The Perspective of Social Media Adoption as the Implementation of Customer Relationship Management (CRM) Technology in the Bengkalis UMKM Community

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Abstract. The widespread use of the internet and social media has a profound impact on society, particularly in Indonesia, where social media has become the primary source of information. However, businesses, particularly small and medium-sized enterprises (MSMEs), encounter intense competition and various challenges in meeting customer satisfaction. This study concentrates on integrating social media with the Customer Relationship Management (CRM) model within the Bengkalis UMKM Community. The findings indicate that the adoption of CRM through social media has a substantial and positive influence on the MSME community. Additionally, the implementation of technology also has a favorable and significant effect on the community. Furthermore, the active involvement of the Bengkalis UMKM Community contributes positively and significantly to the adoption of social media and CRM technology. This research establishes a foundation for businesses to effectively employ social media and CRM technology to enhance the quality and competitiveness of their operations.

Keywords: Social media, Customer Relationship Management, MSMEs.

1 Introduction

The existence of internet access and social media has had a huge impact on society, allowing them to quickly and easily obtain information. In Indonesia, social media is the most accessed source of information. Any information can quickly go viral in a short time, making it a highlight for businesses to engage and use social media as a customer base.[1] Social media is also an effective promotional tool in the digital era, allowing businesses to reach consumers in a fast, timely, personalized, and relevant manner. However, to be effective, a strategy that suits the social media used must be implemented.

The challenges faced by MSMEs and businesses are high competition, changing consumption trends, and variations in customer demand. Creating and maintaining customer satisfaction is key to business success.[2] Therefore, it is important for businesses to fulfill products and services according to customer needs and wants.

Bengkalis UMKM Community is a community of business actors under the guidance of the Chamber of Commerce and Industry (KADIN) in Bengkalis. In the field of marketing its

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products, the Village BUC still minimally uses social media. Therefore, technological innovation is needed to strengthen product marketing. The proposed solution is to build social media with a Customer Relationship Management (CRM) model to strengthen the marketing of business products.[3]
Customer Relationship Management (CRM) involves the ongoing endeavor to establish and uphold mutually beneficial connections with customers by consistently providing exceptional value and ensuring customer satisfaction. This process aims to foster enduring and profitable relationships with clientele.[4] This CRM application will provide information related to products, prices, product reviews, and promos held. Customers can interact through web channels, and companies can process customer data properly through the website.[5]

CRM implementation not only serves customers, but also improves service quality, thus impacting customer loyalty.[6] Social media as a CRM platform can help MSMEs improve product marketing due to its wider scope, but challenges in managing technology and human resources can lead to missed opportunities for increased sales.[7] Hence, this research will scrutinize the elements influencing the integration of social media into technological practices within MSME business operations and its impact on the inclination to utilize social media as a CRM tool.

This investigation will delve into the aspects that shape the adoption of social media as a technological tool within the activities of MSMEs. Furthermore, we will explore its implications for the willingness to employ social media as a CRM technology. The study will concentrate on the perspective of incorporating social media as a part of the Customer Relationship Management (CRM) technology within the UMKM Community Workshop.

The use of social media in customer management activities and relationships is interesting to study.[8] Large-scale businesses can easily integrate social media into CRM systems, while micro and medium-scale businesses struggle to make social media a specialized business strategy.[9] Social media can help MSMEs improve product marketing due to its wider coverage, but its effectiveness in increasing sales cannot be clearly measured due to human resource constraints and technology management.[10] The primary objective of this study is to investigate and quantify the elements related to the integration of social media into technology practices within MSME business activities and its impact on the willingness to embrace social media as a CRM solution.

To streamline the focus, this research will exclusively concentrate on the viewpoint of adopting social media as part of the Customer Relationship Management (CRM) technology within the UMKM Community Workshop. The study seeks to identify the factors that shape the incorporation of social media as a technological component in MSME business activities and assess its influence on the intention to utilize social media as a CRM technology.

2 Research Methods

This research will follow several well-structured stages. The initial stage is the preparation and submission of a research proposal to obtain approval before implementation. After that, a list of questions or questionnaires will be compiled to collect data from respondents. Furthermore,

research data will be collected through interviews and questionnaires from members of the Bengkalis UMKM Community who use social media. The data that has been collected will be processed using descriptive statistical data analysis, including frequency, percentage, and average to provide a clear picture of the object under study.

This research will use exploratory descriptive research, with the aim of describing symptoms or events that were happening at the time the research was conducted.[11][12] Descriptive statistical data analysis methods will be used to classify data and provide an overview of the object under study.[13]
The study population includes 60 MSME members of Bengkalis UMKM Community who use social media. Sampling will be conducted using a purposive sampling method, which selects respondents based on research objectives without providing equal opportunities for each member of the population.

The research will draw upon two main sources of data, namely primary and secondary data. Primary data will be acquired directly from participants through surveys and interviews, while secondary data will be gathered from organizations and pertinent literature related to the research topic.[14] Data collection methods will include survey methods through observation, questionnaires, and interviews. In addition, literature study and documentation methods will also be conducted to support comprehensive data collection.

3 Result and Discussion

Based on the outcomes of data analysis, a summary can be presented in the table provided below:

Table 1. Hypothesis Test Results (T-Statistic)

Variables	Original Sample	T-Statistic	P-Values	Description
Social Media Adoption CRM → Bengkalis UMKM Community	0.168	3.234	0.032	Significant
Technology Implementation → Bengkalis UMKM Community	0.232	2.370	0.024	Significant
The Effect of Social Media Adoption and CRM Technology →	0.365	2.714	0.017	Significant

Bengkalis UMKM Community

Based on the findings of the path coefficients as displayed in Table 1 above, several conclusions can be drawn:

a. The variable CRM Social Media Adoption exerts a noteworthy and positive impact on the UMKM Community Workshop, as evidenced by its original sample value of 0.168, a t-statistic of 3.234, and P values of 0.032, indicating a significant effect.
b. The influence of Technology Implementation on the UMKM Community Workshop is also considerable and positive, given the original sample value of 0.232, a t-statistic of 2.370, and P values of 0.024, all pointing to its significant impact.
c. The UMKM Community Workshop, in turn, wields a substantial and favorable influence on the Adoption of Social Media and CRM Technology, with an original sample value of 0.365, a t-statistic of 2.714, and P values of 0.017, confirming its significant effect.

The research findings yield three key conclusions. Firstly, the CRM Social Media Adoption variable exerts a notable and positive impact on the Bengkalis UMKM Community. The original sample value of 0.168, alongside a t-statistic of 3.234 and P-values of 0.032, underscores the significant influence of social media adoption on the MSME community in Bengkalis.

Secondly, Technology Implementation also exhibits a favorable and substantial impact on the Bengkalis UMKM Community. The original sample value of 0.232, coupled with a t-statistic of 2.370 and P-values of 0.024, underscores the significance of technology implementation on the MSME community in Bengkalis.

Lastly, the role of the Bengkalis UMKM Community in influencing Social Media Adoption and CRM Technology Implementation is also substantial and positive. Evidenced by an original sample value of 0.365, a t-statistic of 2.714, and P-values of 0.017, it is evident that the MSME community in Bengkalis plays a significant role in the adoption of social media and CRM technology.

4 Conclusion

The findings of this research point to a positive and substantial influence of social media adoption and CRM technology implementation on the MSME community in Bengkalis. Furthermore, the proactive engagement of the Bengkalis UMKM Community significantly enhances the incorporation of technology in their business development and product marketing efforts. These outcomes offer a solid foundation for businesses to enhance their utilization of social media and CRM technology, ultimately enhancing the quality and competitiveness of their operations.

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