

Optimizing the Use of Social Media and E-Payment Gateways on MSME Performance

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Abstract

Development and progress of the Indonesian economy has forced the business world to take strategic steps to compete, especially Micro, Small and Medium Enterprises (MSMEs). This study aims to examine the use of social media and the use of e-payment gateways on performance of MSMEs food and beverage sector in Pangkalpinang City which makes it possible to provide convenience in increasing MSME customer loyalty. The method used in this study is a quantitative method, the sample used is MSME in the food and beverage sector, totaling 100 respondents. Data analysis tool used is multiple linear regression test. The results of testing the hypothesis are accepted, which means that social media and e-payment gateway are an innovation capable of reaching customers from various regions, facilitating the dissemination of information and is useful for increasing competitive advantage and maintaining good relations, increasing revenue, increasing sales, and the brand image of business actors.

Keywords:

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1. Introduction

The development of the times and the very rapid progress of the economy in Indonesia has made the business world today required to take strategic steps in order to compete with other businesses, especially Micro, Small and Medium Enterprises (MSMEs). This is because MSMEs have a business environment full of uncertainty. MSMEs also have an important role in economic development in Indonesia, both in terms of business and job creation. At this time, the use of information technology developments is widely used to develop business both from companies and individuals where information technology based on social networks is widely used for business development. Social media is currently a trend for young people to express themselves, which is a huge opportunity for a business to be used as an advertising and promotional medium. This is proven by the many businesses that try to offer various products using social media (Wijaya, 2011).

The e-payment system makes it possible to provide convenience in transactions rather than using cash. In addition to increasing payment efficiency, increasing customer loyalty and further increasing the effectiveness and efficiency of time. The parties involved in the transaction can send or receive money from and to other parties from anywhere and at any time. E-Payment can also of course reduce the costs required for various kinds of payment documents that are done traditionally. Of course, this can make e-payments contribute to reducing the effects of global warming. With the existence of an e-payment system, all documents related to payments can be made and transmitted electronically using e-payment. Until now, MSMEs are still facing various problems, both classical or intermediate and advanced. These problems may differ from region to region or between sectors or companies in the same sector. The classic problem faced is low productivity. This situation is caused by internal problems faced by MSMEs, namely, the low quality of human resources in management, organization, mastery of technology, and marketing, weak entrepreneurship among MSME actors, and limited access for MSMEs to information, technology and markets, as well as other factors of production. While the external problems faced by MSMEs include the large transaction costs due to an unsupportive business climate and scarcity of raw materials (Iriyani, 2015).

Table 1. Number of MSMEs in Pangkalpinang City

Type of business	Number of Micro, Small and Medium Enterprises (MSMEs) in Pangkalpinang City (Unit)		
	2018	2019	2020
Micro	2725	2725	16428
Small	1304	1304	11051
Midlle	75	75	719
Total	4104	4104	28198

Source: BPS.go.id

Based on data obtained from the Central Statistics Agency (BPS) for Pangkalpinang City, the number of MSMEs from 2018 to 2020 has experienced a very significant increase, this shows that many people make their role as MSME actors. MSMEs that are currently growing rapidly are MSMEs engaged in the food and beverage industry sector, as well as having the greatest potential in national income in the economic sector. The culinary



sector is a type of business that will run forever because it is a basic need needed by humans. The culinary industry sector category includes snacks, staple foods and beverages. However, until now, MSME actors are still facing various problems, both classical or intermediate and advanced in nature. The classic problem faced is low productivity. This situation is caused by internal problems faced by MSMEs, namely, the low quality of human resources in management, organization, mastery of technology, and marketing, weak entrepreneurship among MSME actors, and limited access for MSMEs to information, technology and markets, as well as other factors of production. While the external problems faced by MSMEs include the large transaction costs due to an unsupportive business climate and scarcity of raw materials (Iriyani, 2015).

In order to minimize the classic problems faced by MSME actors, this role requires strategic steps to improve the economy in Pangkalpinang City. One way that can be done is to encourage the growth of MSMEs in Pangkalpinang City by utilizing social media and using e-payments which are expected to bring a positive relationship to the performance of MSMEs, especially MSMEs engaged in the food and beverage industry sector, because this sector plays an important role in absorbing labor and increased investment in the economy. Based on the phenomena in the background description above, the formulation of the problem in this study is: How does social media and e-payment gateway affect the performance of MSMEs in the food and beverage sector in Pangkalpinang City?

2. Literature Review

Theory of perceived usefulness is the extent to which a person believes that using a technology will improve the performance of his work. Perceived usefulness is a level where a person believes that the use of a particular technology will provide benefits or have a positive impact that will be obtained when using that technology. According to Chin and Todd (1995), expediency can be divided into several dimensions, namely:

- a. Make work easier and more efficient
- b. Increased productivity
- c. Beneficial
- d. Increase effectiveness
- e. The development of the performance of a business or job

Social Media

Social Media is an internet facility that allows users to show themselves and collaborate, share, interact, communicate with other users, and create social bonds through virtual (Nasrullah, 2015). Another understanding of social media according to Andreas Kaplan and Michael Haenlein describes social media as a group of internet-based applications to be made on the ideological and technological principles of Web 2.0, and allow the creation of new and user-generated content. Previous research has proven that social media adoption provides positive benefits to company performance (Ainin et al, 2015; Primbada, 2015).



E-Payment

E-payment is defined as a digital payment instrument that can be represented and can be transferred in electronic form. The e-payment system is carried out by three main users, namely:

1. Clients / Buyers

Every internet user can be considered as a potential user. Therefore, it is very important to build a mechanism to ensure trust and security in the e-payment transaction process.

2. Merchants/ Sellers

A seller is a user who sells goods to clients and makes transactions using e-payments. In this case the transaction process for e-payment must be secure so that all users are confident and willing to make transactions.

3. Banks

Act as a thirdparty intermediary that is usually done by a financial organization to handle, validate and authorize transactions made by buyers and sellers through e-payments.

MSME Performance

According to Yurniawati (2003) company performance is something produced by a company in a certain period with reference to established standards. Company performance should be measurable results and describe the empirical condition of a company from various agreed sizes. According to Armstrong in (Wibowo, 2016) performance is the result of work that has a strong relationship with the organization's strategic goals, customer satisfaction, and contributes to the economy. According to Tulus Tambunan (2012), Micro, Small and Medium Enterprises are productive business units that stand alone, carried out by individuals or business entities in all economic sectors. In principle, the differences between micro, small, medium and large businesses are based on the initial asset value (excluding land and buildings), average turnover per year, or the number of permanent employees.

Research Model

The quality of MSME performance in the industrial sector can be influenced by social media and e-payment gateways. Based on previous studies, this research was conducted to reexamine the problems found in the background, so the model in this study is as follows:

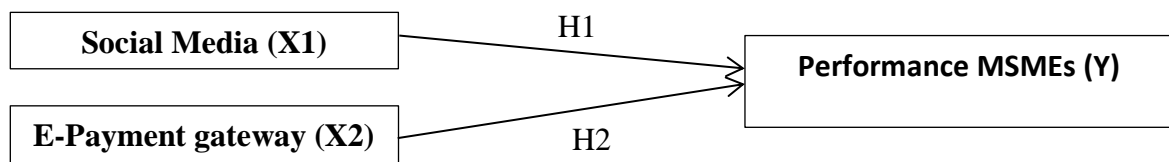


Figure 1. Research Model

Source: Data Processed (2023)



H₁: The use of social media affects the performance of MSMEs in the food and beverage sector in Pangkalpinang City

H₂: The E-Payment Gateway has an effect on the performance of MSMEs in the food and beverage sector in Pangkalpinang City

3. Research Methods

The method used in this research is quantitative method. The independent variables in this study are social media and e-payment gateways. The dependent variable in this study is the performance of SMEs. The population in this study are all MSME actors in the food and beverage sector in Pangkalpinang City. Based on the sampling technique, it was obtained that the minimum number of samples needed in this study was 100.35 respondents and rounded up to 100 respondents. The technique used in this sampling is cluster random sampling in the community who have a role as MSME actors in Pangkalpinang City in the industrial sector.

Multiple Linear Regression Test

Multiple linear regression tests are used to measure how much influence the independent variable (X) has on the dependent variable (Y). Multiple linear regression uses the following equation model:

$$Y = a + b_1MS + b_2EG + e$$

4. Results

Validity test

The results of the validity test with a significant 5% and with an r table of 0.197 can be said to be valid if the value of r count > r table, which can be known as follows:

Tabel 2. Validity Test Results

Variable	Item	R Count	R Table	Information
Social Media	X1.1	0,746	0,197	Valid
	X1.2	0,766	0,197	Valid
	X1.3	0,713	0,197	Valid
	X1.4	0,418	0,197	Valid
	X1.5	0,730	0,197	Valid
	X1.6	0,635	0,197	Valid
E-Payment Gateway	X2.1	0,718	0,197	Valid
	X2.2	0,738	0,197	Valid
	X2.3	0,822	0,197	Valid
	X2.4	0,836	0,197	Valid
	X2.5	0,681	0,197	Valid
	X2.6	0,604	0,197	Valid
	X2.7	0,470	0,197	Valid



Variable	Item	R Count	R Table	Information
MSME performance	Y.1	0,611	0,197	Valid
	Y.2	0,670	0,197	Valid
	Y.3	0,577	0,197	Valid
	Y.4	0,588	0,197	Valid
	Y.5	0,549	0,197	Valid
	Y.6	0,463	0,197	Valid
	Y.7	0,553	0,197	Valid
	Y.8	0,314	0,197	Valid

Source: SPSS 24 Output (2023)

Based on the table above, the results of the validity of testing research indicators by asking questions to respondents who get $r \text{ count} > r \text{ table}$, it can be concluded that all indicators are declared valid. Thus, the question of Social Media variables, E-Payment Gateway and MSME performance is appropriate to use.

Reliability Test

The results of the reliability test can be said to be reliable if the Cronbach alpha value obtained is > 0.60 which can be seen from the table as follows:

Tabel 3. Reliability Test Results

Variable	Item	Cronbach Alpha	Information
Social Media	X1	0,742	Reliabel
E-Payment Gateway	X2	0,817	Reliabel
MSME performance	Y	0,647	Reliabel

Source: SPSS 24 Output (2023)

Based on the table above, the test results show that the social media, e-Payment, and MSME performance variables produce Cronbach alpha values > 0.6 , it is concluded that the questionnaire used in this study is a reliable questionnaire.

Data analysis

Multiple Linear Analysis

Multiple linear regression analysis is used to determine the magnitude of the influence of the independent variables on the dependent variable and to determine the direction of the research. The results of multiple linear regression testing in this study are as follows:

Table 4. Results of Multiple Linear Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	14.930	2.696		5.538	0.000
	Social Media	0.485	0.129	0.427	3.767	0.000
	E-Payment Gateway	0.239	0.111	0.244	2.151	0.034

a. Dependent Variable: MSME performance

Source: SPSS 24 Output (2023)



Based on table above it can be seen the value of each independent variable in the Unstandardized Coefficient column which is then described by the multiple linear regression equation as follows;

$$Y = 14,930 + 0,485X1 + 0,239X2 + e$$

Individual Parameter Significance Test (Statistical Test t)

Based on the table above, it is known that the significant value is $\alpha = 0.05$ with a sample of 100 people, and is also determined by the formula ($df = n-k-1$, namely $100-2-1 = 97$) where the value of t table is 1.984 with the following analysis:

1. Hypothesis 1: There is a significant influence of social media (X1) on MSME performance (Y), namely the tcount value of the social media variable (X1) is tcount $3.767 > t_{table} 1.984$ with a significance value of 0.000 ($p < 0.05$). From these results, H_0 is rejected and H_a is accepted. so it can be concluded that there is a significant influence between social media on the performance of MSMEs in the food and beverage sector in the city of Pangkalpinang
2. Hypothesis 2: There is a significant effect of e-payment gateway (X2) on MSME performance (Y), namely the tcount value of the e-payment gateway variable (X2) is tcount $2.151 > t_{table} 1.984$ with a significance value of 0.034 ($p < 0.05$). From these results, H_0 is rejected and H_a is accepted. so it can be concluded that there is a significant influence between e-payment gateways on the performance of MSMEs in the food and beverage sector in the city of Pangkalpinang.

Simultaneous Significance Test (F Test)

Table 5. F Test Results

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	235.102	2	117.551	31.205	0.000 ^b
	Residual	365.408	97	3.767		
	Total	600.510	99			

a. Dependent Variable: Kinerja UMKM

b. Predictors: (Constant), E-Payment Gateway, Social Media

Source: SPSS 24 Output (2023)

Based on table it shows that based on a probability value of $0.001 < 0.05$. Then if based on the comparison value, it is obtained $31.205 > 3.09$. So thus it can be concluded that Social Media and E-Payment Gateway have a simultaneous effect on the performance of MSMEs.



Determination Coefficient Test (R²)

Table 6. Test Results for the Coefficient of Determination (R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.626 ^a	.392	.379	1.941

a. Predictors: (Constant), E-Payment Gateway, Media Sosial

b. Dependent Variable: Kinerja UMKM

Source: SPSS 24 Output (2023)

Based on the table above, it shows that the R² value is 0.392. This shows that 39.2 percent of MSME performance can be explained by Social Media and E-Payment Gateways, while the remaining 60.9 percent is explained by other variables outside the variables of this study.

The use of social media affects the performance of MSMEs in the food and beverage sector in Pangkalpinang City

The test results in this study indicate that e-commerce has a positive and significant effect on the performance of MSMEs in the industrial sector in Sungailiat District. Positive influence can be seen in Table 4. The table shows a coefficient value of X₍₁₎ (b₁) = 0.181, indicating that e-commerce has a positive relationship to the performance of MSMEs in the industrial sector in Sungailiat District. Furthermore, a significant effect can be seen in Table 4. In this table, the calculated t value is greater than the t table value of 4.502 > 1.97 and the significant t value is less than 0.05 (0.01 < 0.05), which means that e-commerce has a significant influence on MSME performance in the industrial sector in Sungailiat District. The results of the study concluded that the hypothesis which reads "e-commerce has a positive and significant effect on the performance of MSMEs in the industrial sector in Sungailiat District" is accepted.

The results of testing the first hypothesis is accepted, which means that social media is an innovation capable of reaching customers from various regions, facilitating the dissemination of information and is useful for increasing competitive advantage and maintaining good relations with various parties, increasing revenue, increasing sales, and the brand image of business actors. (Rodriguez, et al, 2016), therefore social media is able to increase performance efficiency. According to Zarella (2010) the use of social media is argued as the right medium for marketing because of the ease of access, the use of social media is a strategic step in marketing product results.

The results of this study are in line with the theory of perceived usefulness, which is the level at which a person believes that the use of a particular technology will provide benefits or positives that will be obtained when using that technology. Li and Bernoff (2008) define social use as a resource in companies that can help companies increase their organizational capacity by providing instant communication through different multimedia channels. From the results of the study it can be concluded that social media has a positive and significant effect on the performance of micro, small and medium enterprises because social media has many benefits. Social media is a gathering place for a large number of consumers, a tool for disseminating information to customers to build a market presence, this means that social media configurations are able to develop broad



business patterns starting from media marketing in the form of product promotion and introduction of business profiles, it could develop into communication media in the form of forming a community of fellow product users on the internet.

The use of E-Payment has an effect on the performance of MSMEs in the Food and Beverage Sector in Pangkalpinang City

The test results in this study indicate that the accounting information system has a positive and significant effect on the performance of MSMEs in the industrial sector in Sungailiat District. Positive influence can be seen in Table IV.16. The table shows a coefficient value of $X_{(1)} (b_1) = 0.217$, indicating that the accounting information system has a positive relationship to the performance of MSMEs in the industrial sector in Sungailiat District. Furthermore, a significant effect can be seen in Table IV.17. In this table, the calculated t value is greater than the t table value of $(5.851 > 1.97)$ and the significant t value is less than 0.05 $(0.01 < 0.05)$, which means that the accounting information system has a significant influence significantly to the performance of MSMEs in the industrial sector in Sungailiat District. The results of the study concluded that the hypothesis which reads "accounting information systems have a positive and significant effect on the performance of MSMEs in the industrial sector in Sungailiat District" is accepted.

The results of testing the second hypothesis (H2) is accepted, which means that with the existence of an e-payment gateway as a new means of payment with digital it is able to make it easier for consumers when making transactions, with easier transactions, buying and selling transactions will be more effective and efficient, therefore consumers will also will increase the purchasing power of the desired product. Agyekum, et al (2021) the application of e-payment to support the payment system for small and medium businesses, namely generating business expectations, security, performance expectations is useful for all people to know how to use the EDC system machine that supports electronic payments.

The results of this study are in line with the theory of perceived usefulness, in which this theory looks at a person's perception through a sense of belief that using a particular system will improve performance. The evolution of the current payment method has also been felt by some people who are starting to become familiar with and switch to using non-cash digital payments so that they are slowly leaving the cash payment system. This was also conveyed by Behera, et al (2022) that people's habits to use digital payments (digital cash) are a good start in adopting fintech. Digital e-payments have a positive influence on people's consumptive behavior (Naufalia, 2022), which means that e-payments can increase sales from business actors. From the results of the study it can be concluded that e-payment has a positive and significant effect on the performance of micro, small and medium enterprises because e-payment activities are able to provide convenience for transactions, increase time efficiency and effectiveness, reduce costs required for various payment documents that are done manually. This of course can make e-payments contribute to reducing the effects of global warming because they are transmitted electronically. By reducing operational costs, the income from business actors will automatically increase.



5. Conclusion and Suggestion

The results of testing the first hypothesis are accepted, which means that social media is an innovation capable of reaching customers from various regions, facilitating the dissemination of information and is useful for increasing competitive advantage and maintaining good relations with various parties, increasing revenue, increasing sales, and the brand image of business actors. From the results of the study it can be concluded that e-payment has a positive and significant effect on the performance of micro, small and medium enterprises because e-payment activities are able to provide convenience for transactions, increase time efficiency and effectiveness, reduce costs required for various payment documents that are done manually. This of course can make e-payments contribute to reducing the effects of global warming because they are transmitted electronically. By reducing operational costs, the income from business actors will automatically increase.

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