# Transformation of Companies and Trade in the Era of Society 5.0

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**Abstract**

Rapid technological disruption is causing unprecedented changes in every aspect of human life. The entry into the new era of society 5.0, defined as the convergence between the physical world and the digital world, and seeks to place humans at the center of innovation. Society 5.0 tries to balance economic progress with solving social problems using a more strategic and dynamic system. This research uses a descriptive analysis method with a qualitative approach, while the use of qualitative is based on its very relevant function, especially in evaluating and understanding the condition of a group of people, the results of this research explain that, society 5.0 is a time where technology and humans will always coexist to improve quality. sustainable standard of living. The era of society 5.0 is human-centered, and digital technology is part of humans themselves. In the digital era, advances in digital technology are applied on various platforms, for example in the world of business and business there is ease of trade transactions, because the process is available anytime and anywhere, the era of digital transformation has changed the way many businesses operate, communicate and compete, so through this era Society 5.0 is expected to allow humans and information technology to work hand in hand and contribute to achieving sustainable development goals.

***Keywords**: Transformation, Company, Era Society 5.0.*

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## A. INTRODUCTION

Information technology continues to innovate and transform to become increasingly sophisticated, where this also influences various aspects of human life, and of course brings many changes, especially in the trade and business sectors (Al Faruqi, 2019). According to Danuri, (2019) and Achmad (2022) it cannot be denied that currently countries in all parts of the world have entered an era of global economic development based on technology and knowledge. This can be proven by the birth of several millennial and Gen Z communities through their various creativity, thus creating a great potential so that in the future it will be able to increase the rate of economic growth and move to the era of society 5.0.

In Fauzi et al., (2023) revealed that, the Society 5.0 era, is defined as a convergence between the physical world and the digital world, and seeks to place humans at the center of innovation. However, some groups believe that the emergence of the Era of Society 5.0 was motivated first by Industry 4.0 which already existed with the deepening integration of technology in improving the quality of life, social responsibility and sustainability. Society 5.0 proposes to "advance the potential of individuals' relationships with technology in encouraging improvements in the quality of life for all people through a super smart society." While discussions about industry 4.0 are still hot, the world was shocked by a

statement from Japanese Prime Minister Shinzo Abe at the World Economic Forum (WEF) meeting in Davos, Switzerland on January 23 2019, where in his statement he had a vision of Society 5.0 or Society 5.0 which will be connected by data to increase human growth in the future (Hendarsyah, 2019).

Meanwhile, Kanedi et al, (2022) argue that the Japanese government defines society 5.0, namely a human-centered society which can balance economic progress with solving social problems using a system that integrates the virtual and physical worlds. However, the research results of Khasanah et al., (2020) reveal that Society 5.0 was proposed by the Japanese government through a clear concept and compiled in the fifth basic plan for science and technology, but as explained at the beginning, the term society 5.0 is a development of the industrial revolution 4.0 or Society 4.0, this is why the two concepts do not have much difference, where the industrial revolution tends to be a concept that makes human life easier with AI as the main component, while Society 5.0 is the use of modern technology, but still relies on humans as the main component and this concept will creating a technological development that is able to minimize disparities across all levels of humanity (Lanenko et al., 2020; Majir & Nasar, 2021).

In Maria's journal, (2023) the Society 5.0 era is a major change in human life throughout the world, where this is marked by the adoption of information and communication technology which is increasingly rapid and influences various aspects of human life, starting from how to work, interact, to doing things. shopping activities. In the Society 5.0 era, the ability to adapt and implement change management is very important, including for the corporate sector and the individuals involved in it, they must be ready to adapt quickly and follow the latest trends to be able to remain competitive (Pradana, 2015). Entrepreneurs who are able to carry out appropriate change management and HR improvements will have better employees and close working relationships. In increasingly tight global competition, high-quality and high-performance employees are very important to achieve success, therefore, companies are required to continue to improve and provide training and development to all employees for the sake of economic progress in the future (Ramadhani & Arifin, 2013).

Apart from that, the era of society 5.0 offers various opportunities for economic transformation, especially in the fields of business and entrepreneurship. Entrepreneurs try to develop and use innovative technology and business models to gain competitive advantage, but at the same time they also review the costs incurred, benefits and threats they will face (Sitorus & Gheta, 2022). Digital transformation can be defined as the use of information technology in various aspects of modern society that goes far beyond literacy and competence, this is related to the ability of companies to apply various new technologies and procedures to improve their business operations (Sukmasetya et al., 2020).

Wibowo, (2014) said that managers and companies need to think about a special method that is responsive in human resource planning in the Society 5.0 era, especially as the business environment is now increasingly complex and changing

rapidly. Companies must consider technological developments, market trends, and regulatory and policy changes that may affect their human resource needs. In addition, companies must also consider the needs and preferences of their employees, and create an inclusive and responsive work environment. In this case, specific responsive methods can help companies plan and manage their human resources more effectively, so that they can increase productivity, reduce costs, and achieve their business goals more efficiently (Wirapraja & Aribowo, 2018).

On the other hand, the presence of the Society 5.0 era has also created a new business trend among the wider community, where with the synergy between trade and information technology, the term E-commerce is now present amidst the pace of national and global economic growth. e-Commerce (Electronic Commerce) is a word that is no longer foreign when connected to the internet network, where there are business transactions or marketing methods that are carried out virtually. This is in line with the definition which refers to Black's Law Dictionary which explains that e-commerce is a means of online transactions that utilize the internet, mainly related to buying and selling products.

Yuliana's research results (2000) explained that the main framework of e-commerce consists of people (sellers, buyers, intermediaries, information systems and others), public policy (public policies and regulations such as taxes, regulations and others), marketing and advertising (marketing and advertising such as promotions, web content, target marketing and others), support services (support services such as logistics, payments, system and network security and others), business partnerships (business partnerships such as affiliate programs, exchanges and others).

The development of E-commerce has now been transformed into a social network that can be widely accessed by consumer mobile devices such as smartphones and tablet computers. Marketing methods are transferred through social networks, search engines, the web, mobile phone platforms and email, where in E-commerce technology there is the term Ubiquity, which is interpreted as everywhere, meaning that internet/web technology is available anytime and anywhere, such as: in workplace, at home and elsewhere via mobile devices. This makes buying and selling transactions possible anywhere as long as customer comfort can be increased and transaction costs reduced. This condition makes trade cross cultures and countries so that a lot of information becomes cheap and accurate. By digitizing business processes in online environments, modern companies seek to increase the value offered to customers in the context of increasing demand for better products and services as well as market internationalization (Sambiono & Ukamah, 2021; Achmad, 2021).

In society 5.0, new value created through innovation will eliminate regional, age, gender, language gaps and enable the provision of products and services that are well-tailored to the diverse needs of individuals and groups. In this way, it is possible to achieve a society that can promote economic development and find solutions to social problems. However, this achievement will have difficulties or

obstacles, if it is not accompanied by adequate systems and governance. Society 5.0 is an answer to the challenges that arise due to the era of the Industrial Revolution 4.0 which is accompanied by turmoil, uncertainty, complexity and ambiguity. Society 5.0, a time where a human-centered society balances economic progress with solving social problems by a system that integrates cyberspace and physical space.

## B. METHOD

This research uses qualitative methods with the aim of providing greater spontaneity and better adaptation of interactions between researchers and research sources in obtaining answers to research questions. Meanwhile, according to Sugiyono, (2010) qualitative research is research in which a researcher can recognize the subject, feel what the subject experiences in everyday life. In qualitative research, the researcher is involved in the context, with the situation and setting of the natural phenomenon that is being researched, because each phenomenon is something unique, which is different from others because the context is different.

## C. RESULTS AND DISCUSSION

The era of society 5.0 is a concept that promotes the use of technology to create a smarter, fairer and more sustainable society. In the Society 5.0 era, industry plays an important role in creating innovations that can meet society's needs and accelerate sustainable development. In an industrial context, Society 5.0 offers great opportunities to increase production efficiency and optimize logistics systems, so as to speed up the distribution of products and services to society. Apart from that, this concept is also able to accelerate the transition from conventional energy sources to renewable energy sources. The impact is that industrial processes become more environmentally friendly and more efficient in the use of energy sources.

However, the challenges faced by industry in the Society 5.0 era are also not small. Industries must consider the social and environmental impacts of the technologies and innovations they develop (Zhou & Li, 2023). Industry activists must also ensure that the benefits of their product innovation are distributed equally to all levels of society. Apart from that, the adoption of technology and innovation must also be accompanied by increasing the skills and knowledge of industry players. So they can make optimal use of technology and make positive contributions to industry and society.

Therefore, collaboration between industry, government and society is very important to create quality and responsible innovation, especially in social and environmental aspects. The government needs to create regulations that ensure responsible technology adoption and protect people's rights in using technology. Industries also need to consider the social and environmental impact of their technology, as well as ensuring cybersecurity.

On the other hand, society must also be active in utilizing available technology and participate in developing technology that is beneficial to them. In the Society 5.0 era, industry and society are interrelated and influence each other.

Therefore, collaboration and active involvement from all parties is very important in creating quality innovation. To overcome this challenge, industry must consider the social and environmental impacts of the technologies and innovations they develop, and ensure that the benefits are distributed equally across society. Industry must also pay attention to ethics in the development and use of technology, and ensure that the technology they develop does not cause discrimination and social inequality.

In the Society 5.0 era, it is illustrated that every activity carried out by humans is very dependent on technology. This is based on the fact that the role of technology has become a basic need in all aspects of human life, and everything is integrated directly into smartphones. In business transactions, people are also dependent on technology so that the new era in the digital economic world will erase the ways of business transactions carried out in the past, namely using traditional transactions. In this way, E-commerce will become a favorite in business transactions, so that the prospects are increasingly bright and this is also one of the drivers for the emergence of new start-up companies to meet the needs of society in a broad and practical way.

In fact, the concepts of industrial revolution 4.0 and society 5.0 do not have significant differences, where industrial revolution 4.0 uses artificial intelligence while society 5.0 focuses on the human component. The concept of society 5.0 is a new innovation from society 1.0 to society 4.0 in the history of human civilization. Industry 4.0 that we are currently experiencing, actually places the role of humans to adapt more, especially to telecommunications equipment such as PCs, computers, cellphones, through the help of internet networks. If Industry 4.0 allows us to access and share information on the internet, then Society 5.0 is an era where all technology is part of humans themselves and the internet is not just for information but for living life, so that technological developments can minimize gaps in humans and problems. economy in the future.

The concept of society 5.0 also emerged to support the 17 Sustainable Development Goals of the United Nations in 2030, because this concept will work well if the role of society is able to use the sophistication of the digital world, especially to transform life and solve problems in the social environment around them. Some of the technologies supporting the concept of society 5.0 include, (1) Internet of Things (IOT) where everyone, every event will be connected and recorded with the internet, so that this process can be taken quickly, but until now IoT has only been applied to the world- virtual world only. (2) Artificial Intelligence, this concept was first discovered in the 1960s, and has continued to be developed until recent years. Artificial Intelligence has now developed very rapidly, especially in the field of machine learning, thanks to its ability to read data from its environment. , analyze and make arguments from data and communicate the results of the analysis.

Apart from the Internet of Things (IOT) and Artificial Intelligence, Distributed Ledger Technology (recording distribution technology) is also included in the technology supporting the concept of society 5.0, where the first Blocks concept will

store transaction data such as date, time and amount of transaction money, then the second Blocks stores information who participated in the transaction and in the third Blocks will store information that distinguishes one user from another user based on the name and type of transaction carried out. Furthermore, the latest supporting technology for the concept of society 5.0 is Robotics, where this role is different from the Artificial Intelligence system, because basically AI is different from robots, AI is a computer program designed for work that requires human intelligence, while robots are machines created to complete tasks (Wang & Mao, 2023). human tasks are physical, then AI can be applied to robots, but AI can also be non-physical.

As explained at the beginning, Japan is the first country to try to adopt the concept of Society 5.0, precisely since November 13 2018. This step was taken because in fact Japan's elderly population has a number greater than the population of productive age, not to mention the phenomenon of the birth rate which is increasing. very low, making the Japanese government finally dare to take a rare decision, namely to bring about a new era in the cycle of human travel on earth. According to the World Review Population (2019), Japan's population aged 65 years and over is 26.7% of the total population of 127.11 billion, an increase of 3.7% from five years ago. It is predicted that in 2050, 40% of Japan's population will be over 65 years old and if this problem is not addressed quickly, one worker in Japan will support one elderly person.

**Utilization of E-Commerce Technology in Business Processes in the Era of Society 5.0**

Technological progress is an inevitable development that will bring greater opportunities for those who are able to face this situation. This is of course in line with the innovations that emerged from Japan, where at a world economic forum event, Japanese Prime Minister Shinzo Abe explained the vision of society. 5.0 or Society 5.0 which will be connected by data to improve human growth in the future. The Japanese government introduced the term society 5.0 to describe a situation where technology not only takes over the position of humans at work, but also humanity in society.

As we know at the beginning of 2008, aspects of life, such as economic and social activities, have been integrated into the digital world, this is made possible by the widespread use of internet technology and other platforms, such as cellular systems and sensors which also participate in every aspect of life. man. Moreover, in recent years a more significant role in the field of ICT technology has been observed in the mobility of data transmission, the development of business intelligence systems and web 2.0, which also includes the use of social media as a whole.

Electronic Commerce (e-commerce) is the use of the internet, web and applications for digital business transactions between companies and individuals. Meanwhile, in a broader study, e-commerce is seen as one of the impacts of the evolution of the internet which leads to innovations in the global market and manifests itself in many ways, starting from changing consumer behavior, changing

sales methods, transporting or trading. data, goods or services. However, basically this e-commerce system is not only focused on buying and selling centers, where several government, business, business partner and customer service sectors are affiliated with it.

Electronic commerce, which means a marketing system with the help of electronic media, is not a service or a good, but is a combination of services and goods. Apart from that, e-commerce and related activities via the internet can be a driving force for improving the domestic economy through liberalizing services and accelerating integration with global production activities, because this e-commerce system will integrate domestic trade with world trade, through various forms of talks or negotiations which will not only be limited to aspects of world trade, but more than that e-commerce will create a policy, especially regarding supervision in telecommunications, financial services, shipping and distribution.

In practice, this e-commerce system can be integrated in an integrated manner through several stages, including through the value chain of the infrastructure, which consists of three layers. First, distribution system infrastructure (flow of goods); second, payment infrastructure (flow of money); and third, information system infrastructure (flow of information). In order to integrate the supply chain system from suppliers, to factories, to warehouses, distribution, transportation services, to customers, enterprise system integration is needed to create supply chain visibility. The main types of ecommerce transactions consist of Business-to-Business (B2B), Business-to-Consumer (B2C), Business-to-Business-to-Consumer (B2B2C), Consumer-to-Business (C2B), Intra-business EC, Business-to-Employees (B2E), Consumer-to-Consumer (C2C), Collaborative Commerce and E-Government. While Laudon et al. (2014, 19) added three main types of e-commerce, namely social e-commerce, Mobile e-commerce and Local e-commerce.

Furthermore, the role of e-commerce can make it easier for business people because they can sell their products to customers without having to meet them in person thanks to e-commerce. Applications that are connected to the internet network provide a way to buy and sell. Manufacturers can use this app not only to showcase their products but also explain them. This helps manufacturers get the most out of the app and gives customers more confidence when making a purchase. Consumers can be used as targets or product users thanks to technological advances in the form of e-commerce, and producers can use them as product sellers to market their products and make as much money as possible so that customers do not feel disadvantaged.

In many cases, an e-commerce company can survive not only by relying on product strength alone, but by having a reliable management team, on-time delivery, good service, good business organizational structure, network infrastructure and security, among other advantages. consisting of, (1) providing competitive prices (2) providing responsive, fast and friendly purchasing services (3) providing complete and clear information on goods and services (4) providing many bonuses such as coupons, special offers and discounts (5) provide special attention such as

purchasing proposals and (6) provide a sense of community for discussion, input from customers, etc.

E-commerce provides producers with choices regarding the type of business and scale of business to be developed. By implementing e-commerce information technology, manufacturers can choose to expand their target market to the global market or only focus on certain market segments. For small and medium businesses, using ecommerce can offer something that is quality and affordable and has the confidence to face competitors. Cost is not then the main obstacle, but the most important thing is how small and medium businesses can demonstrate the products or services offered through their website and can do this through online sales.

The emergence of e-commerce is actually able to have several positive impacts on marketing activities, including (1) making it easier to promote products and services interactively and in real time through direct communication channels via the internet (2) Creating new distribution channels that can reach more customers in almost all areas. parts of the world. (3) Providing significant savings in terms of shipping costs for digitalized information and products (e.g. software and music) (4) Reducing cycle times and administrative tasks (especially for international marketing) from ordering to product delivery (5) Excellent customer service more responsive and satisfying, because customers can get more detailed information and respond quickly online.

Apart from that, politics and regulation are at the heart of Society 5.0 as well as technology. The Japanese government is encouraging local businesses to collaborate more and share big data to develop new innovations. Because the required data is owned by other business parties, the company's current capabilities are still limited. In the future, the public and private sectors can collaborate to develop new systems that are more efficient, safe and effective. Of course, more businesses will be encouraged to share information and other businesses will be able to use employee data to build better products than before.

Strengthening the role of government and business in the era of society 0.5 must use reliable and more open data. Apart from that, direct community involvement can make the business world sustainable and proactive, this is to ensure that this cycle leads to a more data literate society, as well as developing best practices in the global economic climate. On the other hand, more and more governments are launching data portals that are open and easily accessible, so this not only contributes to data-based decision making, but also directly influences citizens' trust, confidence and satisfaction with the government, because of open government data. enabling citizens to monitor government performance and management and facilitating data-driven solutions and services.

The main component of society 5.0 is humans, namely humans who are able to create new values from the development of digital technology from the previous industrial revolution. In society 5.0, a human-centered society that harmonizes and integrates the real world and cyberspace in economic activities. It is hoped that the use of technological developments can minimize human and economic disparities in

the future. What kind of economy are we facing now and in the future? Various scientific sources state that the economy that will be faced and can be implemented in the digital era to welcome society 5.0 is an economic activity that can take advantage of developments in digital technology and provide creative elements in products or services.

The creative and digital economy will influence entrepreneurship in facing the era of society 5.0, where entrepreneurial activities must continue to look for innovative solutions and business models based on the use of digital technology. Apart from that, there is a positive relationship between digital skills and entrepreneurship, and in the future, it is hoped that this process can be a way to reduce the unemployment rate which continues to increase every year. Because we cannot deny that entrepreneurship is an important element for economic growth and social welfare in this digital era. Generations in the digital era can become agents of change for the nation and it is highly hoped that in the future the digital era generation will have the mindset to create jobs, which of course will have an impact on reducing the number of unemployed and can also improve the nation's economy in a sustainable manner.

## D. CONCLUSION

Progress in the fields of technology, computers and telecommunications supports the development of internet technology which is able to contribute to every aspect of human life, one of which is in the business economic sector. In the new economic era and the digital transformation that accompanies it, business strategies are now changing to become more dynamic following the changing times and of course in line with human desires. When the Society 5.0 era was born and brought major evolution, especially in balancing the human social order, this was certainly seen as good by all groups, because this concept would integrate cyberspace and physical space and balance economic development evenly. In Society 5.0, it is described that every activity carried out by humans is very dependent on technology, one of which is the business aspect. The development of digital technology from the industrial revolution 4.0 is implemented as fully as possible by society 5.0 behavior, which motivates the development of business in the digital era, where this process is not only about what products/services are sold, but more about the technicalities or how to sell and promote them by utilizing digital technology.

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