

Research Article

Business Analysis of Micro Enterprises Sector: Social Media Digital Marketing Approach

Adriwati*, Anita, Heny Handayani

Politeknik STIALAN Jakarta

ORCID

Adriwati: <https://orcid.org/0000-0002-7730-8463>

Heny Handayani: <https://orcid.org/000-0001-8241-4829>

Abstract.

The development of information technology has an impact on the marketing of MSME products with many MSME offenders competing in the use of digital marketing. This study aims to determine the form of social media marketing used in the microbusiness sector of DKI Jakarta Province, West Java Province, and Central Java Province. This research benefit can contribute to the Microbusiness sector, which can be competitive in the global market. The study took place in 3 provinces of Indonesia, namely DKI Jakarta Province, Central Java Province, and West Java Province. The methods used were a literature review and qualitative research. The data were collected through observation, interviews, and a review of secondary data documents and metadata. The metadata is obtained from academic articles published in e-resources that are provided free of charge, in the form of articles on social media marketing and digital marketing from 2015 to 2022, for a total of 239 articles. The data analysis technique was conducted using bibliometric and qualitative methods. Bibliometric analysis was carried out with the help of the VOS Viewer application software. Qualitative data analysis was conducted by describing a collection of information obtained and analyzing the data for making conclusions, taking action, and presenting the results in the form of narrative texts, matrices, diagrams, tables, and charts. The results showed that the Provincial Governments of DKI Jakarta, Central Java, and West Java played an active role in assisting the development of microenterprises in their regions. In terms of five microbusiness offenders, they said that the local government helped them develop their businesses, especially in facilitating funding, licensing, and product promotion. Product promotion and marketing, using digital marketing and social media helps them in expanding their marketing area because they can interact with consumers through online interaction. Microbusiness offenders can also expand their market share, which also has an impact on increasing sales.

Keywords: digital marketing, social media marketing, business competition, MSMEs

Corresponding Author: Adriwati;
email: aadriwati@gmail.com

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1. Introduction

One of the economic strengths that have been supporting the Indonesian economy and regional economic strength is the presence of business offenders, micro, small and medium enterprises (MSMEs). When the world economy and the Indonesian economy are experiencing a recession, MSME offenders can still survive the economic recession (1). The Ministry of Cooperatives and Small and Medium Enterprises (MSMEs) reported that the contribution of the MSME sector has increased from 57.84 percent to 60.34 percent and the MSME sector has also helped the absorption of domestic labor. Employment in the MSME sector increased from 96.99 percent to 97.22 percent in the last five-year period (2).

Marketing trends in today's world have shifted from what was originally conventional (*offline*) to *digital (online)*. This digital marketing strategy is more prospective because it allows potential customers to obtain all kinds of information broadly about products and transact through the internet. *Digital marketing* is a promotional activity and market search through digital media *online*. Use of digital marketing based on the results of McKinsey's research, only about 30% of businesses in Indonesia use digital instruments in developing their businesses (3). It means that the potential of *digital marketing* in Indonesia is still larger. Therefore, MSME offenders can also maximize the use of digital technology-based marketing (*digital marketing*), which provides hope for MSMEs to develop into the center of Indonesia's economic strength (4).

Thus, the regional government has sought and facilitated also the synergy of ABCGM (Academics, Business, Community, Government and Media) to overcome the problems (5). So MSMEs can be competitive, including the Jakpreneur program facilitated by the DKI Jakarta Provincial Government and ABCGM of the West Java Provincial Government. In addition, in 2021, the Office of Cooperatives and Small Businesses of West Java Province has facilitated ten halal certificates for MSMEs ready for export, namely, Bintoha farm, Cuanki Dhengeyoh (Bandung Regency), Naza (Ciamis Regency), Tirta Dewi (Kuningan Regency), Nira (Subang Regency), Nalya Food, Ceopota (Bandung City), Rizki Snack 78, Sari Wangi, Tea Stories (Sukabumi City). Dewi and Hilma's research states that of the total number of MSMEs in Yogyakarta, 90 percent of them are micro-entrepreneurs who are still having difficulty obtaining capital assistance as well as marketing strategies and practices. Therefore, they tend not to develop, and often even go out of business or simply change the type of business according to current market trends in order to survive (6). Based on this, it is necessary to conduct research to the extent that the government has contributed and made effort in helping these MSME

offenders. Therefore, this research was conducted to find out how MSME offenders can compete through efforts to maximize social media digital marketing which is currently widely facilitated by the Government.

2. THEORITICAL FRAMEWORK/RELATED RESEARCH

2.1. THEORITICAL FRAMEWORK

Digital marketing can be described as approach, strategy. (7) (8). The role of digital marketing strategy is important in following digital technology developments and developing plans to attract consumers and direct them to a combination of electronic and traditional communication (9). Moreover, digital marketing is often used as a marketing laboratory (10). Digital marketing can be used to disseminate information in the form of text, images, audio, and video with many parties both between companies to consumers or consumers in the company (11). Digital marketing is a type of marketing that includes branding and involves the use of various web-based media such as blogs, websites, e-mail, adwords, or social networks (12). Digital marketing strategy is more prospective because it allows potential customers to obtain all kinds of information broadly about products and transact through the internet. With mobile technology, anyone with an internet connection can get accurate information in the palm of their hand (13). Digital marketing is a promotional activity and market search through digital media online (14). Also, it will increase the competitiveness of the company (15).

One type of digital marketing, namely social media marketing, has called the new paradigm of digital marketing in emerging markets (16). *Social media marketing* is part of the type of marketing that is currently widely used by business people. This type of marketing focuses more on utilizing the role of social media in the marketing process because it is considered more efficient and generates a lot of money compared to conventional marketing methods. Marketing can be done by making posts on social media, including Instagram, Facebook and Twitter.

1. On facebook can be done by:
 - (a) i. Open <https://www.facebook.com> facebook link
 - ii. Create a Username and Bio, in the form of a URL and bio
 - iii. Posting an article about the business being run, in the form of a Caption, containing: headline, body, CTA and hastag and giving a mention @... (intended address),

- iv. include CAT (Call To Action) / or contact numbers that can be contacted and hastags #katakunci that are in accordance with the marketing of their respective products.
 - v. Presenting products in the form of images that are: informative, pleasing to the eye, and appropriate content.
1. (a) Instagram done through:
 - i. Create instagram on <https://www.instagram.com/>
 - ii. Create a Username and Bio, in the form of a URL and bio
 - iii. Posting an article about the business being run, in the form of a Caption, containing: headline, body, CTA and hastag and giving a mention @... (destination address),
 - iv. include CAT (Call To Action) / or contact numbers that can be contacted and hastags #katakunci that are in accordance with the marketing of their respective products.
 - v. Presenting products in the form of images that are: informative, pleasing to the eye, and appropriate content
 - vi. Posting a post about the product you want to market that contains a hashtag #produk and mention @... (destination address)

2.2. RELATED RESEARCH

Research's result of Abdul Rahmana, a theoretical review of innovations on small business survival by reviewing literature reviews with small business research, it is considering the technical scope of the innovation: Social networks, computerized records, and online marketing can be classified as current innovations. The survey of Rachinger et.al suggest that while digitization is generally considered important, the value proposition itself and its position in the value network determine available options for business model innovation (BMI) through digitization is showing (17). Because these media are technology-based and influence the development intensity of new and improved processes and products (18). The role of government becomes important to help citizens, especially MSMEs sector because e-government allows citizens free access to information (19) (20). Febriyantoro's research states that some MSEs have not maximized digital marketing due to influence lack of understanding in the use of digital marketing such as creating a company website, maximize search engine optimization (SEO) and use google adsense as promotion media (21).

3. Methodology

This research is a type of descriptive research, while the method used is qualitative. The data used in this study are primary data and secondary data. The methods used to obtain data that can support this research are observation, interviews and document review (22). The resource persons are people who have competence in the MSME sector, including the Central Java Province MSME Cooperative Service, the West Java Provincial MSME Cooperative Service and the DKI Jakarta Provincial MSME Cooperative Service. Meanwhile, secondary data is extracted from internet sites and related to the object of research. Secondary data is obtained from: websites, Local Government databases, metadata, etc. Data processing in this study was conducted in the following ways:

1. (a) i. A. Data processing derived from observations is carried out by selecting photos of relevant observations during data collection activities at the research locus and documenting the photos as evidence of accountability.
- B. Data processing derived from interviews is carried out by making interview transcripts and analyzing the data obtained.
- C. Data processing derived from document reviews is carried out by examining data sourced from websites, metadata, local government databases, etc. For metadata, obtained from academic article articles stored in e-resources provided for free, in the form of articles about social media marketing and digital marketing from 2015 to 2022, a total of 239 articles.

The data analysis technique in this study was conducted in the following ways:

1. (a) i. A. Data derived from metadata are analyzed by bibliometric analysis. Bibliometric analysis is used to determine the novelty of this study, concerning other existing research. This bibliometric analysis is carried out with the help of VOS Viewer application software.
- B. For qualitative data, the analysis is carried out by selecting, simplifying and transforming data derived from written notes in the field and in-depth interviews with speakers. Furthermore, describe the set of information that has been compiled, and analyze the data obtained for drawing conclusions and taking action. As for the analysis of data, it is presented in the form of narrative texts, matrices, diagrams, tables and charts.

4. findings and analysis

4.1. Bibliometric Analysis

Before continuing this research, the team first checks related research with the same topic published in open source publication journals using the VOS Viewer application.

The data used comes from google scholar metadata, by taking opensourced data from articles published between 2015 and 2022. The data taken was 239 articles, with keywords : digital marketing, social media marketing, and small business and medium enterprises. Vos viewer results are obtained as follows:

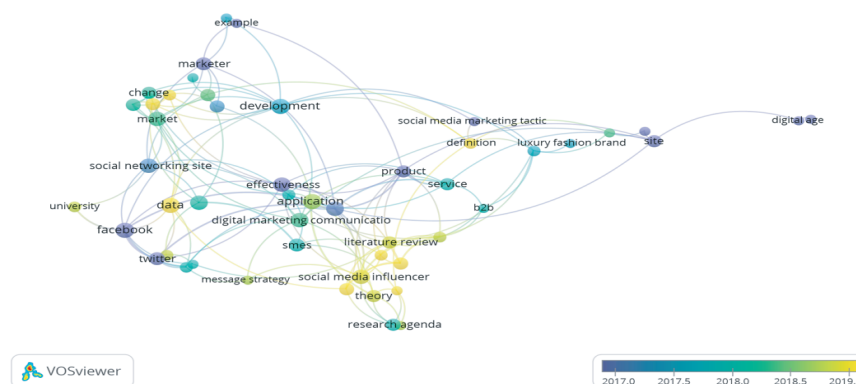


Figure 1: Vos Viewer Social Media Digital Marketing.

Figure 1 is used as a consideration for a systematic literature review to determine the state of the art research carried out. From the picture, it can be seen that the research that has been carried out by the authors before includes: digital marketing communication, social media influencers, social networking sites, and social media marketing tactic. Based on the results of Vos viewers, it can be concluded that there is still an opportunity to research the use of social media marketing because not many have researched the same topic.

Furthermore, still using the VOS Viewer application software, it can be known the period for the publication of research related to social media marketing. The results obtained is as follows:

From Figure 2, it can be seen that research focused on social media strategy, social media influencers, and influencer marketing was carried out in 2019. Meanwhile, in 2017

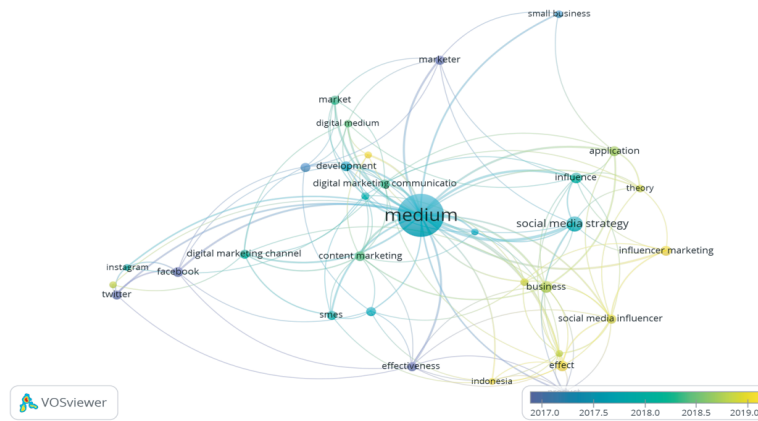


Figure 2: Vos Viewer Social Media Marketing.

and 2018, it focused more on mediums, content marketing, digital marketing, and digital marketing communication.

Furthermore, density visualization will be seen, which shows that the word yellow indicates that the focus of research on the topic is a lot. In Figure 4.6, the results of the Vos viewer can be displayed as follows:



Figure 3: Vos Viewer Social Media Marketing.

In Figure 3, it concluded that the research has been focused on social media influencers, applications, digital marketing communication, twitter and facebook.

Furthermore, the discussion of the role of the Government in assisting micro-entrepreneurs in developing businesses will be focused on aspects of funding, licensing and business promotion. Analyze these aspects as will be discussed below.

4.1.1. Analysis of funding aspects

Based on the results of interviews with five microenterprises, information about net worth and annual sales results was obtained as follows:

TABLE 1: List of Net Worth and Annual Sales Results of MSME Offenders.

No.	MSME offenders	Start-up capital	Annual Results	Sales
1.	Mrs.Yuli Mlati Wangi	Less than 1 billion	100 – 200 million	
2.	Mrs. Sari Noviani New Citra	Less than 1 billion	200 – 500 million	
3.	Adit Dapoer GG	Less than 1 billion	Up to 500 million	
4.	Mrs. Neu Neu Roemah Sandal Geulis	Less than 1 billion	100 - 300 million	
5.	Mrs. Dahlia Sultana Modiste	Less than 1 billion	Less than 100 million	

Based on the data on table 2, it can be concluded that the average business offender has an initial capital and annual sales of less than 1 billion, and some even have a smallest initial capital. This is as conveyed by the speaker of the Dapoer GG business offender (Mr. Adit) as follows: "Our initial capital is minimal, at the beginning, this business only had a capital of Rp. 500 thousand. Over time, gradually the capital increases, which comes from own capital which is set aside from the acquisition of profits and by utilizing the available credit facilities, both from banks and non-banking loans".

The same thing was also conveyed by the fashion business offender (Mrs.Dahlia) who said that the initial capital was minimal when starting her fashion business.

Meanwhile, Mrs. Sari said that at first she only opened a business without capital, only continuing the business that had been initiated by her parents.

Meanwhile, Mrs. Neu Neu was originally her husband. Thus it can be said that small capital does not dampen their enthusiasm for running a business.

4.1.2. Analysis of Licensing Aspects

The average business offender said that they were greatly helped by the Government's program. As stated by the handicraft business offender Mlatiwangi (Mrs. Yuli) as follows: "We are greatly helped by the facilitation of convenience to take care of permits to export

our products. Our experience so far has been exporting products to Japan and thanks to the help of the Local Government, we were able to obtain an export permit without any significant obstacles”.

The same thing was also conveyed by business offender Roemah Sandal Geulis (Mrs. Neu Neu) who said: ”We have often exported our products to Europe, and we have also collaborated with investors in Spain to market our products”.

4.1.3. Aspects of Trade Promotion and Digital Marketing analysis

Since the existence of social media, it becomes more advantage for the business (23), including MSME business offenders. They have felt positive benefits in marketing their products. On average, they have used social media, such as Instagram and Whatsapp groups in marketing their products. In addition, they are also greatly helped by the existence of marketplaces or online shopping sites. The speaker (Mr. Adit) said:

”In addition to using Instagram social media, we also market products on Grab food, Go food and Shopee food, and we feel great benefits in selling our products”.

Likewise, Mrs.Yuli (Mlatiwangi) uses the Instagram application under the name Mlatiwangi catalogue. On Instagram, Mrs. Yuli included a variety of products produced, as an example of the following look:

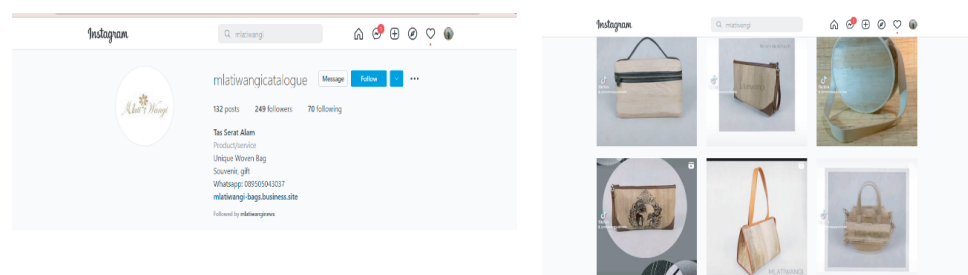


Figure 4: Melatiwangi's Instagram.

Based on Instagram Mlatiwangicatalogue can be analyzed as follows:

1. (a) i. A. The business has been displayed thoroughly, ranging from various models of bags with banana fronds, various models of bags with hyacinth base materials, various models of bags with pandan leaf base materials, with variations in the form of decoupage art and borders. Product products are displayed in English as follows:

The products have been displayed informatively in the form of an explanation of the specifications each product and displayed attractively.

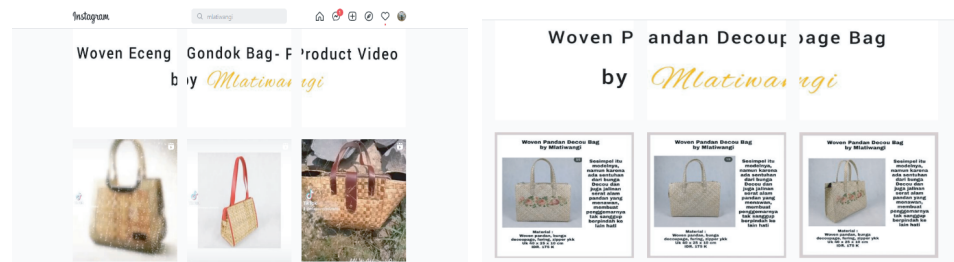


Figure 5: Melatiwangi's Instagram English Language Products.

1. On Instagram, mlatiwangi is focused on natural fiber bag products, and has included a call to action in the form of a whatsapp number, as well as the address of the place of business. As for the appearance as follows:

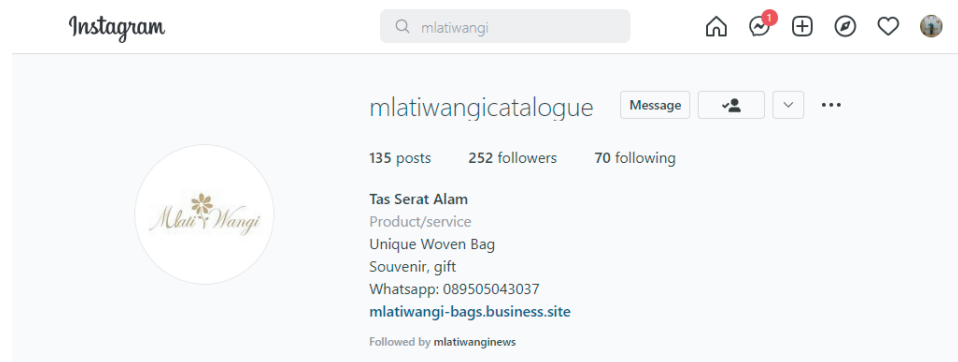


Figure 6: Melatiwangi's Instagram English Language Products.

1. In the mlatiwangi catalog, there is no #keyword hastag that allows customers to more easily search for mlatiwangi products, as shown below:

From this Instagram look, it can be show that did not many potential customers see and give thumbs up to mlatiwangi products.

Furthermore, the products of other business offenders, namely Mrs. Neu neu (owner of Rumah Sandal Geulis), also use the Instagram application under the name Rumah Sandal Geulis. On Instagram, Mrs.Neu neu marketed the products produced, including the following:

Based on instagram home sandal geulis can be analyzed as follows:

1. The business that is run in the form of shoe and sandal products has been displayed, with various models of shoes and sandals as shown below:



Figure 7: Melatiwangi's Instagram – Call to Action.

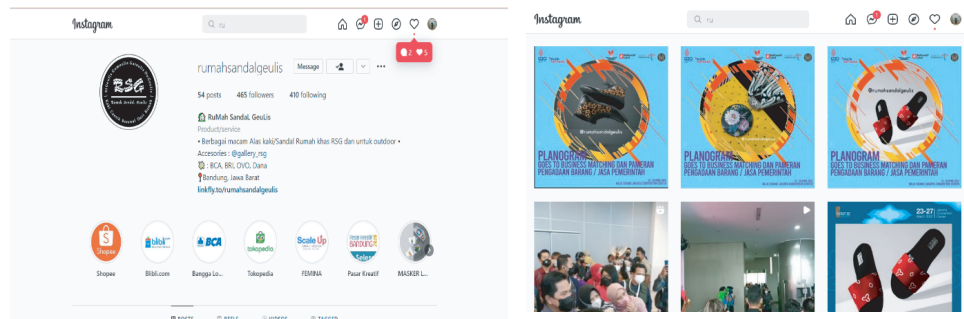


Figure 8: Roemah Sandal Geulis' Instagram.

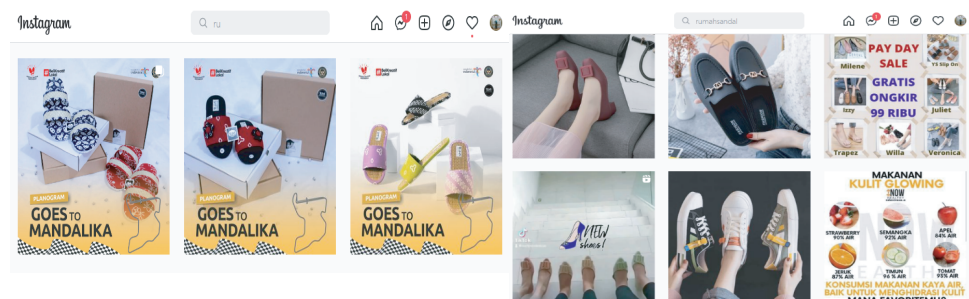


Figure 9: Roemah Sandal Geulis' Design.

1. On instagram Rumah Sandal Geulis claim to be specialists in shoe and sandal products, and have included a call to action in the form of a whatsapp number, as well as a business link. The display is as follows:

1. On instagram, geulis sandals have listed #keyword hastags that allow customers to more easily search for these mlatiwangi products, as follows:

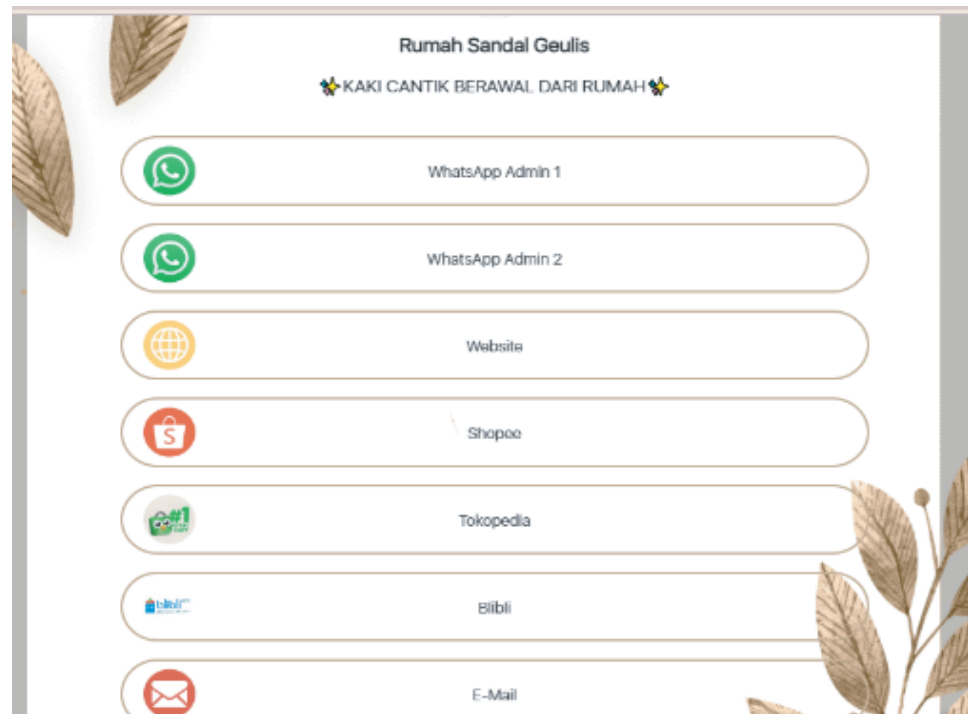


Figure 10: Roemah Sandal Geulis' Instagram – Call to Action.

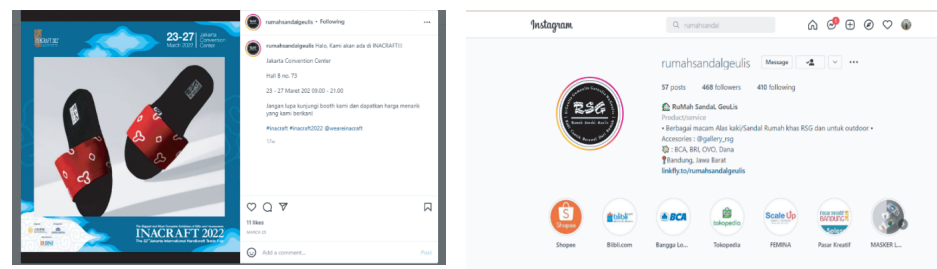


Figure 11: Roemah Sandal Geulis' Instagram - Hastag.

However, the hastag # displayed is adjusted to the moment of the event that is being followed by the house of geulis sandals, open in the form of a hastag of the product.

Based on information obtained from the four business offenders, it can be concluded that social media, especially Instagram and Whatsapp, is quite influential on their sales results. Social media is useful for marketing their products.

5. Conclusions

Based on research on five micro-business offenders located in the DKI Jakarta Province, West Java Province and Central Java Province, basically the micro business offenders

said that the local government is helpful for them to develop their businesses, especially in facilitating funding, licensing and product promotion.

Furthermore, the use of social media digital marketing, micro business offenders said that social media helps them in expanding the product marketing area because they can interact with consumers online, and can expand their market share, which also has an impact on increasing sales amid fierce business competition.

In order to market their products, these micro-business offenders collaborate with several marketplaces such as Shopee, and Tokopedia, and also use social media Instagram and Whatsapp as marketing media for their products. For business offenders with culinary product categories, namely eating and beverages, in general they collaborate with the Go-Food, Grab-food or Shopee-food applications to make easier for consumers to buy their products.

From this research, it is recommended for micro-business offenders to use digital marketing optimally, but they get obstacles such as lack of understanding related to information technology, how to market products abroad, and related to the Law on consumer protection. This can be seen from the understanding of MSME offenders on how to maximize social media platforms such as Instagram, Facebook, Marketplace, and how to create posts that are attractive and can affect people's purchasing power. It is hoped that in the future MSME offenders can make more interesting innovations in promoting their products in order to increase sales volumes sustainably.

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