma, R. (2024). Establishing Consumer Trust Through Data Protection Law as a Competitive Advantage in Indonesia and India. *Journal of Human Rights, Culture and Legal System*, *4*(2), 354–390. https://doi.org/10.53955/jhcls.v4i2.200

Saberi, R., & Sadeghi, S. (2022). The Future of Global E-Commerce Regulation: Legal Challenges in Ensuring Fair Competition, Consumer Rights, and Data Protection. *Legal Studies in Digital Age*, *1*(1), 39–52.

Shaik, D., & Poojasree, Ms. V. (2021). Consumer Protection in E-Commerce: A Legal and Compliance Framework in the Digital Market. *Proceedings of the 1st International Conference on Law and Human Rights 2020 (ICLHR 2020)*, *549*(Iclhr 2020), 18–23. https://doi.org/10.2991/assehr.k.210506.004

Sikder, A. S., & Allen, J. (2013). An In-depth Exploration of Emerging Technologies and Ethical Considerations in Cross-border E-commerce: A Comprehensive Analysis of Privacy, Data Protection, Intellectual Property Rights, and Consumer Protection in the context of Bangladesh. *International Journal of Imminent Science & Technology.*, *1*(1), 116–137. https://doi.org/10.70774/ijist.v1i1.15

Triasih, D., Rini Heryanti, B., & Pujiastuti, E. (2019). Optimization of Legal Protection for Consumers in the On Line Sale and Purchase Agreement. *KnE Social Sciences*, *3*(14), 137. https://doi.org/10.18502/kss.v3i14.4304

Urdea, A. M., Constantin, C. P., & Purcaru, I. M. (2021). Implementing experiential marketing in the digital age for a more sustainable customer relationship. *Sustainability (Switzerland)*, *13*(4), 1–17. https://doi.org/10.3390/su13041865

Undang-Undang Republik Indonesia Nomor 8 Tahun 1999 tentang Perlindungan Konsumen

Undang-Undang Republik Indonesia Nomor 11 Tahun 2008 tentang Informasi dan Transaksi Elektronik jo. UU Nomor 19 Tahun 2016.

Undang-Undang Republik Indonesia Nomor 27 Tahun 2022 tentang Perlindungan Data Pribadi.

Wolfgang Kerber. (2016). Digital markets, data, and privacy: Competition law, consumer law, and data protection Joint Discussion Paper Series in Economics by the Universities of Wolfgang Kerber Digital Markets, Data, and Privacy: Competition Law, Consumer Law, and Data. *Gewerblicher Rechtsschutz Und Urheberrecht. Internationaler Teil (GRUR Int)*, *11*(11), 1–18.