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Use of Social Media Marketing among MSMEs: Driving and Inhibiting Factors

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Abstract

This study aims to determine the factors driving and inhibiting social media marketing use among Small, Micro, and Medium Enterprises (MSMEs). Data were analyzed using the quantitative descriptive technique as percentages. This study also used confirmatory factor analysis (CFA). Based on the results of the descriptive statistical analysis, it was found that the driving factor for MSMEs in Banyumas in using social media was to engage with consumers. On the contrary, the main factors that hinder the use of social media are the lack of time to create consistent and scheduled content and the difficulty in determining interesting topics. Meanwhile, the CFA analysis revealed that the main driving factor contributing to the highest use of social media use is seen from eigenvalues, that is, that social media is used for marketing activities. The main inhibiting factor seen from the eigenvalues is the limited time to create consistent and scheduled content. In addition to that, difficulty in finding followers, network restrictions, and unsupported features of mobile phone are other factors that inhibit social media use. The originality of this research is considered very limited, as it only examines the driving and inhibiting factors for microscale MSMEs. More research should focus on a widely used social media platform and the type of business because every business has different characteristics.

Keywords — MSMEs; Social Media; Technology

Abstrak

Tujuan penelitian ini adalah untuk mengetahui faktor pendorong dan penghambat penggunaan media sosial di kalangan Usaha Mikro Kecil dan Menengah (UMKM). Penelitian ini menggunakan metode kuantitatif deskriptif. Data dianalisis dengan menggunakan statistik deskriptif yang disajikan dalam bentuk persentase. Penelitian ini juga menggunakan analisis faktor konfirmatori. Hasil analisis statistik deskriptif menunjukkan bahwa faktor pendorong UMKM di Banyumas dalam menggunakan media sosial yaitu untuk membangun hubungan dengan konsumen. Sedangkan faktor utama penghambat UMKM di Banyumas dalam memanfaatkan media sosial adalah adanya keterbatasan waktu untuk membuat konten secara konsisten dan terjadwal serta kesulitan dalam menentukan topik yang menarik. Dilihat dari analisis CFA, didapatkan hasil bahwa faktor pendorong utama yang memberikan kontribusi tertinggi dalam penggunaan media sosial dilihat dari nilai eigenvalues yaitu media sosial digunakan UMKM untuk kegiatan pemasaran. Untuk faktor penghambat utama dilihat dari nilai eigenvalues yaitu adanya keterbatasan waktu untuk membuat konten secara konsisten dan terjadwal. Selain itu kesulitan mencari followers, kendala jaringan, dan fitur handphone yang tidak mendukung menjadi faktor penghambat lainnya dalam penggunaan media sosial. Orisinalitas dalam penelitian ini masih sangat terbatas yang mengkaji faktor pendorong dan penghambat dalam konteks UMKM skala mikro. Implikasi penelitian selanjutnya diharapkan fokus pada salah satu platform media sosial yang paling banyak digunakan dan sebaiknya fokus pada jenis usaha karena setiap usaha memiliki karakteristik yang berbeda-beda.

Kata kunci — UMKM; Media Sosial; Teknologi

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I. INTRODUCTION

Rapid technological change and the increasing use of digital technology during the COVID-19 pandemic have caused many business sectors to begin to switch and conduct digital transformations in their respective business lines. Each sector has its own opportunities and challenges in implementing digitalization amid a health and economic crisis. All parties were forced to adapt to new technology-based habits because they were considered more efficient and productive. Digital technology is very influential on basic human needs, including increasing economic growth, fulfilling community basic needs, improving quality of life, and creating job opportunities (Sulasih et al., 2022). Technological changes in the last decade have caused society to experience various habit changes regarding the use of the internet and social media. A survey agency noted that 160 million out of 272.1 million Indonesians are active social media users (We Are Social, 2020).

Social media use doubled from 6-7 million in year to 12 million in year from a total of 64 million MSMEs in Indonesia. The Coordinating Minister for Maritime Affairs and Investment at the East Ventures-Digital Competitiveness Index (EV-DCI) event in 2021 conveyed that he hoped there would be a continued addition of around 6 million MSMEs every year to reach the goal of having 30 million MSMEs connected to digital platforms in 2024. The social media most used in Indonesia, according to We Are Social (2020), are YouTube, WhatsApp, Facebook, and Instagram.

Furthermore, efforts to accelerate the digital transformation due to the pandemic are also seen in the local government of Indonesia. Several regional leaders acknowledged that the pandemic had started a new momentum with respect to the use of technology to provide services to the community and to encourage regional economic growth. Similarly, based on observations, most MSMEs in Banyumas have used social media, such as WhatsApp, Instagram, and Facebook, to improve their business performance.

The benefits and challenges of using social media go hand-in-hand for business actors (Eid et al., 2019). The benefits, such as expanding market share, have become driving factors for business actors to use social media. Research conducted by Ainin et al. (2015), Tajudeen et al. (2018), Odoom et al. (2017), Ahmad et al. (2019), Dirgiatmo (2019), Eid et al. (2019), and Yasa et al. (2020) agreed that the use of social media has many benefits and that the motivation underlying MSMEs to use social media are different for each business. Nevertheless, despite its benefits, social media has many barriers and challenges for MSME actors (Hermansyah et al., 2019), (Naima et al., 2021); (Heryanto, 2020); (Benetoli et al., 2017) such as how to operate such social media.

Given the vital role of social media for business actors today, it is imperative to further study and identify the driving factors and inhibiting factors for the use of social media, especially in the context of MSMEs in Banyumas. Similar studies on this topic have never been done, so this is a novel study that can provide an overview of the topic and discover benefits, particularly for MSMEs actors in Banyumas. Therefore, this study aims to identify the factors that encourage and hinder MSMEs in Banyumas from using social media.

II. LITERATURE REVIEW

A. Social Media Use

Social media has grown rapidly in various forms over the last few years (Kaplan & Haenlein, 2010). The use or adoption of social media is to obtain benefits. However, using such tools is a challenge for some business actors. Social media marketing is a marketing activity conducted on social media. The types of social media applications used for marketing activities include blogs, social networks such as Facebook, content communities such as YouTube, forums or bulletin boards, and content aggregators. (Constantinides & Fountain, 2008). Business actors use social media for different purposes, some of which are described in Table 1.

Table 1. Driving factors of social media use

Driving factors		Source
1.	Advertising and promoting products and services	(Ainin et al., 2015)
2.	Creating brand visibility	
3.	Doing marketing research	
4.	Developing customer relationship	
5.	Communicating with customers	
6.	Carrying out customer service activities	
1.	Information search	(Tajudeen et al., 2018)
2.	Marketing and branding	

3.	Building customer relationships	
1.	Attracting new customers	(Odoom et al., 2017)
2.	Building relationships with clients and customers	
3.	Communicating the company brand online	
4.	Receiving feedback	
5.	Creating awareness of our brand	
6.	Answering questions from customers and responding to requests	
1.	Marketing tools	(Ahmad et al., 2019)
2.	Total marketing budget allocation	
1.	Marketing	(Dirgiatmo, 2019)
2.	Customer relations	
3.	Information accessibility	
1.	Understanding customer preference	(Eid et al., 2019)
2.	Brand awareness	
3.	International business contact	
4.	Understanding the competition	
1.	Utilizing various types of social media	(Yasa et al., 2020)
2.	Promotion	
3.	Use the latest social media	

In addition to the benefits, social media poses challenges or presents obstacles for business actors, as shown in Table 2.

Table 2. Barriers to using social media

Barriers	Source
1. Burdening online activities	(Hermansyah et al., 2019)
2. Time consuming	
3. Influencing privacy	
4. Increasing vulnerability to lawsuits	
5. Endangering relationships with others, especially parents and respected individuals	
6. Difficulties in creating interesting content	
7. Lack of skills to make viral messages/content	
1. There is no bonus given to workers for creating social media content.	(Naima et al., 2021)
2. There are physical disorders, such as dizziness, from using social media for too long.	
3. No training	
4. Limited time	
5. No facilities, such as free internet	
6. There is no policy regarding where to access social media.	
1. Poor Internet network	(Heryanto, 2020)
2. No internet data package	
3. Lack of social media skills	
4. No internet access	
5. Lack of skills in sorting information	

III. RESEARCH METHODOLOGY

This research employed the descriptive quantitative method. The population comprises MSME actors based on data from the Department of Industry, Trade, Cooperatives, and Small and Medium Enterprises of the Banyumas Regency, totaling 1,604 actors. After calculating the data using the Slovin formula, the results indicate a sample size of 94.13. The number of respondents was rounded up to 100 to facilitate the investigation. Accidental sampling and purposive sampling techniques were used, and the criterion for MSMEs is those using social media (Hair et al., 2010). Data were collected using online questionnaire instruments, consisting of 9 driving factors and 10 inhibiting factors. The questionnaire measurement used the Likert scale consisting of (1) strongly disagree, (2) disagree, (3) simply agree, (4) agree, and (5) strongly agree. Data were then analysed using descriptive statistics and presented as percentages (%). This study also used confirmatory factor analysis (CFA) (Hair et al., 2010).

IV. RESULT/FINDING

A. Characteristics of the respondents

The characteristics of the respondents are displayed in Table 3.

Table 3. Characteristics of the respondents

Category	Characteristics	%
Gender	Male	50
	Female	50
Age (years)	20-25	21.2
	26-30	21.2
	31-35	19.2
	>35	38.5
Education	Senior high school/SMK	23.1
	Associate degree	5.8
	Bachelor's degree	53.8
	Master's degree	17.3
Type of business	Food/beverage	32.7
	Craft	3.8
	Service	17.3
	Trade	34.6
	Other	11.5
Length of business (years)	1-3	51.9
	4-6	17.3
	7-9	7.7
	>9	23.1
Number of employees	1-5	93.8
	6-19	6.3
Length of using social media (years)	<1	20
	1-3	28
	>3	52

Table 3 shows that 50% of the male and 50% of the female respondents use social media. Based on age, most social media users are >35 years of age, with a total of 38.5%. Data show that most users (53.8%) have completed their bachelor's degree and that the main type of business is trading (34.6%), followed by food and beverages (32.7%). Most of the respondents have run their business for 1-3 years (51.9%) and most have 1-5 employees (93.8%). Thus, such businesses are categorized as microscale businesses. Most MSME actors in Banyumas have been using social media to support their business for more than 3 years (52%).

The type of social media used by the MSME actors in Banyumas, where the majority of business actors use the WhatsApp platform at 92%, followed by Facebook (82%), and Instagram (80%). Additionally, a total of 96.2% of MSME actors use social media to run their businesses and those who do not use social media are 3.8%. There are also MSMEs who strongly agree (17.6%) and agree (27.5%) that there are obstacles or problems in using social media.

B. Identification of Driving Factors

The driving factors or motivations for SMEs to use social media can be seen in Table 4. Most MSMEs in Banyumas use social media to build communication with consumers (54.9%). Furthermore, more than half of the respondents use social media for marketing purposes and to attract new customers (52.9%).

Table 4. Driving factors for social media use by MSMEs in Banyumas

No.	Factors	%
1.	I use social media for marketing activities	52.9
2.	I use social media for branding	43.1
3.	I use social media for marketing research	47.1
4.	I use social media for advertising, promotion	49
5.	I use social media to find competitor information	42
6.	I use social media to find customer information	49
7.	I use social media to build relationships with consumers	54.9
8.	I use social media to attract new customers	52.9
9.	I use social media to obtain feedback from customers	47.1

C. Identification of Inhibiting Factors

The main inhibiting factors for MSME actors in Banyumas to use social media are the lack of time to create consistent and scheduled content and the difficulties in determining interesting topics (50%) (Table 5). The next highest inhibiting factor is the inconsistency in using social media for promotion (47.2%), the lack of understanding of the social media applications used (44.4%), and the inability to create interesting content (41.7%). The difficulty of determining the right target segment on social media is also a major inhibiting factor in using social media (41.7%).

Table 5. Factors inhibiting social media use by MSMEs in Banyumas

No.	Factors	%
1.	There is limited time to create content consistently and on a schedule	50
2.	Inability to optimally use the social media used for promotion	38.9
3.	Lack of understanding of the social media applications used	44.4
4.	Inconsistent in using social media for promotion	47.2
5.	Having trouble finding ideas to create content	38.9
6.	Difficulties in determining the topic of the post	50
7.	Difficulties in correctly determining the target segment on social media	41.7
8.	Need additional manpower to manage social media	36.1
9.	Inability to create interesting content	41.7
10.	Have not mastered all the features on social media	33.3

D. Performance

The use of social media affects the performance of MSMEs in Banyumas, as shown in Table 6. Using social media can increase sales transactions by 52%. The performance improvement of the MSME actors in Banyumas after using social media in running their business varied. A total of 39% of the respondents experienced high-performance improvement, 31.4% experienced medium-performance improvement, and 31.4% experienced low-performance improvement. These results indicate that the use of social media can improve business performance.

Table 6. MSMEs' performance

No.	Performance factors	%
1.	Sales transactions increase after using social media.	52.9
2.	Customers increase after using social media.	43.1
3.	Customer satisfaction increases after using social media.	41.2
4.	Brand visibility increases after using social media.	47.1
5.	Market share increase.	47.1
6.	High performance improvement	39.2
7.	Moderate performance improvement	31.4
8.	Low performance improvement	11.8

In addition to presenting the results of the discussion as percentages (%), the results of this study were also analysed using confirmatory factor analysis (CFA) with the SPSS Version 26 software application. The following are the results of this research data process.

A. KMO dan Barlett Test of Sphericity

Based on the results of the KMO output and the Barlett Test in Table 7, the Barlett Test of Sphericity value is significant < 0.05 and the Kaiser Meyer Olkin Measure of Sampling Adequacy value is $0.732 > 0.05$. Therefore, it can be concluded that a factor analysis can be performed.

Table 7. KMO and Bartlett test

KMO and Bartlett's test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.732
Bartlett's Test of Sphericity	Approx. Chi-Square	635.611
	df	171
	Sig.	0.000

B. Anti-Image Matrices

Anti-image matrices Table 8 shows the results of the correlation output analysis by paying attention to the value of the Measure of Sampling Adequacy (MSA) with a numerical value that has a code above it, 'a'. An MSA > 0.05 was obtained in this study. Therefore, it can be concluded that the Assumption of the Measure of Sampling Adequacy is fulfilled.

Table 8. Anti-image Matrices

No.	Factors	Question	Anti-image correlation value	Reference value	Conclusion
1.	Driving factor	X1.1	0.814	0.05	Assumption Measure of Sampling Adequacy is fulfilled.
		X1.2	0.874		
		X1.3	0.811		
		X1.4	0.802		
		X1.5	0.626		
		X1.6	0.743		

	X1.7	0.715
	X1.8	0.761
	X1.9	0.744
2. Inhibiting factor	X2.1	0.732
	X2.2	0.616
	X2.3	0.617
	X2.4	0.686
	X2.5	0.837
	X2.6	0.648
	X2.7	0.754
	X2.8	0.615
	X2.9	0.806
	X2.10	0.652

C. Rotated Component Matrix

Based on the rotated component matrix (Table 9), the results of the factor loading values for all factors or all questions is > 0.75 . Therefore, all questions in each factor are declared valid.

Table 9. Rotated Component Matrix

No.	Factor	Question	Component 1	Component 2
1.	Driving factor	X1.1	0.818	
		X1.2	0.780	
		X1.3	0.866	
		X1.4	0.914	
		X1.5	0.800	
		X1.6	0.839	
		X1.7	0.853	
		X1.8	0.883	
		X1.9	0.800	
2.	Inhibiting factor	X2.1		0.770
		X2.2		0.760
		X2.3		0.826
		X2.4		0.800
		X2.5		0.812
		X2.6		0.780
		X2.7		0.806
		X2.8		0.790
		X2.9		0.803
		X2.10		0.858

V. DISCUSSION

Descriptive statistical analysis revealed that the main driving factor for MSMEs in Banyumas to use social media was to build relationships with consumers. This finding aligns with research conducted by Ainin et al. (2015), Tajudeen et al. (2018), Odoom et al. (2017), and Dirgiatmo (2019), which found that social media can engage in intimate relationships with customers through communication. Meanwhile, the main factors that hinder MSMEs in Banyumas from utilizing social media are the limited time to create consistent and scheduled content and the difficulties in determining interesting topics. Hermansyah et al. (2019), Heryanto (2020), and Naima et al. (2021) also stated that one of the challenges in using social media was related to time and lack of ability to create viral content.

Furthermore, this study found that the use of social media by MSME actors in Banyumas can increase sales transactions at a high level. Ainin et al. (2015), Tajudeen et al. (2018), Odoom et al. (2017), Purwantini & Anisa (2018), and Dirgiatmo (2019) also found similar results in their studies. Meanwhile, the CFA analysis showed that the main driving factor that contributes the most to social media use is seen from the eigenvalues, indicating that MSMEs use social media for marketing activities. The eigenvalues also showed that the limited time to create consistent and scheduled content is the main inhibiting factor for MSMEs to use social media. In addition, difficulty in finding followers, network constraints, and unsupported mobile phone features are other factors that inhibit the use of social media.

VI. CONCLUSION AND RECOMMENDATION

The descriptive statistical analysis and the CFA revealed the driving forces behind the use of social media by MSMEs in Banyumas. However, in addition to these driving factors, they face obstacles in using social media. Despite these obstacles, social media has been proven to play a vital role in improving MSME marketing performance. Therefore, MSMEs must continue learning and adapting their use of social media to overcome challenges.

The limitation of this study is the small number of samples such that it is not possible to generalize the results. The suggestion for further research is to focus on one of the most widely used social media platforms, such as WhatsApp, because, according to the results of this study, WhatsApp is the most widely used platform. By analyzing one social media platform, the study should be able to gain more detailed and deep insight into the use of social media. The results from such a study can help business actors who use social media to improve their business performance. Additionally, the object of future research should focus on the type of business because each business has different characteristics.

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