

The Effect of Social Media Marketing on Competitive Advantage and Company Performance

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Abstract

This study focused on Amangtiwi Micro Small and Medium Enterprises (MSME) in Malang Regency, to examine the effect of social media marketing on competitive advantage and company performance. This study processed primary data obtained using a questionnaire distributed to 148 MSME. The sample was selected using stratified random sampling method. This study uses a cluster sampling method involving 148 respondents and uses PLS (Partial Least Square) analysis tools with SmartPLS 3.0 software. The results revealed that using social media for marketing has an effect on the competitive advantage and performance of MSME.

Keywords

competitive advantage;
performance; social media
marketing



I. Introduction

The existence of small and medium businesses (also known as MSMEs) is a type of commercial activity that contributes to the growth of both a region and the nation. It has been demonstrated up to this point that micro, small, and medium-sized enterprises (MSMEs) can be relied upon to act as backup systems in times of crisis by mechanically creating job opportunities and added value. If we are successful in improving the capabilities of MSMEs, then we will strengthen the economic business in the community.

According to data from the Ministry of Cooperatives and MSMEs, the current number of MSME actors is 64.1 million or 99% of the total number of business actors in Indonesia. The number of workers who were employed by micro, small, and medium-sized enterprises reached 116 million (LinkUMKM, 2021).

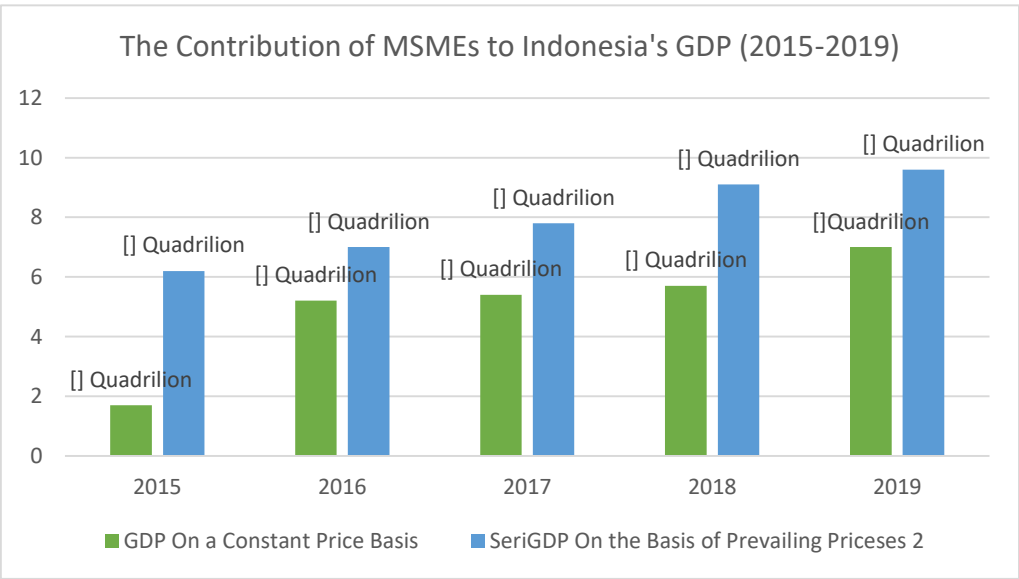


Figure 1. Contribution of SMEs to Indonesia's GDP in 2015-2019 (Kemenkop UKM, 2021)

The Covid-19 pandemic, which was originally discovered in Wuhan, China, has spread to various countries in the world, including Indonesia. The spread of Covid-19 is very massive, with the increasing number of people infected with Covid-19. The Indonesian government did not take a lockdown policy, to minimize the spread of Covid-19, but the government implemented a Large-Scale Social Restriction (hereinafter referred to as PSBB) policy in the hope of reducing the impact of the economic crisis. The PSBB policy has given rise to government regulations that regulate physical distance restrictions that are more strict, disciplined, and effective. According to Government Regulation Number 21 of 2020, for regional restrictions due to disease outbreaks, regions must obtain a determination from the Ministry of Health. These large-scale social restrictions are implemented at the provincial and district/city levels. The government's efforts to suppress the spread of Covid 19 are still ongoing. After the PSBB, the government issued a policy of implementing restrictions on Community Activities (hereinafter referred to as PPKM) in Java and Bali in early January 2021. This step is expected to prevent the transmission of Covid-19 between the center, regions, and between regions themselves.

Due to the COVID-19 pandemic, micro business closures have decreased from 48 percent in March-April 2020 to 5 percent for the same period in 2021 (Sugianti & Anwar, 2021). Meanwhile, small business closures have decreased from 54.4 percent to 1.8 percent, and medium-sized business closures have declined. decreased from 31.3 percent to 6.3 percent. However, MSME players who experienced a decline in domestic demand that affected their income continued to increase. Small businesses that experienced a decline in domestic demand increased from 27.9 percent in March-April 2020 to 60.2 percent in the same period in 2021, small businesses from 40 percent to 68.7 percent, and medium-sized businesses from 43.8 percent to 64 ,6 percent (Sinar Harapan, 2021).

Nine out of ten micro, small and medium enterprises (MSMEs) in Indonesia experienced a decline in demand for their products during the Covid-19 pandemic. On the other hand, more than 80% have recorded lower profits. The decline reveals that 44% of MSMEs are turning to online platforms to sell their products. This is done to keep the business afloat. In order for businesses to survive, businesses need to innovate and create competitive advantages.

Competitive advantage is the ability of high competitiveness when compared to its competitors or other MSMEs. To win a competition the company needs to implement a competitive strategy, which is usually done by the existing creativity division. In building a competitive strategy, it starts with developing a general formula about how the business will be developed, what exactly is the goal of the development and what policies need to be done to achieve the intended goal. Porter & Schwab (2008) highlight that competitive advantage is the superiority value possessed by a company in facing a competition. Competitive advantage is the heart of marketing performance to face competition.

The use of social media has a positive relationship to the financial performance of MSMEs (Tajvidi & Karami, 2021). The use of social media for marketing activities has a significant impact on market share growth, increased profits and increased revenues (Tajvidi & Karami, 2021). This is reinforced by the opinion of Sidi & Yogatama (2019) that revenue growth, growth in the number of consumers, and increasing sales volume are evidence of marketing performance. The marketing performance automatically has an impact on financial performance, namely an increase in income in MSMEs. This of course will also support the competitive advantage for MSMEs. Based on the explanation above, this study aims to determine the effect of using social media on company performance and competitive advantage. The object of this research is SMEs in Malang City.

II. Review of Literature

2.1. Marketing through Social Media

Social media are a collection of web-based applications that enable users to create and share content (Kaplan & Haenlein, 2010 in (Augustinah, 2019)). According to Chan & Guillet (2011) in (Primanto & Athia, 2020)) define social media marketing activities as social and managerial processes carried out by individuals and groups to obtain what they need and want through technological media that facilitates user collaboration.

2.2. Competitive Advantage

Every company strives to keep its operations running smoothly in order to grow and survive for a longer period of time. According to Desfitrina et al. (2019), competitive advantage results from implementing strategies that make use of the company's various resources. As competitive advantages, unique skills and assets are viewed as advantageous. Unique to the company is its ability to integrate its employees into its pursuit of competitive advantage. Competitors will have a difficult time imitating the company's superiority in implementing human resource-based strategies due to its ability to cultivate employee skills. While unique assets or resources are actual resources necessary for a company to execute its competitive strategy, these assets or resources are also unique. These two assets should be utilized to support the development of low-cost company performance and a competitive advantage over other companies.

2.3. Company Performance

According to Jiwa & Arnawa (2022), performance is a measure of success derived from the overall marketing process activities of a company or organization. In addition, company performance can be viewed as a concept used to measure the extent to which a company-produced product has achieved market success. Pertiwi & Siswoyo (2016) highlight that the company's performance is frequently used to measure the effectiveness of its implemented strategy. The company's strategy is always designed to produce both strong company and financial performance. This performance result is inaccurate when viewed from only one dimension. Increasing competitive advantage is one of the company's strategies for boosting its performance (Anik, 2015). Furthermore, Maydeu-Olivares & Lado (2003) noted that a company's market orientation can enhance its performance in terms of innovation level, innovation performance, and customer loyalty.

III. Research Method

3.1. Population and Sample

This research was conducted on MSMEs in Malang City. The population of this research is all MSME actors in Malang City from various sectors. This study uses a non-probability sampling technique with the sampling method used is purposive sampling to select respondents according to the research criteria, namely MSMEs that use social media, Facebook, Twitter, Instagram, Youtube and Whatsapp as their marketing tools. This research instrument uses a questionnaire to the respondents

3.2. Data Collection Procedure

There are two types of data utilized in this study: primary data and secondary data. Data collected directly from the leaders or business actors of SMEs by researchers. b. Secondary data, which is data obtained by researchers through studies conducted by other parties for their own purposes or through literature studies by examining various writings pertaining to competitive advantage, marketing through social media, and company performance, as well as documents originating from the Cooperatives and Business Office Small and Medium City of Malang. This study collects data through the use of a questionnaire.

IV. Result and Discussion

4.1 Respondent's description

In this study, questionnaires were distributed directly to respondents, who were MSMEs who use social media. The results of the distributed questionnaires are analyzed by the researchers. The spread is accomplished by spreading directly on for a period of one week.

Table 1. Respondent's Description

Questionnaire distributed	150
Returning Questionnaire	125
Questionnaire that cannot be processed	25
Processable questionnaire	100
Total Questionnaire	100

a. Description of Respondents by Age

The results showed that the age of the respondents ranged from 35 years to 58 years. To determine the class interval is calculated by the formula Struges:
The Struges formula determines the length of the class.

$$\begin{aligned}K &= 1 + 3.3 \log n \\K &= 1 + 3.3 \log 148 \\K &= 8.16 \text{ rounded up to } 8\end{aligned}$$

Information:

$$\begin{aligned}K &= \text{Number of Classes} \\N &= \text{Total Observation Data} \\Log &= \text{logarithm}\end{aligned}$$

Determine the length of the interval:

$$\begin{aligned}C &= \frac{\text{Class range}}{\text{Number of class}} \\C &= (58-35): 8 \\&= 3\end{aligned}$$

The description of respondents by age can be seen in Table 2 as follows:

Table 2. Distribution of Respondents by Age

No.	Age	Amount	
		Frequency	Percentage (%)
1	35 – 38	12	10.8
2	39 – 42	50	33.8
3	43 – 46	9	4.7
4	47 – 50	15	25
5	51 – 54	4	11.5
6	55 – 58	10	14.2
Total		100	100

Source: Processed primary data, 2022

b. Description of Respondents by Gender

The description of respondents based on gender can be seen in Table 3 as follows:

Table 3. Description of Respondents by Gender

Gender	Number of Respondents (Persons)	Percentage (%)
Man	23	12.2
Woman	77	87.8
Total	100	100

Source: Processed primary data, 2022

c. Description of Respondents Based on Last Education

The description of respondents based on their last education can be seen in Table 4:

Table 4. Description of Respondents Based on Last Education

Education Level	Number of Respondents (Persons)	Percentage (%)
Junior High School	21	14.2
Senior High School	63	68.2
Diploma	5	8.1
Bachelor	11	9.5
Total	100	100

Source: Processed primary data, 2022

Table 4 above shows that members of the Amangtiwi MSME Association, who have a high school education, are the majority respondent group at 68.2%, followed by Junior High School group at 14.2%.

d. Description of Respondents Based on Length of Business

The description of respondents based on length of business can be seen in Table 5:

Table 5. Description of Respondents Based on Length of Business Established

Business Length	Number of Respondents (Persons)	Percentage (%)
3 years	13	9.5
4 years	11	14.9
5 years	54	50
6 years	9	23.6
7 years	13	2
Total	100	100

Source: Processed primary data, 2022

From the data above, the average community member has a business period of about 5 years by 50%, then businesses that have a period of 6 years are 23.6%, businesses that run for 4 years are 14.9.

Table 6. Description of Respondents Based on Experience of Getting Training

Training	Number of Respondents (Persons)	Percentage (%)
Once	95	96.6
Never	5	3.4
Total	100	100

Source: Processed primary data, 2022

Experienced MSME actors receive MSME training from the Department of Trade and Industry of Malang and East Java. From the table, it can be explained that the majority of members of the Amangitiwi MSME Association received training with a total of 143 respondents (96.6%) from the number of respondents as many as 148 people and those who have not received training are only 5 respondents (3.4%).

e. Description of Respondents Based on Experience in Getting Capital

The description of respondents based on the experience of getting capital can be seen in Table 7 as follows:

Table 7. Description of Respondents Based on Experience in Getting Capital

Capital	Number of Respondents (Persons)	Percentage (%)
Once	27	8.8
Never	73	91.2
Total	100	100*

Source: Processed primary data, 2022

Table 8. Description of Respondents Based on Product Marketing

Product Marketing Location	Number of Respondents (Persons)	Percentage (%)
Domestic	95	99.3
Domestic and foreign	5	0.7
Total	100	100*

Source: Processed primary data, 2022

Description of respondents based on the marketing of their products, the majority of product marketing of MSME actors is domestic, with a total of 95 respondents or (99.3%) of the total respondents as many as 100 people and marketing at home and abroad as many as 5 respondents (0.7%). This shows that there are still a few MSMEs that develop their business to cross-country or carry out export activities.

4.2. Measurement Model Results (Outer Model)

The purpose of the evaluation of the measurement model is to assess the construct's validity and dependability. There are three criteria for measuring the outer model: convergent validity, discriminant validity, and composite reliability.

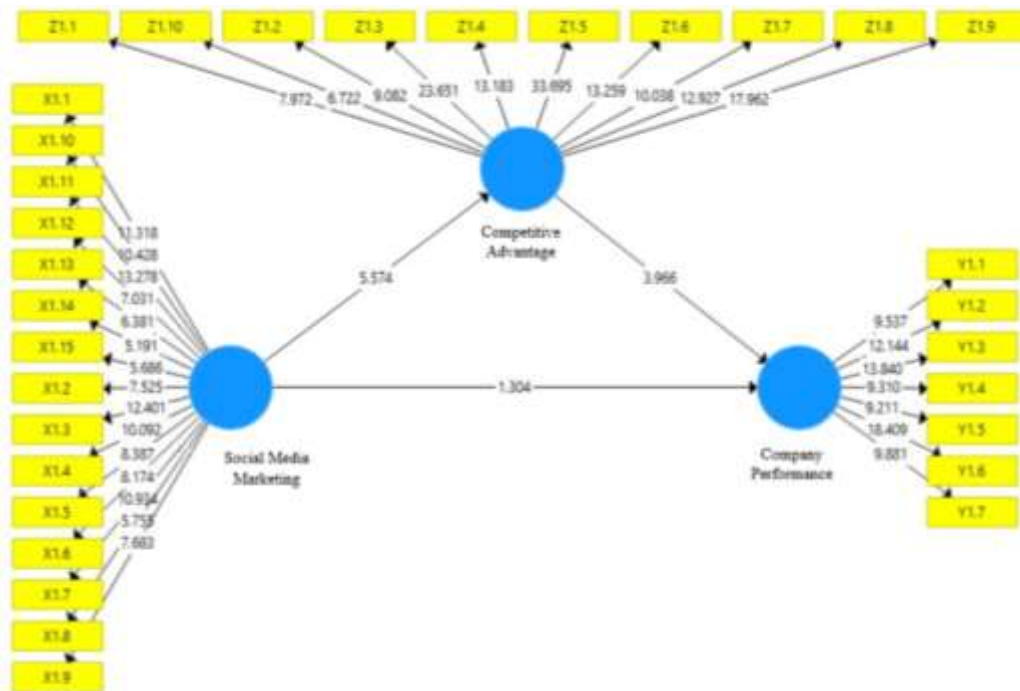


Figure 2. Outer Model

4.3. Convergent Validity

The objective of convergent validity is to assess the validity of each relationship between an indicator and its latent variable. The convergent variable of the measurement model with reflective indicators is evaluated based on the correlation between item or component scores and PLS-calculated scores for the latent variable or the construct. If the measurement scale of the loading value is 0.50, then the convergent validity value is valid (Urbach & Ahleman, (2010) in (Syarifah et al., 2020)).

4.4. Discriminant validity

Discriminant validity is evidence that the latent construct predicts the size of the block more accurately than other blocks. The cross-loading measurement with the construct can be used to assess discriminant validity with the reflective indicator measurement model. If the intended cross loading value is greater than the cross loading value of other constructs, the indicator is deemed valid (Nezakati et al., (2016) in (Syarifah et al., 2020)). If each cross-loading value of each indicator of a latent variable has the highest cross loading value with other cross loading values against other latent variables, the model has good discriminant validity.

Table 9. Cross Loading Value

	Competitive Advantage	Company Performance	Social Media Marketing
X1.1	0,506	0,481	0,792
X1.2	0,520	0,451	0,726
X1.3	0,499	0,465	0,837
X1.4	0,544	0,488	0,782
X1.5	0,553	0,492	0,752
X1.6	0,484	0,411	0,761

X1.7	0,554	0,536	0,811
X1.8	0,373	0,390	0,571
X1.9	0,486	0,490	0,726
X1.10	0,525	0,518	0,754
X1.11	0,519	0,562	0,831
X1.12	0,446	0,382	0,666
X1.13	0,388	0,303	0,636
X1.14	0,349	0,317	0,607
X1.15	0,394	0,340	0,546
Y1.1	0,534	0,783	0,528
Y1.2	0,558	0,774	0,422
Y1.3	0,529	0,817	0,450
Y1.4	0,590	0,683	0,506
Y1.5	0,556	0,684	0,456
Y1.6	0,598	0,802	0,441
Y1.7	0,565	0,749	0,468
Z1.1	0,688	0,518	0,518
Z1.2	0,750	0,520	0,559
Z1.3	0,867	0,626	0,595
Z1.4	0,773	0,580	0,472
Z1.5	0,876	0,626	0,545
Z1.6	0,738	0,550	0,540
Z1.7	0,753	0,595	0,500
Z1.8	0,780	0,540	0,421
Z1.9	0,772	0,585	0,460
Z1.10	0,609	0,529	0,431

4.5. Composite Reliability

In order to evaluate the measurement model with the square root of average variance extracted, the AVE root value is compared to the correlation between constructs. Good discriminant validity is achieved if the AVE root value is greater than the correlation value between constructs. In addition, the AVE. value of 0.50 is strongly recommended, and the next test to analyze the outer model is to measure the composite reliability and Cronbach alpha of the latent variable construct. The construct is deemed reliable if the composite reliability value and Cronbach alpha value are equal to or greater than 0.60 (Syarifah et al., 2020).

Table 10. Goodness of Fit

Variable	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Marketing through social media (X) a. Social media for competitors 1. Monitor competitors 2. Competitor promotion 3. Competitor price	0,919	0,922	0,933	0,584

4. Competitor interactions with customers 5. Competitor product quality b. Social media for customers 1. Interaction with customers 2. Collect customer data 3. Presenting product information 4. Customer suggestions and reviews 5. Categorize products 6. Maintain product quality 7. Selling products according to the description 8. Selling products according to product photos 9. Make it easy for customers to contact				
Competitive Advantage (Y) 1. Different products 2. Is a new product 3. Product prices are cheaper than competitors 4. The price of the product can be reached by consumers 5. The resulting product is not produced by competitors 6. The resulting product is a rare product 7. The product has its own characteristics 8. It is difficult to imitate the product 9. No product is the same as the company's product	0,875	0,875	0,904	0,574
Company Performance (Z) 1. Increase sales volume 2. Increasing number of customers 3. Increase the amount of income 4. Increase the profit earned 5. There is additional capital 6. return on business capital	0,934	0,941	0,943	0,527

Based on Table 10, the AVE values for the 4 (four) constructs are greater than 0.50, indicating that the evaluation of the measurement model has discriminant validity. And both the reliability and Cronbach alpha values are greater than 0.60. Therefore, it can be concluded that the structure is reliable.

4.6. Structural Model (Inner Model)

The objective of studying structural mode (inner model) is to examine the relationship between variables. SmartPLS 3.0 provides a variety of metrics for evaluating the structural model. This test was conducted to determine the structural model's predictive ability. This value is visible in SmartPLS through the R-Square of the endogenous (dependent) variable. Using the R-Square criterion of 0.67 for strong, 0.33 for moderate, and 0.19 for weak, the predictive ability can be determined (Urbach & Ahleman, (2010) in (Syarifah et al., 2020)).

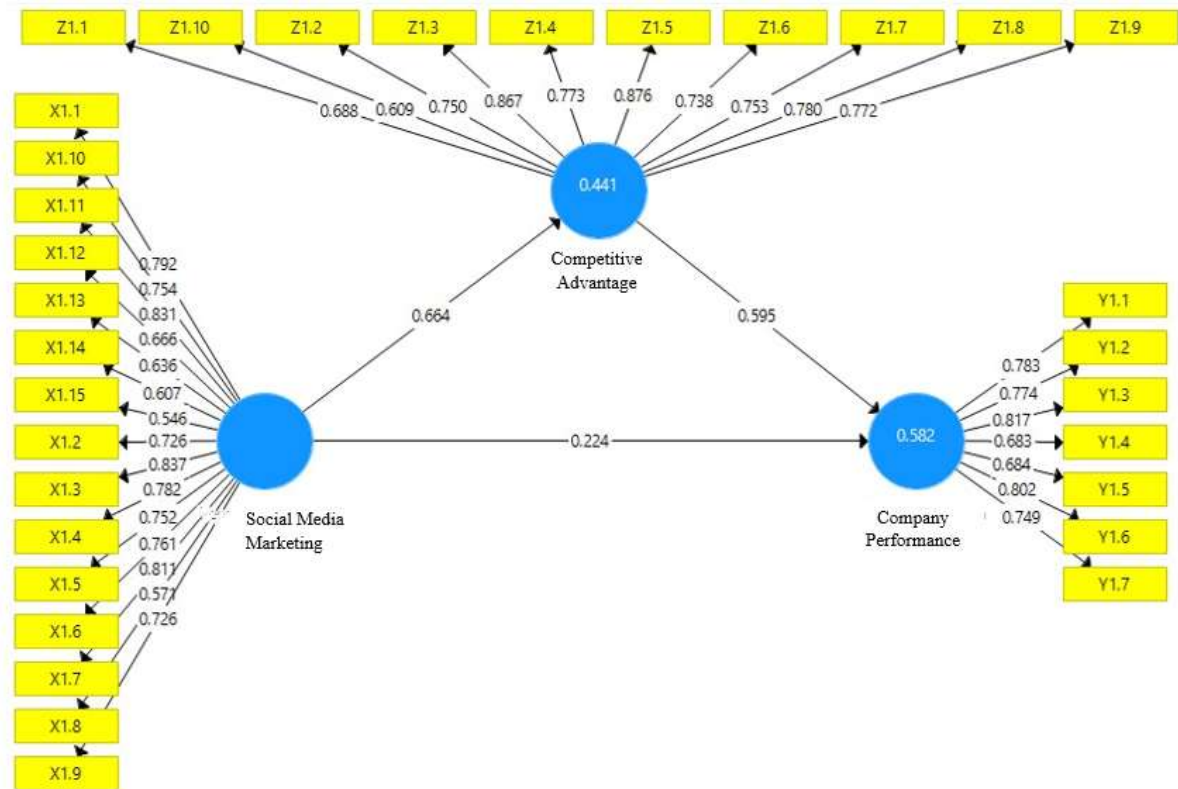


Figure 3. Inner Model

R-square is used to evaluate the inner model or so-called structural model for the dependent construct. Stone-Geisser Q-Square test for predictive significance, t-test, and significance of structural path coefficients. Changes in the value of R-square can be used to determine whether certain independent latent variables have a substantial effect on the latent variable.

In the meantime, the Q-square value can be used to determine how well the observed values and parameter estimates are generated by the model. A Q-square value greater than 0 indicates that the model is predictive, whereas a Q-square value less than 0 indicates that the model is not predictive.

Table 11. R-Square value

Variable	R Square
Competitive Advantage	0.441
Company performance	0.582

Table 11 displays the obtained R-Square value of 0.441 for the competitive advantage variable (Y1). The R-Square value indicates that social media marketing variables can influence 41,1% of the competitive advantage variable (Y1) (X1). The remainder is influenced by variables outside the scope of this study. The R-Square value for the performance variable (Y2) of the company was calculated to be 0.582. This demonstrates that 58.2% of firm performance variables (Y2) are influenced by marketing variables via social media (X1) and competitive advantage (Y1). Meanwhile, the remain is influenced by variables outside the scope of this study.

4.7. Inner Model Relationship

Statistical tests conclusively demonstrate that social media marketing (X) has a significant impact on Competitive Advantage (Z). Social media marketing, which includes social media for competitors and social media for customers, can affect the Competitive Advantage variable if it has a significant influence (Z). This demonstrates that the Amangtiwi MSME Association of Malang City is becoming increasingly competitive in the food and beverage, apparel, and handicraft industries.

With 14 proposed items, the average value of the social media marketing variable is 0.664%, which is in the high range. The highest average item is 0.837 for how much effort Amangtiwi MSMEs make to maintain quality in accordance with what is displayed and described in social media. With so many start-up businesses and the use of e-commerce, it is imperative that Amangtiwi MSME maintain the quality of their products according to the photos and descriptions on their social media pages so that customers remain loyal and continue to believe in their products, thereby enhancing the company's performance.

The use of social media for customers is exemplified by the establishment of relationships with customers in order to ascertain their demands and the maintenance of product quality in order to earn their trust, thereby enabling the establishment of a competitive advantage to achieve company performance in order to compete with MSMEs and other businesses. Due to the fact that the development of MSMEs is currently entering a very open market and there is a great deal of competition, especially among the start-up companies that are beginning to proliferate in Malang City. Therefore, micro, small, and medium-sized enterprises (MSMEs) should be receptive to technology in order to keep up with demand and competition by continuously enhancing customer relationships. This is required to excel in the marketplace, to be creative and innovative, and to recognize profitable opportunities.

The descriptive analysis of the competitive advantage variable yielded a total of ten items with an average score of 0.664%, placing them in the "high" category. Items that are not produced by competitors have an average item value of 0.877, while items that are not substituted for the company's products have an average item value of 0.610. This occurs because many of the manufactured and sold products are similar to those of other Amangtiwi members or even competitors.

The results of the path analysis indicate a value of 0.664%, or 66.4 percent. This means that social media marketing influences competitive advantage by 66.4 percent. The decision H_0 is rejected because $t_{\text{statistic}}$ is greater than t_{table} , so the hypothesis that social media marketing has a significant impact on competitive advantage is accepted. This indicates that an increase in competitive advantage will be followed by an increase in competitive advantage. Therefore, in order to maximize competitive advantage, Amangtiwi MSMEs must enhance their entrepreneurial orientation, particularly with respect to items with a low mean, such as presenting information to customers, which has a value of 0.571. The item provides information to customers because the average age of the owner of a micro, small, and medium-sized enterprise (MSME) is between 39 and 42 years old, which is considered a productive age. However, in light of recent developments that require expertise in using social media, the average age at this age lacks specificity in presenting product information on social media.

4.8. Hypothesis Testing

In PLS, each hypothesized relationship is statistically tested using simulation. The bootstrap method is applied to the sample in this instance. Additionally, testing with bootstrapping aims to minimize the issue of abnormal research data. The following are the test results with bootstrapping from the PLS analysis:

Table 12. Path Coefficient

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (O/STDEV)	P-Values
Competitive Advantage-> Company Performance	0,595	0,548	0,150	3,966	0,000
Social Media Marketing-> Competitive Advantage	0,664	0,664	0,119	5,574	0,000
Social Media Marketing-> Company performance	0,224	0,260	0,172	2,304	0,193

Source: Data processed, 2022

a. Effect of Social Media Marketing on Competitive Advantage

The impact of social media marketing on competitive advantage is positive and substantial. The value of the social media marketing variable with a path coefficient of 0.664 and t-statistics of 5.574 indicates that $t_{\text{statistic}}$ is greater than t_{table} (1.960) and has a p-value of 0.00 0.005. The statistical test indicates that the second hypothesis is supported, suggesting that social media marketing has a positive and statistically significant impact on competitive advantage.

According to the findings of this study, there are social media marketing variables that have a direct effect on competitive advantage. This indicates that the competitive advantage variable will increase by 66.4 percent when the social media marketing variable is multiplied by one. The reason for this positive effect is that businesses that implement social media marketing have a greater competitive advantage compared to those that do not. The competitive advantage of MSME actors can be increased through the use of social media as a marketing channel.

b. Effect of Social Media Marketing on Company Performance

Social media marketing has a positive and substantial effect on the performance of a company. The value of the social media marketing variable with a path coefficient of 0.224 and a $t_{\text{statistic}}$ of 2.304 on the company's performance. This value indicates that the $t_{\text{statistic}}$ exceeds the t_{table} (1.960), with a p-value of 0.05 > 0.05. The $t_{\text{statistic}}$ value is less than t_{table} , indicating that social media marketing affects the performance of the company.

The correlation coefficient between the marketing variable through social media and the company's performance variable is 22.4 percent, indicating that if the marketing variable through social media is increased by one, the company's performance variable will also increase by 22.4 percent. This demonstrates that MSMEs that utilizing social media

marketing will improve their company's performance. This indicates that the greater the level of social media use by MSMEs, the greater the company's performance.

These results also support Tajvidi & Karami (2021) conclusion that social media use has an effect on company performance. It is impossible to ignore the benefits of utilizing social media; social media fully contributes to sales growth. Existence of social media as a continuous driver of sustainable marketing activities. The use of social media is also advantageous for product or brand promotion when a solid network foundation is present.

Using the responses of respondents to evaluate the use of social media, the statement item with the highest value is that social media facilitates the development of consumer relationships. Due to the Covid-19 pandemic, social media has become one of the channels through which MSMEs interact with consumers. Using social media as a marketing tool does not mean replacing traditional media such as direct contact with customers, suppliers, and business partners. However, social media can serve as a supplement to traditional channels. The existence of social media is advantageous for maintaining regular communication and contact with certain parties and for informing them about products. In other words, this also requires innovative social media usage.

c. Effect of Social Media Marketing

The effect of competitive advantage on a company's performance has a positive and significant impact on the performance of micro, small, and medium-sized enterprises. The value of the competitive advantage variable on company performance with a path coefficient of 0.595 and $t_{\text{statistic}}$ of 3.993 is greater than the t_{table} (1.960), and its p-value is less than 0.05. These results indicate that H1 is supported, so competitive advantage has a positive and significant impact on the performance of the company.

The results of this study indicate that the competitive advantage variable has a correlation coefficient of 59.5 percent with the company's performance, indicating that when the competitive advantage variable is multiplied by one, the performance variable also increases by 59.5 percent. Moreover, the findings of this study indicate that MSMEs with a competitive advantage are able to boost company performance.

The results of this study are supported by previous research (Lakhal, 2009), which demonstrates that a higher level of competitive advantage can lead to an improvement in organizational performance. Competitive advantage can be achieved by providing a means to outperform competitors and by paying attention to external factors (Imam & Zainul, 2014). Competitive advantage has a significant impact on performance (Mulyana & Sutapa, 2014). Furthermore, Djodjobo & Tawas (2014) in (Pattipeilohy, 2018) also reveal that the uniqueness of the product's attributes as well as the quality of the product's flavor are guaranteed, and the price is still in line with the ability of consumers to visit and make purchases that generate profits for the business.

V. Conclusion

The results of the hypothesis test demonstrate that the utilization of social media influences the performance of MSMEs. By utilizing social media, SMBs are able to expand their promotion network and expand their marketing area. Using social media can also help maintain positive consumer relationships, even during a pandemic that restricts face-to-face interactions. So that MSMEs can still achieve optimal performance in terms of increasing sales volume, consumers, and sales profits by implementing social media recommendations. Using social media, micro, small, and medium-sized enterprises

(MSMEs) can communicate brands more consistently and ensure that their activities attract the attention of consumers.

This study also demonstrates that the use of social media impacts the competitive advantage of a company. In addition, the use of social media necessitates creativity and innovation in the branding and marketing of MSME products. Good innovation capabilities will aid MSMEs in differentiating themselves from competitors and generating consumer interest in their products and services. This gives MSMEs an advantage over their competitors

The scope of this study is limited to WhatsApp, Instagram, Facebook, YouTube, and Twitter; therefore, if you use other social media, you may obtain different results. In this study, the use of social media is generalized across all industries and is not restricted to a single business type. This study also focuses solely on scaled-down businesses (micro, small, and medium). In order to examine the type of industry or business that is not an MSME on a larger scale, additional research is required. Additional research can include additional factors that influence the use of social media, such as company size, market concentration, and company age, so that the use of social media may have varying effects depending on the industry and its level.

Based on the phenomena caused by the Covid-19 pandemic, information technology, particularly online shopping applications and social media, has become the primary medium for bridging seller-consumer interactions. This is done to prevent the risk of transmitting the virus when directly visiting a conventional store. On this basis, numerous MSMEs have moved and begun to open virtual stores on social media, resulting in the emergence of new competitors. As a complement to earlier products or services, it is possible to anticipate consumer demand by innovating products and services that are more in demand by consumers today. Additionally, micro, small, and medium-sized enterprises (MSMEs) can utilize social media's features for branding and other activities that encourage consumers to make purchases. Therefore, it will be advantageous for MSMEs if they can attract a large number of consumers and prospective consumers.

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