

THE ROLE OF SOCIAL MEDIA MARKETING IN ENHANCING MSME COMPETITIVENESS THROUGH THE MSME UPGRADING PROGRAM

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Abstract

In the era of digital transformation, Social Media Marketing (SMM) has emerged as a vital strategy to enhance the competitiveness of Micro, Small, and Medium Enterprises (MSMEs). This study investigates the strategic function of SMM in reinforcing the market position of MSMEs through the "*UMKM Naik Kelas*" (MSME Upgrading) program, which serves as a government initiative to support the digital acceleration of local businesses. Utilizing a marketing management framework, this research examines key components of SMM strategies, including content creation, audience engagement, influencer collaboration, and targeted digital advertising. The study's results demonstrate that the strategic and consistent application of SMM significantly boosts brand visibility, facilitates customer acquisition, and supports long-term customer loyalty. Moreover, the "*UMKM Naik Kelas*" program exemplifies how structured support can empower MSMEs in their digital journey. The research further emphasizes the importance of integrating data-driven decision-making and consumer behavior analysis to optimize digital marketing efforts. These insights are particularly critical in the context of the digital empowerment of MSMEs, where the use of technology plays a central role in enhancing productivity, innovation, and competitiveness. The findings offer practical implications for MSME practitioners, marketing professionals, and policymakers seeking to implement sustainable and competitive digital strategies in a rapidly evolving market environment.

Keywords: Digital transformation; Social Media Marketing (SMM); MSMEs; competitiveness; *UMKM Naik Kelas*.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are the economic foundation of Indonesia, yet they face a variety of operational and strategic constraints that limit their ability to grow and compete. The evolving digital economy demands adaptive marketing strategies that allow MSMEs to expand market reach, build customer relationships, and remain relevant in saturated markets. To respond to this need, the Government of West Java launched the '*UMKM Naik Kelas*' (Upgrading MSMEs) program—a structured 8-month mentorship initiative that supports MSMEs in areas ranging from financial management to branding and market expansion.

One of the program's most impactful components is the integration of Social Media Marketing (SMM) strategies. SMM provides MSMEs with low-cost, high-reach promotional tools. Platforms like Instagram, TikTok, and WhatsApp enable MSMEs to engage with a broad customer base, generate organic growth through content sharing, and build a digital brand identity. Despite these advantages, many MSMEs struggle with digital literacy and lack strategic frameworks for consistent SMM implementation. Therefore, this research analyzes how the '*UMKM Naik Kelas*' program introduces and strengthens SMM practices among MSMEs.

The objectives are to evaluate the role of Social Media Marketing in enhancing MSME competitiveness within the scope of the *UMKM Naik Kelas* program, to explore the alignment between SMM strategies and the monthly themes of mentorship, particularly in the marketing and branding phases, and to propose a replicable model of SMM implementation that supports long-term MSME upgrading.

This paper makes both theoretical and practical contributions. Theoretically, it extends the discourse on MSME digital transformation by integrating insights from marketing science and program implementation. Practically, it delivers a roadmap for MSMEs, program facilitators, and policymakers to develop scalable SMM frameworks that improve business visibility and competitiveness.

The novelty of this research lies in the fusion of top-down policy evaluation (*Juknis UMKM Naik Kelas 2024*) with bottom-up digital marketing practices. By aligning the program's mentorship themes with core SMM pillars—such as customer engagement, digital advertising, and brand storytelling—this study introduces a contextualized and operational framework that can guide both training design and business practice. Furthermore, the use of triangulated sources (academic, government, practitioner) enhances the reliability and relevance of the proposed model.

Despite increasing awareness of digital marketing, many MSMEs have yet to master the skills required for effective SMM. These enterprises often treat social media as a secondary tool rather than a core strategic asset. The challenge is not only technological but also cognitive shifting the MSME mindset from passive presence to active digital engagement. This study addresses the critical question: "How can Social Media Marketing be effectively structured and institutionalized within MSME empowerment programs to ensure measurable and sustainable upgrading outcomes?"

LITERATURE REVIEW

Social Media Marketing (SMM)

Social Media Marketing (SMM) is a part of digital marketing strategy that utilizes social media platforms to reach consumers, build interaction, and strengthen brand identity. According to Chaffey and Ellis-Chadwick (2019), SMM includes activities such as content management, digital advertising, performance analysis, and online community engagement. For MSMEs, SMM offers advantages in terms of low cost, broader market reach, and flexibility in fostering consumer relationships.

Appel et al. (2020) emphasize that social media is not only a promotional tool but also a space to create brand storytelling that enhances customer engagement and loyalty. An effective SMM strategy can increase business visibility and accelerate small business growth within the digital ecosystem.

MSME Competitiveness

MSME competitiveness refers to the ability of small enterprises to survive, grow, and compete in the market through efficiency, innovation, and technological adaptation. Tambunan (2019) highlights competitiveness indicators such as revenue growth, market expansion, product quality, and technology adoption. The OECD (2021) adds that in the post-pandemic era, digitalization is a critical factor that determines MSME competitiveness, including the use of digital platforms for marketing and transactions.

In the 'UMKM Naik Kelas' program, MSMEs are considered to have 'upgraded' not only based on legality and finance, but also digital capabilities, particularly in how they utilize social media as a primary marketing channel.

Program of Evaluation and Report Review

Program evaluation is a systematic process for assessing the effectiveness, efficiency, and relevance of an intervention, often by referring to program documents, implementation results, and participant feedback. A relevant evaluation model for this study is the CIPP model (Context, Input, Process, Product), which allows comprehensive assessment of the problem context, program planning, implementation, and outcomes.

According to Stufflebeam (2003), the CIPP approach is applicable for evaluating MSME development programs because it is flexible and practical, especially when linked to documents such as technical guidelines (*Juknis*), facilitator reports, and participant feedback. In this research context, the evaluative approach is used to review SMM strategies in training documents and field

implementation.

Conceptual Framework

Several previous studies relevant to this topic include Pramudyo & Indriastuti (2021) examined the effectiveness of digital marketing training for MSMEs during the pandemic and found that active use of social media had a significant impact on revenue growth. Dewi et al. (2022) discussed the role of digital branding training in enhancing the competitiveness of creative MSMEs in Central Java. Iswanto (2023) investigated the implementation of the Digital MSME program in Yogyakarta and recommended a data-driven approach to content strategy. These studies demonstrate that structured programs focusing on digital capacity building positively impact MSME development.

This research is based on the assumption that Social Media Marketing strategies are key drivers in improving MSME competitiveness. Such strategies must be supported by well-directed interventions such as training and mentoring through the *UMKM Naik Kelas* program. The conceptual framework is structured based on the relationship among SMM strategies (content, engagement, ads, data, influencers), program implementation (technical guidelines and facilitator reports) and outcomes on MSMEs (revenue growth, new customers, customer loyalty)

Review Focus

Since this study applies a report review approach, the research does not involve hypothesis testing, but focuses on the consistency between SMM materials in technical guidelines and field practices, the effectiveness of SMM approaches in enhancing competitiveness based on facilitator reports and MSME digital documentation, and the alignment between SMM theory and practices within the empowerment program.

Therefore, this chapter provides the theoretical foundation to analyze the program content and SMM practices among participants of the *UMKM Naik Kelas* program.

RESEARCH METHODS

Research Design

This study employs a qualitative descriptive approach to explore the implementation of Social Media Marketing (SMM) strategies within the "*UMKM Naik Kelas*" program across selected regions in West Java, including Tasikmalaya, Garut, Bogor, and Bandung Regency. Primary data were collected through semi-structured interviews with 10 MSME participants who had completed at least six months of mentoring and 5 facilitators responsible for digital marketing modules. Secondary data sources include the 2024 program technical guidelines (Juknis), facilitator reports, training materials, digital marketing content, and analytics from platforms such as Instagram, WhatsApp Business, and TikTok.

Data collection techniques involved document review, interviews, and social media analysis to evaluate content strategies, engagement metrics, and campaign patterns. The data were analyzed using thematic content analysis, which consisted of three stages: data reduction (filtering relevant SMM practices and outcomes), thematic coding (grouping into key themes like branding, influencer marketing, and analytics), and interpretation by aligning field data with theoretical frameworks established in the literature review.

To ensure research rigor, triangulation was applied by comparing data from various sources. Member-checking was conducted by sharing interpreted interview results with participants for validation, and peer debriefing was carried out with academic supervisors to ensure analytical consistency. The study adhered to ethical standards by securing informed consent, maintaining participant anonymity and confidentiality, and using data exclusively for academic and policy development purposes without providing financial compensation.

FINDINGS AND DISCUSSION

This chapter presents the extended findings from the review of the November 2024 facilitation report for the *UMKM Naik Kelas* program in Tasikmalaya District, West Java, Indonesia. The report,

coordinated by Mr. Jojo Sutarjo, provides a comprehensive picture of program execution, challenges, and progress based on field documentation and evaluations by six facilitators assigned to guide a total of 132 MSME participants. The region selected represents a mix of urban and semi-urban MSMEs, covering various sectors including food and beverage, fashion, services, and handicrafts. The findings draw on structured data (Forms 1–6), narrative descriptions, and summary evaluations submitted by each facilitator, providing valuable insight into digital marketing practices, business formalization, and financial access.

The reviewed documents suggest that implementation in Tasikmalaya was methodical, with regular monthly targets aligned with the program's objectives. Key Month-6 achievements include, all 132 MSMEs increased their turnover, 114 MSMEs expanded market reach through digital means, over 120 completed required licenses, and more than half explored financing options. These reflect the integrative value of simultaneous development of digital, managerial, and compliance capabilities.

Main issues identified include, limited entrepreneurial mindset and strategic planning, gaps in technical digital skills (analytics, scheduling tools), and bureaucratic barriers in obtaining business permits. Solutions included mindset training, digital marketing workshops, and local government advocacy support.

Success stories include, *Nuraeni*: 300% growth in Instagram followers, 40% revenue increase, *Usep Taufik*: Culinary brand optimization through WhatsApp and digital catalogues, *Adi Nugraha & Robi Abdilah*: Improved branding via Canva and basic ad campaigns. These examples show the impact of targeted digital mentoring and strategic platform use.

4 out of 6 facilitators rated "adequate"; 2 rated "less satisfactory". All identified needs and proposed appropriate interventions. Facilitator digital capability strongly influenced mentoring depth and SMM guidance. The findings support the notion that structured digital mentoring significantly enhances MSME competitiveness. This aligns with Chaffey & Ellis-Chadwick (2019) on the dual role of digital tools and behavior change. However, sustainability requires ongoing support, financial literacy, and platform adaptation.

POLICY AND PRACTICAL IMPLICATIONS

This chapter presents the key policy and practical implications derived from the findings of the *UMKM Naik Kelas* program, particularly the integration of Social Media Marketing (SMM) to enhance MSME competitiveness. The aim is to provide a set of recommendations for policymakers, program designers, and MSME actors to optimize future implementations.

Policy Implications

The findings emphasize the importance of institutionalizing digital literacy and SMM capacity building in government-led MSME empowerment programs. The following policy-level implications are identified, mainstream SMM training in all stages of MSME development programs to ensure consistent digital engagement, allocate budgetary and human resources for digital mentoring, including the training of facilitators in advanced SMM practices, integrate SMM outcome indicators into program success metrics, such as digital footprint growth, online sales conversion, and customer engagement rates, foster collaboration between local governments, digital platforms, and business associations to amplify support and resource access.

Practical Implications for Facilitators and MSMEs

At the implementation level, practical implications target program facilitators and MSME participants, facilitators should adopt a coaching-based approach, allowing MSMEs to experiment with SMM tools under guidance and feedback cycles, emphasize personalized SMM strategies that reflect the unique identity and goals of each MSME, including platform-specific content planning, provide access to low-cost or free digital tools such as Canva, Meta Business Suite, and analytics dashboards to enhance execution quality, encourage the documentation of digital campaigns and monthly analytics review to promote a habit of data-driven decision-making among MSMEs.

Scalability and Sustainability Considerations

To ensure the scalability and sustainability of the program, the following strategic actions are proposed, develop a digital mentoring curriculum as an open-source toolkit for replication by other regions, establish alumni networks or peer support communities where MSMEs can share experiences, challenges, and best practices, implement periodic follow-up and refresher training for MSMEs to adapt to evolving digital trends and platforms, advocate for digital ecosystem development in rural areas, including internet infrastructure and platform accessibility.

These implications underscore the need for a holistic and adaptive approach to digital empowerment, positioning SMM not just as a tool, but as a core business development strategy for MSMEs in the digital era.

CONCLUSION AND FUTURE RESEARCH DIRECTIONS

Conclusion

This study explored the strategic role of Social Media Marketing (SMM) in enhancing the competitiveness of Micro, Small, and Medium Enterprises (MSMEs) within the framework of the *UMKM Naik Kelas* (Upgrading MSMEs) program in West Java, Indonesia. Through a structured report review combined with interviews and social media analysis, the research revealed that SMM significantly contributes to business visibility, customer engagement, and market expansion for MSMEs.

The integration of SMM in the program particularly in the form of digital mentoring, content strategy development, and branding support was found to be both impactful and replicable. Despite challenges such as digital skill gaps and limited strategic planning among MSME actors, targeted facilitator interventions and capacity-building activities enabled measurable improvements in online engagement and revenue generation.

The findings affirm that a systematic, data-informed, and contextually adaptive approach to SMM training can accelerate MSME digital transformation. Furthermore, the synergy between government policy, digital platform tools, and grassroots business practices has the potential to institutionalize SMM as a core driver of inclusive economic growth.

Limitations

While the findings of this study are promising, several limitations must be acknowledged. First, the research is geographically bounded to selected regions in West Java, limiting the generalizability to other provinces or national contexts with different socio-economic dynamics. Second, the reliance on qualitative data although rich and context-sensitive does not allow for statistical inference or causal claims regarding SMM effectiveness. Third, the absence of longitudinal tracking post-program restricts insights into the sustainability of behavioral and business changes over time.

Future Research Directions

To build on the insights and address current limitations, future research may explore the following areas:

1. Longitudinal Impact Studies: Conduct follow-up studies to assess the long-term impact of SMM training on MSME growth, brand development, and market retention. This would provide evidence of sustainability and guide future program iterations.
2. Comparative Regional Studies: Expand the study to include other regions in Indonesia or Southeast Asia to examine how regional digital infrastructure, culture, and governance models influence SMM adoption.
3. Quantitative Performance Modeling: Employ statistical models to analyze the correlation between specific SMM activities (e.g., content frequency, ad spend, engagement rate) and key performance indicators such as sales growth, customer acquisition cost (CAC), and return on marketing investment (ROMI).

4. Platform Behavior Analysis: Examine how MSMEs behave differently across platforms (e.g., Instagram vs. TikTok vs. WhatsApp Business), and identify best practices tailored to industry type, audience demographics, and content strategy.

Closing Remarks

As digital transformation becomes an imperative rather than an option for MSMEs, structured programs such as *UMKM Naik Kelas* must continuously evolve to meet the changing demands of the digital economy. Social Media Marketing, when embedded within a supportive ecosystem of training, mentorship, infrastructure, and policy, can serve as a catalyst for inclusive and sustainable economic empowerment. By adopting a holistic, evidence-based, and scalable model, future interventions can position MSMEs not only as market participants but also as digital value creators in the global economy.

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