



## THE ROLE OF SOCIAL MEDIA TOWARDS COMPETITIVENESS IN FOOD AND BEVERAGE MSMES

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**Abstract:** Competitive advantage is where a company can formulate strategies that are placed in a way that is more profitable than competitors. This research was conducted at food MSME companies in Sukabumi City, the purpose of this study was to understand and the influence of social media on competitive advantage. With the desire to realize competitive advantages in Food and Beverage MSMEs in Sukabumi City, a company that has advantages in its field is created and has featured in the eyes of consumers to win the market competition. The data analysis technique used is simple linear regression using a quantitative approach. With 40 respondents, namely the owners or managers of Food and Beverage MSMEs using the IBM SPSS Version 24 software. This research concludes that it shows the significant influence of social media variables on competitive advantage.

**Keywords:** Competitive Advantage; Food and Beverage MSMEs; Social Media

### INTRODUCTION

Food is a mandatory human need to continue to live. Food is also one of the 3 basic human needs, namely clothing, food, and shelter. But in this era of disruption, food has shifted its function from just a need but also a desire. This means that today's society is presented with many choices of culinary variants. In line with the shift in food from a need to a desire, the culinary business is increasingly mushrooming and becoming a trend among people. This is evidenced by the increasing number of new culinary businesses that have mushroomed in recent years, ranging from regional, national and foreign culinary specialties. A high lifestyle and a high need for culinary are some of the important factors that cause the culinary business to develop.

Along with the high lifestyle and community needs, according to a report by Parama Indonesia, an institution that helps start-up companies to develop stated that the Indonesian culinary sector grew an average of seven to 14 percent per year in the last five years (Puput, 2017). The proliferation of this culinary business certainly increases the contribution of the culinary industry to the national economy. This is supported by data that states that the culinary industry can provide the highest contribution with a growth of 12.7% in 2018. The culinary industry is a priority sub-sector in 2018 (Nuriwan, 2019).

MSMEs have played an important role in the history of the Indonesian economy where large companies experienced a collapse after the crisis hit large companies in Indonesia, but now MSMEs can survive and become a driving force for the Indonesian economy. MSME is a driving force for the economy of developing countries, so it's no wonder the United States has experienced a crisis that has hit the world, but this crisis has hardly been felt by Indonesia, where most of its economic activities are run by MSMEs. The absence of a fundamental economy in Indonesia has made the government continue to empower MSMEs. This sector can maintain a large enough workforce and provides opportunities for MSMEs to develop and compete with companies that use large capital.



At this time, the growth trend of MSMEs in Indonesia in recent years has grown significantly, especially in food and beverage products, this trend is predicted to have the potential to continue to develop in the market, food, and beverage products are one of the latest culinary franchises in Indonesia, one of which is in Sukabumi. Food and beverage MSMEs are currently trending, to foster a sense of consumer interest in trying and buying MSMEs products, requires efforts from various marketing strategies, one of which is by holding promotional activities. This activity is carried out by selling goods and services, it can also be done via the internet (Khairani et al., 2018). During a society that is shifting from conventional life to live in this era of industrial revolution 4.0. So social media is one of the platforms and other factors that are promised and can make people interested in the goods/services offered, including culinary.

Facing an open and competitive market journey, market domination is a prerequisite for attracting competitiveness or for increasing sales competitiveness. With more and more people using or utilizing the internet and increasingly easy internet connections, MSMEs are now required to make changes so that they can run and develop. One of them is by using internet technology, namely social media, therefore the role of technology is needed to encourage the success of the company and to expand market access through the use of internet technology, namely social media (Akhmad, 2015).

Social Media is the result of the development of internet-based web technology, which can make it easier for everyone to communicate with each other to form an online network, one form of Social Media is Instagram, in the context of easy communication and access to public information, benefiting from technological advances and also the public can carry out sales promotion activities through social media such as Instagram. Social Media Instagram is a social media that is popular with the community so that there are more more program users even though it is still below the scale of Facebook users.

Social media can also have seven potential functions in business, namely identifying customers, conducting reciprocal communication, sharing information to find out objects visited, customers, relationships between customers based on location and interaction patterns, company reputation in the eyes of customers, and forming groups between customers (Achmad et al., 2020).

Instagram is known to have a lot of social media around us. All people in the community can easily use this application. As for the difference with word of mouth sellers who don't use the app to find buyers only with an offer. This is one of the reasons why Instagram has various benefits for business people to build and develop a business brand (Untari & Fajariana, 2018). Instagram is a photo video-sharing application that allows users to take an image, which also applies digital filters and then shares it on various social media services including the Instagram owner itself. Instagram, which has 100 million users with various interests to socialize, keep up with the times or trends, to carry out business promotion activities, Instagram is used by business people to promote their business by sharing information to influence consumers to make purchases (Khairani et al., 2018).

One of the platforms that are often used at this time is Instagram, this platform is used for corporations, personal interests, and as an advertising medium for certain trademarks. Also, Instagram is used as a source of information for certain groups, it's no wonder that advertising on this platform uses both AdSense and hiring influencer support services that are increasingly prevalent (Imam, 2020).

In Indonesia, it turns out that it has the 4th largest number of Instagram users in the world, statista.com data as of October 2019, the number of Indonesian Instagram users is 60 million, 3 rankings below the United States' Instagram users of 116 million, almost a quarter of the Indonesian population who actively uses Instagram Social Media.



A social media marketing analyst company based in Warsaw, Poland, Napoleon cat noted that the number of Indonesian Instagram users as of November 2019 was 61,610,000 million. Then Instagram users in Indonesia continued to skyrocket, data released by Napoleon Cat in the January-May 2020 period, Instagram users in Indonesia reached 69.2 million (69,270,000) users, an increase in achievement from month to month due to the use of this photo-sharing platform (Hamdan, 2019).

The trend of social media users continues to increase, this has changed the pattern of people's behavior where social media can make someone wiser to use or access the virtual world, especially in the city of Sukabumi itself, MSME Food and Beverage today has developed especially in social media, but there are still MSMEs that lack the knowledge to utilize social media itself, and there are still many people who are still reluctant to use social media, because of their lack of knowledge about online marketing. Every social media has its characteristics for promoting a product to consumers, Instagram is one solution for the success of a company to increase competitiveness in sales.

The application of this technology is one of the determining factors in the development of a new product, the advantages of social media of product can attract buying interest from consumers themselves to make purchases on new products produced, it can accelerate the development of a new product quickly. This ability can affect product superiority and can also influence consumer buying interest, therefore competitiveness is important for business owners.

To face the competition every business actor must continue to study and observe the right decision, so that act effectively in achieving the expected goals. Therefore, it is necessary to implement the right strategy of an actor business in the face of competition. According to Michael E. Porter in Haloho et al. (2020) one of the strategies that influence competitive advantage, namely the marketing strategy which is a process of creating, communicating, delivering, and exchanging offers that are of value to customers, partners, and the general public. For this reason, entrepreneurs try to carry out marketing activities well to get a place in the community. Thus, an endeavor that will be able to compete in selling products in the form of goods or services it produces in achieving the goals and objectives of a business (Fadila & Yuniarti, 2021). Companies that have a competitive advantage can create more economic value than rival companies, namely competitive advantage (Barney et al., 2015).

As stated by Kotler & Keller (2012), the differences in the company's competitive position, including the differences in its competitive position will affect the marketing strategy used to compete with other competitors, one of the most important factors to support the company's success in competition is the environment, for that companies need to recognize the surrounding environment, doing business is usually caused by a failure to properly understand or identify the environment in which they are fighting. In the face of intense market competition, companies are required to develop competitive strategies in the face of changing market situations. Therefore, the company must have time to market or market share to the extent to which a company can introduce and launch new products faster than other competitors, in other words, it allows the company to be able to seize market share to be able to lead the market and generate higher profits.

To increase the competitiveness of the company, it is necessary to have management both internally and externally. According to, it is explained that competitive advantage is the result of implementing a strategy that utilizes various resources that the company has, such as expertise or unique assets which are seen as a source of competitive advantage itself. While unique resources or assets are real resources that companies must undertake to carry out a competitive strategy, by supporting the creation of low-cost company performance and having differences with other companies,



therefore the problems that exist are the competitive advantages experienced by MSMEs. and Beverages in Sukabumi, with the aim of the research to be carried out, namely to find out more about social media variables on competitive advantage, therefore the author is encouraged to take the title "The Role of Social Media towards Competitiveness in Food and Beverage MSMEs".

### METHODS

This research was conducted on Instagram Social Media and Competitive Advantage on Food and Beverage MSMEs in Sukabumi. The method used by researchers is associated with a quantitative approach. In this study, the population was determined by the researcher, namely the owner or management of several and beverage MSME companies in Sukabumi City with a total of 40 MSMEs. Then the data collection technique used the purposive sampling technique. The questionnaire was distributed to 40 respondents of MSME Food and Beverage in Sukabumi City. The data analysis technique applies methods to process data, namely normality test, correlation coefficient, coefficient of determination, simple linear regression, and partial test. With that, the researchers applied the IBM SPSS 24 software to process data.

### RESULTS AND DISCUSSION

To find out the extent of the influence of social media on competitive advantage simultaneously, the researchers used simultaneous hypothesis testing. After getting the data needed to determine the effect of the two social media variables (X) on competitive advantage (Y), the researchers used calculation by entering and processing primary data through SPSS version 24. The results of the data processing are:

**Table 1. Correlation Coefficient**

		Correlations	
		Social Media	Competitive Advantage
<b>Social Media</b>	Pearson Correlation	1	,971**
	Sig. (2-tailed)		,000
	N	40	40
<b>Competitive Advantage</b>	Pearson Correlation	,917**	1
	Sig. (2-tailed)	,000	
	N	40	40

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Research result (2021)



Based on table 1, the sig value is 0.000 which means it is not bigger than 0.05. Which states that the relationship between social media capabilities (X) and competitive advantage (Y) is strongly correlated due to the Pearson correlation value of 0.917 which is a relationship between social media to create a competitive advantage which is included in a correlated relationship

Based on this research, shows that there is an influence of social media on competitive advantage. According to the results of the calculation, there is a value equal to the of the variable social media which can affect competitive advantage. This can be proven by the results of the data table below:

**Table 2. Coefficient of Determination**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,917 <sup>a</sup>	,841	,837	,94394

a. Predictors: (Constant), Social media

Source: Research result (2021)

According to the results of the data processing above, the R correlation value is 0.917, then the R Square coefficient of determination is 0.841. that have not been studied by other researchers.

Then after that, the next step is a simple linear regression analysis test which aims to study the relationship between one variable and another variable. After that, a t-test was carried out which aims to determine the hypothesis between one variable and another that shows the same effect and level of significance or not by using SPSS.

**Table 3. Simple Linear Regression**

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,821	1,446		,568	,574
	Social Media	,948	,067	,917	14,199	,000

a. Dependent Variable : Competitive Advantage

Source: Research Results (2021)

This multiple linear regression method functions to determine the relationship of the independent variable with the dependent variable, multiple linear regression is also used for research that does have more than one independent variable, multiple linear regression is used to determine the direction of the goal and how much influence the independent variable has on the dependent variable.

From the data above, the researcher uses the formula (Sugiyono, 2016) that:

$$Y = a + bX$$

$$Y = 0.821 + 0.948X$$





The data was obtained from the simple linear regression test, namely a score of  $a = 0.821$  and  $b$  of  $0.948$ . If social media has a zero value, then the competitive advantage has a value of  $0.821$  and the social media regression score is  $0.948$ , which means that social media will increase competitive advantage.

**Table 4. T-Test**

Model		Coefficients		t	Sig.
		Unstandardized Coefficients	Standardized Coefficients Beta		
		B	Std. Error		
1	(Constant)	,821	1,446	,568	,574
	Social Media	,948	,067	,917	,000

a. Dependent Variable: Competitive Advantage

Source: Research Results (2021)

The results obtained from the data above indicate that there is a significant relationship between Social Media (X) and Competitive Advantage (Y) with a significant value of  $0.000$  which means  $0.000 < 0.05$ . With the t-table value, it can be determined using the formula for the degree of freedom (df) according to (Sugiyono, 2013), namely  $t \text{ table} = (df = n - k)$  then  $df = 40 - 1 = 39$ . By using the table distribution with a level of  $0.05$ , the table score is  $1.68488$ . therefore, Social Media (X) has a significant influence on Competitive Advantage (Y).

## CONCLUSION

Based on the analysis of the results that have been studied, the results obtained from using a simple linear regression analysis technique, namely stating that there is an influence of social media on competitive advantage. This, too, is supported by the results of the research which states that the data in this study are valid and reliable, then the significant test results result that there is a significant relationship on social media (X) to competitive advantage (Y).

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