Online Marketing Using Social Media Performed by Star-Up Entrepreneurs in Kediri Regency

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**ABSTRAK**

**Abstract:** This study aims at finding out the reasons for start-up entrepreneur to do online marketing using social media, the entrepreneurial strategy used by start-up entrepreneur in doing online marketing using social media and the benefits that the start up entrepreneur get in doing online marketing using social media. This study uses in-depth interviews and documentation. The research type is qualitative with phenomenology approach. The subject of research is 5 start-up entrepreneurs of food and beverage business in Kediri regency. The reasons for using social media are various. First it is because competitors also use social media for marketing. Another reason is using social media will ease the marketers in getting direct feedback from consumers. Then, social media can reach wider scope of consumers, easy to use, and affordable. Strategies used include information strategy, sales promotion and advertising, and join the community. The benefits of using social media are the opportunity of having an instant and fast communication with consumers, businesses and products can be recognized by the public, there is an increase on the revenue received annually.

**Abstrak:** Studi ini bertujuan untuk mengetahui alasan wirausaha pemula melakukan pemasaran online dengan media sosial, strategi wirausaha pemula melakukan pemasaran online dengan media sosial dan manfaat yang dirasakan wirausaha pemula melakukan pemasaran online dengan media sosial. Studi ini menggunakan metode wawancara mendalam dan dokumentasi. Jenis Penelitian adalah kualitatif dengan pendekatan fenomenologi. Subjek penelitian adalah lima wirausaha pemula makanan dan minuman di kabupaten Kediri. Alasan menggunakan media sosial antara lain karena kompetitor menggunakan media sosial untuk pemasaran, karena secara langsung mendapatkan feedback dari konsumen, jangkauan luas, mudah digunakan, dan biaya terjangkau. Strategi yang digunakan antara lain strategi informati, promosi penjualan dan periklanan, serta bergabung dengan komunitas. Manfaat yang dirasakan antara lain komunikasi langsung dan cepat dengan konsumen, usaha dan produk dapat dikenal oleh masyarakat, meningkatnya pendapatan.

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The rapid development of entrepreneurship requires start-up entrepreneurs to do a new idea in marketing to improve their competitiveness. Utilizing information technology by making use of increasingly growing Internet media is one of the ways to able to compete in the era of globalization. One form of information technology that can be applied by start-up entrepreneurs to develop their business is to utilize social media. According to Kaplan & Haenlein (2010) social media is a group of internet-based applications built on the ideological and technological mind framework of Web 2.0 and allows to shape the creativity of users in providing information and communicating between users. In line with that, Utami & Purmana (2012) stated that online social media is a media based internet technology with the pattern of information dissemination in the form of conversations designed to facilitate social relationships which are mutually active. So it can be concluded that social media is a tool that can be used to facilitate the interaction and provision of information-based technology without being limited by distance, space and time.

The development of social media has been exploited by entrepreneurial entrepreneurs for promotion process and marketing strategy making use of internet network with affordable cost, without expensive tool and done by themselves without employees. This makes it easier for them to establish communication with influential parties in the business. Social media is intended for start-up entrepreneurs especially those who want to introduce their business fast, conduct business transactions, serve as product information path, make communication globally, and have cost efficiency. Similarly, the statement by (Purwidiantoro & Hadi, 2016) mentioned social media is one of the media that facilitate interactive communication between
entrepreneurs with anyone, whenever and wherever. According to Sohrab (2015) when using social media entrepreneurs need to have a plan because the implementation of social media on marketing can be done by various methods, strategies, and many ways including monitoring conversations about business, giving feedback, giving services, doing promotion and providing supply, and joining a particular community. Social media is an effective business promotional tool because the promotion network can be wider. This is done by start-up entrepreneurs to continue to develop their business.

Marketing using social media also aims to introduce the brand to the community. By introducing brands and giving a good impression, then the confidence of the community will increase and it can change the assessment of the product. This must be done by the business owner one of which is by setting a good strategy from the beginning when choosing to use social media for marketing. According to Schaupp & Bélanger (2014) social media created new opportunities for businesses to expand existing marketing to improve relationships with customers, increase sales, and improve business reputation. Similarly, according to (Durkin, McGowan, & McKeown, 2013) a new effort is required to explore new technological impacts on businesses and support efforts to better manage stakeholder relationships, particularly with customers. Therefore, the use of social media becomes one of the important factors for the progress of the business, especially those who still become start-up entrepreneurs. The benefits of using social media in developing a business is one of the strong driving factors for start-up entrepreneurs to continue utilizing social media in order to expand their business, increase product sales, communicate with consumers, and develop a wider market network. This is consistent with the results of research conducted by Jones, Borgman, & Ulusoy (2015) stating that the benefits from the use of social media sites include awareness raising and inquiries, improving customer relationships, increasing new subscriber numbers, reaching customers on a global scale, and joint promotion for businesses local. This is also in line with Neti (2011) research stating that there are two social media benefits: reducing cost reduction by reducing staff hours and increasing the probability of income. The presence of social media also has an indirect advantage for business. In other words, it does not necessarily lead to immediate decision making or purchasing behavior, but is used as a tool for developing relationships with customers over time.

Start-up entrepreneurs is one of the important parts of economic development of a region or country, particularly in Indonesia. Start-up entrepreneurs have an important role in the pace of the economy of the community and they can assist the government in creating new jobs and through start-up entrepreneurs there will be many new working units created which in turn will demand new workers that can support household income. According to the National Entrepreneurship Act of the Republic of Indonesia (“Rancangan Undang-Undang Tentang Kewirausahaan Nasional,” 2017), start-up entrepreneurs are Indonesian citizens who start entrepreneurship activities in the category of small and medium enterprises (SMEs) and they have been into business for more or less than 42 months since they are registered into the licensing agency.

The data obtained from the Central Bureau of Statistics of Kediri Regency in 2016 (Badan Pusat Statistik Kabupaten Kediri, 2016) found that the scale of the industry in Kediri district is dominated by the start-up entrepreneurs and household handicraft (the number of labor ranges between 1 to 4 people for one business unit). The most dominant number of start-up entrepreneurs in Kediri district is food and beverage business which is about 37.09% and the rest are those majoring in textile and leather, wood and others. Progress of industry in Kediri regency was ranked the third after agriculture and trade sector.

Social media offers the ease and features that can be utilized for promotion and marketing. Previous researches have already investigated the use of social media as an easy and inexpensive promotional tool to expand market share by the company. There have not been many researchers discussing how start-up entrepreneurs in using social media for promotion and online marketing. This is of course interesting to discuss especially when today's government is actively encouraging its people to do entrepreneurship activity. This study examines how start-up entrepreneurs can survive in the business competition by having only social media as their promotion tool and as an online marketing tool, service, and building communication with consumers. This research involves start-up entrepreneurs who live in Kediri district and those having food and beverages sector as their business as research subjects.

METHOD

The type of research used is qualitative with phenomenology research approach. The research was conducted on 3 start-up entrepreneurs majoring on food business and 2 start-up entrepreneurs majoring in beverages in Kediri district. The data collection in this study includes in-depth interviews and documentation.

Research phase in this research includes the stage of research preparation, the stage of research implementation, and the completion stage of the study. The analytical model used is interactive analysis model that is process of data analysis such as data reduction, presentation, and data withdrawal done when data have been collected (Miles, Huberman, & Saldana, 2014). The validity check of the findings used in this study is source triangulation.
FINDINGS

The researchers have conducted research on 3 start-up entrepreneurs on food and 2 start-up entrepreneurs on beverage in Kediri district. The results will be described as follows.

Table 1. The List of Start-up Entrepreneurs Who Become the Research Subjects

<table>
<thead>
<tr>
<th>Business Name</th>
<th>Product Type</th>
<th>Business age/December 2017</th>
<th>Annual Profit</th>
<th>Social Media Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Omah Makroni</td>
<td>Camilan Makroni, Mie Kering Pedas</td>
<td>13 months</td>
<td>Rp 9.000.000</td>
<td>Facebook, Instagram, Black Berry, Messenger (BBM), dan WhatsApp</td>
</tr>
<tr>
<td>Istiqomah</td>
<td>Sambal Pecel, Kripik Sayur</td>
<td>22 months</td>
<td>Rp 25.000.000</td>
<td>Facebook, Instagram and WhatsApp</td>
</tr>
<tr>
<td>Brownies Pak Dhe</td>
<td>Brownis</td>
<td>13 months</td>
<td>Rp 10.000.000</td>
<td>Facebook, Instagram and WhatsApp</td>
</tr>
<tr>
<td>Queen Bee Madu</td>
<td>Madu, Bee Pollen, Royal Jelly, Propolis</td>
<td>25 months</td>
<td>Rp 25.000.000—27.000.000</td>
<td>Facebook, Instagram and WhatsApp</td>
</tr>
<tr>
<td>Kopi Medowow Excelsa</td>
<td>Kopi</td>
<td>14 months</td>
<td>Rp 30.000.000</td>
<td>Facebook, Instagram, Black Berry, Messenger (BBM), dan WhatsApp</td>
</tr>
</tbody>
</table>

Source: Novive Entrepreneur at Kediri Regency

The Reasons of Start-up Entrepreneurs do Online Marketing using Social Media

In the digital age today, almost all circles have social media. This certainly facilitates the business actors in providing various information on business and business products. Not just for sharing information, social media has also become a means of communicating and interacting online to conduct online marketing. There are one reasons why social media is used for marketing by novice entrepreneurs of food and beverages in Kediri district.

First, these start-up entrepreneurs learn to use social media as they see other competitors using social media for online marketing. This fosters them to do online marketing using social media too. Second, using social media enables the business owners to directly respond to the order and get feedback from consumers. Third, there is an ease of operation of social media features for promotion and marketing by exploring features offered by social media to attract consumers. Fourth, broad social media coverage that social media offers makes it easy for start-up entrepreneurs to reach consumers and customers. Fifth, social media is affordable. Expenses are only for the purchase of credit and the cost of delivering the goods.

Online Marketing Strategy using Social Media performed by Novice Entrepreneur

Strategies in using social media for marketing under taken by start-up entrepreneurs in Kediri district can be broadly classified into several important matters, including information strategy, designing promotions including sales and advertising promotions, and community building. The findings in the field about the strategy of start-up entrepreneurs will be described as follows. Information strategy includes describing business profile, contacting contacts, posting photos along with clear information, making purchases, and offering services. Designing promotions include (a) sales promotion with discounting, free shipping and postage subsidies, (b) advertising promotions by posting testimonials provided by consumers, posting business-related videos, sponsoring events, giving other gift or merchandise to Endorse consumers and models. Joining the community of other entrepreneurs will facilitate start-up entrepreneurs to conduct promotions and get information about events such as bazaar for entrepreneurs.

The Benefit of Online Marketing using Social Media Performed by Novice Entrepreneur

The number of benefits that start-up entrepreneurs can experience with the use of social media is one of the strong driving factors to continue using social media. Social media indirectly can also help start-up entrepreneurs to build business. The benefits are most felt by start-up entrepreneurs of food and beverages in Kediri district during the use of social media for marketing as follows.

First, conducting promotion and marketing quickly without constrained time and distance making it easier to lift the brand image and delivery of messages to consumers. Second, Communication can be done directly and intentionally between the owner and the consumer to make a deal in the purchase and we will know the need of consumers. Third, Increased revenue. Revenue earned by entrepreneurs in Kediri district is relatively small in number annually because the business age is still early. Moreover, the business owned is a side business not the primary ones and there is lack of updates on product information in social media.
DISCUSSION

The reasons of using social media as Online Marketing by Start-up Entrepreneurs

The use of social media for marketing performed by start-up entrepreneurs in Kediri district can be seen from many aspects. They use social media in order to introduce the business and products that are marketed. They learn using social media as they see another competitors using social media in marketing. This motivates business owners to use social media. In addition, the use of social media among those having business seem very effective and very suitable for promoting business and products. Ignoring the social media will somehow make these business owners lose their change in making use of the various benefits that social media offers. Through social media, business actors can get various information from competitors. This information is useful to be used to analyze information or contents of the competitor's social media to find out the advantages and disadvantages of competitors. Moreover, this is also useful to set strategies for marketing and developing content that matches the market target social media. This finding is supported by research by McCann & Barlow (2015) which states that the reason for using social media is because the urge that come from business owner when seeing another competitors use social media. Social media teachers business owners in using specific and attractive languages to attract consumers in social media. Moreover, they can also set the strategies used by competitors in marketing their business. By doing so they can identify the weaknesses that their competitors have. In line with this, research Akhmad (2015) stated that social media let other business actors know the development or strategy undertaken by competitors. Another study conducted by Dahnil, Marzuki, Langgat, & Fabeil (2014) stated that communication with social media is needed to learn to use words on social media which is very important to attract consumers.

Another reason of using social media is because social media offers direct feedback both positive and negative. This will make it easier for business owners to respond immediately to feedback from consumers. They can respond to what consumers demand quickly and this is an additional value for business owners in the eyes of consumers. This finding is supported by Siswanto (2013) research which stated that through social media business owners can communicate to existing customers directly and attract new prospects. Similarly, research conducted Saravanakumar & Lakshmi (2012) also stated that the communication with customers and consumers will directly increase and cause client loyalty.

Business owners who have already been familiar with the features offered by social media can easily take an advantage of it. Such features will indirectly affect the creative business owners in managing the strategy and utilize it to the maximum for promotion and marketing. This is supported by research by McCann & Barlow (2015) which suggested that business owners can make use of interesting and unique features offered by social media to encourage and enhance participation, to make conversation, to do a cooperation and interaction. Schaupp & Bélanger (2014) urged that social media is very important for businesses with limited facilities and skills as it is easy use and offers many unique features.

Broad social media coverage makes it easy for business owners to quickly introduce products and reach target markets that mostly use social media. Business owners choose social media that is widely used by consumers. These findings support the research of (Nakara, Benmoussa, & Jaouen, 2012) which stated that employers need to target their social media with caution. (McCann & Barlow, 2015) revealed one reason employers use social media because their employees also use it. In other words, business owners will choose social media which is popular in the community.

Affordability of costs for promotion and marketing is another reasons why business owners like using social media. Social media can reach a broader prospective customer at a low cost. Social media is also able to streamline the use of time and energy. Only with very simple gadgets and the cost to purchase credit one can already be done for promotion, marketing and communication. These findings support a study by Uitz (2012) stating that social media in use does not cost a lot. Similarly, Kırtış & Karahan (2011) asserted that social media can help entrepreneurs to advertise their products and services for a very low or absolutely free price as a survival for economic recovery.

Online Marketing Strategy using Social Media Performed by Start-up Entrepreneurs

Strategies in using social media for marketing performed by start-up entrepreneurs in Kediri district are done through the following ways: information strategies, designing promotions, and joining communities.

Information Strategy

Complete information about the business and provide contacts that can be contacted in social media accounts with the aim to generate consumer confidence about the business and products and facilitate consumers to make purchases of products. This supports the research (Utami & Purnama, 2012) which states provide contact numbers and emails are done to convince consumers that business can be trusted as well as for ease of communication. Additionally post interesting photos and annotations with clear language. This is necessary to attract consumers and facilitate consumers who are present from all walks of life. These findings support the (Kaplan & Haenlein, 2010) research states that the language used in social media is everyday language to make it easier for customers to understand the message content. Along with the (Öztamur & Karakadilar, 2014) research, social media for marketing requires sincere communication with the target customers with a more friendly style and quick response.
Testimony aims to convince consumers that customer satisfaction and service are important to business owners. Certainly, for potential customers who visit social media accounts will make observations about the business and products through social media. This finding is supported by (Lestari, 2015) stating that displaying testimonial evidence as well as proof of purchase from a photo is one of the important things in public relations through social media. (He, Wang, Chen, & Zha, 2017) stated that those using social media for marketing should actively promote things in the social media and often post things on social media will influence the market. The findings of research found out the fact that business owners do not have a period of time to post on social media as they are busy with their main job and regard this entrepreneurial job as a side job. On the other hand, posting too often on the social media is not good too. So, the posting is made when it is considered necessary. Cessary to post on social media.

Promotion Design

Promotion design was also undertaken by start-up entrepreneurs in Kediri. It is divided into two, namely the design of sales promotion and advertising promotion design. The design of sales promotions made is by providing promotions or discounts to consumers. The promo is done at particular time for example birthday. Promotion information is posted on social media using interesting and clear sentences. There is also a promotion which is done to make the product sold out. This supports the results of research conducted by (Sidqiyyah, 2014) stating that sales promotions are usually done at a certain moment such as birthdays. On a certain period, when the company wants to make all products sold, it creates promotional activity by giving a special price to avoid loss. Other promotions include free shipping, discount shipping and bonus merchandise provided along with purchase terms.

Advertising design is carried out by posting videos about products and businesses in an interesting and creative way to increase the interest of social media visitors. Videos that are posted like a production video or about the progress of the business. These findings support (Öztamur & Karakadılar, 2014) research stating that social media is able to create great target customers. This is in line with the research finding conducted by (Muttaqin, 2011) stating that the delivery of messages can be done by inserting images illustrations or animations. Sponsoring an event is done so that business owners can build cooperation with other entrepreneurs and products which are better known by the community. The parties who have conducted the cooperation will provide testimonials and promotions at the event. These findings support Neti (2011) research stating that social media has the potential to be able to build new business partnerships or build partnerships with other businesses. Business owners can also apply endorse models. Promotion and marketing through celebrities and other prominent people who have more followers so they can recommend businesses and products or social media accounts. Business owners to promote through the Instagram celebrities in Kediri district for a fee. According to Lestari (2015) the increasing number of followers on social media accounts, will affect the likes and comments in the posts and generate interest or action purchase of goods/services selected.

Join a Particular Community

All business owners starting from those labeled as start-up entrepreneur up to the well-established ones have already joined food and beverage SMEs community in Kediri district. This is done to introduce businesses and products to know the marketing prospect of food and beverage products in Kediri. This forum also provides a free consultation on business particularly things related to business opportunity and tips to do successful promotion with the help of other successful businessmen. This forum enables the business owners to easily know the agenda of Kediri district government particularly those related to business activity such as exhibitions, seminars and many more. These findings support research conducted by (Sidqiyyah, 2014) stating that joining the online business community, business owners will have a positive effect such as getting useful information like bazaar, members meeting, consumers meeting and information to follow the event. Start-up entrepreneurs can also join events that are usually held by local governments. However, this conventional marketing like following the business event is not done maximally as the business owners are busy with their other jobs. According to (Neti, 2011), social media for marketing can’t stand alone, as it should be done hand in hand with other conventional marketing strategies.

The Benefits of Online Marketing using Social Media Performed by Start-up Entrepreneurs

Social media has a global network to expand market share and find consumers. Via social media people will easily know the products being marketed. Those who seem to be far away will be well acknowledge soon social media is used. Social media that has a wide network makes it easy for business owners to expand market share and find new customers or customers. Similarly, research (Jones et al., 2015), expressed the benefits of social media, one of which is to increase the number of new customers and enhance the ability to reach customers on a global scale. It does not cost big and long time to promote business and products. The wider the market share the bigger income it will yield.

Business owners can directly and quickly come in contact with the consumers because the communication is well established without constrained distance and time, so it will grow consumer loyalty to the product. In addition, social media helps the business owners identifying the desire of consumers. Social media enables the business owners to quickly respond to
consumer impressions or comments about products and services being offered. This supports a research conducted by (Jagongo & Kinyua, 2013) stating that social media allows businesses parties to communicate quickly and cheaply. (Meske, 2013) stated that social media is capable of supporting communication between employees and customers and to improve the management of knowledge and marketing.

The development of business after utilizing social media can be directly felt in terms of the income they get annually as the social media helps them a lot in growing the market share. This finding is supported by (Neti, 2011) research stating that the benefits of using social media for marketing include selling more products and services with a reduction in overall marketing costs. This is also in line with the findings from Schaupp & Bélanger (2014) study stating social media creates new and unprecedented opportunities to increase sales and improve business reputation. The findings with regard to this business revealed the fact that the annual income that business owners get is still relatively small in number. This happens because the business owners still place their business as a side job so they rarely post their products or make postings related to the efforts in marketing their product via social media. Another factor is because the business owners still do not have appropriate record or financial report of their business so they do not exactly know the income and the profit they get annually.

CONCLUSIONS

There are some conclusions of this research. First of all, it is stated that the reasons for start-up entrepreneurs using social media for marketing is because they are triggered by their competitors when using social media. It is revealed that social media helps them a lot in their marketing so they can directly get feedback or impressions provided by consumers and customers. In addition, broad coverage that social media offer is another plus of social media besides its easy use and affordable price.

There are some strategies undertaken by start-up entrepreneurs in using social media for marketing. They include information strategies such as providing business profile information, posting interesting product photos along with their descriptions, contactable boxes, offering services and posting testimonials from consumers and customers. Another can be done by doing sales promotion planning such as giving promos or discounts at certain times such as price promotion and postage, and giving merchandize. Advertising promotions such as posting a product video or a creative endeavor can also be done. In addition, it can also be done by inviting sponsorship on a special event, endorsing models and joining a community of other entrepreneurs will facilitate start-up entrepreneurs to promote and obtain information on events such as entrepreneurs bazaar.

There are some benefits that start-up entrepreneurs get by making use of the social media one of which is social media helps them to do promotional and marketing activities rapidly without being bothered with constrained time and distance as communication can be done directly and intentionally between the owner and consumer. As a result, it will increase the number of income though the research revealed that the annual income that the business owners get is still relatively small in number. This is particularly caused by the fact that the owner of business still regards their business as their side job so they rarely use the social media optimally and the social media and lack of updates on product information in social media also become another contributing factor.

It is suggested that start-up entrepreneurs can make use of interesting features that the social media offers though the business is still regarded as the side job. Making use of interesting features that social media offers like Fans Page can facilitate them in reaching consumers through the promotion as well as other strategy done in promotion and marketing. In addition, start-up entrepreneurs need to make a simple record of regarding the profits that they have obtained in order to know the development of their business and to determine the next strategy to pursue the next achievement. Furthermore, Business owners need to utilize social media maximally and consistently by updating more information daily to develop market share and search improvements in search engines as well as promoting maximally to increase revenue.

REFERENCES


