

The Roles and Functions of Social Media in the Development of Small and Medium Business Enterprises (SMEs) In Bandung Barat Regency

¹ASEP SURYANA, ²UUD WAHYUDIN

^{1,2}Communication Management Study
Faculty of Communication Science
Padjadjaran University, Indonesian
Email: ¹asepsuryanakachya@yahoo.com,
²uudwahyudin@yahoo.co.id

Abstract. The use of social media such as facebook, twitter, line, Whatapp, instagram and others, has now spread to all levels of society. Users of social media also regardless the age Children, adolescents, adults, to the elderly, are all familiar with the communication "machine". Social media has also been widely used for various purposes by small and medium businesses (SMEs). But not yet know the extent of role and function of the media for their business. The purpose of this study is to determine the function and role of social media in the development of small and medium business (SMEs) in West Bandung regency. The research method used is descriptive qualitative. Techniques of collecting data are by interview, observation and focus group discussion (FGD). The observation unit is 20 people. The results of the study indicate that: (1) The function of social media for SMEs is (a) introducing themselves as well as building relationships, (b) as means of information, (c) for entertainment, (d) promoting products and places of business, (e) establishing self-image and image (imaging), (f) forming public opinion. The role of social media for SMEs is to maintain community (social media maintenance), seeking to support social media endorsement, So the credibility of SMEs is increasing, creating and developing unique and interesting activities.

Keywords: Social media, business, small and medium enterprises, focus group discussion.

Introduction

Currently, in the face of various business competitive, including the economic community of ASEAN (Masyarakat Ekonomi Asean) small and medium enterprises (SMEs) face two major issues in their business, as well as large scale industries, issues that concern drastic and intensive change in the business environment, And changes in the internal paradigm of the company itself (Susanto, 2004: 25). Issues

concerning the first aspect include: increasing global competition, mutually exclusive competition, remarkable technological developments, changes in consumer behavior, and the opening of diverse business opportunities. The issues related to the second aspect, among others, the phenomenon of the new breed of employee, the increasing issues surrounding employees, the higher cost of overhead, the increasingly tight internal competition, and the paradigm shift from core

business to core competence (Susanto 2004: 25-33).

In 1980, there were 7 thousand SMEs, in 2001 to 40 million, in 2006 reached 48,779,151 SMEs and in 2007 reached 49,840,489 SMEs (Official News Statistics, BPS, 2008: 2). Currently, by 2017, it is estimated that SMEs number more than 60 million units. So much the number of SMEs, so varied products produced by SMEs, so important the position of SMEs in building the nation's economy, not only Indonesia, other Asean countries also see the importance of SMEs as one of the pillars of the national economy. Approximately 96% of companies in Asean countries are MSMEs (Kontan, March 2013) .50% - 80% of the workforce is absorbed from SMEs and contributes to Gross Domestic Product (GDP) between 30% - 53%.

In Bandung Barat regency there are 192 business units, consisting of 80 small industries, 80 medium and 32 large industries (Dinas Perindustrian, perdagangan Koperasi dan UMKM Kabupaten Bandung Barat, 2012) .To increase local revenue, improve community welfare, improve product quality and Competitiveness and independence in the face of increasingly fierce competition, the SMEs in Bandung Barat regency needs to be developed further, both in terms of quality and quantity.

The purpose of this study is to determine the role and function of social media in the development of small and medium business (SME) business in Bandung Barat regency of West Java. The benefit of the results of this study is to provide a rationale on the process of development that is and will be implemented, especially the development of small and medium enterprises (SMEs) in Bandung Barat Regency.

Literature review

Business environment and marketing strategy inevitably have to utilize online media. Changes or complementary between online and offline marketing strategies have a significant role for the business (galeriukm.web.id, 2011). The growing number of Internet users provides a great opportunity for businesses to capture customers through online media. The choice of

online media as a marketing tool has several advantages such as low cost and very wide range (galeriukm.web.id, 2011).

Social media as a new medium of communication in the marketing world has major differences with other marketing media, especially on aspects: (1) social media is an interactive digital media that can be used to present information in detail and complete; (2) possible demographic factors different, (3) cultural factors - especially the possible buyer habits, and (4) possible different market factors (Nurbasari, 2004: 133).

Social media as a digital medium for marketing activities has characteristics different from other marketing media, namely: (1) social media is more likely as a medium to attract than as a consumer's driving media; That is, through social media consumers take the initiative to seek information; (2) Through social media enables interaction between producers and consumers directly, and tends to be used to build long-term relationships; (3) social media offers a potential opportunity for "individual-to-group / individual communication" rather than "individual-to-group communication". The Internet offers one-on-one communication (from company to individual consumer). So social media in principle offers two-way communication, rather than conventional media that tend to be one-way, so that consumers also tend to be passive; (4) social media changes the nature of marketing communication standards. In this case, the website is considered to be similar in function to advertising because it is able to provide information, persuasion, and remind consumers about product offerings. It can be said that the website can be considered as a combination of advertising and direct sales because it can invite visitors to dialogue and or interact directly; (5) Changes in distribution channels and market location are made possible through digital media. Barrier to entry and exit in the media environment is very low, thus reducing the need for intermediaries, as well as accelerate market changes (Nurbasari, 2004: 134).

With the presence of social media, it is suspected there has been a change in the paradigm of marketing communications. This is

as expressed by Hoffman and Novak (1997, in Nurbasari, 2004: 135) that through the internet where social media is included, consumers can be influenced, the company can prove customer satisfaction, and consumers can prove the commercial orientation associated with the media of the current site.

The differences of communication for marketing through new media (such as social media) with traditional media (such as television) are presented by Peters (1998), among others: (1) Changes in communication styles with more immediate. This can be seen from the messaging activity through social media (WA, Line, Instagram, etc.), where there is two-way interaction between suppliers and customers; The delivery time as well as the acceptance of information by both parties can be measured in seconds, so there is communication alignment; (2) Communication occurs more social, where through social media, the process of marketing to consumers feels more familiar, active and personal; And (3) Consumers have a larger 'control box' than traditional media marketing, so consumers tend to be active.

In the broader context, social media can provide new opportunities for marketers (including SMEs) to vary the elements of the marketing mix (Booms and Bitner, 1981), namely: (1) For product aspects, product forms can be made diverse, so that consumer services and brand value can be improved; (2) In the price aspect, using the internet (including social media in it) as a new retail network the opportunity to make price cuts is quite high because the cost of traditional network distribution can be reduced; (3) Promotions made through social media, basically already include a mix of conventional promotions, which give marketers more benefits than to stimulate consumer purchases; (4) In relation to the place aspect, social media may offer a new channel alternative for the distribution of the company's products; (5) The human aspect (people) in marketing involves alternatives to facilitate corporate tasks in interacting with consumers. In addition, there is a tendency that social media is also used to recruit highly qualified human resources; (6) Aspects of the marketing process, involving not only with social media but also involving other marketing tools, such as

telephone marketing, direct marketing, and marketing process with other tools (Nurbasari 2004: 139-140).

Research methods

In this research, the subjects are 20 SMEs with the following criteria: (1) SME business actors using social media to promote their products, (2) There are variations of products produced by SMEs studied, (3) Duration of business more than 5 years, (4) The existence of variations in the use of social media. Teknik data collection using in-depth interview, focus group discussion and observation and documentation. Aspects analyzed (1) aspects related to the function of social media for, and (3) important values of social media SME business actors, (2) aspects related to the role of social media use for SME business development For SMEs. The parties involved in in-depth interview and FGD include: (1) Businessman SMEs in the field of cullinary, (2) Businessman SMEs in the field of food production, (3) Businessman SMEs in the field of metal production, (4) SME businessman in the field of food processing production, (5) Business Practices of SMEs in services, (6) Officers from the Office of SMEs and Cooperatives, (7) NGOs, (9) SME Observers.

Result of research

The role of social media for SMEs.

The results show that Tools of promotion, including social media, has an important role in supporting business processes undertaken by SMEs. Social media is useful for increasing access to markets, access to information, as well as production efficiency, as well as bringing new business opportunities.

There are still many SMEs who do not understand the strategic role that social media play with associated new approaches in marketing communications, such as interacting with consumers, developing products and services, and more.

The study of SMEs in Bandung regency (Suryana, 2011) shows that there are still many SMEs who have not used computers for their business activities on the grounds that they have not felt the need, do not have the funds to buy

computer equipment, and hesitate to use it because the ability to operate the computer is still low. Another reason is that without the use of any computer business can continue, increase the burden of electricity payment, take a long time to learn and operationalize, and not yet sure to buy and use it because other entrepreneurs are not using a computer.

As for SMEs who already have computers, their use is generally limited to the importance of correspondence and reports, for payroll calculations, for designing products, running information systems, performing presentations, and accessing the internet, as well as playing games.

When explored more about the use of social media by SMEs business actors play the following: (1) through social media, such as WA, Line, facebook, twitter, etc. for example, can communicate with others about the business being run, (2)) Searching for information relating to products generated from business and news portals; (3) marketing products through various web sites offering free promotional SME products; (4) seeking information from various sites related to product design examples (6) strives to communicate with customers, (8) seeks to facilitate online ordering, (9) seeks to communicate with suppliers, and (10) seeks to establish communication with the business partner; Online transactions.

Social media function for SMEs

Social media is a very effective and measurable digital marketing tool. Social media is used to build a community of users of products or services provided by producers (Joseph, 2011). Social media can also be used to build relationships and maintain customer loyalty. The existence of social media can be built two-way communication, so that what becomes the thoughts and aspirations of consumers can be known.

Currently, every segment of society has been touched by social media. Social media has in fact become an integral part of everyday society's life. Among the various activities of the community that is often done is to shop and search for certain items that are needed. The

activity begins with search efforts through social media.

Based on the results of research shows that the activities undertaken by UKM business people associated with the use of social media, among others: (1) maintaining the community by posting regularly. In addition, it interacts with reply to comments from its members and fans (social media maintenance), (2) seeks to seek support from members / fans, especially from people who are well known by the public, such as religious figures, political figures, community leaders, And so on (social media endorsement), so that the credibility of SMEs is increasing, (3) create and develop a variety of unique and interesting activities, whose information is disseminated through social media. Through this activity, it is hoped that the target audience can join the social media group of SMEs as well as they can understand what is offered by the SMEs. A further consequence of this strategy is the occurrence of word of mouth communication, which is done by target audience to others they know.

In a study conducted revealed that SMEs are aware of the importance of promoting the products it produces to consumers. They realize that in the business jungle, the "war" never stops. Every company-certainly with the product it produces-seeks to "win" the war with its various strategies. Winners are companies whose products are purchased by consumers. It did not stop. The war will continue to flare. Companies that feel "lose" will try to beat their opponents. Then, the event will be patterned cycle.

A product that is communicated to the public (consumers) intensively can produce results in the form of embedded products and brands in the minds of consumers. Then, it has implications for the purchase priority of the brand product, among the scattered and competitive brands. In essence, marketing communication is a very important factor in winning the competition.

Basically, organizations or companies (including SMEs) and products are two inseparable things. That is, the company does not mean anything if there is no product and brand it produces, otherwise there will be no

product if no company produces it. Marketing communications in various capacities (whether as advertisers, salespeople, public relations actors, etc.) develop and deliver messages from different objects, such as products, services, shops, activities, even people.

Conclusion

The function of social media for SMEs is to improve access to markets, access to information, as well as to production efficiency, and to bring in new business opportunities.

The role of social media for SMEs business is to maintain community (social media maintenance); Seeks to seek support from members / fans, especially from people who are well known to the public, so that the credibility of SMEs is increasing, create and develop unique and exciting activities whose information is disseminated through social media. Through this activity, it is hoped that the target audience can join the social media group of SMEs as well as they can understand what is offered by the SMEs. A further consequence of this strategy is the occurrence of word of mouth communication, which is done by target audience to others they know.

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