

# Social Media Preference as a Media of Business Marketing Communication of SMEs in Rawamangun East Jakarta

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**Abstract**—This research aims to identify the preferences of SMEs to popular social media as a medium of interpersonal communication today i.e. Facebook, Twitter, YouTube and Instagram to be used as marketing communication media of its business. The analysis refers to the Kietzmann Honeycomb Framework covering 7 social media functions of presence, sharing, relationship, identity, conversation, reputation and group. Research conducted on SMEs in Rawamangun Village, Pulogadung District, East Jakarta. Preferences of SMEs to social media measured by Analytic Hierarchy Process (AHP). The data was taken through in-depth interviews of several SMEs in Rawamangun who have used social media in their business marketing communications activities. The results of research indicate the preferences of SMEs to social media and the reasons for its use as a media of business marketing communication.

**Keywords**—social media; marketing communications Business; SME's; AHP

## I. INTRODUCTION

Based on updated data on SME Statistics in 2013 issued by the Department of Cooperatives and SMEs of the Republic of Indonesia per 2012 it is known that the number of SMEs in Indonesia has reached 57.9 million SMEs and is the largest business actor with a percentage of 99.9 percent of the total business people in Indonesia. This experienced a 2.41% increase from the previous year which amounted to 56.6 million SMEs [1]. Based on this fact it is necessary for the government to support SMEs as an effort to increase the country's economic growth in the future.

Information technology is currently believed to be a key factor in increasing corporate organizational performance [2, 3].

Some research shows that information technology has a significant influence on the performance of corporate organizations throughout the world [4]. One of the emerging information technology innovations is the internet, and the internet is an influential discovery in the field of information technology [5]. The ability of the internet to support business activities has attracted attention and become a consideration and has the support of entrepreneurs, executives and investors. This is because the internet allows corporate organizations to

transfer skills, information and knowledge effectively and efficiently [6,7]. Especially for small and medium business organizations, the discovery of the internet provides several important advantages such as opening new markets, promoting business, introducing new products, improving the quality of communication and online social networks, using data from different areas and building strong relationships with new business partners [8].

Based on data from the Directorate General of Small and Medium Industries of the Ministry of Industry, from the number of SMEs spread around 40 percent outside Java and 60 percent in Java, only 30-40 percent have used the sophisticating of information technology including the internet, especially to develop their businesses [9]. Furthermore, from the same source, the data also shows that SMEs in Indonesia that use information technology, especially social media, are still 40%, while we know that the majority of the world community (which is a potential target market for SMEs) are increasingly and confident to make social media their social communication media. This condition allows SMEs in Indonesia to expand and increase their market share globally through the use of social media as a modern business communication that is generally accepted today. The characteristics of social media that are not limited by space and time make social media a communication medium that has a wide geographical coverage, fast delivery time of information, inexpensive communication costs and allows sending multimedia documents (text, audio, visual / image and video). Social media also allows SMEs to take advantage of its advantages such as embracing new markets, business promotion, releasing products, improving the quality of social communication with the market, strengthening communication with suppliers [8].

Similarly, the development of information communication technology and its application in Indonesia is currently increasing, based on data from Internet World Stats released on its website [www.internetworldstats.com](http://www.internetworldstats.com), until the end of 2017 internet users in Indonesia are estimated to reach 143.26 million people or around 22.4% of Indonesian population [10].

The growth of social media users has also increased. The number of Facebook users in Indonesia has now reached 69

million people and the total Facebook users in Indonesia are still standing at number 4. The official statement was issued by the head of Facebook Indonesia, Anand Tilak, as quoted by VentureBeat. In fact, six months earlier, the number of Facebook users in Indonesia was only 65 million people. This means that there is an increase of around 6 percent. However, research shows that some social media users who are also SMEs and have implemented social media to support their business activities have not provided optimal results [11].

The low level of knowledge of information on SMEs as decision makers has made the social media utilization of SMEs not optimal. Knowledge of decision makers is an important part of business organization decision making [12].

Based on the conditions above, this study wants to identify the use of social media by SMEs in Indonesia, especially in Rawamangun, East Jakarta, by knowing what types of social media SMEs choose to become their business marketing communication media and what are the criteria for SMEs in choosing social media.

With the introduction of social media chosen by SMEs to be used as a medium for business marketing communication and what criteria are used as the basis for SMEs in choosing social media, it is hoped that it can provide an overview or guidance for other SMEs if they want to choose social media as their business communication medium.

The criteria used by SMEs in choosing social media as a marketing communication medium for Small and Medium Enterprises are criteria from the point of view of social media functions based on Honeycomb Kietzmann Framework [13].

Referring to Turnomo Rahardjo in Communication 2.0, social media such as Facebook and Twitter are networking media that allows people to talk, participate, share and create networks online [14]. Rhenald Kasali in his book entitled *Cracking Zone* reveals that social network actors form opinions, express themselves, find friends, share information on daily events, recommend products or services they use, and so on [15].

According to Kaplan and Haenlein social media is "a group of internet-based applications that are built based on Web 2.0 ideology and technology, and enable user-generated content creation and exchange" [16].

Social media marketing is the use of social media platforms and websites to promote products or services [17].

The social media meant here are: Facebook, a social networking service launched in February 2004, owned and operated by Facebook, Inc. [18]. Currently Facebook has more than one billion active users [19], and more than half use cellphones [20]. Twitter, which is an online social networking and microblog service that allows users to send and read text-based messages up to 140 characters, known as tweets. YouTube, a video sharing website that allows users to upload, watch, and share videos [21]. Instagram, a photo and video sharing application that allows users to take photos, take videos, apply digital filters, and share them to various social networking services, including Instagram's own [22].

This research is based on the Honeycomb Kietzmann Framework which presents a framework that defines social media by using seven functional building blocks. Identity, conversation, sharing, presence, relationship, reputation, and group [13].

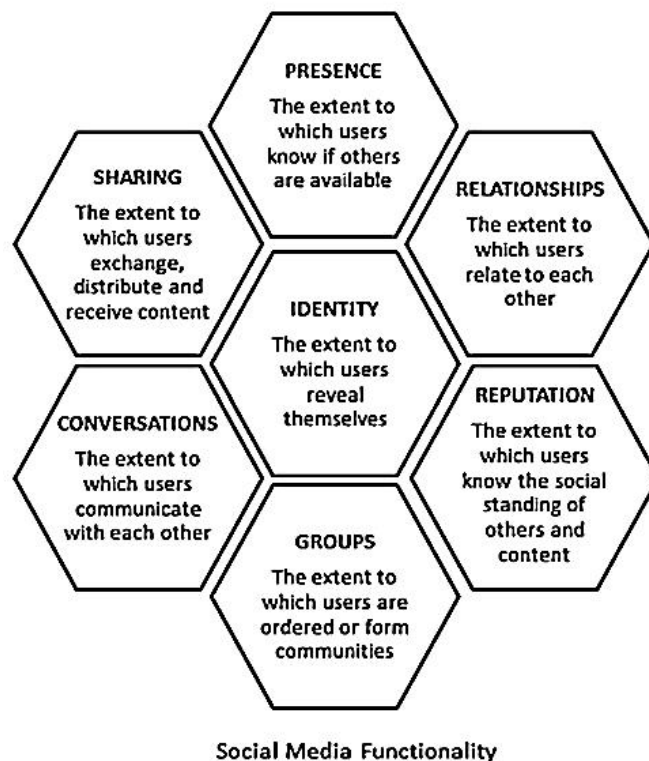


Fig. 1. Honeycomb Kietzmann framework.

Source: Kietzmann's article on Business Horizon [13].

## II. METHOD

This study analyzes how SMEs choose social media to be used as a marketing communication medium. Social media is chosen based on functional criteria based on functional social media according to Kietzmann as stated in the Honeycomb Kietzmann Framework which consists of 7 functions namely identity, conversation, sharing, presence, relationships, reputation and group [13].

Social media that is an alternative to be chosen are limited to 4 social media that are popularly used as social communication media and business communities throughout the world, namely Facebook, Twitter, Instagram and YouTube.

The choice analysis technique was carried out using the Analysis Hierarchy Process (AHP) method proposed by Saaty, the data to calculate using the AHP method was based on the input of the results of in-depth interviews with SMEs as resource persons, because those considered eligible as resource persons in the analysis using the method AHP is that resource persons have sufficient knowledge and experience in the problems being analyzed [23].

By using the Analytic Hierarchy Process (AHP) method, the data will be processed using the "Super Decision V2.8" software.

AHP is a simple method that is more general and easier to apply for diverse qualitative studies, such as decision making, forecasting, resource allocation, and so on [24], included in the research agenda this time is to determine the choice of social media that will be used as an SME marketing communication media based on functional considerations of the Honeycomb Kietzmann Framework.

From the calculation using the AHP, we will get information on which social media functions of the seven existing Honeycomb Kietzmann Framework social functions that have the highest weight or value as the basis for determining the decision making in choosing social media.

From the results of calculations, it is also known which social media will be the choice of SMEs to be used as a marketing communication media for their business.

The results of this study are expected to be used as a model for SMEs in choosing social media that will be used as marketing communication media. Also, to find out what factors are dominant are the basis for choosing social media.

Based on the theoretical basis that has been described above as the basis of this study, in general, the framework of thinking that is the basis of the implementation of research using AHP analysis is as described in the following models:

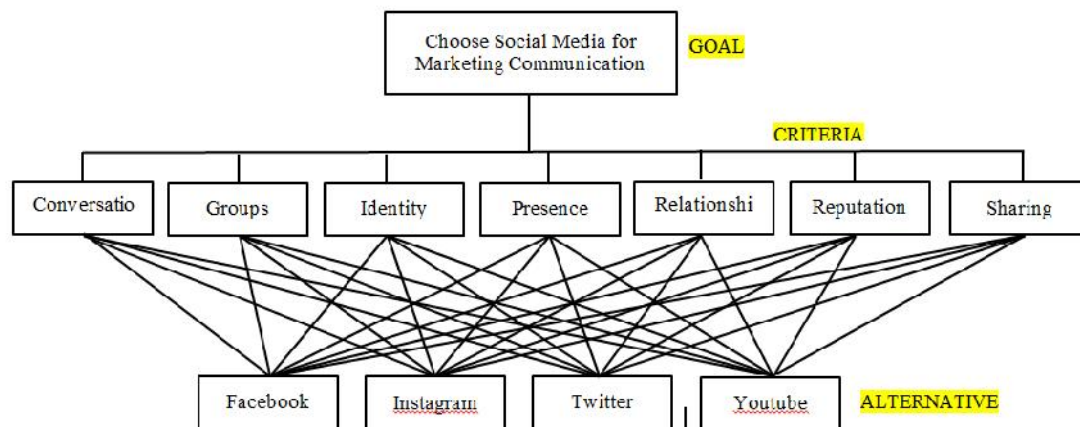


Fig. 2. Model of choosing social media as a media for SME marketing communication

Source: Researcher

This study uses a qualitative method approach which is a process of exploring and understanding the meaning of individual and group behavior, describing social problems or humanitarian problems. The research process includes making research questions and procedures that are still temporary, collecting data on the specified participants, analyzing the data inductively, building partial data into themes, and then providing an interpretation of the meaning of a data. And ends with making reports in a flexible structure [25].

Researchers in qualitative method research want to understand the phenomenon based on the views of participants or internal views and not the views of the researchers themselves [26].

This research is a qualitative-quantitative analysis research that aims to capture the value or view represented by practitioners of small and medium businesses in utilizing social media as a medium of marketing communication for their business.

In this study the data used is primary data obtained from interviews (in-depth interviews) or filling out questionnaires by SMEs who have an understanding of the issues discussed, namely the use of social media for marketing communication media. The data that is processed in AHP are the variables of

respondents' assessment of the problem that is the object of research in a numerical scale.

The number of respondents in the study were 20 experts, consisting of 20 practitioners of SMEs in the field of convection in Pasar Sunan Giri Rawamangun, East Jakarta who managed to utilize social media to improve the marketing performance of their SMEs, and with the consideration that they were competent enough in representing the entire population.

In AHP analysis the number of samples or respondents is not used as a benchmark of validity. Respondent requirements that are valid in AHP are that they are people who are experts in their fields.

Primary data is collected by filling out questionnaires distributed through face-to-face or e-mail. However, priority is given to face-to-face interviews.

Questions in the AHP questionnaire are in the form of pairwise comparison between elements in the cluster to find out which of them has a greater influence (more dominant) and how much the difference is seen from one side. The numerical scale 1-9 used is a translation of verbal assessment [27].

Fill out the questionnaire by the respondent must be accompanied by researchers to maintain consistency of the answers given. Generally, the questions in the AHP questionnaire are very large. So that non-technical factors can cause high levels of inconsistency.

### III. ANALYSIS AND CONCLUSION

Based on the results of filling in the pairwise comparison questionnaire obtained from the respondents, the results are on average, obtained by calculating the matrix which contains the weighted values of each criterion to choose social media and also the results of evaluating the social media alternatives based on social media functions according to the following Honeycomb Kietzmann Framework:

Choice SOSMED	Weighted	Facebook	Instagram	Twitter	Youtube
Conversation	0.35429	0.50918	0.11053	0.32733	0.05296
Groups	0.04477	0.23894	0.14661	0.54948	0.06497
Identity	0.10362	0.47619	0.28879	0.17595	0.05907
Presence	0.05756	0.47619	0.28879	0.17595	0.05907
Relationships	0.15865	0.55133	0.15224	0.24313	0.0533
Reputation	0.03117	0.16009	0.27718	0.4673	0.09543
Sharing	0.23593	0.16009	0.9543	0.27718	0.4673
		0.403477834	0.356916251	0.290331195	0.155333395

Fig. 3. Honeycomb Kietzmann framework.

Judging from the highest weighted value chosen by the respondent as the basis for the criteria for choosing social media based on the function of social media is a **conversation** with a value of 0.35429 and the lowest chosen by the respondent is a **reputation** of 0.03117. With Consistency Index values all below 0.10, which means that *all the comparison processes are stated to be consistent and can be used to analyze*.

The rating details of the choice of criteria that are the basis for choosing social media are as follows:

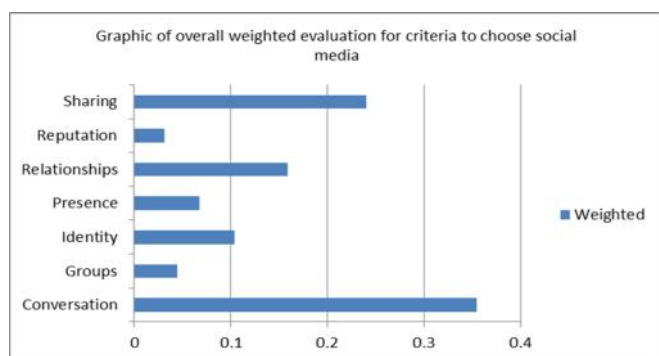


Fig. 4. Graphic of overall weighted evaluation for criteria to choose social media.

Alternative social media choices chosen by SMEs to be used as marketing communication media are as follows:

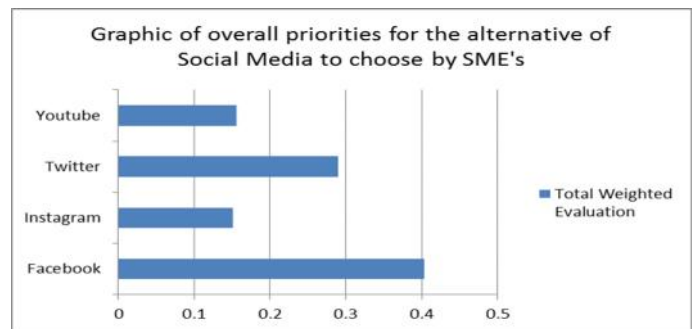


Fig. 5. Graphic of overall priorities for the alternative of social media to choose by SME's.

Thus, it can be concluded that based on the calculation using AHP it can be said that SMEs in Rawamangun, East Jakarta make conversation as the main consideration, following sequentially sharing, relationship, identity, presence, group and reputation. Thus, it can be said that the choice of social media by SMEs to be used as Communication Media for SMEs is more because of reasons for conversation, sharing and relationships with their customers.

The social media that finally became the choice of SMEs in communicating their business recommendations was Facebook, following in sequent Twitter, YouTube and Instagram.

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