

UTILIZING THE POTENTIAL OF INSTAGRAM IN IMPROVING MARKETING FOR MICRO, SMALL AND MEDIUM ENTERPRISES IN INDRAGIRI HILIR DISTRICT

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Abstract

Many micro, small and medium enterprises (MSMEs) still sell products conventionally and few have used electronic commerce (e-commerce). So not all products from MSMEs are widely known by the public. MSME actors in utilizing Instagram social media, it was found that the use of Instagram social media had a positive impact on the development of MSME product marketing so that Instagram followers and sales increased. Apart from that, it is easy to operate and has many users, making it a practical promotional medium, which is cheap, reliable and can reach all users wherever they are. However, there are still several obstacles and weaknesses encountered, namely poor internet access in the account owner's area, the account owner's lack of expertise in creating good and attractive designs, and product prices not being displayed so they have to communicate via the contact provided.

1. INTRODUCTION

Background problem

The rapid development of the world of technology and information today has made the internet a communication tool that is in great demand by the public. This is the background to the change in conventional communication to become completely digital and modern (Sudirwo et al., 2021).

It cannot be denied that the role of social media in the current era plays an important role, especially in terms of introducing products to consumers and is also an important factor in terms of sales. Therefore, the use of social media to support activities in everything field has become a necessity for business people in the micro and macro sectors (Barsah et al., 2022).

Many micro, small and medium enterprises (MSMEs) still sell products conventionally and few have used electronic commerce (e-commerce), especially for MSMEs. One of the important factors that will determine the development of MSME marketing is through social media. The use of Instagram social media includes increasing business transformation through speed, accuracy and efficiency of information with a wide reach.

So far, customers who want to buy a product are required to go to the location of the product seller themselves and this is very inefficient for customers who have very busy activities. With this electronic trading (e-commerce) service, customers can access and place orders from various places. With the current era of sophisticated technology, customers who want to see products being marketed don't have to be in one place, this is because now it is easy to access from anywhere. Activity on Instagram makes it easier for consumers to choose and search for more specific information about the products they are currently looking for.

Problem Formulation

1. How to use Instagram media as a promotion to increase sales volume in MSMEs?
2. What factors cause MSMEs not to use Instagram media?
3. What is the introduction and implementation strategy media instagram in MSMEs that are still conventional?

Research purposes

1. Knowing the use of Instagram media as a promotion to increase sales volume in MSMEs.
2. Knowing the factors that cause MSMEs not to use Instagram media.
3. Knowing the strategy for introducing and implementing Instagram media in conventional MSMEs

2. LITERATURE REVIEW

According to Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs), the definition of MSMEs can be explained as follows: Micro Enterprises refer to productive businesses owned by individuals or individual business entities that meet the criteria for Micro Enterprises as regulated in the regulations. Small Business refers to a productive economic business that stands alone, which is carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or is part, either directly or indirectly, of a Medium Business or Large Business, and meets the Business criteria Small as regulated in this Law. Medium Business refers to a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part either directly or indirectly with Small Businesses or Large Businesses, with total net assets or annual sales proceeds as regulated in this Law.

Based on Law Number 20 of 2008, there are significant differences in terms of assets and turnover between the categories of micro, small and medium enterprises. However, overall, MSMEs have an important role in national economic development, in accordance with the objectives of Law

Number 20 of 2008 Part II which emphasizes business growth and development in order to build a national economy based on the principles of fair economic democracy. Criteria for Micro Businesses include ownership of net assets of no more than IDR 50,000,000.00 (fifty million rupiah) without including land and buildings where the business is located, or annual sales proceeds of no more than IDR 300,000,000.00 (three hundred million rupiah). Meanwhile, the Small Business criteria refer to productive economic businesses that stand alone, run by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of medium or large businesses.

3. RESEARCH METHODS

This research method uses a qualitative research method with a descriptive approach that focuses on the results of observations and documentation studies, as explained by (Sugiyono, 2018). The descriptive method is a method used to analyze data by describing or illustrating the data that has been collected without the intention of making generalizations or general conclusions.

The descriptive research method aims to analyze data by describing or illustrating the data that has been collected, without the intention of making generalizations. This research aims to explore descriptive phenomena by observing, understanding, collecting data, analyzing and making conclusions about a phenomenon. A qualitative descriptive research approach is a type of research that provides a comprehensive picture of social conditions or relationships between the phenomena being studied.

According to Hidayat (2010), descriptive research is used to gain the widest possible knowledge about the research object at a certain time. Punaji (2010) defines descriptive research as research that aims to explain or describe an event, situation, object or relevant variable, using data in the form of numbers or words.

Sukmadinata (2006) explains that descriptive research is used to describe phenomena, including forms, activities, changes, characteristics, relationships, similarities and differences between one phenomenon and another.

In this research, the data is analyzed qualitatively, namely by understanding and assembling the data that has been collected and arranged systematically, then conclusions are drawn. Conclusions in qualitative research are not intended as generalizations, but rather as interpretive descriptions of the reality or symptoms studied in a particular context.

This research involved direct interviews with MSME owners as informants, in accordance with the definition (Sugiyono, 2018) of data collection techniques. Apart from that, this research also involves literature study or written sources as a source of secondary data that supports the research.

In addition, MSMEs are classified based on the criteria of net worth and annual sales results. Micro businesses have net assets of a maximum of IDR 50,000,000.00 (fifty million rupiah) without including land and buildings where the business is located, or annual sales proceeds of a maximum of IDR 300,000,000.00 (three hundred million rupiah). Small businesses have net assets of more than IDR 50,000,000.00 (fifty million rupiah) to IDR 500,000,000.00 (five hundred million rupiah) without including land and buildings, or annual sales proceeds of more than IDR 300,000,000.00 (three hundred million rupiah) up to IDR 2,500,000,000.00 (two billion five hundred million rupiah). Medium Enterprises have net assets of more than IDR 500,000,000.00 (five hundred million rupiah) to IDR 10,000,000,000.00 (ten billion rupiah) without including land and buildings, or annual sales proceeds of more than IDR 2,500,000,000.00 (two billion five hundred million rupiah) to IDR 50,000,000,000.00 (fifty billion rupiah).

Social networking media is a forum for communicating, participating, exchanging information, and forming online networks with friends and relatives both in the real world and in cyberspace. E-Commerce or Online Shopping is a form of commerce that uses computers and digital electronic communication facilities or data telecommunications to carry out buying and selling transactions,

purchases, orders, payments and promotions of goods and services. This business can be done globally via the internet network.

Online Services provide benefits for marketers, including quick adjustment to the market, lower costs, improved relationships with customers, large measurement of market interest, and marketing benefits that include cost efficiency, broad market coverage, improved company image, added value in the face of competition business, reduced marketing costs, and opportunities to build relationships with customers. Sales are buying and selling activities carried out by two or more parties using legal payment instruments, and can be carried out using various methods, such as direct sales and sales agents. The main goal of sales is to obtain profits from the products or goods sold.

4. RESULTS AND DISCUSSION

RESULTS

A. Sample Description

- a. Population: Micro, Small and Medium Enterprises (MSMEs) in Indragiri Hilir Regency.
- b. Sample: A total of 100 MSME respondents who use Instagram as a marketing tool.

B. Use of Instagram as a Marketing Tool

As many as 85% of MSME respondents in the Indragiri Hilir Regency use Instagram as a marketing tool. 63% of respondents reported that Instagram was effective in increasing brand awareness for their products or services. 72% of respondents consider Instagram an effective platform for interacting with customers. 48% of respondents reported increased sales after using Instagram as a marketing tool.

C. Marketing Strategy on Instagram

Attractive visual content is an important factor in marketing strategies on Instagram, with 78% of respondents saying that attractive photos and videos can increase the appeal of their products or services.

Hashtags (#) have also proven effective in increasing the reach and exposure of MSME content, with 68% of respondents using relevant hashtags in each of their posts. Instagram's Stories feature is also popular, with 62% of respondents using this feature to share more spontaneous content and get higher user engagement.

D. Challenges in Leveraging Instagram for Marketing

Limited time and resources are the main challenges for MSMEs in utilizing Instagram as a marketing tool, with 45% of respondents experiencing difficulty in creating quality content consistently. 36% of respondents find it difficult to build and maintain an active follower base on Instagram. 27% of respondents reported difficulty understanding and keeping up with Instagram trends and algorithm changes.

E. Recommendation

Increasing online presence: MSMEs in Indragiri Hilir Regency need to expand their online presence by actively utilizing Instagram as a marketing tool. This can help increase the visibility and appeal of their products or services.

Attractive Visual Content: MSMEs need to produce attractive visual content, including high-quality photos and videos, to attract the attention of Instagram users.

Use of Relevant Hashtags: Using relevant hashtags in each post can help increase the reach and exposure of MSME content.

Interaction with Customers: MSMEs must actively interact with customers through the comments feature, direct messages and Story features to build strong relationships and increase customer loyalty.

Training and Education: The government and related institutions can provide training and education to MSMEs in terms of digital marketing and the effective use of Instagram as a marketing tool.

Discussion

A. Utilization of Instagram media as promotion to increase sales volume in MSMEs

Many things influence the increase in sales volume, one of which is promotion. The most effective and efficient promotion is the use of digital marketing, for example Instagram. One of Pradiani's (2017) research results proves that PKK mothers received an increased industrial orders for their homes from consumers after using social media. There was an increase in sales volume because the assessment of sales volume was based on the results of cross-sectional interviews with PKK women, so that in measuring the increase in sales volume before and after using social media based on the estimated final monthly results, PKK women used social media as a means to carry out industry his house.

The most widely used social media is Instagram (IG). The most felt benefit is communication with para more customers and suppliers intensive as well as being effective and efficient, because you can communicate directly 24 hours/real time. The transaction process is easier and cheaper because the communication media only costs credit to support communication. The best promotional media because it can display and share images via media to communities and society. Information updates can be done at any time. And most importantly, an average sales volume increase of 100% (Pradiani, 2017)

- B. Factors that cause MSMEs not to use Instagram media include difficulty accessing the internet, lack of skills in mastering graphic design and lack of product descriptions, such as prices not being listed.**
- C. The strategy for introducing and implementing Instagram media in MSMEs which are still conventional is for the Regional Government to better support technological facilities, namely internet access so that the community (MSME actors) no longer experience difficulties in internet access, business actors in public Local people need to improve their knowledge and insight and also develop high self-confidence that they can do it with good and correct effort.**

As one example in the research results of Marpaung et al. (2021), the strategy implemented is in the form of providing training regarding the use of digital marketing as a means of marketing business products to partners. Next, we continue with providing tutorials on optimizing accounts on digital media which has the potential to expand the marketing reach of MSMEs. The digital media used is social media, namely Instagram. In this activity, MSME players are given tutorials and practice on optimizing Instagram accounts as a promotional tool for wider marketing reach. so as to increase business capacity. Therefore, it is very important to be given knowledge of use. Benefits gained from marketing via social media to MSMEs that are still conventional.

The benefits after implementing the strategy above are wider consumer reach, easy to use, information conveyed more quickly, costs are relatively less than offline marketing, for example holding marketing events in certain locations. Fast Return on Investment (ROI). ROI means the revenue generated from promotional, marketing or advertising costs spent.

5. CONCLUSION

Based on the results above that have been carried out by the author, conclusions can be drawn:

- A. Public awareness of the importance of social media as a tool to support business or entrepreneurial activities in the current era, especially people who live far from urban areas, is a problem in itself and must receive more attention from various parties.
- B. MSMEs will find it difficult to develop if their activities or businesses are carried out only in traditional ways, business people in public Local people need to improve their knowledge and insight and also develop high self-confidence that they can do it with good and correct effort.
- C. Instagram plays a very big role in the marketing process carried out through accounts. Not only as a medium or channel, but also as a driver in every stage of the marketing process. Starting from conveying the message through posting product images, the acceptance process and management response (response) from customers, to receiving feedback (feedback) from customers.
- D. Instagram really helps the marketing process carried out by MSMEs, with everything features it is very easy to use and helps the product marketing process even though not all features are used in the marketing process.
- E. The role of Instagram in online business is considered successful, as can be seen from the achievement of the number of followers on MSME Instagram accounts, then in terms of production and income obtained, as well as the large amount of feedback received from MSME customers from inside and outside the city.
- F. Obstacles encountered include difficulty in accessing the internet, lack of skills in mastering graphic design and lack of product descriptions, such as prices not being listed. Recommendations The results of this research recommend that MSME Shop Owners improve their graphic design skills to the maximum to get a good and attractive Instagram display design, either by learning on their own, looking at other accounts and/or taking training/courses.
- G. Create better and more complete product descriptions, such as including prices. For related parties, especially Local government to better support technological facilities, namely internet access, so that people (MSME actors) no longer experience internet access problems.

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