

Implementation of Social Media Marketing in MSMEs: A Study on Digital Adoption and Business Growth

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Abstract:

Social media marketing is a variety of marketing tools that can be used easily and inexpensively, when compared to other marketing tools. With lower costs than other marketing tools, MSMEs tend to be suitable for using social media marketing methods to introduce their products, build relationships with customers and strengthen their brands. In fact, only 30% of businesses in Indonesia use digital instruments, so more research is needed to explore the perspective of the company, especially in understanding the barriers or obstacles in the use of social media marketing. The purpose of this research is to describe the concept of social media marketing, the use of social media as a means of promotion for MSMEs, the impacts and challenges faced by MSMEs in the use of social media. Planning to use social media as a competitive marketing tool requires message content that can grab the attention of customers. In addition, sincerity, attention and quick response are also needed in communicating with target customers. Challenges in the use of social media marketing by MSMEs, which include internal and external factors, are things that must be faced and anticipated in order to achieve success in social media marketing.

Keyword: *MSMEs, Social Media, Marketing*

INTRODUCTION

Every modern business hopes to be successful in its marketplace. Marketing communication is needed to establish effective communication with customers and potential customers. Communication is a tool to form public opinion which for the present is needed to ensure a connection between buyers and sellers. Keller (2012) states that marketing communication consists of 8 tools, namely advertising, sales promotion, events and experiences, public relations and publicity, direct marketing, interactive marketing, word of mouth marketing, personal selling. Frequent technological developments, social media offers a unique method of marketing communication (Eagleman, 2013). Social media marketing uses social media applications to fulfill traditional marketing. Marketing activities via online applications build information and collaboration among users (Kaplan and Haenlein, 2010). Examples of social media that are currently developing are twitter, facebook, myspace, youtube, Instagram, path, whatsapp, line, etc.

Based on data as of January 2019, out of 260 million Indonesians, 150 million or 56% are social media users (www.wearesocial.com). The three social media that are widely used by Indonesians are Youtube, Whatsapp and Instagram.

Through social media which is accessed by 56% of the Indonesian population, there is exposure or exposure to advertising for various products and services. The size of the audience from advertising on social media reached 130 million for Facebook; 62 million for Instagram; 6.43 million for Twitter; 3.8 million for Snapchat and 12 million for LinkedIn (www.wearesocial.com). By looking at the large number of social media users and the percentage of user interactions on social media, Indonesia is a large market for the implementation of social media marketing.

The use of marketing through social media is still not maximized when compared to the growth in the number of internet users, which covers 56% of the Indonesian population. Based on the results of McKinsey's research, only about 30% of businesses in Indonesia use digital instruments in developing their business (Supriadi, 2016). The Minister of Cooperatives and SMEs Puspayoga emphasized that currently MSMEs must really use the internet as part of their marketing strategy and product branding. Puspayoga also believes that the internet can increase sales of MSME products, which will then be followed by an increase in MSME production and productivity. The challenges of continuity and product quality that can be faced properly will make MSMEs successful and fast growing (Supriadi, 2016).

Social media marketing offers a variety of marketing tools that can be used easily and inexpensively, compared to other marketing tools (Levinson and Gibson, 2010; Johansson and Corvera, 2012, in Rugova and Prenaj, 2016). With lower costs than other marketing tools, MSMEs tend to be suitable for using social media marketing methods to introduce their products, build relationships with customers and strengthen their brands. In fact, only 30% of businesses in Indonesia use digital instruments, so more research is needed to explore the perspective of companies in relation to social media marketing, especially in understanding the barriers or barriers to the use of social media (Alves, Fernandes and Raposo, 2016).

The purpose of this research is to describe the concept of marketing using social media or social media marketing, the use of social media as a means of promotion for MSMEs, the impacts and challenges faced by MSMEs in the use of social media.

RESEARCH METHODS

This research is a qualitative research, with the method of literature review or literature review that compiles information from various library sources. In answering the existing problems, two stages were carried out, namely (1) planning a review involving the literature related to the existing problems, (2) conducting a review and analysis to describe the review and systematic phases of the related literature.

Marketing Concepts With Social Media or Social Media Marketing

Kaplan and Haenlein (2010) stated that social media is an online application that has characteristics such as internet applications. Marketing with social media can be categorized as part of marketing with the internet or internet marketing (Dahnil et al, 2014).

Social media is able to accommodate the wishes of users to interact interactively and participate in what they are interested in. With the advantages of interactive communication methods and the global reach of social media, many national and multinational companies or MSMEs use social media to communicate the marketing of products/services that are sold to their customers. Social media goes beyond the marketing of computer-human interactions and introduces human-to-human interactions that are carried out through online social media channels and produce new content about companies (blogging, comments, social networks, and others) (Wicaksono, 2013).

According to Zarrella (2010), social media has many forms, but for marketing purposes there are 8 forms of social media that are most widely used, namely:

1. Blogs; Is a website whose contents are in the form of writing in the form of opinions from blog owners.
2. Microblog, is a form of blog that limits the size of each post, for example a Twitter update can only contain 140 characters. These limitations have given rise to a set of features and behaviors that are entirely unique to media, used by many companies because they are easy to use, require very little time investment, and are proven to quickly spread customer information, sales and insights. Companies can use it to conduct offers or events, and promote new posts in the blog.

3. Social Networks, is a site where individuals can connect with friends they know offline and online or with friends who are only known online. This medium is becoming a hot topic for marketers, as social networks present a number of opportunities to interact with customers including app plug-ins, groups, and fanpages.
4. Media-Sharing Sites, a media sharing site that allows users to create and download multimedia content. With the advent of convenience in using digital cameras and camcorders as well as high-speed Internet connections, media sharing sites have become very popular. Marketers can create videos with very little expertise and download them to sites like YouTube to reach millions of users. Although this type of website provides a feature to join as a member, most of the site's users are not registered members, but only to view content.
5. Social News & Bookmarking, a site that allows users to post and select content from the entire site. This is to help identify the most interesting links. So that marketers can find sites that are visited a lot to encourage the dissemination of information in articles or marketing campaigns. Some of the features that help with marketing on this site are such as: profiles, which contain variations of the profiles of users who use the site, so as to obtain information about these consumers; submitting, the activity of which to post content, the user must be registered on a social news site. This way marketers can find out which content the site's users are most interested in; voting, an interesting feature for marketers to help do marketing within the site. Seeing the most popular content among others so as to provide guidance for marketers in determining the content that can be used to attract the attention of consumers; Headlines, the most important feature and have the greatest effect on how many votes are cast. A catchy title will give the impression that the content is easy to digest, entertaining and valuable. The title should be eye-catching and provocative but not misleading.
6. Review Sites, a site that emerged because based on an April 2009 survey by Nielsen Media Research, said that 70% of consumer confidence comes from the opinions of consumers who have previously purchased or used and posted online, compared to 62% who trust advertisements on TV. , 61% believed in advertisements in newspapers and the last 59% believed in advertisements in magazines. On the site, users have talked about products, services and online brands.
7. Forums, is a type of social media which is a modern version of the community bulletin board. The main focus of the forums site is about the discussions that take place in it between its members. In this case, marketers must be careful in choosing the forums that they will enter to carry out marketing activities because generally users do not really like advertising.
8. Virtual Worlds, a site that revolves around games and social activities. Sites for users can become the desired character and interact not only in the existing environment or game world. However, the possibilities for marketers to enter this site to do marketing are very limited. So that more marketers enter the virtual world which is a type of social activity.

Use of Social Media by MSMEs

The main objective of marketing with social media is the amplification of word-of-mouth marketing, market research, general marketing, new ideas and product development, customer service, public relations, employee communication and reputation management. Marketing with social media helps to achieve marketing goals using non-traditional means, through the use of free creativity, community and relationships. The marketing method with social media can be considered a very powerful guerilla marketing strategy. Every MSME can arm themselves with effective online marketing tools to present their products and services just as large companies offer their products (Rugova and Prenaj, 2016). Marketing with social media

has made major changes in the world of marketing and provided opportunities for MSMEs to increase their presence in the market and improve their image (DeMers, 2014; in Rugova and Prenaj, 2016).

As many as 57% of MSMEs stated that social media provided benefits in their business. Social media platforms improve communication between brands and products, provide positive and negative WOM and provide high exposure in a short time (Hubspot, 2012; in Rugova and Prenaj, 2016).

In Rugova and Prenaj (2016), the benefits or benefits obtained by MSMEs in using social media are:

1. Increase brand exposure
2. Increase traffic
3. Increase potential customers or sales prospects
4. Market insight
5. Increase marketing effectiveness

Wardhana (2015) states that digital marketing strategies have an effect up to 78% of the competitive advantage of SMEs in marketing their products. The strategy consists of: 1. Availability of product information and product guides; 2. Availability of images such as photos or product illustrations; 3. Availability of videos capable of visualizing products or presenting supporting presentations; 4. Availability of attachments for documents containing information in various formats;

5. Availability of online communication with entrepreneurs; 6. Availability of transaction tools and variations of payment media; 7. Availability of customer assistance and services; 8. Availability of online opinion support; 9. Availability of testimonial display; 10. Availability of visitor records; 11. Availability of special offers; 12. Availability of the latest information presentation via SMS-blog; 13. Easy product search; 14. Ability to create brand visibility and awareness; 15. Ability to identify and attract new customers; 16. The ability to strengthen the brand image received by consumers.

Social media offers opportunities for both consumers and organizations. By using social media, consumers can interact with various brands, voice their opinions and experiences with a brand and also assist consumers in finding, evaluating, selecting and buying goods and services (Albors, Ramos and Hervas, 2008). On the other hand, organizations have the opportunity to invest in their social media presence and develop targeted campaigns, communicate with consumers, use media to direct direct sales, obtain information about how consumers accept and appreciate their brands, gain customer acquisition and retention (Vinerean, 2017).

The Impact of the Use of Social Media by MSMEs

Social media has both positive and negative impacts on business, the following positive impacts are stated by Lakshmi, Mahboob and Chudhary (2017):

1. Faster dissemination of information to consumers
2. Reaching consumers with a wider area
3. Technology is an asset for business
4. Provide more choices by creating media which is a combination of audio, visual, text and interactive media

Another positive impact of using social media according to Iblasi, Bader and Al-Qreini (2016), Rugova and Prenaj (2016) is increased brand awareness, increased brand loyalty, more opportunities to reach new customers, existing customers and old customers, increased conversational traffic, increased brand authority, increased inbound traffic, reduced marketing

costs, increased search engine rankings, enriched consumer experience by empowering intense interactions with consumers.

Apart from the positive impacts, the negative impacts of social media on business according to Lakshmi, Mahboob and Chudhary (2017), are:

1. Increase consumer power due to bad publicity, dissatisfaction consumers are also faster to spread
1. Difficulty in detecting negative consumer statements
2. Accidental release of important or confidential information
3. Difficulty in monitoring social media activities of employees and preventing making statements without authorization.

The use of social media in MSMEs also helps increase sales volume for MSMEs. The increase was mostly felt by MSMEs by 10-15% (Purwidianoro, Kristanto and Hadi, 2016). Social media marketing is more effective for building brand awareness and developing brand reputation and increasing sales (Pentina, Koh and Le, 2012). A survey conducted by Socialmediatoday revealed that 71% of social media users tend to buy products from brands connected to social media websites (Iblasi, Bader and Al-Qreini, 2016). Consumers make purchasing decisions based on the information they receive through mass media, however, nowadays, online social networks have the power to influence consumer purchasing decisions (Solomon, et al, 2014; Alhabash et al, 2015; Hoffman et al, 2014; Hong, 2012; in Alves, Fernandes and Raposo, 2016). As many as 54% of consumer decisions are influenced by communication from social media (Lovett and Staelin, 2016). Companies that are more active on social media can increase their value better (Wang and Kim, 2017).

Challenges in Marketing with Social Media by MSMEs

MSMEs in developing countries have started to use social media in marketing their products, but their presence is still far below that of MSMEs in developed countries (Rugova and Prenaj, 2016; Oztamur and Karakadilar, 2014). Only a few MSME owners use social media as a medium

promotions and does not differentiate personal accounts from online shop accounts, and non-periodical use of social media. Other MSME owners do not use social media because of their lack of ability to use technology (Purwana, Rahmi, Aditya, 2017).

The same thing happened in Malaysia, MSMEs faced a lack of ability to keep up with technological developments in marketing their products (Hashim, 2007; in Dahnil et al., 2014). MSMEs are also unique with limitations in resources, capital, human resources and technology (Davis and Vladica, 2006; in Dahnil et al., 2014: 120). Compared to larger companies, most MSMEs are constrained in implementing IT in their business because of the high cost, risk, complex procedures, requiring technicians and customer service (Chong et al, 2012; Pires and Aisbett, 2001). Using the Actor Network Theory, Sarosa (2012) also states that in the adoption of social media networks by MSMEs in Indonesia, the use of networks will be successful if key actors can direct other actors and their environment.

The success of marketing adoption using social media is highly dependent on the contribution of internal factors such as owners and employees, in addition to managerial and organizational factors. External determinants such as the business environment and the global economy also affect the successful adoption of marketing with social media (Dahnil et al, 2014).

Another challenge in marketing with social media is the risk that occurs when privacy, security, are not open and accessible to many parties because social media activities also intersect with the law in information technology (Rugova and Prenaj, 2016).

DISCUSSION

As a country with a population of 260 million, 56% of them are social media users. Thus, it can be said that Indonesia has a great opportunity in implementing social media marketing. Social media marketing provides a platform that can be used to build intense communication and relationships with customers.

A total of 3.79 million of the 59.2 million MSMEs in Indonesia have gone online (CNN Indonesia). This figure is still smaller than MSMEs in developed countries that have used social media marketing (Rugova and Prenaj, 2016; Oztamur and Karakadilar, 2014).

Although social media marketing has both positive and negative benefits and impacts, the challenges in its implementation are also not small. Internal factors such as inability in technology, availability of experts or employees for platform maintenance, inability to invest in technology, are factors that cause MSMEs to not implement social media marketing. Supported by the speed of technological development, business competition using online media, the possibility of leakage of privacy or account security, contributed to the reluctance of MSMEs in implementing social media marketing.

To face and anticipate these challenges and still benefit from social media marketing, then in the use of social media, MSMEs should focus on developing marketing strategies that emphasize strengthening relationships with customers. Various types of communication are created, developed and shared on social media and transformed into advertisements. Which then this ad can be linked with various discounts, or other sales promotions. Before integrating social media with other marketing communication tools, it is necessary to identify the right tools and channels to enter the target group, create an attractive message and be accepted by all consumers (Jucaityte and Mascinskiene, 2014). To increase success in the use of social media, Vinerean (2017) states that it is necessary to:

1. Creating a personalized experience for customers
2. Creating an efficient and consistent content strategy on each social media platform used (eg videos, images, gifs, blog posts, podcasts, etc.)
3. Creating a loyal community, formed from the audience to develop brand publicity and influencers
4. Re-formulate the content or message content and share via social media
5. Conduct research, monitor and study customers based on conversations that occur on social media, so that they can provide feedback and what is needed.

CONCLUSION

Marketing products through social media is cheaper than marketing products through retail outlets. Social media marketing is able to offer products personally, only by creating a history profile of consumer purchases and preferences. Many entrepreneurs use social media to build their business communities. This community is used to spread conversations, raise awareness, increase the number of followers (followers), reward fans and build relationships with customers.

Planning to use social media as a competitive marketing tool requires message content that can grab the attention of customers. In addition, it also takes sincerity, attention and response quickly in communicating with target customers.

Challenges in the use of social media marketing by MSMEs which include the inability to follow technology, capital, human factors, the risk of privacy leaks, are things that must be faced and anticipated in order to achieve success in social media marketing.

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