

The Impact of Tiktok Shop Closure on Generation Z's Buying Interest

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Article Information

Submission date 10 December 2023
Revised date 9 March 2024
Accepted date 19 April 2024

Abstract

Research aim : This research is motivated by the official government closure of the latest feature of TikTok or the so-called TikTok Shop feature, since November 4, 2023. The closure of this feature is due to a prohibition contained in the Revision of the Minister of Trade Regulation number 50 of 2020 concerning Provisions for Business Licensing, Advertising, Coaching and Supervision of Business Actors in Trading Through Electronic Systems.

Design/Method/Approach: This study aims to show the impact of closing Tiktok Shop on Generation Z's buying interest. This research is a qualitative study, where the main data is obtained from Tiktok Shop users who point to Generation Z. This research uses phenomenological phenomena as a research method to reveal the impact and phenomena experienced by Generation Z when searching for and meeting their needs.

Research Finding: The results of initial observations and data obtained from interviews of sources and opinions of generation z in the comment column of the Tiktok platform are, they feel very disappointed with the closure of this Tiktok Shop feature because in their opinion this feature really helps them to save expenses and facilitate shopping without having to open and close other social media platforms.

Theoretical contribution/Originality : Buying interest can broaden understanding of the tendencies and passions that strongly drive a person to buy a product. Measure the impact and buying preferences of Generation Z on the TikTok Shop Platform and dig deeper into how impactful these TikTok Shop closures are on Generation Z's buying interest.

Practitioner/Policy implication : This research provides practical implications for the TikTok platform about how much influence generation Z's buying interest has on the online shopping system and what aspects can influence that buying interest.

Research limitation : This study only discusses the buying interest of generation z, as well as the impact experienced on closing TikTok Shop

Keywords : Tiktok Shop, Buying Interest, Generation Z

1. Introduction

Generation Z or Gen Z (also known as iGen, or Centennial Generation) is a group of individuals born between 1996 and 2012. This generation that comes after millennials or generation Y [1]. Generation Z or Gen Z grew up in an era when the internet already existed and social media became an important part of their daily lives. For generation Z, technology and the internet are things that must exist, not an innovation like other generations' views. One of the characteristics of generation Z is that it is instantaneous. The instant lifestyle makes generation Z in doing things very easy with just a touch of thumb that can be done in various things. In various aspects of life generation Z has characteristics such as effective, efficient and instant [2]. The development of technology and the rapid flow of information through the internet has had a major impact on the lifestyle of Generation Z. They are used to communicating using the gadgets they have, accessing information from various sources on the internet, playing games, and even shopping online through smartphones that are always in their hands. Almost all generation z have this smartphone both high economy and those included in the low economy category, who live in urban and rural areas.

Tiktok is a social media platform that has a short lipsync and dancing video sharing feature for app users. Tiktok is a combination of social media douyin and musical.ly. Before tiktok stood up, douyin and musical.ly stood up first. Douyin was established in September 2016 while Musical.ly was established in August 2018. [3] TikTok is one form of social media that is currently on the rise has different features from other forms of social media, which in the application has a characteristic in sharing videos accompanied by a choice of filters and songs, this application is used by all ages both children and parents. The existence of the latest feature from TikTok called TikTok Shop. This tiktok shop feature opens up opportunities for application users to participate in buying and selling activities. With this feature, users can market and buy products directly through their TikTok account. Tiktok Shop itself also has the advantage of many attractive offers and promos (flash sales, shopping discounts, free shipping promos), easy promotions, easy registration, low admin fees, easy shopping process, and safe transaction processes.

But currently, the latest feature from TikTok or the so-called tiktok shop feature has been officially closed by the government since November 04, 2023 [4]. The ban on the tiktok shop feature is contained in the Revision of the Minister of Trade Regulation number 50 of 2020 concerning Provisions for Business Licensing, Advertising, Coaching and Supervision of Business Actors in Trading Through Electronic Systems, one of which aims to harmonize the sale of offline goods of traders in the Market and other offline stores [1]. But it was reported again, that the tiktok shop would reopen on November 10, 2023 and regarding the news, Trade Minister Zulkifli Hasan said, he still had not heard the news. And, he said, until now TikTok still has not applied for a business license as e-commerce [5]. The phenomenon of this issue, the impact of feature services invites controversy, dilemmas, and problems for TikTok application users and entrepreneurs who previously chose or used TikTok shop. Many expressions of disappointment from tiktok users to the government regarding the closure of this tiktok shop. As follows, express the disappointment of generation z with the government's decision to close the TikTok Shop feature.

By making observations and interviews obtained about the closure of TikTok Shop on the buying interest of generation z, it aims to find out the impact of closing TikTok Shop on

the buying interest of generation Z. By analyzing this impact, we can find out what impact occurs on the buying interest of generation z. This research is expected to provide input for the TikTok platform to pay attention to how much influence generation z's buying interest has on the online shopping system and what aspects can affect the buying interest.

1.1. Statement of Problem

Based on the description of the background of the problem and the focus of existing research, the author arises the question, namely how will the closure of Tiktok Shop impact generation z's buying interest?

1.2. Research Objectives

Based on the existing formulation, the researchers set a study to analyze the impact of closing tiktok shops on the buying interest of generation z.

2. Method

This research uses a qualitative phenomenological approach. [6] suggests that qualitative research is a study that is interested in analyzing and describing the experience of an individual phenomenon in the everyday world. This type of research is a type of descriptive qualitative research. Namely the type of research that describes the condition as it is without giving treatment or manipulation to the variables studied. The qualitative method in this study seeks to understand and interpret the meaning of an event from the field and the interaction of human behavior, perspectives based on the researcher himself. Research that uses qualitative research aims to understand the object under study in depth. Qualitative descriptive research conducted by this researcher aims to describe, explain in detail and summarize various conditions, situations to phenomena that arise in the object of research, namely the impact of closing tiktok shops on generation z.

The research location chosen by the researcher is located at Nusantara PGRI Kediri University. The reason researchers chose the location of the study was because there researchers can capture existing conditions and phenomena by utilizing information derived from sources who are the object of research, namely Generation Z. In this study, several generation z comments were selected in the video comment column related to the closure of TikTok Shop and 2 students of Universitas Nusantara PGRI Kediri and These two students were chosen because they are users of the TikTok platform and also often use features TikTok Shop. The informant data is contained in Table 1 below.

Table 1. Data Informers

No.	Nama	Usia	Semester
1.	Nindia Ayu Wulansari	22	7
2.	Shela Resita	21	7

The comments of generation z on one of the 1 creator content videos related to the closure of TikTok Shop can be found in the following picture



Figure 1 Generation Z Comments

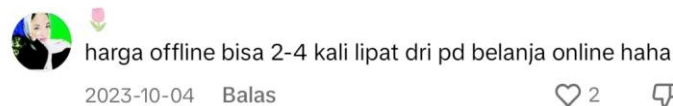


Figure 2 Generation Z Comments

Data collection procedures in this study were carried out by observation, interview and documentation techniques. This technique is used by researchers to obtain data and information that supports and complements research on the Closing of Tiktok Shop for Generation Z. The procedures used by researchers in the data collection process are as follows:

1. Observation
Observation is an information gathering technique that uses the five senses. Observation techniques are carried out by observing the state or behavior of the target object which is then outlined in the form of records and documentation.
2. Interview
The interview method is always identical to the interview, in simple terms it can be interpreted as a dialogue conducted by the interviewer to obtain information from the source as a key informant is Generation Z. The author uses this method to obtain relevant data and also does not want any rigidity between the author as an interviewer and the person being interviewed. Interviews are used by the author as a data collection technique if the author wants to conduct a preliminary study to find a problem that must be researched.
3. Documentation
A document is a record of past events. Documentation can be writings, drawings, or monumental works of a person. Documents such as diaries, life histories, stories, biographies, and so on. Research results from interviews and observations or interviews, will be more credible or reliable if supported by photographs or existing papers or documentation. In this study, the documentation technique used was to make observations by looking for Generation Z comments from several videos on TikTok and taking pictures in the form of screenshots when conducting research aimed at strengthening data.

[7] The technique of checking the validity of data is the degree of trust in the research data obtained and can be accounted for its truth. In qualitative research, data validity techniques are not carried out using statistical test tools, but using methods as follows:

1. Triangulasi

[7] Triangulation is "a method used in the process of data accumulation by combining various data that has been obtained with existing sources". The triangulation method used is the data triangulation method, which is carried out by observation, interviews, and documentation as follows:

1) Observation

Observations were made by looking for several Generation Z comments related to the closure of TikTok Shop which were considered very supportive of this study.

2) Interview

This interview was conducted at Universitas Nusantara PGRI Kediri where the majority of Universitas Nusantara PGRI students are Generation Z. Researchers took 2 informants of Universitas Nusantara PGRI Kediri students who were thought to be very relevant to this study.

3) Documentation

This documentation is an image documentation of the results of the researcher's interview with informants.

3. Results and Discussion /Hasil dan Pembahasan

1. Result

This research was conducted at Nusantara PGRI Kediri University, East Java. In this study, the subjects were two UNP Kediri students who were chosen because of TikTok platform users who often use the TikTok Shop feature and from some comments from Generation Z. The number of research data sources is based on the consideration that qualitative research is more concerned with a lot of information than the large number of informants.

The results of these observations and interviews are as follows:

1) From observations



From this result, it can be seen that the closure of TikTok Shop made them disappointed with the government's decision, because they said that the TikTok Shop feature is cheaper than other e-commerce and also said that they already like to shop on TikTok Shop. Not only that, there are also those who say that offline prices can be 2-4 times more expensive and with the closure of TikTok Shop this can add economic costs, because this closure makes them feel that expenses are greater than before this feature was officially closed. In addition, they really hope that this TikTok Shop feature will be reopened soon and feel that with the closure of this feature they

cannot check out or shop online anymore because of the very expensive prices in other e-commerce.

2) Interview Results

a. Questions regarding the appeal of TikTok Shop.

Informan 1: "Yo iku mau mergakne ndelok arek-arek sering tuku makane melu tuku, nah pas ketepakan fyp ku metu klambi-klambi lucu terus murah neh". (Yes, that was because I saw that friends often buy food, join in buying, now when my fyp came out, cute clothes continue to be cheap again).

Informan 2: "Hmm opo ya, woo iyo kae aku pengen tuku katok jeans tapi ndek shopee ki larang mana ongkir e mok kepotong setengah tok terus iseng ndelok ndek TikTok Shop eh lakok luwih murah sitik sih tapi panggah gratis ongkir yoan wkww". (Hmm what is it, oh yes, I used to want to buy jeans but at shopee it was expensive where the shipping was only cut in half, I continued to idly see it on TikTok Shop eh it turned out to be a little cheaper but still free shipping also wkww).

b. Questions about government policies regarding the closure of TikTok Shop

Informan 1: "asline lek menurutku, pemerintah ngetutup fitur iki mergo tanah abang sepi salah sih, soal e kan ga kabeh wong iki urip e ndek Jakarta, la koyok awak e ngene ki opo kudu moro tanah abang sek lek ape belonjo?". (Originally, I think the government demanded this feature because Tanah Abang is quiet, because not everyone lives in Jakarta, if what we like this, do you have to go to Tanah Abang first if you want to shop?).

Informan 2: "Aku ga setuju mbek kebijakan iki, mergo masalah seng tak delok kan video-video konten tentang iki menuju ne ndek tanah abang tok, la sedangkan Indonesia iku luas ga ndek pusat tok. Kudune lek memang perkara TikTok guruh mendaftarkan fitur iki sebagai e-commerce kan iso ae ngekek i peringatan ta opo, lagian dengan kemajuan digital ngeneki pedagang tanah abang iso mencoba revolusi anyar gae menjual dagangan e ndek e-commerce opo TikTok Shop iki kan ya dipermudah juga dengan kemajuan jaman lewat live iku". (I don't agree with this government policy, because the problem I see from the content videos about this is aimed at the land of my brother only, while Indonesia is not only in the center. If it is indeed a case that TikTok has not registered this feature as e-commerce, it can give a warning or something, anyway, with this digital advancement, Tanah Abang merchants can try a new revolution to sell their goods on e-commerce or TikTok Shop, this is also facilitated by the progress of the times through live).

From the questions given to informants where Generation Z about impact and solutions, it can be seen that all information has the same impact. Where they are more difficult if they have to shop at other e-commerce with rarely free shipping coupons and disagree with government policies related to this closure. Results and discussions contain answers to research questions, presented in the form of discourse. If the author uses tables or figures, there needs to be an interpretation of tables and figures.

2. Discussion

Generation Z's buying interest in the TikTok Shop feature is very significant. They depend on this feature because it offers them attractive needs and offers, hence TikTok Shop becomes the top preference in their online shopping experience. Therefore, the closure of the TikTok Shop feature has a great impact on the buying interest of Generation Z.

Research reveals that the closure of TikTok Shop has had an economic impact on Generation Z who have become heavily dependent on this feature. They worry about the rising cost of living from losing access to TikTok Shop, which may force them to look for more expensive or inefficient shopping alternatives, as well as increasing overall spending. In addition, they also consider this closure policy is not in accordance with the current digital era, where everything is electronic.

In addition to the economic aspect, the closure of TikTok Shop has also made some Generation Z feel deprived of access to the platform that they consider convenient and entertaining. They may have become accustomed to relying on TikTok Shop to meet their online shopping needs, so this closure creates discomfort and anxiety about possible difficulties making online transactions in the future.

As such, the closure of TikTok Shop has not only impacted the buying interest aspect of Generation Z, but has also raised concerns over economic consequences and inconvenience in their online shopping experience. This shows the need for careful consideration in taking policies related to features that are indispensable and relied on by consumers.

4. Conclusion

The results showed that the closure of the TikTok Shop feature had a major impact on the buying interest of generation z. The results of this study also showed high buying interest in the TikTok Shop feature, which significantly affected their online shopping habits. The closure of TikTok Shop not only affected the ease of shopping of Generation Z, but also affected the emotional and social aspects of their shopping experience. Generation Z may feel deprived of access to the products they love, as well as a source of inspiration and entertainment in the shopping process. In addition, some opinions or comments of generation z say that the closure of TikTok Shop has significant economic implications for them. Many of them expressed concern that this closure could lead to an increase in their cost of living. This is due to the feeling that with the loss of access to TikTok Shop, they may be forced to look for more expensive or inefficient shopping alternatives, which in turn can increase their overall spending.

This research applies theories that are relevant to the results of research that has been done. By analyzing the closure of the TikTok Shop feature, this study aims to understand the impact felt by Generation Z on buying interest in the feature as well as the aspects that affect their lives. The method used in this study provides insight into the factors that influence Generation Z's buying interest in TikTok Shop features. The results of this study can provide valuable input for e-commerce platforms in understanding how much influence Generation Z's buying interest has on online shopping systems, as well as what factors can influence that

buying interest. The difference with previous research is the Impact of Closing Tiktok Shop on Users and Business People in E-Commerce, while this study focuses on examining the impact of closing TikTok Shop on the buying interest of generation z.

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