



## Low-Cost Digital Business Models: A Study of Potential and Challenges

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### ABSTRAK

Transformasi digital telah membuka peluang baru dalam dunia kewirausahaan, terutama bagi individu yang ingin memulai bisnis dengan keterbatasan modal. Penelitian ini bertujuan untuk menganalisis secara mendalam peluang dan tantangan bisnis digital bermodal minim di Indonesia. Menggunakan pendekatan deskriptif kualitatif, metode Systematic Literature Review (SLR) digunakan untuk menelaah berbagai literatur yang relevan, serta dilengkapi dengan wawancara kepada pelaku usaha digital skala kecil. Hasil penelitian menunjukkan bahwa model bisnis seperti e-commerce, dropshipping, pemasaran afiliasi, dan jasa digital (desain grafis, penulisan konten, dll.) menawarkan fleksibilitas tinggi dan efisiensi operasional tanpa memerlukan investasi fisik besar. Teknologi digital juga memungkinkan UMKM menjangkau pasar yang lebih luas melalui media sosial dan platform daring lainnya. Namun demikian, terdapat sejumlah tantangan seperti persaingan pasar yang ketat, keterbatasan literasi digital, kendala dalam membangun kepercayaan konsumen, serta keterbatasan modal untuk ekspansi usaha. Untuk mengatasi tantangan tersebut, pelaku usaha dituntut untuk memiliki pemahaman tentang strategi pemasaran digital, keterampilan teknologi, serta inovasi berkelanjutan. Kesimpulannya, bisnis digital bermodal kecil dapat menjadi solusi inklusif dalam mendorong pertumbuhan ekonomi dan memperluas kesempatan kerja di era digital.

**Kata Kunci:** Bisnis Digital, Modal Minim, Kewirausahaan, UMKM, Literasi Digital.

### ABSTRACT

Digital transformation has opened up new opportunities in the world of entrepreneurship, especially for individuals who want to start a business with limited capital. This study aims to analyze in depth the opportunities and challenges of low-capital digital businesses in Indonesia. Using a qualitative descriptive approach, the Systematic Literature Review (SLR) method was used to examine various relevant literature, supplemented by interviews with small-scale digital business actors. The research findings indicate that business models such as e-commerce, drop shipping, affiliate marketing, and digital services (graphic design, content writing, etc.) offer high flexibility and operational efficiency without requiring significant physical investment. Digital technology also enables MSMEs to reach a wider market through social media and other online platforms. However, there are several challenges, such as intense market competition, limited digital literacy, obstacles in building consumer trust, and limited capital for business expansion. To overcome these challenges, business operators are required to have an understanding of digital marketing strategies, technological skills, and sustainable innovation. In conclusion, small-scale digital businesses can serve as an inclusive solution to drive economic growth and expand employment opportunities in the digital age.

**Keywords:** Digital Business, Minimal Capital, Entrepreneurship, MSMEs, Digital Literacy.

### INTRODUCTION

In 2002, the global market experienced significant changes that had a widespread impact, particularly in the business world. One of the most fundamental changes was the rapid development of the internet, which exceeded expectations from the previous year. The internet began to dominate almost all aspects of life, including the business sector, and was predicted to become the main backbone of various

industries. This development opened up significant opportunities in the digital business realm. Despite the global economic downturn caused by the crisis, the internet-based sector demonstrated impressive growth. This indicated that information technology could be optimally utilized as a new medium for conducting business. The concepts of e-Commerce and e-Business not only offer new ways of conducting transactions but also unlock great potential for expanding markets and improving operational efficiency. With the right approach from concept, strategy, to business mindset digital transformation can be a solution to address global economic challenges while creating profitable business opportunities (Daniel & Wilson, 2003).

On the other hand, the entrepreneurial spirit to expand globally continues to grow, driven by rapid developments in information technology. Although Indonesia's technological infrastructure is still lagging behind, this situation presents a unique challenge for businesses to be more creative in finding alternative solutions. The slow progress of infrastructure is not entirely an obstacle, but rather encourages the emergence of new innovations. This article is designed to discuss the development of information technology, starting from the evolution of personal computers (PCs), the current state of technology, to future predictions. By understanding the evolution of technology and its relevance to the needs of businesses, we can identify new business patterns and how to anticipate them wisely (Utomo & Cham, 2023; Sutisna, 2025).

Business itself is an activity carried out by individuals or groups with the aim of providing goods or services to make a profit. In the book *Introduction to Business* by Hadion Wijoyo and colleagues, business is defined as a system for providing goods and services to support the smooth running of the economic system. In a broader sense, business encompasses all activities involved in producing and distributing goods or services to meet the daily needs of society (Nazaruddin et al., 2024). Therefore, many individuals choose to start a business as a solution to meet their living needs, whether they already have a steady job or are unemployed. The type of business undertaken can be tailored to market needs or personal skills. Not all businesses need to start with large capital many successful businesses begin on a small scale, with limited capital but full of enthusiasm and creativity. To compete effectively, aspiring entrepreneurs must possess skills, knowledge, and a high level of confidence. Especially in the rapidly evolving digital age, opportunities for low-capital businesses are now more widely available than ever. The digital world offers unprecedented access and efficiency (Yuwono et al., 2024).

Digital refers to electronic technology that enables the storage, processing, and transmission of various types of data. In Indonesia, digital technology is growing rapidly, driven by the increasing penetration of the internet even to remote areas. This opens up great opportunities for businesses, especially those with limited capital. According to the journal *E-Business: Technology and Business Opportunities in Indonesia*, digital transformation enables entrepreneurs to run businesses through online platforms such as social media, e-commerce, and web applications at lower operational costs compared to conventional businesses. One form of digital business that can be started with minimal capital is e-commerce. With the increasing number of internet users, platforms like Tokopedia, Bukalapak, and Shopee allow anyone to open an online store without needing a physical store. Operational costs can also be minimized, providing

extensive opportunities for new businesses to grow, especially with the right digital marketing strategies (Widhianto, 2002).

In addition, affiliate marketing is also an attractive alternative. Through affiliate programs, individuals can earn commissions from the sales of products they promote. The capital required is relatively small, consisting mainly of digital marketing skills, such as managing social media or utilizing SEO (Search Engine Optimization). Digital services businesses are also a potential option. Individuals with skills such as graphic design, content writing, or website development can offer their services online through platforms like Fiverr or Upwork. This business model is highly flexible, does not require a physical office space, and can be operated from home with minimal capital (Aristi & Pratama, 2021).

Although it offers many opportunities, digital business also has its own challenges. It requires technological capabilities, an understanding of the digital market, and the ability to adapt to rapid changes. Digital transformation does provide broad market access and high efficiency, but it also demands adequate technological proficiency to remain competitive. In the case study of SMEs, the implementation of digital marketing through social media has proven effective in expanding market reach and reducing promotional costs. This demonstrates that with the right strategy, even small-scale businesses can compete in the global market (Amarasekara & Mathrani, 2015).

The purpose of this study is to examine in depth the opportunities and challenges in developing low-capital digital businesses in the era of information technology transformation. This study aims to analyze how the development of information technology, particularly the internet, has influenced changes in business patterns both globally and locally. Additionally, this study seeks to identify various forms of digital businesses that can be operated with limited capital, such as e-commerce, affiliate marketing, and digital services, as well as examine the factors influencing the success of small-scale digital businesses, including individual skills, digital marketing strategies, and the utilization of online platforms. This research also seeks to explain how infrastructure limitations in Indonesia can be overcome with creativity and innovation in utilizing digital technology. Finally, this research aims to formulate strategies and practical recommendations for prospective entrepreneurs, especially MSME players, to be able to build and develop digital businesses efficiently and competitively amid the challenges of the current digital era.

## **LITERATURE REVIEW**

### **E-BUSINESS AND DIGITAL BUSINESS OPPORTUNITIES**

In the digital age, developments in information technology have opened up a range of new business opportunities that can be pursued with minimal capital. E-business has become one of the fastest-growing sectors, offering individuals and companies alike a wide range of opportunities to run their businesses efficiently and extensively. E-business encompasses various business activities that utilize internet technology to enhance operational efficiency and expand market reach. By leveraging digital platforms, entrepreneurs can reduce operational costs typically required in conventional businesses, such as rental costs for business premises and traditional marketing expenses. (Paul et al., 2023)

Furthermore, digital transformation in business allows anyone to participate in the digital economy with relatively small capital. Opportunities available in this sector include e-commerce, digital marketing, affiliate businesses, and digital-based services such as graphic design, content writing, and software development. With the right strategy, digital businesses can grow rapidly even when started with limited resources.

### **STARTING A BUSINESS WITH SMALL CAPITAL**

One of the main factors that encourage someone to start a business is the availability of capital. However, in the context of digital business, the capital required to start a business can be much lower than that of a conventional business. Digital-based home businesses can be started with minimal capital because they do not require a physical business location and can be run using existing devices, such as computers or smartphones (Anwar & Daniel, 2021).

Some digital business models that can be started with minimal capital include drop shipping, affiliate marketing, and skill-based services. Drop shipping, for example, allows someone to sell products without having to keep inventory, thereby reducing the need for initial capital. Meanwhile, affiliate marketing provides individuals with the opportunity to earn commissions from product sales without having to produce or supply the products themselves (Muafi et al., 2021).

### **DIGITAL TRANSFORMATION IN THE BUSINESS WORLD**

Digital transformation has become an important element in the development of modern business. Digital business strategies must accommodate changes in consumer behavior, which is increasingly dependent on technology. In this case, the use of digital technology can help businesses improve operational efficiency, optimize marketing, and build better interactions with customers. The use of digital technology in business has also been proven to help national economic growth. Digitalization promotes local products, thereby expanding market reach to an international level. This demonstrates that business digitalization is not only relevant for large businesses but also for SMEs seeking to grow their businesses more efficiently (Niranga et al., 2022).

### **DIGITAL BUSINESS STRATEGY WITH MINIMAL CAPITAL**

Various strategies have been developed to help entrepreneurs leverage digital technology without requiring large investments. Starting a business from home with minimal capital can be a solution for many people who want to enter the business world. One strategy that can be implemented is to leverage e-commerce platforms and effective digital marketing (Firmansyah et al., 2024). Business models such as drop shipping and affiliate marketing allow individuals to run a business without having to hold inventory or maintain a physical storefront. By optimizing social media and search engine optimization (SEO), business owners can enhance their business visibility without incurring substantial costs for traditional advertising (Almtiri et al., 2023).

## **METHODS**

This research is a qualitative descriptive study that aims to analyze in depth the challenges and opportunities of entrepreneurship in the digital age, particularly in the context of low-capital digital businesses in Indonesia. The method used in this study is a Systematic Literature Review (SLR), which enables researchers to comprehensively examine, review, and interpret various relevant scientific works based on specific and targeted research questions. Data was obtained from various literature sources, such

as books, scientific journals, academic articles, and research reports closely related to the topic of digital entrepreneurship (Hall & Liebenberg, 2024).

In addition to relying on literature studies, this research also includes interviews with several digital business players who have started their businesses with small capital. This was done to obtain a direct perspective on the real challenges they face and the strategies they apply in developing their businesses. Using a qualitative approach, this study aims to collect data holistically to gain a deeper understanding of the dynamics of digital business, including technological aspects, digital marketing, and changes in consumer behavior within the Indonesian digital market (Varona et al., 2021).

The collected data is analyzed thematically to identify patterns, trends, and key issues that emerge from the phenomenon of low-capital digital businesses. The findings of this study are expected to provide a clear picture of the various opportunities that entrepreneurs can take advantage of in starting and developing digital businesses, as well as contribute to the development of literature in the field of digital entrepreneurship in Indonesia.

## DISCUSSION

### **DIGITAL BUSINESS OPPORTUNITIES WITH MINIMAL CAPITAL**

The rapid development of digital technology has opened up various new business opportunities, especially for individuals with limited capital. Digital-based businesses offer advantages in terms of cost efficiency, time flexibility, and broad market access. Unlike conventional business models that require significant investment in physical infrastructure, digital businesses can be operated with basic technology devices and an internet connection. This enables anyone including micro, small, and medium-sized enterprises (MSMEs) to start and grow a business with limited resources (Almtiri et al., 2023).

In Indonesia, various types of digital businesses have experienced significant growth, such as e-commerce, dropshipping, affiliate marketing, freelance services (graphic design, content writing, social media management), as well as online education and digital consulting. Digital technology also allows MSMEs to expand their market reach through internet-based marketing strategies, reducing their dependence on conventional promotional methods that tend to be expensive and geographically limited (Ohara et al., 2024).

This digital transformation has driven a shift in business models from physical to platform- and data-based. The use of social media, e-commerce platforms, and instant messaging apps has become an integral part of modern business operations, even for home-based businesses. With this approach, business owners can start their businesses independently, quickly, and efficiently, while adapting to the ever-changing dynamics of the market (Mardiana & Latif, 2025).

### **DIGITAL MARKETING STRATEGIES IN BUSINESSES WITH MINIMAL CAPITAL**

In the context of low-capital digital businesses, effective marketing strategies are key factors in achieving business growth and sustainability. Digital marketing allows businesses to promote their products or services widely at a much lower cost than conventional advertising. Advances in information technology

provide access to various marketing channels that can be optimized according to market segmentation and consumer characteristics (Alalwan et al., 2017).

Some relevant digital marketing strategies include:

#### 1. Use of Social Media

Platforms such as Instagram, Facebook, and TikTok have become the primary media for branding, promotion, and direct interaction with consumers. Engaging and consistent visual content can build loyalty and increase brand awareness.

#### 2. Affiliate Marketing

This system allows individuals to market other people's products and earn commissions on each transaction, without having to own or manage their own inventory. This is ideal for novice businesspeople.

#### 3. Search Engine Optimization/SEO

SEO helps increase business visibility on search engines such as Google. With the right keywords, websites or digital platforms can attract visitors organically without advertising costs.

#### 4. E-commerce and Dropshipping (Setiawan et al., 2021).

The dropshipping model allows businesses to sell products directly from suppliers to consumers without the need to store goods, manage warehouses, or handle shipping themselves—thereby reducing initial capital requirements. The synergistic application of these strategies can drive business growth and strengthen a business's position in the competitive digital marketplace.

### **CHALLENGES IN RUNNING A DIGITAL BUSINESS WITH MINIMAL CAPITAL**

Although offering many conveniences and opportunities, digital businesses with minimal capital also face quite complex challenges. Competition in the digital world is very high due to low barriers to entry and widespread access to technology. Therefore, a deep understanding of digital marketing strategies, business management, and adaptation to technological changes and consumer preferences is required (Martin & Matlay, 2003).

Some of the main challenges often faced by digital businesses with limited capital include:

#### 1. Intense Competition

The growing number of digital businesses has created a highly competitive market. Continuous innovation, product differentiation, and unique promotional strategies are key to survival.

#### 2. Limited Capital for Business Development

Even with low initial capital, expanding a business to a larger scale still requires additional funds for infrastructure, human resources, or product development.

#### 3. Consumer Trust and Transaction Security

Building a credible reputation in the virtual world requires time and consistency. Customer data security is also an important factor in maintaining public trust.

#### 4. Digital Skills and Technology Literacy

Business owners must have skills in digital marketing, data analytics, and digital platform management in order for their businesses to grow sustainably (Alford & Page, 2015).

### OPPORTUNITIES AND CHALLENGES: REFLECTIONS ON MINIMAL CAPITAL DIGITAL BUSINESS

The results of the literature review show that the potential for digital business in Indonesia is still very large, especially in the micro and small segments. Some of the main opportunities that can be exploited include:

#### 1. Unlimited Market Access

Digital platforms enable broad market reach, transcending geographical and time boundaries, even extending to international markets.

#### 2. Cost Efficiency and Process Automation

Digital technology supports operational automation, from payments and transaction recording to shipping, thereby reducing costs and improving efficiency.

#### 3. Flexibility and Diversification of Business Models

Models such as dropshipping, affiliate marketing, or freelance services allow entrepreneurs to run various types of businesses at once, without having to make large investments.

However, several key challenges remain to be addressed, such as:

#### 1. Lack of Digital Literacy Among MSMEs

Many business owners are still unfamiliar with digital marketing strategies or online platform management, so they need training and guidance.

#### 2. Dependence on Third-Party Platforms

The use of platforms such as marketplaces or social media makes businesses vulnerable to changes in algorithms, policies, or service fees.

#### 3. Regulatory Uncertainty and Digital Consumer Protection

There needs to be clear regulations and legal protection for consumers and businesses so that the digital business ecosystem can grow in a healthy way (Wirapraja & Aribowo, 2024).

## CONCLUSION

Based on the results of research and analysis that has been conducted, it can be concluded that digital business is a very promising alternative for anyone who wants to start a business with limited capital. The use of digital technology allows individuals and business actors to run businesses more efficiently, flexibly, and cost-effectively, without having to rely on expensive physical infrastructure. Various digital business models such as e-commerce, affiliate marketing, and digital-based service providers (e.g., graphic design, content writing, and online consulting) have become strategic options that are easily accessible to diverse segments of society.

The main advantage of digital businesses lies in their ability to reach a wide market without geographical limitations, flexibility in terms of time and place, and high operational efficiency. However, success in running a digital business is not without its complex challenges, including increasingly fierce market competition, limited capital for expansion, and the need to build consumer trust in online transactions. To address these challenges, businesses must have a strong understanding of digital marketing strategies, master information technology skills, and be able to adapt to the ever-evolving dynamics of the digital market. The implementation of appropriate strategies and the optimal use of technology are key to enhancing competitiveness and ensuring the sustainability of businesses in the digital age.

Thus, digital businesses based on minimal capital are not only an innovative solution for individuals who want to start their own businesses, but also have the potential to contribute significantly to national economic growth. Therefore, it is important for business actors and stakeholders to continue to promote digital literacy, business model innovation, and strengthening the digital ecosystem as part of a technology-based economic development strategy for the future.

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