

## **Strategies To Increase Profitability By Using Digital-Based Sales In Micro, Small And Medium Enterprise (MSMES) In Medan City**

### **Strategi Peningkatan Profitabilitas Dengan Menggunakan Penjualan Berbasis Digital Pada Usaha Mikro, Kecil, Dan Menengah (UMKM) Di Kota Medan**

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#### **ABSTRACT**

*Using Internet networks facilitates the distribution, sale, purchase, and promotion of products (goods and services) through digital platforms such as social media and e-commerce. One practical approach to enhancing profitability involves leveraging social media platforms as marketing and sales channels alongside utilizing e-commerce. The selected subject of analysis pertains to the proprietors of MSMEs engaged in Internet commerce inside the city of Medan. The study will involve a sample size of 40 MSMEs selected by the purposive sampling technique. The method employed for data collecting involves the utilization of a questionnaire. Data analysis techniques employed include data quality testing, classical assumption testing, and hypothesis testing using linear and moderation regression analysis. The findings indicate that implementing a Social Media Strategy has a favorable and statistically significant impact on MSMEs profitability in Medan City. Using E-commerce platforms to facilitate digital sales can enhance the relationship between the influence of a Social Media Strategy and the profitability of MSMEs in Medan City. There is an expectation that online business entities will employ methods involving social media and e-commerce while also remaining responsive to technical advancements to enhance and modernize their online business systems, thereby avoiding obsolescence in the face of emerging technologies.*

**Keywords:** Digital Sales, Msmes, Profitability, Strategy.

#### **ABSTRAK**

Penggunaan jaringan internet memfasilitasi distribusi, penjualan, pembelian, dan promosi produk (barang dan jasa) melalui platform digital seperti media sosial dan e-commerce. Salah satu pendekatan praktis untuk meningkatkan profitabilitas adalah dengan memanfaatkan platform media sosial sebagai saluran pemasaran dan penjualan di samping memanfaatkan e-commerce. Subjek analisis yang dipilih berkaitan dengan pemilik UMKM yang terlibat dalam perdagangan internet di kota Medan. Penelitian ini akan melibatkan jumlah sampel sebanyak 40 UMKM yang dipilih dengan teknik purposive sampling. Metode yang digunakan untuk pengumpulan data adalah dengan menggunakan kuesioner. Teknik analisis data yang digunakan meliputi pengujian kualitas data, pengujian asumsi klasik, dan pengujian hipotesis dengan menggunakan analisis regresi linier dan moderasi. Temuan menunjukkan bahwa penerapan Strategi Media Sosial memiliki dampak yang baik dan signifikan secara statistik terhadap profitabilitas UMKM di Kota Medan. Menggunakan platform E-commerce untuk memfasilitasi penjualan digital dapat meningkatkan hubungan antara pengaruh Strategi Media Sosial dan profitabilitas UMKM di Kota Medan. Ada harapan bahwa entitas bisnis online akan menggunakan metode yang melibatkan media sosial dan e-commerce sambil tetap responsif terhadap kemajuan teknis untuk meningkatkan dan memodernisasi sistem bisnis online mereka, sehingga menghindari keusangan dalam menghadapi teknologi yang muncul.

**Kata Kunci :** Penjualan Digital, UMKM, Profitabilitas, Strategi.

#### **1. Pendahuluan**

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the overall advancement of a nation's economy due to their capacity to generate employment

opportunities and contribute to the overall economic growth at a national level (Doloksaribu et al., 2023). The strategic significance of the Micro, Small, and Medium Enterprises (MSME) sector in the economic functioning of a nation such as Indonesia is widely acknowledged, and the period between 2016 and 2019 witnessed a consistent annual growth rate of 4.2% in the development of Micro, Small, and Medium Enterprises (MSMEs). Over the past three years, these enterprises have significantly contributed to Indonesia's Gross Domestic Product (GDP), accounting for an average of 50%. Based on the statistics provided by the Ministry of Cooperatives and Small and Medium Enterprises, it has been seen that there has been a significant decline of 57% in the sales of items offered by Micro, Small, and Medium Enterprises (MSMEs) since the onset of the Covid-19 pandemic. According to the Katadata Insight Center (KIC), a significant proportion of micro, small, and medium enterprises (MSMEs), precisely 82.9%, reported experiencing adverse effects due to the ongoing pandemic. Conversely, a minority of MSMEs, comprising only 5.9%, reported positive growth during this period. Indeed, a majority of 63.9% of the surveyed entities encountered a decline in revenue above 30%, whereas a tiny 3.8% of micro, small, and medium enterprises (MSMEs) observed an upsurge in turnover.

Micro, Small, and Medium Enterprises (MSMEs) significantly enhance the local economy at the municipal and district levels. It is attributed to the substantial role of MSMEs as producers and consumers, facilitating the circulation of money within the community. The inherent characteristics of MSMEs, such as their adaptability and propensity for innovation in business practices and technological applications, further contribute to their economic influence.

Medan, a city in Indonesia, ranks in the top ten provinces regarding the number of Micro, Small, and Medium Enterprises (MSMEs). The MSMEs in Medan have demonstrated a growing inclination towards innovation and creativity, effectively harnessing the advantages of digitalization. Based on the data provided by the Office of Cooperatives and MSMEs of Medan City, the total number of MSME businesses in Medan City as of April 2022 is 1,717. These businesses can be categorized into three types: Micro Enterprises, Small Enterprises, and Medium Enterprises. Specifically, 1,590 Micro Enterprises, 116 Small Enterprises, and 11 Medium Enterprises operate in the city. Based on the available data about the growing number of micro, small, and medium enterprises (MSMEs), there is anticipated to be a corresponding rise in turnover and profits. This projection is supported by the analysis of data obtained from the Office of Cooperatives and MSMEs in Medan City, which indicates that transitioning from traditional offline sales to digital sales channels has the potential to augment firm turnover. The Medan City Government has initiated the Medan City MSME Products Go Digital initiative, which the Medan City SME Cooperative Office is implementing. The primary objective of this initiative is to enhance sales performance, streamline the procurement of raw materials, and facilitate the marketing process for products. By doing so, it intends to alleviate the challenges encountered by micro, tiny, and medium enterprises (MSMEs), particularly in the ongoing Covid-19 pandemic.

One of the prevalent challenges encountered by micro, small, and medium enterprises (MSMEs) in Medan is their possession of high-quality items. However, they need help effectively promoting them due to their poor understanding and technology usage (Rahmawati, 2021). Similarly, the product packaging design needs to be more complex to avoid drawing the focus of potential consumers. This limitation can be mitigated by establishing a Micro, Small, and Medium Enterprises (MSMEs) market by incorporating MSME players into an e-catalog policy. This policy is designed to enhance the marketability of MSME products that face challenges in terms of marketing. Additionally, leveraging social media functionalities can augment sales and elevate the market presence of MSMEs across a diverse range of products and services, encompassing physical and digital domains.

Social media platforms such as Facebook and Instagram offer a space for sharing personal experiences and updates and serve as effective channels for selling and promoting products, enabling access to a wide range of social media users. In light of the diverse circumstances faced by Micro, Small, and Medium Enterprises (MSMEs) in the present day, along with their growing prevalence, a recommended approach involves leveraging online marketing and sales strategies via social media platforms. These platforms offer user-friendly interfaces, enabling convenient and flexible utilization at any time and location. Moreover, they can reach a wide range of internet users, thereby facilitating the promotion of MSME products and online sales services efficiently and expeditiously. Ultimately, this method can enhance the profitability of MSMEs.

E-commerce refers to the practice of distributing, selling, buying, and marketing products (both goods and services) through the utilization of the Internet network. This digital-based sales approach has gained prominence in recent years. The rise in the membership count of online shops has led to a corresponding growth in the monetary worth of e-commerce transactions in Indonesia. In the year 2018, these transactions amounted to a total of IDR 77.766 trillion. The data above indicates a significant increase of 151% compared to the preceding year, reaching Rp 30.942 trillion (Badan Pusat Statistika, 2021). It provides evidence to support the notion that conducting business via e-commerce is showing growing potential. The exponential expansion of the e-commerce industry can be attributed to consumer behaviors characterized by an increasing dependence on online platforms for procuring a wide range of products, particularly those that are challenging to locate in brick-and-mortar retail establishments.

The efficacy and effectiveness of this alternative digital sales strategy via social media and e-commerce and its flexibility make it a viable choice for accommodating the growing consumer behavior of using social networks for consumption purposes. The virtual realm facilitates the interconnection between individuals and devices and the establishment of connections between individuals residing in different geographical locations. The application of this technology enables Indonesian indigenous items to access the global market. The digital economy is anticipated to intensify competitiveness across many scales, from micro to macro levels, and foster monthly profit growth to expand product diversity and business advancement. The Covid-19 pandemic has profoundly impacted consumer behavior, leading to increased reliance on social networks. Consequently, merchants must adapt to this shift by embracing online sales and leveraging digital platforms. This research was undertaken to address the significance of the impact of digital transformation on micro, small, and medium enterprises (MSMEs), as elucidated in the preceding discussion.

The term "digital" refers to a process of modernization or the incorporation of technology, typically linked to the emergence of the internet and computer systems. Digitization refers to the transformative process of turning various types of physical or printed information into a digital format for presentation or storage. Within the accounting field, digitization refers to the systematic conversion of physical, printed records into their digital counterparts. The digitization process can be implemented on many types of records about the sales of goods and products and inventory management. These records may include receipts, sales and purchase invoices, and stock records (Deegan, 2002).

Digitalization is a significant trend that is anticipated to have a transformative impact on society and industry in the foreseeable future (Parviainen et al., 2022). Digitalization, or digital transformation, encompasses the alterations linked to implementing digital technologies throughout several domains of human civilization (Stolterman & Fors, 2004). Digitalization also called the process of converting a preexisting product or service into a digital form, has several benefits over physical items (Oliver Gassmann & Michaela Csik, 2014). Define

digitalization as the process by which companies, industries, and countries adopt or intensify the utilization of digital or computer technology (Gradillas & Thomas, 2023).

Social media is a marketing approach that has the potential to enhance the visibility of micro, small, and medium enterprises (UMKMs) in their promotional efforts. One advantage lies in the enhanced recognition of the MSME brand among the general public, potentially augmenting earnings and bolstering the financial performance of the MSME.

Social media refers to a collection of online apps rooted in specific ideologies that facilitate the interchange of information and user-generated material (Kaplan & Haenlein, 2010). Social media is an internet-based medium that individuals utilize to engage in cooperative activities, socially interact, and communicate with others, thereby establishing virtual social connections. Social media platforms enable individuals to communicate and create content without physical proximity. Moreover, social media has been recognized as a potent advertising channel for organizations seeking to enhance their commercial objectives and overall business success..

Social media encompasses a diverse range of online platforms, including but not limited to social networking sites, blogs, forums, microblogs, photo-sharing platforms, video-sharing platforms, product/service review platforms, and social communities. In order to ascertain the efficacy and pertinence of the content disseminated to the followers of a social media account, it is imperative to prioritize a crucial parameter over mere follower count: the level of engagement exhibited by micro, small, and medium enterprises (MSMEs) with said content, commonly referred to as the engagement weight. Engagement is a form of communication characterized by two-way engagement, commonly known as interactive communication. The fundamental aspect of this interactive communication lies in providing feedback or reactions to specific messages or material. The significance of feedback is emphasized, as it is noted that effective communication is indicated by the engagement of social media followers through responses (Shahbaznezhad et al., 2021).

Three distinct categories are commonly seen as essential components for assessing the level of engagement or interaction in social media activities. These categories encompass conversational activities and interactions among users. The phenomenon of amplifying or disseminating messages is commonly called share features. At the same time, expressing approval or providing brief responses is facilitated through features like love, emojis, and comments (Steinert & Dennis, 2022).

The prevalent form of marketing communication in contemporary times is using internet-based platforms, mainly social media (Saragi & Siahaan, 2022). Social media platforms, specifically social networks, are frequently employed in digital marketing. According to We Are Social, the predominant social media platform in Indonesia as of January 2017 was YouTube, with a usage rate of 49%, followed closely by Facebook at 48%. The subsequent rankings are held by Instagram (39%), Twitter (38%), Whatsapp (38%), and Google+ (36%). In that order, the remaining spots are held by popular messaging applications such as FB Messenger, Line, LinkedIn, BBM, Pinterest, and WeChat.

Social media platforms catalyze the dissemination of information through word-of-mouth or viral online marketing strategies. In contemporary society, word of mouth has emerged as the preeminent and fundamental mode of communication. According to Kaplan and Haenlein (2010), the dissemination of information about a firm or product has the potential to experience exponential growth.

Through social media platforms, clients can access a plethora of shared information from fellow customers, encompassing their experiences and recommendations. This factor has an impact on their consumer choices. Hence, the significant significance that social media assumes in fostering relationships and cultivating trust among customers, suppliers, and prospective partners is a crucial factor for organizations to contemplate..

Financial performance refers to evaluating specific metrics that gauge a company's effectiveness in earning profits. Sawir posits that financial performance encompasses a series of activities aimed at assessing the financial state of a company through the application of analytical tools, hence facilitating informed decision-making. In order to assess financial performance, it is common practice to employ many financial ratios, including but not limited to profitability ratio, liquidity ratio, solvency ratio, and activity ratio. This research exclusively examines financial performance with a specific emphasis on profitability. The social phenomenon is characterized by individuals or groups acquiring desired goods or services through the creation and voluntary exchange of valuable items with other parties (Vincent, 2001)

Sales play a pivotal role in shaping a firm's strategic direction since the revenue generated from sales necessitates the presence of corresponding assets. In the event of sales growth, it becomes imperative to augment the existing asset base accordingly. Sales serve as an intermediary function that facilitates communication and interaction between a firm and its consumers, ultimately contributing to the achievement of the final objective of marketing. The primary revenue stream for a firm is generated through sales, as sales have the potential to impact the composition of the organization's assets.

The support for the increased accessibility of information technology is crucial to impact competitive behavior. Digital sales support is crucial within information technologies, as it significantly impacts the competitive strategies employed by micro, small, and medium enterprises (MSMEs) (Siahaan, 2022). Digital sales is conducting online transactions through a company's website to sell goods and services. Furthermore, it should be noted that online sales extend beyond the points above. Marketing and promotion are key components encompassed within it. Effective online sales outcomes can be achieved based on the implementation of online marketing and promotional strategies. Due to the convenience afforded by internet purchases, numerous companies have embarked on establishing virtual storefronts. E-commerce enables selling products and services through a company's website, as online marketplaces have recently proliferated. Online sales are imperative for all micro, small, and medium firms.

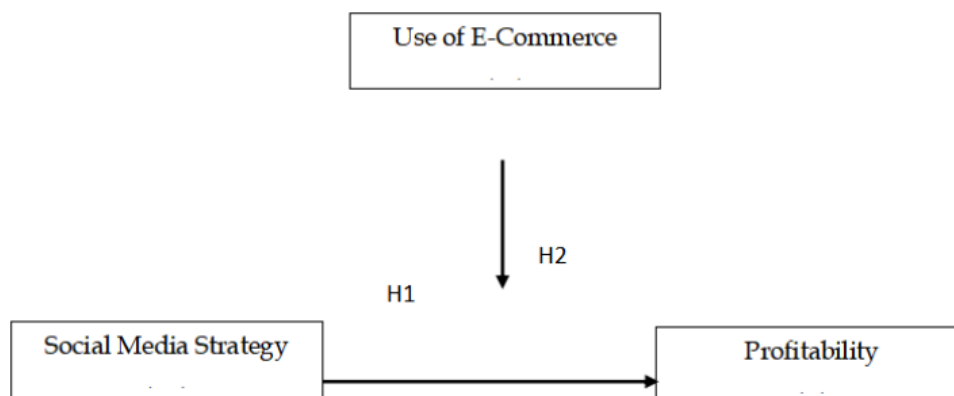
The exponential growth of the online marketplace necessitates the utmost significance of online selling for all micro, small, and medium-sized firms. Implementing an online market strategy will effectively enhance the profitability of Micro, Small, and Medium Enterprises (MSMEs) in Medan. This research has practical implications.

### **3. Metode Penelitian**

The study involved a sample of 40 participants, from which we may derive general characteristics such as gender, age, and highest level of education attained. A total of 40 samples of micro, small, and medium enterprises (MSMEs) were selected for analysis. These samples utilize business-to-consumer (B2C) and online-to-offline (O2O) e-commerce platforms, including Shopee, Grab, Gojek, or their business websites. The study included a sample of 40 micro, small, and medium enterprises (MSMEs). Among the selected samples, it was found that 92.5% of the respondents utilized social media platforms such as Facebook, Instagram, and TikTok. Furthermore, it was observed that some MSMEs utilized all three social media platforms simultaneously. The remaining 7.5% of respondents reported using alternative social media platforms, including WhatsApp.

The MSMEs under investigation are precisely those that have fulfilled the necessary criteria to adopt the designation of digital marketing stores specializing in digital sales. This study utilized a sample size of 40 micro, small, and medium enterprises (MSMEs) located in Medan City. These samples (100%) met the criteria for shops or businesses engaged in digital sales using social media and e-commerce platforms.

This study employs independent variables, explicitly focusing on the social media strategy. The indicators of a social media strategy encompass various elements, including online communication channels, online promotion channels, and online transaction channels. Additionally, the strategy's overall effectiveness can be assessed by considering metrics such as the total number of posts, likes, comments, and shares, as well as the total number of followers across platforms such as Facebook, Instagram, and TikTok. The variable under investigation in this study is Profitability, the dependent variable. The profitability measures employed in this analysis include Return on Assets (ROA), Net Profit Margin, and Gross Profit Margin. The variable included as a moderator in this research is the utilization of electronic commerce. The indicators of e-commerce usage encompass several critical factors, namely Convenience of Access, System Response, Adaptability, and Reliability.



**Figure 1. Research Framework**

Based on the above description and research framework, it is possible to generate hypotheses that will be subjected to testing in the present study:

Hypothesis 1: The impact of social media strategy on profitability.

Hypothesis 2: The utilization of electronic commerce has the potential to lessen the association between social media strategy and financial performance.

#### 4. Hasil Dan Pembahasan

The primary objective of this study is to examine the impact of Social Media Strategy on Profitability. Additionally, it seeks to investigate the influence of digital sales through e-commerce on the association between social media strategy and profitability. The study aimed to gather data from 40 respondents who engaged in digital sales using social media and B2C and O2O e-commerce platforms, specifically targeting Micro, Small, and Medium Enterprises (MSMEs) in Medan City. The data collection was conducted through the use of questionnaires. The dissemination of the questionnaire was conducted using a closed-ended approach.

**Table 1. Validity Test Results**

| Variable                  | Indicator | Pearson                            | R <sub>Tabel</sub> | Description |
|---------------------------|-----------|------------------------------------|--------------------|-------------|
|                           |           | Correlation<br>R <sub>Hitung</sub> |                    |             |
| Social Media Strategy (X) | X.1       | 0,704                              | 0,312              | Valid       |
|                           | X.2       | 0,506                              | 0,312              | Valid       |
|                           | X.3       | 0,740                              | 0,312              | Valid       |
|                           | X.4       | 0,858                              | 0,312              | Valid       |
|                           | X.5       | 0,825                              | 0,312              | Valid       |
|                           | Total     | 1,000                              | 0,312              | Valid       |

|                       |      |       |       |       |
|-----------------------|------|-------|-------|-------|
| Profitability (Y)     | Y.1  | 0,495 | 0,312 | Valid |
|                       | Y.2  | 0,665 | 0,312 | Valid |
|                       | Y.3  | 0,889 | 0,312 | Valid |
|                       | Y.4  | 0,850 | 0,312 | Valid |
|                       | Y.5  | 0,825 | 0,312 | Valid |
|                       | Y.6  | 0,824 | 0,312 | Valid |
| Total                 |      | 1,000 | 0,312 | Valid |
| Use of E-Commerce (M) | M.1  | 0,527 | 0,312 | Valid |
|                       | M.2  | 0,645 | 0,312 | Valid |
|                       | M.3  | 0,593 | 0,312 | Valid |
|                       | M.4  | 0,555 | 0,312 | Valid |
|                       | M.5  | 0,672 | 0,312 | Valid |
|                       | M.6  | 0,621 | 0,312 | Valid |
|                       | M.7  | 0,751 | 0,312 | Valid |
|                       | M.8  | 0,572 | 0,312 | Valid |
|                       | M.9  | 0,506 | 0,312 | Valid |
|                       | M.10 | 0,829 | 0,312 | Valid |
|                       | M.11 | 0,803 | 0,312 | Valid |
|                       | M.12 | 0,795 | 0,312 | Valid |
|                       | M.13 | 0,687 | 0,312 | Valid |
|                       | M.14 | 0,698 | 0,312 | Valid |
|                       | M.15 | 0,714 | 0,312 | Valid |
|                       | M.16 | 0,716 | 0,312 | Valid |
| Total                 |      | 1,000 | 0,312 | Valid |

**Table 2. Reliability Test Results**

| Variable              | <i>Cronbach's Alpha</i> | <i>Rule of Thumb</i> | Description |
|-----------------------|-------------------------|----------------------|-------------|
| Social Media Strategy | 0,856                   | 0,7                  | Reliabel    |
| Profitability         | 0,854                   | 0,7                  | Reliabel    |
| Use of E-Commerce     | 0,915                   | 0,7                  | Reliabel    |

All of the questions listed in Table 1 are deemed to be valid. According to the data presented in Table 2, it is evident that the Cronbach Alpha value for each independent variable and the dependent variable exceeds 0.6. It indicates that the data about these variables can be deemed reliable and consistent.

**Table 3. t-test results**

| Hypothesis                                                                                          | ig   |      |
|-----------------------------------------------------------------------------------------------------|------|------|
| Social media strategy influence profitability                                                       | ,912 | ,000 |
| The use of e-commerce can moderate the relationship between social media strategy and profitability | ,919 | ,006 |

The statistical analysis conducted on the social strategy variable using a t-test yielded a count value 4.912, while the t-table value was 2.024. The comparison of these values indicates that the tcount is more significant than the t table ( $4.912 > 2.024$ ), with a significance level of 0.00, which is smaller than the predetermined threshold of 0.05 ( $0.00 < 0.05$ ). Therefore, the

social media strategy has a statistically significant impact on profitability. It implies that hypothesis H1 is supported, explicitly indicating that the implementation of a social media strategy has a discernible impact on the financial performance of a business.

Table 3 presents the findings regarding the X\*M variable, representing the interaction between the Social Media Strategy variable (X) and the Use of E-commerce (M). The t count for this interaction is 2.919. Comparing this value to the t table value of 2.024 (calculated using  $\alpha/2 = 0.025$  and degrees of freedom = 38), we observe that the t count (2.919) exceeds the t table value (2.024). This difference is statistically significant, as the significance level of 0.006 is less than the conventional threshold of 0.05 (moderated). It implies that the variable of E-commerce Usage (M) moderates the association between Social Media Strategy (X) and Profitability.

Using social media content engagement can be advantageous in disseminating product information, potentially augmenting consumer interest in making purchases. Conversely, the third point posits that promotional channels can optimize cost efficiency in the production of advertisements. It indicates that small and medium-sized enterprises (MSMEs) engaged in online business activities in Medan City have experienced the advantages of engaging with their audience through social media platforms. By sharing captivating content related to their products, these businesses can capture consumer attention and stimulate their desire to purchase. In the current technological era, novel and distinctive offerings spread rapidly through viral means, arousing consumer curiosity and prompting them to explore these products.

Nevertheless, several online business entities within the Micro, Small, and Medium Enterprises (MSMEs) sector continue to see a need for more advantages in utilizing social media platforms for promotional purposes, particularly in terms of cost reduction in advertising. Promoting products in Micro, Small, and Medium Enterprises (MSMEs) remains challenging. However, online business operators have overcome this obstacle by leveraging platforms such as Facebook and Instagram ads. These individuals can effectively advertise their offerings by providing captivating material that highlights the advantages of their products, as well as their business procedures and marketing strategies.

On average, micro, small, and medium enterprises (MSMEs) in Medan City predominantly sell culinary and fashion products, utilizing social media platforms such as Facebook and Instagram as their primary marketing channels. In order to sustain profitability, it is imperative for Micro, Small, and Medium Enterprises (MSMEs) to consistently disseminate information about their business products consistently, hence gaining a competitive edge over market rivals. The findings of this study suggest that when businesses engage in sharing information about products or services offered by micro, small, and medium enterprises (MSMEs) and promote these MSME online businesses through social media platforms such as Facebook, Instagram, and Twitter, a significant number of their followers on these platforms tend to react by liking the posts and subsequently leaving comments to express their suggestions and opinions regarding the disseminated content. It will result in a positive effect on the enhancement of public trust and the augmentation of purchasing power within these micro, small, and medium enterprises (MSMEs).

There is a positive association between social media usage and market value, net sales, net profits, and price/earnings ratio (Akmese et al., 2016). The use of Facebook, a social media platform, has a significant impact on profitability (Malhotra, 2017).

The correlation between social media strategy and e-commerce utilization enhances the impact of social media strategy on financial gains. The study's findings on variables related to e-commerce usage indicate that the twelfth statement, "I experience satisfaction in operating an online business," and the sixteenth statement, "The system I utilize facilitates convenient customer reach," are the most prominent. The average response from participants



for these statements was 4.60. Conversely, the thirteenth statement, "The advantages of conducting business online surpass those of offline business," was identified as less dominant. This study demonstrates that micro, small, and medium-sized enterprise (MSME) online business operators in Medan City have effectively and efficiently conducted their company operations. Using e-commerce systems has facilitated seamless transactions and enhanced online buying and selling communication between clients and business operators. The profitability of online business sales is widely acknowledged. However, it is essential to recognize that offline sales can also contribute to increased business profits. Consequently, business professionals must comprehensively understand consumer preferences and be capable of integrating online and offline sales strategies. It will enable them to effectively adapt to technological advancements and update their online business systems, ultimately enhancing business profitability.

The findings of this study are consistent, which suggests a beneficial impact of the e-commerce variable (Nurlinda et al., 2020). This study explores the potential impact of digital sales through e-commerce on the relationship between social media tactics and profitability in micro, small, and medium enterprises (MSMEs).

## **5. Penutup Kesimpulan**

The primary objective of this research is to examine the impact of social media strategies on profitability among Micro, Small, and Medium Enterprises (MSMEs) in Medan City. Additionally, this study seeks to investigate the role of e-commerce utilization in the relationship between social media strategies and profitability in these MSMEs. The impact of Social Media Strategy on Profitability in Micro, Small, and Medium Enterprises (MSMEs) in Medan City is excellent and significant. Using electronic commerce to facilitate digital sales can enhance the connection between the impact of social media tactics and the financial success of Micro, Small, and Medium Enterprises (MSMEs) in the city of Medan.

In order to enhance the descriptive capacity of social media and e-commerce strategies, future researchers may consider incorporating supplementary variables. These additional variables can serve as comparative measures and provide further support to the obtained research findings. The objective of this study is to examine the correlation between social media strategy, e-commerce utilization, and profitability in micro, small, and medium enterprises (MSMEs). To facilitate the implementation of modifications and advancements in marketing, sales, and business operations within the rapidly expanding digitalization era, provide convenience and satisfaction to clients, and promote favorable outcomes for micro, small, and medium enterprises (MSMEs).

Online business entities are anticipated to implement strategies utilizing social media and e-commerce while remaining responsive to technological advancements to modernize their online business systems. It ensures that these entities stay caught up in new technology and that customers are content with the service and information they receive from the business, fostering confidence in purchasing.

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