

Understanding the Use of Social Media by MSMEs in Bali Province during the Covid 19 Pandemic

Si Agung Candra Arum Sari Dewi

Faculty of Social and Political Sciences, Universitas Indonesia

si.agung@ui.ac.id

Abstract

The Large-Scale Social Restriction Policy (PSBB) is an obstacle for MSMEs actors so that there is a transition from offline to online business. MSMEs need to adapt to the use of social media as a tool to reach a wider range of consumers. The number of MSMEs in Bali is still low in utilizing digital platforms. Therefore, this research will recognize the factors MSMEs adopted social media during pandemic Covid-19. This research was conducted qualitatively with the library research method. In the literature review, the factors found are perceived usefulness and perceived ease of use in the technology acceptance model. In addition, there are other factors, namely compatibility and leadership support. MSMEs that still survive and have taken advantage of social media that are related to the perceived usefulness and perceived ease of use factors because MSME actors only use social media after feeling that social media during the pandemic is more profitable compared to limited offline sales. The SMEs leaderships support factor which is training for MSMEs will help employees to make digital platforms a tool that supports business activities during the pandemic.

Keywords

social media marketing;
MSMEs; technology
acceptens model; SLS



I. Introduction

The COVID-19 pandemic has had an impact on the economy. The implementation of policies by the government in an effort to prevent the spread of the Covid-19 virus has limited business activities. The Large-Scale Social Restriction Policy (PSBB) is periodically implemented in Indonesia, including the Province of Bali. This policy is an obstacle for MSMEs actors so that there is a transition from offline to online business (Apindo, 2021). So that MSMEs actors need to consider effective communication media in promoting their products. Online media in marketing activities can use several social media that are currently in demand by consumers. Social media accommodates collaboration between users who produce content and allows for mutual interaction, communication which will form virtual social bonds (Nasrullah, 2018).

According to BPS 2020 data, 61.06 percent of Balinese people access the internet, social media, looking for information/news and entertainment are the 3 main destinations for Balinese people to access the internet (Nusabali.com, 2021). This data shows that social media has great potential for MSMEs to market their products. MSMEs need to adapt to the use of social media as a tool to reach a wider range of consumers. Many Micro, Small and Medium Enterprises (MSMEs) were affected, based on data, 87.5 percent experienced a decline in sales and only 12.5 percent grew (Bisnisbali.com, 2021). MSMEs that survive have used social media to market their products because during the Covid-19 pandemic, consumers tend to shop online to avoid direct contact with sellers (Fantini et.al, 2021). From 340 thousand MSMEs in Bali, only about 250 MSMEs have entered the digital

market (Dinkopum Bali, 2021). The Bali Province SME Cooperative Service continues to encourage MSMEs to market their products in the digital market by conducting training on how to present products to attract consumers and using social media as a place to sell (Jawapos, 2021). This data shows that the number of MSMEs in Bali is still low in utilizing digital platforms. Therefore, this research will recognize the factors MSMEs adopted social media during pandemic Covid-19.

II. Review of Literature

2.1 Social Media

Social media is a tool to increase the ability of users to share, cooperate among users and take collective action that is outside the institutional and organizational framework (Shirky, 2008; Nasrullah, 2018). Social media opens up new communication channels that give marketers direct access to customers and as opinion shapers. Social media is not only about communication but also provides input in product development, distribution channels and even pricing. Social media is a new opportunity for marketers to reach a wider range of customers (Paul, 2011). Social media offers a fast, affordable and high impact way of promotion for businesses that can enhance brand image and strengthen bonds with customers (Funk, 2013). Social media offers new features that meet consumer preferences and market needs. By integrating social media activities with business operations, you will be able to attract customers effectively and efficiently through the product/service content displayed (Derham et al., 2011). The use of social media has been shown to have the potential to increase sales, reduce costs, improve services, reach brand awareness which will strengthen the relationship between sellers and customers (Hoffman and Fodor, 2010; Kaplan and Haenlein, 2010; Mangold and Faulds, 2009; McCann and Barlow, 2010). , 2015).

Social media is an example of a relatively recent development of information technology (Marbun et al, 2020). Communication through social media promises a comfortable state of communication, where someone who cannot compose words can be someone who is very poetic, with a very relaxed appearance and state, someone can carry out communication activities with others, lecturers, or someone when we communicate with it must take care of all things, appearance and style of language, but communicating through social media do not have to pay attention to it, sit back with a cup of coffee and use casual clothes a person can carry out communication activities (Marlina, 2020).

2.2 Social Media Strategy

The use of social media as a promotional tool certainly requires a strategy to get effective and efficient results. Kabani developed (Funk, 2013) the “ACT” framework, namely “Attract, Convert, and Transform” as a social media strategy that is useful for positioning businesses in the online world. The three attributes of a social media strategy are as follows (Funk, 2013).

- **Attract:** A business must highlight the uniqueness of the brand that sets it apart, have a strong value proposition and useful content. Such as displaying testimonials and having an active community so that it can attract potential customers. .
- **Convert:** Optimize the design and user experience on social media or websites, thereby successfully converting social media users into buyers.
- **Transform:** Build bona fide personal and emotional relationships with customers. This will strengthen the relationship between sellers and buyers which can encourage buyers to become loyal customers.

2.3 MSMEs and Social Media Marketing

According to Law No. 22 of 2008, Micro, Small and Medium Enterprises (MSMEs) are business activities that are able to expand employment opportunities and provide economic services to the community, as well as play a role in the process of equity, and increase people's income, encourage economic growth, and play a role in realizing national stability (Wijoyo, 2021). Micro-enterprises in MSMEs are productive businesses owned by individuals or individual business entities that meet the criteria for micro-enterprises that have been regulated by the law. Small business is a productive economic business that stands alone, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly of a medium or large business that meets the criteria of a small business. Meanwhile, medium-sized businesses are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly with small businesses or large businesses with total net assets. or annual sales results (Budiarto, 2018). There are three reasons that underlie developing countries to view the importance of the existence of MSMEs. First, MSMEs produce a productive workforce. Second, MSMEs often achieve increased productivity through investment and technological change. Third, MSMEs have an advantage in flexibility compared to large businesses (Berry & Sandeem, 2001; Abdurohim, 2020).

During the pandemic, social media platforms are an option for MSMEs to reach their customers. Several studies state that the use of social media has a major impact on MSME business activities (Kapoor et al., 2018). Social media is considered as an easy tool for MSMEs to communicate online with potential customers or for customers who are a place to exchange information with other customers (Elbanna, 2019). In the context of marketing, the use of social media by MSMEs is called social media marketing (SMM) (M.A. Shareef et al., 2018). This SMM has an effective impact on MSMEs businesses (Dwivedi, Kapoor, & Chen, 2015; Ware, 2018). There are many factors that might motivate MSMEs to use SMM to take business advantage. Through social media, a company can easily build its brand to increase its business activities (Walsh & Lipinski, 2009). This helps to increase the business activities of MSMEs (Harris et al., 2008).

III. Research Methods

This research was conducted qualitatively with the library research method. Literature or literature study can be interpreted as a series of activities related to the method of collecting library data, reading and recording and processing research materials (Zed, 2003). A Library research or literature review examines books, scholarly papers, and any other materials related to a specific subject, research area, or theory, and gives a description, summary, and critical evaluation of these works in connection to the research problem under consideration (Fink, 2014). This research data was taken from research journals or data sources regarding the use of social media by MSMEs by searching on Google Scholar using the appropriate keywords from 2017-2022. After the selection, there were 5 research journals that became the reference in this research.

IV. Results and Discussion

Many studies on the use of social media by MSMEs have been carried out but still and show varying results. Like the research conducted by Chatterjee,(2021) on the antecedents and consequences of social media marketing for strategic competitive advantage of small and medium enterprises: mediating role of utilitarian and hedonic value. The results show that perceived usefulness and perceived ease of use in the TAM concept (Davis, 1989) have a positive impact on social media marketing. In addition, this research also involves other factors, namely Utilitarian value (UTV) and Hedonic value (HDV) which comes from motivation theory (Ryan & Deci, 2000) and shows that social media marketing has an impact on MSMEs which is mediated through two human-centric traits UTV & HDV. This study concludes that adopting social media can provide benefits for MSMEs. Furthermore, research by Salam (2021) on The perceptions of MSMEs retailers towards the usage of social media marketing amid the COVID-19 crisis concluded that perceived ease of use (PEOU) has an influence on perceived usefulness (PU) for use of social media marketing by SME retailers and the same use during a pandemic crisis. A study by Chatterjee (2021) on the adoption of social media marketing for sustainable business growth of SMEs in emerging economies concluded that social media marketing significantly and positively increases the sustainable growth of SMEs in the economy. Research by S. Chatterjee and A. Kumar kar (2020) entitled "Why do small and medium enterprises use social media marketing and what is the impact- Empirical insights from India " states that after MSMEs adopt social media, perceived usefulness, perceived ease of use and compatibility positively affect impact of SMM. The research by Amiruddin (2017) regarding factors influencing the adoption of social media in small and medium enterprises (SMEs) states that the determinants of SMEs adopting social media using TAM elements are perceived usefulness and perceived ease of use. In addition, there are additional factors, namely perceived trust which also affects the adoption of social media by SMEs. Based on a literature review on the use of social media by SMEs from previous research, this study describes the factors that encourage SMEs to adopt social media as a tool to support their business activities.

4.1 TAM (Technology Acceptance Model)

The TAM framework seems to be widely used in research on the use of social media by MSMEs (Salam, 2021). According to Park's research (2009), SMEs will not refuse to use social media if that can help increase the productivity and whole performance of MSMEs (Chatterjee, 2021). In TAM, perceived usefulness and perceived ease of use are the two fundamental reasons for technology adoption and usage behavior (Davis, 1989; Hussein, 2021).

4.2 Perceived Usefulness (PU)

Perceived usefulness is considered an intangible measure that comes from the user's belief that by using technology will increase the user's overall performance (Davis 1989; Chatterjee, 2021). Social media users or in this context MSMEs will feel motivated to take advantage of social media marketing if they feel that the SMM brings benefits to SMEs (Chatterjee,, 2021). Social media usefulness also helps in decision making. de Mooi (2014) states that social media not only provides information but can also influence the formation of opinions from interpersonal communication or word of mouth. Perceived usefulness in social media can also be realized from online communities that encourage information exchange and relationship development (Chatterjee, 2021).

4.3 Perceived Ease of Use (PEOU)

Perceived ease of use is conceptualized if the use of technology is easy and not complex, users will not hesitate to use the technology or system (Kuo & Yen, 2009; Venkatesh et al., 2012). The PEOU factor is related to the concept that it is very important for individuals to make efforts to use a technology or system (Park, 2009; Chatterjee, 2021). An easy-to-use platform is considered more useful because it will increase in the use of social media (Chatterjee, 2021). In the context of MSMEs, they will not hesitate to use QMS as a tool that helps their business activities if they do not find it difficult to implement and implement it (Chatterjee, 2021).

4.4 Compatibility

Compatibility is considered to impact social media marketing (Chatterjee, 2020). Compatibility is conceptualized as the extent to which innovative technology or social media marketing in MSMEs is in accordance with existing processes and practices (Qi et al., 2021). Compatibility is one of the important factors for MSMEs in adopting innovative technologies such as SMM (Wang et al., 2010). MSMEs will consider using social media marketing if SMEs feel that the SMM is in accordance with existing systems and practices (Hsu et al., 2007).

4.5 SME Leaderships Support (SLS)

Beside these three factors, leaders are also responsible for motivating their employees to adopt innovative technologies such as SMM. The availability of inadequate resources and lack of training on the use of new technologies are the main obstacles faced by company employees (Chatterjee et al., 2019). The effective use of SMM by MSMEs is from employee involvement, therefore employees are required to follow proper training in using SMM (Chatterjee, 2020). Leadership plays a fundamental role in the adoption of new communication channels. Adequate training will help employees feel more confident and easy to use innovative technology in business activities. Employees need support from leaders to encourage them to use new technology so that it can produce some value (Chatterjee, 2021).

The use of social media marketing by SMEs provides many benefits and makes it easier for them to reach customers. The limited business activities of MSMEs due to the PSBB regulations make social media an option as a medium to meet customers virtually. In the literature review, the factors found are perceived usefulness and perceived ease of use in the technology acceptance model. In addition, there are other factors, namely compatibility and leadership support. SMEs in the province of Bali have started using social media to sell. However, based on data from 340 thousand MSMEs in Bali, only about 250 MSMEs have entered the digital market (Dinkopum Bali, 2021). The data shows that the number of MSMEs is still low in switching to using new technology in their business activities. Efforts to accelerate the use of new technology for MSMEs continue to be carried out because it can help increase sales during the pandemic which limits offline transactions. The Bali Province SME Cooperative Service continues to encourage MSMEs to market their products in the digital market by conducting training on how to present products to attract consumers and using social media as a place to sell (Jawapos, 2021). MSMEs that still survive have taken advantage of social media, one of the MSMEs actors which sell souvenirs conducts online transactions because it is easier for them to meet potential customers and increase sales by maximizing promotions on social media (Kompas, 2021). This is related to the perceived usefulness and perceived ease of use factors because MSME actors only use social media after feeling that social media during

the pandemic is more profitable compared to limited offline sales. Then, the availability of various features on social media makes it easy for sellers to create content to promote their products.

The Bali provincial SME cooperative office held training accompanied by the technical guidance and approximately 1026 MSMEs who are currently participating in training in an effort to encourage Bali Go Digital MSMEs (Dinkopum Bali, 2021). This effort is in line with the SMEs leaderships support factor where training for MSMEs will help employees to make digital platforms a tool that supports business activities during the pandemic. In addition to the fundamental factors, namely perceived usefulness and perceived ease of use, the use of digital platforms still needs to be supported by qualified resources in running them so that they are effective.

V. Conclusion

The use of social media marketing by SMEs provides many benefits and makes it easier for them to reach customers. The limited business activities of MSMEs due to the PSBB regulations make social media an option as a medium to meet customers virtually. In the literature review, the factors found are perceived usefulness and perceived ease of use in the technology acceptance model. In addition, there are other factors, namely compatibility and leadership support. SMEs in the province of Bali have started using social media to sell. However, based on data from 340 thousand MSMEs in Bali, only about 250 MSMEs have entered the digital market (Dinkopum Bali, 2021). The data shows that the number of MSMEs is still low in switching to using new technology in their business activities. Efforts to accelerate the use of new technology for MSMEs continue to be carried out because it can help increase sales during the pandemic which limits offline transactions. The Bali Province SME Cooperative Service continues to encourage MSMEs to market their products in the digital market by conducting training on how to present products to attract consumers and using social media as a place to sell (Jawapos, 2021). MSMEs that still survive have taken advantage of social media, one of the MSMEs actors which sell souvenirs conducts online transactions because it is easier for them to meet potential customers and increase sales by maximizing promotions on social media (Kompas, 2021). This is related to the perceived usefulness and perceived ease of use factors because MSME actors only use social media after feeling that social media during the pandemic is more profitable compared to limited offline sales. Then, the availability of various features on social media makes it easy for sellers to create content to promote their products. The Bali provincial SME cooperative office held training accompanied by the technical guidance and approximately 1026 MSMEs who are currently participating in training in an effort to encourage Bali Go Digital MSMEs (Dinkopum Bali, 2021). This effort is in line with the SMEs leaderships support factor where training for MSMEs will help employees to make digital platforms a tool that supports business activities during the pandemic. In addition to the fundamental factors, namely perceived usefulness and perceived ease of use, the use of digital platforms still needs to be supported by qualified resources in running them so that they are effective.

References

- Abdurohim, D. 2020. Strategi Pengembangan Kelembagaan UMKM - Bintang Pustaka. (n.p.): Bintang Pustaka Madani.
- Ahamat, Amiruddin and Shahkat Ali, Muhamad Sham and Hamid, Norfaziela (2017) *Factors Influencing The Adoption Of Social Media In Small And Medium Enterprises (SMES)*. International E-Journal of Advances in Social Sciences, III (8). pp. 338-348. ISSN 2411-183X
- AlSharji, A., Ahmad, S.Z. and Abu Bakar, A.R. (2018), "Understanding social media adoption in SMEs: Empirical evidence from the United Arab Emirates", *Journal of Entrepreneurship in Emerging Economies*, Vol. 10 No. 2, pp. 302-328. <https://doi.org/10.1108/JEEE-08-2017-0058>
- Apindo : PSBB Jawa-Bali Buat Dunia Usaha Bingung. (2021, January 10). Diakses pada January 10, 2022 dari <https://marketnews.id/market-update/2021/01/apindo-psbb-jawa-bali-buat-dunia-usaha-bingung/>
- Bertahan di Tengah Pandemi, UMKM Suvenir Bali Kini Jualan via Online
- Budiarto, R. 2018. Pengembangan UMKM Antara Konseptual dan Pengalaman Praktis. Indonesia: Gadjah Mada University Press.
- Catriana, E. Bertahan di Tengah Pandemi, UMKM Suvenir Bali Kini Jualan via Online (2020, July 3). Diakses pada January 10, 2022 dari <https://money.kompas.com/read/2020/07/03/080800826/bertahan-di-tengah-pandemi-umkm-suvenir-bali-kini-jualan-via-online?page=all>
- Chatterjee, S., & Kumar Kar, A. (2020). Why do small and medium enterprises use social media marketing and what is the impact: Empirical insights from India. *International Journal of Information Management*, 102103. <https://doi.org/10.1016/j.ijinfomgt.2020.102103>
- Chatterjee, S., Ghosh, S. K., Chaudhuri, R., & Nguyen, B. (2019). Are CRM systems ready for AI integration? A conceptual framework of organizational readiness for effective AI-CRM integration. *The Bottom Line*, 32(2), 144–157. <https://doi.org/10.1108/BL-02-2019-0069>
- Chatterjee S, Chaudhuri R, Sakka G, Grandhi B, Galati A, Siachou E, Vrontis D. Adoption of Social Media Marketing for Sustainable Business Growth of SMEs in Emerging Economies: The Moderating Role of Leadership Support. *Sustainability*. 2021; 13(21):12134. <https://doi.org/10.3390/su132112134>
- Chatterjee S, Ranjan Chaudhuri & Demetris Vrontis (2021) Antecedents and consequence of social media marketing for strategic competitive advantage of small and medium enterprises: mediating role of utilitarian and hedonic value, *Journal of Strategic Marketing*, DOI: 10.1080/0965254X.2021.1954070
- Davis, F. Bagozzi, R. Warshaw, P. 1989. User acceptance of computer technology: A comparison of two theoretical models. *Manag. Sci.* 35, 982–1003.
- Park, S. 2009. An analysis of the technology acceptance model in understanding university students' behavioral intention to use e-Learning. *Educ. Technol. Soc.* 12, 150–162.
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319–339. <https://doi.org/10.2307/249008>
- de Mooi, Marieke. 2014. *Global Marketing and Advertising*. Second ed. London, UK: SAGE Publications.

- Elbanna, A., Bunker, D., Levine, L., Sleight, A. (2019). Emergency management in the changing world of social media: Framing the research agenda with the stakeholders through engaged scholarship. *Int. J. Inf. Manag.* 47, 112–120.
- Fantini, E., Sofyan, M., & Suryana, A. (2021). 'Optimalisasi Media Sosial
- Fink, Arlene. *Conducting Research Literature Reviews: From the Internet to Paper*. Fourth edition. Thousand Oaks, CA: SAGE, 2014.
- Harris, L., Rae, A., & Grewal, S. (2008). Out on the pull: How small firms are making themselves sexy with new online promotion techniques. *International Journal of Technology Marketing*, 3(2), 153–168. <https://doi.org/10.1504/IJTMKT.2008.018862>.
- Hsu, C., Lu, H., & Hsu, H. (2007). Adoption of the mobile internet: An empirical study of multimedia message services (MMS). *The International Journal of Management Science*, 35(6), 715–726. <https://doi.org/10.1016/j.omega.2006.03.005>
- Kapoor, K. K., Tamilmani, K., Rana, N. P., Patil, P., Dwivedi, Y. K., & Nerur, S. (2018). Advances in social media research: Past, present and future. *Information Systems Frontiers*, 20(3), 531–558. <https://doi.org/10.1007/s10796-017-9810-y>
- Kuo, Y.-F., & Yen, S.-N. (2009). Towards an understanding of the behavioral intention to use 3G mobile value-added services. *Computers in Human Behavior*, 25(1), 103–110. <https://doi.org/10.1016/j.chb.2008.07.007>.
- Marbun, D. S., et al. (2020). The Effect of Social Media Culture and Knowledge Transfer on Performance. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, Volume 3, No 3, Page: 2513-2520.
- Marlina, et al. (2020). Disclosure of Communication in the Facebook and Impact Social Media on Worship Activities in Dakwah Faculty Students and Science of Communication Media of North Sumatera State University (UNSU). *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, Volume 3, No 3, Page: 2142-2148.
- Pengantar Teori Komunikasi Analisis dan Aplikasi. Jakarta : Salemba Humanika. Zed, Mestika. 2008. Metode Penelitian Kepustakaan. Jakarta : Yayasan Obor.
- PR Smith, P. R. (2011). *Marketing Communications Integrating Offline And Online With Social Media*. Kogan Page.
- Qi, Y., Wang, X., Li, Y., Zhang, G., & Jin, H. (2021). The effects of inter-organizational compatibility on knowledge transfer in cross-border M&As. *Management Decision, ahead-of-print*(ahead-of-print), In Press. <https://doi.org/10.1108/MD-03-2020-0349>.
- Salam, M.T., Imtiaz, H. and Burhan, M. (2021), "The perceptions of SME retailers towards the usage of social media marketing amid COVID-19 crisis", *Journal of Entrepreneurship in Emerging Economies*, Vol. 13 No. 4, pp. 588-605. <https://doi.org/10.1108/JEEE-07-2020-0274>
- Sebagai Sarana Promosi UKM Meningkatkan Penjualan Di Masa Pandemi Covid-19'. *Jurnal Ekonomi, Manajemen, Bisnis, dan Sosial*, 1(2), pp. 126–131
- Shareef, M. A., Mukerji, B., Alryalat, M. A. A., Wright, A., & Dwivedi, Y. K. (2018). Advertisements on Facebook: Identifying the persuasive elements in the development of positive attitudes in consumers. *Journal of Retailing and Consumer Services*, 43(7), 258–268. <https://doi.org/10.1016/j.jretconser.2018.04.006>
- Suarana, N. Dari 340 Ribu UMKM di Bali, Baru 250 UMKM yang Go Digital. (2021, April 21). Diakses pada January 10, 2022 dari <https://baliexpress.jawapos.com/bisnis/21/04/2021/dari-340-ribu-umkm-di-bali-baru-250-umkm-yang-go-digital/>

- Tom Funk, 2013. "Advanced Social Media Marketing," Springer Books, Springer, number 978-1-4302-4408-0, April.
- Walsh, M., & Lipinski, J. (2009). The role of the marketing function in small and medium sized enterprises. *Journal of Small Business and Enterprise Development*, 16(4), 569–585. <https://doi.org/10.1108/14626000911000929>.
- Wang, Y.-M., Wang, Y.-S., & Yang, Y.-F. (2010). Understanding the determinants of RFID adoption in the manufacturing industry. *Technological Forecasting and Social Change*, 77(5), 803–815. <https://doi.org/10.1016/j.techfore.2010.03.006>
- Ware, J. (2018). Wearable technologies and journalism ethics: Students' perceptions of Google glass. *Teaching Journalism & Mass Communication*, 8(1), 17–24. https://doi.org/10.1007/978-3-319-25684-9_25.
- Wibowo, A. Urgensi Literasi Digital Di Tengah Pandemi Covid-19. (2021, February 13). Diakses pada January 10, 2022 dari <https://www.nusabali.com/berita/89982/urgensi-literasi-digital-di-tengah-pandemi-covid-19>
- Wijoyo, H. 2021. Strategi Pemasaran UMKM di masa pandemi. (n.p.): Insan Cendekia Mandiri.
- 87,5 Persen UMKM di Bali Terdampak Pandemi (2021, September 30). Diakses pada January 10, 2022 dari <http://bisnisbali.com/875-persen-umkm-di-bali-terdampak-pandemi/>