

## The Impact Of Social Media Use On SME Progress

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### ABSTRACT

Nowadays, people are using social media as an information center than other media. One of the advantages of social media is having a lot of potential for the advancement of an effort. Social Media can be used to conduct communication in business, help the marketing of products and services, communicate with customers and suppliers, complement brands, reduce costs and for online sales. Social Media is a communication tool for SMEs to communicate, highlight and supervise information about consumers.

The research aims to determine the influence of customer relationship management, market access, on the advancement of SMEs. The respondent of this research is the SME actors in the district of Percut Sei Tuan Deli Serdang Regency, North Sumatera which uses social media in conducting its business. The sample of this study was 65, using the probability sampling technique. Data analysis techniques use multiple regression analyses with the help of SPSS 20.00 as well as hypothesis tests through partial tests (test-t), simultaneous tests (F-test) and coefficient of determination test. The results showed that customer relationship management, market access, had a significant effect on SME progress. The implication of this research are that with social media applications, businesses get the opportunity to maintain good relations with customers, expanding market access for their business progress.

Keywords: Social Media, Customer Relations Management, Market Access, SME Progress

### 1. INTRODUCTION

Nowadays, the development of technology and communication are increasingly indifferent, the use of social media has become the main thing for SMEs in delivering information. One of the advantages of social media is having a lot of potential for the advancement of an effort. Therefore, SME actors must be able to forge themselves following the development of technology through social media. Communication can be done through social media by businesses to their customers who will have an impact on greater market access (Samuel & Sarprasatha, 2016).

Social Media is used to conduct communication in business, help marketing products and services, communicate with customers and suppliers, complement brands, reduce costs and for online sales (Ashley & Tuten, 2015). Examples of social media are growing today are Twitter, Facebook, MySpace, YouTube, Instagram, path, WhatsApp, line, etc.

The number of information dissemination and the increasingly free competition has increased consumer awareness of the large selection of products to be chosen. If SMEs do not fix the strategy in offering products for the advancement of business, the SME will be threatened bankrupt (Kilgour, Larke, & Sasser, 2015). Social Media is a marketing tool of products or services other than as a container of interactions with customers to try to solve their own problems (Baumol, Hollebek, & Jung, 2016).

Social Media also offers a lot of benefits for SMEs that is identifying customers, conducting reciprocal communication, sharing information to be able to know the objects that customers are liked, customer attendance, relationship between customers Based on location and interaction patterns, and increased cooperation with other entrepreneurs so as to improve the performance for the advancement of SMEs (Holliman & Rowley, 2014). Social Media that includes online channels to share and participate in a variety of activities, is an increasingly important way for SMEs to communicate interactively with consumers (Murdough, 2009). Social media is a group of internet-based applications built based on {kan skeleton Mind and technology framework from WEB 2.0, and it allows the creation of the content of exchange information from Internet users. WEB 2.0 and can be used in SMEs (Jangongo & Kinyua, 2013).

Examples of social media are developing nowadays are: Twitter, Facebook, MySpace, YouTube, Instagram, path, WhatsApp, line.

The results of the research (Arianty & Rambe, 2017) that the marketing conducted on the household industry business in the Sub-district of Percut Sei Tuan, Deli Serdang Regency has not been fully effective, where the business people who exist in the area is not yet all Using social media. It is seen the sales of its products have not been by following the target, product marketing has not reached a wide area. Marketing strategy is precisely done by the household industry (SMEs) to have competitiveness and progress one of them is using social media (Arianty, Rambe, & Bahagia, 2018).

This research was conducted in the Deli Serdang district, especially in the subdistrict of Percut Sei Tuan Deli Serdang Regency, were in the area many SMEs have quality on its products but not entirely use social media in offering Products to consumers. This is due to knowledge owned by SME actors who very lacking and limited. So that the product is only known and known by the environmental community around industrial manufacture alone

## 2. RESEARCH METHODS

This research is a descriptive research observational in small and medium enterprises (SMEs) in the district of Percut Sei Tuan Deli Serdang Regency of North Sumatera consisting of 18 villages and 2 Kelurahan. Methods of data collection through observation, interview (interview), question List (questionnaire), documentation studies on SMEs and social media user. The population of this research is the SME actors in the district of Percut Sei Tuan Deli Serdang Regency of North Sumatera. The sample of this research is 65 SMEs who are already using social media in conducting their business with non- probability sampling techniques.

Sampling in this study uses the Probability Sampling technique, which is a sampling technique that provides the same opportunity or opportunity for each element or member of the population to be selected into a sample. Looking at the characteristics of the existing population and the purpose of this research, the determination of respondents that were made samples in this study was conducted by Simple Random Sampling method, i.e. randomly sampling without regard to strata in Members of the population.

The analytical techniques used in this study are quantitative data analysis, i.e. testing and analyzing data by calculation of numbers and then drawing conclusions from the methods of multiple linear regression and hypothesis testing through test (test-T), simultaneous test (F-test) and coefficient of determination, in practice the data processing of this research is not processed manually, but using SPSS statistical software.

## 3. RESULTS AND DISCUSSION

### a. Multiple linear regression analysis

For the occurrence of double linear regression is already qualified classic assumption where can be seen from the test normality concluded that the regression model has fulfilled the assumption of normality, seen from the test heterokedastisitas that does not occur Heterokedastisitas. And test multithat there is no symptom of multikolinearitas. Later seen from the double linear regression test, the results are obtained as follows :

**Table 2**  
**Multiple linear regression test results**  
**Coefficients<sup>a</sup>**

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		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Model (Constant)	-5.838	3.982		-1.466	.148
	Customer Relationship Management	.262	.079	.201	3.328	.001
	Market access	1.051	.079	.807	13.368	.000
a. Dependent Variable: SME Performan						

From table 2 above known values as follows :

- 1) Constants = -5,838
- 2) Customer Relationship management = 0.262
- 3) Market access = 1,051

These results are incorporated into multiple linear regression equations so that the following equation is known:

$$Y = -5.838 + 0,262_1 + 1,051_2$$

These results are incorporated into multiple linear regression equations so that the following equation is known :

1. The multiple regression equations above, are known to have a constant of -5,838 with a negative sign. Indicates that if the independent customer Relationship Management (X1) market access (X2) is in a constant state or does not undergo changes (equal to zero), then the performance of SMEs (Y) is amounting to -5,838.
2. Customer relationship Management has a regression of 0.262 to declare that if performance is increased by 1% (assuming that the value of other variable coefficients is fixed or unchanged) then the performance value will increase by 0297. But conversely, if customer relationship management drops 1% (assuming that the value of other variable coefficients is fixed or unchanged), it will decrease performance by 0262.
3. The access market has a regression of 1,051 to declare that if market access is increased by 1% (assuming that the value of other variable coefficients is fixed or unchanged) then the performance value will increase by 1,051. But conversely, if market access drops 1% (assuming that the value of other variable coefficients is fixed or unchanged), it will decrease performance by 1,051

## b. Hypothesis Test

### 1). Test T (Partial Test)

**Table 3**  
**Statistical Test Result (Uji-T)**

Coefficients <sup>a</sup>						
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-5.838	3.982		-1.466	.148
	Customer Relationship Management	.262	.079	.201	3.328	.001
	Market access	1.051	.079	.807	13.368	.000
a. Dependent Variable: SME Performan						

The results of statistical test 1 in the table above can be described as follows:

#### 1. Effect of Customer Relationship Management (X1) on SME Performance (Y)

T tests are used to determine whether customer relationship management is individually (partial) has a significant or no relation to SME performance. For test criteria is done at  $\alpha$  level = 0.05 with t value for  $n = 65 - 2 = 63$  is 1,998  $T_{hitung} = 3.328$  and  $T_{tabel} = 1,998$ .

The  $T_{hitung}$  value for the customer Relationship management variable is 3,328 and  $T_{tabel}$  with  $\alpha = 5\%$  unknown by 1,998. Thus  $T_{hitung}$  greater than  $T_{tabel}$  and a significant value of customer relationship management of  $0.001 < 0.05$  means that the result was concluded that  $H_0$  rejected ( $H_a$  acceptable) showed that there was a positive and significant influence between Customer relationship management against SME performance.

#### 2. Effect of market access (X2) on SME performance (Y)

T-test is used to determine whether the market access has an individual effect (partial) has a significant or no relationship to SME performance. For test criteria is done at  $\alpha$  level = 0.05 with t value for  $n = 65 - 2 = 63$  is 1,998  $T_{hitung} = 13.368$  and  $T_{tabel} = 1,998$ .

The  $T_{hitung}$  value for the Kewirausahaan knowledge variable is 13,368 and  $T_{tabel}$  with  $\alpha = 5\%$  unknown by 1,998. Thus  $T_{hitung}$  greater than  $T_{tabel}$  and significant value of market access of  $0.000 < 0.05$  means that the outcome came to the conclusion that  $H_0$  rejected ( $H_a$  acceptable) showed that there was a positive and significant influence between market access Performance of SMEs.

## c. Test F (Simultaneous Test)

**Table 4**  
**Simultaneous Test Results (test-F)**

ANOVA <sup>a</sup>						
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1181.494	2	590.747	123.552	.000 <sup>b</sup>
	Residual	296.444	62	4.781		
	Total	1477.938	64			
a. Dependent Variable : SME Performan						
b. Predictors: (Constant), Customer Relationship Management, Market access						

$$F_{tabel} = 65 - 2 - 1 = 62$$

$$F_{hitung} = 123.552 \text{ dan } F_{tabel} = 3.15$$

From the above results can be seen that the value of  $F_{hitung}$  is 123,552 with a significant rate of 0.000. While the value of  $F_{tabel}$  is known for 3.15. Based on these results it can be known that  $F_{hitung} > F_{tabel}$  ( $123,552 > 3.15$ ) means  $H_0$  is rejected and  $H_a$  is rejected. So it can be concluded that the customer relationship management variables and market access are influential together against the SME's performance.

#### d. Coefficient of Determination

**Table 5**  
**Coefficient Test Result determination**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.894 <sup>a</sup>	.799	.793	2.18663
a. Predictors: (Constant), Customer Relationship Management, Market access				
b. Dependent Variable: SME Performan				

$$D = R^2 \times 100\%$$

$$D = 0.799 \times 100\% \\ = 79.9\%$$

According to the table above can be seen that the value of R Square is 0799 which means 79.9% and it is stated that the customer relationship management variables and market access amounted to 79.9% to affect the SMB performance variable. Furthermore, the difference is  $100\% - 79.9\% = 20.1\%$ . It shows that 20.1% is another variable that does not contribute to SME's performance research.

#### 4. DISCUSSION

Based on research gained there is a positive and significant influence between customer relationship management to SME advances. This means that maintaining customer relationships is able to increase the progress of SMEs in the district of Percut Sei Tuan Deli Serdang Utara, where the management of strong customer relations will support the goals of SMEs, otherwise the weak will impede or In opposition to SME's goals. Customer relationship management is able to reduce and even eliminate grouping in a business, and focuses on individual customer needs (Berthon, Ewing, & Napoli, 2008) social media has become a medium that facilitates and expands Communication between SMEs and customers. Social media is able to create a unique environment for SMEs that allows businesses to improve the market on products, reduce marketing costs, increase sales, and offer closer customer relationship management (Mokhtar, Hasan, & Halim, 2017) along with the presence of digital technology in the late 20th century, and the coming of the social media era, SMEs are expected to pay attention to customers. There is two things that make UKM start to pay attention to the consumers, namely the first SME learn from previous experience that has not done good customer relationship management through existing social media, both lack of understanding the customers in Social media use (Michaelson & Stacks, 2011). In keeping the relationship with the customer needed employees who have Internet Mastery (Kautz & Nielsen, 2004) Many Internet users who use social media are an opportunity for the company to always connect with customers. Having a talented employee in social media mastery can improve productivity and efficiency (L & S, 1995). (Jangongo & Kinyua, 2013) stated that in his research conducted in SMEs get the fact that the management of customer relations on social media affects the growth of SMEs means SMEs who can establish a relationship with customers through social media can increase sales and profits it will have an impact on the progress of SMEs. Social media created by SME actors should focus on relationship management customers, optimizing the use of social media to generate sales, generate customer databases, develop and discover new business ideas in other words With social media increasing the progress of SMEs, and can open up opportunities and actively engage organizations in dealing with customers to generate sales and ultimately increase profits (Joefrelin C. Ines, 2016).



Furthermore, the impact of social media on the advancement of SMEs is market access. The influence of market access to the SME's progress shows positive value, meaning that there is a direct influence between market access to SME progress. SMEs in conducting their business must have a strategy to use social media to access the target market (Hassana, Nadzim, & Shiratuddin, 2015). Using social media is the most effective way SME has in accessing the target market (Kirtis, A & B, 2011). (Hoek & Gendall, 2003) social media can be an advertising tool and access a strong market so that it can reach a wider consumer and can attract and influence consumers to purchase decisions. Also, social media is considered capable of playing an effective role in marketing relationships. Market access by using robust features allows businesses to communicate consistently with customers regarding new products and services that have to do with sales (Reyneke, Pitt, & Berthon, 2011). With social marketing communication and transactions can be done at any time and can be in access to the rest of the world, one can also see a variety of goods over the Internet, most of the information about the various products already available in Internet, ease of ordering and consumer capability in comparing one product to another

## **5. CONCLUSION**

From the results shows that there is a social media impact on the speed of SMEs in the district of Percut Sei Tuan Deli Serdang Regency, North Sumatera, this can be seen in the variable customer relationship management through the social media significant effect. In progress toward SMEs means that when customer relationship management is well done it will impact the progress of SMEs. In addition to the access variables of the market through social media significant influence on the progress of SMES means that social media provides flexibility for businesses to conduct market and get new markets without being hindered by geographic location.

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