

## Analysis of The Use Social Media in The Development of Micro, Small and Medium Enterprises

**Siti Afiyah<sup>1\*</sup>**

<sup>1</sup>Manajemen, Universitas KH. A. Wahab Hasbullah”

\*Email: [sitiafiyahunwaha@yahoo.com](mailto:sitiafiyahunwaha@yahoo.com)

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### **ABSTRACT**

*In an increasingly sophisticated era, the development of technology has made major changes in the business world. One of them is on social media which is increasingly developing and facilitating communication. Communication in business is very important. So it is necessary to achieve the existing conveniences and need to be used as well as possible. This form of utilization can be accepted by MSME actors in Indonesia, especially MSMEs in Jombang District. By using the interview method to thoroughly discuss the use of social media in their business, and using supporting questions, the results of the study show that the use of social media can be made to facilitate media promotion, so as to improve the development of MSMEs themselves. The sales rate is getting faster and automatically increases in other aspects of the business. The increase that occurred has made MSME players feel benefited and facilitated by the current sophistication of technology. The positive benefits obtained by MSME players are expanding market networks, facilitating interaction with consumers, and increasing product sales.*

**Keywords:** Social media; MSME; promotion..

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### **INTRODUCTION**

As is well known, Micro, Small and Medium Enterprises (MSMEs) have succeeded in making a significant contribution to the economy in Indonesia. The movement of MSMEs is vital to creating growth and jobs. MSMEs can easily adapt to the ebb and flow of market demand. MSMEs are also able to create jobs faster than other business sectors, and are sufficiently diversified and make an important contribution to exports and trade.

UMKM itself stands in the middle of a creative society that is able to create useful innovations. The establishment of an UMKM is also very simple, it can be done by individuals or groups of people whose capital is not too large. The criteria for being a micro business have been regulated in Law No. 20 of 2008, namely the criteria for differentiated MSMEs include Micro, Small, and Medium Enterprises. This small scale business has been protected by the state and prevented from unfair competition (Keppres RI No. 19, 1998). The era that has followed the development of MSMEs to date is also very much supported in this increasingly sophisticated development. The tools used in completing a job in MSMEs also follow the times, from traditional to sophisticated tools that make a job more efficient so that it gets maximum results. Media promotion as something that is very important in the achievement of any business is no less sophisticated. Where this increasingly modern era, society is supported by various things completely online. There is nothing wrong with the behavior of people who are increasingly spoiled by online media through tools in the form of gadgets or cellphones, as if it has become a culture or habit of society today.

This digital era should be greatly utilized by entrepreneurs, both from the MSMEs itself. Why not? , online media that does not need to cost a lot in its promotion, is clearly very beneficial for entrepreneurs. Such a great opportunity can be used to increase maximum income, which in the end will have an impact on Indonesia's economic stability as well, through MSME activities that have succeeded in heading to international glass, namely export and import. The reason is, social media is currently widely used by MSME players. In terms of marketing, namely promotion which is very useful in order to achieve the expected benefits. As people become more proficient in using online media, there are many positive and

negative aspects that are not widely known by the public. Not all of the MSME actors take advantage of this media, because they are less proficient or lack broader and in-depth knowledge about this media.

The use of the internet can be put to good use by MSME actors. Promotions through social media greatly support the ease of marketing goods and services for business actors. However, the use of social media requires special time and seriousness so that the promotional results can be maximized. Not infrequently, MSME actors only take advantage of one or two social media which are indeed widely used by the community. However, this is considered to be less than optimal, because out there the use of social media is widely reached by the whole world with various other types of social media. Because there is a lack of knowledge about how to apply it or there is no special staff so that the form of online promotion is deemed not optimal. MSMEs play a major role in supporting employment in Indonesia. 2012 data released in 2014 by the Ministry of Cooperatives and SMEs showed that MSMEs absorbed 97.24% of the workforce in Indonesia in 2011 and 97.16% of the workforce in 2012. Although it decreased in proportion, quantitatively this still shows an increase. 5.83% in the total workforce, from 101.7 million workers to 107.6 million workers (Thamrin Abduh 2017: 2)

Empowerment of Micro, Small and Medium Enterprises (MSMEs) is very important and strategic in anticipating the future economy, especially in strengthening the structure of the national economy. The existence of a national economic crisis like the current one has greatly affected national, economic and political stability which impacted on the worsening of large business activities, while MSMEs and cooperatives were relatively able to maintain their business.

## **METHOD**

Research design using quantitative research type. Quantitative research is a type of research that produces findings that can be achieved using statistical procedures or other means of quantification (measurement). With a population of 80 MSMEs in Jombang District, a sample of 32 MSMEs was taken with the criteria of MSMEs that had only used social media. Data collection techniques by making observations, interviews, and documentation. The data analysis technique used the Paired Sample T Test, which is to find out the differences before and after the use of social media.

## **RESULT AND DISCUSSION**

This research was conducted on MSME actors in Jombang District, Jombang Regency. Jombang District consists of 16 villages and 4 sub-districts, namely: Banjardowo, Candimulyo, Dapurkejambon, Denanyar, Jabon, Jombang, Kepatihan, Mojongapit, Plandi, Plosogeneng, Pulolor, Sambongdukuh, Sengon, Sumberejo, Tambakrejo, and Tunggorono villages. Jombatan, Jelakombo, Kaliwungu, and Kepanjen. Several types of businesses that are carried out by MSMEs in Jombang District have varied a lot, ranging from services, convection, salons, culinary, engagement & design, and so on. The following is the data of MSME players with their types of business.

The types of business that MSMEs are engaged in are mostly those who are already experts in that type of business. There are some who are self-taught and run from generation to generation from their families. This research refers to the improvement of the development of MSMEs in the comparison before and after the use of social media. Usually before the use of social media, business actors use promotional media in the form of pamphlets, brochures and banners. So that the range of product introduction is not too broad. Meanwhile, when coupled with online promotion via social media, it is considered quite effective and does not incur a lot of promotional costs.

Based on the results of the percentage table above, the development of MSMEs in terms of regional coverage is quite wide. The distribution of goods or customers outside the city of Jombang itself reached 53.12%, outside the island was 15.62%, and abroad reached a percentage of at least 3.12% of the 32 MSME actors in Jombang District studied. The increase in capital after the use of social media increased by an average of about 20% -30% from the initial capital before the use of social media. In Mrs. Fitriah's convection and clothing shop business, the initial capital before using social media is Rp. 10,000,000.00 and after the use of social media it increases to Rp. 12,000,000.00 per production. It can be seen that there is an increase in capital after the use of social media.

The increase that occurred in the number of employees occurred because of the need for more personnel than usual because the production level increased. The increase was an average of 2 times from the previous. But there are also MSMEs that remain at the initial number of employees, but work hours and salaries are increased. Many of the MSMEs in Jombang District stated that the addition of employees was also carried out with full consideration. Why? Because they are afraid that after adding employees

there will be a decrease in sales. So it cannot be ascertained that consumers will continue to be interested in the products owned by these MSME players.

The increase in product sales has increased by an average of about 20% -30%. It can be seen in Mr. Ahmad Sulton's doll production business, before the use of social media averaged 20 dozen dolls sold per month, after the use of social media sales of dolls increased to 30-40 dozen per week. Not only goods, services also experienced an increase after the use of social media. In the salon business owned by Mrs. Arum, before the use of social media there were an average of 3 people per day, but after the use of social media increased to an average of 6 people per day who came to Mrs. Arum's salon. Automatic turnover will also increase if product sales also increase. The increase in turnover after the use of social media is considered significant and beneficial for MSME actors in Jombang District. In Mrs. Yuni's "Bakso Rawon" food processing business, before the use of social media, she received an average turnover of Rp. 5,000,000.00 per month, and after the use of social media, the turnover has increased by an average of Rp. 10,000,000.00. This means that the average turnover increases by 50% after MSME players use social media as a medium for online promotion.

Not only in the form of marketing in the form of online promotion, this increase is also supported by maintaining quality, quality and trust. So that consumers feel satisfied and make purchases / re-orders periodically. In promotional media through social media, it is very helpful for MSME players. They are greatly helped by the supporting facilities in the application, of course, it is easy and fast. The uses of social media studied were Facebook, Instagram and WhatsApp. The three types of social media are the most commonly used among the public. So that if it is used in promotional media it is considered quite effective and does not require large promotional costs.

As a whole, MSMEs use the WhatsApp social media, so in this study, MSMEs using the WhatsApp social media occupy a 100% percentage of business and personal communication, because the features of this application are very easy to use, because WhatsApp is almost the same as the SMS (Short Message Service) application. used in old cell phones. So that MSME actors who are on average over 50 years of age or are elderly can use it. WhatsApp has indeed become a common communication application among the public. Meanwhile, Facebook occupies half of the 32 MSMEs, because this application is already common among the community, from children to elderly people, many have used Facebook. Instagram is still not too many who use it. On average, Instagram users are MSME players who are still 30 years old, and usually UMKM players who have only started their business for a few years to keep up with the current era.

## **CONCLUTIONS**

The use of social media in supporting promotional activities at MSMEs is considered very supportive and provides tremendous benefits in achieving sales targets. MSME actors, especially in Jombang District, to further increase the use of social media to be able to compete with the times and also marketing using social media or online can save costs. For further research, it is necessary to increase the network of relations to reach the intended MSMEs, so that it is easier to obtain data on the MSMEs under study. Based on the results of the Paired Sample T-Test, the difference test shows that the probability (sig 2-tailed) is 0.000. Therefore, the probability  $<0.05$  then  $H_0$  is rejected  $H_1$  is accepted or the two population means are different. So that it can be analyzed that there is a significant difference in the average increase in the amount of turnover before and after the use of social media. The benefits obtained from the use of social media for MSMEs are being able to expand market networks, interact with consumers, and increase product sales.

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