

CHAPTER I

INTRODUCTION

1.1 Overview of Research Objects

1.1.1 History of Gramedia Asri Media

PT Gramedia Asri Media is a subsidiary of Kompas Gramedia. Kompas Gramedia, abbreviated as KG, is a company in Indonesia engaged in the field of mass media that was established on August 17, 1963, starting from the publication of Intisari Magazine, by P.K. Ojong and Jakob Oetama. The existence of Kompas Gramedia is inseparable from a long history in order to achieve noble ideals in order to educate the nation. Since ancient times, Kompas was built by applying the principle of not wanting to be a mouthpiece of the party but standing above all groups, in general, and based on Indonesia's plurality.

In the past, Gramedia started with a small bookstore located in the West Jakarta area. Until 2022, there are more than 50 stores spread across all regions in Indonesia. The Gramedia Bookstore itself not only provides a variety of books but also school supplies, stationery, sports equipment, musical instruments, and so on. (Source: <https://www.gramedia.com/literasi/pendiri-gramedia/> accessed on October 24, 2024)

Gramedia has successfully collaborated with various book publishers, both domestically and abroad. Meanwhile, when viewed from the business group, book suppliers who usually submit various types of books to Gramedia stores include Gramedia Pustaka Utama, Gramedia Majalah, Elex Media Komputindo, Bhuana Ilmu Popular, Addison Wesley, McGraw, and so on. (Source: <https://www.gramedia.com/literasi/pendiri-gramedia/> accessed on October 24, 2024)

1.1.2. Company Logo



Figure 1. 1 Logo Gamedia

Source: <https://www.gamedia.com/literasi/pendiri-gamedia/>

a. Meaning of company logo:

On May 9, 2015, Gamedia launched a new concept and logo. Where this new concept carries the theme of New Experience, which means the concept of the Gamedia bookstore which is divided into rooms or chambers based on various themes. The concept was applied for the first time at the Gamedia Bookstore in Central Park. Meanwhile, the new logo itself is a logotype with the letter "G" and a Gamedia writing, which has the meaning of creativity, flexibility, change, and progress, and also the power to provide various ideas and inspiration in educating the lives of the Indonesian people.

1.1.3. Company Vision and Mission

1. Vision:

Gamedia's vision is "To be the largest, best, integrated, and spread company in Southeast Asia."

1. Mission:

Gamedia has a mission to participate in efforts to educate the nation by disseminating knowledge and information through various means of retail business and book distribution, school and office equipment, as well as multimedia products, characterized by superior service, proactive management, and healthy business behavior.

1.2 Research Background

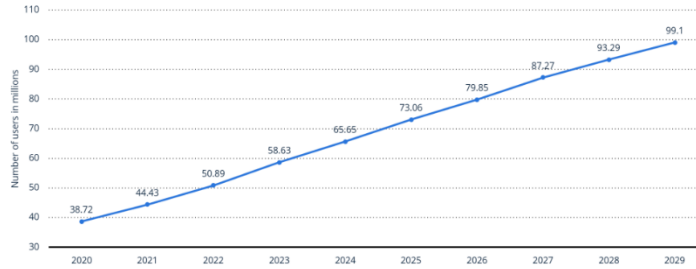
In the digital era that continues to transform, technological developments are increasingly sophisticated and developing to date, changing people's mindsets and adding insight into technology. Currently, technology plays a significant role in various human activities, including economic activities that utilize the internet's trading feature.

The rapid advancement of the market and technology has created competitive competition with the use of the internet. Digital marketing has replaced traditional marketing, and face-to-face marketing communication has given way to screen-to-face marketing. E-commerce is emerging as a solution to take advantage of the global opportunities provided by the internet.

E-commerce is the sale or purchase of goods and services carried out through the internet using a special method designed with the aim of receiving or making purchase requests. E-commerce is simply the process of selling or buying products electronically. In the past few years, e-commerce has slowly replaced traditional stores (offline).

According to Rahayu (2019), in one of wartaekonomi.co.id's online news articles, on February 19, 2019, it contained a news article entitled "Rapid E-Commerce Growth in Indonesia". Based on the news site reported, Euromonitor noted that since 2014, online sales in Indonesia have reached US\$1.1 billion. Compared to the previous few years, Indonesia is currently experiencing significant development in the field of e-commerce.

**JUMLAH PENGGUNA E-COMMERCE DI INDONESIA
PERIODE 2020-2029***



Sumber: Statista (diolah PDSI, Kementerian Perdagangan)

Figure 1. 2 Number of E-commerce users in Indonesia for the 2020-2029 period

Source: Statista (processed by PDSI, Ministry of Trade), 2024

Based on data from Statista (processed by PDSI, Ministry of Trade, 2024), above, the number of e-commerce users in Indonesia has continued to increase since 2020, until in 2023 the number of e-commerce users in Indonesia will be 58.63 million users. The number of e-commerce users in Indonesia is expected to continue to increase between 2029 and reach 99.1 million users. This is a huge opportunity for business actors who use e-commerce to increase their sales in the electronic media business.

Currently, Indonesia has a variety of online shopping sites, including *Shopee, Tokopedia, Lazada, BliBli and Bukalapak*.



Figure 1. 3 Survey of 5 E-Commerce with the most visitors in Indonesia (First Quarter 2023)

Source: Databoks Katadata (2023). Statistik pengguna e-commerce di Indonesia. Retrieved from <https://databoks.katadata.co.id/teknologi-telekomunikasi/statistik/>

Based on data from the databox above, one of the e-commerce in Indonesia that has the most users is Shopee with the highest number of visitors in Indonesia in the first quarter of 2023. One of the major changes in e-commerce that has succeeded and successfully capitalized on this market opportunity is Shopee. Various products needed by the Indonesian people are on the platform. Shopee is always innovating and taking the initiative by trying to create new experiences in online shopping for its customers.

To be able to survive winning the Indonesian e-commerce market, Shopee introduced a marketing feature called Live Streaming. Shopee Live Streaming is one of the direct marketing platforms within the Shopee application. This feature allows sellers to promote products and interact directly with consumers through the Shopee platform. The Shopee Live feature was launched on June 6, 2019, and is designed for mobile users. The Shopee Live Streaming platform is considered one of the most popular online shopping sites so it has managed to attract a lot of consumer attention.



Figure 1. 4 Survey of the Most Used Live Shopping Platforms in Indonesia in 2024

Source: GoodStats. (2024). Platform live shopping yang paling banyak digunakan di Indonesia. Retrieved from <https://data.goodstats.id/statistic/platform-live-shopping-terbanyak>

It can be seen that based on a survey from the Jajak Pendapat Poll (Jakpat) shows that Shopee Live and TikTok Live are the two most widely used platforms for live shopping. In the first position, as many as 57% of respondents who sell online, promote their products through the Shopee Live buying and selling platform. Then, the second position was occupied by TikTok Live which was used by 49% of respondents.

Based on data from various sources that support the above, many business use Shopee Live Streaming as their promotional strategy. Starting from fashion, electronics, books & stationery, and various other types. One category or type that is very active in using the live streaming feature on Shopee to sell its products is the book & stationery category with a brand that is quite active in marketing using the live streaming feature on the Shopee platform is a brand called Gramedia.

Gramedia is a leading retail brand in Indonesia engaged in the publication and sale of books, as well as educational supplies and other creative products. Gramedia has successfully sold its products and created various types of marketing strategies to raise the image and sales of products not only in Indonesia but also in the world. Gramedia continues to strive to maintain its position as a market leader by utilizing modern features in marketing.

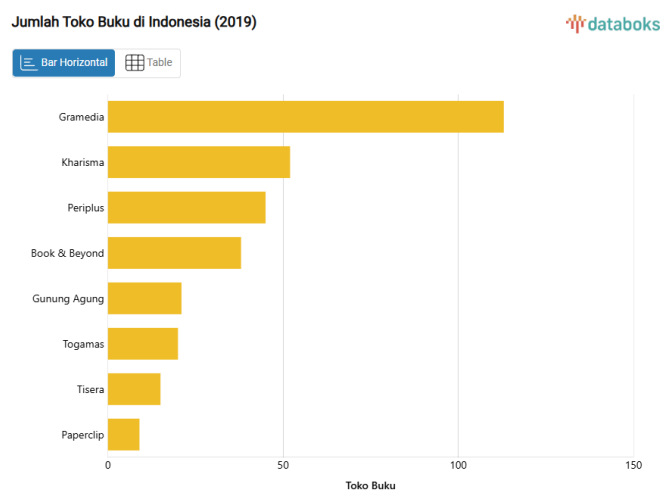


Figure 1. 5 Survey of the Number of Bookstores in Indonesia

Source: Databoks (2019) Retrieved from:
<https://databoks.katadata.co.id/media/statistik/>

Looking at the results of the survey data above, it can be seen that the development of Gramedia Bookstore in dominating Bookstores in Indonesia compared to other competitors such as *Kharisma*, *Periplus*, *Books & Beyond*, *Gunung Agung*, *Togamas*, *Tisera*, and *Paperclip*. Gramedia Bookstore now has 113 retail chains of Gramedia bookstores.



Figure 1. 6 Shopee Gramedia Live Streaming

Source: Shopee

To maintain its competitive edge, Gramedia leverages modern digital marketing tools, including live streaming on Shopee. The live streaming feature allows consumers to interact with sellers or influencers in real-time, providing detailed product descriptions and fostering greater engagement. This interactive approach has significantly influenced consumer buying interest (Fitriyani et al., 2021)

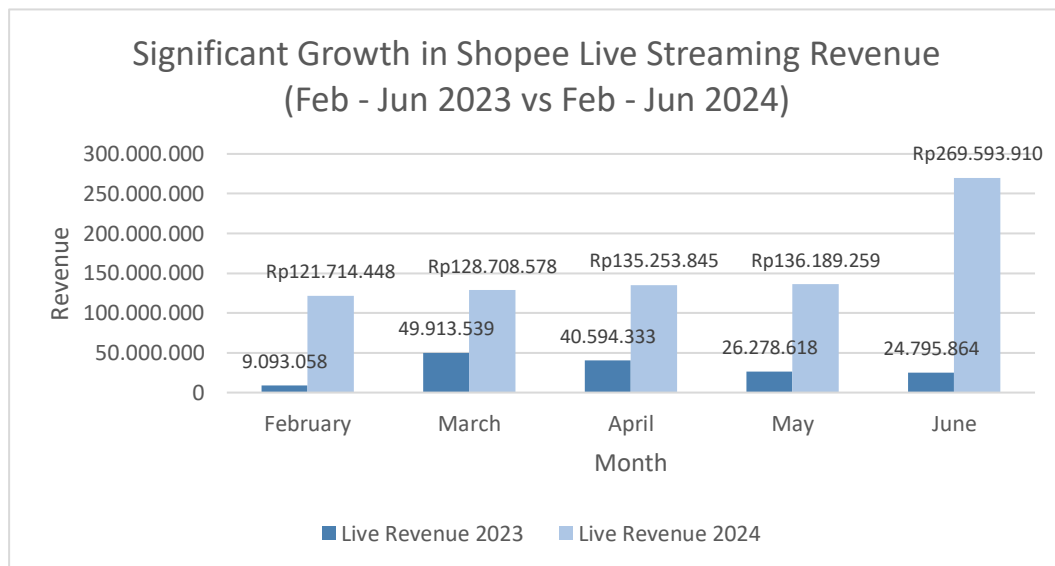


Figure 1. 7 Significant Growth in Shopee Live Streaming Revenue (Feb - Jun 2023 vs Feb - Jun 2024)

Source: Gramedia 2024

Based on Figure 1.7, Gramedia’s live streaming revenue experienced significant growth from February to June 2024, reaching Rp269,593,910 in June 2024, a substantial increase from Rp24,795,864 in June 2023. This remarkable increase suggests that live streaming is not only a trend but also a crucial tool in influencing consumer purchasing behavior.

Live streaming provides an opportunity for consumers to gain detailed insights into products, including materials, colors, textures, advantages, disadvantages, sizes, and shapes. This allows consumers to make more informed purchasing decisions and enhances their satisfaction with the product information they receive.

Increasing consumer buying interest is challenging since each consumer has different tastes, expectations, and preferences in choosing a retail store before making a purchase decision. According to Indrasari (2019) a purchase decision is a selection between two or more alternatives; if consumers are forced to buy a product without any choice, then it is not considered a decision.

Based on the description and data above, live streaming can provide more in-depth information about products or services, here the author wants to make Gramedia on the Shopee Live Streaming platform as an object of research and conduct research to find out how much influence between the variables with the research title **“THE INFLUENCE OF SHOPEE LIVE STREAMING ON GRAMEDIA PRODUCT PURCHASE DECISIONS IN BANDUNG CITY”**

1.3 Problem Identification

Based on the above background, the problem identification in this study is as follows:

1. How does Shopee Live Streaming influence Gramedia product purchase decisions in Bandung City?

1.4 Research Objectives

This study's objectives are based on the previously explained formulation of the problem:

1. To analyze and prove the influence of Shopee Live Streaming on Gramedia product purchase decisions in Bandung City.

1.5 Benefits of Research

a. Theoretical Benefits

It is hoped that the findings of this study will add insight and improve understanding related to concepts and theories in the field of marketing, especially in the context of the influence of live streaming on Gramedia consumers' purchasing decisions.

b. Practical Benefits

The results of this research are expected to add benefits for companies to know how Live streaming can affect Purchase Decisions, as well as to help companies survive and compete with other companies