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Analysis of The External Environment in The Face of TikTok Shop Closure

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KEYWORDS ABSTRACT

Online Transactions, E-Commerce, Tiktok Shop

Electronic Commerce or e-commerce is all buying and selling activities or transactions carried out using electronic media (the internet). Even though telephones and television are included as electronic means, e-commerce now refers more to digital technology or the internet. The purpose of researchers in conducting this analysis is to determine the threats and opportunities that will be faced by online shop MSMEs in Gegesik village, Cirebon Regency. This research uses a descriptive qualitative approach with a case study method. The research results from the closure of the TikTok Shop have an impact on the welfare of the people of Gegesik village who previously depended on the TikTok Shop and are now very confused. There are two camps of opinion, namely the first, there are those who agree that the TikTok Shop is closed. It is a threat to MSMEs in Indonesia because some think that the goods sold at the TikTok Shop are imported goods from China, Hong Kong, and Thailand, which will close down small companies, and medium and accompanied by a storm of mass layoffs and fear of user data being intercepted by other countries. The group that does not agree with TikTok Shop being closed believes that with social media like TikTok Shop, someone can once again struggle to earn a living to meet their family's needs, whereas those who were previously laid off (layoffs) can survive day after day because they rely on their hopes from TikTok Shop.

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1. Introduction

Nowadays, most micro, small, and medium enterprises also known as MSMEs promote their products or merchandise through E-Commerce, such as Lazada, Shopee, TikTok Shop, Tokopedia, and others (Riswandi, 2019). Most micro, small, and medium enterprises (MSMEs) pay close attention to several trending factors (Anwar, 2020); (Hajar, 2019). Not only companies, micro, small, and medium enterprises can also find opportunities and threats very easily, there are many ways to do this, one of

which is the external environment (Elli, Pardian, & Syamsiyah, 2021). The external environment is something that contains factors that are outside the reach of the company which can create opportunities or threats (Vikhri, 2022) (Wardhana, 2024). Meanwhile, nowadays, E-Commerce such as TikTok Shop is prohibited from operating or closed, due to various considerations such as threatening the products of micro, small and medium enterprises (MSMEs) both online and offline (Andani & Indarta, 2023); (Firmansyah & Muntaha, 2024); On the other hand, the existence of TikTok shop is an alternative for consumers for several reasons, namely: cheaper shipping costs, even free shipping, prices below market, and faster delivery compared to other e-commerce. Apart from that, TikTok is also integrated with social media so that users' creativity is stimulated to be more productive in terms of content that is relevant to current events (Irham, 2014) (Syarif, 2008).

This external environment is also an environment that is outside the business itself which can influence the company's prospects, consisting of the macro environment and industrial environment (Sunyoto, 2012); (Riyanto, 2018); (Kurniati, 2023). External environmental analysis is a scan of a company's external environment that aims to identify threats and opportunities that affect company performance (Awaliya et al., 2023); (Sari, Nurliza, Fatimah, Melvia, & Putri, 2021). Opportunities and threats are present at all times and always exceed available resources. This means that the strength possessed by the organization is always in a weaker position in overcoming threats, even in pursuing and exploiting opportunities (David, 2004); (Yam, 2020). 4 steps in the external environmental analysis process, namely: 1) scanning is identifying changes that occur in the environment and trends, 2) monitoring is the continuous observation of environmental changes and trends, 3) forecasting is making projection plans based on environmental changes and trends, 4) Assessing is determining company strategy based on environmental changes and trends (Leuhery, 2022).

Electronic Commerce or e-commerce is all buying and selling activities or transactions carried out using electronic media (the internet). Even though telephones and television are included as electronic means, e-commerce now refers more to digital technology or the internet. If we understand in depth the definition above, a marketplace is an example of an e-commerce business or model. The marketplace only acts as a platform or intermediary that connects buyers and sellers. Marketplaces are like markets in cyberspace that bring together sellers and buyers. Sellers who have stalls in marketplaces, such as Lazada and Shopee, only need it. carrying out buying and selling activities and serving orders placed by buyers. Meanwhile, site management activities and so on, everything is the responsibility of the site owner or online buying and selling platform (djkn.Kemenkeu.go.id).

The researcher's aim in carrying out this analysis is to find out about the threats and opportunities that online shop MSMEs will face in Gegesik village, Cirebon district. when viewed from the perspective of their external environment and carry out this analysis to help society. Helping the community in question means providing the benefits of this analysis so that everyone can know what they will face and increase technological and product innovation to maintain job and income stability.

2. Materials and Methods

This research uses a descriptive qualitative approach with a case study method. The case study method is an empirical investigation method that investigates contemporary phenomena or cases in depth and real terms, especially when the boundaries between phenomenon and context are not visible. The case study method provides an in-depth exploration of the unit of analysis or case studied, such as a program, phenomenon, activity, process, or group of people, and is analyzed using

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words or sentences. The qualitative approach chosen can provide a comprehensive understanding of the process, flow, and decision-making (Dewi, 2019). Data collection using survey method by distributing questionnaires to respondents related to the closure of Warung Tiktok, such as stall owners, employees, customers, and local government, conducting interviews with relevant stakeholders, such as community leaders, government members, and environmental experts and collecting secondary data, such as statistical data, government reports, and other related sources of information. This research analysis analyzes survey and interview data to identify external environmental factors that affect the closure of Warung Tiktok, uses qualitative analysis methods to understand the views and perspectives of stakeholders related to the closure of Warung Tiktok and uses descriptive and statistical analysis methods to analyze numerical data obtained from respondents (Hermawan & Amirullah, 2016).

3. Result and Discussion

Efforts to Increase Economic Growth by Emphasizing Poverty Rates in West Sumatra Province

The COVID-19 pandemic phenomenon that has hit the world globally has had an impact on various sectors, not only health but also the environment, economy, mental health, and so on. The Covid-19 pandemic that occurred between 2020 and 2023 also changed people's attitudes and purchasing power, which shifted from offline stores to online stores, this is proven by the proliferation of E-Commerce in Indonesia, such as Lazada, TikTok Shop, Shopee, BliBli, and so on. Adapting to people's new habits of leaving the house and gathering with other people, during the pandemic it changed 360 degrees. Almost all of society's time is spent at home, whether working or what is usually called WFH (Work From Home), playing shopping for daily needs such as vegetables, ready-to-eat food, clothes, and even electronic equipment.

The role and function of the Internet have become more intense or very popular in society since the pandemic, it is used for office meetings and even online shopping. There is wisdom behind the COVID-19 pandemic, namely that society has become very creative and adaptive in facing the era of digitalization. One of them happened in Gegesik village, Cirebon district. Where in this village the function of the internet is greatly utilized as a way to replace previously lost livelihoods due to layoffs. Almost all residents of Gegesik village, Cirebon Regency sell online using the E-Commerce platform, especially Tiktok Shop because it is considered very profitable. After all, this platform has a very simple sales algorithm but is very profitable for MSME traders.

The proliferation of TikTok Shop online traders in the Gegesik village area, Cirebon district, has had a very significant impact on the youth there because it can be used as a main or side income which is very profitable or productive. However, this has changed since the pandemic status was lifted by the Indonesian government and all community activities returned to normal as before. This has an impact on people who switch from online stores to offline stores because all malls are opened accompanied by the lifting of social restrictions. What had an impact was of course various E-Commerce, one of which was TikTok Shop, where the sales turnover from traders in Gegesik village, Cirebon district, decreased drastically, some even closed their online store accounts at TikTok Shop.

This is made worse by government policy which prohibits TikTok Shop operations from being combined with social media. This has increasingly had an impact on the welfare of the people of Gegesik village who previously depended on TikTok Shop and are now very confused. There are two

camps of opinion, namely the first, are those who agree that the TikTok Shop is closed. It is a threat to MSMEs in Indonesia because some think that the goods sold at the TikTok Shop are imported goods from China, Hong Kong, and Thailand, which will close down small companies. and medium and accompanied by a storm of mass layoffs and fear of user data being intercepted by other countries. The group that does not agree with TikTok Shop being closed believes that with social media like TikTok Shop, someone can once again struggle to earn a living to meet their family's needs, whereas those who were previously laid off (layoffs) can survive day after day because they rely on their hopes from TikTok Shop.

Since 2020, the economy of Gegesik village, Cirebon district has revived, where it is rare to see young people or school children fighting or even getting drunk due to unemployment, this is because many workers have been absorbed by this TikTok phenomenon, including those working as TikTok Shop business owners., Live TikTok talent becomes a packer for goods or packages and even becomes a delivery person for the packages themselves. Apart from that, the economic growth of residents as buffers or supporters is starting to emerge, such as the proliferation of grocery stores which provide tools and materials for packing orders plus the emergence of food stalls which are coming back to life. However, this is increasingly decreasing as TikTok is prohibited from operating in Indonesia. Therefore, some villagers or residents of Gegesik village, Cirebon district, have again switched from relying on TikTok Shop to the agricultural or plantation sector because if they still rely on TikTok Shop, they are at risk of experiencing losses due to low orders plus the business capital spent by the average resident. average from bank loan funds from both government and private banks.

4. Conclusion

In evaluating the results of research regarding external environmental analysis in dealing with the closure of the Tik Tok shop in Gegesik village, Cirebon district, several key conclusions can be drawn, namely mapping the business strategy that is carried out must have its innovation because every business has a period or also called a Product Life Cycle where each product has an age starting from the introduction stage, growth stage, maturity or maturity stage and decline stage or decline stage. Where in 2020 people's shopping patterns shifted from malls to online stores. However, when the pandemic status was lifted by the government and people were allowed to return to normal activities, consumer behavior also changed to offline stores which offered a different atmosphere to online stores such as the TikTok Shop.

This is a challenge for MSME sellers on TikTok Shop because, with this, competitiveness will be more competitive. This should stimulate the creativity of sellers on TikTok to be more innovative in seeing opportunities other than the TikTok platform because every regulation issued by the government aims to protect Indonesian citizens from the dangers of foreign market capitalization. The pros and cons that occur as a result of the closure of the TikTok Shop must also be interpreted broadly, not only for momentary interests and profits. Good synergy between the government and MSME players must be established for Indonesia's progress in the future.

The role of the government in this matter is also very important, where every policy issued by the government must take into account the good and bad for society. MSMEs come from society so they should have a good impact on society too.

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