

The Role of Consumer Protection Law in Increasing Consumer Trust and Business Actors in Indonesia

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Abstract

Consumer protection is a fundamental aspect in shaping a healthy, fair, and competitive business climate. The existence of regulations such as Law Number 8 of 1999 concerning Consumer Protection provides a legal basis to guarantee consumer rights while imposing obligations on business actors to uphold ethical and responsible business practices. This study aims to analyze the role of consumer protection law in increasing consumer trust and business actors in Indonesia. The research method used is a normative juridical approach, with descriptive-analytical techniques, focusing on rules and regulations, the scientific literature, and results of previous research. The results of the study show that the proper application of consumer protection law has a positive impact on consumer trust, as it provides a sense of security when conducting transactions and legal certainty in dispute resolution. In addition, the regulation encourages business actors to improve professionalism by enhancing product quality, transparency of information, and service quality to maintain customer reputation and loyalty. However, the effectiveness of the law's implementation still faces challenges, including weak supervision, low public legal awareness, and a limited role for consumer dispute resolution institutions. Therefore, it is necessary to strengthen legal education, optimize the supervisory system, and digitize the complaint mechanism to enhance the effectiveness of consumer protection implementation in Indonesia. This research also recommends collaboration among the government, business actors, and consumer organizations to strengthen legal protection, accelerate complaint handling, and build a compliance assessment system that encourages healthy, sustainable business competition.

Keywords: Law; Consumer Protection; Business Actors

I. INTRODUCTION

A. Background

In the era of globalization and the development of increasingly competitive modern trade, the position of consumers as legal subjects is gaining significant attention in the economic system. Consumers are no longer seen only as objects of economic transactions, but as parties who have fundamental rights that must be respected and protected. Within the framework of national law, business actors are obliged to carry out business activities honestly, transparently, and responsibly, while the state through its legal apparatus is obliged to ensure protection for consumers. Law Number 8 of 1999 concerning Consumer Protection (PK Law) is present as a juridical basis in maintaining a balance of interests between consumers and business actors in trade activities. The PK Law provides a legal framework to ensure legal certainty, open access to dispute resolution, and encourage more ethical business practices.

The application of consumer protection laws plays an important role in creating a healthy business climate. Public trust in the business world will increase when consumers feel that their rights are protected and there is a clear dispute resolution

mechanism in the event of a violation. This protection not only benefits consumers, but also provides legal certainty for business actors so that they can run their businesses professionally and in accordance with legal standards. In the context of increasingly fierce business competition, a sense of security and consumer satisfaction are key in creating business loyalty and sustainability. Although consumer protection regulations have been provided normatively, their implementation in the field still faces various obstacles. Many violations of consumer rights still occur, such as product non-conformity with quality standards, misleading information delivery, and fraud in digital transactions. In the digital era, forms of violations are increasingly complex, especially through e-commerce platforms and cross-border transactions without direct supervision. The low level of legal literacy in the community causes many violations to go unreported, while business actors who do not understand the provisions of the law tend to ignore their obligations.

In addition, law enforcement in consumer protection has not been effective. This is due to the limited resources of the apparatus, the lack of optimal coordination functions between institutions, and the lack of supervision of trade practices. This

condition shows that there is a gap between legal norms and the reality of implementation. Therefore, this research is important to analyze the extent of the role of consumer protection law in increasing consumer and business confidence, as well as identify strategies that can be applied to overcome obstacles to its implementation in the field.

B. Problems

This study identifies several key issues related to the decline of consumer and business confidence in the role of the Consumer Protection Law in Indonesia:

1. What is the role of consumer protection law in increasing consumer confidence in Indonesia?
2. How does the implementation of consumer protection regulations affect the confidence of business actors?
3. What are the obstacles faced in the implementation of the Consumer Protection Law in Indonesia?

C. The Proposed Solutions

This study proposes several solutions to overcome problems related to the decline of consumer and business actors in the role of the Consumer Protection Law in Indonesia:

1. Optimizing the Implementation of the Consumer Protection Law through Strengthening Supervision and Law Enforcement In order for consumer protection to run effectively, strengthening supervision and law enforcement is a top priority. Supervision must be carried out openly over promotional activities, product distribution, and after-sales service. The government needs to tighten supervision of food, medicine, electronics, and digital service products that have the potential to cause losses for consumers. Coordination between agencies such as the Ministry of Trade, BPSK, and law enforcement officials must be strengthened so that the process of handling violations runs quickly and consistently. Strict law enforcement and more effective administrative, civil, and criminal sanctions can provide a deterrent effect for violating business actors.
2. Legal Education and Socialization to Consumers and Business Actors The lack of consumer understanding of their rights is one of the biggest obstacles in consumer protection. Therefore, legal education and socialization need to be carried out intensively and continuously through educational institutions, mass media, community organizations, and digital platforms. Consumers must understand the right to information, product security, and dispute resolution mechanisms. Business actors must also be educated about their

obligations related to information transparency, quality standards, and complaint services. In the digital era, technology-based legal literacy is important so that people are able to transact wisely.

3. Strengthening the Role of BPSK and the Utilization of the Digital Complaint System BPSK plays the role of a fast, simple, and affordable consumer dispute resolution institution. However, its effectiveness is not optimal due to limited budgets, facilities, and experts. Capacity building is needed through apparatus training, improvement of supporting facilities, and expansion of operational areas. In addition, a digital-based consumer complaint and dispute monitoring system needs to be developed so that public reports can be received and followed up quickly. The integration of the digital system between BPSK, the Ministry of Trade, and the legal apparatus will shorten the bureaucratic chain, speed up dispute resolution, and increase public trust in the existing consumer protection system. With the implementation of integrated solutions, it is hoped that consumer protection will not only provide legal certainty, but also build strong trust between consumers and business actors and create a healthier, fairer, and more sustainable trade climate.

II. RESEARCH METHODOLOGY

Research methodology is the main foundation in the preparation of scientific papers that function as a systematic guideline in the process of data collection, analysis, and conclusion drawn. With the right methodology, researchers can ensure that research is carried out objectively, validly, and scientifically accountable. The selection of methods also determines the extent to which the research can answer the problem and achieve the goals that have been formulated.

This study aims to comprehensively examine the role of consumer protection law in increasing consumer and business trust in Indonesia. The focus of the study is directed at the analysis of applicable legal norms, their implementation in business practices, and the effectiveness of regulations in creating a balance of relations between consumers and business actors. Thus, this study uses a normative juridical approach with an analytical descriptive analysis.

The approach was chosen because the theme raised is normative law related to regulations and law implementation practices. In addition, the research also allows the use of empirical data as a reinforcement of normative interpretation to provide a more realistic picture of the condition of consumer protection in Indonesia.

A. Types of Research

The type of research used is analytical descriptive research with a normative juridical approach. Analytical descriptive research aims to describe systematically, objectively, and factually legal and social phenomena related to consumer protection. The research not only describes the applicable regulations, but also conducts an in-depth analysis of the effectiveness of their implementation in practice.

According to Soerjono Soekanto, normative legal research is carried out by studying primary and secondary legal materials through literature studies. This approach is used to examine positive legal norms such as laws, implementing regulations, jurisprudence, doctrines, and legal principles. Normative research also aims to evaluate the conformity between the applicable law and the value of justice and legal certainty.

In the context of this study, a normative juridical approach is used to analyze:

1. Legal provisions related to consumer protection (Law No. 8 of 1999).
2. Basic principles of consumer protection (principles of benefit, legal certainty, balance, justice, and consumer safety and security).
3. The relationship between consumer protection regulations and public trust in economic activities.
4. Conformity of consumer protection law with the principles of good corporate governance (GCG).

Although predominantly normative, this study still opens up space for empirical data through interviews to strengthen the analysis. The technique is used in a limited way to provide an overview of the factual conditions related to the implementation of consumer protection in business practices.

The focus of the regulatory review includes:

1. Law No. 8 of 1999 concerning Consumer Protection
2. Civil Code (Articles 1320 and 1338)
3. Law No. 7 of 2014 concerning Trade
4. Regulation of the Minister of Trade related to the supervision of business actors
5. Court decisions and BPSK decisions regarding consumer disputes

This study also examines legal doctrine from Hadjon related to preventive and repressive legal protection, as well as consumer trust theory from Kotler & Keller to see the influence of regulation on consumer behavior patterns.

B. Research Data Sources

The research uses primary data and secondary data, which are obtained through various data collection techniques according to normative approaches.

1. Primary Data

Primary data is data obtained directly from primary sources, including:

- a. Documents from BPSK related to consumer dispute resolution.
- b. Interviews (if conducted) with expert sources, such as:
- c. Legal practitioner or consumer protection advocate
- d. Academics in the field of economic law and consumer protection
- e. Business actors who have a direct relationship with consumers
- f. Officials or representatives of government agencies related to trade supervision

The interviews were conducted in a semi-structured manner to gather information about the implementation of the Consumer Protection Law, law enforcement constraints, the level of awareness of consumers and business actors, and the impact of regulations on public trust.

2. Secondary Data

Secondary data were obtained through literature studies, including:

- a. Primary legal materials, such as:
 1. Law No. 8 of 1999
 2. Civil Code
 3. Law No. 7 of 2014
 4. Regulation of the Minister of Trade and related officials
- b. Secondary legal materials, such as:
 1. Textbooks and academic literature (Hadjon, Barkatullah, Kotler & Keller)
 2. National and international scientific research journals
 3. Scientific media articles and policy analysis
- c. Tertiary legal materials, such as:
 1. Legal dictionaries, encyclopedias, and supporting statistical data

C. Data Collection Techniques

The data collection technique was adjusted to the normative approach and research characteristics. The techniques used are:

1. Literature Studies
This technique is used to gain a comprehensive understanding of regulations and legal theories related to consumer protection. The literature study includes an analysis of laws, government regulations, legal doctrines, and the results of previous research.
2. Document Analysis (Decision or Dispute Case)
The research analyzed legal documents in the form of court decisions or BPSK decisions related to consumer disputes. Case analysis aims to understand the application of legal norms,

dispute resolution, and the effectiveness of the protections provided.

3. Interview (If done)

If empirical data is needed, interviews are conducted thematically. The interview guidelines were prepared based on the research objectives to obtain relevant information:

- a. Implementation of consumer protection laws
- b. Efforts by the government and business actors to increase consumer confidence
- c. Obstacles faced in law enforcement

D. Data Analysis

The analysis technique used is qualitative juridical analysis, which is the drawing of conclusions based on legal interpretation and not statistical calculations. The analysis is carried out through the following stages:

1. Identification and classification of legal data
Primary and secondary legal data are classified based on their relevance to the sub-subject matter.
2. Analysis of legal norms is carried out on regulations as a normative reference, especially in terms of consumer protection and public trust.
3. Analysis of regulatory implementation in practice
Case data and interviews are used to find out the extent to which the law has been effective.
4. Evaluation of legal effectiveness
The assessment is carried out based on the principles of justice, legal certainty, utility, and protection of consumer interests.
5. Conclusions are drawn up based on legal interpretations and relevant empirical findings.

This technique allows for a deeper understanding of how legal norms not only apply normatively, but also play a role in building public trust in the business world.

E. Validity and Reliability

To ensure the validity and objectivity of the research results, a number of efforts are made in order to obtain valid and reliable data.

1. Triangulation Source
Data is obtained from several different sources (regulations, legal doctrines, case decisions, interviews) so that the information is not biased.
2. Utilization of the latest laws and regulations
The research refers to the latest regulations as well as the latest and relevant court decisions.
3. Comparison of norms and practices
Gap analysis is carried out by comparing legal rules and their implementation in business practices.
4. Expert opinion engagement

Theoretical references from experts and the views of legal practitioners are used to strengthen interpretations.

5. Peer review (if possible)

The results of the analysis are compared with the results of previous research or expert opinions to avoid interpretation bias.

6. Correlation with actual conditions

If empirical data is available, verification is carried out with field facts, so that the results of the analysis reflect the real condition of consumer protection in Indonesia.

With this approach, this research is expected to produce findings that are objective, credible, and able to make theoretical and practical contributions in strengthening the consumer protection system and increasing public trust in the business world. Thus, this research methodology is systematically designed to support the accuracy of analysis in the discussion and conclusion of the research, as well as to ensure that the research results can be accounted for academically and provide useful value for the development of legal science and business practice in Indonesia.

III. RESULTS AND DISCUSSION

A number of important findings were produced, namely:

1. Legal Protection Increases Consumer Trust
The existence of clear and firm regulations related to consumer protection, as stipulated in **Law No. 8 of 1999 concerning Consumer Protection**, is an important instrument in building a sense of security and certainty in transactions. Consumers feel more protected when interacting with business actors because of the legal guarantee of their rights, including the right to security, comfort, and safety in using goods or services. This legal certainty creates a sense of trust that encourages increased consumption activity and strengthens economic stability. In addition, the application of ethical standards and transparency principles in business practices helps reduce the risk of fraud, information manipulation, and fraud against consumers. With the increase in business accountability, consumers tend to have higher loyalty and feel confident that their rights will be met. This is an important capital in building long-term relationships between consumers and business actors.

2. Increasing the Professionalism of Business Actors
Consumer protection regulations not only provide guarantees for consumers, but also serve as a guideline for business actors to run their business professionally and with integrity. Business actors are encouraged to improve the quality of products and services in accordance with quality, safety, and legal standards. Compliance with regulations

provides strategic benefits in the form of improving the company's reputation, customer loyalty, and competitiveness in the market. With legal certainty and a clear dispute resolution mechanism, business actors are encouraged to apply the principles of *good corporate governance* (GCG), such as information disclosure, responsibility, and fairness. The application of these principles strengthens the relationship of trust with consumers and contributes to business sustainability.

3. Implementation Challenges

Although regulations are available, their implementation still faces a number of obstacles. First, people's legal literacy is still low, so many consumers do not understand their rights and are reluctant to complain when these rights are violated. Second, government supervision of business actors is still weak, especially in the micro and informal business sectors. This condition results in still high cases of violations against consumers. In addition, consumer participation in filing complaints or reports is still minimal due to the lack of access to information and reporting procedures that are considered complicated. Many consumers choose to resolve issues privately rather than through available legal mechanisms, so legal protections have not worked optimally.

4. Policy Strengthening Efforts

To optimize legal protection for consumers, it is necessary to strengthen policies, both in terms of regulation and implementation. First, the role of the Consumer Dispute Resolution Agency (BPSK) needs to be strengthened through increasing resources, authority, and accessibility. Collaboration between the government, business actors, and the community is also important in building an effective consumer protection ecosystem. Digital transformation into a strategic solution through the development of online complaint platforms and technology-based dispute resolution systems. With this system, consumers can report violations faster, more transparently, and more accountably. Thus, effective legal protection not only increases consumer trust, but also encourages businesses to operate professionally. However, the success of implementation is highly dependent on increased legal literacy, strong oversight, and the collaboration of all stakeholders in realizing a fair and sustainable business environment.

IV. CONCLUSION

1. Consumer Protection Law as an Instrument to Increase Consumer Confidence Consumer protection law, especially through the implementation of Law Number 8 of 1999, has a significant role in creating a sense of

security and legal certainty in transactions between consumers and business actors. The existence of this regulation provides a normative basis for the protection of consumer rights, including the right to comfort, security, and safety in the use of goods and/or services. This legal certainty encourages consumers to be more confident in carrying out consumption and transaction activities, because there is a mechanism for protection and dispute resolution in the event of a violation. Transparency, accountability, and the implementation of quality standards driven by regulations also contribute to increased consumer loyalty. Thus, consumer protection laws not only provide preventive and repressive protection, but also increase consumer trust and satisfaction, which has a direct impact on the stability and sustainability of national economic activities.

2. Implementation of Regulations to Encourage Professionalism and Trust of Business Actors The implementation of consumer protection laws also encourages business actors to improve service quality, business integrity, and compliance with business ethics. Regulations direct business actors to develop more professional, transparent, and responsible business practices. The application of the principles of fairness and balance in business relationships creates a win-win situation, where business actors gain a positive reputation and consumer loyalty through quality and honest service. Higher consumer confidence has an impact on increasing business competitiveness, strengthening the position of business actors in the market, and encouraging investment and product innovation. In other words, regulatory compliance is not only a legal obligation, but also an important business strategy in facing global competition and maintaining business sustainability.
3. Obstacles to Implementation and the Urgency of Strengthening Digital-Based Policies Although the consumer protection law has provided a strong foundation, its implementation is still faced with various obstacles, such as low public legal literacy, lack of socialization about consumer rights and obligations, and weak supervision and law enforcement by relevant agencies. In addition, consumer participation in reporting violations is still low due to a lack of procedural knowledge and concerns about the dispute resolution process. Therefore, strengthening policies through optimizing the role of the Consumer Dispute Resolution

Agency (BPSK), improving coordination between the government, the community, and business actors, and developing a digital-based consumer protection system is very urgent. Digital transformation in complaint systems, information services, and law enforcement can speed up processes, improve accessibility, and encourage transparency. This effort is also in line with technological developments and the demands of the digital era, where efficiency and accountability are the main factors in providing legal protection and increasing consumer and business trust in a sustainable manner.

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