

Entrepreneurs' Perceptions of the Role of Social Media in Increasing Business Competitiveness

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The involvement of an active entrepreneurial community in utilizing social media can increase the effectiveness of the creative economy in the region. The purpose of this study is to analyze the use of social media to enable entrepreneurs to reach a wider audience. The research method uses a qualitative approach with a qualitative descriptive study design, sampling techniques in qualitative descriptive research often use purposive sampling. Data analysis techniques are carried out in a qualitative descriptive manner, prioritizing understanding meaning and phenomena rather than just measurement. The results of this study indicate that social media plays a role in increasing business competitiveness in the environment, social media has a complex role in improving the business sector of entrepreneurs. Social media as a tool, but a detailed understanding of how to use and design interactions is also needed to build strong relationships with consumers. Therefore, the wise use of social media can increase business competitiveness for the sustainability and growth of every entrepreneur's business.

Keywords: entrepreneur perception, role of social media, business competitiveness.

I. INTRODUCTION

Entrepreneurs' perceptions of the role of social media in increasing business competitiveness are currently becoming increasingly relevant amidst rapid digital developments. Studies show that social media functions as an effective communication platform and marketing tool, especially for Micro, Small, and Medium Enterprises (MSMEs) [1] [2]. The use of social media allows entrepreneurs to reach a wider audience, increase brand awareness, and facilitate direct interaction with customers [3].

A study revealed that the perception of ease of use and usefulness of social media significantly influences entrepreneurs' intention to utilize the platform in marketing their products [4]. This shows that entrepreneurs who believe in their ability to use social media tend to be more active in marketing their products, which contributes to increasing competitiveness. In addition, education on the effective use of social media as a marketing strategy has been proven to be beneficial for MSMEs [1]. [2].

The results of research by [5] show that the use of social media by conventional traders in Magelang has succeeded in increasing their sales during the pandemic. This is a concrete example that social media can be used as a tool to adapt to changing market conditions, as well as to establish better relationships with customers [6]. Other studies show that although entrepreneurs have great potential to grow through

social media, they are often faced with challenges such as a lack of skills in dealing with the complexity of features on these platforms [7] [7].

From the perspective of impact not only on sales, social media has a role in building communities and networks between entrepreneurs. In general, many studies show the positive influence of social media in increasing business competitiveness, but its effectiveness in the context of entrepreneur perceptions has not been explored in depth. [5] The involvement of an active entrepreneurial community in utilizing social media can increase the effectiveness of the creative economy in the region, support innovation, and collaboration between business actors. [8]. Thus, the existence of social media is important in creating a stronger entrepreneurial ecosystem, which in turn contributes to business competitiveness.

Overall, social media has proven to be a strategic asset for entrepreneurs in strengthening their market position and business competitiveness. Recognition of the important role of social media should encourage entrepreneurs to improve their understanding and skills in using this digital marketing tool effectively.



Table 1. Main Reasons People in Indonesia Use the Internet (2024)

| Purpose of Using Social Media | Percentage |
|--------------------------------|------------|
| Finding Information | 83.1% |
| Connecting with friends/family | 70.0% |
| find ideas/inspiration | 70.6% |
| fill the free time | 62.9% |
| Follow the Latest News | 61.1% |
| Watch Videos, TV and Movies | 60.6% |

Source : [10]

Based on the data above which describes the reasons for Social Media users in Indonesia, the data shows that the purpose of using social media for business purposes has not been described. This indicates that the use of social media for business purposes has not yet become a massive goal.

II. LITERATURE REVIEW

2.1 Entrepreneur

Entrepreneurs, or businessmen, have various meanings in academic literature, especially in the modern context that values creativity and problem solving. One definition of an entrepreneur is an individual who brings innovation by undertaking new ventures and addressing the challenges faced in the process of commercializing a product or creative idea, that entrepreneurship is related to complex relationship processes and is situated in a social context [1]. In addition, describe that the underlying motivations of entrepreneurs are often shaped by their early experiences, which cause them to establish business practices that are in line with their personal vision and values [2]. Another definition describes entrepreneurs as active actors in the form of businesses that can develop the local economy and provide support for community interests, as exemplified in research on social entrepreneurs [3].

Indicators that can be considered to define entrepreneurs include several key aspects. First, entrepreneurial motivation, which includes the drive to innovate and financial goals [4]. Second, the ability to build effective networks; where entrepreneurs must be able to access and utilize social capital to achieve success in their businesses [5]. Third, managerial and operational skills, which are expected to describe how entrepreneurs manage their businesses and adapt to a rapidly changing business environment [6]. By integrating the understanding of diverse entrepreneurship and these indicators, we can better understand the dynamics and challenges faced by entrepreneurs in today's business environment.

2.2 Social Media

Social media has been a dynamic construct incorporating various definitions and implications that adapt to its evolving nature across different contexts. According to social media can be conceptualized as platforms facilitating communication among users to share and generate content, transcending traditional paradigms of mere information dissemination to foster collaborative and interactive spaces [7]. In a broader sense, Mertz et al. expand on this notion, positing that social media encompasses technologies that bolster social interaction and individual expression, serving as critical facilitators of emotional and psychological engagement in a virtual realm [8]. Furthermore, underscore the subjective nature of social media definitions, highlighting that users' perceptions and interpretations of what constitutes social media significantly influences their engagement patterns, thus shaping the broader narrative surrounding its use [9].

To effectively evaluate social media's impact on individuals and groups, it is essential to establish relevant indicators. First, the frequency of interaction, which measures how often users engage with platforms, reflects the platforms' role in users' daily lives and highlights social media's pervasiveness [8]. Second, user-generated content provides insight into the nature of engagement, illustrating how platforms facilitate self-expression and community building [5]. Lastly, the emotional well-being of users serves as a crucial indicator, as studies indicate that social media can significantly affect users' mental health, both positively and negatively, thus influencing their overall experience on these platforms [10]. These dimensions collectively foster a comprehensive understanding of social media's multifaceted and evolving definition and impact.

2.3 Competitiveness

Competitiveness is a broad and complex concept, which can be understood from various perspectives. Country's ability to increase the value and quality of products and services offered, so that it is able to compete at the global level and provide added value to society [11]. In the context of regional development, defines competitiveness as an index that reflects a region's ability to optimize leading sectors and attract investment [12]. Research shows that competitiveness in the global market is influenced by internal factors such as infrastructure and resource management [13].

To measure competitiveness, several indicators can be used. The first is innovation carried out by



regions or companies, which can be seen from the development of new products and services [12]. The second indicator is the quality of human resources, which includes education, skills, and training, which are important to support competitiveness [14]. The third indicator is access to technology and infrastructure, which plays an important role in increasing efficiency and productivity in various sectors [15]. The existence and quality of infrastructure, such as transportation and telecommunications, greatly determines the competitiveness of a region or industry in the global market.

In the context of research on entrepreneurs' perceptions of the role of social media in enhancing business competitiveness, there are a number of research gaps that need to be identified. First, although many studies have proven that social media significantly contributes to business performance, most studies seem to ignore the perspectives of entrepreneurs at various skill and experience levels. For example, research shows a positive relationship between social media adoption and business performance among micro-entrepreneurs [16], but this study does not deeply explore how entrepreneurs with diverse backgrounds utilize these platforms. This misalignment suggests that there is a need for a broader and more inclusive analysis of how each individual interprets the role of social media.

Furthermore, while the contribution of social media in driving business opportunities has been acknowledged, aspects of how young and female entrepreneurs in varying contexts perceive the effectiveness and challenges of using social media have also not been fully researched. A study covering female entrepreneurs in Gombe showed that social media has a significant impact on building their networks and social capital [17]. However, there is little in-depth analysis that considers gender dynamics in the context of using social media for business. This suggests a gap in the literature that could be filled with further studies on how gender and age differences influence strategies for using social media to grow their business competitiveness.

Finally, although some studies have highlighted the role of strategy in social media use, there is still a need to further understand how leadership and innovation drive social media use among entrepreneurs [18]. Many previous studies tend to focus on technical and strategic aspects without paying attention to the elements of leadership and organizational culture that play a critical role in fostering innovation and

collaboration in the business ecosystem. Therefore, further research is needed to understand this relationship and how effective leadership can enhance the use of social media in order to improve the competitive advantage of diverse entrepreneurial ventures.

III. RESEARCH METHODS

Qualitative research methods with qualitative descriptive designs are an approach that is often used to explore in-depth information about certain phenomena. This approach allows researchers to understand various aspects of the problem being studied through narrative and in-depth data collection. In this context, qualitative descriptive research is defined as an effort to describe and analyze social, cultural, or behavioral phenomena through various data collection techniques such as interviews, observations, and documentation studies [28]. Qualitative descriptive methods are very relevant to describe interactions in the context of entrepreneurial perception [29].

Sampling techniques in qualitative descriptive research often use purposive sampling. Data analysis techniques are carried out qualitatively descriptively, prioritizing understanding meaning and phenomena rather than just measurement [30]. Therefore, several studies show the importance of combining narrative analysis with relevant theoretical contexts, so that research results not only contribute to academic knowledge but also to practice.

Thus, qualitative research with a qualitative descriptive design not only serves to explore a phenomenon, but also to provide an overview that can help in decision-making and policy-making in various fields.

IV. RESULT AND DISCUSSION

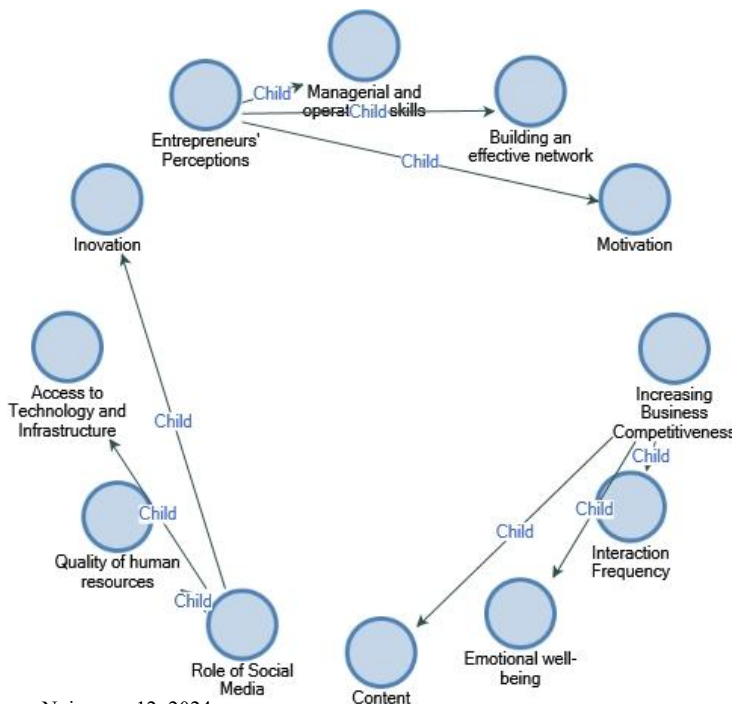
Based on the research results, it was identified that social media has developed into a significant platform for entrepreneurs in promoting their products and brands, as well as interacting with consumers. Social media provides insight into how proper communication with the audience can increase engagement and connection between entrepreneurs and consumers. This is expected to increase business competitiveness through a more personal and interactive experience [31].

Social media is not only a channel for information, but also forms consumer responses to the products offered, which is ultimately related to business competitiveness [32]. In other words,



messages delivered through social media must be carefully designed to engage consumers and create positive perceptions of the brand.

The use of social media by entrepreneurs provides many opportunities to increase business competitiveness, but is also accompanied by challenges in creating interesting and relevant content for consumers [33]. Through a deep understanding of the audience and adaptation of marketing strategies, entrepreneurs can use social media to gain a competitive advantage. The results of the analysis of observations and documentation studies through the Nvivo pro 12 project map in interpreting each indicator are as follows:



Nvivo pro 12, 2024

Source: Results of data processing analysis

Social media is not only a channel of information, but also forms consumer responses to the products offered, which is ultimately related to business competitiveness [34]. This evidence shows that not only is social media a tool, but a detailed understanding of how to use it and design interactions is also needed to build strong relationships with consumers.

The results of the interviews that have been conducted show that entrepreneurs' perceptions of social media to increase business competitiveness, according to (SU, 2024) "social media plays a role in increasing business competitiveness, one of which is the Instagram, WhatsApp, and TikTok applications". In line with the statement from (PI, 2024) "business

competitiveness is influenced by the important role of the development and utilization of social media". Adopting social media as part of an overall marketing strategy has been shown to increase a business' capacity to compete.

This is in line with the statement from (ZN, 2024) "entrepreneurs' perceptions of social media are very helpful in the marketing aspect of the business amidst the development of its competitiveness". In line with the statement from (FN, 2024) "Efforts made in utilizing social media to increase business competitiveness through the promotion of each product through content that can increase changes in buying and selling power". Factors such as technological savvy and the courage to take risks remain barriers to social media as a marketing channel requiring adequate support and guidance[2].

Thus, social media serves as a very valuable tool for entrepreneurs in increasing their business competitiveness, especially in today's digital era. Proper and strategic utilization, coupled with training and support for entrepreneurs, can produce significant benefits for the sustainability and growth of the business in the future.

V. CONCLUSION AND SUGGESTION

Based on the results of the research that has been carried out, it can be concluded that social media provides insight into how appropriate communication with the audience can improve the connection between entrepreneurs and consumers. By understanding market trends and adjusting communication on social media, entrepreneurs can be more efficient in meeting consumer needs and responding to increasingly tight business competition. Social media can help entrepreneurs increase profits. This study provides suggestions for further researchers to be able to analyze in depth the perceptions of entrepreneurs towards social media in increasing competitiveness in their business activities.

VI. REFERENCE

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