

THE IMPACT OF SOCIAL MEDIA AS E-COMMERCE TOWARDS MSMES IN INDONESIA

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ABSTRACT

Recently, there is a controversy of e-commerce through social media towards micro, small and medium enterprises in Indonesia. E-commerce has emerged to be one of the most successful business models that have provided numerous benefits to businesses in the global era. This kind of innovation will enhance the selling and distribution of the sellers, on the other hand, this also will impact the real sector, particularly the offline stores. The business owners claimed that their business is in jeopardy, and this is mostly caused by the fact that consumers are most likely switching their purchase behavior to shop through e-commerce. The government made some regulations to ban some social media which is used for e-commerce to comply with new rules in Southeast Asia's biggest economy. The regulations are aimed to help protect local physical and online retailers. This research aims to get comprehensive results on the impact of E-Commerce through social media. The method of research is using the qualitative method. Journals and Articles also contribute some good information to support this research. Based on the research, e-commerce has an impact on the sustainability of MSMEs (including the use of social media for online shopping), however other factors such as: price, locations, quality, punctuality, convenience, are contributing to the significant impact. This is also related with consumer behavior nowadays and convenience is one of the key factors why e-commerce has received much attention lately and is growing significantly.

Keywords: offline store, online shops, qualitative method, e-commerce, MSMEs

INTRODUCTION

Huge potential continues to grow and develop for Indonesia's digital economy. A rapid increase has occurred since 2019, with a value ranging from US\$41 billion to an increase of US\$77 in 2022. It is projected that the value of Indonesia's digital economy will increase to US\$130 billion in 2025 and possibly in 2030 it will reach US\$360. Full support by e-commerce services, transportation and food delivery, online travel services, and online media has provided support for the spread of Indonesia's digital economy. The dominance of e-commerce in contributing growth of 77% has triggered other sectors to follow suit. If taken as an average, the growth is 48% per year, the nominal value of e-commerce transactions in 2018 amounting to IDR 106 trillion has increased significantly

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to IDR 476.3 trillion in 2022 (Bank Indonesia, 2023). Consumers from millennials and Gen Z are very mobile, capable of boosting the accelerated increase in e-commerce and are considered digital natives and tech-savvy. The impact of the Covid-19 pandemic has changed people's activities by maintaining physical distance, forcing the movement of digital e-commerce transformation to be easily accepted by people who previously had resistance. Indonesia's very large population has also triggered an acceleration in e-commerce users approaching 178.9 million people in 2023 or 65% of the total number. This condition makes Indonesia one of the most highly regarded digital consumers in Southeast Asia.

Many consumers buy various products such as credit top-ups and vouchers, followed by fashion and accessories as well as health and beauty which will occur in 2022. The consistency of this incident repeats that of the previous year, when the majority of consumers had large needs for credit and data packages as a result of increasing internet usage. According to data released by the Indonesian Internet Service Providers Association (APJII), connectivity in Indonesia's internet world has reached 77.02% or 210 million people who use this technology every day throughout 2021 - 2022. Referring to the previous year regarding consumer behavior, there has been a growth in the volume contribution of balance top-up and voucher transactions in 2021, valued at 23%, moving up to 25% in 2022. Different types of products have also seen an increase such as health and beauty as well as office equipment, education and supplies. On the other hand, the fashion and accessories group experienced a downward cycle from 17.3% in 2021 to 16.3% in 2022. A sluggish situation also occurred in the household equipment and food group. Based on online media Indonesia Data ID, the number of active social media users in Indonesia will have 167 million people in January 2023. This number is equivalent to 60.4% of the Indonesian population (Widi, 2023). Further data based dataindonesia.id shows the time spent playing social media in Indonesia reaching 3 hours 18 minutes every day and is the 10th highest record in the world. According to Sembiring, in the era of globalization, the development of telecommunications and informatics (IT) it's been so fast. Technology makes distance no longer a problem in communicating. The internet is of course one of the media (Kominfo, 2023).

Meanwhile, in the credit top-up and voucher category, the products most frequently purchased by consumers were credit (47%), followed by internet data packages (22%), and PLN electricity bills (17%). Statistically, as a percentage of the total transaction value in 2022, gadgets and accessories (34%) still contribute the highest to the total transaction value even though the trend is decreasing. According to the International Data Corporation (IDC), over the last 13 years the smartphone market in Indonesia has been less than encouraging or a percentage of 14.3% (year on year). This condition is caused by the low purchasing power of consumers or the public due to the global economy, including inflation, resulting in a shift in purchasing priorities. On the other hand, the percentage of transaction value in various types of goods such as fashion and accessories, health and beauty, automotive, as well as office, education and equipment has shown a positive signal when viewed from last year's conditions.

The GWI Commerce report provides an explanation that after the pandemic has passed, people have a tendency to plan to buy online-based products compared to before the pandemic occurred. Overall, if we look at 2021, there will be an increase in the average value of consumer transactions in product categories in e-commerce. This phenomenon shows that consumers have confidently believed in the online shopping model so that a lot of money is spent. This is also proven by the level of public purchasing which is able to increase GDP throughout 2022 even though a recession is threatening.

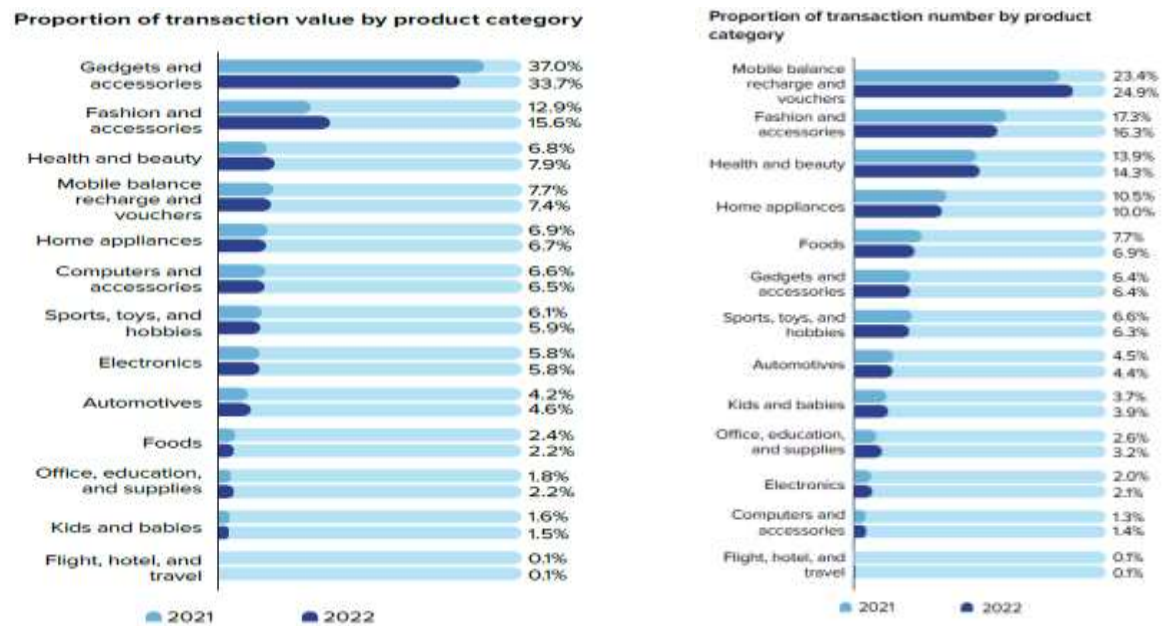


Figure 1. Proportion of Transaction

Several categories have shown significant growth in 2022 over 2021. These include fashion and accessories which grew 50%, health and beauty (34%), and automotive (32%). These results are in accordance with Global Web Index (GWI) survey data which shows that the social media most used by Indonesians throughout 2022 is WhatsApp (Muhtar, 2023). But what's interesting though is from a media type perspective the most widely owned social media, WhatsApp and Instagram both have 100% points, different with the types of social media most frequently visited. Where, social media is the most frequently used or visited by students is TikTok. This indicates that although students have various social media accounts, not all of them do frequently visited. As is known, TikTok is a social media application which is still new, but its progress is almost equal to the popularity of Facebook, Instagram and Twitter have been around for quite a long time.

However, The business owners claimed that their business is in jeopardy, and this is mostly caused by the fact that consumers are most likely switching their purchase behavior to shop through e-commerce. The government made some regulations to ban some social media which is used for e-commerce to comply with new rules in Southeast Asia's biggest economy. The regulations are aimed to help protect local physical and online retailers.

LITERATURE REVIEW

The big growth of e-commerce platforms in Indonesia, especially top 5 e-commerce such as Tokopedia, Shopee, Bukalapak, Lazada and Blibli, provide a smooth and secure shopping experience to the consumer as these platforms link up the various manufacturer, brand, payment provider and logistic partner via seamless platform integration. At the same time, the big growth of Social Media such as Instagram, Facebook, Twitter, Tik-Tok also increases the consumer shopping experience. Both ecommerce and social media platforms remain the crucial medium to stimulate the recognition of demand via customer review and product sharing (Narwal & Sachdeva, 2013). Besides that, consumers can now easily understand better on the product, brand and manufacturer searching, and then evaluating on alternatives before proceeding with the actual purchase (Dhruv, Roggeveen, & Nordfält, 2017).

The purchasing system of an ecommerce platform is easier and simple for the consumers. After several selections of the products, the consumers make electronic payment accordingly. After

receiving the goods, the consumer also easily leaves review and feedback to the ecommerce platform and social media on product satisfaction and usage experience (Dhruv, Roggeveen and Nordfält, 2017). Dhruv, Roggeveen, & Nordfält (2017); Grewal et al. (2002) finding suggest that internet shopping can meet consumer expectation and satisfy customer more effectively and efficiently compare to traditional shopping due to relatively easy to gather information about the organization, products and brands for better decisions making. Andrews et al. (2007) study suggests that organizations are increasingly concentrating and focusing on the internet as the channels to disseminating information, consumer value improvement, and understanding consumer satisfaction for better customer retention.

Consumers also can filter and find products from the social media and official stores to find the product and service best fit their purpose pre-purchase and elaborate on the feeling and product satisfaction post purchase (Narwal & Sachdeva, 2013). To serve the consumer better, organizations tend to concentrate on product innovation to best match the consumer expectation (Dhruv, Roggeveen, & Nordfält, 2017). Narwal & Sachdeva (2013) suggest that there will be better bargains for the consumer effect of technology enhancement because online shopping offers better prices and is able to provide information regarding latest products with minimum efforts to make product comparison easier. It is cost and time effective as consumers are now able to spend less time for product detail search and are able to purchase service and product with better price (Dhruv, Roggeveen, & Nordfält, 2017). E-commerce has helped businesses (especially those with a narrow reach like SMEs) gain access to and establish a wider market presence by providing cheaper and more efficient distribution channels for their products or services. Providing goods and services isn't as easy as it may seem. It requires a lot of research into the products and services you wish to sell, the market, audience, competition, as well as expected business costs. Depending on the goods, services, and organization of an e-commerce company, the business can opt to operate in several different ways. Here are several of the popular business models.

RESEARCH METHOD

This research is conducted in the form of numbers and provides a fundamental connection between empirical observation and hypothesis qualitative relationship. Examples of qualitative data are data from interviews, research notes, observation data differentiated by category, customer comment data on a product, and other data presented in writing. Of course, data in this form requires special methods so that it can be analyzed. Data resulting from qualitative observations is qualitative data. Although this qualitative observation is not detailed, it is believed to produce better observations. According to Creswell (2016) qualitative research is a type of research that explores and understands the meaning in a number of individuals or a group of people who originate a problem social. Qualitative research can generally be used for research about people's lives, history, behavior, concepts or phenomena, social problems, etc. One of the reasons why using a qualitative approach is the researcher's experience where This method can discover and understand what is hidden behind a phenomenon that is sometimes difficult to understand understood. The type of qualitative research used by researchers in. This research is a case study. A case study is a study that explore a case in depth, gather information completely using various collection procedures data based on a predetermined time. This case could be: an event, activity, process, and program (Creswell, 2016). The method is using direct interviews to get an actual result.

The suitable for this research is qualitative research, and this research is conducted to get conclusive evidence based on some interview samples and used quantitative research which relies on additional data as sources (journal and articles). These interview questions will be guided to analyze independent variables of factor analysis method to know the level of The Impact of social media as e-commerce towards SMEs in Indonesia. According to Hasan (2002) Sample is part of the population that is taken from the certain way, clear, and comprehensive as the representative of population. This research used the sample population of the respondents which are doing their SMEs business, especially on Tanah Abang Market, in Jakarta, Indonesia.

RESULTS

The questionnaire design consists of several sections, to get a deeper comprehensive result and analysis. There are: introduction, respondent demographic and survey questions. The questions are constructed in Bahasa Indonesia because most participants are limited in English. Researchers conducted the direct interview and recorded it to several respondents in Tanah Abang Market and ITC Mall, which both are located in Jakarta. Introduction is a section which explains about the short profile of researchers that related to the purpose by doing the research such as the questionnaire as the requirement in fulfillment of journal in ICFBE 2023. The second section is respondent demographic data. It consists of name, gender, age, business scope. The third section is questionnaires which consist of 5 survey questions.

Table 1. The Survey Questions

Research Questions	Research Objectives
How long have you been doing your business?	To know how long the respondents are doing their SMEs business, especially on their clothes business.
Besides selling your products offline, do you also sell the products through online shops or e-commerce? And what is the difference between those 2 methods	To get the information whether the respondents also selling their products through e-commerce instead of offline and get the opinion from the respondents the difference between online and offline
Do you think the use of e-commerce has an effect on your sales?	To get the information whether by utilizing the e-commerce effect on their sales or not.
What do you think about the regulations from the government that social media utilized as e-commerce is forbidden?	To get the opinion from the respondents about the regulations from the government that social media utilized as e-commerce is forbidden
Do you think there are any other factors that affect their decreasing sales?	To get the opinion and information whether there are any factors that impact on the respondents' decreasing sales.

Source: Adjusted by Researcher, 2024

Table 2. The Survey Questions and The Results

No.	Respondents	Questions Type	
1	Ms. A, Female, 20yo, Rian Busana Shop, Pasar Tanah Abang Blok A (Clothes Store)	1	2 Years
		2	Selling her products through e-commerce (Shopee, Lazada), formerly she also sold through social media such as TikTok (before it was shut/suspended by the government. According to her, selling through e-commerce is the fastest and easiest method to reach many types of consumers.
		3	Yes, e-commerce helps to increase her sales
		4	She doesn't agree, because social media should be used as e-commerce, however she is concerned about the lower price by selling online, which will affect her profit as well.
		5	Due to the decreasing economic situation from the consumers.
2	Mr. D, Male, 45yo, Devnish Shop, Pasar Tanah Abang Blok A (Clothes Store)	1	5 Months (formerly sell at Blok E Tanah Abang for 20 years)
		2	Selling her products through e-commerce (Shopee) since the pandemic, according to her, selling through e-commerce is the fastest and easiest method to reach the many types of consumers.
		3	Yes, ecommerce helps to increase her sales since the range of her market widely increases, therefore she can reach many types of consumers everywhere.
		4	It's not highly effective since another e-commerce platform also still exists.
		5	Macroeconomics situations also affect the decreasing sales, since there are a lot of lay-offs, e-commerce, imported products which lower price, pandemics also make the purchasing decrease. SMEs are not fully protected by the government, high interest rates from the financial sector (conventional bank) makes SMEs difficult for SMEs to pay the interest). The subsidies from the investor (E-commerce) to the online sellers, makes the prices lower.
3	Mr. J, Male, 45yo, Aditya Shop, Pasar Tanah Abang Blok A (Clothes Store)	1	25 years
		2	No, He only sells through offline. According to him, e-commerce only offers small quantity of sales, while offline store can offer high quantity of sales (wholesaler)
		3	Yes, however it is not affected too much on his sales (only affect 20%)
		4	He agrees with the regulations, since it affects his offline sales, because the price on e-commerce is cheaper due to discount, no extra charge on delivery which may be beneficial to the consumers.
		5	Income from consumers is decrease, due to macroeconomic factor from society and many lay off
4	Mr. Z, Male, 38yo, Ateh Bawah Shop, Pasar Tanah Abang Blok A (Clothes Store)	1	2 Years
		2	No, He only sell through offline (not familiar with ecommerce)
		3	Yes, impacted on his sales, 80% decrease on his selling
		4	Agree, however, does not have a significant impact on his sales, because he just relies on the sales during the weekend.
		5	E-commerce significantly impacts on his decreasing offline sales
5	Mrs. E, Female, 50yo, Hijrah Mebera	1	4 Months (formerly sell at Blok B Tanah Abang for 20 years)
		2	No, she only sells through offline store
		3	Yes, impacted on her sales, 90% decrease in her selling, she

	Shop, Pasar Tanah Abang Blok A (Clothes Store)		thought consumers more convenient to purchase through online
		4	Agree, however, not significant impact on her sales, she rely on weekend, and her shop is nearby the stations, and consumers walking through her shops is one of the advantages
		5	E-commerce significantly impacts on her decreasing offline sales
6	Ms. N, Female, 25yo, Pasar Tanah Abang Blok A (Clothes Store)	1	1 Years
		2	Yes, she also sells through ecommerce (Shopee) for 2 months. According to her, selling through e-commerce is the fastest and easiest method to reach the many types of consumers.
		3	Yes, help for offline increase the sales, since on the weekdays, the consumers are slow moving
		4	Neutral, not feel that social media use as an e-commerce impact on the sales, because it helps consumers. She doesn't use social media (TikTok)
		5	Ecommerce significantly impacts on her decreasing offline sales because it makes consumers easier, not going offline, cheap price and discount/voucher.
7	Ms. N, 25yo, Felisha Shop, Pasar Tanah Abang Blok A (Clothes Store)	1	5 Years
		2	Selling her products through e-commerce (Shopee, WhatsApp). According to her, selling through offline is still contribute the high sales compare to online
		3	Yes, ecommerce has big impact on her sales
		4	Agree, because she hopes the offline store can increase
		5	Economic macro conditions, less consumer, ecommerce also contributes to reduced offline sales.
8	Ms.P, Female, 25yo, Anak Den Shop, Pasar Tanah Abang Blok A (Clothes Store)	1	1 Year
		2	No, she only sells offline. Price and material are different, offline helps consumers to see the actual products.
		3	Yes, significantly impact on her offline sales.
		4	Agree, because it affects her offline store.
		5	E-commerce significantly impacts on her decreasing offline sales
9	Rina, Female, 30yo, Pasar Tanah Abang Blok A (Clothes Store)	1	2 years
		2	Selling her products through e-commerce (Shopee).
		3	Yes, ecommerce affects her sales. Decreasing
		4	Agreeing, she hopes consumers will shift from online to offline.
		5	Ecommerce affect
10	Ms. S, Female, 26yo, Eunike Shop, Pasar Tanah Abang Blok A (Clothes Store)	1	1 Years
		2	Selling her products through e-commerce (Shopee, Instagram). According to her, online shop contributes high sales instead offline
		3	Yes, significantly impact on her increment of her offline sales
		4	Not agree, because she thinks social media also contributes to increase her offline sales
		5	Consumer is decreasing due to economic conditions
11	Ms. F, Female, 30yo, zalada shop ITC mall (Clothes Store)	1	5 years
		2	Only sold in physical stores
		3	NO,E-commerce has no impact on the real economy.
		4	Agreed with the government's decision and believed that it could boost the real economy.
		5	Consumer is decreasing due to economic conditions

12	Ms. Si, Female, 29yo, lhgteys Shop, ITC mall (Clothes Store)	1	4 years .
		2	Only sold in physical stores.
		3	E-commerce has no impact on the real economy.
		4	Agreed with the government's decision and believed that it could boost the real economy.
		5	Consumers have less money to spend.
13	Mrs. A, Female, 29yo, ITC mall (Optical Store)	1	4 years.
		2	Only sold in physical stores.
		3	Believe that e-commerce has an impact on the real economy.
		4	Agreed with the government's decision and believed that it could boost the real economy.
		5	Consumers have less money to spend.
14	Mrs. B, Female, 27yo, ITC mall (A phone case Store)	1	5 years.
		2	Only sold in physical stores.
		3	E-commerce has no impact on the real economy.
		4	Agreed with the government's decision and believed that it could boost the real economy.
		5	Consumers have less money to spend.
15	Mrs. C, Female, 27yo, ITC mall (Game controller shop)	1	8years.
		2	Only sold in physical stores.
		3	Believe that e-commerce has an impact on the real economy.
		4	Agreed with the government's decision and believed that it could boost the real economy.
		5	Large number of layoffs.

Source: Adjusted by Researcher, 2024

DISCUSSION

The digital economy of Indonesia is growing

Increased demand from consumers The fast expansion of e-commerce is being driven by the dominance of millennial and Gen Z customers. These young people are tech-savvy, digital natives, and their demands are what propel the growth of the digital economy. The Covid-19 pandemic's effects Community activities have become contactless as a result of the pandemic, which has also accelerated digital change and increased public accessibility to e-commerce. People are becoming increasingly eager to purchase online as their lifestyles change, which encourages the expansion of internet shopping. Indonesia has a vast population, which means there are a lot of potential e-commerce consumers there. More individuals have access to the digital economy as Internet connectivity rises. Based on the research results, according to students the TikTok application is interesting for used as a learning tool, new features can be used to create learning content and it is easy for students to understand. Similar opinion expressed by (Bulele & Wibowo, 2020) stated that TikTok is an application which is easy to access, the content is varied, not just focused on one topic so it doesn't get boring.

Product categories and trends in consumption

Favored product groups: The majority of consumer purchases are mobile phone balance top-ups and gift cards, along with fashion accessories, health, and cosmetic items. This demonstrates that there is still a strong emphasis on communication, beauty, and health. Product category changes: Mobile phone balance top-ups and gift cards saw a rise in transactions compared to last year, while the category of clothing and accessories saw a modest decline. This may be due to people's increased reliance on mobile devices and Internet access, while other purchases might be

influenced by the economy.

Purchase power and consumer behavior

Support from buying power: Despite the possibility of a recession, GDP growth was sustained in 2022 thanks to consumer spending. This may be a result of people's greater readiness to spend more money and improved trust in online purchasing platforms. **Plans for shopping and frequency:** Following a pandemic, consumers are reportedly more inclined to make frequent internet purchases. This demonstrates how changing consumer behavior has resulted in an increase in internet buying. This also supports and is in accordance with the We Are Social survey data (WAS, 2023) that the time spent by Indonesian people on social media has reached the average three hours. This indicates that students use social media has many positive impacts, as stated by Thomas et al., 2021 that using social media can provide positive things such as being yourself student.

Persistent Opportunities and Challenges

Market diversity: E-commerce platforms must adjust to shifting market demands as customer demand evolves. To remain competitive, businesses must comprehend customer trends and requirements and promptly modify their products and services to meet those needs.

Digital payments and security: As e-commerce transactions grow, digital payments' security will become a crucial concern. To foster confidence, platforms and users must cooperate to secure the security of payment information.

Infrastructure development: To facilitate quick and safe transactions, dependable infrastructure is required even while the digital economy prospers. The digital economy will need to be invested in if it is to expand sustainably. Overall, the younger consumer generation, the pandemic, and the digital revolution are all contributing to the expansion of Indonesia's digital economy. To be successful as the industry changes, e-commerce platforms will need to remain attentive to customer expectations and offer a secure and pleasant buying environment.

Condensed findings from theoretical and speculative analysis

Technology's effect on consumer behavior The Internet and social media in particular have profoundly altered consumer spending and purchasing patterns. Online research for product information, pricing comparison, reading of customer reviews, and eventual online purchase of goods and services are more common practices among modern customers. Shopping has become more convenient because of the growth of the Internet, and social media has given customers access to product information and customer reviews. **Improved purchasing experience:** Thanks to technological advancements, shoppers can compare goods, prices, and brands with ease. Electronic payments may also be performed online. Online purchasing exhibits a favorable association due to its accessibility and ease, leading customers to prefer it. Market expansion and product innovation are made possible by e-commerce, which also gives small and medium-sized firms access to international markets. The development of technology has also compelled businesses to continually reinvent their products in order to suit consumer wants and raise customer happiness.

Micro, Small and Medium Enterprises (MSMEs) are capable business activities expand employment opportunities and provide broad economic services to the community, plays a role in the process of equalizing and increasing people's income, encouraging growth economy, and realizing national economic stability. Business criteria included in Business Small and Medium Enterprises have been regulated in a system of statutory regulations. Based on Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises exists several criteria which include: a. Micro businesses, namely profitable businesses operated by individuals and/or independent business entities that meet the legal requirements for micro businesses. b. Business Small businesses are profitable commercial activities that stand alone and are carried out by individuals or business organizations that are not subsidiaries or divisions of owned corporations, operated or part, either directly or

indirectly, of a medium-sized company or large in accordance with business needs, as regulated by law. c. Business Medium: Independent productive economic enterprise, carried out by people or corporate organizations which is not a division or branch of a corporation owned, managed or partly, either directly or indirectly, from small or large businesses with net worth total or annual gross income as regulated by law (Prameswari et al., 2017). The emergence of MSMEs and their role in the Indonesian economy is the key to how the Indonesian nation can escape the economic crisis. Especially during the Covid-19 pandemic which weakened large businesses and on the other hand, MSMEs were able to make a maximum contribution to maintaining the economy in Indonesia. MSMEs do not mean small and medium businesses that cannot provide relatively large employment opportunities, MSMEs have a role in absorbing labor to reduce unemployment and contribute to expanding exports while increasing GDP or the country's economic growth. Developments in increasingly modern times and the existence of open market mechanisms require MSMEs to increase their competitiveness so that they can continue to operate and develop. The increasing use of the internet and easy internet connections are a breath of fresh air for MSMEs to be able to compete in current conditions. Through social media which is easy to apply and use, every MSME may be able to answer the challenges of market conditions in such a way. Social media itself is the result of the development of new internet-based website technology, which makes it easier for everyone to communicate, share and form networks online. This form of social media is currently being used quite frequently by levels of society, such as Twitter, Facebook, Instagram, and so on. Reporting from "Digital Around The World 2019", it was recorded that approximately 150 million of the total population of 268 million uses social media. This is one of the factors why MSMEs can start selling via social media. Apart from these reasons, there are several other factors why social media has a big influence on the development of MSMEs.

There are several benefits of Social Media (Winarti, 2021), namely,

- Connection reach throughout the world where there is no easier way for business and finding someone other than using social media. Facebook, Twitter, Instagram and many other types of social media allows all people in the world to interact with each other. This matter also has many different effects and benefits, especially for MSME actors.
- Meet People with Similar Interests, When You Choose to participate in a community on a social network can choose which community is appropriate and desired.
- Real-Time Information Sharing, many social media are equipped with a feature to chat so that you and other people can communicate and exchange information in real-time. The initial function of social media was first created, to communicate and can help MSME players in marketing products. Many parties do MSMEs will benefit from this feature.
- Can reach the target market, media will really help you reach millions of people whenever MSMEs market. With social Media makes it possible to disseminate product or service content to consumers target MSMEs. Each social media platform offers various tools or features that make it possible for a business to deliver content specific to their targets.
- Increased Information Circulation, No doubt, social media has revolutionize the speed of circulation of information or news. Many business people do relies on social media to collect and share information.

Social media can also suffer from disadvantages (Winarti, 2021), such as:

- Vulnerable to misunderstandings. One country's language is different from another other countries, so that for example, content that you consider to be a joke may mean something different to someone else. This applies especially on the business scope for MSME players. Misunderstanding of a content on social media can lead to big problems and have an impact on the future. In fact, your comments or opinions about something that is then posted on social media can have an impact for the running of the business.
- Cyber crime or cyber crime where the use of social media It should not lead to humiliation or harassment of people others, even children. Apart from that, as time goes by, it is now emerging cyberbullying behavior of other people, both women and men negatively intimidated by irresponsible parties through social media media.

- Risk of fraud or identity theft, whether you like the information or not posted on the internet has become a consumption for everyone, in fact even criminals. Many criminals can do it easily access and obtain information about yourself and make use of it. If they managed to steal your identity, so be prepared to face the worst. A report said, this crime is one of the fastest growing forms of crime and driving internet usage with an increase of 60%. Poll conducted by The GlobalWebIndex shows 28% of people's time What you do on the internet is to access social media. In that figure, It was recorded that access was carried out during working hours, resulting in the company lost productivity.
- Invasion of business privacy, social media directly or indirectly “inviting” your rival companies to invade privacy and sell out information you have. Have you ever accidentally given a comment on Facebook just to see if any ads will appear which is related.
- Wasting time. Business Insider reports that social media is The most popular use of the internet even exceeds the use of email.

The most frequently visited social media are WhatsApp, TikTok and Instagram. The duration of social media use by students is more than two hours. Activities that students often do when opening social media, namely looking for information, seeing the latest news, entertainment (funny videos, news viral, watching), communication, viewing friends' stories, learning, exploring the homepage. Social media functions based on student perspective as; means of communication, easily accessible sources of information, entertainment media, media for learning, a means of getting new things, doing business, a source of inspiration.

Respondents' company backgrounds: Fifteen small and medium-sized business owners from Jakarta, Indonesia's Dhana Pradesh market participated in the study. These entrepreneurs, who primarily work in the clothing industry, are a representation of the SME market in Indonesia. Most of the respondents used social media, including TikTok, for sales in the past, as well as e-commerce sites like Shopee and Lazada. For them, reaching a wide range of consumers quickly and easily can be achieved through e-commerce. E-commerce's effect on sales: Most respondents think that e-commerce has increased market reach and increased sales, but it has also resulted in price competition and decreased earnings. According to several respondents, e-commerce dramatically impacted their sales, resulting in a sharp decline in sales.especially during the pandemic.

Social media banned by the government as an e-commerce viewpoint While most respondents supported government regulations dictating that social media should be utilized as a platform for e-commerce, many were also concerned about their earnings being impacted by reduced costs for online purchases. In the context of marketing, the global crisis has made many organizations start to think and look for ways of efficiency. It's no secret that an organization's highest costs always come from marketing and labor costs. Therefore, business organizations must be good at seeing opportunities effective marketing activities in the digital era at low and effective costs (Nurpratama & Anwar, 2020). With social media we expand our target market and look for new consumers, one example is by using Instagram related to business then used to get suitable potential customers by following and liking or comment on posts so they know the brands and products that will be offered to them consumer. And consumers can provide feedback that is directly related to the business that we carry out so that we can know exactly what consumers need (Trulline, 2021). This is the reason for researchers to find out the influence of social media in particular Instagram on marketing MSME products in the Pacitan Region. As a reference in research. In this case, the researcher includes comparative research from (Agustin, et al, 2021) which reviews the use of social media in marketing MSME products: case study MSME actors in Sidodadi village (Purwiantoro, 2016).

In summary, the rapid development of technology has had a profound impact on e-commerce and consumer behavior, bringing convenience, choice, and innovation. However, the accompanying challenges also need to be addressed by the joint efforts of businesses, governments and consumers to promote the healthy development of the e-commerce industry.

CONCLUSION

In conclusion, following the epidemic, customers are more likely to make frequent internet

purchases. All product categories saw an increase in the average transaction value, suggesting that consumers are becoming more confident about buying online and contributing to the expansion of the digital economy. This research offers perceptions and firsthand accounts of Indonesian small- and medium-sized business owners operating in the online marketplace. Since the majority of participants had inadequate English competence, the questionnaire was created in Bahasa Indonesia. Building a positive online reputation and strong customer relationships, as well as comprehending and responding to consumer expectations and needs, will be essential to business success in the digital age. The primary factors were the competitive impact of social media on offline sales, as mentioned by some respondents, and declining economic conditions and price competition in e-commerce. Though they are aware of the difficulties, particularly the competition from offline sales, most respondents feel that e-commerce generally has a positive effect on sales. Social media influence and governmental regulations have also had some impact on their business. While most respondents agreed that social media should be permitted to be used for e-commerce, some expressed worry about the potential pressure from competition in the form of a price war. This implies that in order to maintain the fairness of market competition, the government should consider the interests of small and medium-sized enterprises (SMEs) when developing pertinent policies. Even with the increase in sales due to e-commerce, some respondents still attribute a sizable portion of their sales to offline sales. This demonstrates the need for SMEs to diversify their sales channels and fully capitalize on the benefits of both online and offline sales. The effects of shifting consumer behavior and macroeconomic variables on sales are discussed in the study. This demonstrates the necessity for SMEs to closely monitor market developments and adapt their sales strategies as needed.

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