

**UTILIZING INSTAGRAM AS A SOCIAL
COMMERCE MARKETING STRATEGY TO
INCREASE MSME REVENUE**

SKRIPSI

Untuk memenuhi persyaratan memperoleh gelar sarjana



INDIRA ALIFYA

B1031211236

**PROGRAM STUDI AKUNTANSI
FAKULTAS EKONOMI DAN BISNIS
UNIVERSITAS TANJUNGPURA
PONTIANAK**

2024

PERNYATAAN BEBAS DARI PLAGIAT

Yang bertanda tangan di bawah ini;

Nama : Indira Alifya
Nim : B1031211236
Jurusan : Akuntansi
Program Studi : Akuntansi
Konsentrasi : Akuntansi Manajemen
Judul Artikel : Utilizing Instagram as a Social Commerce Marketing
Strategy to Increase MSME Revenue

Menyatakan dengan sesungguhnya bahwa Artikel dengan judul tersebut di atas, secara keseluruhan adalah murni karya penulisan sendiri dan bukan plagiat dari karya orang lain, kecuali bagian yang dirujuk sebagai sumber pustaka sesuai dengan panduan penulisan yang berlaku (lembar hasil pemeriksaan plagiat terlampir). Apabila di dalamnya terdapat kesalahan dan kekeliruan maka sepenuhnya menjadi tanggung jawab penulis yang dapat berakibat pada pembatalan Artikel dengan judul tersebut di atas.

Demikian pernyataan ini penulis buat dengan sebenar-benarnya.

Pontianak, 02 Desember 2024

Indira Alifya

B1031211236

PERTANGGUNG JAWABAN SKRIPSI

Saya yang bertanda tangan di bawah ini;

Nama : Indira Alifya
Nim : B1031211236
Jurusan : Akuntansi
Program Studi : S1 Akuntansi
Konsentrasi : Akuntansi Manajemen
Tanggal Ujian : 06 Desember 2024
Judul Skripsi : Utilizing Instagram as a Social Commerce Marketing
Strategy to Increase MSME Revenue

Dengan ini menyatakan bahwa skripsi ini adalah hasil karya saya sendiri, dan semua sumber data dan informasi baik yang dikutip maupun dirujuk telah saya nyatakan dengan benar.

Pontianak, 11 Desember 2024

Indira Alifya

B1031211236

LEMBAR YURIDIS

UTILIZING INSTAGRAM AS A SOCIAL COMMERCE MARKETING STRATEGY TO INCREASE MSME REVENUE

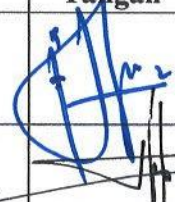
Penanggung Jawab Yuridis



Indira Alifya
B1031211236

Jurusan : Akuntansi
Program Studi : Akuntansi
Konsentrasi : Akuntansi Manajemen
Tgl Ujian Skripsi dan Komprehensif : 06 Desember 2024

Majelis Penguji

No.	Majelis Penguji	Nama/NIP	Tgl/Bln/Thn	Tanda Tangan
1.	Ketua Penguji	Fera Damayanti, S.E., M.Ak.	17/24 /12	
		NIP. 198611152019032004		
2.	Sekretaris Penguji	Ibnu Aswat, S.E., M.Ak., Ak.	19/24 /12	
		NIP. 198905252022031005		
3.	Penguji 1	Rudy Kurniawan, S.E., M.Si., Ak., CA.	16/24 /12	
		NIP. 196808211997021003		
4.	Penguji 2	Rahma Maulidia, S.E., M.Acc.	16/24 /12	
		NIP. 199310272022032010		

Dinyatakan Telah Memenuhi Syarat dan Lulus
Dalam Ujian Skripsi dan Komprehensif



20 DEC 2024

Koordinator Program Studi Akuntansi

Dr. Kristina Yunita, S.E., M.Si., Ak., CA
NIP. 197906182002122003

ACKNOWLEDGMENTS

Praise be to God Almighty for His abundance of grace and gifts so that the preparation of a thesis entitled **“Utilizing Instagram as a Social Commerce Marketing Strategy to Increase MSME Revenue”** can be completed. This thesis can be completed thanks to the support and encouragement of various parties who have helped the author during the thesis preparation process. Therefore, on this occasion with respect, the author would like to thank the following parties:

1. Dr. Barkah, S.E., M.Si., as Dean of the Faculty of Economics and Business Universitas Tanjungpura.
2. Dr. Nella Yantiana S.E., M.M., Ak., CA, CMA, CPA as the Head of the Accounting Department, Faculty of Economics and Business, Tanjungpura University who has helped and supported in the process of preparing the Thesis.
3. Mr. Vitriyan Espa, S.E., M.S.A, Ak., C.Ht., CA, as Secretary of the Department of Accounting, Faculty of Economics and Business Universitas Tanjungpura.
4. Dr. Khristina Yunita, S.E., M.Si., Ak., CA, as Head of the Accounting Department of Tanjungpura University who has helped and supported in the process of preparing the Thesis.
5. Fera Damayanti, S.E., M.Ak., as Academic Supervisor who has helped and supported in the process of preparing the Thesis.
6. Ibnu Aswat, S.E., M.Ak., as the first Supervisor who has helped and supported in the process of preparing the Thesis.
7. Gita Desyana, S.E., M.M., Ak.,CA., as my dissemination examiner. Thank you for all your guidance and help.
8. Rudy Kurniawan, S.E., M.Si., Ak., CA., as my examiner. Thank you for all your guidance and help.

9. Rahma Maulidia, S.E., M.Acc., as my second examiner. Thank you for all your guidance and help.
10. All Lecturers of the Department of Accounting, Faculty of Economics and Business, Tanjungpura University who have provided many useful disciplines during lectures.
11. All Staff and Administration of the Department of Accounting, Faculty of Economics and Business, Tanjungpura University who have assisted in administrative matters.
12. My beloved parents Mohamad Suherdianto and Fentie Aksi Triana Dewi Thank you for their endless prayers, love, support and sacrifice in every step of my life and the blessing that means a lot. Thank you also to my family and my sister.
13. Colleagues in the Accounting Department class of 2021 who have provided enthusiasm and support in the process of preparing the Thesis.
14. My best friends in arms, Nina, Hesti, Cici, Bella, Laila, and Namira, Thank you for always being there in joy and sorrow, providing spirit, laughter and strengthening each other in the midst of existing challenges.
15. My best friends during school, Irsya, Shelsa, Tracy, Febbi, and Dina. Thank you for giving me motivation, enthusiasm and convincing me to get through all the obstacles in this lecture process.
16. My best friend and partner in PUBG, namely Captain Victor, Ansori, David, Gama, Syarif. Thank you for being my encouragement, providing motivation and advice so that I can develop into a better person.
17. My favorite Japanese teacher, Sensei Misaka, who has motivated me and given me advice, helping me grow with my new knowledge. Thanks also to my friends at Japan Corner.
18. Thanks to my favorite band Treasure and Babymonster, thanks to them the world of lectures feels fun because of listening to their songs. specially my favorite members Jeongwoo, Yoshi, Junghwan And Asa.
19. Thanks also to other persons who cannot be mentioned one by one. Thank you for help and support.

20. Thanks to myself for making it through this lecture.

The author realizes that this thesis still has shortcomings in terms of writing, grammar, and content. Hopefully this paper is useful and can provide additional insight to readers. The author hopes for criticism and suggestions for the improvement of other writing in the future. Thank you.

Pontianak, 11 December 2024

INDIRA ALIFYA

NIM. B1031211236

UTILIZING INSTAGRAM AS A SOCIAL COMMERCE MARKETING STRATEGY TO INCREASE MSME REVENUE

ABSTRACT

At the moment, digital marketing is growing more rapidly than ever before, but through digital marketing a strategy is definitely needed so that revenue increases. However, previous research found that business people / entrepreneurs do not make the most of social media in their marketing strategies and do not realize the capabilities of existing social media. This research uses a qualitative approach with descriptive methods, aiming to gain insight related to the utilization of Instagram as a social commerce marketing strategy in increasing MSME revenues in the Lili Collection 31 case study. The data collection methods used are three, namely; observation, in-depth interviews and documentation studies. This research uses SWOT analysis to identify various factors both internal and external. The results of this study concluded that Lili Collection 31 has not been optimal and there is a need for improvement both in terms of understanding Instagram insights and marketing in attracting consumer interest.

Keywords: *Instagram ; Micro Small Medium Enterprise ; Income ; Utilization*

UTILIZING INSTAGRAM AS A SOCIAL COMMERCE MARKETING STRATEGY TO INCREASE MSME REVENUE

SUMMARY

Background

In the Digital Era, economic development in the world is growing rapidly along with technological developments. This development began since the Covid-19 era which triggered a digital transformation that integrated digital technology in all business fields. The development of this virtual store has increased much more than in previous years, because most of them use social media technology as a means of promotion. Starting from the use of financial records, the use of the E-Commerce platform as a transaction tool between sellers and buyers, and the use of social media in their product marketing strategies in order to reach many consumers in various regions. Internet-based communication technology has become the most important component in everyday human activities. In line with previous research, this study seeks to explore further the use of a social media platform called Instagram as a promotional medium (Puspitarini & Nuraeni, 2019; Veranita et al., 2021; Nugroho & Azzahra, 2022; Puspasari & Hadithya, 2023).

Instagram is a platform that allows users to share photos and videos. The simplicity and ease of use make this platform very popular among various groups to share their daily lives and business. It is recorded that Instagram currently has 90 million active users who upload 40 million photos every day (Delaney, 2013; Kintish, 2014; Thomas, 2016). The factors that influence the basis of research on the use of Instagram as social commerce in increasing MSME income are the significant increase in Instagram users which means it is a big market opportunity for some businesses, especially clothing businesses. In addition, there is a surge in consumers searching for products and shopping through social media. One of them is Instagram, with its strong visual features, making it easy for consumers to find and buy products directly from the platform through easy transactions. In many

countries, including Indonesia, the trend of using Instagram for business continues to increase (Saputra & Fadhilah, 2022).

This utilization not only helps MSMEs survive but also thrive in an increasingly competitive market. However, using Instagram for marketing is relatively cheaper compared to traditional marketing methods. MSMEs can use Instagram Ads to target specific audiences at a lower cost. Moreover, many MSMEs have succeeded in increasing their income significantly through the use of Instagram as a social commerce platform. This proof of success is certainly an inspiration for many MSMEs to utilize Instagram. The existence of tutorials on how to utilize Instagram for business makes it easy for MSMEs to learn and implement social commerce marketing strategies effectively, so that Instagram can help MSMEs to increase their profits and business income. This study aims to assess whether Instagram can increase MSME income and how much profit the business generates from utilizing social commerce.

Research Problem

1. What are the challenges faced by Lili Collection 31 in optimizing Instagram as a digital marketing platform?
2. How effective are the current Instagram marketing strategies implemented by Lili Collection 31 in increasing audience engagement and revenue?
3. How can Instagram's advanced features, such as Ads and insights, be utilized to enhance the digital presence and marketing effectiveness of Lili Collection 31?
4. What strategic steps can be recommended to improve the use of Instagram as a social commerce tool for Lili Collection 31?

Research Objectives

1. To identify the challenges faced by Lili Collection 31 in optimizing Instagram as a digital marketing platform.
2. To evaluate the effectiveness of current Instagram marketing strategies in increasing audience engagement and revenue.

3. To explore the potential use of Instagram's advanced features, such as Ads and insights, to enhance the digital presence of Lili Collection 31.
4. To propose strategic recommendations for improving the use of Instagram as a social commerce tool to boost revenue and market reach for Lili Collection 31.

Research Methods

This study uses a qualitative approach with a descriptive method, aiming to gain insight into the use of Instagram as a social commerce marketing strategy in increasing MSME income in the Lili Collection 31 case study (Komariah & Satori, 2013). This study uses a qualitative approach with a descriptive method, aiming to gain insight into the use of Instagram as a social commerce marketing strategy in increasing MSME income in the Lili Collection 31 case study (Komariah & Satori, 2013).

There are three methods of data collection used, namely the observation method, namely the research approach where researchers observe subjects or phenomena directly to collect data, then using the in-depth interview method (in-depth interviews) is a qualitative research technique where researchers interact directly with respondents to gain an in-depth understanding of their perspectives, experiences, and perceptions related to a particular topic. In this method, usually only one respondent is interviewed at a time, and the interaction between the researcher and the respondent is open and in-depth

Research Results

Research Results Summary

This study aimed to explore the use of Instagram as a social commerce marketing strategy to increase MSME revenue, with a focus on Lili Collection 31. Based on the research findings, Lili Collection 31 has used Instagram as a marketing platform, but its utilization has not been optimal. Currently, the business relies more on manual promotions through friends and family, without fully leveraging advanced features like Instagram Ads and insights.

Despite this, Instagram usage has had a positive impact, with an increase in the number of customers reaching out through the platform, including large orders from outside the area. However, limitations in understanding how to optimize Instagram features and the lack of time to manage the account effectively have hindered more efficient marketing performance.

SWOT analysis results show that Lili Collection 31's strengths lie in product quality and affordable pricing, while weaknesses include a low number of Instagram followers and limitations in creating engaging promotional content. Opportunities include using Instagram Ads and collaborating with influencers, while threats stem from intense competition in the clothing market and a less strategic store location. Overall, the findings indicate that Lili Collection 31 needs to improve its understanding and utilization of Instagram features to expand market reach and increase revenue. Recommendations include the use of Instagram Ads, enhancing content quality, and providing training to improve digital marketing skills.

Conclusion

This research aims to enhance the use of Instagram as a promotional tool for Lili Collection 31, based on a SWOT analysis. Key recommendations include collaborating with influencers, using Instagram Ads to reach a wider audience, creating engaging content like "Outfit of the Day" Reels, and improving consistency in posting to align with Instagram's algorithm. The research also suggests buying followers, using relevant hashtags, and implementing a loyalty rewards system. Additionally, switching to QRIS payment methods for security is advised. These strategies are expected to improve Instagram insights and increase business revenue.

TABLE OF CONTENT

PERNYATAAN BEBAS DARI PLAGIAT	i
PERTANGGUNG JAWABAN SKRIPSI	ii
LEMBAR YURIDIS	iii
ACKNOWLEDGMENTS	iv
ABSTRACT	vii
SUMMARY.....	viii
TABLE OF CONTENT	xii
LIST OF TABLE	xiv
LIST OF FIGURE.....	xv
LIST OF APPENDIX.....	xvi
CHAPTER I INTRODUCTION.....	1
1.1 Background	1
1.2. Research Problem.....	2
1.3. Research Objectives	2
1.4. Reseach Contribution	3
1.5. The Contextual Framework.....	4
CHAPTER II LITERATURE REVIEW	5
2.1 Theoretical Basis	5
2.2 Emperical Studies.....	7
CHAPTER III RESEARCH METHODS.....	10
3.1 Research Type.....	10
3.2. Place and Time of Research	10
3.3. Data	10

CHAPTER IV RESULTS AND DISCUSS.....	11
4.1. Description Of Research Objects	11
4.2. Discussion	11
CHAPTER V CLOSING.....	19
5.1. Conclusion.....	19
5.2. Suggestion	20
REFERENCES.....	21
APPENDIX.....	24

LIST OF TABLE

Table 1 Emperical Studies.....	7
Table 2. Lili Collection SWOT Matrix 31	15

LIST OF FIGURE

Figure 1. Lili Collection 31 Clothing Products	12
Figure 2. Instagram Lili Collection 31	14
Figure 3. Lili Collection Income Level Graph 31 Periods 2023	18

LIST OF APPENDIX

Appendix 1 Letter Of Acceptance.....	24
Appendix 2 Article	25

CHAPTER I

INTRODUCTION

1.1 Background

In the Digital Era, economic development in the world is growing rapidly along with technological developments. This development began since the Covid-19 era which triggered a digital transformation that integrated digital technology in all business fields. The development of this virtual store has increased much more than in previous years, because most of them use social media technology as a means of promotion. Starting from the use of financial records, the use of the E-Commerce platform as a transaction tool between sellers and buyers, and the use of social media in their product marketing strategies in order to reach many consumers in various regions. Internet-based communication technology has become the most important component in everyday human activities. In line with previous research, this study seeks to explore further the use of a social media platform called Instagram as a promotional medium (Puspitarini & Nuraeni, 2019; Veranita et al., 2021; Nugroho & Azzahra, 2022; Puspasari & Hadithya, 2023).

Instagram is a platform that allows users to share photos and videos. The simplicity and ease of use make this platform very popular among various groups to share their daily lives and business. It is recorded that Instagram currently has 90 million active users who upload 40 million photos every day (Delaney, 2013; Kintish, 2014; Thomas, 2016). The factors that influence the basis of research on the use of Instagram as social commerce in increasing MSME income are the significant increase in Instagram users which means it is a big market opportunity for some businesses, especially clothing businesses. In addition, there is a surge in consumers searching for products and shopping through social media. One of them is Instagram, with its strong visual features, making it easy for consumers to find and buy products directly from the platform through easy

transactions. In many countries, including Indonesia, the trend of using Instagram for business continues to increase (Saputra & Fadhilah, 2022).

This utilization not only helps MSMEs survive but also thrive in an increasingly competitive market. However, using Instagram for marketing is relatively cheaper compared to traditional marketing methods. MSMEs can use Instagram Ads to target specific audiences at a lower cost. Moreover, many MSMEs have succeeded in increasing their income significantly through the use of Instagram as a social commerce platform. This proof of success is certainly an inspiration for many MSMEs to utilize Instagram. The existence of tutorials on how to utilize Instagram for business makes it easy for MSMEs to learn and implement social commerce marketing strategies effectively, so that Instagram can help MSMEs to increase their profits and business income. This study aims to assess whether Instagram can increase MSME income and how much profit the business generates from utilizing social commerce.

1.2. Research Problem

Based on the background, the research problems are formulated as follows:

1. What are the challenges faced by Lili Collection 31 in optimizing Instagram as a digital marketing platform?
2. How effective are the current Instagram marketing strategies implemented by Lili Collection 31 in increasing audience engagement and revenue?
3. How can Instagram's advanced features, such as Ads and insights, be utilized to enhance the digital presence and marketing effectiveness of Lili Collection 31?
4. What strategic steps can be recommended to improve the use of Instagram as a social commerce tool for Lili Collection 31?

1.3. Research Objectives

The objectives of this research are as follows:

1. To identify the challenges faced by Lili Collection 31 in optimizing Instagram as a digital marketing platform.
2. To evaluate the effectiveness of current Instagram marketing strategies in increasing audience engagement and revenue.
3. To explore the potential use of Instagram's advanced features, such as Ads and insights, to enhance the digital presence of Lili Collection 31.
4. To propose strategic recommendations for improving the use of Instagram as a social commerce tool to boost revenue and market reach for Lili Collection 31.

1.4. Research Contribution

1.4.1 Theoretical Contribution

This research contributes to the existing body of knowledge on digital marketing and social commerce by exploring the effective utilization of Instagram as a marketing platform for Micro, Small, and Medium Enterprises (MSMEs). It adds value to the theoretical understanding of how social media platforms, particularly Instagram, can be leveraged to enhance business visibility, audience engagement, and revenue growth. The findings of this study can serve as a foundation for further research on the role of social media in MSME marketing strategies.

1.4.2 Practical Contribution

Practically, this research provides actionable strategies and recommendations for Lili Collection 31 to optimize its use of Instagram, including content creation, audience interaction, and the use of Instagram Ads and insights. The insights gained can help MSMEs improve their digital marketing efforts, expand their customer base, and increase revenue. Additionally, the research offers guidelines for MSMEs to enhance their marketing effectiveness through the better use of social media tools and features, contributing to the growth of small businesses in the digital economy.

1.5. The Contextual Framework

The contextual overview that will be discussed in this study consists of five chapters. chapters as for the explanation of these chapters :

Chapter I introduction, in this chapter explains the introduction of this research in the form of background, formulation of problems to be raised, objectives of the research, research contributions and contextual overview.

Chapter II literature review, in this chapter describes the literature review, empirical studies.

Chapter III research methods, in this chapter describes the type of research, research object, population and sample, data sources, data collection methods, research stages, and analysis tools.

Chapter IV Discussion and research results

Chapter V conclusions and suggestions