

The Influence of Using Social Media on the Development of Small and Medium Enterprises (UKM) "Mie Ujang Gebang"

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Abstract

This study aims to determine the influence of the implementation or use of social media on the development of micro, small and medium enterprises (MSMEs). The influence of social media on increasing the marketing of Mie Ujang SMEs, and the influence of social media on increasing the productivity of Mie Ujang SMEs. This study used a direct interview method with the owner of the Ujang Noodle production located in Gebang Village, Patrang District, Jember Regency, East Java Province. Interviews were conducted in a structured manner, in-depth interviews and observations at the Mie Ujang company related to business start-up, promotion and production before social media was used, and increasing production of Ujang noodles when using social media as a promotional medium. The subjects in this research were owners and managers, employees of MSMEs who were selected using purpose sampling. This study concludes that the MSMEs observed have used social media in their companies. The most widely used social media are Facebook, Whatsapp Groups and Instagram.

Keywords

social media; marketing; productivity; Mie Ujang MSMEs



I. Introduction

Entering the industrial market (Industrial Market) 4.0, where one of the great potentials that can be utilized to carry out massive marketing throughout the world is utilizing the reach or direct application of high quality information technology. The current development of information technology means that humans no longer worry about the boundaries of distance, space and time. Information technology gave birth to the internet, where as a whole the internet opened up platforms or stalls in the form of social media which provided many opportunities for small businesses to market processed products, both home-made products and manufactured industrial products. This is what many MSME players use to improve the marketing of their products. Apart from that, the internet also provides the benefit of increasing opportunities for MSMEs to collaborate with other entrepreneurs. One internet technology that is developing rapidly and has great potential to encourage MSME marketing is social media. MSMEs are micro, small and medium enterprises that run productive businesses owned by individuals or business entities that meet the criteria for being a micro enterprise (Qomariah, 2014).

Social media has great potential to connect many people easily and for free. The many benefits of using social media in developing MSMEs is one of the strong driving factors for MSMEs to continue to utilize social media in order to develop their business, increase product sales, communicate with consumers, and develop a wider market network. This is in line with previous research, which shows that the perception of the benefits of using information technology is one of the driving factors for SMEs to develop product marketing. Social media is a medium that facilitates interactive communication between

entrepreneurs and anyone, including consumers, and various interested parties, anytime and anywhere. Social media is very helpful as a link for information and communication from producers to consumers wherever they are and whatever the distance. Social Media has now become a trend in marketing communications. According to Kaplan and Haenlein (2010), social media is a group of internet-based applications that are built based on the ideological and technological framework of Web 2.0, and enable the creation of exchanges of information content from internet users. Web 2.0 is the basis for the formation of social media (Carlsson, 2010). According to Marshall McLuhan, in mass communication theory (The Medium is The Message), that the media is the message itself, emphasizing that the media has a very strong influence on the way we think and behave. Media not only conveys messages, but also shapes the way we view the world.

Many studies have been conducted discussing the issue of the impact of social media on the performance of MSMEs. Research conducted by (Hartanto, 2022) with the title "Analysis of the Effect of Media Use on the Performance of Micro, Small and Medium Enterprises (MSMEs)", and the results are that interactivity, cost effectiveness and compatibility are factors that encourage SMEs to use social media, and the use of social media has a beneficial impact on SME performance which includes performance in the financial and non-financial fields. Research conducted by (Hartanto, 2022) with the title "The Influence of Innovation and Social Media on the Performance of Halal Food SMEs in North Bekasi City", while the results are that innovation has no effect on performance while social media has an effect on the performance of halal food SMEs in North Bekasi. Research conducted by (Ferdiansyah & Bukhari, 2021) with the title "The Influence of Capital, Financial Knowledge, Technology and Social Media on the Performance of Fashion MSMEs in North Bekasi", states that partially the results obtained show that capital variables influence MSME performance, financial knowledge influences MSME performance, technology influences MSME performance, and social media influences MSME performance. Research by (Lorensa & Hidayah, 2022) with the title "The Influence of Product Innovation, Market Orientation and Social Media on the Performance of Fashion MSMEs" and the results show that product innovation has a positive and significant effect on MSME business performance, market orientation has a positive and significant effect on MSME business performance and social media has a positive and significant effect on MSME business performance. Research conducted by (Febriansyah & Prabowo, 2023) with the title "The Influence of Customer Orientation and Social Media Adoption on the Performance of MSMEs During the Covid-19 Pandemic (Study of MSMEs Assisted by the West Java Cooperative and Small Business Service in 2021 in the Culinary Sector)" and the results is that customer orientation and social media influence the performance of MSMEs in the culinary sector during the Covid-19 pandemic, while social media does not moderate the relationship between customer orientation and MSME performance during the Covid-19 pandemic. Research conducted by (Fadhillah et al., 2021) with the title "Entrepreneurial Orientation, Product Innovation, and Social Media on Marketing Performance with Competitive Advantage as Intervening in SMEs in Jambi City" and the result is that entrepreneurial orientation has no effect on competitive advantage, innovation products influence competitive advantage, social media influences competitive advantage, entrepreneurial orientation influences marketing performance, competitive advantage influences marketing performance, social media influences marketing performance in SMEs in Jambi City. Research conducted by (Kurniawan & Nuringsih, 2022) with the title "The Influence of Market Orientation, Entrepreneurial Orientation, and Social Media on the Performance of Jambi Typical Food MSMEs" and

the result is that social media has a significant 5% influence on business performance so these results illustrate the importance of media social issues in the development of MSMEs during the pandemic and these results serve as information for the Regional Government of Jambi City in encouraging the existence of MSMEs and realizing sustainable local food entrepreneurship in the city of Jambi.

Examples of social media that are currently developing are: Facebook, Instagram, WhatsApp Groups. Considering the importance of information about how to use social media for SMEs and its benefits, it is necessary to carry out observational research. The current research was conducted at the MSME "Mie Ujang" Jember. The problem formulation in this research is: 1) What is the history of the pioneering MSME Mie Ujang Jember; 2) What was the initial marketing system like before social media; 3) How does social media influence the development of Jember "Mie Ujang" product marketing; 4) What is the description of the use of social media in Micro, Small and Medium Enterprises (MSMEs). The limitations of this research are: 1) This research is limited to one type of business sector, namely the MSME Ujang Noodle food product business which is located on Jalan Kacapiring III, Gebang Village, Patrang District, Jember Regency, East Java Province; 2) The type of social media used is limited to Facebook, WhatsApp, Instagram, Tik Tok. The aim of this research is to determine the role of social media in improving the performance of Jember's "Mie Ujang" MSMEs.

II. Review of Literatures

2.1 Social Media

According to (Kurniawan & Nuringsih, 2022), social media triggers the formation of purchasing intentions so that it becomes an opportunity to realize purchases. The presence of a marketplace makes ordering and delivery easier, making it attractive to buy special regional foods. The use of social media is related to context, communication, collaboration, and connection so that entrepreneurs can attract and build relationships with customers. According to (Bahar et al., 2022), social media is a medium that makes it easier for someone to communicate. Social media has the advantage of building interaction between its users, including social media's wide reach and being able to reach many people in disseminating information. According to (Ruth & Candraningrum, 2020), internet users use social media to expand friendship connections by publishing their personal lives on these networks. Social media provides the opportunity for users to comment and share information for an unlimited amount of time for free.

2.2 MSMEs

According to (Lorensa & Hidayah, 2022), MSMEs (Micro, Small and Medium Enterprises) have an important role in improving the economic welfare of society, MSMEs have a strategic position in improving people's standard of living while also participating in providing employment opportunities, contributing to economic growth and equal distribution of community income. The large number of MSMEs in Indonesia also makes the level of competition increasingly tight so that business performance is one of the factors in facing business competition (Ferdiansyah & Bukhari, 2021).

III. Research Methods

This research is descriptive research. Descriptive research is research that aims to describe existing phenomena, namely natural phenomena or man-made phenomena, or that is used to analyze or describe the results of a subject, but is not intended to provide wider implications (Sugiyono, 2017). This research is an observational description research (research based on field observations) on Mie Ujang Small and Medium Enterprises (UKM) in Gebang Village, Patrang District, Jember Regency, East Java Province. This research uses structured interview methods, in-depth interviews and observations of SMEs and the social media used. The objects in this research are the owners, managers and employees of SMEs selected using purpose sampling. Subjects were selected according to the following criteria: 1. owners or managers of SMEs; 2. SME employees; 3. Use of social media in marketing Mie Ujang,

Data was obtained using primary data obtained based on structured interviews and in-depth interviews with SME owners and managers. The data obtained includes data on the characteristics of SMEs, data on the use of social media within the company, including objectives, benefits and obstacles faced.

IV. Result and Discussion

4.1 Results

a. Early history of the start-up of the MSME Food Product Business "Mie Ujang"

Ujang Noodle Company located on Jalan Kacapiring III. Gebang Village, Patrang District, Jember Regency, East Java Province, with the owner named Ujang Prawoto, 45 years old. Where initially the Ujang noodle product was started in 2007. With zero capital, only using a noodle making machine with a loan machine with a traditional dry noodle making system, with capital of only 5,000,000 (five million rupiah) and 3 employees. At the start of this ujang noodle start-up in 2007, it only produced around 10 to 25 kilograms.

b. Marketing system without using social media as promotional media

When it was first pioneered, the marketing system itself used promotional banners or banners that were placed in stalls selling chicken noodles in markets. Apart from that, Mie Ujang itself, before being produced into dry noodles on the market, also opened a stall for chicken and meatball noodles as raw materials. The use of this system doesn't just stop there. However, Mie Ujang carries out verbal promotions to customers, as well as providing free ujang noodles to several colleagues or a network of chicken noodle sellers who have become ujang noodle customers. It is hoped that the ujang noodle product will be known to consumers through chicken noodle sellers who have become regular customers.

By implementing a promotional system by verbal and door to door, from the beginning of 2010 to the end of 2011. Ujang noodle production has reached 25 sacks of flour with a net weight per sack of 25 kilograms (6.25 quintals), with a turnover of around 30,000,000 per month, covering the delivery area of Jember City, Tapen Bondowoso. Calculation of the increase in Mie Ujang's productivity from 2020 to 2023 presented in Tabel 1 below.

Table 1. Kenaikan Produksi “Mie Ujang”

Years	Increase in production (Kg)	Influence of Non-Social Media Promotion
2020	25 kilograms	-
2021	225 Kilograms	200 %
2022	445 kilograms	200 %
2023	625 kilograms	200 %

From the results of interviews and analysis, it is clear that door to door verbal promotions using an information distribution system from chicken noodle sellers who subscribe to ujang noodles to consumers can be said to be very influential with the total increase in ujang noodle production reaching 600 percent over a period of 3 years.

4.2 Discussion

a. The influence of social media on the marketing development of Ujang Noodle Production

Based on data from direct interviews with the owner of Ujang Noodles, Ujang Prawoto, it was concluded that in the era of social media starting to become popular, be it social media Facebook, Instagram or Whatsapp Groups, it really has a big impact on the productivity of Ujang Noodles. This was shown when the author made observations at Mie Ujang UKM, where currently Mie Ujang has 30 employees with dry noodle production of 4,005 kilograms or around 400 quintals of wheat flour every 2 days. With a turnover of around 450 million per month. By utilizing social media Facebook and Whatsapp Groups as promotional media, Mie Ujang, which is most widely used by Mie Ujang owners, is currently marketed in 7 regencies in East Java, including Jember Regency (Sumbersari, Kaliwates, Patrang, Ajung, Arjasa, Sukorambi, Jelbuk), Bondowoso city including Maesan and Tapen, Banyuwangi (Glenmore, Genteng, Kalibaru, and some in Banyuwangi city), Lumajang City, Bali (Gilimanuk, Jembrana), Preobolinggo city and Bangil.

V. Conclusion

According to Shannon and Weaver in their mathematical theory of communication, they view communication as a mechanical and mathematical process, where information is transmitted from one point to another through a channel. According to him, information (promotion) must be conveyed simply, easily understood, focused on the content of the message conveyed, familiar media (the most widely used), and easy to get feedback or positive responses from consumers.

This article was written and prepared to share the perception that in the Industry 4.0 era, social media is the most effective media used as a promotional tool compared to mass media such as television, radio, brochures, signboards, etc. Besides social media, it is also widely used by consumers today to fulfill their daily needs at a very cheap and efficient cost, so it is very suitable for MSME-based companies and start-up companies.

This research concluded that the Mie Ujang SMEs that were observed had used social media within their company. The most widely used social media are Facebook, and Whatsapp Groups for personal communication with consumers, marketing and advertising, recording consumer needs, providing responses to consumers, helping decision making and as a discussion forum with consumers. Based on field observations at UKM Mie Ujang, the use of social media can increase sales by more than 100% if the company consistently

updates information via social media every day. SME entrepreneurs need to make optimal use of social media and consistently update information every day to develop market share and increase product sales.

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