

The Role of Social Media as a Digital Business Tool in Improving Marketing and Sales of MSME Products

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Keywords	Abstract
MSMEs; social media; digital marketing; product sales; digital business.	The rapid development of digital technology has encouraged Micro, Small, and Medium Enterprises (MSMEs) to continuously adapt within an increasingly digitalized business ecosystem. Social media has evolved beyond a platform for entertainment into a strategic tool for product marketing and sales. This study aims to analyze the role of social media as a digital business tool in improving MSME product marketing and sales, identify the most impactful platforms, and examine relevant strategies, challenges, and solutions. The research employed a quantitative descriptive survey method using questionnaires distributed to 80 MSME actors in urban areas who actively utilized social media as a marketing channel. The data were analyzed using descriptive statistics and frequency distribution analysis. The results indicate that 91.25% of respondents reported significant sales growth attributed to social media utilization, with Instagram and TikTok emerging as the most widely used platforms. Creative content strategies, two-way communication, and micro-influencer collaborations were identified as the most effective approaches. The main barriers included limited digital literacy (reported by 67.5% of respondents) and insufficient time for content management (reported by 58.75% of respondents). This study concludes that strategic and data-driven optimization of social media utilization is essential for strengthening MSME competitiveness in the digital economy era.

INTRODUCTION

Over the past decade, the way people interact and conduct transactions has undergone significant changes. The rapid growth of social media platforms has not only created new spaces for virtual social interaction but has also established a dynamic business ecosystem (Barns, 2019; Wang, 2021). For the Micro, Small, and Medium Enterprises (MSMEs) sector, this transformation has opened new opportunities while simultaneously presenting challenges in maintaining operational relevance and market competitiveness (Al Najjar & Qandeel, 2025; Barreto, Hadikusumo, & Ruswandi, 2025; Yaqub & Alsabban, 2023).

As one of the main pillars of the national economy, MSMEs hold a strategic position. Based on data from the Ministry of Cooperatives and SMEs, this sector contributes approximately 61% to Indonesia's Gross Domestic Product (GDP) and absorbs up to 97% of the national workforce (Georgescu & Popescu, 2015; Susanto et al., 2021; Van der Vlist & Helmond, 2021). Despite their significant potential, MSMEs continue to face several conventional challenges, including limited promotional budgets, relatively narrow market coverage, and low levels of technological adoption. These barriers often hinder MSMEs from competing effectively in a rapidly changing market environment (Prayudhi & Yuniarti, 2023).

The emergence of social media has significantly reduced these limitations. Popular platforms such as Instagram, TikTok, Facebook, and WhatsApp Business have transformed into competitive yet affordable marketing channels. Unlike conventional advertising, which often requires substantial financial investment, social media enables MSMEs to target specific market segments more precisely at relatively low costs (Fitria, 2025). The viral potential of short-form video content on TikTok, for instance, can generate a rapid increase in customer engagement and sales within a short period, which was previously difficult to achieve through traditional promotional media.

The positive impact of social media on MSMEs has also been supported by previous studies. Farid, Pangestu, and Permana (2022), in their research on the MSME business Diantara Cafe, found that active Instagram management successfully increased sales within a relatively short period. A similar pattern was identified by Permadi, Sari, and Prawitasari (2022), who concluded that social media has become a primary choice for MSMEs because it can expand market reach without creating significant operational costs.

However, digital marketing is not limited to displaying product images. Mufidda (2026) emphasized the importance of authentic and personalized communication in building emotional connections with consumers, which can subsequently lead to stronger brand loyalty. Furthermore, Putri et al. (2025) highlighted that social media currently serves a dual function: not only as a promotional channel but also as an effective tool for real-time market research to understand consumer behavior and preferences.

Despite the extensive opportunities provided by digital platforms, the digitalization process among MSMEs is not always straightforward. Anindhita et al. (2024) highlighted that limited digital literacy remains a major challenge, particularly among local business owners and older generations of entrepreneurs. This issue is further reinforced by Sulis (2023), who emphasized that without appropriate content strategies and the ability to interpret analytical data, MSME digital activities may become reactive efforts without measurable outcomes.

The novelty of this research lies in its comprehensive assessment of social media utilization across multiple platforms and its specific focus on identifying effective strategies and persistent challenges faced by MSME actors. Unlike previous studies that generally examined individual platforms or specific aspects of digital marketing, this research provides a holistic evaluation encompassing platform preferences, content strategies, communication approaches, and implementation barriers. The study also contributes empirical evidence from the Indonesian MSME context by providing insights into the dynamics of social media adoption in urban areas. Through a quantitative descriptive survey method, this research generates measurable findings that can support both academic discussions and practical interventions for MSME digital development.

Addressing the gap between the significant potential of social media and the challenges faced by MSMEs, this study seeks to provide a comprehensive review based on empirical data regarding social media utilization among MSMEs. The main focus of this research is directed toward: (1) measuring the actual contribution of social media to MSME product marketing and sales; (2) identifying the most effective digital platforms; (3) analyzing content strategies that demonstrate positive impacts; and (4) examining the main challenges while formulating practical solutions.

METHOD

Research Approach and Design

This study employed a quantitative approach with a descriptive survey design. This method was selected to provide measurable and structured descriptions of social media utilization among MSMEs, allowing patterns and trends to be identified and analyzed. The descriptive survey approach was considered appropriate because it enabled broader data collection from respondents compared with in-depth case studies.

Population and Sample

Target population in study This focused on MSMEs in urban areas who utilize at least one social media platform For support activity marketing product they. Determination sample done past purposive sampling technique with set criteria: (1) business unit has operate at least one year; (2) active using social media For need business; and (3) willing fill in all over instrument questionnaire.

From this process, we obtain sample as many as 80 respondents. The number This assessed representative For type study descriptive quantitative with tolerance limits margin of error of 10% refers to the Slovin formula. Characteristics respondents covers variation sector enough effort diverse, including business culinary (32.5%), fashion and crafts (27.5%), sector services (20%), products beauty (12.5%), as well as field others (7.5%).

Instrument Study

Instrument primary data collection using questionnaire structured and divided become three section. Opening section filled with question around profile owners and characteristics operational business. Part two load question closed with a Likert scale model (1-5) for measure utilization of social media strategies as well as the impact for sales. Final part filled with bullet points question about obstacles faced and forms support needed perpetrator business.

Validity test instrument done through expert judgment method by three academics in the field digital marketing. Meanwhile that, reliability test questionnaire measured use Cronbach's Alpha formula which produces score 0.847, so instrument stated reliable and worthy used For data collection in the field.

Data Collection and Analysis Techniques

Questionnaire distributed online using the Google Form platform with target local digital MSME community as well as association businessman local. The data collection process is ongoing during three week. Incoming data Then processed use technique statistics descriptive For look for mark distribution frequency, percentage, average (mean), and mark middle (median) of each variables. The entire data computation process is carried out with assistance with Microsoft Excel and SPSS version 25 programs.

RESULTS AND DISCUSSION

Profile Respondents

Demographic data from 80 respondents show that 60% of them is women and 40% men. This figure confirm trend domination female MSME actors who also often found in various studies similar. Staring factor age, majority respondents be in a group young: 47.5% aged 25-35 years, followed by group aged 18-24 years by 31.25%, and the remainder be over 35 years old as much as 21.25%. Composition This give instruction clear that digital MSME groups

today This of course driven by generations young man whose character familiar with technology.

Reviewed from experience operational, 37.5% of perpetrators business new pioneering his business for 1-2 years, 33.75% have running 3-5 years, and 28.75% have endure more from 5 years. Even distribution of business duration This ensure that the data obtained research This capable represent dynamics of MSMEs in various phase growth business.

Table 1. Distribution of Respondents ' Business Sectors

No.	Business Sector	Amount Respondents	Percentage (%)
1	Culinary	26	32.5%
2	Fashion & Crafts	22	27.5%
3	Service	16	20.0%
4	Product Beauty	10	12.5%
5	Other	6	7.5%
Total		80	100%

Social Media Platforms Used

Referring to the results survey, Instagram confirms his position as the most favorite platform with level use reached 87.5%. TikTok trails in the rankings second with figure of 71.25%, followed by WhatsApp Business (65%) and Facebook (48.75%). Findings This in harmony with conclusion research Aulia et al. (2025) who placed Instagram in the position peak as tool most effective promotion for MSMEs to boost marketing.

Phenomenon interesting seen from fact that 61.25% of respondents operate more from two platforms at once. This is prove existence awareness from the perpetrators business about importance multi-platform tactics. This strategy in line with Putri et al.'s (2025) view which states that distribution channel digital promotion is very effective For expand market reach at once minimize risk dependence on one application just.

Table 2. Social Media Platforms Used Respondents

Platform	Amount Users	Percentage (%)	Ranking
Instagram	70	87.5%	1
TikTok	57	71.25%	2
WhatsApp Business	52	65.0%	3
Facebook	39	48.75%	4
YouTube	18	22.5%	5
Twitter/X	9	11.25%	6

The Impact of Social Media on Marketing and Sales

Points crucial findings in research This is size satisfaction perpetrator business to effectiveness of social media. As many as 91.25% of respondents agreed that social media presence bring contribution real on the rise sale product them. In addition, 88.75% of them also felt that the marketing area product they expanding in a way significant.

Findings field This strengthen study by Farid et al. (2022) which explains existence connection positive between intensity social media management with curve growth MSME business. Effects positive others are also recorded in the aspect improvement awareness brand awareness was 76.25%, while 68.75% of respondents confess success get niche customer new previous one difficult reachable past ways conventional.

Table 3. Impact of Social Media on MSME Business Performance

Aspect Impact	Strongly Agree + Agree	Percentage (%)
Improvement sale product	73	91.25%
Expansion market reach	71	88.75%
Increased brand awareness	61	76.25%
Get customer new	55	68.75%
Communication customer more easy	68	85.0%
More market research easy	49	61.25%

Interestingly, the convenience in weave communication with customer get response very high positive (85%). This fact show that MSME actors do not just using social media as board announcement One direction, but rather active utilise room discussion interactive provided. Conditions This strengthen Fadhillah Fatin et al.'s (2026) argument that strength main social media compared to advertisement print or physique precisely located on the pattern two- way communication.

Utilization Strategy by MSMEs

Based on results questionnaire data processing, implementation of digital marketing strategies carried out by actors business in the field divided to in a number of focus main:

- a. Consistency Uploading Content Regularity Factor in produce and distribute content promotion recognized by 82.5% of respondents as component important in activity marketing they. Fitria (2025) stated that intensity consistent publication is very influential to memory consumer to something brand (brand top-of-mind). Based on field data, the form most frequently viewed content produced covering Photo products (90%), short videos or Reels (71.25%), testimonials customers (63.75%), as well as documentation of the process behind screen or behind-the-scenes (46.25%). More furthermore, Mufidda (2026) added that effectiveness content No always depending on the size cost production, but rather on the aspect authenticity and approach humanist displayed from the business.

Speed Response Incoming Messages 77.5% of respondents state that they allocate time special For repay comment or message enter from consumer with duration Wait not enough than 24 hours. Speed in respond This impact directly at the level satisfaction as well as trust candidate buyers. In line with findings of Fadhilah Fatin et al. (2026), interactive MSME actors tend get more assessment positive as well as capable increase opportunity purchase repeat order. Tactics dominant communication used covering giving detailed product information in a way informative (87.5%), completion complaint in a way transparent in column comments (61.25%), and utilization Stories feature for confirm delivery goods in a way fast (68.75%).

Collaboration with Micro Influencers

Of the total sample, there were 52.5% perpetrators active business Work The same with micro influencers (accounts with 1,000 to 50,000 followers) for review product they. Aulia et al. (2025) stated that micro influencers are the most ideal partner for MSME scale.

The main factor No only question rates friendly service budget, but rather Because level trust follower they Far more organic and tasteful near compared to celebrities board above. It is proven that 78.6% of respondents who use tactics This state satisfied and want continue Work The same.

Advertising Feature Optimization Paid

Although Not yet touch number the majority, as many as 47.5% of respondents recorded have been using it regularly feature advertisement paid such as Instagram Ads, TikTok Ads, or Facebook Ads. This figure reflect the beginning growth awareness of MSMEs towards effectiveness of paid advertising. According to Fitria (2025), the key success advertisement paid on business small No lies in the amount of funds disbursed, but rather in the accuracy determination market segments and the messages conveyed. On the other hand, the reasons main for groups that have not advertising is confusion method set feature advertising (58.3%) and concern the capital wasted in vain (41.7%).

Integrated Multi-Platform Strategy

There are 61.25% of respondents who manage more from two social media accounts with differentiate approach the content in each application. Multiple patterns found is positioning Instagram as gallery main former brand image, TikTok is focused For hunting virality organic, and WhatsApp Business is ready special become gate transactions and services consumers.

Findings This validates the suggestion of Permadi et al. (2022) that multi-platform tactics will Work maximum If the content customized with appetite audience default of each application, not just copy raw same content.

Obstacle in Implementation of Social Media for Business

Beside overflow impact positive, the road digitalization of MSMEs is still colored various obstacle operational in the field.

Table 4. Main Obstacles in Utilization of Social Media for Business

Obstacle	Amount Respondents	Percentage (%)
The low digital literacy & content strategy knowledge	54	67.5%
Limitations time For manage content	47	58.75%

Obstacle	Amount Respondents	Percentage (%)
Difficulty make interesting content	43	53.75%
Competition increasingly content strict	38	47.5%
Inability measure return on investment (ROI) accurate	35	43.75%
Limitations budget For advertisement paid	31	38.75%
Change platform algorithm that is not can predicted	28	35.0%

The most dominant problem complained about is low digital literacy as well lack of knowledge about manufacturing strategies content (67.5%). Condition This clarify analysis Anindhita et al. (2024) that factor HR competency is still become point weak main digitalization of MSMEs. Obstacles the biggest next is affairs management time (58.75%). This is reasonable happen remember part large MSMEs run independently by the owner, so that focus they split between look after operational daily and thinking draft social media content.

Problem inability measure effectiveness cost operational or mark return investment (ROI) from 43.75% of respondents also complained about digital activities. If left unchecked, uncertainty will arise. This make perpetrator business difficulty designing budget promotion to front. Sulis (2023) reminds return that skills reading analytical data base is competence mandatory so that MSMEs can produce a mature business strategy based on real data, not just guessing.

Recommendation Strategic For Social Media Optimization

Based on results analysis of the data above, there is a number of points recommendation practical that can run by MSME actors:

Participate in Structured Digital Training: Muhammad et al. (2023) proved that the mentoring program capable speed up mastery digital tactics in lightning, covering matter technical operational, production content creative, until management campaign advertisement.

Applying Mindset Data-Driven: Fadhilah Fatin et al. (2026) suggest perpetrator business diligent check chart interactions and demographics audience to know type content favorite and the most appropriate broadcast times.

Focus on Two Main Platforms First: Putri et al. (2025) reminds that neatness management Far more valuable than quantity account. More Good success maintain two platforms than open Lots account However everything abandoned.

Maximize Organic Features Freebies: Optimizing feature free of charge such as Stories, Reels/Shorts, Live sessions, and feature sticker interaction (quiz / polling) periodically before decide switch to advertisement paid.

Join in Community Digital Entrepreneurs: Prayudhi & Yuniarti's (2023) research shows that network community accelerate the process of knowledge transfer and adoption trend business latest between actors business, especially for beginners.

CONCLUSION

This study showed that social media had developed into a strategic instrument that transformed the operational landscape of MSMEs within the digital business ecosystem. Current digital platforms no longer function merely as passive promotional media but have become integrated marketing infrastructures that facilitate customer communication, market research, and direct sales transactions.

Based on the data analysis of 80 respondents, this research identified several key findings. First, social media utilization had a significant impact on increasing sales volume and expanding MSME market reach, with Instagram and TikTok emerging as the most effective platforms through a multi-platform approach. Second, the effectiveness of digital marketing was largely determined by consistent production of engaging content, rapid responses to consumer interactions, the utilization of micro-influencer partnerships, and periodic evaluation based on platform analytics data.

Third, the main challenges faced by MSME actors were limited digital literacy and insufficient time to independently manage social media accounts. Therefore, sustainable collaboration among the government, higher education institutions through community service programs, and business communities is needed to improve the digital capabilities of MSME actors.

For future research, comparative studies are recommended to examine the efficiency levels of different social media platforms across specific business sectors, as well as to measure the long-term impact of digital literacy training programs on MSME business sustainability.

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