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## **STRATEGY FOR UTILIZING SOCIAL MEDIA IN IMPROVING SMALL MICRO AND MEDIUM ENTERPRISES MARKET SHARE IN THE ERA OF REVOLUTION 4.0**

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### **ABSTRACT**

*Currently, digital marketing, known as social media, is widely used as a promotional medium for business people. The growth in the number of social media users today is also seen as an opportunity to take advantage of social media. It can be seen that the purpose of this study is to determine the strategy of using social media, using social media Instagram in Denpasar City. This research focuses on social media marketing which is applied to the ML Gadgets Bali store which is a quality second gadget store in the city of Denpasar. Using a qualitative approach, with a descriptive analysis, this research collects data through interviews, observations, and documentation which are then analyzed using the SWOT analysis technique comparing internal and external factors to determine the IE Matrix with the SWOT Matrix for strategy determination. The results showed that social media marketing for ML Gadgets Bali is in quadrant 1 in the SWOT Matrix, and cell 5 in the IE Matrix. The right strategy is to support aggressive strategies and growth strategies, namely market penetration, increasing sales and profits, and increasing the effectiveness of marketing on social media.*

**Keywords:** strategy, social media utilization, SWOT analysis.

### **INTRODUCTION**

Definition of Micro Business according to the Law of the Republic of Indonesia No. 20 of 2008 (article 1) is a productive business owned by individuals and / or individual business entities that meet the criteria for Micro Enterprises as regulated in this Law. Small Business is a productive economic business that stands alone, which is carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or is a part, either directly or indirectly, of a medium or large business that meets the criteria of the business. Small as referred to in this Law. Meanwhile, Medium Enterprises are productive economic enterprises that are independent, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part of, either directly or indirectly, with Small or large businesses

with total net assets. or annual sales proceeds as regulated in this Law.

Small Micro and Medium Enterprises (MSMEs) have a strategic role in national economic development. This role is to play a role in economic growth and also play a role in the distribution of development results (Singgih, 2006).

MSMEs in Indonesia account for more than 90% of all companies outside the agricultural sector. Therefore, MSMEs are seen as the largest source of employment and provide the main income for more than 90% of the country's labor force (Bhasin, 2010: 02). Based on the data obtained, in 2019, there were 265,558 MSMEs throughout Bali. Most MSMEs are in Gianyar Regency (91,511), Karangasem (38,954), Bangli (35,263), Badung (26,863), Jembrana (20,512), Tabanan (20,032), Denpasar (11,515) Buleleng (11,196), Klungkung (9,712). In terms of the size of the business, what stands out in Denpasar (Denpasar City Cooperative Office, 2019).

MSMEs, especially in Denpasar City, have experienced an increase in the last five years, which cannot be separated from the serious attention and support of the Denpasar City Government. The development of MSMEs has been supported by providing facilities for licensing, helping UMKM capital through People's Business Credit (KUR), carrying out monitoring and evaluation carried out by the Denpasar City Cooperative, and UMKM Office, Denpasar City Industry and Trade Service (Sukaatmadja, 2014). MSMEs also grow and continue to develop so that they can support the movement of the economy in Denpasar City. The development of UMKM businesses continues to increase from 2013, which amounted to 11,575 until 2018 it jumped to 31,826 MSMEs (Denpasar City Cooperative Office, 2019).

In general, there are three major MSMEs. In the field of culinary in Denpasar, there are Micro 27,929 MSME, Small 479 MSME, Medium 445 MSME. MSME in the field of Micro Internet Technology 36,341, Small 487 MSME, Medium 462 MSME, and MSME in the field of Micro Crafts 9,915 MSME, Small 324 MSME, and Medium 103 MSME. the highest level of Internet Technology. the development of the technology industry is growing rapidly. Today's technological advances cannot be separated from human life. Especially with the advent of the internet, humans can easily access information from around the world. Communicating with people in different parts of the world is now easier and cheaper with the internet. The development of the internet triggered the development of telecommunications, especially smartphones. Without a sophisticated smartphone, the internet cannot function optimally. And it is inseparable from social media which is very important in running the MSME. So I can conclude that seeing the MSME sector in the Internet Technology sector has promising business prospects (Denpasar City Cooperative Office, 2019).

Social media is a marketing technique that helps SMEs in introducing their products to the public (Verniaputri, 2016). To be able to increase sales of MSME products, it is important to take advantage of the existence of this social media, emphasized by the Secretary of the Ministry of Cooperatives and SMEs, Agus Muharram (JAKARTA, KOMPAS.com). The concept of social media is sharing online media content with social media friends, followers, or people who follow an account's social media (Agresta, 2010).

The emergence of technology in the middle of the 4.0 industrial revolution era, provides new challenges for MSME players to innovate and adapt to existing

technology (Fitriasari, 2017). With the existence of widely connected digitization, MSME business actors can spread the goods or services they sell and buy (Ardiansyah, 2016). In other words, industrial progress creates a broad market so that it can increase profits for MSMEs themselves. This 4.0 industrial revolution must be able to be responded well by MSME business actors, especially gadgets second in Denpasar so that they can increase market share and expand the scope of marketing in other cities. On the other hand, the 4.0 industrial revolution has also brought fresh air for MSME entrepreneurs in Denpasar City, in spurring productivity, encouraging technological innovation, and facilitating business incubation. The purpose of this study is to determine the strategy for the use of social media to increase the market share of the technology industry store ml gadgets Bali in the city of Denpasar in the era of revolution 4.0.

The arrangement of all means by striving for a goal to be achieved quickly and is a process of determining top leaders who are very focused on the long-term goals of an organization called Strategy (Stephanie, 2018). According to Chandler Strategy (2014), is the long-term goal of a company, as well as the utilization and allocation of all resources that are important to achieve these goals. Rangkuti (2008) argues that in principle, strategies can be grouped based on three types of strategies, namely management strategies, investment strategies, and business strategies. From the definition above, it can be concluded that strategy is a means used to achieve company goals by considering current internal and external environmental factors.

Social media is a convergence between personal communication in the sense of sharing among individuals (to be share one-to-one) and public media to share with anyone without the specificity of Meike and Young's individuals in Nasrullah (2015). Meanwhile, according to Boyd (in Nasrullah, 2015), social media is a place that allows communities or individuals to gather, share, communicate, and in certain cases collaborate. User-generated content (UGC) is a source of strength possessed by social media where content is generated by users, not by editors as in mass media agencies.

The development strategy is needed for the MSME sector (Micro, Small and Medium Enterprises). The government, through the Ministry of Cooperatives and MSMEs, defines the term small and medium enterprises in Law No. 9 of 1995 (Sriasih, 2016). Small business can be defined as an economic activity carried out by an individual or an entity to produce goods or services for commercial trade and earn one billion or less in sales volume. Meanwhile, medium-sized enterprises can be defined as economic activities carried out by individuals or entities to produce goods or services for commercial trade and earning more than 1 billion in sales turnover.

The strategy for developing MSMEs in the era of the industrial revolution 4.0 is increasingly facing challenges. According to Marsudi (2019), industry 4.0 for the first time in 2011 in Germany was marked by a digital revolution. The digital revolution is adopted from the development of computer technology which continues to develop from time to time. The existence of the Industrial Revolution 4.0 started with the full use of digital and information technology (Savitri, 2019: 36-44). The industrial revolution 4.0 then encourages the implementation of the marketing strategy 4.0 which is defined as a marketing approach that combines

online and offline interactions between the company and customers and combines style and substance (Kartajaya, 2017: 143).

## METHODOLOGY

In this study, strategy determination in the use of social media in increasing market share was carried out using a qualitative approach. Researchers can study marketing strategies in increasing sales without manipulating interview results, being inductive, and analyzing data based on facts found in the field. In-depth interviews were conducted with businesses and consumers in Denpasar who are active as social media users and followers of ML Gadgets Bali on Instagram who are willing to provide all forms of information needed for this research. As stated in (Rangkuti, 2017) which explains that SWOT analysis is a systematic identification of various factors to formulate a company strategy. The data analysis process in this study are:

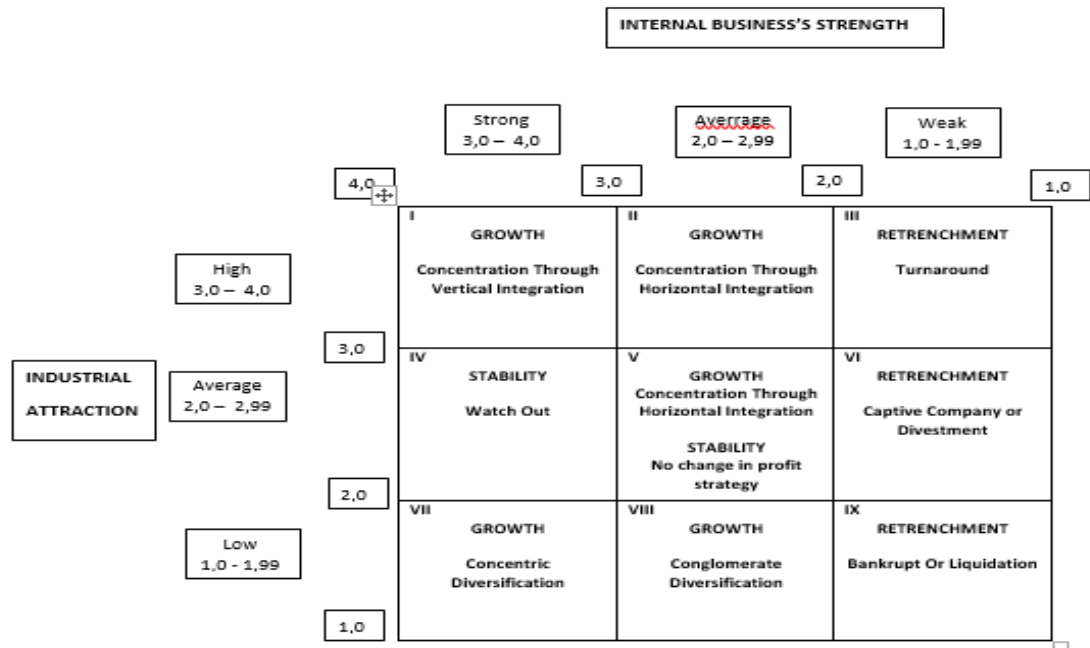
1. Data Collection Stage (Evaluation of external and internal factors)
2. SWOT Analysis Stage
3. IFAS and EFAS Strategy Matrix
4. Internal External Matrix (IE)

All internal and external factors of the company are evaluated to determine the right strategy for the company with the Internal External Matrix (IE) as shown in Figure 1. The use of this model is to obtain a more detailed business strategy. The horizontal axis in the IE matrix shows the total IFAS score, while the vertical axis shows the EFAS score. A score between 1.00 and 1.99 on the horizontal axis indicates a weak internal position. A score of 2.00 to 2.99 represents an average. A score of 3.00 to 4.00 is a strong internal position, with it on the vertical axis indicating external influences (Rangkuti, 2017).

According to (David, 2011) the EI matrix concept can be divided into three main areas that have different strategic implications.

1. First, the divisions belonging to cells I, II, and IV can be described as growing and developing. Intensive strategy (product development, market development, and market penetration) or integrative strategy (backward integration, forward integration, and horizontal integration) can be the most appropriate strategies for divisions in this cell.
2. Second, divisions belonging to cells III, V, or VII can be best managed using a maintenance and maintenance strategy. The right strategy for this type is a product development and market penetration.
3. Third, the general recommendations given to divisions belonging to cells VI, VIII, and IX are harvesting or divestment. Most commonly used are divestment strategy, conjugation diversification strategy, and liquidation strategy.

Figure 1 Internal External Matrix (IE)



Source: (Rangkuti, 2017)

Testing the validity of the data using the triangulation method in this study, namely by checking the validity of the data that can take advantage of other things in comparing the results of interviews with the object of research. Research that uses triangulation includes triangulation of sources and triangulation of techniques.

## RESULTS AND DISCUSSIONS

Based on data collection through interviews, observation, and documentation, which is then analyzed using SWOT analysis techniques to determine internal and external factors related to strategy formulation, strengths, weaknesses, opportunities, and threats in social media marketing at ML Gadgets Bali today. :

Figure 2 SWOT Matrix

SWOT	Strength(S)	Weakness(W)
	<ol style="list-style-type: none"> <li>1. The age of the business is quite long</li> <li>2. Number of followers &gt; competitors</li> <li>3. Good product quality</li> <li>4. Affordable price</li> </ol>	<ol style="list-style-type: none"> <li>1. Testimonial content only lasts for 24 hours</li> <li>2. No schedule for specific content</li> </ol>

	5. Creating Endorsement & testimony content for promotion 6. The existence of consumer trust 7. Controlled Financial Conditions	3. No special management team for Social Media
<b>Opportunity (O)</b> 1. Developed various Instagram features 2. The existence of consumer interest in the field of fashion 3. A large number of Instagram users 4. The development of technology facilitates the marketing proces	<b>S-O Strategy</b> 1. Keeping up the content consistency & intensity on Instagram (s2, s4, s5, o2, o1) 2. Maintaining good cooperation with influencers for endorsement content (s5, s7o2, o3,04) 3. Maintaining good relations with consumers (s1, s2, s3,03) 4. Expansion of marketing to the marketplace (s4, s6,04)	<b>W-O Strategy</b> 1. Content management for effective operating time (w1, w2, w3, o1.04) 2. Maximize the use of Instagram features (w2, w3, o2.01)
<b>Threat (T)</b> 1. Price competition 2. Many similar products on the market 3. Corona virus pandemic	<b>S-T Strategy</b> 1. Determining competitive market prices (t2, s3, s4, s6) 2. Ensuring the maintenance of product & service quality (s3, s6, t2, t3)	<b>W-T Strategy</b> 1. Keep competitiveness and variations of product collection up-to-date (w3, w4, t1, t2) 2. Variation of content types & scheduling on Instagram (, t2, w2)

Then the position determination is based on the IE (Internal External) matrix using the IFE (Internal Factors Evaluation) and EFE (External Factors Evaluation) matrices. Internal factors can be seen as follows:

Table 1 IFE Matrix (Internal Factor Evaluation)

FACTOR	WEIGHT	RATING	SCORE
<b>Strength</b>			
The age of the business is quite long	0,11	3	0,33
Number of followers > competitors	0,11	4	0,44
Good product quality	0,1	3	0,3

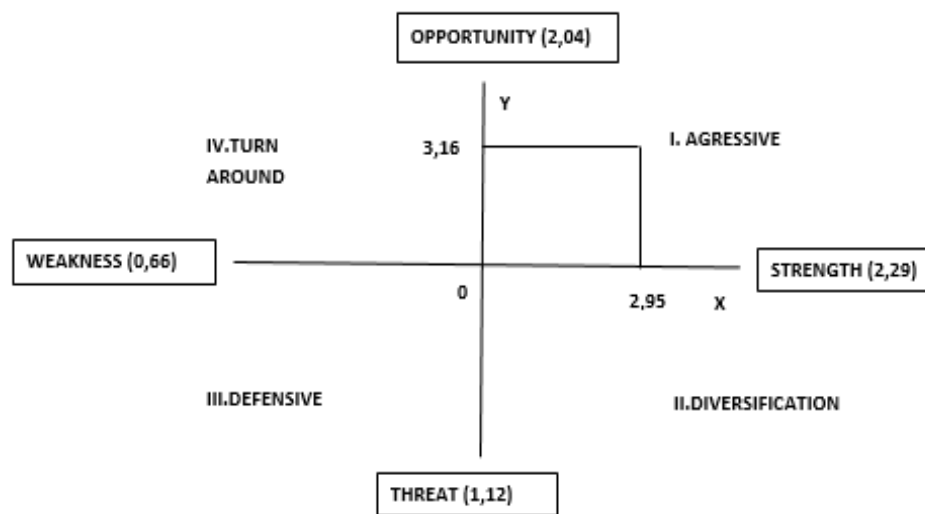
Affordable price	0,1	3	0,3
Creating Endorsement & testimony content for promotion	0,11	4	0,44
The existence of customer's trust	0,1	3	0,3
Controlled financial condition	0,09	2	0,18
<b>Total Strength Score</b>	<b>0,72</b>		<b>2,29</b>
<b>Weakness</b>			
Testimonial content only last for 24 hours	0.1	3	0,3
No schedule for specific contet	0.09	2	0,18
No special management team for social media	0,09	2	0,18
<b>Total Weakness Score</b>	<b>0,28</b>		<b>0,66</b>
<b>Total (Strength + Weakness)</b>	<b>1</b>		<b>2,95</b>

Table 2 EFE Matrix (External Factor Evaluation)

FACTOR	WEIGHT	RATING	SCORE
<b>Opportunity</b>			
Developed various Instagram features	0,14	3	0,42
The existence of consumer interest in the field of fashion	0,14	3	0,42
A large number of Instagram users	0,15	4	0,6
The development of technology facilitates the marketing proces	0,15	4	0,6
<b>Total Opportunity Score</b>	<b>0,58</b>		<b>2.04</b>
<b>Threat</b>			
Price Competition	0.14	2	0,28
Many similar product on the market	0.14	2	0,28
Corona virus pandemi	0,14	4	0,56
<b>Total Threat Score</b>	<b>0,42</b>		<b>1,12</b>
<b>Total (Opportunity + Threat)</b>	<b>1</b>		<b>3,16</b>

Furthermore, the strategy determination is based on the SWOT analysis, namely by comparing the values in the IFE and EFE matrices, the results show that the value of strength is greater than weakness and the opportunity is greater when compared to threats, then the company is in quadrant 1 which supports aggressive strategies as shown below.

Figure 3 Matrix of SWOT Analysis



In quadrant 1 that supports an aggressive strategy, namely a strategy derived from the adjustment of the company's strength and opportunity factors or the S-O strategy is as follows:

1. Maintain consistency & intensity of content on Instagram
2. Maintain a good relationship with influencers for endorsement content
3. Maintain good relationships with consumers
4. Expansion of marketing to the market

Based on the calculation results in the IFE and EFE tables, the IFE score is 2.95 and the EFE score is 3.16. When converted to an External Internal Matrix (IE) image, it is located in cell II. According to (David, 2011) the strategy for companies in cell 2 is to implement a growth strategy. (Rangkuti, 2017) states that a company is in a very attractive industry (cell 2), the goal is to increase sales and profits, by taking advantage of the scale of economic benefits in both production and marketing. The right strategy to market the ML Gadgets Bali store is currently also supported by a strategy from SWOT analysis, namely Market Penetration Strategy, Increasing Sales and Profits, and Increasing Marketing Effectiveness on Social Media.

The high use of Instagram social media, especially in Denpasar City, makes choosing Instagram as a marketing medium for products and brands very appropriate. However, the offering of various products by the ML Gadgets Bali store also does not rule out the possibility for other city areas, this can be a consideration for expanding market penetration. If marketing on social media is more focused on Denpasar City, segment expansion can be done by entering market places to reach a wider market. (Harini & Yulianeu, 2018) also added that market penetration is known as a growth method that has the lowest risk, but has a positive side to build core competencies in a market so that it can improve brand reputation or can act as a brand leader strategy. This is certainly appropriate when applied by



ML Gadgets Bali for business growth.

### CONCLUSION

Based on the internal and external potential of the subject in this study which has also been described in the discussion using the SWOT analysis technique, this study produces the following conclusions:

1. Internal factors that are a weakness in marketing on social media Instagram ML Gadgets Bali, namely, testimony content that is displayed for a certain time and is limited (only 24 hours), the content has not been scheduled and from an internal point of view the company does not yet have special management to deliver. handle social media. Meanwhile, internal factors are the strength for ML Gadgets Bali, namely, the long business age, on social media it has more followers than its competitors, good product quality and affordable prices, and those who have done marketing with testimony content and endorsements that work together. with influencers.
2. External factors that affect marketing on social media Instagram for ML Gadgets Bali which are challenges include price competition, the number of products on the market, and the presence of the Coronavirus pandemic. While external factors that become opportunities are the development of various features on social media, especially Instagram, consumer interest in the electronics sector, the large number of Instagram users, and the continued development of technology that can facilitate the marketing process.
3. Based on the SWOT analysis carried out on internal and external factors of social media marketing for ML Gadgets Bali and the mapping process on the SWOT matrix, ML Gadgets Bali marketing is in a position to support an aggressive strategy that is to take advantage of all internal strengths to take advantage of all opportunities - opportunities exist. And according to the mapping on the IE matrix, the current position of the company ML Gadgets Bali is in a position of the growth strategy with alternative strategies that can be done, namely by increasing market share, increasing sales and profits, and increasing the effectiveness of its marketing on social media.

To increase the market share of potential consumers, content consistency on social media is needed. It is very important to note that the memory of potential customers of the store's existence will remain, and avoid the possibility of consumers forgetting the store name. For this reason, a more regular social media management is needed, such as scheduling content regularly with certain time settings for each type of content. This can simplify content management and time management in dealing with corporate social media. In addition, the reorganization of social media pages by utilizing social media features such as the use of the "highlight" feature so that important content can be viewed again at any time by the audience or potential consumers. Overall, company growth can be driven more by

sales efforts and professional business growth that can be done by penetrating the market to be able to reach broad marketing and can create opportunities for greater sales.

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