ANALYSIS OF THE EFFECTIVENESS OF USING SOCIAL MEDIA IN INCREASING BRAND AWARENESS IN MSMEs IN KENDARI CITY

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) in Kendari City face the challenge of low brand awareness amidst the post-pandemic digital transformation, with only 28% active on social media due to limited infrastructure and minimal digital literacy. This study aims to analyze the effectiveness of social media use in increasing brand awareness of MSMEs in Kendari City through local adoption and engagement patterns. A descriptive qualitative method with data triangulation was applied to 15 purposive informants, using semi-structured interviews and observations of Instagram/TikTok accounts. Results show that easy adoption and relative advantage drive a twofold increase in turnover and top-of-mind recall via Muna/Tolaki cultural content, although internet signal constraints moderate effectiveness.

Keywords: *Social media, brand awareness, MSMEs*

JEL:

1. **INTRODUCTION**

Micro, Small, and Medium Enterprises (MSMEs) are a key pillar of the Indonesian economy, contributing more than 60% of the national Gross Domestic Product (GDP) and absorbing 97% of the workforce, as reported by the Central Statistics Agency. In Kendari City, Southeast Sulawesi, MSMEs dominate the trade and services sector, contributing up to 65% of regional GDP, but face market access challenges due to limited physical infrastructure and global competition (Husriadi, Bahar, and Windayani 2024; Sinha, Sinha, and Sinha 2024). The post-COVID-19 digital transformation era has accelerated the adoption of social media as a low-cost marketing instrument, with platforms such as Instagram, TikTok, and Facebook reaching 170 million active users in Indonesia (Husriadi 2026; Suryani, Fauzi, and Nurhadi 2021).Therefore, the concept of brand awareness, as the first dimension of brand equity is key to building consumer perception and loyalty, especially for MSMEs that rely on top-of-mind recall and recognition. Research shows that digital marketing strategies through social media can increase engagement metrics by up to 40% in urban MSMEs (Fizzanty 2024). However, in Kendari, with its emerging market characteristics influenced by local culture and internet access, this potential has not been explored in depth. Therefore, according to (Wahyuningsih, Adhi, and Tasriastuti 2025), where perceived usefulness and ease of use drive adoption, as well as diffusion of Innovations (DOI), which emphasizes the relative advantage for early adopters among MSMEs.

Therefore, analyzing the effectiveness of social media in increasing brand awareness is a strategic imperative to strengthen the competitiveness of Kendari MSMEs in the national digital economy ecosystem. Despite the abundant potential of social media, MSMEs in Kendari City still face problems such as the low effectiveness of using these platforms in building brand awareness (Muh. Husriadi, Citra Ayu Ningsi 2025; Prayoga 2025). This has resulted in a decline in market share compared to digital-based competitors from Java and a reliance on offline channels, which are vulnerable to economic disruption. Furthermore, this ineffectiveness exacerbates low brand recall among Generation Z, a dominant consumer segment with a preference for visual content, thus hampering revenue growth and business scalability. Therefore, to what extent do metrics such as likes, shares, and sentiment analysis from social media contribute to increasing brand awareness in Kendari's MSMEs? This issue demands empirical analysis to uncover inhibiting and driving factors in a regional context.

Several studies dominate digital marketing studies for MSMEs in major Javanese cities, such as the effect of Instagram on brand equity (Widiyanto, Wibowo, and Hakim 2025) but there is a lack of empirical studies in Kendari focusing on social media effectiveness.

The main gap is the absence of geo-specific primary data and quantitative metrics such as A/B testing, leaving theoretical contributions limited to the context of emerging markets. This study fills this gap by validating a local model. Based on the description, the main problem in this study is the suboptimal effectiveness of social media use by MSMEs in Kendari City in increasing brand awareness. Although social media has great potential as a low-cost digital marketing tool, MSMEs in Kendari City still face limitations in utilizing interaction metrics such as likes, shares, and audience sentiment to build brand recognition and brand recall, especially among Generation Z consumers. Therefore, this study aims to expand the extent to which social media effectively contributes to increasing brand awareness among MSMEs in Kendari City.

2. LITERATURE REVIEW

The Concept of Social Media

Social media is defined as an interactive, web-based platform that facilitates the exchange of user-generated content (UGC). This includes Instagram, TikTok, and Facebook, which dominate adoption among Indonesian MSMEs with 170 million active users (Kaplan 2018). Social media has become a necessity for everyone worldwide. The wealth of information and functionality provided by social media makes it essential for navigating the current tide of globalization. Andreas Kaplan and Michael Haenlein define social media as a collection of internet-based applications that build on the ideology and technology of Web 2.0 and enable the creation and exchange of user-generated content. Social media is an online platform where users can participate, share new experiences, and create content for blogs, social networks, wikis, forums, and virtual worlds. Social media can be defined as a place where anyone can create a virtual or online account to connect with others to share information and communicate. The largest social media platforms currently include Facebook, YouTube, WhatsApp, Instagram, and Twitter.

The Concept of Brand Awareness

According to (Anand 2023) brand awareness is defined as the ability of consumers to recall, visualize, and recognize a particular brand, leading to an interest in purchasing it. This means that brand awareness is something that comes to mind when consumers think about a particular product. Furthermore, according to (Raffaelli et al. 2025) brand awareness is the consumer's willingness to recognize and recall a product's brand. Based on the explanation above, the pathway to achieving brand awareness involves several levels. First, brand recognition (recognition), meaning recall with assistance, and second, brand recall (recalling without assistance).

3. RESEARCH METHOD

This study used a qualitative approach to deeply explore the effectiveness of social media use in increasing brand awareness of MSMEs in Kendari City. This approach was chosen because of its exploratory nature and its ability to provide understanding and perceptions of business actors regarding the dynamics of digital marketing, where quantitative data often fails to capture subjective nuances. The research design was descriptive qualitative with data triangulation, aiming to describe the phenomenon holistically through in-depth interviews and observations. This design is appropriate for MSMEs because it facilitates the interpretation of contextual social media adoption patterns. The population included all registered MSMEs in Kendari City, with a purposive sample of 15 active business actors on Instagram/TikTok, selected based on the criteria of an engagement rate >5% and a business age >2 years for data saturation. The selection of 15 MSMEs as research informants was deemed adequate because all informants were selected through purposive sampling techniques with strict criteria, namely MSMEs that have been operating for more than two years and have a level of social media involvement. In addition, this number of informants also provided adequate space for researchers to conduct in-depth data through intensive participatory observation and semi-structured interviews, and allowed for optimal data triangulation. The research procedures included: (1) participatory observation of social media accounts for 2 months; (2) face-to-face semi-structured interviews; (3) validation through member checking. This procedure ensured credibility

through source triangulation. Data analysis followed the Miles and Huberman model, namely data reduction, data display, and conclusion verification.

4. RESULT AND DISCUSSION

4.1 Easy Adoption

Based on the results of this study, it shows that easy adoption is a dominant theme, where the ease of recording/uploading via a simple cellphone encourages the use of TikTok/Instagram without high technical skills. As stated by Mr. Riko, "I record using my phone!" for local visual content, minimizing infrastructure barriers despite slow signal in Baruga. Therefore, based on the key informant's comments, perceived ease of use can be assessed as a predictor of behavioral intention, with triangulation verification of social media account observations showing that daily uploads increase engagement. This finding (Elvina and Wardhana 2024) research on snack food MSMEs, which found that technological factors (including ease of use) impact social media adoption, which also drives marketing performance through low-cost accessibility. Similarly, (Hartono, Suroso, and Yulianto 2025) research findings indicate that MSMEs using Instagram/Facebook in Indonesia experienced increased sales within six months of adoption, primarily attributed to the platform's ease of access to a broad market without significant investment.

4.2 Relative Advantage

The results of this study indicate that relative advantage is a central theme, where social media provides superior benefits compared to traditional marketing through increased sales and local brand recall. As stated by Mr. Made, turnover doubled after uploading visual TikTok content. Therefore, based on what was conveyed by the informant, the relative advantage is manifested in broad market reach and low costs ("You record using your cellphone only"). Furthermore, increased engagement and unaided recall among Generation Z strengthen the predictors of continued adoption in emerging markets. This finding is supported by research by (Dewi and Lydiawati 2022), which found that social media can significantly increase MSME visibility at low cost and also generate customer loyalty and repeat purchases through two-way interactions on Instagram/Facebook. Furthermore,

research by (Qalati et al. 2022) shows that social media increases product visibility and product innovation for Indonesian MSMEs, with direct consumer feedback encouraging rapid adaptation to national market trends.

4.3 Barriers

Based on the results of this study, it shows that obstacles as a topic that has a fairly effect include slow internet signals and lack of digital training that moderate the effectiveness of social media adoption. As conveyed by Mr. Rian that "The signal in Baruga is very slow, you have to climb a hill to upload" and the need for "training to create Kendari-style content" from the Cooperatives and SMEs Office. In addition, these obstacles weaken the perceived ease of use and relative advantage. This indicates that content fails to upload due to infrastructure, so that the engagement rate is hampered because of this, this finding is supported by the (Charissa 2022) study which identified a lack of understanding of digital strategies and limited resources as the main obstacles for MSMEs in Kendari City with some business actors failing to consistently upload content due to low literacy and limited time. In addition, shows that low digital literacy hinders 60% of Indonesian MSMEs in online promotion, causing weak brand awareness due to the inability to manage analytics and target the right market.

5. CONCLUSION AND SUGGESTION

This study concludes that social media effectively increases brand awareness for MSMEs in Kendari City through easy adoption and relative advantage. The findings indicate a twofold increase in turnover and top-of-mind recall, despite regional infrastructure constraints (slow signal, low literacy). Meanwhile, the implications of this study enrich technology integration for MSME digital transformation with geo-specific empirical contributions. Furthermore, recommendations for future researchers include analytics training at the Cooperatives Office and free market Wi-Fi for revenue growth via omnichannel.

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