

Social Media Usage Interest as A Marketing Media Alternative for Smes During the Covid-19 Pandemic (Study on the Smes Entrepreneur Association of Banyumas Regency)

Hendro Sukoco^{1*}, Refius Pradipta Setyanto², Ary Yunanto³

¹*Universitas Jenderal Soedirman, hendro5640@gmail.com, Indonesia

²Universitas Jenderal Soedirman, refius.setyanto@unsoed.ac.id, Indonesia

³Universitas Jenderal Soedirman, ary.yunanto@unsoed.ac.id, Indonesia

*Hendro Sukoco

ABSTRACT

COVID-19 pandemic that occurs globally also affects the world economy, including the SMEs in Indonesia. It shows in a quite significant sales decrease and social distancing as a way to prevent the spreading of the virus among people. One of the alternatives that SMEs can use is by using the social media as one of the marketing media with low cost yet effective, easy, and has lots of benefits. The purpose of this research is to measure how far the interest of SMEs practitioners to use the marketing via social media in this COVID-19 pandemic. The data were collected using a questionnaire with 5 points Likert scale to the SMEs practitioner in Banyumas Regency, Central Java Province. Structural Equation Modeling with Partial Least Square (PLS) was used to measure the causal relationship between constructs. The research result establishes the perceived usefulness in using social media has a positive impact to the SMEs' behavior toward social media and eventually positively impact the SMEs' interest in using social media as marketing media. The managerial implication of this research is so that there will be more SMEs that use the social media marketing to increase their market reach, improve the spread of information, and increase their products or service sales.

Keywords: SMEs; social media marketing; technology acceptance model; social media use interest; perceived usefulness in using social media; perceived ease of use in using social media.

1. Introduction

SMEs (Small and Medium-sized Enterprises) is a productive economy venture by an individual or a business entity or a business entity that is not a subsidiary company or a branch company that is owned, ruled over, or be a direct part of a big company. According to Ministry of Cooperatives and SMEs data in 2019, there are 65.465.497 SMEs in Indonesia with 98,67% of them categorized as micro business groups. SMEs also act as employment providers for most of the workforce in Indonesia, amounts to 119.562.843 people, with the PDB contribution reaching Rp 9.580.762.700.000.000 or 60,51%.

Based on the Indonesian Bank Survey on 2.970 SMEs, 87,5% (2.600 SMEs) received negative impacts from COVID-19 pandemic. From this number, 93,2% among them are affected in their

sales. 16,2% experiencing sales decrease of 25%, 40% experiencing 25-50% sales decrease, 28,2% experiencing 51-75% sales decrease, and 15,6% SMEs had their sales decrease for more than 75%. In contrast, 370 of 2.970 SMEs in the BI survey are not affected by COVID-19 pandemic because they have applied digitalization in their system. This data is in line with the statement of the Ministry of Cooperatives and Small and Medium Enterprises, where small, micro, and medium-sized enterprises (SMEs) that have connected in the digital platform at the moment are only 10,25 million from the total of 64,1 million of SMEs in Indonesia.

From those data above, we can conclude that digitalization, including utilizing social media as one of the marketing media is one of the things that SMEs can do to solve the problem caused by the COVID-19 pandemic. From the total population of 274,9 million people in Indonesia, 202,6 million are active internet users with internet penetration level of 73,7 percent. This huge rate of internet penetration of 73,7 percent can be used by SMEs to upgrade their classes and broaden their sales by applying digitalization. Digital sales penetration can become the SMEs' main strategy because it is low cost, may broaden the market range, and ease the product and service promotion (Shanmugam & Chlarence, 2018) while still obeying the strict health protocol, social distancing policy, and operational business hours set by the government.

This research aims to reveal how the SMEs' interest in Banyumas Regency in utilizing social media as one of the product and service marketing media alternatives, and is expected to increase the consumer's brand awareness of the products and services provided by the SMEs. With social media usage, it is expected to create a stronger foundation for the business continuity of SMEs' practitioners, especially in this COVID-19 pandemic, and so that SMEs can get an even better future. This foundation is achieved by getting a bigger and broader consumer range from social media usage.

2. Literature Review

2.1 Technology Acceptance Model (TAM)

The main theory in this research is the Technology Acceptance Model (TAM) that was first proposed by (Davis, 1989) as the theory of usage behavior in computer development. TAM is adopted from another popular theory, Theory of Reasoned Action (TRA), which was developed by Fishbein and Ajzen in 1975 from social psychology study, where this theory explains someone's behavior based on their interests or desires (Rauniar et al., 2014). TAM shows a causal relationship between user's attitude and behavioral intention in technology utilization (Camilleri, 2019), of which in this study is focused on the social media usage.

2.2 Perceived Ease of Use in Using Social Media

Perceived ease of use is a degree to which a user finds that using a certain system will relieve them from excessive efforts (Davis, 1989). According to (Rauniar et al., 2014), perceived ease of use using social media is how far social media users believe that using a certain social media site will help them fulfill their individual needs encouraged by a certain purpose. In which social media refer to some internet-based applications built on web 2.0 ideas and technology, and enables the

content creation and exchange of its users (Kaplan & Haenlein, 2010).

Social media usage can be an option for SMEs' managers or practitioners to easily promote their business, and also as an easy platform to learn (Effendi et al., 2020). To change the promotion method from conventional to social media marketing is not an easy task, but the change caused by the pandemic and the increase in internet iteration in most people makes social media an alternative solution for SMEs at present (Effendi et al., 2020; Han et al., 2021).

2.3 Perceived Usefulness in Using Social Media

Perceived usefulness is a degree to which someone believes that the utilization of a certain system will support the performance of the task conducted (Davis, 1989). It can also be interpreted as the advantages/benefits gained from technology or social media development (Rauniar et al., 2014). Some benefits gained by marketing through social media are: increasing the consumer's awareness on the brand, broaden the market range for SMEs, easing the spread of information on the products and services, low promotion cost, and improving the good relationship between SMEs and consumers (Öztamur & Karakadilar, 2014; Shanmugam & Chlarence, 2018; Zuhdi et al., 2019).

2.4 SMEs' Attitude towards Social Media

SMEs' attitude towards social media is the SMEs' responses to marketing through social media (Musa et al., 2016). Various responses from SMEs, from those who are very interested and those who are indifferent to social media. The number of SMEs that view social media as low cost and relatively easy-to-use marketing is starting to increase (Effendi et al., 2020; Musa et al., 2016; Öztamur & Karakadilar, 2014; Shanmugam & Chlarence, 2018). COVID-19 pandemic makes social media one option of effective and cost-efficient marketing media. Many SMEs have seen the opportunity to promote through social media free of charge or no cost, but still have a positive contribution for their business, that there are still opportunities to get consumers that may take an interest to buy the products or services of those SMEs.

H₁ : Perceived Ease of Use in Using Social Media has a positive impact on SMEs' Attitude towards social media.

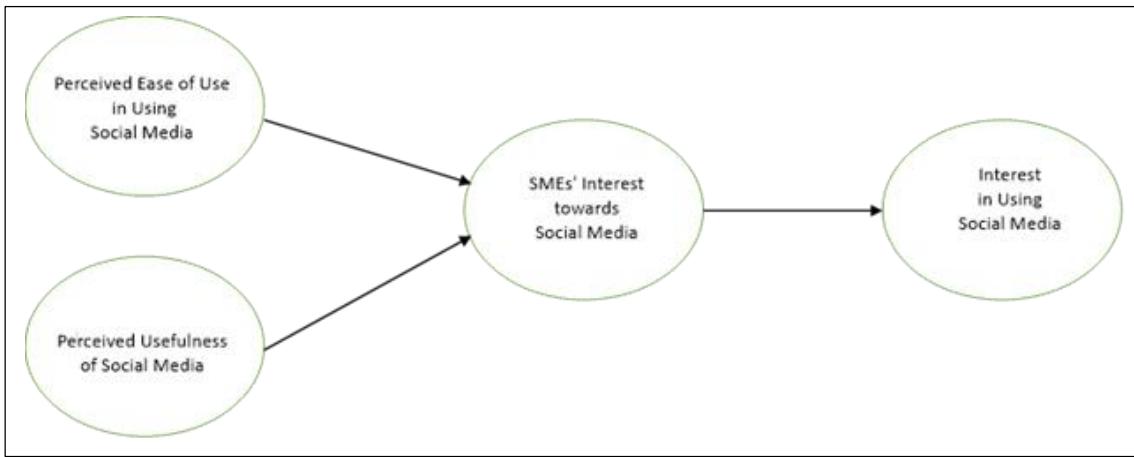
H₂ : Perceived Usefulness in Using Social Media has a positive impact on SMEs' Attitude towards Social Media.

2.5 SMEs' Interest in using Social Media

SMEs' interest in using social media is the continuous intention to do the social media-related activities using social media sites (Rauniar et al., 2014). Social media usage by SMEs in this COVID-19 pandemic is increasing quite significantly (Effendi et al., 2020). In this COVID-19 pandemic, many SMEs are starting to shift towards utilizing social media as their marketing media to deal with the changes caused by this COVID-19 pandemic.

H₃ : SMEs' Attitude towards Social Media has a positive impact on SMEs' Interest.

Figure 1. Research Model



3. Research Method

3.1 Data Collection

The target population in this research are the SMEs practitioners in Banyumas Regency, Indonesia. The sampling technique in this research uses the random sampling method, with the sample size of 53 respondents. Data collection was conducted using questionnaires.

3.2 Measurement

The measurement on each variable is adopted from some of the previous research. For perceived usefulness of social media, perceived ease of use in using social media, and interest in using social media variables are adopted from (Rauniar et al., 2014). SMEs' attitude towards social media variable is adopted from (Han et al., 2021) . The measurements were conducted using 5 points Likert scale, in which 1 means "strongly disagree" to 5 means "strongly agree", with 3 represents "neutral".

3.3 Analysis

In this research, we used Cronbach's Alpha to test the variables' reliability (Cronbach, 1951), while validity test was conducted using Composite Reliability (CR) and Average Variance Extracted (AVE) (Larcker, 1981). A validity test of Structural Equation Modeling with Partial Least Square (PLS) was used to test the causal relationship between constructs. SEM was used for its advantages such as: (1) can clearly show the errors during measurement; (2) can estimate the unobserved variables through observed variables; and (3) model testing where the structure can be assessed based on data (Kaplan, 2008)

4. Result

4.1 Respondents Profiles

Based on the data of 53 respondents that filled the questionnaire, in which all of them are the

member of SMEs Entrepreneur Association of Banyumas Regency (SMEs Entrepreneur Association of Banyumas Regency (ASPIKMAS), then we can see that most of them are female with the total of 47 female respondents and 6 male respondents. We can also see that most respondents have run their business for more than 3 years (30 people), and only a small number of them that have just started their business (under 6 months), which is only 3 people. Almost all respondents (52 people) have also had their personal social media account used for interaction with their friends, relatives, and families. From these profiles, it can be seen that almost all respondents have learned about social media and have run their business quite long enough.

Table 1.Respondents Profiles

Respondents Profiles	Count
Sex	
- Male	6
- Female	47
Business time [lama usaha]	
- Less than 6 months	3
- 6 months – 1 year	4
- 1 - 3 years	16
- More than 3 years	30
Personal Social Media Account	
- Own	52
- Do not own any	1

4.2 Validity and Reliability Tests

Validity and reliability tests in this research use Cronbach's Alpha, Composite Reliability, and Average Variance Extracted. Based on table 2 below, Cronbach's alpha for all variable have the rate above 0.6, so all variables are valid (Hair et al., 2010). Composite reliability (CR) for all variables are higher than 0.7, so the instrument reliability for all research variables can be accepted or reliable (Hair et al., 2010), and the average variance extracted (AVE) of all variables are higher than 0.7, so the instrument reliability of all variables can be accepted (Hair et al., 2010).

Table 2. Validity and Reliability Tests

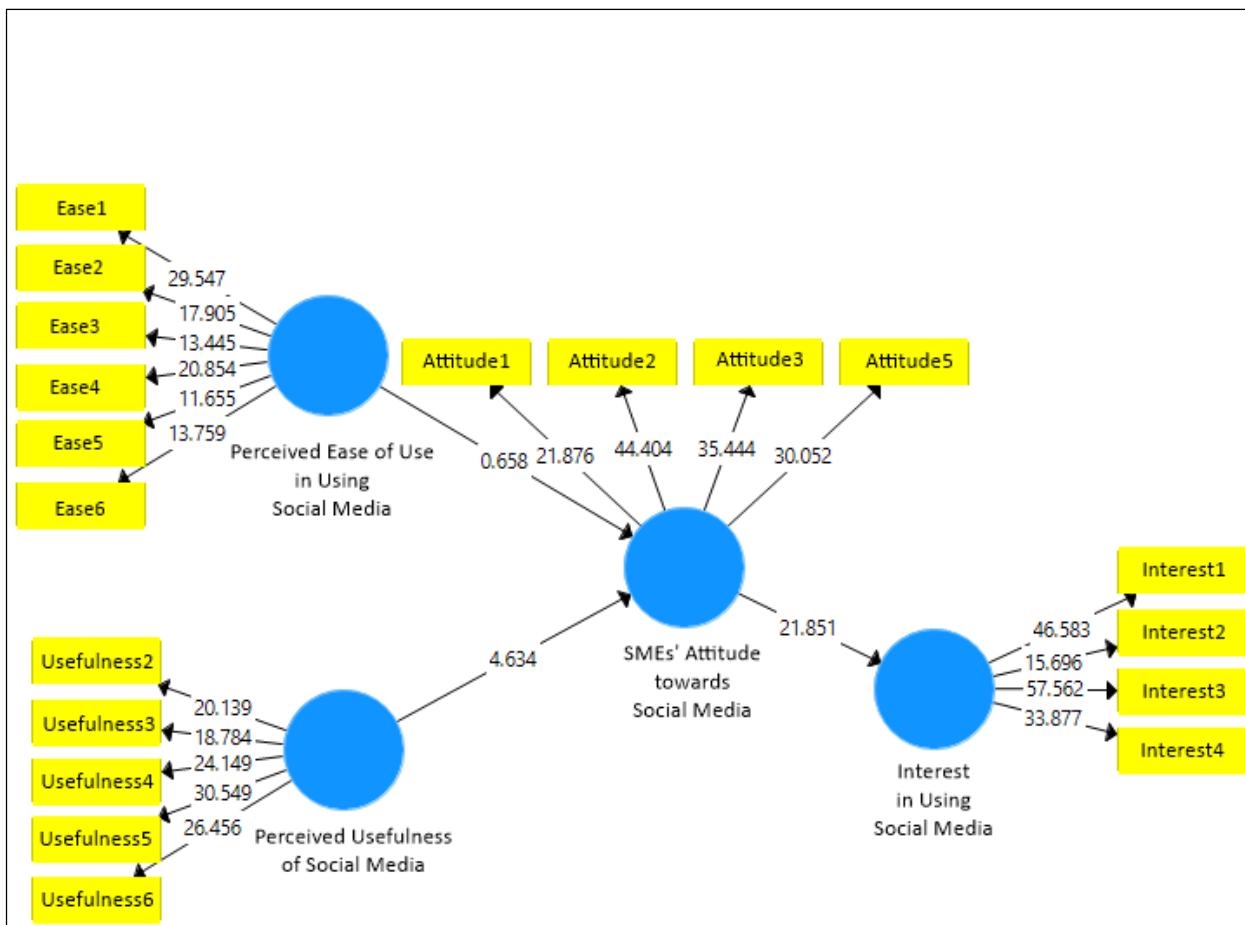
Variable	Cronbach Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Perceived Ease of Use in Using Social Media	0,909	0,929	0,705
Perceived Usefulness of Social Media	0,924	0,943	0,767
SMEs' Attitude Towards Social Media	0,921	0,945	0,810
Interest in Using Social Media	0,932	0,951	0,830

4.3 Findings

Hypothesis testing was conducted using SmartPLS version 3.3.3, known as the inner model test. This test involves the direct and indirect impacts significance test and the measurement of how big the impact of exogen variables is on endogen variables. Double linear regression analysis yield some outcome that can be used for testing with various methods. One of them is coefficient of determination to learn the contribution value of two independent variables toward dependent variables and t test for simultaneous impact significance, and t test for independent variable impact significance. However, a correlation test should be conducted before to ensure the relationship

between each independent variable to the dependent variables.

Figure 2. Hypothesis test result



Result of hypothesis test can be seen on picture 2 and table 3.

Table 3. Hypothesis Test Result

Hypothesis	T Statistic	P Values
Ease of Use >> SMEs' Attitude	0,658	0,511
Usefulness >> SMEs' Attitude	4,634	0,000
SMEs' Attitude >> SMEs' Interest	21,851	0,000

First hypothesis: Perceived Ease of Use in Using Social Media have a positive impact on SMEs' Attitude towards social media.

Regression analysis conducted yields the P value of 0,511 in which is higher than 0,050, so it can be said that the perceived ease of use in using social media does not have a positive impact on the SMEs' attitude toward social media. This result can be interpreted that the ease in using social media does not affect the attitude of the SMEs' practitioners toward social media.

Second hypothesis: Perceived Usefulness of Using Social Media have a positive impact on SMEs' Attitude towards social media.

Regression analysis conducted yields the P value of 0,000, which means it is lower than 0,50, so it can be said that the perceived usefulness of social media has a positive impact on the SMEs' attitude towards social media. It means that as the benefit offered by social media is getting greater, then the SMEs practitioner attitude will be more positive. This result is in line with the study of (Effendi et al., 2020; Musa et al., 2016; Rauniar et al., 2014)

Third hypothesis: SMEs' attitude towards Social Media have a positive impact on the SMEs' Interest in Using Social Media.

Regression analysis conducted yields the P value of 0,000, which means that it is lower than 0,050, so it can be said that the SMEs' attitude towards social media has a positive impact on the SMEs' interest in using social media. It means that as the SMEs practitioner attitude toward the social media is getting more positive, then the SMEs practitioner interest to use social media will get even higher. This result is in line with the study of (Effendi et al., 2020; Musa et al., 2016; Rauniar et al., 2014).

5. Discussion

The result of variable test showed that there are variables that have significant impacts, and a variable that does not. The relationship between ease of using social media proves to not have a significant relationship on the SMEs' attitude towards social media. This indicates that even though the use of social media is getting easier with the advance in technology and the more open the technology is to the public, it does not make the SMEs practitioners have more positive attitude towards social media. While on the relationship of social media usefulness variable, it impacts on the SMEs attitude towards social media that indicates that the role of benefit gained by SMEs has more impact on the SMEs' attitude or responses toward social media. A strong relationship can also be seen on the impact of SMEs' attitude on social media toward the SMEs' interest to use social media as one of the marketing channels that can be used to increase their products or services sales. In line with the research of (Effendi et al., 2020; Musa et al., 2016; Rauniar et al., 2014) which is the bigger the benefit gained by SMEs, then the more it will encourage the SMEs interest to use social media even higher.

6. Conclusion

At present, where the impact of technology is higher in human life, such as the emerging of social media become one option of easy/convenient and advantageous marketing channel for SMEs. SMEs can especially experience the great advantage/benefit of social media usage by the sales increase of products or services offered through social media, in which by using social media they can reach a broader range of consumers and can easily give any information necessary for the consumers. Social media also allow the SMEs to upgrade and increase their network and also give the opportunity to collaborate with each other to strengthen their products or services. The impact of ease of social media usage on the SMEs attitude that is not yet significant can be the focus of further research to learn about the cause and solution on what kind of ease is suggested by the SMEs to be able to give a significant impact. Further research can also find out about the impact of safety on the data uploaded by SMEs on the social media usage interest.

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