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## **THE PHENOMENON OF THE BRICK AND CLICK STRATEGY IN EMPOWERING BUSINESS ECOSYSTEMS IN THE DIGITAL AGE**

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### **ABSTRACT**

The rapid development of the digital era has spawned various strategic methods or techniques that can be used by business actors both online and offline. Brick and Click is one of the business strategies used by companies to integrate offline and online businesses into one unit that is currently being loved by consumers and business movers. The purpose of this research is to find out more deeply about the phenomenon of implementing the Brick and Click strategy used by business activists in Empowering Business Ecosystems in the Digital Age. In this study used a qualitative research method with a phenomenological approach where researchers collected data by interviewing 4 main participants and 2 participants as triangulation who had carried out the Brick and Click strategy for approximately one year. After the data is collected, the data is sorted and analyzed and finally conclusions are drawn. The research results produced four themes in the Brick and Click method, namely the concept of the Brick and Click method, how to implement the Brick and Click method, the obstacles and advantages of the Brick and Click method, and the role of inventory management. The use of the Brick and Click strategy provides great benefits for business drivers and consumers.

Keywords: brick and click strategy; business ecosystem; digital era

### **INTRODUCTION**

The development of information and communication technology has entered and been integrated into the realm of the business world. The era of digital innovation is marked by the emergence and development of various systems that can be used by business or business movers to further develop themselves and even survive in the midst of competition from many other business activists. Various innovations interlocked emerged and controlled the product marketing system to consumers, of course with interesting innovations and needed by consumers. Companies that are able to improvise and adapt to technological developments will be able to survive, whereas companies that are not ready to accept this challenge will be increasingly left behind and cause losses for the company.(Santoso, 2020).

The globalization of technology has changed the ecosystem of organizations or companies into digital business ecosystems. Digital-based business ecosystems are economic communities that interact using digital media to produce goods and services including marketing and payment processes. With this digital system, online and offline businesses can be run simultaneously, highlighting the advantages of each product or service to consumers(Sundah, 2020). The digital business ecosystem (DBE) provides great opportunities for entrepreneurs or business activists, especially small businesses and household businesses, especially those in remote and less developed areas. The flow of globalization of the digital business ecosystem is able to encourage local economic growth, preserve local knowledge, product identity of a region and overcome the gaps that arise between business actors. This ecosystem also triggers all projects in various sectors to switch to digital-based dynamic networks(Arianto, 2021).

*Brick and Click* is one of the innovations in technological developments in the digital-based business world. This business model is used by merchants to simultaneously operate online stores and physical retail outlets. In other words, retail traders make it easy for their customers to shop online and offline. If we look at current trends, the e-commerce industry is popular in Indonesia. On the other hand, it is a mandatory priority for most retailers to own a physical building. This explains why most retailers take steps to synchronize the two. Not long ago, small retailers were annoyed by their giant counterparts. It is undeniable how a giant retailer like Carrefour takes a bigger portion of the cake. (Shadrina, 2017).

The rapid growth of technology in various fields began with the Covid-19 pandemic attack which forced everyone to continue to meet personal needs, both as consumers and business drivers. This pathological situation actually stimulates the innovation of business activists to maintain their business, even if it is possible to increase product production and marketing (Nasution et al., 2020). Based on research conducted by (Rofiq et al., 2020) stated that the existence of digital marketing is able to open up opportunities and expand market share which was previously limited to distance, time, and means of communication. The ease of internet access, which is currently also felt by the people of Indonesia, is a support for digital marketing to run smoothly. If the implementation of digital marketing runs smoothly, it will certainly simplify the transaction process and of course be able to increase sales volume. Digital marketing is also an effective strategy that can be chosen by business actors during the Covid-19 pandemic. The aim of this research is to determine the experience of business actors in using the brick and click method

## **METHOD**

This study uses a descriptive phenomenological approach, which means that the research focuses on investigating phenomena which consist of three steps, namely intuitive, analyzing, and describing. The scope of this research is business activists who have implemented the Brick and Click method, which is determined using a purposive sampling technique. The researcher used 4 main participants and 2 triangulated participants to validate the data previously obtained from the main participants by conducting in-depth interviews. The data obtained from triangulated participants will be matched with data from the main participants by matching the categories from the results of the interview transcripts of each participant. Complete and validated data will be the basis for drawing conclusions. With this technique, it is expected that the data collected fulfills the conclusion drawing construct. This combination of triangulation was carried out simultaneously with activities in the field, so that researchers could record complete data. So it is hoped that the data collected is feasible to use. Instruments or data collection tools used in this study were: guide questions, stationery, voice recorders and digital cameras in the form of smartphones. The technique used in the analysis of this research data is using Colaizzi's steps. Instruments or data collection tools used in this study were: guide questions, stationery, voice recorders and digital cameras in the form of smartphones. The technique used in the analysis of this research data is using Colaizzi's steps.

## **RESULTS AND DISCUSSION**

The results of this study are the result of in-depth interviews with 4 main participants (p1-p4) and 2 triangulation participants (p5-p6) as well as field notes used during the interviews. Data analysis was carried out using techniques from Colaizzi: The themes obtained were: what is Brick and Click, how to run a Brick and Click business, the obstacles and advantages of the

## Brick and Click method and the role of inventory management.

### 1. What is Brick and Click

The Brick and Click model can be classified as a new model which is an innovation in the digital-based business world that combines online and offline sales, this is in line with what was stated by the participants.

"The Brick and Click business strategy is a new business strategy that we have implemented to increase our business sales, where this business was initially difficult and required time to understand in detail how to operate it" (P1).

"Brick and Click is a digital-based business strategy, and at this time it makes it very easy to run our business, at first we had a bit of difficulty in running it because displaying products in cyberspace was apparently not as easy as it looks than displaying products directly" (P3,)

"There are many types of digital business, one of which is Brick and Click which combines online and offline ways of selling products, consumers who want to see products in person can, who don't have time to come to the store, are assisted by viewing products online. Brick and Click is currently suitable and is warmly welcomed by the public or consumers" (P2, P4)

The above statement was also supported by triangulation participants who stated:

"The Brick and Click business strategy is a new business strategy that we have implemented, to increase our business sales, where this business combines online and offline sales methods" (P5)

### 2. How to run a Brick and Click business

The Brick and Click business is run by combining a physical store (Brick) and an online store (Click), where the Click method can be assisted by E-Commerce which is used to running business online with various models that consumers really like, this is in line with what was disclosed by participant.

"Brick and Click business is run by combining online and offline business models, Click means using the internet and Brick is a physical store that can be seen directly by consumers" (P1)

"In running the Brick and Click business, we are assisted a lot by E-Commerce companies which help in selling products online with various features that are liked by consumers, such as selling on social media" (P2)

"In running a Brick and Click business, an understanding of tools such as Google Trend and Google Analytics is required. Google trends helps in assessing all geographic locations where requests originate. It shows you the most popular searched items in real-time. Meanwhile, Google Analytics is used to check online fluctuations in sales" (P3, P4)

The above statement was also supported by triangulation participants who stated:

"Brick and Click business is run with the help of providers who are already engaged in the online business world such as E-Commerce with the help of Google Trend and Google Analytics applications. Google trends helps in assessing all geographic locations where requests originate. It shows you the most popular searched items in real-time. Meanwhile,

Google Analytics is used to check online fluctuations in sales” (P6)

### 3. Barriers and advantages of the Brick and Click method

The advantages of the Brick and Click method are that it allows for greater sales opportunities, with a wider consumer reach, and provides satisfaction to consumers who want to see products in person or online. While the obstacles that are often faced by business activists in implementing the Brick and Click method are adjustments to the use of the method by business activists, consumer complaints about goods sold online and the stigma that direct shopping is better than shopping in cyberspace. This is in line with the statements made by the participants.

"There are many advantages that can be felt in implementing the Brick and Click method, it is very helpful, especially dealing with consumers who don't want to be tired of coming to the store, but want goods that are suitable and good, especially the marketing area can be very broad and even reach remote areas" (P1)

"Basically all methods have their advantages and disadvantages, there are many advantages to be gained from implementing the Brick and Click method, especially the wide sales range and can minimize the number of employees who maintain the shop offline, but on the other hand there are also some consumers who do not prefer online purchases. online” (P2)

"The obstacle faced when running a business with the Brick and Click digital system for the first time was how to use online methods, starting from displaying attractive products online, then answering various consumer questions and even avoiding consumers who had bad intentions or unilateral cancellations from consumers on purchases product” (P3)  
The above statement was also supported by triangulation participants who stated:

"The advantages of using the Brick and Click method in the business that we are currently running are more in the increasing marketing reach and the number of consumers from various regions, but the level of awareness is also high for shadow consumers who have no intention or order but cancel unilaterally" (P6)

### 4. Inventory management role

Because the Brick and Click method offers products in two ways, of course, it will further increase sales of these products, this condition requires a greater supply of products than only sales made using the conventional (offline) method.  
This is in line with the statements made by the participants.

"Once in a season we only provided a moderate amount of product, but it turned out that the response from consumers to buy the product was very large, so we re-evaluated how to manage product inventory so that consumers were not disappointed because they ran out of products" (P2)

"By applying the Brick and Click method, product inventory must be added considering that the number of consumers who shop online is increasing and with a greater number of product purchases than consumers who shop at stores" (P4)

"The role of inventory management in the Brick and Click method is very important because it must be able to predict precisely the need for production, even if it runs out of

stock, it is attempted in a short time to meet consumer demand" (P3)

The above statement was also supported by triangulation participants who stated:

"Inventory management is part of the business movement that cannot be underestimated especially by implementing the Brick and Click method, the flow of interest and product circulation cannot be predicted because, everything that is marketed online will be easily and quickly accessible to everyone, especially products it is indeed good and many reviews by consumers who do not buy it. There will be times when inventory management is overwhelmed in providing products but there are also times when products will be left over" (P5)

In this section the researcher will discuss the results of the research in the form of themes that emerge from the data analysis that has been carried out. Four themes were obtained in this study, namely: 1) the concept of the Brick and Click method, 2) how to implement the Brick and Click method, 3) the obstacles and advantages of the Brick and Click method, 4) the role of inventory management. These themes will be described in the interpretation of the data and discussion of the results as follows:

1. The concept of the Brick and Click method

Brick & Click business is a business model used by merchants to operate online stores and physical retail outlets. Clicks (click) means using the Internet, while Bricks (brick) means using the building or store as a traditional sale. Business offline and online or brick and click is a business model in which a company is integrated both offline and online. Usually stores facilitate online purchases, but products can be picked up at local stores (Olsson & Högvik, 2021). Bricks and Clicks is a business model enabling small businesses to leverage two unique sales channels by implementing an integrated retail strategy. Combining the two channels with the Bricks and Clicks business model provides an opportunity for businesses to offer customers more shopping options while increasing their revenue and potential brand reach. (Luo & Sun, 2016). Brick & Click business is a business model used by merchants to operate online stores and physical retail outlets. In other words, retail traders make it easy for their customers to shop online and offline. If we look at current trends, the e-commerce industry is popular in Indonesia. On the other hand, it is a mandatory priority for most retailers to own a physical building. This explains why most retailers take steps to synchronize the two (Restuti, 2015).

2. How to run the Brick and Click method

Not long ago, small retailers were annoyed by their giant counterparts. It is undeniable how a giant retailer like Carrefour takes a bigger portion of the cake. Thanks to third-party e-commerce platforms trying to neutralize the imbalance, physical store owners can now make the most of the online space. E-commerce platforms can help in creating online stores quickly and easily and provide a golden opportunity to sell products in many places (Widiastuti & Djajalaksana, 2022).

Retailers need customer trend data from e-commerce sites and physical stores. Luckily, this is easy to get, all you need to do is get acquainted with platforms like Google Trends and Google Analytics to get accurate insights. Google Trends helps shop owners to find out customer data based on geographic location in real time. This can help shed some light on a particular segment in terms of its performance in different areas. Google Trends can be used immediately any time a user wants to measure interest in a particular product over a specified period of time (Agustin et al., 2022). Google Analytics can track all customer demographics and see all customer actions whenever they visit an online store. Easily

integrates with your website through a unique tracking ID. Google analytics is, no doubt, the tool that gives Bricks and Clicks store owners, tricks on how to speed up conversion rates and lower Bounce Rates. The combination of offline and online sales systems can complement each other to better serve the needs of your Brick and Click business. Technically, offline POS systems cannot sync with other devices (Restuti, 2015).

### 3. Barriers and advantages of the Brick and Click method

There are many dynamics that influence customer behavior to choose the nearest mall, rather than shopping online through their mobile devices. On the other hand, there are millennials who are tech-savvy and exhibit higher online shopping habits, but that doesn't mean they all have the patience to wait for orders to be delivered. This condition is the main reason why an e-commerce merchant needs to set up a store somewhere close to market demand. If customers experience constant delays with deliveries, they will definitely opt out of online shopping and as a result switch to going to physical stores (Nurmalia & Wija, 2018).

A retailer needs to know the topmost elements that control customer preferences between in-store and online shopping. Usually, going shopping at the mall has become a lifestyle for most consumers. A shopper wants to see and touch items before making a purchase. In addition, they may want to make comparisons with other brands at other retail stores. So it's important for businesses to record customers who have had bad experiences with online shopping (Yunita & Nazaruddin, 2023).

Another common obstacle is that the wrong item was purchased and does not match the product description, or perhaps they were not delivered at all. Nevertheless, the buyer has the option to apply for a refund but at the same time, it is a tedious process which is quite frustrating. Almost always, the final decision to make a purchase depends on the attitude of the customer. Others see that making purchases online as a risky venture but a retailer needs to be aware of the fact that consumers prefer to shop for expensive products like electronics from established stores. (Hidayat & Ningrum, 2017).

### 4. Inventory management role

A merchant needs to use smart and careful techniques while handling customer orders both online and offline. Merchants can offer click-and-collect services to shoppers by listing products on the website, indicating that they are available and letting customers select items from the store on their own time.

## **CONCLUSION**

This research produced five themes, namely: 1) the concept of the Brick and Click method, 2) how to apply the Brick and Click method, 3) the obstacles and advantages of the Brick and Click method, 4) the role of inventory management. Where in essence the Brick and Click method provides benefits for both business activists and consumers.

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