

Utilization of Instagram social media in Managing Online Business for MSMEs

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Abstract. This research aims to analyse the utilization of Instagram social media in the online business marketing of MSMEs @kunyeman_. This research uses descriptive qualitative research methods. The data collection techniques used are observation, interview, and documentation studies. The technique of determining the sample is technical purposive sampling. The study was conducted in February 2022 online. With the results of research that @kunyeman_ has used Instagram social media in managing his business. Because @kunyeman_ play an active role in marketing through Instagram social media to expand market reach and increase purchases. Social media is a medium to socialize with each other and is done online that allows humans to interact without being limited to space and time. One of the most commonly used social media is Instagram. Instagram is one of the most popular apps among social media users. Instagram can be used as one of the strategies in MSME marketing, especially MSMEs @kunyeman_. Instagram has a positive impact on small businesses @kunyeman_ because it can increase sales, expand marketing, and increase sales.

Keywords: Micro and Small Medium Enterprise, Online Business, Social Media

1. Introduction

In the Indonesian economy, the Ministry of Micro Small and Medium Enterprises (MSMEs) is the largest business group. In addition, the group showed resilience to various types of shocks due to the economic crisis. Therefore, it is very important to strengthen the MSME group, which includes many groups. The company standards contained in MSMEs are regulated within the legal framework under the Act.

Small and medium enterprises (MSMEs) today must be able to adapt to technological developments. Marketing can no longer rely solely on traditional stores and needs an expansion towards online. This is because technological advances have changed people's lifestyles, preferring online shopping rather than going straight to a physical store. In fact, why online stores are increasingly becoming prima donnas. To succeed in online business, SMEs must pay attention to several things. First, get to know the type of product being sold and your marketing targets. After that, you can decide if you will focus on using what type of platform

to market the product. It can be through social media (social media), ecommerce, websites, or homemade applications. Generally, can start by marketing through social media or ecommerce if you have a limited budget.

Social media is a medium to socialize with each other and is done online that allows humans to interact without being limited to space and time or in other words social media is the media that allows one to be social or get social online by sharing content, news, photos etc with other people. Social media plays an important role at both the individual and organizational levels in modern society [1]. With the rapid growth of communication technologies (e.g., the internet and smartphones) has become the first tool in personal and organizational lifestyles. There are currently a wide variety of social media for businesses. Some examples of social media for business include Facebook, YouTube, Blog, Instagram, Twitter, Snapchat, LINE, and Pinterest [2]. Maybe some of the business people have used social media for businesses that are being pursued. The presence of social media is important to increase visitors to online business websites. Where the website will function as an online business media and social media serves as a marketing channel or marketing channel.

Simply put, social media is a bridge that directs people to visit the website of an online store that is run. It is mandatory for online business owners to use social media as a marketing channel. Considering that Indonesian society is indeed a society that is active in social networks. Social media is growing rapidly in Indonesia, this cannot be separated from the growth of smartphone sales that are increasingly more and more. Conditions like this open the opportunity for MSMEs to utilize social media as a cheap and effective promotional medium. If managed properly social media proves to be an effective promotional medium and able to increase market share. Even large companies consider social media as an important part of the growth of its market share. Social media provides practical solutions to answer the needs of SMEs, where promotions or marketing activities that require a lot of costs can be minimized by utilizing existing applications on social media. However, more research is needed on the effectiveness of the use of social media in its position as a means of promotion and sales.

Instagram was founded in 2010. Instagram is a mobile app for Smartphones that is freely available on the App Store and Google Play. Instagram is one of the most popular apps among social media users. The name Instagram is taken from the word "instant" to "insta" and "gram", from the word "telegram" [3]. Therefore, Instagram is a combination of the word instant telegram. By using the word Instagram can be interpreted as an application to send information quickly, namely in the form of photos, in the form of managing photos, editing photos, and sharing photos with other social networks. Unlike other social media, Instagram has a uniqueness that makes Instagram different from other social media [4]. Since its appearance in 2010, Instagram often updates existing features so that its features are complete and more interesting. The features available on Instagram are Upload Photos and Videos, Captions, Comments, Likes, Instagram Stories, IGTV, Hashtag, Direct Message [5]. Marketing is the social and managerial process by which individuals and groups gain their needs and desires by creating, offering, and exchanging products of value to each other [6].

@kunyeman_ is one of the MSMEs that innovate by utilizing social media to market their products, especially through Instagram. And of course, there is a difference in sales increase between MSMEs who use social media and those who do not use social media.

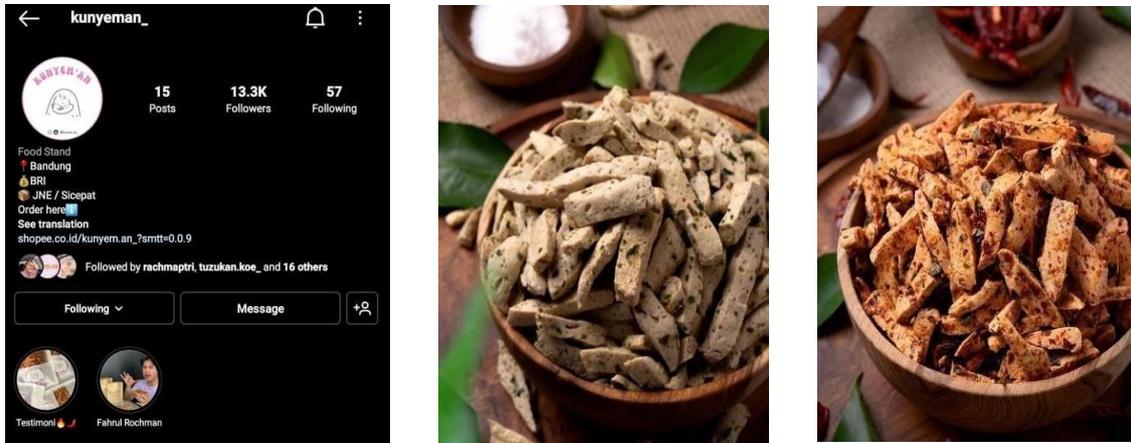


Figure 1.1 Instagram Accounts and @kunyeman_ Products

MSMEs @kunyeman_ present products with packaging that has characteristics, as well as various interesting flavour variants, so that in marketing their products, of course, should be an attraction for buyers on social media that @kunyeman_ use. Thus, this study aims to analyse the utilization of Instagram social media in the online business marketing of MSMEs @kunyeman_. Based on the description of the problem above, the author is interested in conducting research with the title "Utilization of Social Media in Managing Online Business for MSMEs". According to Bahareh in his quantitative research that innovators in social media among companies are growing rapidly, one of which is through Instagram media. The difference in research is that this research is qualitative which focuses on the use of Instagram social media as an effort to increase the sales of MSMEs @kunyeman_. In this case the research used does not focus on data in the form of numbers but on the object of the research itself. Based on the description of the problem above, the author is interested in conducting research with the title "Utilization of Instagram Social Media in Managing Online Business for MSMEs" [7].

2. Method

The type of research used in this research is qualitative research with a descriptive approach. In accordance with the problems that are the focus in this study to find out the descriptive picture of the use of Instagram in the marketing of MSME products @kunyeman_, researchers use qualitative descriptive research methods and describe the data that researchers obtain as the result of a study. The data collection techniques in this study are observation, interview, and documentation studies. Purposive sampling techniques were selected in determining study participants. Purposive sampling technique is a technique of determining samples with certain considerations. The study was conducted in February 2022, conducted online to avoid the spread of Covid-19 [8].

3. Results and Discussion

Marketing strategy is a strategy to serve the market or market segment that is targeted by the company. Marketing strategy is the marketing logic used by companies in the hope that business units can achieve the company's goals. Brands use social media as part of the marketing mix due to their relatively low cost, interactivity, global reach, and access to data and analytics [9]. The marketing mix is a set of marketing tools that a company uses to

constantly achieve its marketing goals in the target market [10]. The marketing mix is divided into four components known as 4P, namely product (product), price (price), place (place, including distribution), and promotion (promotion). Understanding MSMEs is a small-scale people's economic activity, and meets the criteria of net worth or proceeds of annual sales and ownership as stipulated in the law or until recently, Micro, Small and Medium Enterprises (MSMEs), registered with the concerned government agencies, have been defend in terms of investment in plant and machinery [11].

@kunyeman_ is one of the MSMEs that innovate by utilizing social media to market their products. Through Shopee, @kunyeman_ sell its products for delivery to fellow regions and out of the region [12]. @kunyeman_ was established in November 2021 and in December 2021 @kunyeman_ began to penetrate on Instagram to promote the marketing of its products. Since @kunyeman_ entered sales on social media Instagram, @kunyeman_ added 1 type of sales product, which initially only basreng chips increased with aroma cheese. In the activity of promoting its sales, @kunyeman_ to post its products to attract buyers at certain times such as every time off (Saturday and Sunday) because people spend their time opening gadgets and social media at a fairly long leisure time. As for the technique of designing the product catalogue to be posted, @kunyeman_ do a photo of the product itself and then edited in the Canva application with the characteristic packaging is nude colour so that it looks attractive. In production activities, @kunyeman_ to do production when someone buys his product because the sales system used is a PO (Pre Order) system.



Figure 3.1 Product Design

a. Utilization of Instagram in The Marketing of MSME Products @kunyeman_

Based on the results of research interviews with MSMEs @kunyeman_ it can be concluded that the utilization of Instagram in product marketing facilitates the sales process. Marketing by using Instagram media can minimize the costs used for promotion. With a wide reach can penetrate a wide market, not only in the region itself but also can penetrate the national market, because the last 2 months @kunyeman_ successfully send basreng products to various regions such as Central Java Province (Semarang) and Kalimantan Province (Singkawang), of course with orders that are not small.

In addition to its wide reach, the use of social media is also moving quickly, seeing the use of Instagram at this very high time. In addition, the utilization of Instagram in product marketing can increase product sales, communication with consumers, and expand market networks. The use of Instagram to market products for MSMEs @kunyeman_ memberikan a

positive influence in addition to saving costs can also expand marketing, seen when @kunyeman_ experience an increase in sales because there are buyers from outside the area.

That way, @kunyeman_ sales revenue is increasing due to the increasing use of Instagram @kunyeman_ itself.

b. Use of Instagram in MSME Product Marketing @kunyeman_

According to the findings of TNS (Taylor Nelson Sofres) a research and analysis company from the United Kingdom. Indonesians love to use Instagram to find inspiration, share travel experiences, the latest trends, and the mobile first community has also driven business results that have an impact on both large and small in Indonesia. Here is some interesting data about Instagram in Indonesia:

- 1) 97% of users always write comments and tag their friends in comments.
- 2) 89% of Instagram users in the country are in the age range of 18 - 34 years. 63 percent of them are women.
- 3) 85% of Instagram users in Indonesia also share their posts to other social media.
- 4) 45% of users in Indonesia claim to often buy goods they meet on Instagram from the data it can be concluded that some Indonesians are active users of the internet, especially Instagram media and the majority of users are among teenagers who have a very large influence on sales on Instagram.

It can be concluded that the use of Instagram social media carried out by MSMEs @kunyeman_ is the right step because on the other hand Instagram has features that can attract the attention of buyers. Especially now with the number of Instagram users, many influencers who use their services on Instagram social media, in other words, @kunyeman_ can promote their products through existing influencers to promote their products with the aim of wider coverage so that many more people know the products offered @kunyeman_.

c. Problems that occur in Product Marketing UMKM@kunyeman_ Melalui Instagram

In marketing products through Instagram experiencing slow respond constraints to buyers because MSMEs @kunyeman_ do not have admin and the owner himself who manages Instagram. And during the product marketing process there are times when buyers compare prices with other sellers.

d. Revenue Results with The Utilization of Instagram in MSME Marketing @kunyeman_

SME revenue @kunyeman_ after utilizing Instagram increased by 25% with previous sales due to its widespread market coverage. Revenue results are closely related to the marketing mix. A marketing mix is a group of marketing tips used to achieve its marketing goals within the goal. The marketing mix consists of 4P (Product, Price, Place, Promotion). [13] In general, if funds increase for marketing activities, then the amount of revenue increases, one way to attract and increase sales volume is promotion. Once the public knows, knows the product being promoted, it is expected that they will try and buy it. Promotion is needed to attract the attention of buyers, with often the promotion will increase revenue results, especially holding promotions through Instagram features.

4. Conclusion

Social media is a medium for socializing with each other and is done online that allows humans to interact without being limited to space and time. One of the most commonly used social media is Instagram. Instagram is one of the most popular apps among social media users. Instagram can be used as one of the strategies in MSME marketing, especially MSMEs @kunyeman_. Instagram has a positive impact on MSMEs @kunyeman_ because it can increase sales, expand marketing, and increase revenue.

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