

CHAPTER 1

INTRODUCTION

1.1 Overview of the Research Object

The research object used in this research is an Online Shop called Al Ghaza Mubarak or often known as Ghaza Store. Ghaza Store was founded in Bandung in 2017 by a woman named Andi Desi Monica. Ghaza Store is an online shop engaged in men's Muslim fashion.



Figure 1.1 Ghaza Mubarak Logo

Source: Al Ghaza Mubarak Website

In the beginning Ghaza Store only sells men's koko clothes, as time goes by Ghaza Store develops its products, now Ghaza Store has been selling several products. Here are some examples of products from Ghaza Store:

Men's Koko Shirt Products

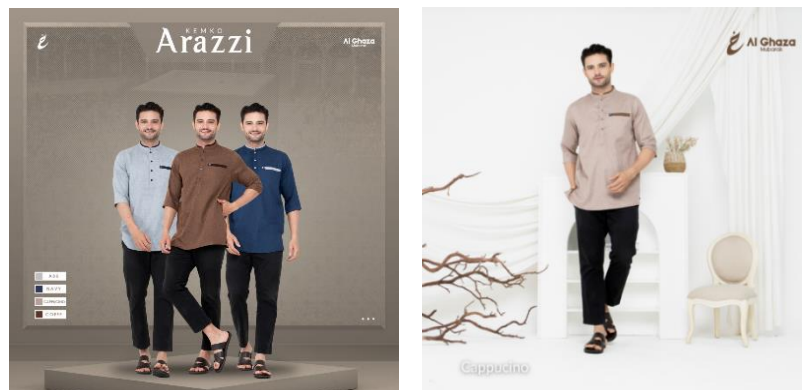


Figure 1.2 Men's Koko Shirt Products

Source: Al Ghaza Mubarak Website

Adult and Children's Gamis Products



Figure 1.3 Adult and Children's Gamis Products

Source: Al Ghaza Mubarak Website

Cap/Peci Product



Figure 1.4 Cap/Peci Product

Source: Al Ghaza Mubarak Website

Sarong Product



Figure 1.5 Sarong Product

Source: Al Ghaza Mubarak Website

1.2 Background

Micro, Small and Medium Enterprises (MSMEs) refer to businesses that operate on a smaller scale compared to large companies or corporations. This classification is a pillar of the economy in many countries, including Indonesia, and is considered a key driver of economic growth, innovation and job creation. In the context of the Indonesian economy, MSMEs have a very significant role. MSMEs have an important contribution to Indonesia's Gross Domestic Product (GDP), reaching 60% of total economic activity. Therefore, there is a strong correlation between MSMEs and the poverty rate in Indonesia, demonstrating the significance of this sector in national economic development.

In the era of globalization, the spread of information and knowledge knows no boundaries. Information is easily and quickly obtained through interconnection networking or what is called the internet. The internet stands for interconnected networking, which means the connection of computers of various types that form a network system that covers the entire world (global computer network) through telecommunications lines such as telephone, radio link, satellite and others. The term internet comes from the Latin *inter*, which means "between". The Internet is a virtual world of computer networks (interconnection) formed from billions of computers in the world. The Internet is a relationship between various types of computers and networks in the world with different operating systems and applications where the relationship utilizes advances in communication media (telephone and satellite) that use standard protocols in communication (Gani, 2018).

The development of information and communication technology is growing very rapidly. This development has inspired the business world to utilize it as the main medium in marketing products and services. Some of the advantages of the internet, especially in terms of efficiency, are able to change the way of selling and buying. This has affected consumer buying behaviour from what used to be offline to online, and Indonesia is no exception.

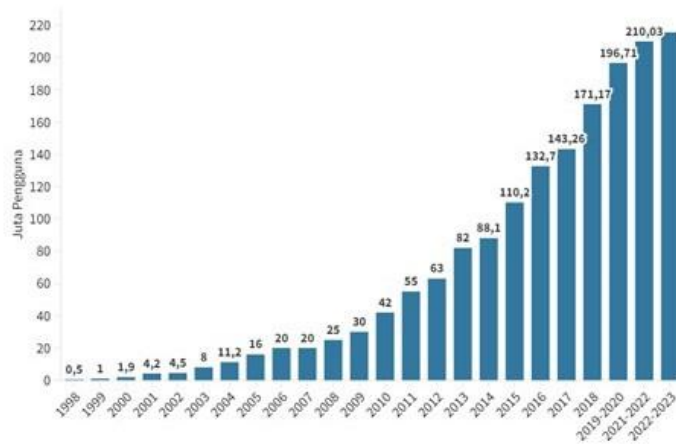


Figure 1.6 Internet User in Indonesia

Source: Asosiasi Pengguna Jaringan Internet Indonesia

Indonesia, as one of the most populous countries in the world, has seen a significant increase in internet users in recent years. With increasing internet penetration, Indonesians are increasingly integrated into the digital world.

Based on a survey conducted by the Indonesian Internet Network Users Association (Asosiasi Pengguna Jaringan Internet Indonesia) (APJII, 2022 - 2023), it is reported that out of 275,77 million people in Indonesia, 215,63 million of them are internet users (78,19 %).

The fashion industry is one sector that continues to evolve along with the times. In recent years, digital transformation has had a major impact on consumer behaviour, purchasing patterns, and business strategies implemented by fashion industry players. Advances in information technology and easy access to the internet have opened the door for significant changes in the way consumers interact with fashion products and brands. In the face of this digital era, companies in the fashion industry are required to be sensitive to these changes and adapt effective sales strategies.

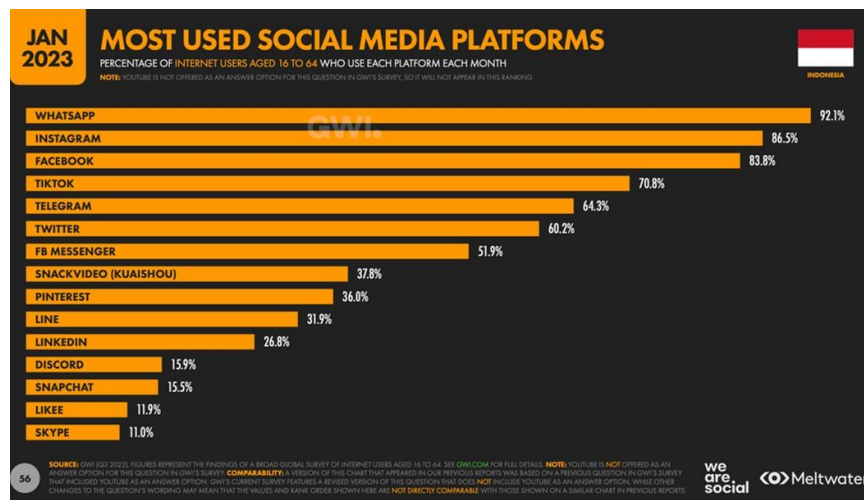


Figure 1.7 Most Used Social Media Platforms at 2023

Source: We Are Social 2023

According to a report from We Are Social & Meltwater in 2023, the social media sharing network concept that is most popular among Indonesians is Instagram, with a percentage of 86.5%. The presence of Instagram has undeniably changed the way people interact online. With the number of users growing every day, Instagram continues to evolve as the premier platform for sharing moments, ideas, and creative content. This fact makes Instagram a more optimal choice for individuals and businesses looking to expand their reach and connect with a wider audience.

In a business context, Instagram platforms have become effective marketing tools, especially for fashion online shops. Through digital marketing on Instagram, online shops can reach a wider audience, promote their products or services, and interact directly with customers or potential customers.

Digital marketing is a marketing technique that utilizes digital media, such as the internet and other information technology, to reach consumers at the right time, personally, and with relevance to their needs (Masrianto et al., 2022). Digital marketing is a set of techniques developed on the Internet to persuade users to buy products or services (Saura, 2021).

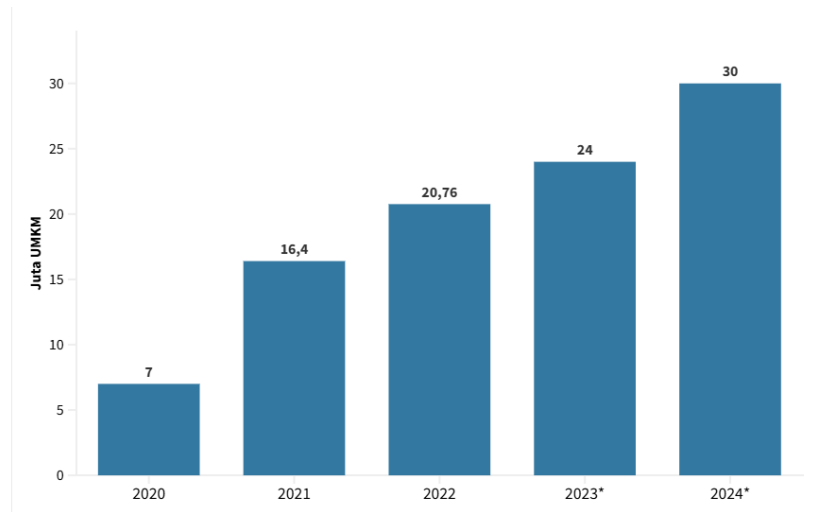


Figure 1.8 MSMEs that Have Adopted Digitalization in Indonesia at 2024

Source: Data Indonesia

According to a report from Data Indonesia in 2024, only 46.15% or 30 million of the 65 million Micro, Small, and Medium Enterprises (MSMEs) in Indonesia have adopted digitalization. This gap in digital adoption poses a challenge for MSMEs to remain competitive in an increasingly digital economy. One of the most accessible and impactful tools for digital transformation is social media marketing.

Social media marketing is a method in which companies use social media platforms to interact with consumers and promote their products or services. On the other hand, using social media can increase engagement with target audiences, build brand awareness and increase sales (Romano, 2023). In running social media marketing, companies need to involve creating interesting and relevant content to attract and engage audiences (Lee et al., 2018).

In this digital era, social media platforms have become a highly effective tool for marketing products, especially in the fashion industry sector. Moreover, social media provides businesses with the opportunity to present up-to-date information regarding products or services, respond to feedback instantly, and thus, not only increase business exposure but also strengthen bonds with customers. Therefore, utilizing social media is no longer an option but a necessity.

In the fashion industry social media marketing has a significant impact (Djafarova & Bowes, 2021; Lee et al., 2018). According to research conducted by Vijay Durga Prasad & Praveen (2019) by utilizing social media marketing in the fashion industry, strategies change the way they approach customer needs and how they respond to customers and their competitors. Platforms like Instagram have become essential for fashion brands to showcase their products, connect with audiences, and drive sales. In addition to promoting their products according to Romano (2023) in the fashion industry social media marketing can help them in analyzing trends in the fashion world. Fashion brands use social media to share images and videos of their products, and interact with their followers through comments, likes, and direct messages (Djafarova & Bowes, 2021).

In recent years, many companies have shown an increasing tendency to use social media as an effective communication tool with their consumers (Ural & Yuksel, 2015). Social media platforms such as Instagram is considered as powerful tools for disseminating information about the brand and the implementation of the company's strategy. In addition, the utilization of social media can help in enhancing brand reputation. These platforms allow for interactive communication between customers and companies without any time or place restrictions.

With the growing era of digitalization, companies can now easily reach the global market through online platforms. This creates competition not only at the local level but also at the international level. The number of competitors in this digitalization era makes business people carry out their marketing strategies through social media. They compete through social media and compete with each other to create interesting content to attract consumers.



Figure 1.9 the difference models between Ghaza Store and Zaafer Indonesia

Source: Instagram

Based on that picture, it shows the differences models between Ghaza Store and Zaafer Indonesia as the competitor. Zaafer Indonesia used models from the influencer, because Influencers are able to reach a more specific and segmented audience, thus facilitating more relevant marketing messages that can increase sales and retain customers. Therefore, Ghaza Store not used influencer for their models so there's gap between Ghaza Store and their competitor.

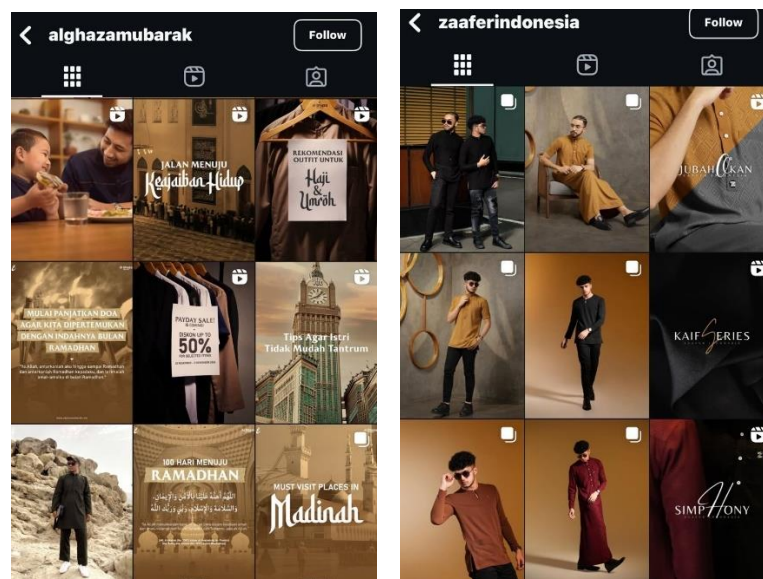


Figure 1.10 the differences display between Ghaza Store and Zaafer Indonesia

Source: Instagram

Can be seen from the appearance of the feed between Ghaza Store and Zaafer Indonesia, showing the difference in which Zaafer Indonesia displays structured feeds where they post feeds based on their products while Ghaza Store displays more posts outside the product. Because the number of marketing strategies on social media makes business people have to continue to innovate to increase sales of their products. This is a challenge that is quite difficult for some business people.

Therefore, based on the background of the problems that have been described, the authors are interested in conducting research on social media management carried out by the internal Ghaza Store and presenting in a scientific work in the form of a thesis entitled "**ANALYSIS OF SOCIAL MEDIA MANAGEMENT INSTAGRAM AT GHAZA STORE**".

1.3 Problem Statement

With the high internet penetration in Indonesia and the wide spread of social media in various walks of life, effective social media management can open up new opportunities for MSMEs to reach a larger market, market their products or services, and interact directly with customers or potential customers. The use of social media can also help MSMEs in promoting their products.

Instagram, as highly popular social media platforms, have great potential as marketing tools for MSMEs. That platforms provide MSMEs with the opportunity to reach a wider audience and promote their products or services. In a business context, Instagram has proven to be an effective marketing tool, especially for MSMEs. Through Instagram, MSMEs can interact directly with customers or potential customers, expand their reach, and increase brand awareness and engagement. Direct interaction between brands and consumers also allows social media to provide real-time feedback, promote new products, and build stronger relationships with customers. Overall, the role of social media has become crucial in changing the way industries communicate with their customers.

Only 46,15% of 65 Million MSMEs have digitized, one of those that has digitized is Ghaza Store. Therefore, this research needs to be conducted to identify and analyze how Ghaza Store manages social media Instagram in their business, as

well as to provide recommendations and strategies for more effective social media management for the development of MSMEs in the future. From an academic perspective, this research will provide deep insight and understanding of how MSMEs in Indonesia can utilize social media as an effective marketing tool.

Based on these issues, the following research questions were formulated:

1. How is implementation of digitalization through social media at Ghaza Store?
2. What is the marketing strategy through social media Instagram implemented by Ghaza Store effective in Financial Growth and Non-Financial Growth?
3. What is the recommendation social media development programs for Ghaza Store?
4. How is the Financial and Non-Financial performance of Ghaza Store?

1.4 Research Objective

Based on the background and problem formulation described above, it can be concluded that the objectives of this study are as follows:

1. To analyze and understand the extent to which Ghaza Store has implemented digitalization through social media Instagram.
2. To assess the extent to which the Instagram marketing strategy implemented by Ghaza Store contributes to Financial Growth and Non-Financial Growth.
3. To provide recommendations on development programs or strategies that Ghaza Store should adopt to increase Financial Growth and Non-Financial Growth.
4. To measure the performance of Financial and Non-Financial at Ghaza Store.

1.5 Research Benefits

Theoretical Benefits

This research is expected to contribute to the development of literature and theories about digital marketing, especially marketing strategies through Instagram at Ghaza Store. The results of this study can be a reference and material for further study on how Ghaza Store can utilize social media as an effective

marketing tool. In addition, this research can also provide new insights into the influence of digital marketing on consumer behavior and purchasing decisions.

Practical Benefits

With the results of this study, the authors hope to provide various benefits to various parties, including Ghaza Store. It is hoped that this research can provide information and input for evaluation materials and contributions in managing social media, especially Instagram so that it makes it easier for Ghaza Store to determine the right social media management, which has an impact on increasing business efforts and competitiveness. For the author himself, the results of this study can provide a new surge, a work that will never be replaced that contributes knowledge and knowledge.

1.6 Systematization of Final Project Writing

The systematics of writing this final project aims to provide an overview of the writing of the final project. the following is the systematics of writing the final project.

CHAPTER 1 INTRODUCTION

In this chapter the author describes the general description of the object of research, research background, problem formulation, objectives and benefits of research, and systematics of writing the final project.

CHAPTER II LITERATURE OVERVIEW

In this chapter the author describes the theories that underlie the research to a specific theory, accompanied by previous research, followed by a research framework and ended with a hypothesis.

CHAPTER III METHODOLOGY RESEARCH

This chapter will emphasize the approaches, methods, and techniques used to collect and analyze findings that can answer research problems. operationalization of population and sample variables, data collection, reliability test, validity test and data analysis techniques.

CHAPTER IV RESEARCH RESULTS AND DISCUSSION

The results of the research and discussion are described systematically in accordance with the formulation of the problem and research objectives and are presented in separate subtitles. this chapter contains two parts, the first presents the results of the research and the second presents a discussion or analysis of the research results.

CHAPTER V CONCLUSIONS AND SUGGESTIONS

This chapter is the answer to the research question, then becomes a suggestion related to the benefits of research.