



Social Media Optimization for Branding MSMEs

Rizki Yuniarti¹

¹ Faculty of Economics and Business, Perbanas Institute, Indonesia, email. rizki.yuniarti@perbanas.id

Corresponding Author: rizki.yuniarti@perbanas.id¹

Abstract: The significance of branding for MSMEs lies in its ability to help businesses stand out in a competitive market. By applying effective branding strategies—such as selecting the right social media platforms, maintaining consistent brand visuals, creating high-quality content, utilizing paid advertisements, and collaborating with influencers—MSMEs can significantly boost their sales. Building brand awareness for products and services is key to achieving success on social media, allowing MSMEs to grow and maintain sustainability. This study aims to explore how MSMEs can optimize social media for branding, analyze its effects on product visibility and sales, and identify the factors that contribute to successful social media branding. The research employs a descriptive method with a qualitative approach, using secondary data from the Ministry of Cooperatives and SMEs, the Indonesian Internet Service Providers Association (APJII), and relevant research studies.

Keyword: Branding, Social Media Optimization, MSMEs.

INTRODUCTION

With technological advancements, MSMEs in Indonesia use social media as one of the most relevant and effective marketing strategies. According to the Ministry of Cooperatives and SMEs (Annual Report MSMEs, 2022), the national economy is significantly contributed to by MSMEs, accounting for 60% of GDP, or around IDR 8,573 trillion annually, and employing 97% of the workforce, which equals roughly 116 million people. Various challenges are faced by MSMEs in developing their products and services, particularly in marketing, financial access, expanding market reach, and branding, with brand awareness still being under-optimized (Aaker, 2014). Increasing competition in local and global markets requires MSMEs to adopt innovative marketing strategies, such as social media promotion. Large companies are outcompeted by MSMEs with ineffective branding strategies, despite offering high-quality products or services. Branding plays a crucial role in distinguishing MSME offerings from competitors and establishes a unique identity to create proper positioning in consumers' minds (Kotler, & Keller., 2016).

Branding communicates and visually represents the values, promises, and messages or experiences that a company aims to deliver to customers through its products or services (Aaker, 2014). Beyond creating a positive image, branding builds customer loyalty and trust. As digital technology advances, branding has expanded beyond traditional media like print,

television, and radio to various online platforms. Social media is now used as one of the most effective and efficient promotional tools for MSMEs (Kaplan, & Haenlein, 2010).

Social media was rapidly evolving into a key tool for marketing communication (Mangold, & Faulds, 2009). Platforms like Twitter, TikTok, Instagram, and Facebook offer MSMEs the opportunity to connect with a broader audience, unhindered by geographical boundaries. By using social media, MSMEs promote their products and services, engage directly with customers, and build more personal relationships at a lower cost compared to traditional advertising (Pentina, & Koh, 2012). Additionally, customer behavior and preferences are studied by MSMEs through platform analytics, allowing more targeted marketing strategies to be developed (Putra, & Wahyuni, 2021).

However, many MSME actors lack an understanding of how to effectively optimize media usage, such as posting products or services without having a clear strategy related to branding or their target customers, which leads to suboptimal results (Nasution, Satar, & Azzahra, 2020). Additionally, increasing competition on social media presents its own challenges. Competing with large companies that have higher marketing budgets and more professional teams requires MSMEs to be more creative, consistent, and possess a good understanding of social media platforms (Mangold, & Faulds, 2009).

Based on the explanation above, this study aims to understand how MSMEs utilize social media for branding, analyze its impact on product visibility and sales, and identify the factors that influence the success of branding through social media. Therefore, the hope in this discussion is to provide insight into how social media usage contributes to building brand awareness.

METHOD

This study uses a descriptive research method with a qualitative approach, focusing on understanding how MSMEs (Micro, Small, and Medium Enterprises) utilize social media for branding, and analyzing the impact of social media branding on product visibility and sales. The research is based on secondary data collection, which includes reports from the Ministry of Cooperatives and SMEs, the Indonesian Internet Service Providers Association (APJII), and relevant research studies, as well as various literature related to the topic.

The descriptive method is employed to illustrate how MSMEs use social media platforms for branding, providing a detailed depiction of the process and outcomes. By utilizing qualitative data, this method allows for a deeper understanding of the context, behaviors, and strategies involved in MSME branding efforts. It explores both the successes and challenges that MSMEs face in social media branding.

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RESULTS AND DISCUSSION

The result of this study have analysis from secondary data regarding MSMEs' whose optimize social media for branding, as well as the impacts on product visibility, sales, and the factors contributing to the success of social media branding.

1. Social Media Optimization for Branding MSMEs

Social media has become a strategic platform for MSMEs to enhance brand awareness. Platforms such as Facebook, Instagram, and TikTok offer easy access and low-cost solutions for MSMEs to connect with a broader audience. The results show that MSMEs that actively engage with social media platforms can significantly extend their brand reach compared to using traditional methods.

Social Media Usage by MSMEs

The Indonesian Internet Service Providers Association (APJII, 2023) reported that internet penetration in Indonesia has reached 77.02%, which means a large majority of the population has internet access. This provides a substantial opportunity for MSMEs to engage with consumers through social media. The report also indicated that 87% of MSMEs rely heavily on digital platforms to expand their business reach. This suggests that social media plays a pivotal role in modern MSME marketing strategies.

Table 1. Social Media Usage by MSMEs in Indonesia

Description	Percentage (%)
MSMEs as Social Media Users	87%
Ranking of Social Media Platforms	1. WhatsApp : 90%
	1. Facebook : 85%
	2. Instagram : 80%
Usage for Promotion	75%
Usage for Transactions	60%

Source: (APJII, 2023)

Platform Preferences

WhatsApp is used by 90% of MSMEs for communication and customer engagement. The platform's ease of use, especially with features like WhatsApp Business, allows MSMEs to manage customer interactions more efficiently. Facebook (used by 85% of MSMEs) and Instagram (used by 80%) follow closely behind. Facebook's marketing features, such as Facebook Ads, Marketplace, and Groups, make it a robust tool for promoting products and services, while Instagram's focus on visual content is highly effective for capturing customer interest. MSMEs leveraging these platforms can present visually appealing content (images and videos) to create stronger brand impressions. High-quality product images, tutorial videos, and other creative content can significantly increase the visual appeal of their brand, making it easier to build a recognizable presence.

2. Impact of Social Media on Product Visibility and Sales

Social media plays a critical role in increasing brand visibility and boosting product sales for MSMEs. It not only serves as a communication and promotional tool but also enhances brand recognition, broadens consumer reach, and improves conversion rates. The analysis found that MSMEs that are active on social media experience greater visibility and increased sales when compared to those that do not use these platforms.

a. Increased Visibility (70%)

One of the most significant benefits for MSMEs using social media is increased visibility as 70%. Social media platforms enable MSMEs to overcome traditional geographical barriers and reach consumers globally. The algorithm-driven content of social media platforms ensures that posts receiving higher interaction (likes, shares, comments) are promoted further, which enhances visibility. For example, MSMEs that produce engaging content can gain significant exposure without the need for large advertising budgets. Features such as live streaming, polls, and interactive challenges provide MSMEs with the ability to engage directly with their audience, which not only fosters a sense of community but also enhances visibility as consumers actively participate. The more interactive and engaging the content, the more likely it is to gain traction, helping MSMEs reach a larger audience organically.

Table 2. Impact of Social Media on Visibility and Sales of MSMEs

Indikator	Persentase (%)
Increase in Brand Visibility	70% of MSMEs experience increased product visibility
Impact of Algorithms on Visibility	65% of MSMEs experience increased interactions
Social Media Usage	55% of MSMEs report increased sales within 6 months
Use of Influencers	45% of MSMEs experience increased sales

Source: (APJII, 2023) and (Data Indonesia, 2023)

b. Impact on Product Sales (55%)

The analysis shows that MSMEs that actively utilize social media platforms report an increase in product sales as 55%. The features available on platforms such as Instagram and Facebook, such as swipe-up links in Instagram Stories or direct links to product pages via Instagram Shopping or Facebook Marketplace, allow for easier transactions, thereby boosting conversion rates. The integration of call-to-action (CTA) buttons such as “Buy Now” or “Learn More” in posts further facilitates the consumer's journey from discovery to purchase. MSMEs that effectively use these features can see a notable increase in sales. Additionally, user-generated content (such as customer reviews, testimonials, or product usage videos) can further encourage new customers to make purchases, as these endorsements create social proof and build trust.

c. Influence of Collaborations with Influencers (45%)

Collaboration with influencers also contributes to increased product sales for MSMEs. Influencers who have established a strong rapport with their audience can help MSMEs reach new potential customers. By partnering with influencers who share similar target markets, MSMEs can increase their brand's credibility and trustworthiness. As reported in the study, 45% of MSMEs that engaged in influencer collaborations saw a positive impact on their sales. This is because influencers act as a bridge between brands and their followers, providing personalized recommendations that resonate with consumers and encourage purchasing behavior.

3. Factors Influencing Successful Branding through Social Media

Several key factors contribute to the success of MSME branding through social media. The most influential factors identified in the study include consistency in brand communication, active user engagement, the effective use of paid advertising, and leveraging viral trends.

a. Consistency in Content and Brand Communication

Maintaining consistency in visual content and brand messaging is one of the most important aspects of social media branding. MSMEs that consistently use the same logos, colors, and design elements across all their social media platforms create a cohesive brand identity, making it easier for consumers to recognize and remember them. Additionally, consistent storytelling helps reinforce the brand's core values and vision. For instance, sharing the journey behind a product or the mission of the business creates an emotional connection with customers, making them more likely to engage with the brand and become loyal customers.

b. User Engagement and Interaction

Direct interaction with customers is a unique advantage that social media offers MSMEs. The study highlights that MSMEs that are quick to respond to customer inquiries, feedback, or complaints on social media platforms tend to build stronger relationships with their audience. This immediate engagement fosters trust and customer loyalty, as consumers feel heard and valued. Using interactive features such as polls, Q&A sessions,

and live streams allows MSMEs to engage with their audience in real time. These features not only increase user engagement but also give MSMEs valuable insights into customer preferences, enabling them to tailor their branding strategies accordingly.

c. Use of Paid Advertising and Influencers

The study reveals that the use of targeted paid advertisements significantly enhances the effectiveness of social media branding. Platforms like Facebook, Instagram, and TikTok allow MSMEs to run ads targeted at specific demographics based on age, interests, and location, ensuring that the brand reaches the most relevant audience. Paid ads are an effective way to maximize the reach of a brand with a relatively small budget, making them accessible to even the smallest MSMEs. In addition to paid ads, influencer marketing has become a valuable tool for expanding brand visibility and credibility. Partnering with influencers who align with the brand's image and target audience helps MSMEs gain exposure to a wider but relevant consumer base. This collaboration often results in increased trust and a higher likelihood of conversion.

d. Leveraging Trends and Viral Content

Social media trends evolve rapidly, and MSMEs that can quickly adapt to or leverage these trends are more likely to capture the attention of their target audience. For example, participating in popular challenges or utilizing trending hashtags on platforms like TikTok and Instagram can increase brand visibility and engagement. However, it is crucial that MSMEs ensure the trend aligns with their brand identity to avoid diluting their brand message.

Table 3. Factors for Successful Branding Using Social Media

Indicator	Description	Implementation
Content and Brand Communication	Visual consistency and narrative messaging help strengthen brand identity in consumers' minds.	Use the same colors, logos, and taglines across all social media platforms.
User Interaction and Engagement	Quick responses to users and the use of interactive features enhance consumer engagement.	Respond to comments and use polls or live streaming to engage consumers.
Paid Advertising and Influencers	Paid ads and influencers allow for broader reach and more precise targeting.	Run targeted advertising campaigns on Instagram or collaborate with local influencers.
Trends and Viral Content	Following relevant content trends can help capture audience attention but must align with brand identity.	Participate in viral challenges on TikTok that match the MSME's products or services.

Source: (Haryanto & Surya, 2022), (Kurniawati & Sutrisno, 2022), (Statista, 2022)

The success of MSME branding through social media is influenced by several key factors, including:

1. **Content Quality:** An essential element in successful branding on social media is engaging and relevant content. Product images, promotional videos, and customer testimonials have been proven to be more effective in capturing attention as visual content (Tuten & Solomon, 2018). MSMEs that consistently upload high-quality content gain more followers and higher engagement from their consumers.
2. **Consumer Engagement:** The relationship between a brand and its customers can be strengthened by actively engaging consumers through comments, direct messages, and other interactive features (Kaplan, & Haenlein, 2010). Higher customer loyalty and increased retention rates are shown by MSMEs that actively engage with their followers on social media.

3. **Choosing the Right Platform:** Selecting the appropriate social media platform that aligns with the target consumers is crucial. For instance, products that require appealing visuals are more effectively marketed on Instagram, while products or services that necessitate in-depth discussion and community interaction are better suited for Facebook. MSMEs that can choose the right platform for their branding will feel a greater impact (Mangold, & Faulds., 2009)
4. **Paid Advertising Strategies:** The success of branding is also influenced by paid advertisements on social media, such as Facebook or Instagram ads. With paid advertising, MSMEs can target a more specific audience based on demographics, interests, and location, thereby enhancing the efficiency of their promotional campaigns (Kotler, 2017). This strategy is utilized by many MSMEs to expand their brand reach and increase sales.

CONCLUSION

The conclusion of this research highlights the pivotal role of social media in helping MSMEs (Micro, Small, and Medium Enterprises) build a strong brand presence, increase visibility, and improve sales performance in the digital era. The study explores how social media platforms, particularly WhatsApp, Instagram, Facebook, and TikTok, provide valuable opportunities for MSMEs to engage with broader audiences, reduce marketing costs, and compete with larger companies through effective branding strategies. By optimizing these platforms, MSMEs can achieve brand recognition and foster deeper customer relationships, ultimately driving business growth and sustainability.

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