

# CHAPTER 1

## INTRODUCTION

### 1.1 Overview

Technology is always evolving rapidly and has an impact on human life, either big or small. Social media is the result of technological advances that are considered to have a big influence on human life.

Social media is a form of electronic communication as Web sites for social networking and microblogging through which users create online communities to share information, ideas, personal messages and other content as videos (Meriam Webster, 2004). In other words, social media provide the users to create a personal web page and connect all of the social media users to sharing information or communicating each other, either business to business or business to consumer. Social media is unlimited socialize for everyone without space and time limitations. If we look to the past and create the differences between present and past time, before internet arises society is hard to communicate and share each other, they need more cost to communicating and sharing, nowadays society uses internet and particularly social media facility to get information and even become a communicator freely through those.

According to Nurrahman (2011) Chatting is a form of communication that conducted through internet. Now, chatting generally aims to talking activities based text between two people or group. Chatting application needs a system that can send the data in real time, they can send the information and can receive it fastly. According to Zuliarso and Henry (2013:113) instant messaging is chatting communication-facility for every internet users. Instant messaging facilitate the users to communicate through sending messages in a text with other users, even nowadays instant messaging already growth and can send or share photos, videos as well as doing a free calls. Moreover application users of instant messaging also can see in real time whether the other users are online or offline.

According to Cho and Lee (2014 : 315-324), mobile instant messenger is a service that has achieved improvement in terms of efficiency when compared to previous PC-based messengers as it provides communication that is more abundant and enables users to achieve quicker communication based on mobility. In addition, when compared with previous SMS or PC based instant messaging, it can be said that Mobile Instant Messenger allows users to abundantly express emotions in terms of a Social Presence.

Typically, the instant messaging software will allow you to create a list of individuals that you want to have private chats with and alert you whenever somebody on your list is online. You can initiate a chat session with that particular individual or multiple individuals. Therefore, in this era globalization social media has become a big part of promotion or sales for individual or organization businesses. Then chatting through instant messaging is a way for business people to do all of those.

Every business has a plan to improve the quality of business and maximizing the profit, one of the main key of this goal is customers, thereover every business activity or action has done by the company must follow the regulation and ethic in sociality as well as in business environment. To maintain customers for stay in one company.

Business ethic is the application of general ethical ideas to business behaviour and one of the reason business should be ethical is to promote personal morality (Lawrence and Weber, 2011). Based on that definition Business ethic can help the company to create its image to the customers because by applying ethical ideas to business can promote the personal morality of the business.

Generally, every action or activity did by people or human being will create a user perception including the company or group will be same, there are two perceptions that are pro perception or contra perception. In this research the author wants to find out business ethic on LINE instant messenger under user perception, especially the author will analyze LINE official account (LINE@), this is one of LINE instant messenger feature for business activities, and such an honor if the result can be implemented by LINE corporation.

### **1.1.1 Company Background**

Line Corporation is a subsidiary of the Korean internet search giant Naver. The company's business is mainly associated with the development of mobile applications and Internet services. Line Corporation was founded on September 4, 2000, as Hangame Japan Corporation, a South Korean game company owned by Naver. On August 24, 2003, the company was renamed as NHN Japan Corporation. From April 1, 2013, the company is traded as Line Corporation. Line corporation has some products as follows :

- MixRadio, MixRadio is a music streaming service. Line bought MixRadio from Microsoft Mobile in December 2014
- LINE , Line is a smartphone app which allows users to make calls and messaging with other Line users, both nationally and internationally. The service was launched in June 2011, and it is being used in 230 countries around the world.

- Livedoor, Livedoor is a Japanese web portal. It also operates a blogging service, Livedoor Blog, as well as a news portal Livedoor News.
- Music, Line Music is a music streaming service that is available in Japan and Thailand.
- Mobile video games, Line also publishes mobile video games, including the Disney Tsum Tsum mobile game, based on the Disney Tsum Tsum line of collectible plushies.<sup>1</sup> It is the ninth top mobile game by revenue of 2015, grossing \$326 million dollars in 2015

LINE instant messenger is a free application for PC, smartphone and tablet that can be downloaded in Playstore for android, App store in apple device, Line.me/en/ for PC and Blackberry world for Blackberry device. LINE can be accessed by using internet access so that LINE users can do activities such as sending texts, images, videos, voices. LINE is claimed as the best instant messaging seller within 42 countries. The logo of LINE instant messenger can be seen on Figure 1.1.

Figure 1.1

The Logo of LINE instant messenger



Source: <http://line.me/logo/en>, 2016

There are many facilities that LINE offers to its customer, in adding friend LINE offers many features such as adding automatically friends by their phone number, adding friend by barcode and adding adding friend which was being near. Not only that, LINE also has a recommended friend- feature in same group so when we joined into a group and LINE will offer all of the members in group to be recommended friend automatically. And to

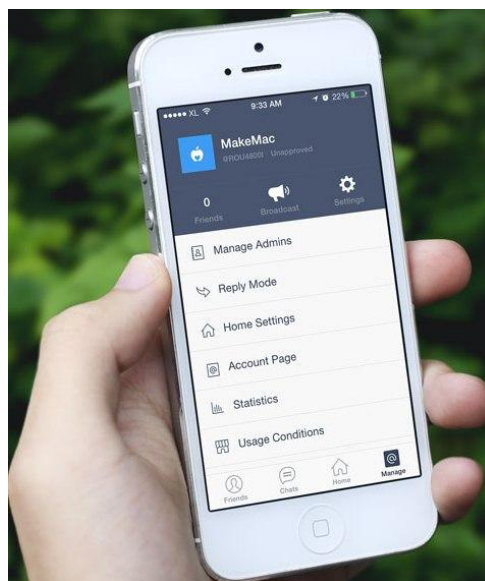
ensure if the users is real and no fake, LINE gives security PIN and sending verification code to registered number who wants to login to LINE and we can blocked our friend contacts and turn off the notificcation for personal or group messages. For feature in timeline LINE gives a freedom for their users to share videos or pictures. For having fun in LINE messenger LINE CORPORATION offers some games application that can be registered and saved by LINE Instant messenger users . (<http://line.me/logo/en/>, 2016)

Furthermore for Business people, LINE create LINE@ or many people call it with LINE official account, LINE itself calls LINE Official Account as LINE partners.

LINE@ is a service that allows you to communicate and share information outside of your close social network. Anyone can use it, including individuals, groups, and businesses. LINE official account (LINE@) offers business people to create an official account that can send mass messages to their followers. In Indonesia this features become famoust to promote its businesses or to create profit by creating sensational account. Most of new ventures in many kind of field businesses use this application to reach and communicate with their customers. Moreover this application is free application, thus everyone can have it and use any feature inside it for free. It can be one reason this application has many users.

Figure 1.2

#### Display and Feature in Homepage of LINE Official Account



Source : <http://www.makemac.com/line-at-release/>, 2016

As we can see in the figure above, by having many features that advantage the users of LINE official account, it can be one of the interesting things for users to use this application, because it gives easiness.

### **1.1.2 LINE Instant Messenger**

LINE is a free instant messaging application that allows text-based messages to send voice messages, voice calls, send pictures, video, and others who need to be connected to the Internet network. Line can be used on various platforms such as smartphones, tablets and PCs. ([Http://line.me/en/](http://line.me/en/), 2016)

LINE instant messenger has similar features to BBM or WhatsApp and other instant messaging application that offers the users to send messages and calls via their smartphone. However, not only can send messages and calls, Line also offer features games, camera applications, and social media platforms such as the timeline and its own homepage. Line is also famous for its innovative emoticons stamps or stickers. Line vigorously to expand in many countries, one of these is sell virtual stickers that can be delivered while chatting. Stickers can be obtained free or paid (<http://line.me/en/>, 2016)

LINE was developed by a Japanese company called NHN corporation which was first released in June 2011. (<http://linecorp.com>, 2016). The beginning of LINE was when a large earthquake followed by tsunami in Japan in 2011. At that time NHN's employees, the company owner of LINE, had to be connected via internet with others. Therefore these situations NHN inspired to build applications that can meet a variety of customer needs in a single platform. NHN split into two business entities that are NHN and Naver Entertainment. Naver Entertainment focused on portals and mobile services, including LINE while NHN Entertainment sementara NHN Entertainment continuing its role as online-gaming portals. Lee Hae Jin is the founder of LINE instant messenger application who has South Korean nationality. In 1999, Lee Hae Jin established Naver.com a search engine that is very popular in South Korea substitute Google. Lee Hae Jin decided to leave his career at Samsung's group the largest company in South Korea to build up Naver. Now, by establishing Naver company he becomes a new billionaire because of growth LINE application users.

Initially LINE can only be used on iOS and android systems, but gradually began to enter the LINE blackberry system and in 2012, LINE can be used on Mac and Windows. LINE is currently available in 14 languages worldwide ([Http://line.me/en/](http://line.me/en/), 2016)

To get this application, users can download LINE from official website or through the application store on each platform such as Blackberry App World, Google play, Apple Store, or Windows Marketplace.

Line has several features that allow users to communicate with each other, either in the form of a written message, picture, or in the form of sound. These features include as follows : (<http://line.me/en/>, 2016)

#### 1) Chatting

Chatting is a major feature in LINE application. Through this chatting feature users can communicate with friend who are in the friend list. Not only personal chat, group chat also can be done. In the chatting users also can share photos, videos, voice messages, contact and share location easily to fellow LINE users.

#### 2) Stickers

Sebuah fitur inovatif dengan beragam emoticon atau yang dikenal dengan nama stikers yang berbentuk ekspresif, unik, dan lucu. An innovative feature with a variety of emoticons or known as stickers shaped expressive, unique, and funny. Users are able to exchange stickers with fellow users. Which can add up the collection of stickers in their gallery. Stickers can be obtained free or paid and stickers must be bought by coin. To get the original character from LINE, users can visit LINE Stickers Shop.

#### 3) Free Call dan Video Call

Voice or video calls are free and in real time. Users only need the internet access and if the network 3G or through WIFI this feature would be useful and more functions.

#### 4) ID

Every LINE users are given the freedom to create and use their own “ID”. In the world of messenger can also make “ID” as a PIN, for example in the form of PIN ID: N510ST1 “ID: as a username : muh\_ihsan

#### 5) LINE cards

This feature is useful for a variety of greeting cards with a friend or moment-greetings, and etc. Simply just choose a desired-card and put personal messages to person who want to be given a greeting card.

#### 6) LINE Games

Besides offering online chat application, LINE also offers line games, where users can download LINE games, Bubble LINE, LINE rangers, cookie run, pokopang and others include LINE application games.

#### 7) Add Friends

Add friends add friend is a friend enhancer feature makes users can add friends to the friend list. Add friends can be done using the contact number in the phonebook smartphone or tablet. Add friends by contacts will automatically synchronize and will display the id friends by their phone number. When users add the phone number, it will be automatically added to the contact and user who own the phone number will automatically enter into friend list LINE, beside using add friend-contacts, LINE also has another features to add friends, among them are :

1) Invite can use SMS, Email, share through social media, application owned by LINE user's device.

2) QR Code, this feature is free from LINE, users can have code that became a unique code for ID, so users can add friends through scanning the smartphone's camera.

3) Shake It, how to use this feature is bring two smartphnes or tablet and shake it will automatically add LINE mutually.

4) Search by ID in adding a friend, users simply type the ID in Box search by id and LINE will display the ID sought.

#### 8) Timeline

Timeline is like twitter or facebook page to share text, photos, videos and stickers.

### **1.1.3 LINE Official Account**

Line official account is one of LINE partner (LINE website calls it). It provide service that lets individual or companies to create their own accounts. Individual or Companies can mass-send messages to users who have friended their account, post articles to the Timeline, and more. Company accounts are displayed within the LINE platform, allowing companies to reach a wide range of users on a mass-media scale. ( <https://partner.line.me/en/>, 2016)

LINE official account as a business activities priority also has some features available to be used by LINE official account users with differentiation functions. By having several features that exist in LINE official account makes users of LINE official account become easier to promote or to inform their business activities through LINE official account, that's why many people are interested to create their own official account for their business activites especially for newbie business that just started their business, LINE official account help them to be easier to reach their new csutomers.

There are some features in LINE official account will be mentioned in next page :

#### 1) Message Function

LINE official account users can send a message to all the users at once, who added your company's official account as a friend. Users are notified when the message arrives, so the open rate is quite high. If LINE ffficial account users send messages with merits for users, you can expect a high business stimulation effect.

Figure 1.3

Message Function





Source : [https://partner.line.me/in/features?\\_csrf=gef5f1ki15o1](https://partner.line.me/in/features?_csrf=gef5f1ki15o1), 2016

## 2) Multimedia Message

Multimedia Message allows LINE official account users to bring photos and text together in one image to appeal to users in a way that is concise and easy-to-understand. LINE official account users can expect a business stimulation effect higher than that of normal text messages.

Figure 1.4  
Multimedia Message



Source : [https://partner.line.me/in/features?\\_csrf=gef5f1ki15o1](https://partner.line.me/in/features?_csrf=gef5f1ki15o1), 2016

### 3) Timeline

LINE official account users can post information on the Timelines of users that have registered LINE official account user's account as a friend. Users can "like" and add comments to your post, so LINE official account users can use this as a place for communication.

Figure 1.5

Timeline



Source : [https://partner.line.me/in/features?\\_csrf=gef5f1ki15o1](https://partner.line.me/in/features?_csrf=gef5f1ki15o1), 2016

#### 4) Research Page

On the research page, LINE official account users can send any content that generates interactions from users, such as questionnaires and popularity polls, via LINE chat. LINE official account users can use multiple functions that suits your purpose. Then LINE official account users can use not only the questionnaire result, but also can tally up demographic information of the respondents to use in marketing plans.

Figure 1.6  
Research Page

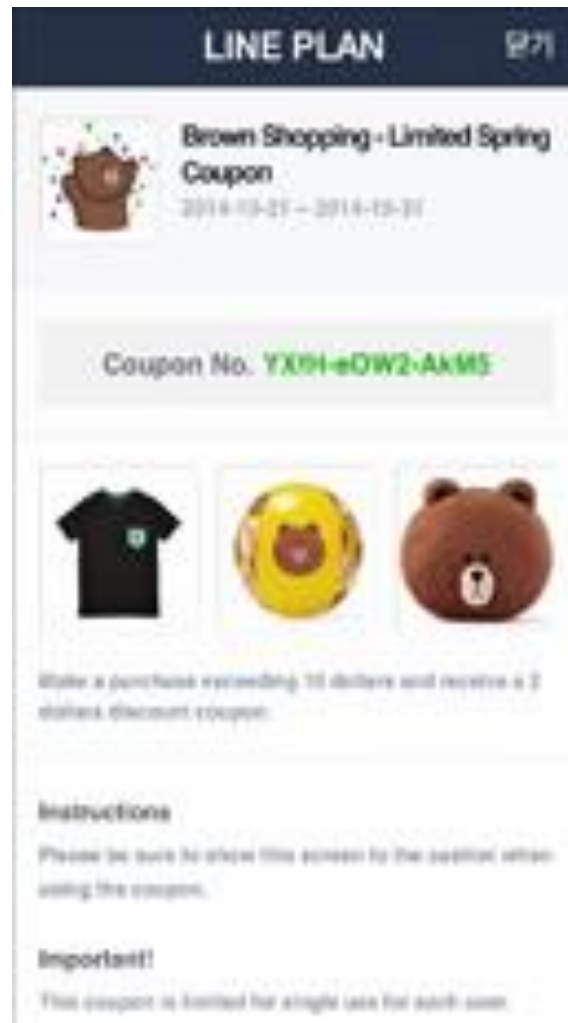


Source : [https://partner.line.me/in/features?\\_csrf=gef5f1ki15o1](https://partner.line.me/in/features?_csrf=gef5f1ki15o1), 2016

5) PR Page Function

The PR Page is a mini page that users can view on the LINE application. It can send coupons or long texts that cannot fit into a single message. LINE Official Account users can easily create a PR Page from the management screen.

Figure 1.7  
PR Page Function



Source : [https://partner.line.me/in/features?\\_csrf=gef5f1ki15o1](https://partner.line.me/in/features?_csrf=gef5f1ki15o1), 2016

#### 6) Keyword Answer Message

This function replies to messages from users with a preset message as a perfect match. Set the keywords in advance, and responses are sent automatically based on those keywords. This can be used in various tasks including matching interests, responding to user questions, searching store information, and planning quizzes.

Figure 1.8

Keyword Answer Message



Source : [https://partner.line.me/in/features?\\_csrf=gef5f1ki15o1](https://partner.line.me/in/features?_csrf=gef5f1ki15o1), 2016

## 1.2 Research Background

In this era globalization, most of people cannot be avoided with internet access, it has been a priority for society to communicate or look for information. According to Greenlaw & HEPP (2002) in Siti Rohaya (2008), which states that the Internet is a global information system that connected logically by a unique address or address-based Internet Protocol / IP, and has a communication support TCP / Transmission Control Protocol. This causes Internet can be used, modified, and also accessed either in general, or specifically. Internet offers many facilities are diverse and can be utilized by a variety of people who need the information no exception library users. Some facilities that are often used according to Fairuz, (2007: 4-5), namely browsing, chatting, mailing, search engine, blogging, tele networking (TelNet), User's Network (UseNet), IRC (Internet Replay chat ), and WAIS

Server. And mostly Instant messaging has a big part for every internet users to do chatting. Instant messaging, often shortened to simply "IM" or "IMing," is the exchange of text messages through a software application in real-time. Generally included in the IM software is the ability to easily see whether a chosen friend, co-worker or "buddy" is online and connected through the selected service. Instant messaging differs from ordinary e-mail in the immediacy of the message exchange and also makes a continued exchange simpler than sending e-mail back and forth. Most exchanges are text-only and now instant messaging allow voice messaging, file sharing and even video chat when both users have cameras.

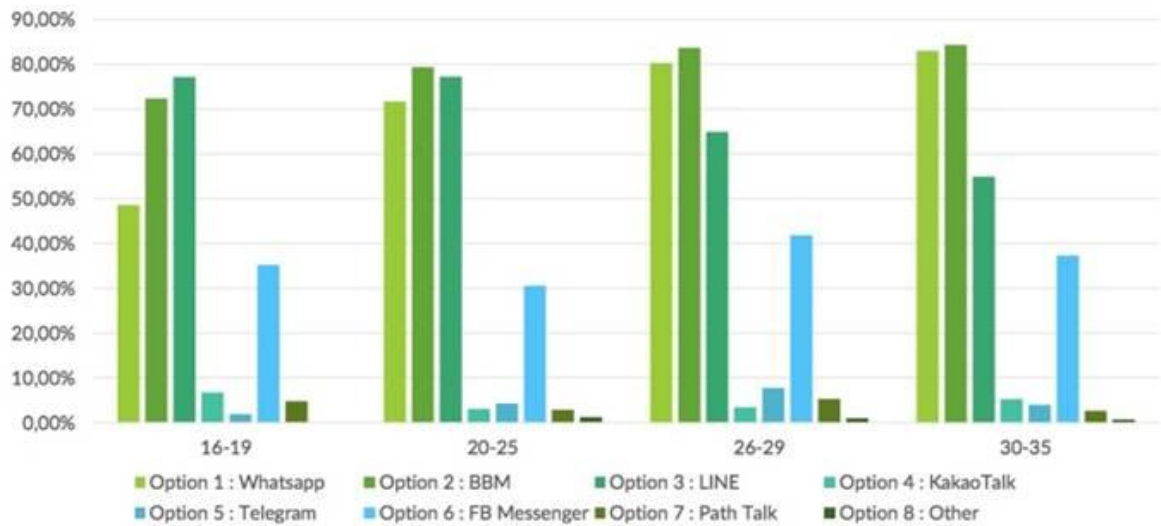
Social media now plays an important role in the marketing of the product, even online work is relatively needed. According to [kominfo.go.id](http://kominfo.go.id) active Internet users has reached 88.1 million people. With the composition of female Internet users and men is nearly as large (women 51% and men 49%) and social media users are women showed that women in Indonesia have technological literacy ([kominfo.go.id](http://kominfo.go.id),2016)

Thus, social media plays a very important for business activities, based on [futuready.com](http://futuready.com), there are some benefits of social media for business activities: brand awareness, media promotion, connecting konsumen, market research (<https://www.futuready.com/artikel/keuangan/Peran-Media-Sosial-Bagi-Bisnis>,2016)

LINE is one of the most complete features in instant messenger becomes popular instant messenger application in Indonesia especially for teenagers and adult. The figure shown below:

Figure 1.9  
Graph of Instant Messenger Users

### What Messenger App Do You Use Most Often? ( Divided per Age Range)



Source : *Harian TI*, 2016

From the figure above we can see how many percent people in term of ages use LINE instant messenger, and the reason LINE users is mostly from 16-25 years old users because designs and features in LINE are designed to be cute, enjoy and fun. Therefore the more adults LINE users the less using LINE instant messenger and prefer to more simple application.

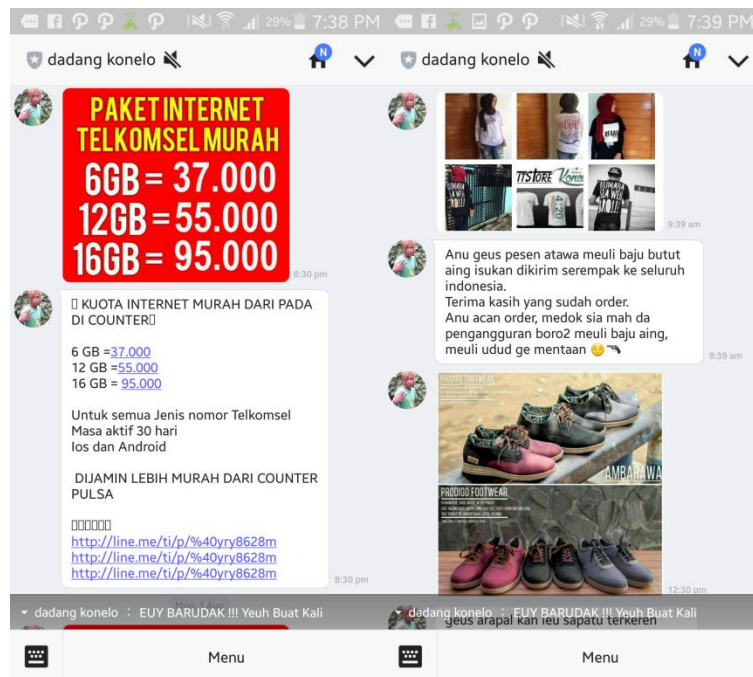
By knowing how many LINE users in indonesia, a business-person can create these factual data became opportunities for making a profit individually or in group. It could be a reason now in LINE there are so many official account that offers some interesting statements, quotes, pictures and videos to attract LINE users adding these official account. By the time when the official account already attract LINE users t and having a big amount of followers, previous messages had messages according to what the official account offers but then It will be an advertising messages that might interfere with the LINE users, because the messages previously sent is an intresting message and in accordance with the wishes of the LINE users when they added the official account for the first time now become an advertising and might be sent for many times by these LINE official account. *LINE@* or LINE official account is an service provided by *LINE* designed specifically for businesses (at.line.me/en/,2016). Not only LINE official account, Business activities in LINE instant messenger also become opportunities for not official line account makes it accounts for business and promote it using many likes that appear in timeline likers, and sometimes there



are some offer goods directly by making personal chat. Thus most of users must block the unclear messages from unclear users.

Figure 1.10

Example of Promotion Using LINE Official Account



Source : Author gallery, 2016

As we can see above one of example, it becomes a problem when the official account send an advertising continuously and avoiding the real messages of its official account, disadvantage come from LINE usual users when they open the messages and automatically appear a picture or video that will be take their quota.

The phenomenon above explain that every business action must be considered carefully before take an action by a businessman, thus the author can be argued that business activities in LINE official account have a problem in misappropriation sending mass messages, a lot of LINE official account sending messages that are not their real messages had by the LINE official account and using mass messages as a promotion field to introduce others business in many times and repeatedly. It can make two perceptions of LINE users, first LINE users feel disturbed because the messages and second LINE users will find something needed automatically because they do not need to search something that is needed, LINE official account already did.

Business Ethic is a part that cannot be separated from business activities itself. Because the aims of business is not only maximize the profit that will affect bad ethic condition but also must pay attention to business's environment or generally called "the stakeholder benefit" (K Bertens,2000,164). Stakeholder can divided into two sides of stakeholders that is external and internal, customers is one of the external stakeholder, so that the aims of business or company gives the benefit toward stakeholders.

Customers are the most essential stakeholder in era modern business. Business is impossible running well if there is no customer who use the products or services offered and made by the business – doer. In order to balancing the business, the company needs the customers to buy and use its products regularly, by thus will become subscriber. In the end the customers will have the big role to determine the profit for the company. Products and services from company will be marketed and sold to "end target" that is customers, so the company must be able to taking the heart of customers, getting, keeping and improving customer confidence of its products or services.

In the condition of fierce competition, companies have to take over customer attention, and marketing department of the company has to make new breakthrough continuously in promotion to compete or resolve the efforts of its competitor promotions.

In this business activities, justice has important role, because of involving products and services to fulfill customer needs and wants. In business context, business justice must be realized in the society but justice is the priority that must be had by the company or business people personally, the company or business people is not only taking care of value-norms

economically, but must give the space to norms of moral values, and one of the moral values is justice that most important. (K.Bertens, 2000 in Rifa Atun Nurul, 2012 : 44).

According to Godiwalla (2012:1385), a profit business organization must be efficient, and it must create a good profit before it can pursue continuous and serious corporate charitable giving or socially responsive programs. Firstly, a profit business corporation must demonstrate to its stockholders and the society in general that it is an efficient economic and producing unit, by providing worthwhile products and services to the customers, otherwise, the society will eventually subscribe less and less of its outputs. The company also must win the society's trust through its legal and ethical conduct. It may increase social responsibility. A firm is an economic organ in a society, which must justify its economic existence and social acceptance. In general, the objectives of an established business corporation should go beyond the profit maximization. This is well-articulated in a landmark article by Freeman and Gilbert (1988, 89) in Godiwalla, Yezdi (2012) , "Firms are social entities, so they should play a role in social issues of today. They should take seriously their 'obligations to society' and actively fulfill them"

Therefore, business ethic is a way to review business activities, which includes the whole aspects relating to the individual, company, industrial and also society.

Business ethic is more comprehensive than the regulations stipulated by the law, even a higher standard than the minimum standards required by law, because in business activities often we find a gray area that is not regulated by law.

Based on the statement above, the author can conclude that every business conducted by business person does not only consider how people buy, how the company gets maximum profit but another important thing is how every business person will keep and maintain their customer being more comfortable and not disturbed by activities that business person did. That is why LINE instant messenger needs analysis to improve the quality of its features and make it more comfortable and enjoyable for LINE users and does not violate individual rights approach.

Based on the explanation of phenomenon above the author interested in trying to investigate about how is the business ethic condition in business activities of LINE instant messenger, how is the business activities-users of LINE official account attract the customer and how is the influence of business activities based on business ethic to user perception in

LINE instant messenger. Therefore, the researcher propose topic by title “**The Analysis of LINE Instant Messenger Based on Bussines Ethic**”

### **1.3 Problem Identification**

1. How is the business activities in LINE instant messenger under user perception ?
2. How is the preference business ethic in LINE instant messenger ?
3. How is the analysis business activities in LINE instant messenger under user’s perception based on the preference Business ethic?

### **1.4 Research Objectives**

1. To find Business activities under user perception in LINE instant Messenger
2. To find the Preference Business ethic in LINE Instant Messenger.
3. To find correlation of Business activities in LINE Instant Messenger under user’s perception in based on the preference Business ethic.

### **1.5 Research Benefits**

1. For LINE corporation

This research can give suggestion to improve the features for LINE instant messenger especially and create the best decision for LINE corporation’s decision in future. This research can help what is the impact of LINE instant messenger features towards LINE instant messenger users.

2. For Readers

The results of this research are expected to enrich and complement the scientific of instant messenger, particularly regarding to online business which influences business ethic.

3. For future researcher

This research will help and support the next research with the same title or object.

## **1.6 Final Project Systematics**

This research is divided into five chapters.

Chapter I is introduction, which contains about background problems explained about the phenomenons of Business Ethic in LINE Instant Messenger, the reason for selecting the topics, as well as the reason for selecting research objects, afterwards this chapter explains regarding to the identification problems, research objectives and benefits and final project systematics.

Chapter II is research scope, which contains theories and previous researchs that underlying this research. Theories are used in this research is theories regarding to Instant Messaging , as well as Business Ethic. Based on those theories and problems will create this framework and research.

Chapter III is research methodology, which explains the variabels are used in this research, data collection methods,, type of data, and technic data analysis in order to achieve the objectives of this research.

Chapter IV is result and discussion from this research contains the content research object and data analysis, and discussion regarding to analysis of LINE Instant Messenger Based on Business Ethic.

Chapter V is researcher conclusions and suggestions that obtained from the research has been done. Furthermore, including sugesstions for further research implications.

