

The Impact of Social Media Marketing and Online Customer Reviews on the Performance of Small and Medium enterprises in Malang City

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ABSTRACT

This paper is an empirical investigation to determine the impact of Social Media Marketing (SMM) and Online Customer Reviews (OCR) on the performance in Small and Medium Enterprises (SMEs) in Malang City, Indonesia. SME respondents are selected via purposive sampling method of 100 respondents and data collection procedure is conducted through structured questionnaires followed by their analysis using SPSS 27. The results indicate that Social Media Marketing and Online Customer Review are the important tools positively affecting the SME performances related to brand visibility, customer interaction, and trust. The research affirms that proper utilization of Instagram, TikTok, Google Reviews, and TripAdvisor will help acquire more customers and increase revenue. These findings support the theoretical implication of Registered Behavior Technician (RBT) and extend new practical knowledge on how SMEs in the developing countries can take advantage of digital platforms. The newness is that it brings together both Social Media Marketing and the Online Customer Review aspects in measuring their combined effect on the performance of SMEs in a highly dynamic digital economy.

Keywords: social media marketing; online customer reviews; SME performance

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INTRODUCTION

Digital transformation has reshaped the interaction between businesses with customers and especially SMEs. Google Reviews and TripAdvisor as well as Instagram and TikTok are the social media platforms that have critical influence on developing the consumer perceptions and driving the purchasing decisions. The city of Malang is home to more than 29,000 SMEs, which makes it a perfect environment to determine how digital tools are affecting the performance of businesses. Although studies have been conducted on the impact of Social Media Marketing or Online Customer Review according to Wahyudi, T., Ardyan, E., & Wibowo, A. (2022). considering that the two types exist together, this study combines both to evaluate their joint impacts on the outcomes of SMEs including market expansion, customer retention, and revenue. Social media can be defined as websites, computers or mobile applications and platforms that have been designed link and enable its users to exchange information or content as quickly as possible in the presence. In today's in the context of business, there is nothing more effective than social media as the most strategic source to enhance the company value.

METHODS OF RESEARCH

Scope Of The Research

This study is a quantitative study. The data were taken from 100 sampled SME respondent in Malang City using a purposive sampling. Structured questionnaires eliciting information from SMM, OCR and SME performance were used as instruments. Descriptive statistical analysis, validity and reliability analyze and multiple linear regression were made by SPSS 27.

Type of Research

This study was quantitative in an attempt to test or verify hypotheses and explore the association between social media marketing, online customer review, and SME performance.

Questionnaire development.

The questionnaire was prepared on a theoretically-developed construct grounded in already established studies. Every variable, such as Social Media Marketing, Online Customer Review, SME Performance, was estimated with the help of a number of indicators.

Customer Reviews on the Internet: 4 dimensions (source credibility, review quality, quantity and valence).

There are 4 views of SME Performance (financial, customer, internal business process, innovation and learning).

Data Analysis Method

The structured questionnaires were used to collect data of 100 SME owners and managers purposely sampled in the city of. The inclusion criteria focused on the ability of marketing of the participants and engagement of the customers using the social media and online platforms actively.

RESULT AND DISCUSSION

Malang It revealed that both Social Media Marketing and Online Customer Review had the significant positive effects on the SME performance ($R^2 = 0.62$; F-test and t-test p-values < 0.05). The SMEs that regularly added interesting content to their sites and replied to feedback were the ones that had high customer retention and sales. The findings support the Resource-Based Theory as they emphasize the role of digital tools as one of the strategic resources of SMEs. Synergetic effect of Social Media Marketing and Online Customer Review in enhancing competitiveness was also suggested in empirical findings, therefore aligning with the study.

The research findings show that both Social Media Marketing and Online Customer reviews significantly impact SMEs Performance, when considering both the Social Media Marketing and Online Customer review.

On the whole, social media marketing and online reviews from customers help boost SMEs' growth in Malang City. Using these strategies as a set greatly helps a company grow. If small and medium enterprises manage their social accounts and reply to reviews, they are likely to experience growth in sales, get more loyal customers, and expand their market.

CONCLUSION

The research findings have concluded that Social Media Marketing and Online Customer Review are associated with a great increase in the performance of SMEs in the City of Malang. Digital marketing and feedback calculations need to become a part of the business model of SMEs so that they can remain competitive and viable. The results of this study are useful to the owners of SMEs, digital marketers, and policymakers who want to enhance economic growth based on digital inclusion.

SUGGESTION

Clear and regular social media plans need to be made, especially on platforms that receive a lot of traffic such as Instagram and TikTok. Share eye-catching material, respond to your followers, and follow popular trends to improve your brand's visibility and make your customers more loyal. Read and make use of what people have said in their reviews.

Online reviews act like strong tools for marketing, not just like comments. Business owners ought to answer both good and bad reviews quickly and with attention to ensure customers trust them. Getting regular customers to share their stories helps improve your brand and attracts more people.

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