



Analisis of government policy based on permenag number 31 of 2023 to close tiktok shop in an effort to save conventional traders in Indonesia

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ABSTRACT

Tiktok shop is an additional feature launched by Tiktok to facilitate content creators, as an innovative social commerce that can reach producers, sellers, buyers and creators in providing a cheap and easy shopping experience without shipping costs with the Tiktok shop feature brand producers and sellers are enabled to grow their business through live shopping that they can collaborate with content creators. Tiktok shop was present on April 21, 2021 and closed on October 4, 2023. The problem faced since the presence of Tiktok shop is the loss of conventional traders such as the Tanah Abang market which is empty of visitors because people prefer to wait for groceries from home to arrive safely. Based on Permendag No. 31 of 2023, Tiktok shop was officially closed on the grounds that it was detrimental to conventional traders in Tanah Abang, the live feature on Tiktok shop provides a large profit for online sellers, Tiktok shop is only used as a promotion, there are regulations governing new technology. the method used in this research is a qualitative descriptive analysis method, namely by analyzing, describing, and analyzing.

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1. Introduction

Corruption The benefits of the sustainability of this research, firstly creating new promotional ideas to attract consumers, secondly creating new designs that no one else has and thirdly providing discounts and free shipping. especially conventional traders follow the times to create marketplace accounts from various applications where they must be innovative and creative in the flow of digital commerce because if they only wait for consumers to come to the store in the era of the onslaught of online sales, they will gradually lose consumers, of course, they will lose money, so sellers must follow the trend of digital promotions through product

promotional videos to attract consumers to buy products, many discounts, free shipping, and buy 1 free 1 promotions, this will attract consumer attention. Currently, an online business activity that is being discussed is to join a marketplace user, this is because the marketplace service provider has provided a place for prospective sellers so that they do not need to pay additional costs for promotion. In Indonesia, many marketplace businesses have sprung up with quite diverse characteristics and offers, one of which is TikTok Shop (Andhika, 2019). At the end of the paragraph, the author/s should end with a comment on the significance concerning identification of the issue and objective of the research (Bill et al., 2022).

The closure of the Live TikTok Shop has been reported everywhere. News about the closure of the Live TikTok Shop has generated a lot of controversy in the community (Wahyiah et al., 2023). Various pros and cons continue to emerge in response to this problem, a solution has not yet been found because it involves various parties with different interests (Andhika, 2019). The responses of the community are also very subjective with various reasons associated with personal needs or placing positions on the affected parties so that they can get a comparison to determine their attitude towards the decision to close Live TikTok that has been reported. This study aims to analyze student opinions about the closure of Live TikTok in order to provide policy recommendations to provide solutions to affected parties (Hamdani et al., 2023).

TikTok Shop was officially closed on Wednesday, October 4, 2023 at 17.00 WIB. The closure of TikTok Shop is not without reason. The Chinese music video platform was closed due to licensing issues. Minister of Cooperatives and Small and Medium Enterprises Teten Masduki said TikTok Shop did not have a trading license for e-commerce (Sulistianti & Sugiarta, 2022). There are four reasons for the government to close the TikTok shop, the first reason is regulatory compliance, TikTok shop failed to meet all the regulatory requirements imposed by the Indonesian government, (Saepudin, Nugraheni, et al, 2023) the second reason is the protection of user data because TikTok was originally created as an entertainment application which is aimed at content creators who want to be creative in the videos they make and upload when the TikTok shop is present there is a measurement of data in the form of a matrix between personal data and what business data is liked by consumers so that it can be studied and products can be copied and then resold (Trafficking & Dan. 2016) with better quality, cheaper prices so that the quality is better, 2016) with better quality at a cheaper price so that it can destroy conventional traders who only rely on visitors who come to their shops, (Wulandari & Hidayat, 2023) the third reason is other business requirements that should not obey a clear permit from the tiktok shop to the Indonesian government through the Minister of Trade and the Minister of Information Communication of the Republic of Indonesia, the fourth reason is the tiktok shop tax does not pay taxes to the government of the Republic of Indonesia (Darullah et al., 2020). , 2023).

Tiktok in Indonesia, East Java Province is in second place with a percentage of 18%, and West Java Province has 13% of Tiktok users in Indonesia. Tiktok utilizes as many users as a new business opportunity, namely by launching the latest Tiktokshop feature (Marennu, 2019). The number of influencers who use Tiktokshop helps a company or business in promoting its products (Rud et al., 2023).

However, behind the rapid development of Tiktokshop, there are many complaints from consumers because features such as payment options, live streaming shopping, and others are still not optimal. The quality of service provided by e-commerce businesses can affect consumer satisfaction with their purchases. Tiktokshop receives complaints from consumers. Among them: consumers who want to make refunds and returns find administration difficult and Tiktokshop is not dexterous in responding. The research gap shown from the results of previous studies is still inconclusive, because the dimensions (Marbun et al., 2022).

The development of social media has gone through many changes. In the past, the function of information technology was only used for communication media, but now it has grown as a means of promotion, advertising, and has developed into a means of entertainment. Due to the

development of technology, social media can now also be used for entertainment. Today's web consumers can use a variety of social media. Currently, the most widely used information media include Youtube, FaceBook, Instagan, Whatsapp (WA) and TikTok. This research centers on social media, namely the TikTok application which has recently gone viral as a favorite social media for teenagers. This study analyzes the use of TikTok Shop as an advertising tool. The variables tested include social media advertising content, brand image, perceived usefulness, perceived ease of use, and behavioral intentions of TikTok shop (Darullah et al., 2023).

Digital Marketing Mix plays an important role in increasing customer satisfaction has provided different results to date. Hasnari (2018), found that Tangible, Reliability, Responsiveness, Assurance, and Care (empathy) proved to have a positive effect on Consumer Satisfaction, while according to Matin, (2018) found that the product variable (product), place (place), process) has no partial effect on consumer satisfaction but the variable price (price) and promotion (promotion) has a partial positive effect on customer satisfaction, then according to Nadia (2019) found that the variable product (product), price (price), and physical evidence (physical evidence), does not have a significant effect on customer satisfaction, but the variable promotion (promotion) place (place), process (process) has an effect on customer satisfaction. According to Rasyid and Lesnussa (2022) found that tangible evidence, reliability, responsiveness, assurance, and empathy have an effect on moderate criteria, meaning that the quality of service contained in online shopping applications perceived by consumers is normal. (Wulandari & Hidayat, 2023)

The closure of Live TikTok Shop has been reported everywhere. News about the closure of Live TikTok Shop has generated a lot of controversy in the community. Various pros and cons continue to emerge in response to this problem, a solution has not yet been found because it involves various parties with different interests. The responses of the community are also very subjective with various reasons associated with personal needs or placing positions on the affected parties so that they can get a comparison to determine their attitude towards the decision to close Live TikTok that has been reported. This study aims to analyze student opinions about the closure of Live TikTok in order to provide policy recommendations to provide solutions to affected parties. Research (Hamdani et al., 2023)

The ease of this transaction has also been explained in the hadith which reads: "Whoever eases (removes) the difficulties of a Muslim in this world, Allah will ease (remove) for him the difficulties in the hereafter. Whoever makes it easy for someone who is experiencing difficulties in this world, Allah will make it easy for him in this world and the Hereafter. (HR. Tirmidhi: 1853)"

This technological advancement is what helps all human life activities become easier and more practical. The convenience and practicality that has been felt by humans makes them encouraged to fulfill their daily needs ranging from primary, secondary, to tertiary needs through these technological advances. One of the technological advances referred to here is the existence of e-commerce or online shops (Sulistianti & Sugiarta, 2022). The value of online trade (e-commerce) in Indonesia increased by 78% in 2019, where the amount of growth brought Indonesia to the first rank in the world.(Ulfa et al., 2022).

Social media is a website or application that allows users to create and share content while interacting with other users (Hudson, 2020). Social media allows users to share content quickly and in real time via smartphones, tablets, laptops and computers (Shadrina & Sulistyanto, 2022).

2. Method

This research method uses a qualitative descriptive method. Meanwhile, data collection was done through observation, interviews, and literature study. All data obtained was then analyzed qualitatively. In addition, the author collects data through direct interviews with

conventional traders in the main market of the rau trance center serang. Where to get a lot of customers the author provides ideas such as clothing traders must create market place accounts, shopee, tokopedia and lazada then make a short video about what items will be promoted, of course, they must choose a beautiful model as an attraction when the promotional video is edited and shared on the store's account with a note that the promotion must be short and concise, the message conveyed in the video is easy for the audience to understand.

3. Analysis and Results

The results of this study are in line with the theory which states that promotion is a campaign activity designed to increase larger or faster purchases of a product offered, thereby encouraging consumers to make unplanned purchases It can be interpreted that the promotion carried out by the TikTok Shop has become one of the important elements From the explanation above, it can be concluded that products that have various types of promotions and easy access can cause impulse buying behavior. This is in line with the results of research conducted by (Miranda, 2016) regarding the existence of two factors that influence impulsive buying behavior, namely, the existence of internal factors such as happy mood and positive emotions (Growth, 2020). While external factors namely the existence of service quality and promotions that have a significant effect on strategies to increase impulse purchases in online shopping (Shadrina & Sulistyanto, 2022). Online promotional media through TikTok Shop is an effective means to increase sales during the COVID-19 pandemic. Advertising media with TikTok is the main role because it can carry out promotions and entertainment that can be seen by many TikTok users or potential consumers. The TikTok Shop platform that is attached to millennials can influence potential consumers to buy a promoted product. TikTok's various features foster the creativity of sellers, one of which is making promotional videos with the latest music. If the video is interesting, popular, and gets 'FYP', it has the potential to increase sales turnover (Rud et al., 2023).

This factor becomes insignificant, possibly related to the opinion of gen Z where 43.89 percent do not care whether the products purchased through this application are of domestic or foreign origin. And this application itself also has an algorithm that does not provide product origin information (Retno et al., 2023). The direct effect is declared insignificant, but this factor through the factors of threat perception and purchasing inertia has a significant indirect effect on the ethnocentrism of generation Z in Indonesia compared to other countries. These three things become insignificant because Indonesian gen Z tends to feel inferior to other nations (Saepudin, Amilia, et al., 2023). This is reinforced by the results of Ferniansyah et al's research which states that through new-media theory, consumers tend to be resigned and willing of their own accord to be injected with platform "messages" whether they know the truth or not (Retno et al., 2023). According to Mo & Fan in Yofina 2020 Online customer review (OCR) is a review provided by consumers related to information on the evaluation of a product about various aspects. With this information, consumers can get the quality of products they are looking for from reviews and experiences written by other consumers who have bought products from online sellers before (National et al., 2023).

4. Conclusion

The limitations in this study are where online traders through live shopping in selling there are some who are reluctant to be interviewed on the grounds that they are embarrassed, other traders have just been interviewed and finally the author is looking for traders who want to be interviewed, while conventional traders, on the contrary, are enthusiastic and willing to be given advice on what breakthroughs are appropriate to face the onslaught of online sales, of course, they must keep up with the times by making attractive promotional videos and creating accounts. Suggestions for future research should researchers work with kontwn creators who

have succeeded in selling live shopping in order to educate conventional traders to follow the advice of live shopping creators who are already running how to follow their accounts then send short messages through their accounts to invite to cooperate ag. The social construction process of generation Z consumers in online shops on TikTok social media is determined by the thoughts of these social media users. The externalization process begins with the desire to be considered by the social environment through the content uploaded and followed. In the objectivation process, generation Z sees online shops on social media as fulfilling the needs of generation Z in an effort to show their existence in the social environment (Pelaksanaan, 2023). Online shops provide interesting content and offers as well as ease of information, so that in the internalization process makes generation Z choose to use online shops on social media to fulfill their lifestyle (Sulistianti & Sugiarta, 2022).

Consumer understanding of their needs and desires is also a separate factor in the process of social construction of generation Z to be consumptive (Hamdani et al., 2023). The bias of generation Z's understanding of their needs and desires creates a desire to continue to fulfill what is currently trending. The individualist and materialist attitude of generation Z in their lifestyle is a driving force for the higher consumptive behavior they have (Ahmad et al., 2022).

Government policy based on Permendag No. 31 of 2023 where the government strongly anticipates fatal fluctuations from the TikTok shop which absorbs personal account data from TikTok users so that the algorithms in the TikTok shop feature can be absorbed by the owner of TikTok or the creator of TikTok where things that make fatal all data are absorbed various kinds of products are copied and sold again in the TikTok shop with good quality at low prices plus free shipping This is what is very worried about all MSMEs in Indonesia will be dominated by Chinese products that are better and cheaper, therefore we support and buy original Indonesian local products (Bangka, 2023).

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