# Using Instagram in Determining Purchase Decisions for Msme Products Kampoeng Rajoet Binong Jati

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## Abstract

The era of digitalization requires MSME activists in Indonesia to compete to achieve increased marketing through the use of technology. Initially, MSME activists only relied on word-of-mouth marketing and distributing brochures, now MSME activists can do marketing throughout Indonesia and even the world through digitalization which continues to grow through social media. The most frequently used social media for marketing is Instagram. This study aims to describe the use of Instagram from MSMEs Kampoeng Rajoet Binong Jati and determine the relationship between the use of Instagram on product purchase decisions from MSMEs Kampoeng Rajoet Binong Jati. The population in this study is the MSMEs of Kampoeng Rajoet Binong Jati who are in the area of Binong Village. Sampling using purposive sampling technique and obtained 31 MSMEs as a sample. The data analysis technique used is descriptive analysis and simple regression analysis. The results showed that MSME actors had used Instagram in marketing their products and the use of Instagram had a positive relationship to product purchase decisions from MSME Kampoeng Rajoet Binong Jati.

# Introduction

Nowadays people have entered the era of digitalization and are no stranger to the internet and social media. All aspects are competing to keep up with the development of science and technology by implementing digitalization. Likewise, MSME activists in Indonesia who are experiencing intense competition are increasingly competing to achieve increased marketing through digitalization. Initially, MSME activists only relied on word-of-mouth marketing and distribution of brochures. Now MSME activists can do marketing throughout Indonesia and even the world through digitalization that continues to grow such as Instagram.

Nowadays people are no stranger to Instagram. Instagram is a platform or forum for MSME activists to introduce their products. The use of Instagram certainly requires innovation and creativity of each. Socialization by organizing training on making Instagram can help MSME activists to be able to use Instagram's features to the fullest. Instagram creation training includes creating business accounts, compiling Instagram feeds so that MSME activists can use the Instagram ads feature in marketing their products.

MSMEs are a form of productive business owned by individuals and business entities and have met various criteria in running a business, both as micro, small and medium enterprises (Suhardi, 2021). MSMEs have become the driving force of the Indonesian econamy. This can be seen from the aspect of the business or management of MSMEs themselves, which still have a close relationship or relevance to the economic situation of the community at various levels, but in the form of non-corporate economic businesses (Saputra & Rahmatia, 2021).

MSMEs have been able to develop into the backbone of the Indonesian economy, even at the ASEAN level. In Indonesia, the development of the potential of MSMEs is growing rapidly and has increased since 2016 because one of them is the support from the banking sector in lending to MSME actors. According to data from Bank Indonesia, the value of credit to MSME players is growing every year. This condition is increasingly encouraging and able to become a motivation for the community to have high enthusiasm in running MSMEs productively. One of the MSME sectors that experienced rapid growth at that time was the craft sector (craft industry).

These various handicraft products are produced by craftsmen, starting from the design process to the completion process. One type of craft product in the creative industry sector which is quite complex is UMKM in the knitting sector through knitting centers. The knitting center is inseparable from efforts to always see various developments to changes in trends that are happening in the community, especially in the fashion sector which has a fairly short product lifetime (months). This requires MSME actors as well as craftsmen at knitting centers to have the capacity, knowledge, expertise, and self-competence to maintain the quality and quantity of knitted products produced as added value in order to be able to compete with knitted products from within and outside the country. competitively. One of the leading knitting SME centers in Indonesia, located in the city of Bandung.

However, the resilience of MSMEs in Indonesia is currently being tested due to the Covid-19 pandemic. This is because one of the shipping centers that accommodates most of the products from the knitting center in Binong Jati, namely the Tanah Abang market in Jakarta, is often temporarily closed. It cannot be denied, the impact of the increasing number of victims exposed to Covid-19 in Jakarta, including at the Tanah Abang market, has "forced" market managers to often extend market closures, even being closed for an indefinite time. The role of the Tanah Abang market is very vital for knitting center SMEs, because this market has become one of the barometers of textile trade in Indonesia.

# Literature Review

## Social Media Marketing

Social media marketing is part of the promotional mix that uses social media as a means of promoting and marketing company products (Lampe, Alatas, Orynka, & Saputra, 2021). Social media marketing is a form of direct or indirect marketing that is used to build awareness, recognition, memory, and attitudes towards product brands, people, or other entities and is carried out through media from the social web such as social bookmarking, blogging, microblogging, social networking, and content sharing (Mileva & Fauzi DH, 2018). Social media

marketing focuses on building and utilizing social media areas as a means or place to build a target market for online business. Social media marketing has the benefit of accelerating the marketing of products and services to various groups in order to reach the desired target market at a lower cost and time efficiency. Social media marketing is a form of marketing using social media to market a product, service, brand or issue by utilizing the people who participate in social media. Social media marketing is a system that allows marketers to engage, collaborate, interact, and utilize the intelligence of the people who participate in it for marketing purposes. The use of social media is often used in marketing, public communications, offices or departments that deal directly with consumers or stakeholders.

Social media marketing is a form of marketing that uses social media to market a product, service, brand or issue by utilizing the audiences who participate in social media (Fragkos et al., 2021). Social media marketing as a process to get website traffic or mass attention through available social media (Fragkos et al., 2021). Social media can also be used to encourage a consumer to express his opinion on the product or service offered, and publish his opinion on social networks on the internet, which in turn can increase the knowledge of consumers who read the comments or opinions of that person on the market or goods or services. offered (Fragkos et al., 2021). Social media marketing is a process that empowers individuals and companies to promote their websites, products or services online and through social channels to communicate with a much larger community that is not possible through traditional advertising channels.

Social media marketing is a marketing technique that uses social media as a means to promote a product or service, or other products more specifically. Social media marketing is more about the development and use of the social media area as a means or place to build a target market for online business. In the development of social media marketing, keep in mind that business people must build groups or target markets with mutual respect and always communicate with the target market. The more areas of Social media marketing that are built, the greater the impact on the business website. Marketing refers to the process of getting website visits or attention through social media sites. Social media marketing programs are centered around creating content that grabs attention and encourages readers to share it with their social networks.

Some of the popular social media marketing among the public, such as Facebook, Twitter, Pinterest, Reddit, Youtube, Myspace, Digg, Google Plus, Linkedin, Instagram and many others. Every social media used has different usage procedures, such as Instagram, for example, which can only share photos and videos that can be filled with links, descriptions, tags, and hashtags. It is different with Facebook which has various features that can be used, such as making fanpages, groups, video statuses, link statuses, photo statuses and others. Social media marketing techniques must be carried out by website owners and online businesses because social media marketing techniques are easier, cheaper and more efficient. The way social media marketing works is by building a market area and online business website links that are distributed to various social media. The link that has been shared is able to have an impact on attracting many new visitors who are interested and may become regular visitors of the online business website. Social media marketing can be measured using the following indicators (Fragkos et al., 2021) :

1)      Online Communities, a company or similar business can use social media to build a community around an interest in its product or business. The community spirit to build loyalty, encourage discussions, and contribute information, is very useful for the development and progress of the business.

2)      Interaction, in social media allows for greater interaction with online communities, through information that is always up-to-date and relevant from customers.

3)      Sharing of content, can be in the form of talking about the scope of individual exchange, distribution and receipt of content in social media rules.

4)      Accessibility, which refers to the ease of access and minimal cost to use the media.

There are four elements that are used as variables for the success of social media marketing, namely:

1.      Content Creation. Attractive content is the cornerstone of a strategy in social media marketing. The content created must be attractive and represent the personality of a business in order to be trusted by target consumers.

2.      Content Sharing. Sharing content with social communities can help expand a business' network and expand its online audience. Sharing content can lead to indirect and direct sales depending on the type of content being shared.

3.    Connect. Social networks allow one to meet more people who share the same interests. Extensive networks can build relationships that can lead to more business. Honest and careful communication must be considered when doing social networking.

4.    Community Building. The social web is a large online community of individuals where there is interaction between people living around the world using technology. Building a community on the internet that has the same interests can occur with the existence of social networking. Community Building aims to find target consumers who have an interest in the products and services they offer by interacting with one another and establishing relationships with them.

## Instagram

Instagram from the words "insta" and "gram". Insta from the word instant. Gram from the word telegram, which is sending information to others quickly. Instagram can upload photos and videos using the internet network, so the information you want to convey can be received quickly. Instagram is one form of internet progress and one of the social media that is in great demand by the public. This can be proven by the increasing number of Instagram users every year. As of April 2017, Instagram announced that its monthly active users have reached the range of 800 million accounts and that number is more than the previous year. Instagram is an application that allows users to take photos, apply digital filters, and share them on various social networking services. Instagram is basically a means of showing something, therefore the emergence of the effects behind this facility has led to many new things and cultures. Some of the advantages of Instagram itself are:

a.    Instagram is a link to several very wide network of channels when one puts an Instagram profile on their site and one will immediately be able to find galleries that are instantly filled with identities and even products for sale.

b.    Can attract engaged traffic, engage multiple communities and rebuild like connecting on Youtube, Facebook and others, interrelated photos will build a wider network.

The Instagram application has features that can be used as follows:

1)    Followers. Social system in Instagram by being a follower of another user's account or having followers. Thus, communication between fellow Instagram users themselves can be established by giving likes and also commenting on photos that have been uploaded by other users. Followers are an important element and the number of likes from followers greatly affects whether the photo can become a popular photo or not.

2)    Uploading photos. The main use of Instagram as a place to upload and share photos with other users. The photos you want to upload are obtained through the camera or photos in the photo album.

3)    Camera. The application takes photos and can be stored on the iDevice. The use of the camera via Instagram can also directly use the existing effects, to adjust the coloring of the photo desired by the user. There is also a tilt-shift camera effect whose function is to focus a photo on a certain point. After the photo is taken through the camera on Instagram, the photo can also be rotated according to the user's wishes.

4)    Photo effects. Before sharing photos or videos on Instagram, users can apply effects to the photo or video. The effects used are already contained in the Instagram application.

5)    Arroba. Instagram also has a feature that users can use to mention other users by adding the arroba sign (@) and entering the Instagram account name of the user. Users can not only mention other users in the photo title, but also in the photo comments section. Basically it is done with the intention of being able to communicate with other users.

6)    DM or Direct Massage on Instagram. A feature that can be used to send messages privately to other Instagram users and can form groups for users to be able to communicate with many people at once.

## Purchase Decision

The purchase decision identifies all possible options to solve the problem and evaluates the options systematically and objectively and their goals determine the advantages and disadvantages of each. Purchasing decision is a process of integrating knowledge attitudes to evaluate two or more alternative behaviors, and choose one of them. Purchase decision is a

process where consumers have alternative choices to determine whether to buy a product or not. The steps of the buying decision process:

## Problem Recognition

The buyer process begins with the recognition of a problem or need. The buyer recognizes a difference between the actual state and the desired state. The need can be driven by stimuli from within the buyer or from outside. Marketers need to recognize the various things that can drive a particular need or interest in consumers. Marketers need to research consumers for answers, what is a perceived need or problem that arises, what causes it to arise, and how that need or problem causes someone to look for this particular product.

## Information Search

An intrigued consumer may or may not seek more information. If the consumer's drive is strong, and the object that can satisfy the need is available, the consumer will buy the object. If not, the consumer's needs just settle in his memory. The consumer may not seek further information or be very active in seeking information in relation to that need.

## Alternative Assessment

After searching for as much information as possible about many things, the consumer must then make an assessment of several alternatives and determine the next step. This assessment cannot be separated from the influence of the sources owned by consumers (time, money and information) as well as the risk of being wrong in the assessment.

## Buying Decision

After the initial stages have been carried out, now is the time for the buyer to make a decision whether to buy or not. If the decision concerns the type of product, product form, brand, seller, quality and so on. For each of these purchases, the company or marketer needs to know the answers to questions concerning consumer behavior, for example: how much effort the consumer has to put into sales selection (patronage motive), what factors determine the impression of a store, and subscription motives that are often the background of consumer purchases.

## Behavior after purchase

After purchasing a product, consumers will experience some level of satisfaction or no satisfaction. there is a possibility that the buyer has dissatisfaction after making a purchase, because maybe the price of the item is considered too expensive, or maybe because it is not in accordance with the wishes or previous descriptions and so on. To achieve harmony and minimize dissatisfaction, the buyer must reduce other desires after the purchase, or also the buyer must spend more time evaluating before buying.

Service providers must identify who participates in purchasing decisions and what tasks each individual plays. There are seven roles of consumers in purchasing decisions, namely:

1)      Initiator. That is, individuals who from the beginning know that there is an unsatisfied need, so the idea arises to buy a product.
2)      Influencers. Namely individuals who influence a person's purchase decision. They are usually helpful as well as providing information for alternative options.
3)      Decider (Decision Maker). Namely someone who determines whether to make a purchase or not.
4)      Approver. Namely individuals who have the authority to detain the seller so that information is not channeled.
5)      Gate Keeper. Namely individuals who have the authority to stem buyers from reaching the buying center.
6) Buyer. That is, someone who makes the actual purchase.

7) User. Namely someone who will use the goods or services purchased.

# Research Methods

This study uses descriptive and verification data analysis. This technique is used to obtain an overview of the use of Instagram and purchasing decisions on products sold by SMEs. The sampling technique used is Purpose Sampling, by taking a sample of 31 MSMEs who are members of the Kampoeng Rajoet Binong Jati community and are located in the Binong Village area.

The variables studied were the use of the Instagram of each MSME and the purchasing decisions experienced by each MSME. The stages of analysis carried out are conducting descriptive analysis and making simple regression analysis of Instagram usage variables on purchasing decisions. Data collection techniques using questionnaires, observation and literature study.

# Results and Discussion

## Results

Descriptive analysis aims to get an overview of each variable used in the study. Table 2 presents the results of the recapitulation of respondents' responses from the dependent and independent variables. The results of the questionnaire distributed to MSME actors indicate that what social media are most frequently visited by potential consumers include Facebook (6%), Instagram (32%), Whatsapp (35%), Shopee (19%), Tokopedia (0 %) and others (6%). The data used in this study for each variable amounted to 31 obtained from 59 MSME actors who took part in the Instagram Making Training Webinar. The following are the results of the recapitulation of respondents' responses to the variables of using Instagram and purchasing decisions, namely:

**Table 1. Recapitulation of Respondents' Responses**

| Statement | Yes | No |
|---|---|---|
| Are the promotions of your products varied ? | 90% | 10% |
| Can everyone see and visit your product account on social media ? | 97% | 3% |
| Did your product sales increase after the training on making facebook ads last February ? | 61% | 39% |
| Do you have an Instagram account ? | 100% | 0% |
| Do you regularly update product posts through social media accounts about the products being promoted ? | 68% | 32% |
| Does social media make it easier for your potential customers to order products ? | 94% | 6% |
| Does social media make it easier for you to communicate with potential customers ? | 90% | 10% |

Source: Data Processing (2021)

The next stage of analysis is to perform a simple regression analysis. Simple regression analysis by determining the coefficient of the dependent variable. The following is a simple regression analysis table:

**Table 2. Regression Analysis**

| Model | | Unstandardized Coefficients | | Standardized Coefficients |
|---|---|---|---|---|
| | | B | Std. Error | Beta |
| 1 | (Constant) | 5.579 | 2.281 | |
| | Instagram Usage | 0.251 | 0.251 | 0.182 |

Source: Data Processing (2021)

Table 3 presents the results of the regression analysis between the variables of using Instagram on purchasing decisions. From Table 3 it can be seen that if there is no change in the Instagram usage

variable, the purchase decision will be worth 5,579. Each increase in the value of the Instagram usage variable will affect an increase in purchasing decisions by 0.251. The coefficient of use of Instagram is positive, meaning that the additional use of Instagram is proportional to the addition of purchasing decisions.

**Table 3. Correlation**

| | | Purchase Decision | Instagram Usage |
|---|---|---|---|
| Pearson Correlation | Purchase Decision | 1.000 | 0.182 |
| | Instagram Usage | 0.182 | 1.000 |
| Sig. (1-tailed) | Purchase Decision | . | 0.163 |
| | Instagram Usage | 0.163 | . |
| N | Purchase Decision | 31 | 31 |
| | Instagram Usage | 31 | 31 |

Source: Data Processing (2021)

Data processing resulted in an R square of 0.033 indicating that the relationship between the variables using Instagram had a positive but not strong influence on the purchasing decision variables. Table 4 shows that the relationship between the variables of using Instagram on purchasing decisions is 0.182.

## Discussion

In the description analysis, it can be seen that the use of Instagram affects the community in determining product purchase decisions from Kampoeng Rajoet Binong Jati SMEs. However, the majority of people still use WhatsApp as a social media in determining product purchase decisions from Kampoeng Rajoet Binong Jati SMEs. All SMEs in Kampoeng Rajoet Binong Jati already have an Instagram account and use Instagram to promote their products to the public. MSME actors still have not maximized the existing social media to promote their products to the public so that these MSME actors do need more intensive guidance to further increase their product promotion so that their product sales also increase.

# Conclusion and Suggestion

## Conclusion

Based on the results of the analysis of research that has been done, it can be concluded that:

1.      MSME actors have used Instagram in promoting their products to the public. Instagram is the second most common social media after WhatsApp which is used by the public to view products and determine purchasing decisions for Kampoeng Rajoet Binong Jati MSME products. MSME players have not experienced a significant increase in product sales after the training activity on making facebook ads held last February. MSME actors are still not routinely updating product posts through social media accounts regarding the products being promoted.
2.      Based on the regression and correlation analysis, it can be concluded that the variable of using Instagram has a positive influence in determining purchasing decisions for Kampoeng Rajoet Binong Jati MSME products.

## Suggestion

Some suggestions that can be used as input for the next community service activities are as follows:

a.      There is still a need for more intensive development of MSME actors in the use of social media as a digital marketing strategy.

b.      Training on making Instagram needs to be carried out more deeply to help direct MSME actors to be more routine in updating product posts through their social media accounts.

c.      Based on the questionnaire, MSME actors still want a discussion of marketing material for further community service activities.

## Acknowledgments

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