Social Media Marketing: Activities and Its Impact to The Sales Performance

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Abstract

The purpose of this study was to obtain empirical evidence related to the development of social media marketing (SMM) activities to improve sales performance through Instagram as the main marketing channel. This study uses a deductive approach to the research subject, namely the Sprinkdays business, which is engaged in the culinary field with the object of research in social media marketing activities and sales performance. This study uses an action research strategy through the plan-act-observe-reflect stage, which refers to the theory used as a reference. Primary data collection is done internally through sales and online questionnaires to Sprinkdays consumers. The data analysis technique used descriptive statistics to get an overview of the implementation of social media marketing and inferential statistics through a paired t-test on the action research results carried out. The results showed that the development of social media marketing activities through customer feedback, communication, content sharing, and customer relationships applied to the Sprinkdays Instagram account did not increase the sales performance of the Sprinkdays business. This finding is quite significant because Sprinkdays has not been able to implement social media marketing activities optimally and intensively in its business operations. The results of this study can be a reference for other dessert businesses that to improve sales performance through social media marketing activities through Instagram, maximum and intensive implementation is needed.

Keywords

Sales Performance, Social Media Marketing, Instagram, Action Research

1. Introduction

Nowadays, the advancement of innovation on the internet and the development of social media provide convenience for every individual (Umair Manzoor et al., 2020). This convenience is judged by the role of social media as a communication channel, where users can share consumption behavior, product preferences, opinions, and experiences gained (Aji et al., 2020). In carrying out social media marketing activities, MSMEs need to take a strategic approach to the type of social media used to reach the intended customer (Nasreen et al., 2020).

The findings of previous researchers stated that social media marketing activities can increase brand awareness, which causes a brand, product, or service to always appear in customers' minds (Bilgin, 2018). Furthermore, other findings state that social media marketing is one strategy that MSMEs can apply to improve their sales performance (Sufian et al., 2020). The current phenomenon is that the millennial generation dominates the development of digital use as digital media users, which inspires businesspeople to get bigger and more promising opportunities by attracting the millennial generation's attention through digital marketing (Kumar & Kumar, 2020).

The scope of study of this research is a business unit engaged in the culinary field under the brand Sprinkdays, which was developed by a student of the entrepreneurship study program, under the guidance of the business incubator center at Bina Nusantara University. Sprinkdays is a new online-based business and uses a pre-order system in its marketing activities. Sprinkdays has taken advantage of several features on Instagram as the main marketing channel, including Instagram posts, Instagram Stories, and Instagram Ads. However, the use of these features has not affected sales performance. The lack of interaction between the audience for every content uploaded on Instagram and pre-order schedule had in the past year of sales continued to decline. Based on some of the references above regarding the

application and use of social media marketing, the researcher formulated the problem in this study on developing social media marketing through Instagram to improve sales performance.

1.1 Objectives

- 1. To find out how the development of social media marketing can improve sales performance.
- 2. To find out which social media marketing activity that has the greatest contribution in increasing sales performance.

2. Literature Review

Social media marketing is one of the online-based marketing activities that prioritize interactions between customers to create a positive response and brand awareness from customers or potential customers (Chaffey & Chadwick, 2019). The four factors in social media marketing that can improve sales performance include customer feedback, communication, content sharing, and customer relationships (Sufian et al., 2020). Customer feedback is one example of word of mouth which plays an important role in the company's marketing activities (Harmeling et al., 2017). In this modern era, customers can share their comments, suggestions, and experiences with a brand or product through social media, which can be called electronic word of mouth or eWOM (Tardin et al., 2020). Communication is an interaction process that helps companies build relationships with customers or potential customers (Alvarez-Milán et al., 2018). Communication through social media marketing is an important activity, especially for small businesses that operate online, so that it can create openness and build trust because of the interpersonal relationships that exist, both between companies and customers, business communities, and customer-to-customers (Sufian et al. al., 2020). Content sharing is one of the marketing strategies through various online platforms such as websites, social media, and blogs, where the content shared can be in the form of text, photos, videos, and interactive quizzes that can encourage interaction and customer engagement (Chaffey & Chadwick, 2019). Customer Relationship Management (CRM) needs to be managed effectively based on the target market segmentation or be customer centric.

Sales performance describes the comparison of a company's income in a certain period, which if there is an increase in profits, then the company's management will become easier (Zia & Shahzad, 2015). Based on its usefulness, social media marketing has an important role for a business owner in introducing products or services and building communication with customers through various types of platforms (Chaffey & Chadwick, 2019). Instagram is one of the most popular social media. Founded in 2010, Instagram is an application on smartphones used to share photos that can be supported by stories or descriptions related to the photo. Since 2013, Instagram has had a new feature, where Instagram users can upload videos and sponsored posts. Over time, Instagram launched features such as Instagram Stories, Instagram Ads, Instagram Direct Messages, IGTV, and Reels.

Based on the data obtained from Hootsuite We Are Social Indonesian Digital Report 2020, in January 2020, Instagram was in the fourth position of the Most-Used Social Media Platform category, with a percentage of 79 percent. Other data obtained for the Instagram Audience Overview category shows that 63 million Instagram users can connect with ads displayed on Instagram, also known as Instagram Ads. 50.8 percent of Instagram users are women, and 49.2 percent are men. Regarding the data on the use of ads on social media, the data obtained for the Sources of New Brand Discovery category with the user age range of 16 to 64 years old, ads, recommendations, and comments on social media are ranked third and fourth, respectively, with a percentage of 34 percent and 32 percent. With the number of social media users, especially Instagram, which continues to increase from time to time and the availability of various supporting features, Instagram is a promising medium for a business owner in marketing activities.

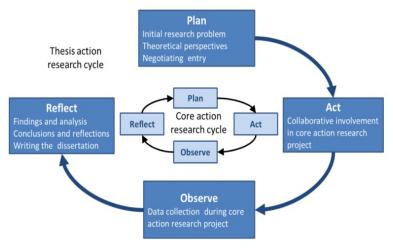
Sukwadi, Indrawati, and Wong (2016) state that sales performance is the number of outputs or products sold that are reported every month, with an integrated recording system, making it easier for companies to plan and formulate strategies in determining sales targets that must be achieved within a certain time (Nzioka & Waithaka, 2021). Sales will support the development process of a company. By expanding marketing activities through satisfactory communication and customer service from the company to potential customers, the company's sales are expected to increase (Sufian et al., 2020). The Conceptual model is shown in Figure 1.



Figure 1. Conceptual Model

3. Methods

The researcher uses a quantitative-deductive research approach with an action research strategy in this study. Based on previous research findings and the problems that the researcher has formulated, the objects of this research are sales performance and social media marketing, with Sprinkdays as the research subject. The Sprinkdays business is a culinary MSME that sells cake and pastry products in Bandung, West Java, Indonesia. This research involves several participants, the researcher as the owner of Sprinkdays and Sprinkdays' customers as the respondent who will provide an assessment related to the action research carried out on the Sprinkdays Instagram account. The researcher adopted an action research model with a plan, act, observe, and reflect cycle proposed by Zuber-Skerrit & Perry (2002), the respective model is displayed in Figure 2.



Source: (Burns, 2005) Figure 2. Action Research Model Zuber-Skerrit 2002

Instagram is Sprinkdays' main marketing channel. The researcher carried out the action research stages to answer the main problems. This study focuses on finding solutions to problems related to sales performance faced by Sprinkdays in its business practices by implementing social media marketing activities with the four dimensions based on the reference journals used in this study. The application of these four dimensions is carried out through the following stages:

1. Customer Feedbacks

Provide facilities for customers to share their feedback to Sprinkdays through the comment section, Instagram direct message, and feedback forms that can be filled through a link listed on the Sprinkdays Instagram profile.

2. Communication

Sprinkdays communicates with its customers through content and Instagram ads and personally via direct message, with service hours every Monday - Friday, 10:00 WIB - 19:00 WIB. The communication process includes providing the information needed by customers and encouraging customers to share their opinions to Sprinkdays. Sprinkdays uses English in the caption and makes sure that the copywriting is easy to understand and adapted to the business concept and Sprinkdays target market.

3. Content Sharing

The researcher plans the content, headlines, and content uploading schedule. Content uploaded on Sprinkdays' Instagram account includes photos and videos by utilizing the Instagram post, Instagram Story,

and Instagram ads features. The contents delivered are information related to products (hard-selling), information not directly related to Sprinkdays products (soft-selling), and interactive content involving the audience, such as quizzes and mini-games to make it more attractive to the audience.

4. Customer Relationships

Efforts made by Sprinkdays in strengthening relationships with customers include; providing friendly responses to customers and potential customers; asking for feedback from customers regarding the products they ordered; listening to customers complaints about evaluation; providing information of products and special offers; giving new product testers to loyal customers.

Internally, the researcher gathered Sprinkdays sales data from September 2021–to August 2021. Next, the researcher used a paired t-test in Microsoft Excel to compare the sales performance of Sprinkdays before and after the implementation of action research on the Sprinkdays Instagram account. Then, external data collection is done by collecting data from questionnaires that have been distributed randomly to Sprinkdays' customers, which are the research sample units. The research sample units were taken based on the target population, the citizen of Bandung, aged 15–59 years, which amounted to 1,728,957 people. Next, the researcher took a sample using the Slovin formula with the results of the calculation of a sample of 100 people, with the following formula:

$$n = \frac{N}{1 + Ne^2} = \frac{1.728.958}{1 + (1.728.958)(0.1)^2)} = 99,7 \text{ (n: Sample Size, N: Population Size, e: Margin of Error)}$$

4. Results and Discussion

4.1 Instrument Test Result: Validity & Reliability

Researchers tested the validity of the 15 questions on the questionnaire to know the accuracy level of the data collected through the questionnaire. The validity test was carried out with Pearson bivariate correlation using SPSS software version 28. The results of the validity test obtained are shown in Table 1.

Table 1. Validity Test Result

						Val	lidity Te	st Result							
	X1	X2	Х3	X4	X5	X6	X7	X8	X9	X10	X11	X12	X13	X14	X15
Pearson	.776	.670	.667	.635	.754	.734	.719	.743	.795	.713	.691	.793	.686	.645	.775
Cor.															
Sig. (2-	<.001	<.001	<.001	<.001	<.001	<.001	<.001	<.001	<.001	<.001	<.001	<.001	<.001	<.001	<.001
Tailed)															
N	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

The validity test results obtained indicate that the significance value is less than 0.001 or <1%, and the Pearson correlation value obtained is very significant, with the lowest correlation level of 63.5% in question number 4. Furthermore, it can be concluded that the question on the questionnaire is valid to be used as an instrument in this study. A reliability test to determine the level of consistency of answers to the questionnaires that had been distributed. The reliability test was conducted using SPSS version 28 with the Cronbach's alpha formula. The results of the reliability test obtained are shown in Table 2.

Table 2. Reliability Test Result

Reliability Test R	esult
N of Items	15
Cronbach's Alpha	0.926

Based on the results of the validity test obtained, the Cronbach Alpha value for the answers to the 15 questions asked is 92.6% (or more than 70%) so that the researcher can conclude that the questionnaire instrument with social media marketing variables is reliable, because the pattern of answers is identified consistent out of 100 respondents.

4.2 Demography Analysis

The following is a demographic analysis of the 100 respondents who participated in this study, especially in assessing the development activities of marketing activities through social media Instagram, which researchers in this action

research built. Demographics by age show that 85% are 16-25 years old, 45% are 26-35 years old, and 1% are 46-55 years old. Based on gender, most of the respondents (a total of 85 people) were women, and 15 were men. A total of 69 people are students, 19 students, six employees, six homemakers, three entrepreneurs, one respondent not working, one fresh graduate, and one person (the other is a freelancer. Thus, from the data, it can be ascertained that Sprinkdays has reached its target market correctly: students, students, and employees.

4.3 Descriptive Analysis

Table 3. Descriptive Statistics Result

	X1	X2	X3	X4	X5	X6	X7	X8
Minimum	3.00	3.00	3.00	1.00	3.00	3.00	3.00	1.00
Maximum	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Mean	4.60	4.69	4.76	4.24	4.73	4.61	4.45	4.19
Std. Dev	0.60	0.52	0.49	0.88	0.50	0.58	0.71	0.97
N	100	100	100	100	100	100	100	100
	X9	X10	X11	X12	X13	X14	X15	
Minimum	3.00	2.00	3.00	3.00	2.00	1.00	2.00	
Maximum	5.00	5.00	5.00	5.00	5.00	5.00	5.00	
Mean	4.56	4.56	4.83	4.76	4.64	4.59	4.60	
Std. Dev	0.68	0.67	0.42	0.49	0.64	0.79	0.65	
N	100	100	100	100	100	100	100	

Based on table 3, the answer with the highest average value is X11, with an average value of 4.83. The researcher's questions in question number 11 were related to customer relationships, where respondents considered that Sprinkdays gave a friendly response to customers. From the results obtained, the researcher can conclude that customer relationship are the variables that make the biggest contribution to action research conducted through the Sprinkdays Instagram account.

The descriptive analysis below presents an assessment of 100 respondents regarding social media marketing activities on Instagram Sprinkdays, which include customer feedback, communication, content sharing, and customer relationships.

1) Customer feedback

Most respondents or as much as 66% considered that Sprinkdays had provided facilities for respondents to provide feedback through the personal direct message feature, comment column on Sprinkdays uploads, and link customer feedback form on Sprinkdays bio-Instagram, 72% assessed that Sprinkdays provided convenience for respondents in delivering feedback through the three available facilities. The information obtained shows that the direct message feature, comment column, and customer feedback form have made it easier for respondents to express their opinions regarding the products and services provided by Sprinkdays. Therefore, it would be better if Sprinkdays tried to encourage more customers to provide feedback through these three features, which can then be used as evaluation and reflection for Sprinkdays in their business development process.

2) Communication

As many as 79% considered that the Sprinkdays admin was responsive in answering messages from respondents, 3% stated that it was not easy for respondents to communicate with other customers on their Sprinkdays Instagram account, on the contrary, 48% thought that Instagram Sprinkdays provided convenience in the communication process between fellow customers through their accounts. Instagram Sprinkdays. Furthermore, 76% rate that Instagram Sprinkdays contains information that is easy to understand.

3) Content Sharing

A total of 66% thought that the uploaded content on Sprinkdays Instagram was visually appealing, 58% considered the uploaded content to be informative, 49% thought that respondents were encouraged to participate in the quizzes and games that Sprinkdays uploaded, 5% considered that Sprinkdays interactive content did not encourage

respondents to participated, the last 67% rated that content uploaded on Instagram Sprinkdays could be easily shared with family or colleagues.

4) Customer Relationships

As many as 65% of respondents considered that there was a good relationship between respondents and Sprinkdays through uploads and direct messages on Instagram, while 1 person (1%) considered that good customer relationships were not established between respondents and Sprinkdays, either through uploads or the direct message feature. on Instagram. As many as 85% considered that Sprinkdays responded to customers in a friendly manner, 79% assessed that personal Sprinkdays services to customers through Instagram had been carried out well, 72% thought that Sprinkdays asked respondents for input regarding the products ordered by respondents. A total of 72% considered that Sprinkdays responded to complaints and inputs submitted by respondents, on the contrary, 2% thought that Sprinkdays did not respond to complaints and inputs submitted by respondents.

4.4 Paired t-Test Result

The data that the researcher processes in this study is Sprinkdays' sales data in 12 months period, starting from September 2020 to August 2021. The researcher conducted a paired t-test using Microsoft Excel to analyze a comparison of Sprinkdays' sales performance before the action research is implemented (September 2020 - February 2021) and after action research is implemented (March 2021 – August 2021). The results of the comparison of data using paired t-test are significant if p > 0.05. The results of the paired t-test obtained are shown in Table 4.

I	Paired t-test	
	after	before
Mean	31,5	23,1666667
Variance	783,5	551,766667
Observations	6	6
Hypothesized Mean Difference	0	
df	5	
t Stat	0,46693503	
$P(T \le t)$ one-tail	0,33009305	
t Critical one-tail	2,01504837	

Table 4. paired t-test

The paired t-test results show that the p-value (1-tailed) is 0.33 or <0.05. These results indicate that the action research applied in social media marketing activities on Sprinkdays' Instagram account, which includes customer feedback, communication, content sharing, and customer relationships, is not strong enough to increase the sales performance of Sprinkdays. Furthermore, the researcher identified that other factors caused no increase in Sprinkdays sales performance, such as limited human resources that Sprinkdays has so that the production process is not done every day and the pre-order schedule is still inconsistent. Furthermore, Sprinkdays has not been uploading content regularly on its Instagram account, so the product knowledge that the audience has about Sprinkdays' products is still relatively low

5. Conclusion and Recommendation

5.1 Conclusion

This research was conducted to assess and evaluate how the development of marketing aspects through social media marketing that Sprinkdays applied to improve Sprinkdays sales performance. Based on the results of data processing obtained, it can be concluded that the action research that Sprinkdays conducted through social media marketing activities on its Instagram account did not show a significant increase in Sprindkays' sales performance. There is no improvement in Sprinkdays sales performance because the social media marketing strategy has not been carried out intensively. It can be seen from the Sprinkdays content upload time frame, with an average content uploaded of only three content per month, the lack of audience participation in the interactive content that Sprinkdays uploaded, and the minimum number of customers who filled out the feedback form. Based on the questionnaire obtained, the biggest contribution to Sprinkdays' sales performance from social media marketing is customer relationships related to Sprinkdays friendliness in responding to customers. While several aspects of the social media marketing that

Sprinkdays needs to develop are providing facilities for customer-to-customer communication, uploading interactive content more intensively, providing further responses to customer feedback, and providing the latest information regarding special offers customers.

5.2 Recommendation

Recommendations that the author can give to similar businesses include: 1) Have an understanding of the types of marketing activities carried out in accordance with the target market and the intended target audience, both on Instagram and on other social media platforms; 2) Create interesting content in the form of photos and videos and hone copywriting skills; 3) Create a weekly timeline related to endorsements, schedule content posting regularly in order to increase brand awareness and touch a wider market; 4) Have a commitment to conduct online sales on a regular basis, so that the product is still in demand by the customer; 5) Have a deep understanding of the recording of financial statements in order to manage the company's finances properly.

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Biographies

Zelina Devia is an entrepreneur in creative industry and is currently pursuing bachelor's degree in Entrepreneurship department. She aims to be a successful young entrepreneur, has interest in baking, and has willingness to learn new things and giving the best contribution to her surroundings. She is currently running her own small business and is an active member of BINUS SADC Associate Trainer Program 2021.

Eriana Astuty is an assistant professor and faculty member of the Entrepreneurship Department at Bina Nusantara University. She earned a bachelor's degree in Industrial Engineering from Pasundan University, Indonesia; a Master's in Management Science from Bandung Technology Institute, Indonesia; and a Doctor in Management from Indonesian Education University, Indonesia. Dr. Eriana's research interests include strategic management, entrepreneurship, operation management, business & management in the scope of SME, creative industry, and higher education. In addition, she is a member of Forum Manajemen Indonesia (FMI), and a reviewer of Jember University, Indonesia.