Benefits of Building a Startup in the Era of Digitalization

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Abstract: This research aims to obtain concepts and information about the benefits gained from building a start-up in the digital era. The sources of this research are online news, articles, and YouTube. This research was conducted over the last three years, from 2021 to 2023. Data sources were selected based on the credibility and suitability of the data for the problems studied. Data processing uses Nvivo 12 Plus software. There are 4 stages in the process of data processing: data input, coding, visualization, and conclusion determination. The research findings showed 5 advantages of Start-ups in the Digital Era. Firstly, they have a broad market share and do not lag behind others. Secondly, there is no need to determine a good or strategic location. Thirdly, they have a mastery of digital technology. Fourthly, the cost of capital is lower. Fifth, it can change people's mindsets so that it can reduce unemployment. This research can be used by other researchers who require information on the concepts and benefits of developing Start-ups. The results of this research can be used by Start-up businesspeople, if they wish to build a Start-up in the era of digitization.

1 INTRODUCTION

The key to Start-up is the ability to grow. Start-ups are companies designed to grow quickly. Start-ups focus on growth that is not limited by geography, which differentiates them from small companies and small businesses. The Internet is one of the factors responsible for the rapid growth of Start-ups. According to Alves, the Internet has become a "necessity" today. The Internet brings revolutionary changes and creates a new environment that marks a time of social transition.

The digital industry has provided many opportunities for businesses. The burgeoning number of StartUps in Indonesia indicates that this sector is very promising. In fact, the development of Start-ups in Indonesia is now continuing to achieve positive performance that can boost the national digital economy.

In this regard, Indonesia has succeeded in entering the ranks of countries that have the most start-ups in the world. As of March 22, 2023, 2,502 start-ups were found in the country, and this placed Indonesia in 6th position globally, according to the Start-up Ranking report.

Indonesia is among the countries with the highest number of Start-ups in the world. According to Start-up Ranking data as of 14th June 2023, there are 2,482 Start-ups in the country. This number places Indonesia in sixth place in the world, beating Germany and France. The United States occupies the top position with the largest number of Start-ups in the world. There are 74,827 Start-ups in Uncle Sam's country. India ranks second in the country with the largest number of start-ups in the world, namely 15,367 startups. Then, England is in third place with a total of 6,826 startups. Furthermore, Canada is in fourth place with the number of startups of 3,704 startups. Fifth place is occupied by Australia which has a total of 2,634 startups. On the other hand, Brazil is ranked 10th in the ranks of countries with the largest number of startups currently. The number is 1,178 start-ups (Annur, 2023). With the increasing presence of start-ups in the country, Coordinating Minister for the Economy Airlangga Hartanto stated that the potential for Indonesia's digital economy is very significant. This is demonstrated by Indonesia's success in becoming a major digital player in the Southeast Asian region.

Digital start-ups that are emerging today offer a variety of products and services. These benefits should be enjoyed by the younger generation, who bring many ideas and creativity to their field. Another aspect is the product. In today's digital world, various types of start-ups are emerging amidst intense competition. Product ideas and creativity must attract

consumers who expect convenience and fast service. This technology is developing very rapidly. In this case, there is sufficient investment to support business processes.

In the era of information technology, start-up companies are increasingly emerging. A start-up is a new venture initiated by an organization founded by a founder who focuses on high growth, with risk or reward, and measurable market leadership potential. Start-ups typically focus on ideas, creativity, innovation, and the development of new products or services. These factors are considered when forming a company. Start-ups are closely related to organization and management, particularly in terms of leading people and organizations. Information technology (IT) is often crucial for the continuity of start-up businesses (Tanjung et al., 2021).

This paper examines different problems from previous research and aims to provide a symmetrical concept for building a start-up in the digital era. This research conducts a coding process from various sources, combines the codes into one visualization model, and draws conclusions using the principle of triangulation. The paper examines various issues from previous research and aims to provide a symmetrical concept for building a startup in the digital era. The research involves a coding process from various sources, which is then combined into one visualization model. Conclusions are drawn using the principle of triangulation.

The aim of this research is to explore the potential benefits of building a start-up in the digital era. The concept will be presented in detail to provide professionals and candidates with a clear understanding of the benefits that can be obtained. The research was conducted to formulate this concept and provide information for candidates interested in building a start-up.

The results of this research can benefit professionals and prospective entrepreneurs in the future. They can prepare themselves by strengthening their potential according to the candidate's needs. The information resulting from this research can serve as a basis for preparing standardized competency standards. Educational institutions and universities can also use this information to benefit students and the community. The information is designed to help prospective entrepreneurs develop their potential. This is particularly important as the world moves towards a digital era in various sectors, including start-ups, which are experiencing rapid changes.

2 LITERATUR REVIEW

Benefits are a form of indirect compensation that provides a sense of security to employees and their families. They are given to employees in the form of plans, such as health insurance and benefit packages, in addition to their basic salary. According to Mondy and Noe (2014), benefits are provided to improve employee welfare based on company policy. Hasibuan (2017) defines providing benefits as offering additional compensation, whether financial or non-financial, to all employees based on company policy to improve their welfare (Wening & Purnomo, 2019).

Start-up refers to the implementation of a business plan, where all planned and projected aspects are realized. Although often interpreted as a new business venture (Mulyani et al., 2023), start-ups are characterized by their flexibility in various aspects such as employees, infrastructure, products, and services. It is important to note that start-ups should adhere to conventional academic structures and maintain a formal register, avoiding biased or emotional language, colloquial words, and informal expressions. Additionally, precise word choice, grammatical correctness, and adherence to formatting guidelines are crucial.

Start-ups do not immediately generate large profits at the beginning, unlike conventional companies that may even turn a profit upon establishment. This is because start-ups require initial investment to develop their business. Start-ups often seek funding from external sources to survive and grow. Additionally, start-ups are closely associated with technology. Some start-up companies have the ability to turn technology into products and services offered to consumers (Ditamei, 2022).

Competence comprises five characteristics: skills, including the ability to plan, thoroughness, leadership, and collaboration; intellectual, emotional, and social intelligence; accurate planning, leading, and collaborating in groups. Secondly, motivation is the driving force behind a person's actions. Motives direct and influence behaviour towards certain goals or actions and away from others. For instance, an individual with achievement motivation consistently sets challenging goals for themselves, takes full responsibility for achieving them, and expects feedback to improve their performance. Third, traits refer to characteristics that influence how people behave or respond to certain situations, such as self-confidence, self-control, fortitude, or endurance. Fourth, attitudes are the values and beliefs that a person holds. These can be measured through tests to

determine a person's values and interests. Fifth, knowledge refers to the information that a person possesses in a particular field. It is a complex competency. Knowledge tests assess a participant's ability to select the most appropriate answer, but they do not indicate whether the individual can perform the job based on their knowledge. A high-quality literature review should not only summarize previous relevant research but also critically evaluate, reorganize, and synthesize the work of others (Leedy & Ormrod, 2005, p. 84).

3 METHODS

This research employs qualitative research methods through a systematic literature review approach. The literature reviewed is not limited to research articles but also includes credible sources obtained online, such as YouTube, online news, and social media. The data is searched using relevant keywords that match the research question. It is important to ensure that all data sources are credible. The reason for using this data is its easy accessibility and availability on the internet (Hafidhah & Yandari, 2021). The selected data sample includes information published between 2021 and 2023. Data processing was conducted using NVivo 12 Plus software, which was chosen for its ability to produce coding visualization images and user-friendly interface (Tambun & Sitorus, 2023).

The data processing process with NVivo involves four stages: data input, coding, visualization, and conclusion (Sitorus & Tambun, 2023). The first stage, data input, can be carried out using either internal or external methods. Internal data refers to data that is already available on the laptop, such as research articles, and is inputted into NVivo without using an internet connection. Meanwhile, external data refers to data that is imported into NVivo through an internet connection. The data import process utilises the NCapture for NVivo feature. Examples of external data include YouTube videos, online news articles, and various social media platforms. The second stage involves coding the data based on the research question. Coding involves using simple words or sentences as answers to the research questions. During this stage, the research data undergoes content analysis, which involves understanding the words or sentences used (Tambun, 2021). For YouTube or social media videos, coding is done after transcribing the content. The analysis involves creating transcripts and then carrying out the coding process (Salahudin et al., 2020). The third stage involves creating a visualization image of the

coding. Visualization coding is a collection of code that creates an image. Coding images are linked to various data sources and are analyzed to draw research conclusions. The fourth stage involves determining research conclusions, which are the answers to research questions. These answers can be found in the existing coding. The validity of the code is considered strong if it is confirmed by various data sources. Coding validity is considered strong if it is confirmed at least three times from various data sources. This principle measures coding validity using the triangulation method (Natow, 2020). The coding is then sorted based on the number of confirmations, with the coding that has the most confirmations being prioritised. These codings are used as answers to research questions and as research conclusions.

4 RESULTS AND DISCUSSION

The research yielded a total of 10 sources, including 4 articles, 4 online news articles, and 2 YouTube videos. The coding process was conducted using Nvivo 12 Plus Software. Five valid codes were identified from the data source, each confirmed at least three times. The resulting coding is presented in the visualization below.
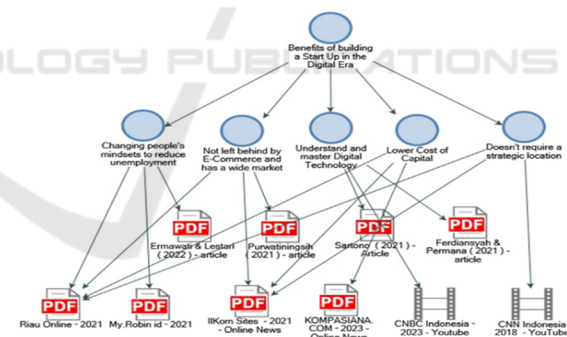

Figure 1: Visualisasi Codings.

The coding in Figure 1 is a result of research questions. The coding results from the content analysis of the various data being studied. The coding process utilizes the facilities in Nvivo 12 Plus software. The table below summarizes the identity of each coding created.

Table 1: Coding Recapitulation.

No.	Coding	Intensity	Reference
1	Has a wide market so it is not left behind by E-Commerce	3	● (Purwatiningsih, 2021) ● (Ginting, 2021) ● (Abdillah, 2021)
2	Doesn't require a strategic location	3	● (Ginting, 2021) ● (Abdillah, 2021) ● (CNN, 2020)
3	Understand and master digital technology	3	● (Sartono, 2021) ● (CNBC, 2023) ● (Okky Ferdiansyah & Permana, 2022)
4	Has a lower cost of capital	3	● (Rifai, 2021) ● (Abdillah, 2021) ● (Ginting, 2021)
5	Changing People's Mindset and Reducing Unemployment	3	● (Ermawati et al., 2022) ● (Ginting, 2021) ● (Wisnu, 2023)

1. Has a Wide Market So That It Is Not Left Behind by E-Commerce

Start-up has a large market because Start-up itself is a unicorn, so it can be said to have many communities. Therefore, they can balance their position with e-commerce. Digital campaigns are carried out technologically to achieve wide media reach. Start-ups also have a competitive advantage over e-commerce as more and more e-commerce retailers emerge. In the world of digital marketing, including online stores and new markets, mastering big data and complete infrastructure is essential for competition. Sales techniques, both online and offline, are highly competitive (Purwatiningsih, 2021). Effective ways to create added value and expand market reach include partnerships or collaborations with other companies. Start-ups can increase their revenue and customer base by forming partnerships. Collaborating with reputable companies can enhance customers' trust in Start-ups (Wisnu, 2023).

2. Does Not Require a Strategic Location

Technological advances have enabled entrepreneurs to develop their businesses in a competitive environment. In the current start-up landscape, strategic locations are no longer a necessity. The most important factor in the start-up process is to utilize the internet as a basis for making maximum use of technology. By doing so, start-ups can avoid the need to rent or spend a lot of money on space, which can greatly affect their progress. Therefore, with today's technological advances, location is no longer a primary concern.

3. Understanding and Mastering Digital Technology

The advancement of technology and the internet has brought about changes in various aspects, including the way society communicates. While traditional communication and interaction were primarily face-to-face, nowadays, various online applications have made it possible to communicate remotely (Febrian et al., 2021). Start-ups, in particular, tend to have a close relationship with technology due to its strong potential for development. One of the biggest obstacles is the problem of an unsupported network. To mitigate this risk, it is important to connect with like-minded entrepreneurs and collaborate. Increasingly, people are turning to the digital environment for income and employment opportunities, particularly as traditional sectors are impacted by the coronavirus pandemic (Sartono, 2021).

4. Has Lower Cost of Capital

Start-ups typically have lower overhead costs than traditional businesses, which can result in lower prices for consumers, making products and services more accessible. In general, start-ups can have a positive impact on society by providing innovative solutions to problems, creating jobs, improving the economy, encouraging innovation, and reducing costs (Rifai, 2021). They leverage digital technology to automate business processes and reduce dependence

on expensive physical infrastructure. Similar to utilising a cloud computing platform, Start-up Digital can decrease expenses related to data storage and has the ability to scale in a flexible manner.

5. Changing People's Mindset and Reducing Unemployment

In the digital era, the internet has made it possible for anyone to start their own business. Technological advancements have made business operations more efficient and convenient, as most processes can now be conducted online without incurring significant costs. Establishing a start-up in the digital era offers numerous benefits, including cost reduction, location independence, and the potential to improve people's quality of life by solving complex daily problems. Start-ups are emerging in various categories, such as web-based businesses, financial technology, health technology, agritech, educational technology, and more. For instance, online start-ups offer a platform for micro, small, and medium enterprises (MSMEs) to market their products, enabling them to expand more rapidly (Zulianti & Aslam, 2022; Ermawati et al., 2022).

5 CONCLUSIONS

The research results answer the questions posed in the title. Building a start-up in the digital era has five advantages that can impact those involved in the start-up. The research findings suggest that successful start-ups in the digital era require a wide market reach, proficiency in digital technology, lower capital costs, and a shift in mindset towards entrepreneurship. It is important to avoid relying on a strategic location. The research findings suggest that successful start-ups in the digital era require a wide market reach, proficiency in digital technology, lower capital costs, and a shift in mindset towards entrepreneurship. The research findings suggest that successful start-ups in the digital era require a wide market reach, proficiency in digital technology, lower capital costs, and a shift in mindset towards entrepreneurship. The language used in the text has been revised to ensure objectivity, clarity, and precision. The text has been structured logically with causal connections between statements. The grammar, spelling, and punctuation have been corrected. The text adheres to academic conventions and style guides. No additional aspects have been added to the content. This research provides evidence

that many business processes are carried out digitally over long distances. Based on this research, it is recommended that further research be conducted on the benefits of digital start-ups for those interested in opening a digital-based business.

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