THE STRATEGIC ROLE OF SOCIAL MEDIA AS A MARKETING COMMUNICATION TOOL TO ENHANCE THE COMPETITIVENESS AND SALES OF MSMEs

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Abstract. Social media offers high accessibility and broad reach. With relatively low costs, MSMEs can reach a larger and more diverse audience compared to traditional media. This research aims to understand how social media can be strategically utilized by MSMEs as a marketing communication tool to enhance their competitiveness and sales. This research is a literature review study with a qualitative approach. The data sources used in this study were obtained from scholarly articles accessed through Google Scholar from 2014-2024. The study results show that social media has proven to be an essential element in marketing strategies for MSMEs. By effectively utilizing social media, MSMEs can build a strong online presence, engage in two-way dialogues with customers, maintain close relationships with existing customers, reach global markets at affordable costs, and better measure their marketing performance. Thus, social media not only becomes a communication tool but also a key to success for MSMEs in this digital era.

Keywords: Social Media, Marketing Communication, Competitiveness, Sales, MSMEs


Kata Kunci: Media Sosial, Komunikasi Pemasaran, Daya Saing, Penjualan, UMKM

INTRODUCTION

Social media has become an integral element of everyday life for the global community. Platforms like Facebook, Instagram, Twitter, and TikTok have transcended their roles as mere personal communication channels, evolving into vital tools in business contexts and marketing strategies (Ausat, 2023). Their role as mediums facilitating social interaction and information exchange has opened new opportunities for companies to expand their reach and effectively achieve a broader audience. Social media provides high accessibility and broad reach across various segments of society. With relatively low costs, Small and Medium Enterprises (SMEs) can reach larger and more diverse audiences compared to promotional methods using traditional media. The existence of social media platforms such as Facebook, Instagram, Twitter, and others offers opportunities for SMEs to expand their market scope, develop brands, and enhance interaction with potential consumers effectively (Ainin et al., 2015).

Social media facilitates SMEs in establishing direct interactions with consumers, opening doors to building closer and more personal relationships with their audience. More than just a promotional platform, social media provides a space for SMEs to listen to and respond to valuable feedback from consumers, which in turn becomes a foundation for improving the products and services offered (Oliveros-Coello & Guzman-Sala, 2022).

By leveraging engaging content and targeted marketing campaign strategies, social media becomes a powerful instrument for Small and Medium Enterprises (SMEs) in increasing brand awareness. If a planned and creative approach is built, SMEs can utilize social media platforms to build and strengthen their brand image in the eyes of consumers (Hadi, 2022). Consistency in using social media allows for strengthening brand existence and helps create a strong and cohesive brand identity across all communication channels.

Based on the conducted study, it is revealed that consumers are significantly influenced by various factors related to social media, including reviews, recommendations, and content they encounter on the platforms (Kumaradeepan et al., 2023). SMEs have a significant opportunity to utilize this dynamic through well-planned marketing strategies. Presenting relevant and engaging content and ensuring an active and interactive presence on various social media platforms, SMEs can positively influence consumer purchasing decisions (Anjorin et al., 2024). In the process, SMEs can build a strong reputation, increase brand awareness, and effectively expand their market reach in this digital era (Afandi, 2023).

Social media plays a significant role in stimulating innovation and creativity in marketing strategies, especially for SMEs. If SMEs provide diverse and interactive platforms, social media allows SMEs to adopt innovative approaches in promoting their products or services.
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Utilizing various content formats such as videos, images, stories, and live streaming, SMEs can create engaging and diverse experiences for their audience, effectively attracting attention and building strong engagement (Sunarso et al., 2023). Social media platforms not only serve as communication channels but also provide advanced analytical tools for Small and Medium Enterprises (SMEs) to measure and analyze the performance of their marketing campaigns (Lestari et al., 2024). With the practice of detailed data collection and analysis, SMEs can gain valuable insights into consumer behavior, interaction patterns, and relevant market trends (Miles, 2017). This information allows SMEs to adjust their marketing strategies to be more effective, providing a solid foundation for evidence-based decision-making.

By effectively utilizing social media, SMEs have the potential to enhance their competitiveness in an increasingly competitive market (N R Rusdana et al., 2022). Despite its primary role as a tool for reaching new customers, social media also significantly impacts retaining existing customers. With continuously practiced communication strategies and better service, SMEs are believed to build strong and sustainable relationships with their customers. Referring to the above exposition, this research aims to understand how social media can be strategically utilized by SMEs as a marketing communication tool to enhance their competitiveness and sales. This research is expected to contribute significantly to optimizing the use of social media by SMEs, enabling them to compete more effectively in the global market and improve their overall business performance.

METHOD

This research is a literature review study with a qualitative approach aimed at analyzing and describing the strategic role of social media as a marketing communication tool in enhancing the competitiveness and sales of SMEs. The data sources used in this study were obtained from scientific articles accessed through Google Scholar. The articles were selected based on relevance to the research topic and were published between 2014 and 2024. The selection process involved assessing the abstracts, keywords, and research methods used, ensuring that the articles selected were of high quality and relevance to the research focus. Data collection was conducted by searching for articles using relevant keywords such as "social media," "marketing communication," "SMEs," "competitiveness," and "sales," resulting in a total of 60 articles. Data selection was carried out rigorously based on predefined inclusion and exclusion criteria, such as topic relevance, article quality, and clarity of research results. After the selection process, 33 articles that met the criteria were used for further analysis. The data
from these articles were analyzed using descriptive analysis methods, where the information obtained was described in detail and systematically. This analysis emphasized identifying and grouping findings related to the strategic role of social media in SME marketing communication.

**Figure 1.** Flowchart methodology

**RESULTS**

Social media are online platforms that enable users to create, share, and interact with content in various formats such as text, images, videos, and audio (Tarigan et al., 2023). These platforms include popular sites like Facebook, Instagram, Twitter, LinkedIn, and TikTok, providing spaces for individuals and businesses to communicate and connect with a broader audience (Maitri et al., 2023). Social media also allow users to build networks, participate in communities, and access information in real-time (Ferine et al., 2023). Additionally, social media serve as effective marketing tools because they can be used to develop brands, manage customer relationships, and enhance the visibility and sales of products or services (Subagja et al., 2022). Social media enable users to measure the performance of their content and marketing campaigns with various interactive and analytical features, making them essential elements in modern communication strategies.

Marketing communication is the process by which companies convey messages about their products, services, or brands to consumers with the aim of influencing consumer attitudes and behaviors (Jeremy & Tamburian, 2023). This process includes various activities such as advertising, sales promotions, public relations, personal selling, and direct marketing. Marketing communication aims to build brand awareness, inform about product features and benefits, and motivate consumers to make purchases (Haris et al., 2022). In the digital era, marketing communication also involves the use of social media, email, and other online platforms to reach audiences more effectively and personally. A good marketing
communication strategy can help companies differentiate themselves from competitors, build long-term relationships with customers, and ultimately increase sales and customer loyalty.

Micro, Small, and Medium Enterprises are categories of businesses with fewer employees, assets, and annual revenues compared to large companies. SMEs play a vital role in the economy by significantly contributing to job creation, local economic development, and innovation (Harahap, Ausat, et al., 2023). Micro enterprises typically consist of businesses with fewer than 10 employees, small enterprises have 10-50 employees, and medium enterprises have 50-250 employees (Ausat et al., 2022). The SME sector often faces challenges such as limited access to capital, technology, and markets (Sutrisno et al., 2023). However, they also have advantages in operational flexibility and the ability to quickly adapt to market changes (Harahap, Sutrisno, et al., 2023). Government support and financial institutions are crucial to helping SMEs grow and contribute more significantly to the national economy (Ausat & Peirisal, 2021).

Competitiveness is the ability of a company, country, or other economic entity to offer products or services that meet quality standards in both international and domestic markets at more competitive prices than its competitors (Siudek & Zawojska, 2014). Competitiveness includes various factors such as innovation, production efficiency, product quality, marketing capabilities, and customer service. Additionally, competitiveness is influenced by government policies, infrastructure, and access to resources and technology. Companies or countries with high competitiveness can attract more consumers, increase market share, and achieve greater profits (Dwiputra & Sihaloho, 2023). In the context of globalization, competitiveness becomes crucial as it determines the ability to survive and thrive in increasingly integrated and competitive markets.

Sales are the processes by which goods or services are exchanged for money or other equivalent value, involving a series of activities aimed at attracting, persuading, and securing purchases from consumers (Miao et al., 2022). This process includes identifying consumer needs, presenting products, negotiating prices, and completing transactions. Sales not only focus on the exchange of goods and services but also involve efforts to build long-term relationships with customers to drive satisfaction and loyalty. Effective sales strategies utilize various techniques and tools, including marketing, promotions, and good customer service, to achieve sales targets and increase company revenue (Faisal & Umam, 2021). Successful sales are measured not only by the volume or value of transactions but also by the company's ability to meet customer expectations and create positive experiences that encourage repeat business.
DISCUSSION

Social media has become an inseparable entity in the dynamics of our daily lives, weaving a framework of communication and interaction among individuals, companies, and communities holistically. Particularly in the realm of marketing, social media has taken center stage, especially for Micro, Small, and Medium Enterprises (SMEs). The strategic role of social media as a marketing communication tool not only opens pathways for SMEs to survive in competition but also enhances their competitiveness and drives their sales (Agustina et al., 2023). Primarily, social media paves the way for SMEs to establish a strong online presence. On platforms like Facebook, Instagram, Twitter, and LinkedIn, SMEs have the space to create business presences that connect directly with their potential consumers (Kadir & Shaikh, 2023). Through intelligent content creation and consistent engagement, SMEs can attract the attention of future customers, expand their brand horizons, and reinforce positive impressions of their products or services.

Additionally, social media facilitates SMEs to engage in interactive dialogues with their customers. With features such as comments, direct messages, and real-time chats, SMEs can receive immediate feedback from consumers (Subagja et al., 2023). This phenomenon allows them to understand consumer needs, preferences, and expectations more deeply, enabling them to adjust their products or services in line with the evolving market demands. Moreover, social media serves not only as an effective tool for building and maintaining relationships with existing customers. By consistently delivering content that is not only relevant and useful but also captivating, SMEs can sustain the interest and engagement of their existing customer base. Furthermore, through the launch of special promotions, discounts, and exclusive offers, SMEs can stimulate loyalty among their customers and boost retention within their business (Budiman & Ardhiyansyah, 2023).

Furthermore, social media offers easier and more affordable access to the global market for SMEs. With features like paid advertisements and skilled audience targeting, SMEs can reach potential consumer segments worldwide at a relatively low cost compared to conventional marketing methods (Chinakidzwa & Phiri, 2020). This aspect opens wide doors for SMEs to achieve growth and showcase their competitiveness on the global stage without the need for a large marketing budget.

Additionally, social media provides valuable data and analytics access for SMEs to measure the performance of their marketing campaigns. Through the analytical tools available on social media platforms, SMEs can track all relevant metrics, from impressions and interactions to conversion rates (Michopoulou & Moisa, 2019). This information is crucial for
SMEs to assess the effectiveness of their marketing strategies and, if necessary, adjust and improve desired outcomes.

Considering the benefits outlined above, the strategic role of social media for SMEs encompasses several key aspects that support their business progress and sustainability:

- **Greater Brand Recognition**: Social media enables SMEs to introduce their brands to a broader audience without geographical limitations. With engaging content and the right marketing strategies, SMEs can create strong brand awareness among potential customers worldwide.

- **Increased Interaction and Engagement**: Social media creates an ideal platform for SMEs to interact directly with their customers. Through stories, polls, or live Q&A sessions, SMEs can build deeper relationships with customers, which in turn can enhance their engagement and loyalty to the brand.

- **Customer Influence and Advocacy**: Through social media, SMEs can encourage their customers to become brand advocates. By presenting testimonials, positive reviews, or user-generated content, SMEs can strengthen their reputation and build trust among potential consumers.

- **Competitor Monitoring and Industry Trends**: Social media not only allows SMEs to promote their products or services but also to observe competitor activities and industry trends. By monitoring competitors and staying updated with industry developments, SMEs can adjust their marketing strategies to align with market changes and customer demands.

- **Product Innovation and Market Development**: Through interaction with customers on social media, SMEs can gather direct feedback about their products or services. This information can be used to identify unmet market needs or desires, enabling SMEs to develop new products or expand their market reach.

Overall, the strategic role of social media as a marketing communication tool emerges as an essential element for SMEs in their mission to stimulate competitiveness and sales volume growth. Through intelligent utilization of social media, SMEs gain advantages in several critical areas, including business expansion, fostering strong customer relationships, penetrating global markets, and more accurately evaluating their marketing performance. Thus, social media serves not only as a communication channel but also as a key to success for SMEs navigating the ever-expanding digital era.
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<tr>
<th>No</th>
<th>Key Points</th>
<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>Building Strong Online Presence</td>
<td>Through social media platforms like Facebook, Instagram, Twitter, and LinkedIn, MSMEs can create business pages or accounts to interact directly with their potential customers. With creative content and consistency in engagement, MSMEs can attract the attention of prospective consumers, expand their brand reach, and strengthen positive impressions about the products or services they offer.</td>
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<td>2</td>
<td>Two-way Dialogue with Customers</td>
<td>Social media enables MSMEs to participate in two-way dialogue with customers through features like comments, direct messages, and live chats. This allows MSMEs to receive direct feedback from their consumers, understand their needs, preferences, and expectations better, and adjust their products or services accordingly to meet market demands.</td>
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<td>3</td>
<td>Maintaining Relationships with Customers</td>
<td>By providing relevant, useful, and engaging content regularly, and through special promotions, discounts, and exclusive offers, MSMEs can maintain the interest and engagement of existing customers. This helps MSMEs in fostering customer loyalty and increasing retention.</td>
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<td>4</td>
<td>Access to Global Markets at Low Cost</td>
<td>Social media provides easier and more affordable access to global markets for MSMEs through features like paid advertising and sophisticated audience targeting. With relatively low costs compared to traditional marketing methods, MSMEs can reach potential consumers worldwide, opening up new opportunities for growth and competition in the global market without requiring large marketing budgets.</td>
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<td>5</td>
<td>Marketing Performance Analysis Through Data and Statistics</td>
<td>Social media provides valuable data and analytics for MSMEs to measure the performance of their marketing campaigns. Through analytics tools provided by social media platforms, MSMEs can track metrics such as impressions, interactions, and conversions. This information enables MSMEs to evaluate the effectiveness of their marketing strategies and make necessary adjustments to improve their results.</td>
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<td>6</td>
<td>Greater Brand Recognition</td>
<td>Social media allows MSMEs to introduce their brand to a wider audience without geographical limitations. With compelling content and the right marketing strategies, MSMEs can create strong brand awareness among potential customers worldwide.</td>
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<td>7</td>
<td>Increased Interaction and Engagement with Customers</td>
<td>Social media creates an ideal platform for MSMEs to interact directly with their customers through stories, polls, or live Q&amp;A sessions. This allows MSMEs to build deeper relationships with customers, increase engagement, and strengthen loyalty towards their brand.</td>
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MSMEs can enhance their reputation and build trust among potential consumers.

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<th>9</th>
<th>Monitoring Competitors and Industry Trends</th>
<th>Social media enables MSMEs to monitor competitors’ activities and industry trends, allowing them to adjust their marketing strategies according to market changes and customer demands. By monitoring competitors and staying updated on industry developments, MSMEs can remain competitive and responsive to changes in the business environment.</th>
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<td>10</td>
<td>Product Innovation and Market Development</td>
<td>Through interactions with customers on social media, MSMEs can gather direct feedback about their products or services. This information can be used to identify unmet needs or market desires, enabling MSMEs to develop new products or expand their market reach.</td>
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**CONCLUSION**

Social media has proven itself to be a vital element in marketing strategies for Micro Small and Medium Enterprises (MSMEs). By effectively utilizing social media, MSMEs can build a strong online presence, engage in two-way dialogues with customers, maintain close relationships with existing customers, reach global markets at affordable costs, and better measure their marketing performance. Thus, social media is not only a communication tool but also a key to success for MSMEs in the digital era.

**RECOMMENDATIONS**

Based on the research results that have been presented, this study arrives at an important suggestion, among others: 1) Optimize Online Presence: SMEs should actively build and maintain their presence on various social media platforms relevant to their target audience. Consistency in posting quality content and interacting with users is crucial for attracting attention and building trust. 2) Engage Actively with Customers: SMEs need to take the initiative to participate in two-way dialogues with customers through comments, direct messages, and live chats. Listening to customer feedback and responding promptly will help strengthen relationships and increase engagement. 3) Offer Added Value: Relevant, useful, and engaging content should be the main focus of SMEs in their social media marketing activities. Offering special promotions, discounts, or exclusive content can also help maintain customer interest and drive purchases. 4) Utilize Analytics Tools: SMEs should use the analytics tools provided by social media platforms to monitor and evaluate the performance of their marketing campaigns. By understanding metrics such as engagement and conversion rates, SMEs can make necessary adjustments to improve the effectiveness of their marketing strategies. 5)
Monitor and Adjust Strategies: SMEs should stay updated on competitor activities and industry trends through social media. By understanding the market and customer needs, SMEs can adjust their marketing strategies to remain relevant and competitive in an ever-changing market.

ACKNOWLEDGMENTS

We would like to thank all those who have provided support and assistance in the completion of this study.

REFERENCES


