



THE CONTRIBUTION OF SOCIAL MEDIA LIVE STREAMING TO INCREASING IN SALES FOR SMES IN SOLO RAYA

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ABSTRACT

In the increasingly advanced digital era, digital marketing has become one of the most effective and affordable marketing strategies for businesses. It has become a crucial element in modern marketing strategies to enhance consumer engagement and boost sales. One of the most widely used digital marketing platforms by Micro, Small, and Medium Enterprises (MSMEs) today is through social media channels such as Instagram, Facebook, and TikTok, utilizing the Live Stream feature where consumers can interact directly with sellers. With Social Media Live Streaming, MSMEs can expand their market reach and interact directly with customers, thereby positively impacting sales. Therefore, the aim of this research is to analyze how effective and significant the contribution of Social Media Live Streaming is in increasing sales and profits for Micro, Small, and Medium Enterprises. The research method employed in this study is qualitative, where data was collected through careful observation. This approach involved detailed descriptions within a deep context, complemented by notes from interviews, as well as the analysis of records and documents. The results of this research indicate that the use of live streaming on social media does not have a significant impact on increasing sales for SMEs in Solo Raya.

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1. INTRODUCTION

In recent years, there has been a highly significant shift in the use of technology, both for personal and organizational purposes especially for marketing that is called digital marketing. Digital marketing media is a technology that can continue to evolve and has become the way people interact [1]. One of the most notable changes in technology usage for marketing is the incorporation of Live Streaming features in several e-commerce platforms, catering to everyday entertainment, gaming, and retail shopping needs. This advancement allows anyone to share their experiences and engage directly with their followers [2].

The adoption of live streaming technology on various social media platforms, referred to as Social Media Live Streaming, is a growing phenomenon. Social media platforms enhance customer interaction to provide better satisfaction and services. They encourage customers to digitally spread word-of-mouth promotions (e-WOM) to other social media users, thereby influencing their purchase decisions [3]. Digital word-of-mouth marketing and positive interactions significantly impact brand attachment in consumers. Meanwhile, trends and customization do not affect brand attachment. Furthermore, positive brand attachment affects brand loyalty, brand awareness, and brand image [4], ultimately leading to increased sales. Therefore, this research aims to explore whether there is a significant contribution to increased sales through the use of digital marketing strategies via Social Media Live Streaming.

One emerging trend in social media platforms is live streaming commerce, a format of online sales that allows sellers to interact directly with potential buyers through live video broadcasts. Live streaming commerce enables buyers to see products firsthand and receive product-related information from sellers. In some cases, it also allows

customers to make direct purchases during the live stream, enhancing purchase conversions. Moreover, live streaming commerce provides a more personalized and interactive shopping experience for customers, fostering trust and loyalty.

Live streaming through social media has become a mainstream trend in e-commerce, particularly in direct sales where sellers offer extensive consumer interaction and engagement [5]. Existing literature highlights that customer engagement through live streaming can enhance purchase intention through the visibility, voice, and guidance on shopping affordability provided by live streaming platforms [6]. Studies on this topic have found that live shopping can increase customer engagement, influenced by the perceived trust buyers have in the seller [7].

Specifically, live streaming incorporated into e-commerce showcases live streaming features embedded in e-commerce platforms as an alternative approach to product introduction. Common examples include Amazon Live, Taobao Live, and JD Live. Conversely, integrated e-commerce into live streaming means e-commerce businesses embedded within live streaming portals. For instance, Facebook Live, Instagram Live, and TikTok Live have incorporated e-commerce businesses into their live streaming portals [8].

Moreover, live streaming can also uncover customer satisfaction and how it can be fulfilled through live streaming, supported by findings that this is achieved through social interaction, customer service, engagement, and experiences [2]. In live streaming commerce, entertainment is essential to build positive interconnectivity between users and products or services, while being informative contributes to product/service awareness and offers insights that influence perceptions and behavioral intentions [9]. Consumers can evaluate product suitability uncertainty by comparing the similar characteristics possessed [8].

In the context of Micro, Small, and Medium Enterprises, live streaming commerce is considered an effective marketing strategy to increase sales and expand the market. However, despite the increasing popularity of live streaming in the e-commerce industry, research on the use of live streaming in Micro, Small, and Medium Enterprises remains limited. Therefore, conducting research on live streaming commerce in MSMEs is crucial to understand the effectiveness and challenges of adopting live streaming features in this sector.

To analyze the contribution of using Social Media Live Streaming in increasing sales, it is necessary to employ a problem-solving approach by establishing a connection between the seller and the customer. Once the connection is established, the seller can provide complete product information in an engaging manner to the customers, aiming to enhance customer engagement [10]. After customers are bound and engaged in the ongoing live stream, the next step is to build trust, ensuring customer satisfaction. With this approach, it is expected that commerce through Social Media Live Streaming can make a significant contribution to sales enhancement [11].

2. RESEARCH METHOD

This research employs a qualitative research method with a case study approach, focusing on the behaviors of consumers and business practitioners, as well as the interactions between business practitioners and consumers during online transactions through social media live streaming. Data is collected through meticulous observation, including detailed descriptions within a deep context accompanied by interview notes, as well as the analysis of records and documents. The data collected are obtained from the research subjects, namely, Micro, Small, and Medium Enterprises in Solo Raya region utilizing digital marketing through live streaming features on social media. In this study, the researcher uses purposive sampling to select samples intentionally. Depicting will involve a systematic approach to uncovering meanings, emphasizing that every research must incorporate explicit, disciplined, and systematic methods to achieve the most accurate results [12].

The methods used in the data collection process include interviews, observations, and documentation. Interviews involve purposeful communication between two individuals: the interviewer, who asks questions, and the interviewee, who provides information in response to those questions [13].

The data analysis process involves data reduction, conclusion drawing, data presentation, and verification. In this research, data is analyzed by presenting it as it is, without interference from previously read theories or existing paradigms. To avoid biases in understanding, checks are performed through triangulation, which means cross-verifying data from various sources using multiple methods and at different times.

3. RESULTS AND ANALYSIS

Social media not only serves as a lifestyle necessity but also provides an incredibly interactive platform for Micro, Small, and Medium Enterprises to promote their products. With the presence of social media, marketing activities become easier and can be carried out at a lower cost compared to conventional promotions. Moreover, using social media makes it easier to reach their respective target markets because social media can be accessed by various demographics easily and for free [14].



Another factor driving the use of digital marketing through social media is the increasing number of social media users and the ease of using paid advertisements on social media platforms and also another functional features such as live streaming which is can help Micro, Small, and Medium Enterprises entrepreneurs to promote their products.

Solo Raya is a region in Central Java that encompasses seven cities, Surakarta, Sukoharjo, Sragen, Klaten, Wonogiri, Boyolali, and Karanganyar. Micro, Small, and Medium Enterprises in Solo Raya are the largest in Central Java. This is increasingly evident with the 300 percent increase in the number of Micro, Small, and Medium entrepreneurs during the year 2022. This growth is also reflected in the rise of digital payment methods using Quick Response Indonesian Standard (QRIS), reaching 165,190 merchants [15]. Therefore, the object of this research is Micro, Small, and Medium Enterprises in Solo Raya that utilize live streaming features in their digital marketing efforts conducted through social media.

During the implementation of research, initial data was gathered regarding the social media followers of the studied Micro, Small, and Medium Enterprises, ranging from below 1,000 to above 50,000 followers. In terms of building connections with consumers, the number of followers can be said to influence the number of transactions that occur through the live streaming feature on social media. This is evident in Micro, Small, and Medium Enterprises with fewer than 1000 followers, which experienced a sales increase of only 10%, while those with social media followers exceeding 50,000 saw a sales increase of more than 100% after utilizing the live streaming feature on social media.

Apart from the amount of follower, the surveyed Micro, Small, and Medium Enterprises provided information indicating that consumer engagement and entertainment during live sessions giving trust to the consumer and leads to customer satisfaction, that ultimately contributes to increased sales.

The factor of lower prices and free shipping also has an impact on the increase in sales through social media live streaming for the MSMEs under study. This aligns with the information we obtained from consumers, indicating that lower prices and free shipping coupons are significant factors in their purchasing decisions through social media live streaming.

4. CONCLUSION

Based on the discussion and research findings presented, it can be concluded that promotions and the transaction process through the live streaming feature on social media contribute to the increase in sales transactions for Micro, Small, and Medium Enterprises in Solo Raya utilizing this feature. The primary factors determining the success of transactions through the live streaming feature are the number of followers and consumer trust. Consumers who believe in the authenticity of the products being sold, as showcased in real-time, and have the opportunity to ask direct questions to the sellers, are essential. With conclusions like these, Micro, Small, and Medium Enterprises can increase their follower count and continuously engage with consumers to build a strong connection.

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