

CHAPTER I

INTRODUCTION

1.1 Background of the study

Modern communication and information technologies provide an enormous change in organisation structures and business processes. It also influences the competitive advantage of firms. E-Commerce or the short of “Electronic Commerce” is the process of selling and buying which is conducted via the web or the internet. Unlike the physical store, when a customer is using E-Commerce, there is no need for the buyer and the seller to meet with each other in person, to do the whole selling and buying process which then leads to a transaction. The emerge of E-Commerce affects the transaction of a business. With the provided mobile phone, even at the lowest-performing and low quality one, customers can reach the product they wanted that few Kilometers away. By using a mobile phone that worth just Rp 1.000.000, every customer can buy a product with the price varies from Rp 10.000, Rp 2.000.000, Rp 50.000.000 and even above Rp 200.000.000. Now even without the physical construction and stood on the land, a business can grow up successful and obtained a huge amount of revenue. Interactivity tends to be high in most electronic commerce settings. It appears also that if the degree of interactivity is getting higher, the more perfected the electronic market might be, although one needs to realize individuals’ limits in

their willingness and desire to be interactive in some settings. With the current situation that force customer of being unable to visit some physical stores, E-Commerce becomes a hot topic to discuss, especially in the year 2020 until 2021.

Coffeedante.com is located in Jl Saudara No.21, Medan, province Sumatera Utara. Several parties participate in the establishment of Coffeedante.com, which are Mr. Ir Romein Manalu as the owner, Mr. Pdt WTP Simarmata, Mr. Eric Lumban Tobing, Mr. E Sibarani, Mr. P Nainggolan, Mr. Lesman Pangaribuan, and Mr Karya G Hutagaol. Those 7 people also contribute as the shareholder of the company. Those shareholders also contribute to market the business indirectly because those persons are famous, they have electability, and have given great service to this country. Hence the marketing section could minimize the marketing cost. This company is purposed to be available for general customer, it doesn't have any age range limitation and the religion of each individual. The operating hour of this company is 24 hours. So customers can come at their desired time and will receive the best service. The business is located right in front of a church, the owner is certain that each Christian that finished praying on Sunday will visit the cafe whether to have lunch or just taking some coffee to sit and relax with their partner. The business has a parking lot for vehicles that can be used by people to park their vehicle safely, whether they have the intention to go to church or visiting an ongoing party in the cafe. Coffeedante.com has a comfortable and huge VIP room with a capacity of 30 persons. It can be rent for a meeting purpose or a birthday party.

Electronic commerce, or e-commerce, is the buying and selling of goods and services on the internet. Other than buying and selling, many people use the internet as a source of information to compare prices or look at the latest products on offer before making a purchase online or at a traditional store (Khan, A. G. 2016).

The owner stated that during this Covid19 pandemic, the business sector that successfully grow are the medical sector, agriculture, and food-producing, and also food that can be prepared quickly. There are a lot of layoff occurred that lead to a huge unemployment. There are 18 unemployments varies from a hotel layoff, furniture, and even former Grab employee, which then they are accepted to work in Coffeedante.com. So this company has the vision to help those unemployed and trying to enhance the economical sector in Medan. This company already has a Social media account such as Facebook but it still needs to be enhanced.

In the last few years, more and more online business has emerged and online transaction is increasing. Credit card processing, website development and advertising also consider E-Commerce, most people might don't know about that yet, so those three things can boost up a company sales in a certain period. This company has a friendship relation with Coffee Dante that located in Padang bulan street, Medan. It gives management in food and beverage menu but not consider as franchise.

Corporate sales are the sales that a company makes through its everyday transactions. According to Merriam-Webster sales is defined as operations and activities involved in promoting and selling goods or services.

In the available previous study, Diyan Ivanov on His journal “ The Impact of e-Commerce on Small-Size Companies in Sweden (2012), found that there is a possibility to find and attracting customer and it is the main benefit for companies, the theory study conclude that it is far more crucial than just cost savings. Hence by using e-commerce most companies can replace the traditional way of advertising and transform it into a modern and advanced way, which gives a higher possibility to decrease the advertising expenses. E-Commerce gives result it could decrease a daily expenses and operational cost.

With the emergent of ‘Gojek’ company that provides ‘Gofood’ and others service, now E-Commerce is available in almost every small business or home business. The transactions on E-money is increasing compared to cash payment. Hence the business can reach the customer to the edge of this city. There is a problem that the Author found that the customer is only between the friends of the owner. There may be just a bit of customer that visit the outlet. The number of visitor is required to be increased. I also identify that the company sales are not growing. Nevertheless, the role of E-Commerce is crucial to be implemented in the business to enhance sales.

Table 1.1 Number of Company Sales at coffeedante.com, Medan from November 2020 to February 2021

Month	Company Sales
November 2020	Rp 3.482.000
December 2020	Rp 3.228.060
January 2021	Rp 6.976.180
February 2022	Rp 2.708.000

Source : (2021) interview

1.2 Problem Limitation

The author identifies that the company revenue is not growing, and the number of the customer remains the same. These sector of the company are crucial in order to improve the company. Unfortunately the city is still under the pandemic situation which makes it risky to go to meet the staff face to face, nevertheless, some information is acquired via social media. The author focuses on the effect of E-Commerce as the independent variable, and its effect on Company sales as the dependent variable in Coffeedante.com, Medan. The business provided several types of beverages, such as a lot of coffee variations, chocolate, lemon tea. But the author will include all of the product sales in one package instead of separately by each product sales. Otherwise it will be far more complicated to do the research.

1.3 Problem Formulation

In this research study, the Author will examine these problems :

1. Does E-Commerce have influence at Coffeedante.com, Medan?
2. Does Company Sales have influence at Company sales at Coffeedante.com, Medan?
3. Does E-Commerce have influence towards Company sales at Coffeedante.com, Medan?

1.4 Objective of the Research

The objective of this research are :

1. To identify the performance of E-Commerce at Coffeedante.com, Medan
2. To identify the company sales at Coffeedante.com, Medan
3. To examine the effects of E-Commerce on Company Sales at Coffeedante.com, Medan

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

Hopefully when this research is done, it could contribute to clarify the theories and relationship of E-Commerce and company sales.

1.5.2 Practical Benefit

1.5.2.1 For Writer

The main benefit for the Writer is also considered as a personal exercise to obtain a higher level of accuracy and attention, by accomplishing a supreme difficulty, the writer can acquire wisdom on living. Secondly, the Writer can expand his knowledge and worldview about E-Commerce and Sales which can be implemented in real life whenever He wants to start a business or be assigned to manage the finances of a business.

This research also crucial for the Writer to accomplish to finish the study of management in an undergraduate program. Doing this research is consider as the highest task that absolutely needed to be done clearly, honestly, and credible.

1.5.2.2 For Company

Hopefully, this research will give a result that able to give preferences to coffeedante.com on how to deal with online transactions or as we know as E-Commerce. The era is keep on changing, year by year we keep moving on something we don't understand but we have to keep learning and evolve, so we can keep on track and continue to compete with the other competitor. Hence this research is hopefully can meet the requirement of sales enhancement by using E-Commerce. When the sales improving over time, it will also improve the net profit which becomes an indicator to show that the company is growing.

1.5.2.3 For Researchers

The Author hopes that this research can be expected as a source or then as reference for other researchers that still on progress to complete their study and interested to do a research in E-Commerce and Company Sales.