The importance of social media marketing for MSMEs in Jakarta to meet the challenges in the new normal era

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ABSTRACT: In Indonesia, the COVID-19 pandemic hit MSMEs, which are key to the national economy. In Jakarta, the capital city of Indonesia, many MSME actors needed to face large-scale social restrictions. During times like this, one of the strategies that could potentially spur its productivity is social media marketing. The increasingly massive and widespread use of social media has made it an ideal marketing tool to reach consumers without direct contact. In this new normal era, consumer behavior has also shifted. It can be seen from the increasingly high purchasing patterns of consumers on social media. It was later found that the implementation of social media marketing could help MSMEs in Jakarta to maintain their productivity, while still complying with the restrictions. Thus, the readiness of MSME actors in Jakarta to develop their social media marketing effectively is required to reduce marketing costs and to increase business profits.

1 INTRODUCTION

COVID-19 pandemic has had a massive impact on all aspects of people's lives. The economy has been greatly affected by the pandemic. The Minister of Finance Sri Mulyani said that there are three major economic impacts due to this pandemic, including the decrease of people's purchasing power and household consumption, the uncertainty of the pandemic that has weakened investment, and Indonesia's exports that have to be stopped due to the weakening of world economy. Due to these impacts, the income was reduced because outside activities decreased, which also lowered buyers' wants. The pandemic's impact was experienced not only by large industries, but also by micro, small, and medium enterprises (MSMEs) in Indonesia (Achmad, Azhari, Esfandiar, & Nur, 2020).

In the globalization era, technological and communication development is increasingly sophisticated. Now, business people choose social media as their main choice to market their product or service. By taking it into account, social media has become the main pillar in delivering information. One of the advantages of social media is that it has a lot of potential for the advancement of a business. Social media can be used to communicate in business, help to market products and services, communicate with customers and suppliers, complement brands, reduce costs, and perform online sales (Achmad, Azhari, Esfandiar, & Nur, 2020).

Social media channels, such as Twitter, Facebook, and YouTube, have grown rapidly over time. In addition, its adoption rate has soared, and it has generated a great number of users in less than 10 years (Al-Deen & Hendricks, 2013). Currently in Indonesia, internet usage is increasing because people can access the internet through various means including handheld devices or smartphones. This convenience has shifted human perspectives and behavior to change from manual to electronic. As of January 2019, the percentage of internet users in Indonesia was 56% of the total population. It shows an increase compared to February 2018 with 143.26 million people or equivalent to 54.7% of the population. On the whole, the number of internet users in Indonesia has increased by 17.3

million compared to last year, or a 13% increase. In terms of internet usage, it was also found that Indonesia ranked fourth after India (up 97.8 million), China (up 50.6 million), and the United States (up 25.3 million) (Maulidasari & Damrus, 2020).

Currently, social media is one of the main sources of information in the form of digital media. The current pandemic conditions also affect the increased social media usage. Subsequently, more people rely on social media to stay up-to-date and look for new information. Some of the social media channels that are widely used today include Facebook, Twitter, Instagram, and TikTok. During the pandemic, it is undeniable that businesses around the world are experiencing profit decline. To mitigate this issue, social media marketing can be used as a solution because social distancing and activity limitation have forced many consumers to shop online (Anand, 2020).

Due to the pandemic and the new normal condition, business actors in the business and economic sectors have to find a method to survive. One of them is by changing their sales strategy. For example, actors in the food industry have employed online motorcycle taxi services to promote their foods and to deliver them online. In addition, because people are required to stay at home, business actors also have promoted their business through television and digital platforms such as Tokopedia, Shopee, Bukalapak, Traveloka, and others (Maulidasari & Damrus, 2020).

During the new normal era, MSMEs are finding it difficult to develop their business and market their products. To address this issue, it would be interesting to discuss the advantage of social media marketing as an effective marketing tool in the new normal era that can be employed by business actors, especially MSMEs in Jakarta.

2 LITERATURE REVIEW

In the modern society, social media has significantly influenced MSME product marketing. The use of the internet by MSMEs facilitates exchange of information, instantly stimulates efficiency, and helps solve problems at an early stage (Marjolein, et al., 2015). The use of social media is considered to have a positive impact on a business; particularly, it can reduce substantial marketing costs and improve good relationships with customers (Mokhtar, et al., 2016). Effectively, social media also provides an e-marketing platform that allows potential consumers to easily know the specifications of the products without the need to meet directly with the sellers. Therefore, it can be argued that social media is an effective marketing medium, providing communication facilities for MSMEs and consumers (Sugiarto, 2018).

Marketing is defined as the process of introducing a product to the general public and potential buyers. Currently, marketing can be done through the internet, for it is effective and efficient. Today, marketing can be divided into internet marketing and digital marketing. Internet marketing focuses on marketing activities that target internet users. It takes advantage of the internet to attract customers. On the other hand, digital marketing employs technologies, including the internet, and utilizes them in a more complex process. It not only attracts customers, but also develops several marketing strategies such as using social media for endorsement, webinars, or a free e-book to attract awareness (Juliana, Djakasaputra, Pramezwarly, & Hutahaean, 2020).

In Indonesia, MSMEs, as regulated in Law No. 9, require several criteria. According to the law, MSMEs need to have a turnover of less than 200 million rupiahs, excluding land and buildings, annual net sales of 1 billion rupiahs or less, must be owned by Indonesian citizens, must be an independent economic entity, not a branch or subsidiary of a large or medium-sized company, and must not be directly controlled by a large or medium-sized company. MSMEs must be managed by an individual, cooperative organization, or legal entity.

Wiku Adisasmito, the chairman of the Expert Team for the Task Force for the Acceleration of Handling COVID-19, explained that the new normal is a change in behavior, wherein normal activities can continue to be carried out but with the addition of implementing health protocols to prevent Covid-19 transmission. (Kompas.com, 20 Nov 2020). According to him, the most important aspect of the new normal is the capability to adjust to life patterns. Socially, people will experience

a new normal method and be required to adapt to the activities and work. In addition, they must reduce physical contact with other people, avoid crowds, and carry out a series of activities from home (Bramasta, 2020).

3 DISCUSSION

This study was conducted on several MSMEs' social media accounts in Jakarta who were able to survive in the new normal period. The MSMEs' are as follows:

1. @bloominplum

Bloominplum sells their creativity in an aesthetically painted mirror. Its product is interesting because of its uniqueness. Initially, there was only one consumer who bought the product. However, the owner created content and uploaded it on TikTok. Consequently, the product was widely recognized by people. People especially noticed the packaging of the product. In addition, the business owner had also given several small gifts. Now, the account has 38 thousand followers, and more than 200 aesthetic mirrors have been sold.

2. @seasukitomyum

The second MSME is a food business named Sea Suki Tomyum. The business sells dishes consisting of tom yum sauce, crabstick, beef ball, sweekiaw, and vegetables. This owner used social media to market the business. It can be seen that the owner first promoted the products in March 2020 on Twitter, and it was retweeted by one influencer who had many followers. As a result, sales began to increase with the increase in interest. It can be seen that the MSME was able to take advantage of the situation and survive in the new normal period. At the time when many people missed eating food that is usually available in restaurants, the owner found the opportunity and sold it online so that people can enjoy the food that they have missed. Now, the Instagram account of Sea Suki Tomyum has around 500 followers, and every day, the MSME makes deliveries to Jakarta and other areas that can be reached within a day.

3. @eiffleboutique

In the new normal era, wearing masks is an obligation and a habit. During this time, people change their masks every day as if they change their clothes and wear clean ones. It can be a great opportunity to sell them masks. However, at the same time, it is also tough because of many competitors. Eiffel Boutique is one of the MSMEs in Jakarta, with an Instagram account @eiffleboutique. They took the opportunity from this new normal period by selling cloth masks that can be used repeatedly with various interesting motifs. People nowadays certainly need masks to use if they have to go out. Therefore, a fashionable mask or a mask with a good and unique motif will certainly attract many customers because people are bored with plain masks. Eiffel Boutique's Instagram account has endorsed several other accounts of people who have many followers to promote their existence. Currently, Eiffel Boutique's Instagram followers have reached more than 250 thousand with more than 10 thousand recorded mask sales.

4 CONCLUSION

From several examples taken from the social media accounts of MSMEs in Jakarta, it can be seen that social media marketing has an enormous effect on their product sales. In the new normal era, business actors are required to be creative and innovative to make a stable sale and to attract buyers. The examples mentioned above are three of the MSMEs that have utilized social media for marketing. Because social media users are increasing, there is a high possibility for marketed products to be known by many people. Moreover, some business actors have collaborated with accounts that have a large number of followers to make their products be recognized more quickly and increase their sales.

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