



TikTok Live Streaming Strategy for Msmes in Tasikmalaya to Increase Sales

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ABSTRACT

This research aims to analyze and supplement the live streaming strategies that have not yet been implemented at Lalada Food. Additionally, this study evaluates the impact of the closure and reopening of TikTok Shop on live streaming strategies and proposes new strategies to increase sales and address the challenges arising from these changes.

This research uses a qualitative approach focusing on in-depth observation. SWOT analysis is used to identify the strengths, weaknesses, opportunities, and threats faced by Lalada Food in conducting live streaming.

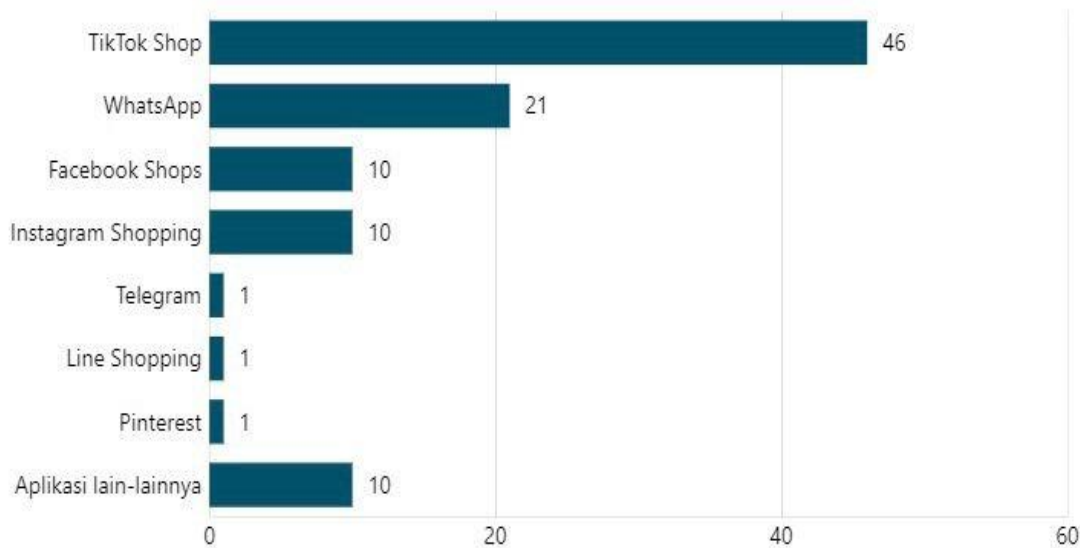
The company occupies a position in quadrant II of the SWOT analysis, which represents a situation where the company's strengths are greater than its weaknesses, but opportunities are smaller than threats. Therefore, the company is in a strong position but faces significant challenges. The strategy used in this quadrant is the diversification strategy.

This research is the first to analyze the implementation of live streaming strategies following the closure and reopening of TikTok Shop. This study provides new insights into their marketing strategies through live streaming to increase sales and address business challenges

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INTRODUCTION

Currently, the development and advancement of technology have provided many positive impacts on human life. (Purwaamijaya dkk., 2022). The presence of MSMEs plays a crucial role in the economic growth of Indonesia (Maesaroh dkk., 2021). Currently, TikTok Shop has become a highly favored platform by entrepreneurs to promote and sell their products directly to the platform's users. According to a survey by Populix Ahdiat (2023) research, out of 1,020 Indonesian respondents, 86% had made purchases through social media. Among this group, the majority shopped via TikTok Shop.



Source: databoks.katadata.co.id

Figure 1. Social Media Used for Shopping (July-August 2022)

The closure of TikTok Shop was caused by several factors, such as changes in business strategy, market response, or regulatory issues that may arise over time. According to CNN Indonesia's report, one reason for the closure of TikTok Shop was the claim that it harmed local MSMEs because its products were sold at very low prices, making it difficult for offline businesses and other marketplaces to compete. One of TikTok's newest features is live streaming, which allows buyers and sellers to interact without meeting in person. However, after TikTok Shop was closed, the yellow cart feature was automatically removed, thus direct purchases or checkouts during live streaming for offered items could no longer be made. The closure of TikTok Shop significantly influenced consumer behavior and their interest in offline shopping (Hamdani dkk., 2023).

Finally, TikTok Shop reopened and partnered with Tokopedia, controlling 75.01% of the company's shares. Business actors are increasingly focusing on live streaming strategies in product marketing, highlighting the importance of implementing these strategies, as discussed in Khoiriyah dkk (2024) study titled 'Utilizing digital platforms: Supporting TikTok live streaming marketing strategies to increase sales for Chokolazo Indonesia SMEs in Kediri city.' According to the research findings, live streaming can be more effective, positively received, and enhance the marketing of Chokolazo Indonesia products if implemented with appropriate live streaming strategies. These strategies include creating engaging content, effective product presentation, and efficient promotional techniques to attract potential buyers. In this study, Lalada Food was selected as the research subject. Lalada Food is a creative industry in the culinary field and a snack distributor in

Tasikmalaya, selling various snacks such as crunchy macaroni, fried meatballs (basreng), dry seblak, and dry cimol.

Previous research has analyzed live streaming strategies, but no studies have yet examined the implementation of these strategies after the closure of TikTok Shop. Therefore, this research aims to analyze and enhance the live streaming strategies that have not yet been applied at Lalada Food. The urgency of this study lies in understanding the importance and impact of live streaming strategies following the closure of TikTok Shop. Additionally, this research will evaluate the challenges faced by live streamers during live streaming and propose new strategies based on previous research findings. The main objective is to address the issues arising from the closure of TikTok Shop and to boost sales by increasing the number of products sold.

LITERATURE REVIEW

Strategic management is a field that encompasses the formulation, implementation, and evaluation of cross-functional decisions that enable an organization to achieve its objectives (Budiman & Suparjo, 2021). Strategic management involves a series of managerial decisions and actions that help determine the long-term performance of an organization, including several stages: environmental scanning (both external and internal), strategy formulation (strategic or long-term planning), strategy implementation, and evaluation and control (Wheelen dkk., 2018).

Live streaming is a real-time broadcast transmitted to many people simultaneously as the original event occurs, involving communication media or networks, whether wired or wireless (Fakri & Indra Astuti, 2023). Live streaming can help create a virtual environment where an influencer can broadcast live, and at the same time, users have a channel to watch and interact directly with the influencer or streamer. (Variansyah & Sondari, 2023).

SWOT analysis is a logic-based analysis that effectively maximizes strengths and opportunities while minimizing vulnerabilities or weaknesses and threats (Budiman & Suparjo, 2021).

METHOD

This research employs a qualitative approach that focuses on in-depth observation and emphasizes the quality or most important aspects of a product or service (Sidiq dkk., 2019). Data was collected through interviews, with the types of data used in this research being primary and secondary data. The data collection techniques include literature study and interviews. This research utilizes a qualitative data analysis model, which involves collecting data, condensing data, displaying data, and drawing and verifying conclusions (Sarosa, 2021). In this study, the researcher uses triangulation techniques to confirm the obtained data. Triangulation is the process of checking data through various sources, techniques, and times (Mekarisce, 2020). The validity technique used in this research is source triangulation, which means testing data from various informant sources (Alfansyur, 2020). The stages of this research follow the theory of Wheelen dkk. (2018) which is divided into four stages: environmental scanning, strategy formulation, strategy implementation, and evaluation.

RESULT AND DISCUSSION

Tahap *Environmental Scanning*

This stage utilizes a SWOT analysis, including an internal analysis covering strengths and weaknesses, and an external analysis covering opportunities and threats in live streaming at Lalada Food. The following are the results of the internal and external factors analysis for live streaming at Lalada Food:

1. Strength

According to Ashfiyah (2023) a live streaming strategy is a technique used by sellers to increase consumer interest in purchasing products. In conducting business and live streaming, Lalada Food possesses advantages that enable it to compete and adapt to technological developments, especially current advancements in live streaming. The following are the strengths of Lalada Food:

- a. Implementation of live streaming plans
 - b. Each live streamer has a unique characteristic
 - c. Attractive promotions (low redemption prices and free shipping)
 - d. Adequate budget
 - e. Sufficient devices for content creation and live streaming activities
 - f. Dedicated space for live streaming activities
 - g. Experienced and trained live streamers
 - h. Links connected to other platforms
 - i. Interesting elements that attract customers during live streaming
 - j. Selection and training for potential live streamers before starting work
- Strong chemistry with customers

2. Weaknesses

Weaknesses are internal negative conditions that can lower the company's evaluation. These weaknesses may include low-quality human resources, substandard products, weak image, poor leadership, and so on (Suriono, 2021).

- a. Does not use 5G network
 - b. Does not have a dedicated content creation team
 - c. Does not have a photography team to prepare and supervise live streaming
 - d. Internal and external issues arose when TikTok Shop was closed
 - e. Shipping system issues

3. Opportunities

Opportunities are favorable conditions in the present or future (Suriono, 2021)

- a. Trends or economic developments in the live streaming industry
- b. Development of live streaming strategies by other competitors
- c. Variation in live streaming times
- d. Use of promotions (advertisements) to enhance content and live streaming
- e. Customer preferences regarding the appearance of live streamers

4. Threats

Threats are conditions in the present or future that can harm the company (Suriono, 2021).

- a. Numerous competitors
- b. Poor evaluations from customers
- c. Negative comments during live streaming
- d. Warnings from TikTok Shop
- e. Product rejections by customers

Stage of Strategy Formulation

Table 1. IFAS Matrix (Internal Factor Analysis Strategy)

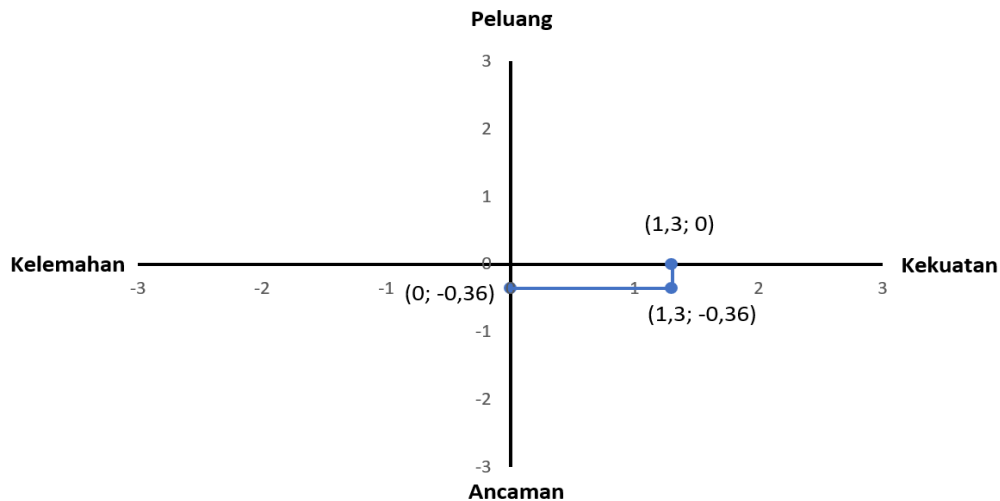
| Faktor Strategis | Bobot | Rating | Score |
|--|--------------|---------------|--------------|
| Strengths | | | |
| Live streaming strategy | 0,05 | 2,67 | 0,14 |
| Unique characteristics of each live streamer | 0,07 | 3,33 | 0,22 |
| Low redemption prices and free shipping | 0,08 | 4,00 | 0,32 |
| Adequate budget | 0,08 | 4,00 | 0,32 |
| Sufficient devices for content creation and live streaming activities | 0,07 | 3,33 | 0,22 |
| Dedicated space for live streaming activities | 0,05 | 2,67 | 0,14 |
| Experienced and trained live streamers | 0,07 | 3,33 | 0,22 |
| Links connected to other platforms | 0,02 | 1,00 | 0,02 |
| Interesting elements that attract customers during live streaming | 0,08 | 4,00 | 0,32 |
| Selection and training for potential live streamers before starting work | 0,05 | 2,33 | 0,11 |
| Strong chemistry with customers | 0,08 | 4,00 | 0,32 |
| Total Strengths | | | 2,33 |
| Weaknesses | | | |
| Not using a 5G network | 0,05 | 2,67 | 0,14 |
| Lacking a dedicated content creation team | 0,06 | 3,00 | 0,18 |
| Lacking a photography team to prepare and supervise live streaming | 0,06 | 3,00 | 0,18 |
| Internal and external issues when TikTok Shop was closed | 0,08 | 4,00 | 0,32 |
| Shipping system issues | 0,07 | 3,33 | 0,22 |
| Total Weaknesses | | | 1,03 |
| TOTAL IFAS | 1.00 | | 3,39 |

Based on the IFAS matrix in Table 1 above, it can be seen that Lalada Food obtained a total score of 3.39. This total score exceeds the average weighted total score of 3.0. The factors with the highest scores are low redemption prices and free shipping, adequate budget, and interesting elements that attract customers during live streaming. Besides the strengths, the IFAS matrix also reveals significant weaknesses for the company, such as internal and external issues that arose when TikTok Shop was closed, with a score of 0.32. Therefore, Lalada Food must address these shortcomings by leveraging its strengths as essential assets in conducting live streaming.

Tabel 2. EFAS Matrix (Eksternal Factor Analysis Strategy

| Faktor Strategis | Bobot | Rating | Score |
|--|--------------|---------------|--------------|
| Opportunities | | | |
| Trends or economic developments in the live streaming industry | 0,1 | 3,00 | 0,28 |
| Development of live streaming strategies by competitors | 0,1 | 3,00 | 0,28 |
| Variation in the timing of live streaming | 0,1 | 2,00 | 0,12 |
| Use of promotions (advertisements) to enhance content and live streaming | 0,1 | 3,33 | 0,34 |
| Customer preferences regarding the appearance of live streamers | 0,1 | 4,00 | 0,49 |
| Total Opportunities | | | 1,51 |
| Threats | | | |
| Numerous competitors | 0,1 | 4,00 | 0,49 |
| Poor evaluations from customers | 0,1 | 4,00 | 0,49 |
| Negative comments during live streaming | 0,1 | 3,00 | 0,28 |
| Warnings from TikTok Shop | 0,1 | 4,00 | 0,49 |
| Product rejections by customers | 0,1 | 2,00 | 0,12 |
| Total Threats | | | 1,87 |
| TOTAL EFAS | 1,0 | | 3,38 |

Based on the EFAS matrix in Table 2, Lalada Food obtained a total score of 3.38. This total score exceeds the average weighted total score of 3.0. The opportunity factor that plays a significant role is customer preference regarding the appearance of live streamers, with the highest weighted score of 0.49. Lalada Food should continue to capitalize on these positive opportunity factors. Besides opportunities, the EFAS table also highlights significant threats for Lalada Food's live streaming, such as numerous competitors, poor customer evaluations, and warnings from TikTok Shop, all scoring 0.49.



Source: Data Processed by Researcher

Figure 2. Position of Lalada Food's Live Streaming Based on SWOT Analysis

The figure above illustrates that the score for strengths is 2.33 and for weaknesses is 1.33, resulting in a difference of 1.3. Meanwhile, the score for opportunities is 1.51 and for threats is 1.87, resulting in a difference of -0.36. These difference values form coordinates, namely (1.3, -0.36). Thus, the company's position is located in quadrant II. Being in quadrant II means that the company's strengths are more dominant than its weaknesses, but its opportunities are more limited compared to its threats. In this situation, the company is in a strong position but faces significant challenges. Typical strategies used in this quadrant include diversification strategies.

Table 3. SWOT Matrix (Strategy)

| IFAS TABLE | Strength (S) | Weakness (W) |
|------------|--|---|
| | S1 Implementing live streaming strategies | W1 Not using a 5G network |
| | S2 Assigning unique characteristics to each live streamer | W2 Lacking a dedicated content creation team |
| | S3 Offering low redemption prices and free shipping | W3 Lacking a photography team to prepare and supervise live streaming |
| | S4 Having an adequate budget | W4 Facing internal and external issues when TikTok Shop was closed |
| | S5 Possessing sufficient devices for content creation and live streaming activities | W5 Experiencing shipping system issues |
| | S6 Having a dedicated space for live streaming activities | |
| | S7 Establishing strong chemistry with customers | |
| | S8 Providing links connected to other platforms | |
| | S9 Including interesting elements that attract customers during live streaming | |
| | S10 Conducting selection and training for potential live streamer before starting work | |

EFAS TABLE

| Opportunities (O) | | SO Strategi | WO Strategi |
|--------------------------|--|---|--|
| O1 | Trends or economic developments in the live streaming industry | 1. Implement and enhance the use of low redemption price promotions, flash sales, and other discounts 2. Apply and strengthen the unique characteristics of each live streamer | 1. Stay up to date with trends 2. Maximize the existing network 3. Utilize other marketplaces to market products |
| O2 | Development of live streaming strategies by competitors | 3. Utilize promotional media (advertisements) to boost sales | 4. Increase video content production |
| O3 | Variation in the timing of live streaming | | |
| O4 | Use of promotions (advertisements) to enhance content and live streaming | | |
| O5 | Customer preferences regarding the appearance of live streamers | | |
| Threats (T) | | ST Strategi | WT Strategi |
| T1 | Numerous competitors | 1. Implement post-sale services 2. Strengthen and increase capital for live streaming needs and other company requirements | 1. Improve the quality of the company's human resources |
| T2 | Numerous competitors | | 2. Enhance the company's branding |
| T3 | Negative comments during live streaming | 3. Implement giveaways | |
| T4 | Warnings from TikTok Shop | | |
| T5 | Product rejection by customer | | |

Tabel 4. SFAS Matriks (Strategy Factor Analysis Summary)

| Strategic Factor | Bobot | Rating | Skor | Duration | | |
|--|-------|--------|------|----------|--------------|------|
| | | | | Short | Intermediate | Long |
| Implementing and enhancing the use of low redemption price promotions, flash sales, and other discounts. | 0,09 | 4 | 0,35 | | | X |

| | | | | | |
|---|-------------|------|-------------|---|---|
| Implementing and strengthening the unique characteristics of each live streamer. | 0,08 | 3,67 | 0,30 | X | |
| Utilizing promotional media (advertisements) to boost sales. | 0,09 | 4 | 0,35 | | X |
| Staying up to date with trends. | 0,09 | 4 | 0,35 | | X |
| Maximizing the existing network. | 0,07 | 3,33 | 0,25 | X | |
| Utilizing other marketplaces to market products. | 0,08 | 3,67 | 0,30 | X | |
| Increasing video content production. | 0,09 | 4 | 0,35 | | X |
| Implementing post-sale services. | 0,08 | 3,67 | 0,30 | X | |
| Strengthening and increasing capital for live streaming needs and other company requirements. | 0,08 | 3,67 | 0,30 | X | |
| Implementing giveaways. | 0,07 | 3,33 | 0,25 | X | |
| Improving the quality of the company's human resources. | 0,09 | 4 | 0,35 | | X |
| Enhancing the company's branding. | 0,09 | 4 | 0,35 | | X |
| TOTAL | 1,00 | | 3,79 | | |

Based on the analysis from the SFAS matrix in Table 4, it can be seen that Lalada Food's strength, particularly in maintaining its existence during live streaming, is 3.60. This indicates that Lalada Food is responding to strategic factors to maintain its existence above the average of similar companies (3.0).

CONCLUSION

Based on the IFAS analysis, Lalada Food has a weighted score of 3.39, while the EFAS shows a weighted score of 3.38. This places the company at coordinates (1.3, -0.36), placing it in Quadrant II. This position indicates that the company's strengths outweigh its weaknesses, but its opportunities are smaller than its threats. In this scenario, the company is strong but faces significant challenges, suggesting a need for diversification strategies. Relying solely on previous strategies may pose difficulties, so Lalada Food should analyze and implement new live streaming strategies to enhance the company's stability and streamline live streaming operations. Recommendations from this study encourage the company to adopt new strategies for live streaming. Additionally, future research could

analyze the increase in sales and revenue following the implementation of these live streaming strategies.

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