

# CHAPTER 1

## INTRODUCTION

### 1.1 Background

According to Harahap (2021) the development of the world of technology today is growing very rapidly. This rapid development occurred in almost all sectors. Sophistication in the field of communication is inseparable from the development of the internet which is so advanced and rapid, one of which is social media which is usually used as a means to interact through sending messages, but now social media is used in the buying and selling business, one of which is the social network Facebook, Instagram and WhatsApp are widely used for marketing such as selling fashion, accessories and so on.

Indonesia is one of the trending countries with online stores, this can be seen from the many online stores such as Tokopedia, Bukalapak, Blibli, Shopee, Lazada and others. Sellers at these online stores do not need to create a personal website or online store. Sellers only need to provide product photos and upload them with product descriptions. The most used online shop in Bengkalis, one of which is Shopee. Besides Shopee, the Bengkalis community also uses Lazada, but not as much as Shopee users, several factors that influence simultaneously on customer satisfaction, one of which is in the Bengkalis city, including price, Service Quality and Trust (Ali, 2013).

According to Nugroho (2016), online stores are increasingly popular among the public, everyone can sell and shop anything on the internet. The term online shop is not foreign to the public, almost every day there are terms regarding places for online business transactions which are also referred to as e-commerce, web stores or virtual stores.

The increasingly fierce competition in the business world in marketing its products is marked by the increasing number of new products that continue to appear on the market with various product quality offers, affordable prices and supported by promotion funds and large distribution channel funds. To be able to

win the competition, every company is required to be creative and innovative in seeking new breakthroughs, especially in the field of marketing to achieve the goals that have been set, trying to increase profits through increasing sales with internet media. The internet helps people to communicate and trade with people from all over the world cheaply, quickly and easily (Alma, 2009).

Especially during the current Covid-19 pandemic, people must comply with health protocols, especially avoiding crowds, so many of them prefer to shop online, and to attract customers in online business, one of which is the behavior between sellers and buyers, therefore ethics in business is needed. Trading transactions that are now in Indonesia have been initiated and developed by various communities, such as those offered by purchasing and purchasing systems.

According to Hasanah (2019) connecting via the internet is easier than connectivity and message transport. The internet is open, meaning anyone can add anything on the internet. The Internet is not only open, but also has the largest network in the world. By being connected to the internet, we rest on the guarantee that someone will try to take advantage or destroy it if they can.

Initially, an online store was a form of activity that included buying and selling as well as marketing goods or services through an electronic system. Payment is made with a predetermined system and the goods will be sent via a freight forwarder. Online shop is one of the facilities provided by the internet that provides various facilities. The convenience provided in shopping is time efficiency, without having to meet face-to-face with customers, they can buy what they want without wasting time and effort, because of this convenience, online stores are increasingly in demand (Bariroh, 2016).

According to Iswidharmanjaya (2012) marketing is an activity that is most important in the life of the company as an effort to achieve goals, develop businesses to earn profits and maintain the viability of the company itself. According to Kotler and Keller (2009) marketing is identifying and meeting human and social needs. The job of marketing is to create loyal customers. Customers are satisfied consumers who repeatedly make purchases from the

company. One of the interesting marketing studies is consumer behavior. A marketer needs to study consumer behavior to ensure the suitability between consumer desires and what they offer.

In the world of online business, there are several methods in the buying and selling system, like a reseller system, or even with the dropshipping system. Dropshipping is an effort in the world of online business. There are several methods in the buying and selling system like a reseller system or even with the Dropshipping system. Dropshipping is an effort to sell products without having to own any products. Dropshipping Purchase is a buying and selling system that provides dropshipper sales of goods directly from suppliers or stores without having to provide goods first. The stages of buying and selling dropships are as follows, after the buyer pays for the goods purchased. The seller will pay the dropshipper price and ship it to the buyer. The dropshipper company will ship the product to the customer directly, and the difference between the seller's price and the dropshipper's price is seller profit (Jayadi, 2019).

Besides Dropshipping, another online internet marketing business model is reseller. Reseller is a seller who sells goods belonging to other sellers (not his own). Resellers themselves come to help market sales from other sellers. The advantage is that resellers do not get substitutes for those who receive wages through special retailers that are applied to resellers. So that resellers will get wages at a lower price than the marketer's price. So the producer or reseller gets the same benefits, even though there is no official bond between the two parties (Wirjono, 2011).

For dropshippers and resellers as sellers, speed and accuracy in selecting products to sell is important. The speed of choosing a product affects the speed at which a new product is sold, while the accuracy of choosing a product increases the chances of a product being sold, in choosing a product, the seller considers several criteria, such as price, number sold, reviews, and seller reputation (Kalbuadi, 2015).

In connection with the hat above, there is a phenomenon that the competition in the world of internet marketing is getting tougher, with competitive

prices. Competition with marketplaces such as Tokopedia, Bukalapak.com, lazada, Shopee and other online shops make online shop existences compete, especially on business ethics. In each system, of course, there are advantages and disadvantages of each. However, to facilitate the writing of this undergraduate thesis. The author limits the problems to be studied so that the discussion becomes clearer and more focused. Based on the background and problem identification above, then this research will be limited to **Business Ethics on Reseller and Dropshipper Online Shop in Bengkalis Island.**

## **1.2 Formulation of the Problem**

Based on the description of the background above, the formulation of the problem in the research, these are:

1. What factors business ethics on resellers online shop in Bengkalis?
2. What factors business ethics on dropshippers online shop in Bengkalis?
3. What is the comparison of the factors of business ethics on resellers and dropshippers online shop in Bengkalis?

## **1.3 Purpose of the study**

Based on the formulation of the problem, the objectives of this study are as follows:

1. Find out the factors of business ethics at an online shop resellers on the Island of Bengkalis.
2. Find out the factors of business ethics at an online shop dropshippers on the Island of Bengkalis.
3. Find out the comparison of the factors of business ethics on resellers and dropshippers at online shops on the Island of Bengkalis.

## **1.4 Significance of the Study**

Based on the information of the problem, the authors can mention the objectives of this study are:

1. For Researchers

As a medium to apply the theory obtained and the reality in the field to add experience and expand the way researchers think in studying dropshipping and resellers. And as information material for further research.

2. For Faculties

It is hoped that it will become an additional reference medium for science and technology reading resource for other readers who want to know and learn about the analysis of business ethics on resellers and online shop dropshippers.

3. For Readers/Society

As a means to add insight and knowledge about the supporting aspects in marketing the products of a business/industry.

### **1.5 Scope and Limitation of the Problem**

In each system, of course, there are advantages and disadvantages of each. However, to simplify the writing of this proposal, the authors limit the problems to be studied so that the discussion becomes clearer and more focused. Based on the background and identification of the problems above, this research will be limited to Business Ethics on Resellers and Dropshippers Online Shops in Bengkalis Island which will be submitted to 60 peoples (42 peoples Resellers and 18 peoples Dropshippers) will be the respondents of this research.

### **1.6 Writing System**

In order for the writing of this thesis report to be systematic and neatly arranged, a systematic report writing is needed. The following is a systematic thesis report writing:

#### **CHAPTER 1: INTRODUCTION**

In chapter 1 explains the background of the problem, problem formulation, research objectives, research benefits, research scope and problem boundaries as well as report writing systematics.

## **CHAPTER 2: LITERATURE REVIEW**

In chapter 2 explains about the literature review and previous theoretical basis that will be used in the completion of the research.

## **CHAPTER 3: RESEARCH METHODS AND PROCESSES**

In chapter 3 will explain the implementation plan, starting from the location, time and object of research, types and sources of data, data analysis methods, types of research, research schedules and budgets.

## **CHAPTER 4: RESULTS AND DISCUSSION**

In chapter 4, describes the test results, discussion and limitations of the research results. The discussion of the results obtained is made in the form of a theoretical explanation of the bail qualitatively. The results of this thesis research contain data that includes, among others, to develop some of the existing strategies that are implemented in Resellers and Dropshippers Online Shop in Bengkalis island.

## **CHAPTER 5: CONCLUSIONS AND SUGGESTIONS**

In chapter 5 this will explain the conclusions and suggestions of the research conducted.