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# DIGITAL MARKETING STRATEGY ON INSTAGRAM SOCIAL MEDIA FOR MICRO, SMALL AND MEDIUM BUSINESS IN BAGHDAD

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# ABSTRACT

Digital marketing has been proven as an effective way to expand brand reach and increase sales figures. Today's technology continues to grow and the benefits of using the internet are felt for the users. Some people feel dependent on the internet, including the activities of Micro, Small and Medium Enterprises in utilizing information technology to run their business. The purpose of this research is to generally describe the impact of digital marketing on sales volume for MSEs in the city of Baghdad. The method used in this research is descriptive qualitative, where the researcher tries to describe and analyze specifically the data obtained in the field according to the focus of the problem to be studied. The results of this study indicate that selecting the right social media platforms and good content management can increase sales. Utilization of Instagram social media has a positive impact on the development of product marketing so that Instagram followers and sales increase. Apart from that, the operation is easy and there are many users so that it becomes a practical promotional medium, which is cheap, reliable and can reach all users wherever they are.

Keywords:: social media, instagram, marketing, digital marketing

# A. INTRODUCTION

The rapid development of the world of technology and information today has made the internet a communication tool that is in great demand by the public. This is the background for the change in conventional communication to become completely digital and modern. In line with the rapid development of the technology sector, companies and business actors are increasingly encouraged to use advanced technology as a weapon to survive and win in increasingly fierce competition. In the end, currently the use of the internet which leads to cyberspace is likely to dominate all activities in the present and in the future and in general will turn into a tool for competition between one company and another. This will also have a very big impact for every company. The impact on the competition aspect is the formation of an increasingly sharp level of competition. So the company must have the ability to quickly adapt to changes that occur so that the company will be able to compete with its competitors.

The use of technology is expected to provide great benefits to the competitive business world. Companies that are able to compete in this competition are companies that are able to implement technology into their companies. One type of technology implementation in terms of increasing business competition and selling products is by using electronic commerce (e-commerce) to market various kinds of products or services, both in physical and digital forms. In using this technology, various parties related to the company such as investors, consumers, the government will play a role.

Many micro, small and medium enterprises (MSMEs) still sell products conventionally and few have used electronic commerce (e-commerce). One important factor that will determine the development of MSME marketing is through social media. The use of Instagram social media includes increasing business transformation through speed, accuracy and efficiency of information with a wide range.

Small and Medium Enterprises (SMEs) are enterprises that play a very important role in the economies of many countries, and SMEs are an important component of the Iraqi economy. To succeed, it is very important for Iraq. SMEs are open to new techniques because new technologies are key to enabling companies to establish contacts with companies around the world, which allows them to participate in the global economy (Thabit et al., 2016).

Several Iraqi companies have adopted commerce and are already benefiting from it. Many Iraqi SMEs are unable to solve such problems on their own, which is why government authorities, financial institutions and large companies have helped and encouraged them with their policies and assistance programs. With few exceptions, Iraqi companies, like most companies in developing countries, have not chosen many technological innovations, often due to a lack of resources, but also because of the work habits and culture of those who govern these SMEs.

With the existence of electronic trading services (e-commerce), customers can access and place orders from various places. With the current era of sophisticated technology, customers want to see the products being marketed. Based on the background, the formulation of the problem is how does digital marketing and e-commerce influence the performance of SMEs in Baghdad.

# **B. LITERATURE REVIEW**

# 2.1 SME performance

The definition of the company itself and the growth of SMEs in particular, a clear understanding of firm performance as the main dependency construct of this thesis is unavoidable. Measuring company performance is at the core of strategic management (Santos & Brito, 2012). However, a generally accepted definition of company performance does not exist because it is a complex and multidimensional object (Teeratansirikool et al., 2013).

SME performance is a relevant construct in strategic management research and is often used as the dependent variable. Despite this relevance, there is almost no consensus on their definition, dimensions and measurement, which limits progress in research and understanding of the concept. The second-order construct of financial performance, which influences growth and profitability, is correlated with the firstorder intercorrelation, non-financial dimensions of performance aspects (Santos & Brito, 2012).

SME performance needs to be distinguished from the broader construct of organizational effectiveness. Venkatraman and Ramanujan (1986) offer an illuminating figure of three concentric circles that overlap with the greatest representative organizational effectiveness. The broadest domain of organizational effectiveness includes the middle circle representing business performance, which includes the inner circle representing financial performance.

# 2.2 Digital Marketing

Digital marketing is becoming a hot topic in various fields of business and plays an important role in any company's multi-channel marketing strategy, using the Internet to convey promotional marketing messages to consumers (Kaur and Hundal 2017). These include email marketing, search engine marketing, social media marketing, many types of display advertising (including web banner ads) and mobile advertising (Bala et al., 2018).

Like other advertising media, online advertising often involves publishers integrating advertisements into their online content and advertisers providing advertisements to be displayed on publisher content (Pant & Rastogi, 2018). Variable refers to variables related to investigating variables that affect the dependent variable (Giunta, 2020). In fact, previous studies have provided evidence that digital marketing acts as an indent, dependent (Ramdani et al. 2013; El-Gohary, 2010).

According to Bala et al., (2018), finding a positive relationship between digital marketing and digital business governance is an important skill for organizations to develop and support agile governance is a growing business discipline to answer this need. The main findings also reveal that a company's marketing success is largely dependent on their website, social marketing, and digital advertising, all of which are part of digital marketing, besides that, the savings made using digital marketing can be reinvested elsewhere (Alalwan, et al, 2017).

Brodie et al. (2007) found a strong positive relationship between Emarketing and SME performance. Found a positive and significant influence on SMEs adopting E-commerce. Ramdan et al. (2013) stated that this is a significant organizational factor in determining the adoption of enterprise applications (EA) by SMEs.

And ElGohary (2010) concluded that organizational readiness positively and significantly influences e-marketing adoption indicating that this effect is direct or indirect. Lera-López et al., (2013) investigated the effect of ICT adoption on the performance of manufacturing SMEs. After reviewing marketing principles, this section concentrates on defining digital marketing and exploring its opportunities.

# 2.3 Electronic commerce

E-commerce variables in the relationship between IT business alignment factors and SME performance have not been studied so far. Therefore, this study focuses on e-commerce as a moderator between the dimensions outlined in the six and SME performance. B2B E-commerce adoption has a strong positive relationship with company performance (Mohtaramzadeh, 2016).

Electronic commerce means conducting business transactions via the Internet, which includes the exchange of valuable information in the form of products

and services as payment, using web-based technologies (Lu et al., 2010). Bajaj, 2005 defines it as the distribution of business information; uphold business relationships; and conducting business transactions through telecommunications networks.

Online shopping significantly in recent years and therefore many traditional department stores have expanded to include online sales (Turban et al., 2017). In addition, some new companies concentrate on selling only through online stores. Electronic Commerce (e-commerce) is electronic business (Köksal & Penez, 2015). It uses the power of computers, the Internet and shared software to send and receive product specifications and drawings; offers, purchase orders and invoices and all other types of data that need to be communicated to customers, suppliers, employees or the public (Altunan, et al., 2018).

E-commerce is a profitable new way of doing business that goes beyond the simple movement of information and extends electronic transactions from point of sale requirements, defining and scheduling production, to invoicing, payment and receipt (Alley & Emery, 2017).

Kapurubandara, & Lawson (2006) presented a model that addresses barriers to ICT and e-commerce adoption gathered from available literature and the results of exploratory pilot studies and subsequent surveys. In addition to the barriers that SMEs face, this analysis identifies the relevant support needed by SMEs in the highly developed country, Sri Lanka. Preliminary studies help draw some conclusions. Adoption of ICT and e-commerce for SMEs in developing countries is completely different from developed countries.

#### 2.4 There is a relationship between digital marketing and SME performance.

In recent times, the world is witnessing an increase in digital marketing powered by the explosion of information communication and technology (ICT). Digital marketing is a marketing strategy that involves the deployment of technologybased tools such as the Internet (email, search engines and e-commerce), mobile phones and social media platforms.

Internet marketing aims to inform, communicate, promote and sell products and services via the Internet (Kawira et al., 2019; Njau & Karugu, 2014). It involves email marketing, search engines, online marketplaces and online blogs with the aim of reaching existing and potential customers. Relationship There is a positive relationship between digital marketing and SME performance.

As well as El-Gohary (2010) concluded that organizational readiness positively and significantly influences the adoption of E-marketing indicating that this effect is direct or indirect. Although E-marketing is the focus of attention of researchers and academics, there is a paucity of literature regarding its relationship with marketing performance. The research results show a contradiction in the relationship between E-marketing and performance (Tsiotsou and Vlachopoulou, 2011).

Cretu, & Brodie, (2007), found a strong positive relationship between Emarketing and performance. According to Higgins, (2005), the findings show that the adoption of advanced broadband ICT applications by SMEs can have a significant and positive impact on productivity. But these are only cases where the technologies have particular relevance to the industry in which the SME operates, and their adoption is coupled with major organizational or strategic changes. For service companies the influencing factor is organizational change, while for manufacturing it is strategic change. The authors (Chaffey & Ellis-Chadwick, 2019; Tiago & Veríssimo, 2014).

SMEs making use of e-marketing has a positive effect on marketing success as measured by new business generation and reduced cost of goods sold, this in turn can result in higher profits, increased market share and growth in brand equity. The importance of pre- and post-sale marketing activities is also an interesting finding that SME owner-managers should consider when considering emarketing.

# 2.5 There is a relationship between E-Commerce and SME performance.

In the past three decades, SMEs have played an important role in the development of Taiwan's e-economy. However, high global market competition, low business barriers and fierce price competition have challenged Taiwanese SMEs and have forced many SMEs to close (Ramanathan et al., 2012). It is generally believed that e-commerce adoption has helped improve the competitiveness of Taiwanese SMEs in the 1990s (Chen, 2004; Chu, While e-commerce has had a positive impact on business, several studies have looked at the role of e-commerce in corporate subfunctions., such as operations and marketing.

Rahayu and Day, (2015) found a positive and significant influence on SME ecommerce adoption. Ramdan et al. (2013) stated that it is a significant organizational factor in determining the enterprise application (EA) adopted by SMEs.

Ghobakhloo et al. (2011) stated that the factors influencing E-commerce adoption in SMEs are the lack of organizational readiness such as technological resources. The researcher explained that there are two types of readiness according to the model developed by Mehrtens et al. (2001) Internet adoption by SMEs. First is the level of knowledge to use the Internet among non-professional employees. Second is the level of computer systems available in the organization. However, since the study of Ghobakhloo et al. (2011) related to Ecommerce adoption in voluntary organizations.

Karagozoglu and Lindell (2004) have found that e-commerce has a positive impact on customer base development (marketing function), whereas it has no significant impact on purchasing management. In contrast, Love and Irani (2004) have found that e-commerce helps SMEs realize benefits in various operating functions, thus helping to improve overall performance.

For example, in their study of 100 managers from SMEs in the US, Grandon and Pearson found that organizational readiness, external pressures, and perceived ease of use significantly influence e-commerce adoption. Other studies in the literature consider the benefits and rewards of e-commerce adoption in SMEs (Stockdale and Standing, 2004; Abebe, 2014). Previous research on e-commerce adoption examined the relationship between e-commerce adoption and SME performance. More specifically, it is argued that there is a positive and significant influence of e-commerce adoption on SME performance due to the two main intermediary organizational processes.

# C. RESEARCH METHODS

The research method that researchers will use is qualitative research with a descriptive approach. Descriptive research is a study that emphasizes explanations that are in accordance with the reality in the field based on the notes obtained by researchers (Hidayat et al., 2020). Yin explained that qualitative research involves

researchers directly with the problem being studied (Yin, 2014). Descriptive study means that researchers analyze the data collected in the form of words or pictures. The data comes from photos, personal documents, notes or memos and other official documents (Akhmad, 2015).

According to Bogdan and Taylor (1975) cited in Moloeng (2007:4) states that qualitative methodology is a research procedure that produces descriptive data in the form of written or spoken words from people and observable behavior. Further explained by David Williams (1995) as quoted in Moleong (2007: 5) argues that qualitative research is the collection of data in a natural setting, using natural methods, and carried out by researchers who are naturally interested.

Qualitative research aims to obtain a complete picture of a matter from the point of view of the human being studied. Qualitative research deals with the ideas, perceptions, opinions or beliefs of the person being studied and all of them cannot be measured by numbers. This research is of a qualitative type so that it does not use the terms population and sample but social situations and informants (Sugiyono, 2009). Informants in this study are active SMEs in the city of Baghdad, who have used information technology both using social media such as Instagram.

#### D. RESULTS AND DISCUSSION

The following will present the findings in the field obtained regarding the research sample of MSME actors as shown in the table below.

No	Instagram Account Name	Information
1.	crypteta. iq	SMEs
2.	donutmood. iq	SMEs
3.	66_sliders_wings	SMEs
4.	west_burger_iraq	SMEs
5.	saj_alreef	SMEs
6.	shmesani. iraq	SMEs
7.	barley_burger	SMEs
8.	hotdogfactory. iq	SMEs
9.	super_sauce_iq11	SMEs

	Table	4.1	List	of	<b>MSME</b>	Actors
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1. crypteta. iq





2. donutmood. iq



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donutmood.iq

Mares 😡

Donut Mood Sweit&More بعداد - المنصور - شارع النرج- قبل تفاطع سيد الحليب الاعظمية - شارع الصباط - مقابل الجدار سنتر الجاذرية - مقابل جامعة بغداد ؟

lkuti Kirim pesan

2 diikuti







3. 66\_sliders\_wings





4. west\_burger\_iraq







5. saj\_alreef





6. shmesani. iraq



shmesani.ira	aq Ikuti	Kirin	n pesan
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شمیساني/shmesani Restoran

الصفحة الرسمية لشركة شميساني لادارة المطاعم المحدودة youtube.com/channel/UCV7cQoIIIvtZFkB8fVN-Udw



7. barley\_burger





lkuti

Kirim pesan

www.barleyburger.com





8. hotdogfactory. iq



hotdogfactory.iq العنة الالاستهديمية 37 kiriman 17,3 rb pengikut 0 dikuti Hotdog Factory المراد Restoran Restoran الول الأل المراجع عنه الفوان الول الأل المراجع المراجع المراجع المراجع المراجع المراجع المراجع عنه المراجع المراجع المراجع المراجع المراجع المراجع





9. super\_sauce\_iq11

226





# E. DISCUSSION

As many as 9 MSME actors have used Instagram social media to market their products. Even though social media has not been used optimally, MSME actors, especially in Iraq, have used other digital media to process transactions. In general, they use instant messaging applications such as Instagram to exchange messages, promotions and transactions, and use electronic transfers to make payments.

According to Utami and Purnama (2012) in marketing communications, conveying information is the most important activity. Information in communication is also referred to as conveying messages, marketers must pay attention to several things as follows:

1. Message Pattern

According to Machfoedz (2010), the most important part of a marketing message delivery strategy is determining the best way to communicate the main message to the target audience, in this case consumers/customers. There are 2 factors that need to be considered in conveying the message (presentation), namely: the message content must be product oriented and the level of consumer awareness must be awakened. This can be done in the following way:

- Delivering true information about the product being sold.
- Provide product images with the latest designs that are innovative, and attract consumers.
- Answer consumer questions about the product in detail.
- Convince consumers that MSME actors can be trusted by providing contact numbers and e-mail addresses for ease of communication.
- Guaranteed goods damaged during delivery will be replaced with new items with the same model and motif without being charged a shipping fee.
- Items according to what is shown on the Instagram display.
- 2. Submission Media

Instagram has several facilities for conveying messages to its members, through inboxes (message boxes), posting statuses, notes and image tagging. MSME actors can use these facilities on a regular and planned basis, for example by:

- Once a week, make notes related to product superiority.

- Every 2 weeks produce the latest products so that customers always update or
- Innovate products so that customers do not feel bored with the same model.
- Always open the inbox for customers who want to ask questions about the product
- Include size and price and material.
- 3. Manage Submissions

Messaging Setting the frequency of delivering messages through the media provided by Instagram does have to be regular and planned, while the methods are as follows:

- Convey an interesting Title or Subject message.
- Send messages personally to customers, not bulk so they are not considered spam. Keep messages as short and clear as possible.
- Make a schedule and frequency of sending messages on a regular basis.
- Upload customer testimonials who have ordered products as a form of customer trust.
- Give feedback as soon as possible so that customers feel well served.
- 4. Designing Promotions

Promotion is done to communicate and influence customers to be able to accept the products produced. Marketers can design promotions in various ways, such as advertising, sales promotions, individual sales publicity and attractive packaging (Utami and Purnama, 2012). MSMEs can carry out promotions in several ways including:

- Advertising. Convey messages to consumers in the form of product information, in the form of pictures and product descriptions.
- Publicity. Personal selling is selling directly to each consumer, this can be done by communicating directly with consumers, either by sending messages or by chatting.

Based on this discussion it was found that the use of Instagram social media had a positive impact on the development of product marketing for SMEs in the city of Baghdad so that Instagram followers and sales increased. Apart from that, the operation is easy and there are many users so that it becomes a practical promotional medium, which is cheap, reliable and can reach all users wherever they are.

However, there are still a number of obstacles and weaknesses encountered, namely poor internet access, lack of expertise by shop owners in making good and attractive designs, and no product prices being displayed so they have to communicate through the contacts provided.

# F. CONCLUSION

Based on the results of the research that has been done, researchers can draw conclusions:

1. The role of Instagram is very large in the marketing process carried out by MSME actors. Not only as a media or channel, but also as a driver in every stage of the marketing process. Starting from delivering messages through

posting product images, the process of receiving and managing responses from customers, to receiving feedback from customers.

- 2. Instagram really helps the marketing process carried out by MSME players with all the features that are very easy to use and help the marketing process for products, even though not all features are used in the marketing process.
- 3. The role of Instagram in online business by MSME actors is considered successful, as can be seen from the achievement of the number of followers, then in terms of production and income earned by MSME actors, as well as the amount of feedback received by customers.
- 4. Obstacles encountered such as difficulty accessing the internet, lack of expertise in mastering graphic design and lack of product descriptions, such as unlisted prices.

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