

CHAPTER I

INTRODUCTION

1.1 Background

In this era of digitalization, which is rapidly increasing, people no longer find it difficult to buy or get something, only with a mobile phone and computer can quickly get what is needed, only by being connected to the internet, of course through the platform. People who want to buy anything no longer have to wait in line, enjoy the atmosphere of traditional markets, or deal with the heat thanks to e-commerce, which now only requires choosing an item, clicking an order button, and waiting for it to come. we can simply visit online retailers in various regions from our phones or computers, and we may choose and purchase the products we desire from them.



Figure 1.1 JD.id company logo
Source: Makasarinsight.com

E-commerce according to Armstrong (2012) is an online channel that can be reached by someone via a computer, which has been used by business people in carrying out their business activities and can be used by consumers to obtain information using computer assistance which in the process provides information services to consumers in making choices. This online shopping site has been vying for market share in Indonesia over time by competing to provide fresh technologies. Shopee, Lazada, Tokopedia, and JD.id are just a few examples of the e-commerce companies that have been successful in capturing the Indonesian market.

Jingdong (JD.com) in Beijing, China, and Provident Capital in Indonesia partnered to create JD.ID, an e-commerce site owned by PT. Joint National Retail

in Indonesia (Pratama, 2017). Richard Liu created JD.com, which was initially known as 360buy, in 1998 with the primary goals of focusing on technology and direct selling. JD.com started concentrating on gaining customers' trust in 2008 by developing a JD Mall that traded various goods using an e-commerce platform. JD.com implemented online E-commerce in December 2015 to strengthen its relationship with clients. JD.id successful growth has resulted in a Gross Merchandise Value award worth 20.7 trillion US dollars.

JD.id was successful in breaking into the Indonesian market, initially selling laptops and iPads under the Lenovo brand. In addition to selling electronic equipment, JD.id also entered the market by selling various sports equipment and beauty tools under the brand "Guaranteed Original." People are drawn to this platform for shopping because, when purchasing items like electronics, it is essential that be authentic or of high quality so that last a long time. This is also true of beauty tools, which were available for purchase and were in competition with other platforms up until the end of last February, and through the official JD.id account www.JD.id.com decided to no longer accept orders from Indonesia at the end of last February and officially closed the market in Indonesia in March 2023.

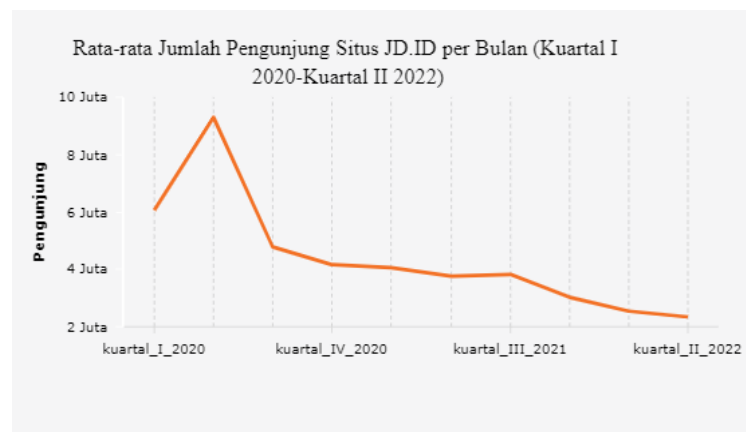


Figure 1.1 JD.id site visitor report quarter 3 from 2020 until 2023
Source: Katadata.com

According to the table above, the JD.ID website saw an average of 6.1 million visits each month during the first quarter of 2020. Visitors spiked during the pandemic, in the second quarter of 2020, but after that the number fell steadily

until it hit its lowest point in the second quarter of 2022, as depicted in the graph. Until finally, at the end of March 2023, it formally ended its market in Indonesia. And also based on the data above after experiencing a decline in visitors from this online sales application, the company suffered losses in the Southeast Asian market and decided to close its market in Indonesia and focus on international logistics networks, and did not accept orders in the form of goods from the jd.id online shopping application.

From the aforementioned case study, The Writer curious to learn more about the JD.id e-commerce platform, specifically what causes led this company to discontinue operations in Indonesia, despite the fact that it is well known that Indonesia has one of the largest populations in Southeast Asia. Users of the platform have access to e-commerce, and it has the potential to be profitable if it can compete with other e-commerce platforms in the Indonesian market. Then the writer made a study by making the title "**Analysis of Factors That Affect The Closure of JD.id E-Commerce Platform**"

1.2 Formulation of The Problem

1. how are the results of the factor analysis of business closure factors in the jd.id company?
2. The problem is to what category JD.ID failure falls into?

1.3 Purpose of The Study

In line with the above formulation, the objective of this study are:

1. To find out the factors that influence business owners to close their markets in Indonesia.
2. To find out at wish category of the failures at counterd by the JD.ID

1.4 Significance of The Study

The results of this study are expected to be useful for several agencies namely :

1. For Academics

This research is expected to provide additional knowledge in practice in the field of leadership in considering decisions, besides that it is also expected to be taken into consideration for students in making further research and to foster the interest and enthusiasm of other researchers to conduct research with even more variables.

2. For Business Owners

The research can add insight into the impact of business closure for business owners, employees, and also the jd.id e-commerce user community so that it can assist in making better business decisions for JD.id business owners and other e-commerce businesses owners.

3. For Writers

the research can add insight and apply the theories obtained considering the factors of business closing for the future consideration when becoming a leader in the company.

1.5 Scope and Limitation of The Problem

The limitations of the problem are intended to facilitate further analysis and make it easier to solve problems, the scope of this research needs to be limited so that it can be more focused and easy to understand in accordance with the research objectives, namely what is the factors in the closure or failure of JD.id to maintain its market.

1.6 Writing System

To simplify and provide a clear description of the contents of the research, the writing systematics is divided into five sections, among others

CHAPTER 1 INTRODUCTION

This chapter contains a description of the background, the formulation of the problem, the research objectives, the benefits of the research, and the systematics of writing

CHAPTER 2**LITERATURE REVIEWS**

This chapter contains related theory, literature review, and framework.

CHAPTER 3**RESEARCH METHODOLOGY**

This chapter describes specifically the procedures for writing carried out including the location and time of research, types and sources of data, data collection techniques, data analysis methods and types of research.

CHAPTER 4**RESULTS AND DISCUSSION**

In this chapter describes the test results, discussion and limitations of the research results, the discussion of the results obtained is made in the form of theoretical explanations, either qualitatively, quantitatively or statistically.

CHAPTER 5**CONCLUSION AND SUGGESTION**

This chapter is the last chapter, in which conclusions will be presented from the results of the research conducted, then writing provides suggestions that might be useful for readers of the results of this research.

REFERENCES**APPENDICES****WRITER BIOGRAPHY**