



## Optimizing Instagram Management for SMEs: A Case Study of Indonesian Batik SMEs

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**ABSTRACT:** A multidisciplinary approach is employed to explore the effectiveness of social media marketing by collaborating with Instagram experts and analyzing qualitative data from SMEs A, SMEs B, and SMEs C. The primary objective is to measure the impact of Instagram usage on SMEs business performance, both non-financial and financial. Additionally, this research offers social media management strategy recommendations that can be directly implemented in social media management experiments by these SMEs to observe their real impact on business performance.

This research findings show significant variations in Instagram adoption among SMEs A, SMEs B, and SMEs C. SMEs A and SMEs B require substantial improvements, while SMEs C shows better adoption but still needs enhancement. Increased Instagram presence, better content strategies, and maximum utilization of Instagram features can improve interaction and business performance.

This research provides insights for SMEs to develop effective digital marketing strategies through Instagram. It also offers practical suggestions for academics for long-term research and exploration of other social media platforms like TikTok to provide more comprehensive insights. It is hoped that this study will assist SMEs and academics in developing effective and applicable digital marketing strategies.

**KEYWORDS:** Instagram, Digital marketing, Financial growth, Social media, SMEs

### INTRODUCTION

The Department of Cooperatives, Small and Medium Enterprises, Trade and Industry (DKUKMPP) of Cirebon City reported that only 25 percent of the 2,060 SMEs have entered the digital era, particularly in marketing. This situation is mainly due to the dominance of SME actors who have not yet understood or applied digitalization in their businesses, despite efforts through counseling and technical guidance. However, the implementation of digitalization remains suboptimal [1].

Given this data, the researcher decided to focus on the fashion sector, as it is the second-largest SME sector in Cirebon. Batik, a signature product of Cirebon, has significant potential for further development. The SMEs chosen for this study are SMEs A, SMEs B, and SMEs C, as these businesses have not yet fully optimized Instagram as a digital marketing strategy, and the researcher aims to examine its impact. The majority of SMEs in Cirebon City have not yet embraced digitalization, even though DKUKMPP has initiated digital training for SMEs. According to Martadikusumah and Indrawati (2024), increasing digital literacy and collaboration among stakeholders through training and mentoring can optimize digital marketing activities by SMEs [27]. DKUKMPP focuses on digital marketing training through various platforms, such as marketplaces and social media, aiming to help SMEs expand their market reach across Indonesia [2]. The head of DKUKMPP mentioned that the training covers attractive product photography, marketing strategies for marketplaces and social media, and financial management literacy to avoid illegal online loans [3].

Although hundreds of SMEs have participated in these training sessions, comprehensive adoption and implementation of digitalization remain a challenge, as many SME actors still lack understanding and application of digital technologies in their businesses [3]. This highlights the urgent need for further integrated efforts to accelerate digitalization, particularly in the marketing sector of SMEs in Cirebon.

Social media marketing has become a key strategy for SMEs in promoting their businesses and is recognized as an essential tool [4]. Social media marketing involves companies using social media platforms to interact with consumers and promote their products or services, thereby enhancing engagement with target audiences, building brand awareness, and increasing sales [5].



Effective social media marketing requires creating engaging and relevant content to attract and involve audiences [6]. Instagram, in particular, serves as a promotional platform and content-sharing medium to reach and connect with target audiences.

In the digital age, social media has become a powerful tool for promoting and marketing products. For instance, many businesses in Pekanbaru have leveraged social media platforms like Facebook, Twitter, Instagram, and WhatsApp to boost their profits [7], [8]. One such social media platform is Instagram, which initially was used merely for sharing photos and videos but has now evolved into an effective marketing tool, especially after the launch of Business Tools in 2016 [28]. Social media also allows businesses to interact directly with their customers, providing up-to-date information about their products or services, obtaining real-time feedback, and thus, not only increasing business visibility but also strengthening customer relationships [7], [8]. With the ability to reach a wider audience at a lower cost, social media presents a significant opportunity for SMEs to compete in a competitive market [8].

In the fashion industry, social media marketing has a significant impact [9], [10]. Research by Vijay Durga Prasad and Praveen [11] indicates that leveraging social media marketing in the fashion industry has changed how businesses approach customer needs and respond to their customers and competitors. Platforms like Instagram are vital for fashion brands to showcase their products, connect with audiences, and drive sales. In line with this, according to Damayanti and Indrawati, Instagram as a social media platform allows businesses to effectively promote their products by featuring visually appealing content that helps enhance brand awareness [29]. Besides promoting products, social media marketing can help fashion brands analyze trends in the fashion world [12]. Fashion brands use social media to share images and videos of their products and interact with followers through comments, likes, and direct messages [9]. Consequently, one of the subjects of this research is a fashion-related SMEs Batik, SMEs A, SMEs B, and SMEs C.

In recent years, many companies have increasingly used social media as an effective communication tool with consumers [13]. Social media tools like Instagram are considered beneficial for disseminating brand information and implementing corporate strategies. According to Zhong [14], using social media also enhances brand image. These tools enable interactive communication between customers and companies without time or place limitations. Developing an effective social media strategy requires approaches like the POST method, a strategic framework for social media planning developed by Forrester Research [15]. The acronym POST stands for People, Objectives, Strategy, and Technology. The POST approach allows organizations to develop and implement integrated, result-oriented social media strategies, crucial in today's dynamic and competitive social media landscape [16]. This comprehensive approach suggests that effective social media management requires a deep understanding of the audience (People), clear goal setting (Objectives), developing creative and company-appropriate content strategies (Strategy), and using appropriate technology for monitoring and analysis (Technology) [17].

However, it is important to note that not all social media communication strategies yield the same results. For instance, social media advertising and promotions have shown a positive relationship with Customer-Based Brand Equity, while interactive social media marketing does not demonstrate a significant relationship [18]. Social media has played a crucial role in transforming how businesses communicate with their customers. Through direct interaction between brands and consumers, social media enables real-time feedback, promotes new products, and builds stronger customer relationships. The importance of social media for SMEs is significant [18], [19], [13], [14]. Therefore, for SMEs, leveraging social media is not just an option but a necessity.

Based on previous research, social media allows fashion brands to extend their reach, promote products, and interact with customers in real-time. It also enables brands to collect direct feedback from customers [9], [10], [12], [11], [4]. Social media facilitates promotions that allow direct interaction with customers and gather reviews that can improve service quality. It also allows offering special promotions and enhancing customer engagement [7], [8], [20]. Other studies analyzing this topic indicate that social media also allows promoting products, gathering customer feedback, and interacting with consumers [13], [14]. This contrasts with the lack of optimized social media use as a promotional tool among SMEs A, SMEs B, and SMEs C SMEs. Therefore, the researcher is interested in studying the "Analysis of Instagram Social Media Management in SMEs in Cirebon City: A Study on SMEs A, SMEs B, and SMEs C."

## LITERATURE REVIEW

According to Widokarti and Priansa, marketing is the activity of creating ownership utility, as well as the utility of place, time, and the ability of a product or service to meet consumer needs [1]. Digital marketing is a technique that leverages digital



media, such as the internet and other information technologies, to reach consumers at the right time, personally, and with relevance to their needs [17]. Furthermore, digital marketing is defined as a set of techniques developed on the Internet to persuade users to purchase products or services [21].

Social media allows businesses to interact directly with their customers, providing up-to-date information about their products or services, obtaining real-time feedback, and thus, enhancing business visibility and strengthening customer relationships. Instagram is one such social media platform that can be utilized [9], [16], [20], [11], [4].

Given the importance of Instagram as a visual-based social media platform, it offers significant opportunities for SMEs to utilize it in their marketing strategies. In planning social media strategies, Forrester Research developed a strategy to assist organizations in planning and implementing effective social media strategies [25]. The POST method is a strategic framework for social media planning developed by Forrester Research [25].

The Content Marketing Matrix is a strategic tool originally developed by Smart Insights to help marketers plan content for specific purposes [6]. This tool serves as a framework for content ideas, assisting in designing future content ideas to generate leads, nurture prospects, encourage sharing, and generate backlinks for SEO [6], [24].

In the context of social media, the literature claims that social media can have a dramatic impact on organizations in digital advertising and promotions, handling customer service issues, mining innovative ideas, and building customer relationships [12], [13], [14], [15], [26]. According to Al-kalouti et al., companies that actively use social media tend to experience increased sales [17].

In several studies, one indicator of financial performance in social media usage, according to Akbar, is the influence of social media usage on business financial performance, which in turn can increase sales [12]. Another study by Fakhreldin and Miniesy specifically explores the impact of Instagram usage in business on financial performance [27]. Sales, as a major component of financial performance, are likely influenced by effective marketing and interaction on Instagram. Ahmad and Indrawati state that the number of product purchases can also increase if Instagram is well-designed and that Instagram is a powerful promotional medium [28].

A recent study by Alshourah et al., analyzing 28 articles, shows that social media use enhances customer relationships, leading to improved SME performance. This suggests that engagement through social media can influence marketing strategies and overall business performance. Indrawati and Ahmad state that a well-designed Instagram can significantly enhance customer interaction [28].

## RESEARCH METHODOLOGY

This research employs both descriptive and causal approaches. According to Sekran and Bougie, the descriptive method is a research approach used to examine the current status of individuals, events, situations, thinking systems, or specific occurrences [22]. Indrawati adds that descriptive research is conducted to understand the relationships between factors or variables when these factors or variables are already known, allowing for the measurement of the object under study [29]. The objective of this research is to understand and explain how digitalization is implemented, focusing on expert responses regarding the use of social media marketing content, particularly on the Instagram platform, by SMEs in the fashion, culinary, and automotive sectors, namely SMEs A, SMEs B, and SMEs C.

This research will collect data through interviews with the owners of SMEs A, SMEs B, SMEs C, and Instagram experts to provide relevant recommendations. Following this, the social media marketing content will be implemented on the Instagram accounts of these SMEs, followed by an analysis of their business performance, including both non-financial and financial performance. The objects of this study are SMEs A, SMEs B, and SMEs C.

## RESULTS AND DISCUSSION

### *Evaluation of Financial Performance and Non-Financial Performance in SMEs A, SMEs B, and SMEs C*

On the financial side, none of the three SMEs showed significant increases in revenue and sales before the improved social media management. Although SMEs A and SMEs B saw an increase in audience engagement, they did not show significant changes in revenue. SMEs C, which had a better strategy on Instagram, showed a clearer increase in revenue, although converting the



audience into customers still requires more attention. This indicates that although audience engagement increased, financial conversion requires a more effective strategy.

#### *Evaluation of Non-Financial Growth Performance in SMEs A, SMEs B, and SMEs C*

Before more structured management, SMEs A and SMEs B showed very low non-financial performance, with minimal reach, followers, and engagement. For example, SMEs A had a reach of only 15 accounts, 378 followers, and very low engagement. SMEs B showed a reach of only 4 accounts with 449 followers. On the other hand, SMEs C showed better non-financial performance, with a reach of 546 accounts and 964 followers. A significant increase in non-financial performance was recorded after the implementation of structured management, with improvements in reach, followers, likes, and engagement across all SMEs.

#### *Recommendations for Strategy Implementation and Management to Enhance Financial and Non-Financial Growth*

To enhance their presence on Instagram, SMEs A, SMEs B, and SMEs C SMEs should adopt a social media development program that includes four key aspects: People, Objective, Strategy, and Technology. The responsible team must have a deep understanding of audience demographics and receive relevant training. The main objectives include increasing brand awareness, engagement, and product sales. Strategies should include utilizing Instagram features effectively, such as Stories, Live, and Instagram Shopping. Supporting technology, such as editing applications and social media management tools, is also important to implement.

#### *Results of Implementation After Management*

After the structured Instagram social media management implementation, all SMEs showed improvements in non-financial performance. SMEs A, for example, experienced a significant increase in reach, followers, likes, comments, and engagement. SMEs B also showed significant increases across all non-financial metrics. SMEs C, which already demonstrated good performance earlier, saw additional increases in reach and engagement. However, despite the increase in audience interest, conversion to purchase remains an area that requires improvement. Based on the research results, SMEs A, SMEs B, and SMEs C have shown improvements in Instagram implementation after structured management. SMEs C demonstrated the best performance in both non-financial and financial aspects. To further improve results, the three SMEs need to focus on more effective strategies to convert their audience into customers. This includes optimizing the use of Instagram features, quality content planning, and implementing technology that supports performance analysis. With the right implementation, the three SMEs are expected to significantly enhance their presence and performance on Instagram.

## CONCLUSION AND SUGGESTIONS

This study evaluated the implementation of Instagram social media among SMEs A, SMEs B, and SMEs C SMEs to understand its management effectiveness and provide strategic recommendations. Although all SMEs showed significant improvements in non-financial performance after structured management, SMEs A and SMEs B still require further efforts to convert their audience into customers, while SMEs C has successfully increased revenue and sales significantly.

Overall, the structured implementation of Instagram social media strategies showed positive results for all three SMEs, with SMEs C being the most successful in converting its audience into customers. Recommendations include developing content strategies, enhancing audience interaction, and utilizing Instagram features more effectively to optimize future marketing results.

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