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## Contract Law Aspects of Buying Service Arrangements Outside E-Commerce Platforms: Between Convenience and Risks

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### Abstract

Jasa titip or buying service (“jastip”) is a service to buy goods from a certain place or destination based on an agreement on the price of goods and service fees. The service is usually offered through electronic media. Jastip providers are not the same with the concept of conventional personal shoppers or sales and purchase activities. Jastip is a growing business in Indonesia with profits reaching up to hundreds of millions of rupiah and many now running these businesses full time. Jastip nowadays is generally carried out through social media without a copy of written contract. Agreements are reached through direct messaging facilities. This of course has implications on the array of risks in the transaction despite the conveniences it may offer. This paper seeks to clarify the basic concept of jastip and explore the legal implications of the utilization of social media for jastip business. It lays out the contract law aspects of jastip transactions, including the legal rights and obligations of the parties, and it analyses the risks and legal challenges. By using normative research methods, this paper identifies 5 points of conclusion regarding jastip transaction through social media: (1) It is not a supply of goods, but rather a supply of service to accessed goods; (2) It is based more on trust than on a formal written contract; (3) It cannot be categorized as an electronic contract; (4) It also falls within scope of consumers protection law on the basis that the jastip providers liabilities extend to the service of purchasing goods, but not the goods themselves; (5) Risks in the transaction can be minimized by customers by doing transaction through official e-commerce platforms or opting to transact with jastip providers who provide written standard form contracts with more detailed points of agreement on the rights and obligations of each party.

**Keywords:** contract, electronic transaction, instagram, jastip, social media.

### Introduction

#### A. Advances in Technology and The Utilization of Social Media for Business

Technology is a means that provides comfort and convenience for humans. It has changed many aspects of how businesses are conducted. Today, the role of technology in business advancement is undoubtedly vital. The development of technology makes business transactions easier because it makes it easier for supply and demand to meet.

Technology also contributes greatly to economic globalization. The application of technology in business has made it possible for businesspeople to reach more consumers in the global market. Technology has provided a better approach to manage business by making transactions faster, more efficient and more convenient. Technology is changing many areas in business such as accounting, data collection, logistics and sales and promotion, among others.

Electronic business revolution (made possible by technologies such as the Internet, digital television, mobile phones, household appliances and smart electronics) has led to the creation of new business models [1]. Technology spurs innovation and changes. Traditional business actors inevitably have to adapt to these changes and current trends [2]. Start-ups can move and advance faster by taking advantage of the new opportunities made possible by technology [3].

Today, there are around 4,54 billion people using internet worldwide, 3,80 billion of which are social media users [4]. People around the world spend almost a quarter of their daily time using social media for various purposes, with the majority surfing social networks [5]. The number of social media users in Indonesia

has reached 160 million. The average use of social media in Indonesia reaches 3 hours 26 minutes per day. This figure is also above the global average of 2 hours 24 minutes per day [6]. This data shows how social media influence reaches an enormous number of people and its potential to be a powerful tool for business purposes.

Social media has become a powerful and effecting marketing tool to improve business and maximise returns of investment. It is an alternative for expensive and time-consuming marketing campaigns [7]. The benefits of social media marketing include increased exposure, increased traffic, the development of loyal fan bases, detailed marketplace insight, generated leads, improved search rankings, maturing business partnerships, established thought leadership, improved sales and reduced marketing expenses [8].

Facebook and Instagram are currently the top two platforms used by marketers, in particular for new marketers[9]. Both operate on smartphones and allow users to take photos, videos, add digital effects or filters and upload them to other social media users. Instagram is more popular among the younger generation but is also used by various groups and generations. Using Instagram to conduct business is considered to be effective and efficient strategies in business and marketing[10].

Today, 5 million photos are shared on Instagram on a daily basis. According to Miles (2013), 50% of the top global brands use Instagram as a marketing channel. This is due to various reasons. It works flawlessly on mobile phones, has easy to use platform with minimal conversation and longer lifespan for posted images than on any other social media network[11]. The use of Instagram for marketing is also very beneficial for small and medium businesses because it is very efficient and cost-effective.

## **B. Jastip as a Prospective New Business Model**

The rise of Instagram and its enormous potential for use for business has also created new business opportunities. In Indonesia, one of them is the *Jasa Titip* (“*Jastip*”) or the entrusted buying service business. *Jastip* is a service to buy goods from a certain place or destination based on an agreement on the price of goods and service fees. The service is usually offered through electronic media.

*Jastip* is a growing business in Indonesia. Some providers have profits reaching up to hundreds of millions of rupiah and now run these businesses full time. *Jastip* is carried out in both domestic and overseas markets, although the service most in demand involves international services, purchasing goods from overseas destinations.. Overseas *jastip* was initially carried out by a number of Indonesian tourists visiting certain countries, then casually offering their friends and social media followers to help buy the items they wanted in the destination country by slightly increasing the item price as a profit margin[12]. Meanwhile, domestic services are usually carried out by service providers based in large cities, purchasing goods for domestic consumers who live in remote areas or small cities and do not have access to retail stores.

An online survey conducted by Jakpat.net in 2017 identified that *jastip* were in demand due to a number of factors, namely the unavailability or inaccessibility of offline stores nearby, convenience and busy schedule [13]. Kurniasih's research (2013) shows that although many retail businesses have official online stores, many customers prefer to use *jastip* service instead of buying directly at online stores because buying via *jastip* minimizes asymmetric information about products [14]. *Jastip* providers who use the live feature of social media from stores, for example, can directly answer customers questions about the specifications and quality of goods. For luxury items, it is common to find the final price of goods after adding the cost of services still cheaper when compared to buying the same goods in Indonesia.

These activities, initially considered prospective have begun to be taken seriously. Visits abroad, which were originally intended for travel, are now being carried out specifically to purchase goods requested by *jastip* customers. A number of *jastip providers* no longer travel abroad, but they already have agents or local contact persons in the destination country who will purchase goods, which will then be sent to Indonesia. The overseas *jastip* business continues to grow, despite a number of legal problems, particularly with regard to excise on imported goods.

## **Problems**

There has been a misconception on *jastip*. Along with the various conveniences obtained from utilizing technology in business, there are also various legal problems and risks faced by those who use it. This paper seeks to clarify the basic concept of *jastip* and explore the implications of the utilization of social media for

*jastip* business . It lays out the contract law aspects of *jastip* transactions, including the legal rights and obligations of the parties, and it analyses the risks and legal challenges.

## Research Method

This paper is based on normative legal research method, which refers to the legal norms contained in statutory regulations [15]. Such method is based on the juridical facts that apply in society, relevant to legal life and based on information derived from secondary data sources that have previously been researched by other authors [16].

## Discussion

### C. Basic Concept of Jastip Service

Although *jastip* is often confused with personal shopper, these services differ. Personal shoppers are usually tasked with buying certain items ordered by their clients. This form of service pre-dates the increasing influence of the internet and social media.

A personal shopper is someone who shops for others for a living. Personal shoppers can shop for everything, from groceries to furniture. but most personal shoppers buy clothing and accessories for their clients. Personal shoppers work directly for clients or may also work for stores that offer personal shopping services [17]. Big department stores like Bloomingdales or Neimann Marcus in the United States for example, employ people as personal shoppers to assist high-end or regular customers.

The personal shopper basically meets the client's needs not only because of convenience and time constraints, but because the client does not have sufficient knowledge about which product is suitable or appropriate to buy. For example, a personal shopper in the fashion sector, before buying clothes for his customers, would first analyses body proportions, skin color, fashion tastes, lifestyle and client finances. After doing the analysis, the personal shopper would recommend which product is right to buy for the client [18]. In other words, conventional personal shoppers offer a more personalized one-on-one service.

Personal shopping has been done professionally before the rise of internet and social media. The profession requires in-depth knowledge about products and the related industry. Personal shoppers would have more intimate knowledge on the clients' needs and wants. Shoppers would meet and discuss with clients about the products to be purchased and also deliver goods that have been purchased directly to clients.

Most *jastip* providers, on the other hand, only act as an intermediary in making purchases for the benefit of service users, without providing a professional opinion about which products are suitable or appropriate for their clients. *Jastip* providers do not meet in person or even speak directly with clients, but they only communicate through the messaging service application. *Jastip* providers generally offer attractive items that are trendy to buy, or service users who have specific preferences can give special requests to buy certain goods.

Although the *jastip* approach was initially purely focused on informal platform of social media, some providers have evolved over time to formalise their activities, Titipbeliin.com for example, is a company set to help consumers legally buy goods from abroad. The company strives to provide solutions to issues in traditional *jastip* services such as delivery time, expensive *jastip* fees, to constraints on customs and excise when hand carried from airport to airport. This paper does not cover these types of enterprises that have formalized their activities.

### D. Characteristics of Jastip Service on Social Media

#### 1) Requires Small Capital

*Jastip* providers do not maintain ready stock goods like online sellers in general. This is the reason why *jastip* is seen as an attractive business opportunity, because they require relatively small capital. Service providers do not have to spend capital to purchase merchandise and face business risk of inventory that they are unable to sell.

For overseas *jastip* business, the initial capital required is travel costs to the destination country, including airplane tickets, accommodation and living costs during the trip. This can be done when the service provider departs for the purpose of traveling or a special trip is made to buy ordered goods. The total travel expenses that must be covered will be included in the calculation of the price mark-up margin. Orders are made from Indonesia and then the goods will be sent using an international courier service to the service provider. This can help reduce costs and the price of products charged to customers can be lower so that it is more competitive. Service users' will only be charged a local delivery fee from the service providers' Indonesian address.

For domestic *jastip* service, the capital required is even much smaller because there is no need to spend capital to finance trips to overseas destinations. Service providers will usually go to the nearest domestic shopping center, take photos of interesting or trendy items, then post them on social media such as Instagram. Another way that can be done is to use the live feature on Instagram or Facebook, where service providers will immediately and interactively showcase the goods to their audience.

Domestic *jastip* business is increasingly growing during the COVID19 pandemic. As people choose not to leave the house for health and safety reasons, they are drawn towards using *jastip* to buy various necessities. Thus, domestic *jastip* services are not only for the purchase of tertiary goods, but also for daily primary needs.

## **2) Jastip providers on social media in general are unregistered business**

These business activities do not formally establish a company, but are normally run as an individual business or a partnership between several people. Profits are not taxed through companies, although some individuals may declare the income and, as a result pay income tax. Enterprises are also mostly conducted from home and do not go through the process of receiving business licences.

## **3) Jastip providers and customers do not meet in person**

As previously explained, *jastip* is not the same as personal shopping where personal shoppers interact more closely with clients to identify suitable products to buy. *Jastip* service is offered online, mostly through social media application. For delivery of goods, *jastip* providers do not deliver goods directly, but use courier services or third parties.

*Jastip* providers generally do not provide a cash on delivery payment option, because they will not purchase goods for the customer before down payment or full payment is transferred.

## **4) Transactions are based on trust, not formal contracts**

In *jastip* business via social media, trust is a very important foundation in transactions. The agreement is not stated in a formal contract. The agreement was reached through direct social media messaging features or social messaging applications such as Whatsapp or Telegram. The agreement generally includes the types and specifications of goods, prices, payment methods and estimate time of product delivery. Service users do not receive an electronic copy of a contract. Transaction evidence is only a trace of a conversation and proof of down payment or full payment the service user to the service provider.

Due to the importance of trust in the business, a number of service providers are using the strategy of posting testimonials or conversations with existing customers that demonstrate their satisfaction with the services provided. Many prospective customers also personally get recommendations from close friends on trusted and reliable service providers. Prospective customers generally tend to trust service providers with large followers on their social media accounts. This is in line with the study of Hapsari & Saudi (2018) that identifies trust as a key factor to the success of online business. Trust is needed by consumers to do online transaction. Online consumers are prone to fraud and scams [19].

## **E. How Jastip Works**

*Jastip* providers will post photos of products offered for purchase by service users. If a customer is interested in a product, the service user will contact the service provider through the direct messaging feature on social media or messenger platforms according to the information listed. In communication, service providers will provide a quotation on the price of the desired goods. The price given usually includes various fees and profit

margins that will be obtained by the service provider. If the customer agrees with the price given, an agreement is reached.

The determination of the service fee depends on various factors like location and type of goods. Overseas service require more effort, resources, possesses more risk and, hence, is more expensive than domestic service. There are service providers who do not disclose the original price of goods but directly market the goods at an increased price which include service fees. In general, mark-ups can reach up to 20% of the retail price of an item [20]. There are also service providers who disclose the original price of goods, then add service fees according to a determined rate based on the type of goods. Service fee for buying luxury items from Europe, for example, will definitely be more expensive than for buying non-luxury goods from a mall in Jakarta.

*Jastip* providers will usually ask for payment, either 30-50 percent down payment of total price or a full payment (each service provider will have a different policy/preference). Payment is usually transferred directly to the service providers' account. Agreements on prices and payments are generally not written into written contracts or electronic contracts. Some service providers provide the option to do payment transaction via electronic commerce platform, so transfers are made to an escrow account. In general, this is done through the pre-order feature on the e-commerce platform.

After that, the customer will wait and when the goods arrive in Indonesia, the service provider will contact the customer and the goods will be sent to the customer's address using a local courier. It is not uncommon for goods to arrive later than expected due to various possibilities, such as being stuck at customs.

## **F. Legal Aspects of Jastip Transaction**

### **1) Contract Law Perspective**

A *Jastip* contract in Indonesia can be categorized as an '*innominaat*' contract. *Innominaat* contracts are contracts that are developed in practice in the society based on freedom of contract principle as stated in Article 1338 paragraph (1) of the Indonesian Civil Code ("ICC"). The ICC provides no specific legal stipulation on *innominaat* contracts.

The validity of a *jastip* contract in Indonesia, regardless of whether it is written into a formal contract or just a messaging app conversation, is based on the general provisions of Article 1320 of the ICC. A *jastip* contract is valid as long as it complies with 4 conditions: (1) consent between the parties; (2) capacity of the parties to conclude an obligation; (3) a certain (specific) subject matter; and (4) a legal cause.

There has been an on-going misconception on the basic legal aspect of *jastip* contracts. Many people equate *jastip* contract with a general sale and purchase contract. *Jastip* contract cannot be equated with the conventional sale and purchase concept. According to the ICC, article 1457 explains that sale and purchase contracts are agreements whereby one party binds themselves to deliver an item, and the other party to pay the promised price. Meanwhile, *jastip* is a service to buy certain ordered goods that are requested by service users. The service provider will get a profit from each of the goods based on the service provided.

A sale and purchase contract is generally a transaction between a buyer and a seller who is either the producer of goods or the retailer. When the transaction is carried out, legally the goods are in the control of or physically possessed by the seller. In a *jastip* contract, the respective goods are not in the control of the service provider when the agreement is made with the service user. There is no established contractual relationship between the service user (*jastip* customer) as the beneficial buyer of the product and the seller of the goods. The legal relationship that is established in the sale and purchase transaction of the ordered product is between the service provider (acting as the legal buyer) and the seller. Therefore, the rights and obligations of each party, as well as the forms of risk faced in *jastip* transactions are not the same as in conventional sale and purchase transactions.

At the time of the transaction, most sellers generally do not know whether the goods were purchased to be owned and used by the legal buyer alone, or purchased on an agreement and for the benefit of *jastip* customers (the beneficial buyers). Thus, the sale and purchase agreement, namely the terms and conditions in the form of a standard form contract which is generally provided by sellers (including things such as guarantees, return policies, etc.) is legally binding on *jastip* providers as legal buyers, not *jastip* customers as the beneficial buyers.

With regards to the legal aspect of the ownership of goods, the ICC requires a valid act of transfer for the ownership title to be transferred. According to Subekti, transfer of ownership is a juridical act to transfer ownership title of goods. The method of transfer is dependent on the type of goods [21]. In a sale and purchase contract, article 1459 of the ICC stipulates that ownership title to the goods has not been transferred to the

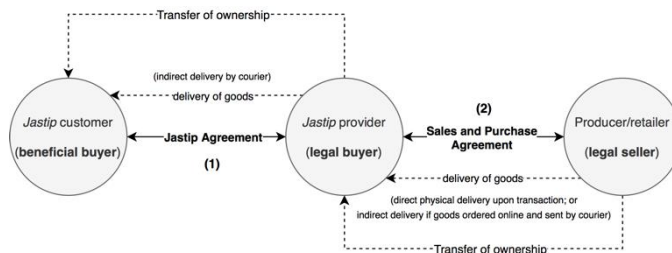


Figure 1. *Jastip* transaction scheme

buyer as long as the goods have not been delivered or submitted to the buyer according to Article 612, Article 613 and Article 616. The 3 articles stipulate the method of delivery based on the type of goods, movable or immovable. *Jastip* services are generally carried out for the purchase of merchandise which is categorized as movable goods. Article 612 provides that the transfer of tangible movable goods is carried out by real

When a *jastip* provider purchases the ordered items in store, by law the *jastip* provider as a legal buyer becomes the owner of the goods after directly receiving the paid product at the cashier. If the goods are ordered remotely from overseas by the *jastip* provider, then the title of ownership of the goods becomes the rights of the service provider when he/she receives the goods in Indonesia. By law, the title to goods is transferred to the *jastip* customer after the goods are forwarded by the *jastip* provider and received by the customer. This already describes a number of risks that may be faced by *jastip* customers, which will be explained further below.

## 2) Electronic Transaction Law Perspective

*Jastip* transactions via social media can also be classified as electronic transactions. Article 1 of Law No. 11/2008 on Information and Electronic Transaction (as revised by Law No.19/2016) stipulates that electronic transaction is a legal act carried out by using a computer, computer network, and/or other electronic media. Article 46 of Government Regulation No.71/2019 on Electronic System and Transaction explains further that electronic transactions can be carried out based on: (1) electronic contracts; or (2) other contractual forms as a form of agreement made by the parties.

Electronic transactions may take several forms or variants, including:

- a. the agreement is not done electronically, but the implementation of the contractual relationship is completed electronically;
- b. the agreement is done electronically, and the implementation of the contractual relationship is completed electronically; and
- c. the agreement is done electronically, and the execution of the contractual relationship is concluded not electronically.

The regulation upholds the basic elements of a contract in accordance with Article 1320 of the ICC. An electronic contract is valid if: (1) an agreement is reached between the parties; (2) The contract is carried out by a capable legal subject or authorized to represent in accordance with the provisions of the law; (3) there is specific subject matter; and (4) legal cause (the object of the transaction must not conflict with statutory regulations, decency, and public order).

However, the regulation further elucidates that electronic contract contains at least: a) identity data of the parties; b) objects and specifications; c) electronic transaction requirements; d) prices and fees; e) procedures in the event of a cancellation by the parties; f) provisions that give the aggrieved party the right to return the goods and/or request a product replacement if there is a hidden defect; and g) electronic transaction legal settlement options.

In other words, the regulation specifies the minimum content that must be covered by a contract to be classified as an electronic contract. As previously explained, in a *jastip* agreement via social media, the agreement generally only includes the types and specifications of goods to be purchased by the service provider, the final price to be paid and an estimate time of delivery. Details are agreed to through conversations via messaging facilities. The identities of the parties are also not formally validated.

Most *jastip* agreements, however, do not go into details like legal settlement options in case of a dispute and return or exchange policy. The agreements also do not clarify the extent of the service providers liabilities. For example, whether the service provider is liable for hidden defects of the respective product. For electronic goods, the agreements do not clarify whether the service provider is liable for any damage to the goods or if the goods are not functioning properly. If the product is in the form of medicine or food and beverage, the agreements do not detail whether the *jastip* provider is liable in case of poisoning and incurred losses due to consuming the product. In this case it can be seen that in general *jastip* providers are only responsible for purchasing ordered goods in certain types and specifications, but are not responsible for the quality and warranty of the goods. The latter remains the responsibility of retailers and/or the producers subject to consumer protection laws.

Hence, it can be inferred that a *jastip* transaction through social media does classify as an electronic transaction, but the contract formed does not fall within the legal category of an electronic contract, but within the category of “other contractual forms”. *Jastip* contract evidenced in messaging application conversation does not qualify to be an electronic contract. This is of course different if the transactions are carried out using a third-party e-commerce platform or a special e-commerce platform developed by the service provider.

### 3) Consumer Protection Law Perspective

*Jastip* contract can also be explored in the perspective of the provisions of Law No.8/1999 on Consumers Protection. *Jastip* customers can be categorized as consumers and *jastip* providers can be categorized as business owner. Article 1 of the law stipulates that a consumer is every person using goods and/or services available in society, whether for the benefit of themselves, their family, other people, or other living creatures and not for sale. Whereas business owner (*pelaku usaha*) is any individual or business entity, whether in the form of a legal entity or non-legal entity established and domiciled or carrying out activities within the jurisdiction of the Republic of Indonesia, either individually or collectively through an agreement to carry out business activities in various economic fields.

Law No.8/1999 regulates the scope of consumers’ statutory rights and business owners’ statutory obligations that might be of relevance in *jastip* business.

According to the law, consumers’ rights include:

- a) the right to comfort, security and safety in consuming goods and/or services;
- b) the right to choose goods and/or services and to obtain the said goods and/or services in accordance with the exchange rate and conditions as well as the promised guarantee;
- c) the right to correct, clear, and honest information regarding the condition and guarantee of goods and/or services;
- d) the right to have their opinions and complaints heard about the goods and/or services used;
- e) the right to get advocacy, protection, and proper consumer protection dispute resolution efforts;
- f) the right to receive consumer guidance and education;
- g) the right to be treated or served correctly and honestly and not to discriminate;
- h) the right to get compensation, compensation and / or replacement, if the goods and/or services received are not in accordance with the agreement or not as it should be;
- i) rights regulated in the provisions of other laws and regulations.

The law further elucidates that business owners/producers’ obligation include:

- a) have good intentions in carrying out their business activities;
- b) provide true, clear and honest information regarding the condition and guarantee of goods and/or services and provide an explanation of the use, repair and maintenance;
- c) treats or serves consumers properly and honestly and is not discriminatory;
- d) guarantee the quality of goods and/or services produced and/or traded based on the prevailing provisions on the quality of goods and/or services;

- e) provide opportunities for consumers to test, and/or try certain goods and/or services and provide guarantees and/or guarantees for goods made and/or traded;
- f) provide compensation, compensation and/or compensation for losses resulting from the use, use and utilization of traded goods and/or services;
- g) provide compensation, indemnification and/or replacement if the goods and/or services received or used are not in accordance with the agreement.

Then to what extent does the provisions of this law cover *jastip* activity? *Jastip* customers are subject to consumers' rights that are protected under Law No.8/1999 and the *jastip* providers are subject to the obligations as business owners under the law. However, with the misconception that often equates *jastip* with sales and purchase contract, many thinks that the obligations of *jastip* providers extend to product quality as well as damage or defect to items that are not detected in stores.

It is important to underline that the 'object' offered in *jastip* is the service to buy certain goods on behalf of customers as beneficial buyers, but not the goods. *Jastip* providers, for example, are obliged to provide true, clear and honest information regarding the condition of goods as he/she inspect them in stores. But the information of use, repair and maintenance would still be the legal obligation of the goods producers. *Jastip* providers are liable when they purchased the wrong item or the right item but in the wrong specifications (such as color and size). However, *jastip* providers are not liable if the item does not function or is not as durable as advertised by the producers.

## **G. Legal Risks Faced By Jastip Customers**

This paper has identified a number of risks in *jastip* business through social media, namely as follows:

### **1) Fraud**

Fraud is one of the biggest risks in online transactions. In *jastip* through social media, this risk is greater in the absence of a formal contract or electronic contract to protect customers' rights and interests. Customers who have transferred funds in full may be cheated by service providers who run away and then cannot be contacted anymore.

Another possible form of fraud is that the goods received by customers are counterfeit, not original goods. Most luxury goods *jastip* providers guarantee that the goods purchased (usually fashion items like clothing and branded bags) are genuine goods purchased directly from retail stores, authorized factory outlets or genuine luxury goods curators. However, it is difficult for customers, especially for the overseas service, to confirm the authenticity of goods. This again shows the importance of trust in this business.

One of the weaknesses of conducting business transactions electronically is the difficulty to execute concrete legal action in the event of a dispute or fraud. The nature of 'cyber' in electronic transactions allows everyone, disguise or falsify their identity in the transaction and commit fraud [22].

### **2) Product Defect**

As explained above, *jastip* providers are not liable for product defect. *Jastip* providers might help to inspect the product briefly in store before finalizing the purchase. However, the overall functionality of goods will not be fully known until the product is received by customers and used intensively.

In the event of product defect, in practice the goods received cannot be returned to *jastip* providers, especially since there is no written formal agreement on such arrangement. Any kind of warranties or return policies that fall within the scope of standard sales and purchase form provided by the stores must be claimed in person by *jastip* customers. Technically this would be difficult to do for items purchased overseas, unless the producer of goods has a service center in Indonesia that is part of the warranty coverage. In general, there is no obligation for *jastip* providers to claim the warranty on behalf of *jastip* customers.

### **3) Goods Got Lost in Transit**

For goods ordered by service providers from overseas, they are sent to Indonesia using international couriers. In this process, there is a risk that items will be lost in transit. In such circumstances. The absence of a detailed contract regarding the rights and obligations of the parties in *jastip* agreement through social media can lead to obscurity and debate about who bears the risk.



Even though the parties agree that the risk of sending of goods from overseas is still borne by the *jastip* provider, customers still have to wait longer if there is a replacement item being sent or wait for a long time to get a refund from the service provider. The service provider will usually submit a claim first to the courier company regarding compensation or indemnification, and this process usually takes a long time.

## Conclusion

Based on all the discussions above, this paper arrives at the following points of conclusion:

- a. *Jastip* transaction is not the same with personal shopping activity and *jastip* contract is different to conventional sales and purchase contract. The key basic characteristic to best understand the concept is that ***jastip* is not a supply of goods, but rather a supply of service to accessed goods**. Clarifying the basic concept of *jastip* can help understand the limits of the rights and obligations of each party in the transaction and identify the risks that need to be mitigated.
- b. Social media like Instagram is the most popular tool used for *jastip* business. *Jastip* transactions through social media are based more on trust than on a formal written contract. A *jastip* contract is deemed valid under Indonesian law as long as the contract complies with the provisions of article 1320 of the ICC.
- c. *Jastip* transaction through social media can be classified as electronic transaction, but the informal contract formed through direct messaging conversation cannot be categorized as an electronic contract because the law requires electronic contracts to contain a minimum set of standard. This set of standard may provide better legal protection for the parties.
- d. *Jastip* services provided through social media also falls within scope of consumers protection law on the basis that the *jastip* providers liabilities extend to the service of purchasing goods, but not the good themselves.
- e. *Jastip* through social media has various risks such as fraud, product defects and goods lost in transit. These risks can be mitigated or minimized by customers by making transactions via third party e-commerce platforms or opting to transact with registered *jastip* providers who have developed official e-commerce platforms, or opting to transact with *jastip* providers who provide written standard form contracts with more detailed points of agreement on the rights and obligations of each party.

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