

**THE EXISTENCE OF TIKTOKSHOP FOR MSMEs
(From Opportunities to Challenges)**

**Jenny Nancy Kaligis¹⁾, Umar Sako Baderan²⁾, Chevy Herly Sumerli A³⁾, Ainil Mardiah⁴⁾,
Tono Mahmudin⁵⁾**

¹Universitas Negeri Manado, Indonesia

E-mail: jennykaligis@unima.ac.id

² Universitas Muhammdiyah Gorontalo, Indonesia

E-mail: usbaderan@gmail.com

³ Universitas Pasundan, Indonesia

E-mail: chevy.harlys@unpas.ac.id

⁴ Universitas Adzkie, Indonesia

E-mail : ainilmardiah@adzkie.ac.id

⁵ Universitas Kristen Indonesia Maluku, Indonesia

E-mail: onomahmudin@gmail.com

Abstract

The Tiktok Shop problem is getting hotter day by day. One side believes that Tiktok Shop can be a vehicle for MSMEs to expand their network and increase their market share. However, on the other hand, Tiktok Shop is actually considered a threat and challenge for MSMEs to develop their business because Tiktok Shop is different from other e-commerce, especially regarding the presence of foreign products, procedures that are not carried out well, and it is suspected that Tiktok also acts as a seller so that Tiktok Shop is too overpowered and has a big potential to kill MSME businesses. Moreover, MSMEs are the cornerstone of the Indonesian economy. Therefore, this research aims to analyze the existence of the Tiktok Shop for MSMEs, whether it is an opportunity or a threat. This research is qualitative research with a descriptive approach. This research uses secondary data obtained by researchers from scientific journals, books, credible websites and other reliable sources. The analysis technique in this research uses observation analysis techniques, data collection, data selection, data reduction, and drawing conclusions. The results of this research show that the existence of Tiktok Shop for MSMEs is more of a threat than an opportunity.

Keywords : *Tiktok Shop, MSMEs, Challenges, Opportunity.*

1. INTRODUCTION

According to the Big Indonesian Dictionary, existence is existence, a presence that contains elements of survival (Departemen Pendidikan Nasional, 2000). Meanwhile, according to Abidin Zaenal existence is: "Existence is a dynamic process, a becoming or existing. This is in accordance with the origin of the word existence itself, namely *eksistensi*, which means coming out of, going beyond or overcoming. So existence is not rigid and stopped, but flexible or springy and experiences development or, conversely, decline, depending on the ability to actualize its potential" (Rosmiati, 2019).

According to Nadia Juli Indrani, we can also know existence with one word, namely existence. Where the existence in question is the influence of our presence or absence. The term "punishment" is a general and conventional term that has a broad meaning and can change

due to the term can connote a fairly broad field. This term is not only often used in the legal field, but also in everyday terms such as in the fields of morals, religion and so on (Wicaksana & Rachman, 2018).

In this research, what is meant by existence is related to the existence of an application that could potentially become a threat or opportunity. The application is Tiktok Shop. Textually, Tiktok Shop is a feature of the Tiktok application that makes it easier for businesses and users to sell and buy products. Because this feature makes it very easy for buyers to shop via social media without having to switch to other applications. Eksistensi Tiktok Shop berbeda dengan platform-platform lainnya. The Tiktok Shop platform not only acts as a mediator between producers and consumers but also acts as a producer and importer of goods, so this gives rise to unhealthy competition that has the potential to kill MSMEs which are the largest contributor to GDP in Indonesia (Kompas, 2023).

In accordance with Law number 20 of the year 2008 concerning Micro, Small and Medium Enterprises, MSMEs are defined as follows: 1). Micro businesses are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Business as regulated in this Law. 2). Small businesses are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of medium or large businesses that meet Small Business criteria as intended in this Law. 3). Medium Enterprises are productive economic enterprises that stand alone, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of Small Businesses or Large Businesses with total assets, net or annual sales proceeds as regulated in this Law (Law Number 20 of the Year 2008 Concerning Micro, Small and Medium Enterprises, 2008).

According to the Central Statistics Agency (BPS), a micro business is a business unit with up to 4 permanent workers, for small businesses the number of permanent workers is between 5 and 19 people, and for medium businesses the number of permanent workers is between 20 and 99 people. Companies with a number of employees above 99 people are included in the category of large businesses. The importance of business existence micro, small and medium enterprises in the national economic arena not only because of their large numbers, but also in terms of large capacity to absorb labor (Srijani, 2020).

Apart from that, micro, small and medium scale businesses are also able to carry out export activities of certain goods which can generate large amounts of foreign exchange so that they can contribute to Gross Domestic Product (GDP). In general, the goal or target to be achieved is the realization of Micro, Small and Medium Enterprises (MSMEs). tough and independent which has high competitiveness and plays a major role in the production and distribution of basic needs, raw materials, as well as capital to face free competition (Sony Hendra Permana, 2017).

Apart from having the potential to kill MSMEs and generate unhealthy competition, Tiktok Shop should become an easy market share for MSMEs in developing their products due to its wide reach, simplicity of procedures, and other things. Based on this, this research aims to analyze the existence of the Tiktok Shop for MSMEs, whether it acts as a threat or as an opportunity.

2. RESEARCH METHODS

This research is qualitative research with a descriptive approach. Qualitative research is a research process to understand human or social phenomena by creating a comprehensive and complex picture that can be presented in words, reporting detailed views obtained from informant sources, and carried out in a natural setting (Sugiyono, 2019). Qualitative research has a descriptive nature and tends to use an inductive approach to analysis, so that processes and meanings based on the subject's perspective are more emphasized in this qualitative research (Jonathan Sarwono, 2016). The descriptive nature of qualitative research means that the research will attempt to create a systematic, accurate and factual general picture of the facts, characteristics and relationships between the phenomena being studied (Lexy J. Moleong, 2018). As stated by Nazir (Lexy J. Moleong, 2014) that the descriptive research method is a method of researching the status of a group of people, an object, a condition, a system of thought, or a class of events in the present with the aim of creating a description, picture or systematic, factual and accurate depiction of the facts, properties and relationships between the phenomena being investigated (Imam Gunawan, 2014). In this research, using secondary data obtained by researchers from scientific journals, books, credible websites and other reliable sources regarding the existence of the Tiktok Shop for MSMEs, it acts as an opportunity or as a challenge (Manzilati, 2017).

3. RESULT AND DISCUSSION

The Existence Of Tiktokshop For Msmes

According to the Big Indonesian Dictionary, existence is existence, a presence that contains elements of survival (Departemen Pendidikan Nasional, 2000). Meanwhile, according to Abidin Zaenal existence is: "Existence is a dynamic process, a becoming or existing. This is in accordance with the origin of the word existence itself, namely *eksistere*, which means coming out of, going beyond or overcoming. So existence is not rigid and stopped, but flexible or springy and experiences development or, conversely, decline, depending on the ability to actualize its potential" (Rosmiati, 2019).

According to Nadia Juli Indrani, we can also know existence with one word, namely existence. Where the existence in question is the influence of our presence or absence. The term "punishment" is a general and conventional term that has a broad meaning and can change due to the term can connote a fairly broad field. This term is not only often used in the legal field, but also in everyday terms such as in the fields of morals, religion and so on (Wicaksana & Rachman, 2018).

In this research, what is meant by existence is related to the existence of an application that could potentially become a threat or opportunity. The application is Tiktok Shop. Textually, Tiktok Shop is a feature of the Tiktok application that makes it easier for businesses and users to sell and buy products. Because this feature makes it very easy for buyers to shop via social media without having to switch to other applications. *Eksistensi* Tiktok Shop berbeda dengan platform-platform lainnya. The Tiktok Shop platform not only acts as a mediator between producers and consumers but also acts as a producer and importer of goods, so this gives rise to unhealthy competition that has the potential to kill MSMEs which are the largest contributor to GDP in Indonesia (Kompas, 2023).

In accordance with Law number 20 of the year 2008 concerning Micro, Small and Medium Enterprises, MSMEs are defined as follows: 1). Micro businesses are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro

Business as regulated in this Law. 2). Small businesses are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of medium or large businesses that meet Small Business criteria as intended in this Law. 3). Medium Enterprises are productive economic enterprises that stand alone, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of Small Businesses or Large Businesses with total assets, net or annual sales proceeds as regulated in this Law (Law Number 20 of the Year 2008 Concerning Micro, Small and Medium Enterprises, 2008).

According to the Central Statistics Agency (BPS), a micro business is a business unit with up to 4 permanent workers, for small businesses the number of permanent workers is between 5 and 19 people, and for small businesses the number of permanent workers is between 5 and 19 people. medium number of permanent workers from 20 to 99 people. Companies with a number of employees above 99 people are included in the Kadani, Ninik S., Role of MSMEs (Micro Small and Medium Enterprises) category of large businesses. The importance of business existence micro, small and medium enterprises in the national economic arena not only because of their large numbers, but also in terms of large capacity to absorb labor (Srijani, 2020).

Apart from that, micro, small and medium scale businesses are also able to carry out export activities of certain goods which can generate large amounts of foreign exchange so that they can contribute to Gross Domestic Product (GDP). In general, the goal or target to be achieved is the realization of Micro, Small and Medium Enterprises (MSMEs). tough and independent which has high competitiveness and plays a major role in the production and distribution of basic needs, raw materials, as well as capital to face free competition (Sony Hendra Permana, 2017).

Apart from having the potential to kill MSMEs and generate unhealthy competition, Tiktok Shop should become an easy market share for MSMEs in developing their products due to its wide reach, simplicity of procedures, and other things. Based on this, this research aims to analyze the existence of the Tiktok Shop for MSMEs, whether it acts as a threat or as an opportunity.

Opportunity

Of the many challenges Tiktok Shop poses to MSMEs, Tiktok Shop also has a number of financial potentials, including expanding its network and market share. Business networking is about making connections with other professionals in the field you are involved in, in this case MSMEs. Business networks can make a company grow with more partners and greater consumer potential. Based on a survey conducted by Populix, it shows that 86% of respondents who were given a questionnaire stated that they had used e-commerce, which includes Tiktok Shop, Facebook Shop, Shopee, and so on. Tiktok Shop users are in first place at 46%, followed by WhatsApp 21%, Facebook Shop 10% and Instagram Shop 10%. Based on this data, it can be proven that Tiktok Shop is an easy market share for MSMEs to develop their business (Kumpanan, 2022).

Challenge

Apart from being able to expand market share and network, the existence of Tiktok Shop for MSMEs has the potential to be a threat to MSMEs due to the dominance of imported goods that are not filtered according to procedures, Tiktokshop also acts as a seller, thereby causing unhealthy competition and having the potential to kill MSMEs. Unfair business competition can cause a party to suffer losses and can damage the smooth progress of the local

and world economy. Therefore, before it is too late to overcome unhealthy business competition, we must prevent it from happening. Moreover, MSMEs are the heart of the Indonesian economy. There are various forms of fraud in conducting trading businesses, for example monopoly, monopsony, market control, collusion, prohibited agreements and so on. Based on the potential above, the existence of the Tiktok Shop in Indonesia must be immediately monitored and certain restrictions met so that MSMEs can continue to develop and run their businesses well(Ajeng Chita Sekarsari, 2009).

4. CONCLUSION

Based on the results of the description above, it can be concluded that the existence of the Tiktok Shop for MSMEs has many challenges in inhibiting or even killing MSMEs. These challenges and threats are due to several things including the number of foreign goods in circulation, the inner workings of the TikTok Shop also act as producers so they are more aware of the algorithm and have the potential to give rise to unhealthy competition, and the TikTok Shop does not carry out the procedures that Indonesian MSMEs do as they do for skin products. care for BPOM registration, in food registration for halal labels, and so on. Apart from a number of challenges and threats, Tiktok Shop also has opportunities for MSMEs to widen their market share and increase their network to develop their business.

REFERENCES

- Ajeng Chita Sekarsari. (2009). Analisis Terjadinya Persaingan Usaha Tidak Sehat Pada Perkara No: 10/Kppu-L/2009 Mengenai Penetapan Komisi Dan Perjanjian Yang Dilarang Dalam Undang-Undang Nomor 5 Tahun 1999. *Fh Universitas Brawijaya*, 1(2), 20.
- Departemen Pendidikan Nasional. (2000). *Kbbi Kamus Besar Bahasa Indonesia I Edisi Ketiga*. Balai Pustaka.
- Imam Gunawan. (2014). *Metode Penelitian Kualitatif*. Bumi Aksara.
- Jonathan Sarwono. (2016). *Meode Penelitian Kualitatif Dan Kuantitatif*. Graha Ilmu.
- Kompas. (2023). *Apa Alasan Tiktok Shop Dkk Dilarang? Ini Penjelasan Pemerintah*. Kompas.Com. <https://www.kompas.com/tren/read/2023/09/26/154500465/Apa-Alasan-Tiktok-Shop-Dkk-Dilarang-Ini-Penjelasan-Pemerintah>
- Kumparan. (2022). *Survei: 45% Masyarakat Indonesia Doyan Belanja Di Tiktok Shop*. Kumaran.Tech. <https://kumparan.com/kumparantech/survei-45-masyarakat-indonesia-doyan-belanja-di-tiktok-shop-1yuknsdzt2z>
- Lexy J. Moleong. (2014). *Metode Penelitian Kualitatif*. Remaja Rosdakarya.
- Lexy J. Moleong. (2018). *Metode Penelitian Kualitatif*. Pt Remaja Rosdakarya, 2018.
- Manzilati, A. (2017). *Metodologi Penelitian Kualitatif Paradigma, Metode, Dan Aplikasi*. Ub Press.

Law Number 20 Of The Year 2008 Concerning Micro, Small And Medium Enterprises, 23 (2008).

Rosmiati, A. (2019). *Eksistensi Manusia Dalam Represi Peradaban Modern*. 4(2), 1–38.

Sony Hendra Permana. (2017). Strategi Peningkatan Usaha Mikro, Kecil, Dan Menengah (Umkm) Di Indonesia Strategy Of Enhancement On The Small And Medium-Sized Enterprises (Smes) In Indonesia Sony Hendra Permana. *Strategi Peningkatan Usaha Mikro, Kecil, Dan Menengah (Umkm) Di Indonesia*, 1–11. [Http://News.Detik.Com/](http://News.Detik.Com/)

Srijani, K. N. (2020). Peran Umkm (Usaha Mikro Kecil Menengah) Dalam Meningkatkan Kesejahteraan Masyarakat. *Equilibrium: Jurnal Ilmiah Ekonomi Dan Pembelajarannya*, 8(2), 191. <https://doi.org/10.25273/Equilibrium.V8i2.7118>

Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, R&D*.

Wicaksana, A., & Rachman, T. (2018). Esensi, Hakikat, Dan Eksistensi Manusia (Sebuah Kajian Filsafat Islam). *Angewandte Chemie International Edition*, 6(11), 951–952., 3(1), 10–27. <https://medium.com/@Arifwicaksanaa/Pengertian-Use-Case-A7e576e1b6bf>