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THE ROLE OF SOCIAL MEDIA IN INCREASING MSME INCOME: A CASE STUDY IN SUMPANG BINANGAE VILLAGE, BARRU REGENCY

Resky Nur Fadillah
ITBA Al Gazali Barru
reskynurfadillahalgazali@gmail.com
Andi Rachmat
andirachmatalgazali@gmail.com
ITBA Al Gazali Barru

ABSTRACT

This study explores the role of social media in enhancing the income of Micro, Small, and Medium Enterprises (MSMEs) in Sumpang Binangae Village, Barru Regency. Utilizing role theory by Novita Ekasari (2014), the research examines how social media contributes to business growth through three key aspects: relationship building, communication, and post-purchase interactions. The findings indicate that social media serves as a crucial tool for MSMEs to establish relationships with customers, improve communication, and maintain customer loyalty through continuous engagement after transactions. However, challenges such as limited digital literacy, lack of skilled human resources, and difficulties in managing negative feedback on social media remain significant obstacles. This study recommends capacity-building programs to enhance digital skills, collaboration with digital marketing experts, and government policy support to strengthen the effective utilization of social media in MSME business strategies.

Keywords: MSMEs, social media, digital marketing, business communication.



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A.INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are key drivers of national economic growth, particularly in developing countries like Indonesia. MSMEs have demonstrated resilience during economic crises, such as the financial crisis of 1998-2000, when they played a pivotal role in economic recovery. Similarly, during President Susilo Bambang Yudhoyono's administration, MSMEs showcased strong performance amidst global economic challenges, contributing significantly to Indonesia's economic stability. These examples underscore the critical role of MSMEs in ensuring economic sustainability during periods of adversity.

In the digital era, the rapid advancement of technology and communication has fundamentally transformed business operations, particularly marketing strategies. Social media has emerged as a cornerstone of modern marketing, offering unparalleled potential for business growth. The widespread adoption of social media platforms in Indonesia reflects its importance as a communication and promotional tool. Social media platforms such as Facebook, Instagram, and Twitter have enabled businesses to connect with a broader audience, promote products, and build customer relationships at reduced costs (Winarti, 2021).

Social media serves as a versatile tool for business communication, facilitating product marketing, customer engagement, and supplier interaction. Its ability to enhance brand presence, reduce costs, and enable online sales has made it an indispensable component of marketing strategies. The interactive nature of social media allows businesses to gather valuable customer insights, foster direct communication, and build community networks. Furthermore, the integration of technology into distribution channels has amplified the efficiency of product delivery, contributing to the overall growth of MSMEs.

The COVID-19 pandemic accelerated the adoption of social media as businesses sought innovative solutions to overcome physical distancing measures. MSMEs leveraged social media to maintain operations and reach customers, highlighting its role as an effective marketing tool during crises. Studies have shown that online marketing strategies significantly impact the revenue of MSMEs, emphasizing the need for digital literacy and innovation among business owners to remain competitive in the digital economy (Supandi & Johan, 2022).

Despite its advantages, MSMEs face challenges in adopting social media, including limited technological knowledge and digital marketing skills. These limitations underscore the importance of capacity-building initiatives to empower MSMEs in harnessing the full potential of digital platforms. The government has implemented various policies to support MSMEs, including Law No. 20 of 2008 on Micro, Small, and Medium Enterprises, which provides a legal framework for their development and operations. Additionally, initiatives such as the People's Business Credit (KUR) program have been instrumental in addressing financial constraints and fostering the growth of MSMEs (Hidayat et al., 2022).

Previous research has highlighted the role of MSMEs in economic development and the impact of digital marketing strategies on their performance. For instance, Maharani et al. (2022) examined the development of MSMEs based on sustainable livelihoods in Barru Regency, revealing the challenges faced by MSMEs during the COVID-19 pandemic, including reduced income and limited resources. Similarly, Supandi and Johan (2022) demonstrated the positive influence of online marketing strategies on MSME revenue in Cilandak District, emphasizing the importance of digital platforms in enhancing business competitiveness.

However, the adoption of social media by MSMEs is not without its drawbacks. Excessive reliance on social media can lead to issues such as internet addiction and reduced face-to-face interactions, which may affect business dynamics and social relationships (Rafiq, 2020).

Therefore, a balanced approach to leveraging social media is crucial to maximize its benefits while mitigating potential risks.

As a major contributor to employment and economic development, MSMEs play a crucial role in national economic growth. They create job opportunities, support household incomes, and contribute significantly to Indonesia's Gross Domestic Product (GDP) (Rozinah & Meiriki, 2020). The integration of information and communication technology (ICT) into MSME operations has become imperative, particularly in the context of the digital economy. Digital marketing strategies, including the use of social media, have proven to be effective in enhancing business performance and competitiveness (Mardinawati et al., 2023).

This study aims to explore the potential of social media as a marketing tool for MSMEs, examining its impact on business performance and identifying strategies to overcome challenges in digital adoption. By focusing on the intersection of technology and business, this research contributes to the growing body of literature on MSME development in the digital age.

According to Novita Ekasari (2014), there are three key indicators of roles, which are as follows:

1. Relationship: This refers to building relationships with consumers through social media.
2. Communication: This represents the interaction between sellers and consumers.
3. Post-Purchase Interaction: This refers to the engagement or interaction that occurs with consumers after they have purchased a product.

B. RESEARCH METHOD

This research employs a qualitative approach, aimed at gaining a deeper understanding of the phenomena experienced by the research subjects, such as behaviors, perceptions, motivations, and actions. The qualitative research method is chosen because it allows for a richer and more comprehensive understanding of the context and social realities faced by individuals or groups under study. In this research, the focus is on exploring the subjective aspects related to the experiences and viewpoints of the research subjects regarding the issue being examined (Safarudin et al., 2023).

This approach enables the researcher to gather richer data through open and flexible data collection techniques, such as in-depth interviews, observations, or focused group discussions. Therefore, qualitative research is expected to provide a more authentic and holistic depiction of the phenomena within a particular context, ultimately enriching the understanding of the subjects being studied.



Figure 1 diagram of the thinking framework

C.RESEARCH FINDINGS AND DISCUSSION

➤ Research Findings

The Role of Social Media in Increasing the Income of Micro, Small, and Medium Enterprises (MSMEs)

This study explores how social media contributes to increasing the income of MSMEs in Sumpang Binangae Village, Barru Regency. The findings, based on interviews with various informants, are analyzed using role theory indicators as outlined by Novita Ekasari (2014), which include relationship building, communication, and post-purchase interactions.

1) Relationship Building

Social media serves as a crucial tool for fostering positive relationships between business owners and consumers. Through platforms such as Instagram, Facebook, and WhatsApp, MSMEs can respond to customer inquiries, provide product information, and address complaints promptly. The study reveals that local government policies, such as the implementation of the *Online Single Submission* (OSS) system for business permits, have facilitated business operations, further strengthening relationships between MSMEs and their customers.

Business owners also utilize social media to collaborate with other stakeholders in promoting their products and enhancing brand visibility. Social media enables MSMEs to reach a wider audience efficiently, although challenges such as limited knowledge of social media strategies remain a concern for some business owners.

The findings further suggest that MSMEs leveraging social media platforms can create personalized connections with their customers. By sharing behind-the-scenes content, posting updates about new products, and engaging with consumers through interactive features such as polls and live videos, businesses can create a sense of authenticity that strengthens customer

loyalty. These strategies not only enhance trust but also improve the likelihood of repeat purchases and word-of-mouth promotion.

2) Communication

Effective communication plays a pivotal role in product and service sales. The findings indicate that social media facilitates direct interactions with consumers, allowing business owners to explain product features, respond to feedback, and identify customer needs. However, the study also highlights barriers to communication, such as a lack of skilled human resources to fully leverage social media's potential and misunderstandings among business owners. Proposed solutions include strategic training programs to enhance digital skills and improved communication channels among stakeholders.

Moreover, communication through social media provides an opportunity for businesses to quickly adapt to customer preferences. Feedback mechanisms, such as comments, reviews, and direct messages, enable MSMEs to identify areas for improvement in their products or services. This real-time feedback loop allows businesses to stay competitive and address consumer demands proactively, which is essential in the current fast-paced digital economy.

3) Post-Purchase Interactions

Post-purchase interaction refers to the ongoing communication and relationships established between sellers and customers after a transaction is completed. This study found that social media simplifies after-sales services, such as addressing customer questions, gathering feedback, and promoting additional products.

Many business owners, however, face challenges in managing negative feedback on social media. The research emphasizes the importance of timely, honest, and transparent responses to customer concerns in maintaining a positive business reputation. Additionally, the creation of online discussion groups with customers has been identified as a strategy to enhance interactions and strengthen customer trust.

In addition to handling feedback, the research highlights that effective post-purchase interaction fosters long-term customer loyalty. Businesses that provide consistent follow-up services and maintain meaningful communication with their customers are more likely to build a strong brand reputation. Strategies such as personalized thank-you messages, exclusive promotions for returning customers, and proactive engagement with customer concerns further solidify the relationship between sellers and buyers.

The findings suggest that social media plays a significant role in enhancing MSME income through relationship building, effective communication, and post-purchase interaction. Nevertheless, challenges such as resource limitations, a lack of technological understanding, and difficulties in managing negative feedback require attention.

To fully harness the potential of social media, MSMEs should consider investing in capacity-building programs to improve their digital literacy. Providing training on effective content creation, analytics tracking, and customer engagement strategies can empower business owners to maximize their use of social media platforms. Additionally, establishing partnerships with local governments or digital marketing experts can help MSMEs access the resources and knowledge needed to navigate the digital landscape.

With more structured communication strategies and stronger relationships, social media can serve as a highly effective tool for fostering MSME growth. As the digital economy continues to expand, MSMEs that integrate social media into their business practices are well-positioned to remain competitive and sustainable. By addressing existing challenges and embracing innovation, MSMEs can unlock new opportunities for growth and customer engagement.

➤ Discussion

The findings of this research underscore the critical role of social media in enhancing the income and overall performance of Micro, Small, and Medium Enterprises (MSMEs) in Sumpang Binangae Village, Barru Regency. Social media has proven to be an effective tool for building relationships, improving communication, and fostering post-purchase interactions between businesses and their customers. These findings align with the theoretical framework outlined by Novita Ekasari (2014), emphasizing the importance of relational and communicative aspects in business success.

1) Social Media and Relationship Building

The ability of social media platforms to foster direct relationships between MSMEs and their customers represents a significant shift in how businesses engage with their target audiences. The study revealed that MSMEs use social media not only for product promotion but also for establishing trust and loyalty. Platforms like Instagram and WhatsApp allow businesses to interact with customers through real-time chats, comments, and direct messages. This interaction builds a sense of personal connection, making customers feel valued and increasing their likelihood of repeat purchases.

However, the findings also identified challenges, particularly for business owners who lack expertise in optimizing social media usage. For MSMEs to fully benefit from the relational potential of social media, there is a need for training programs that teach digital marketing strategies, audience engagement, and the use of analytics tools to track customer behavior and preferences.

2) Communication as a Driver of Sales

The research highlights the role of effective communication in influencing purchasing decisions. Social media serves as a dynamic channel through which businesses can share product

information, respond to customer inquiries, and address complaints. This two-way communication allows MSMEs to align their offerings with customer needs, thereby improving satisfaction and loyalty.

Nonetheless, communication barriers, such as limited digital literacy and the occasional misuse of social media, were noted. Addressing these issues requires targeted interventions, such as workshops on digital etiquette, conflict resolution, and strategic content creation. By improving their communication capabilities, MSMEs can enhance their customer relationships and reduce misunderstandings, leading to more productive interactions.

3) Post-Purchase Interactions and Customer Retention

Post-purchase interaction emerged as another critical factor in the findings. Social media enables MSMEs to maintain ongoing communication with their customers, even after a transaction has been completed. Activities such as thanking customers, seeking feedback, and offering promotions for repeat purchases contribute to a positive customer experience.

However, managing negative feedback online remains a challenge for many MSMEs. The findings suggest that businesses must develop strategies for handling criticisms constructively. This includes responding promptly to complaints, maintaining transparency, and demonstrating a commitment to resolving issues. By doing so, businesses can mitigate reputational risks and build stronger relationships with their customers.

4) Broader Implications for MSME Growth

The study's findings provide valuable insights into the broader implications of social media usage for MSME growth. By leveraging social media effectively, MSMEs can expand their reach, improve operational efficiency, and enhance customer loyalty. This is particularly relevant in today's digital economy, where consumers increasingly rely on online platforms for purchasing decisions.

To address the challenges identified in the study, a collaborative approach involving MSMEs, local governments, and private sector experts is recommended. Government programs can play a vital role in providing training, resources, and policy support for MSMEs. Meanwhile, partnerships with digital marketing professionals can help businesses adopt best practices and stay competitive in the evolving market.

In conclusion, the findings highlight the transformative potential of social media for MSMEs in Sumpang Binangae Village. By addressing the existing challenges and maximizing the opportunities presented by social media, MSMEs can achieve sustainable growth and contribute to the broader economic development of the region. Future research could explore additional factors influencing MSME performance, such as access to financing and technological infrastructure, to provide a more comprehensive understanding of their growth dynamics.

D.CONCLUSION AND RECOMMENDATIONS

➤ Conclusion

This research highlights the significant role of social media in increasing the income and market competitiveness of MSMEs in Sumpang Binangae Village, Barru Regency. Social media serves as a vital platform for relationship-building, effective communication, and post-purchase interactions with customers. Through social media, MSMEs can connect directly with their target audiences, enhance brand visibility, and provide real-time responses to customer inquiries and feedback.

The study reveals that while many MSMEs have leveraged social media to improve their marketing and customer engagement, challenges such as limited digital literacy, communication barriers, and the inability to effectively handle online feedback persist. Overcoming these challenges requires strategic efforts from business owners, supported by training programs and government policies aimed at empowering MSMEs in the digital economy.

Ultimately, the findings confirm that social media is not merely a marketing tool but a transformative medium that can drive MSME growth and sustainability, contributing to the broader economic development of the region.

➤ Recommendations

1. Capacity Building for MSMEs

Local governments and relevant stakeholders should organize training programs to enhance MSMEs' digital literacy and social media marketing skills. These programs should focus on content creation, audience engagement, analytics tools, and strategies for handling online feedback.

2. Collaboration with Digital Marketing Experts

MSMEs should consider partnerships with digital marketing professionals to optimize their social media presence. This could include developing tailored marketing campaigns, improving branding, and using targeted advertisements to reach potential customers more effectively.

3. Policy Support and Infrastructure

Governments should strengthen policy support for MSMEs by simplifying access to resources, such as digital tools and funding for capacity-building initiatives.

Infrastructure improvements, like better internet access in rural areas, would also enhance the effectiveness of social media utilization.

4. Customer Feedback Management

MSMEs should develop strategies to handle customer feedback constructively, especially negative reviews. By responding promptly and professionally, businesses can build trust and maintain strong customer relationships, which are crucial for long-term growth.

5. Encouraging a Community of Learning

MSMEs in the same area should create a community for sharing experiences and best practices in utilizing social media. This peer-to-peer learning approach can help address challenges collectively and foster a culture of innovation among local businesses.

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