



The Influence of Social Media and Product Innovation on Increasing the Income of Culinary MSMEs

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Abstract . MSMEs are micro, small and medium business units owned by individuals with simple assets and technology. MSMEs are the largest sector that provides benefits to Indonesia. MSMEs have improved the Indonesian economy by acting as one of the absorbers of labor, contributing to exports and trade. This study aims to measure the impact of the use of social media, product innovation on increasing the income of Seblak MSMEs in Bojonegoro Regency. Data collection uses a quantitative approach. Sampling uses the Simple random sampling technique. Data collection in this study used questionnaires distributed to seblak MSME actors in Bojonegoro Regency. The results of the study showed that social media did not affect the increase in income of Seblak MSMEs in Bojonegoro Regency. Product innovation has an effect on increasing the income of Seblak MSMEs in Bojonegoro Regency.

Keywords : Social Media, Product Innovation, Improvement Income.

1. INTRODUCTION

MSMEs are micro, small and medium business units owned by individuals with simple assets and technology. MSMEs are the largest sector that provides benefits to Indonesia. MSMEs have improved the Indonesian economy by acting as one of the absorbers of labor, contributing to exports and trade (Putri, 2022). Micro, Small and Medium Enterprises (MSMEs) have a strategic role in Indonesia's economic development. Based on data from the Ministry of Cooperatives and SMEs (2022), MSMEs contribute more than 60% to the national Gross Domestic Product (GDP) and provide jobs for more than 90% of the workforce in Indonesia. Although MSMEs play an important role, many business actors still face challenges in developing their businesses, especially in increasing income amidst increasingly fierce competition. In Bojonegoro Regency, MSMEs with typical foods such as seblak are one of the most promising sectors. Seblak, a food made from wet crackers cooked with various spices, has its own appeal for local and out-of-town consumers. However, MSMEs often face challenges such as low product innovation, limited promotion, and minimal use of digital marketing technology (Safii et al., (2024); Safii & Anom, (2021)). Not only social media as digital marketing but now there are many online stores or e-commerce that are often accessed by the Indonesian people (Anom &

Safii, 2022). Even distance is not an obstacle in making transactions to buy and sell a product, of course the presence of digital marketing has a very good impact on MSMEs in Indonesia, especially in the culinary field.

Social media here is a channel or means for social interaction carried out online via the internet network (Mustapa, et al, 2022). MSMEs need to improve their marketing capabilities in order to be able to compete with other MSMEs by improving their digital marketing or social media marketing capabilities (Widia, 2021). Ririn Noviyanti's research (2023) also states that there is a significant influence between social media-based digital marketing on increasing MSME income. Social media allows business actors to display attractive photos or videos, offer special promos, and interact directly with consumers. Social media has proven to be an effective tool in expanding market reach. With a digital marketing approach, MSMEs can increase brand awareness, motivate purchasing desires, and encourage consumer purchasing actions.

In addition, product innovation, such as creating new flavor variants or more attractive packaging, is a key factor in maintaining customer loyalty and attracting new markets. According to the theory of "creative destruction" by Joseph Schumpeter, innovation not only improves old ways of working but also creates significant changes to drive economic growth. Product innovation is an important key in increasing the competitiveness of MSMEs. A form of making new products in a company in its efforts to produce good performance and provide competitive advantages among competitors in the market is called product innovation. Increased business performance can be obtained from high innovation, both from process innovation and product innovation, which enables the company to attract more consumers (Taufiq, Prihatni, & Gurendrawati, 2020) . In the context of MSME seblak, product innovation can include variations in flavors, modern presentation, use of healthier ingredients, and attractive packaging. In a study by Heri Satrianto (2021), product innovation has a positive influence on increasing the community's economy. However, most MSME seblak actors in Bojonegoro still experience limitations in terms of creativity and innovation in diversifying products.

This study aims to analyze the influence of social media and innovation. Product T
owards Increasing Seblak MSME Income in Bojonegoro Regency. This study will provide knowledge to what extent social media and product innovation contribute to increasing Seblak MSME income in Bojonegoro Regency. And provide recommendations for optimal strategies for Seblak MSME actors in utilizing social media and product innovation to increase income.

2. LITERATURE REVIEW

Social media has become an essential marketing tool for MSMEs, especially in the culinary sector. Social media such as Instagram, Facebook, and TikTok allow MSMEs to reach a wider market without requiring large costs. Attractive product visualization increases consumer appeal. Research by Rahmawati (2020) shows that 75% of culinary MSMEs experienced an increase in sales after using Instagram as a promotional medium. Social media allows two-way interaction with consumers, such as product feedback and direct reviews, which helps improve brand reputation. Features such as paid advertising and collaboration with influencers help MSMEs reach specific target markets with greater efficiency.

Product innovation is creating new products that can meet consumer needs and desires so that there is an interest in buying the product, which is expected to be realized through purchasing decisions. Research by Setiawan (2021) found that product innovation based on healthy food trends increased MSME revenue by 40% in 6 months. Innovation product can offer experience unique, like a new taste or draft presentation innovative, can interesting attention more lots consumers. MSMEs that continue innovate own opportunity more big For interesting consumer new and maintain loyalty old customer.

The combination of using social media as a promotional platform and implementing product innovation creates significant synergy in increasing the income of MSMEs. Innovative products that are promoted creatively through social media tend to go viral and attract more consumers. Product innovations that are consistently published through social media build a strong brand image and social media allows promotion innovation product without cost tall compared to advertisement conventional.

3. METHODS

Types of research used in this study This is study quantitative. Quantitative is a scientific research method that answers questions with statistical data or numbers, aiming to obtain information that can be measured objectively and allows for more specific conclusions and generalizations to be obtained for a larger population (Anam, 2023). This study focuses on Seblak MSMEs in Bojonegoro Regency. The population in this study consisted of Seblak MSMEs in Bojonegoro Regency. Sampling used a simple random sampling technique with a sample size of 30 respondents. Bidasari and Maryati (2020) correlational research must use a minimum sample of 30 subjects.

Data collection in this study used a questionnaire distributed to Seblak MSME actors in Bojonegoro district. The questionnaire was prepared in writing covering relevant questions about use of social media and product innovation that affect MSME income. This research questionnaire uses a 5-point Likert scale, with answer choices of 1 to 5: 1 for Strongly Disagree, 2 for Disagree, 3 for Neutral, 4 for Agree, and 5 for Strongly Agree.

4. RESULTS

The results of the analysis test using the SPSS computerized program version 29.0.2.0 were carried out on 30 respondents who were owners of Seblak MSMEs in Bojonegoro Regency with 8 statements for the Social Media variable (X1), 6 statements for the Product Innovation variable (X2), and 4 statements for the Income Increase variable (Y).

Validity Test

Table 1. Validity Test Results

Variables	Indicator	Significant Value	R count	R table	Information
Social media	X ₁ 1	0.05	0.545	0.361	Valid
	X ₁ 2	0.05	0.692	0.361	Valid
	X ₁ 3	0.05	0.857	0.361	Valid
	X ₁ 4	0.05	0.787	0.361	Valid
	X ₁ 5	0.05	0.806	0.361	Valid
	X ₁ 6	0.05	0.695	0.361	Valid
	X ₁ 7	0.05	0.564	0.361	Valid
	X ₁ 8	0.05	0.725	0.361	Valid
Product Innovation	X ₂ 1	0.05	0.764	0.361	Valid
	X ₂ 2	0.05	0.853	0.361	Valid
	X ₂ 3	0.05	0.656	0.361	Valid
	X ₂ 4	0.05	0.835	0.361	Valid
	X ₂ 5	0.05	0.863	0.361	Valid
	X ₂ 6	0.05	0.886	0.361	Valid
Improvement Income	Y1	0.05	0.692	0.361	Valid
	Y2	0.05	0.813	0.361	Valid
	Y3	0.05	0.917	0.361	Valid
	Y4	0.05	0.825	0.361	Valid

Based on the results of the validity test on the three variables, it was declared valid because the results of the validity test on the statement items as a whole were $r \text{ count} > r \text{ table}$ (0.361).

Reliability Test

Table 2. Reliability Test Results

Variables	Cronbach Alpha	Information
Social media (X_1)	0.854	Reliable
Product Innovation (X_2)	0.894	Reliable
Increase in Revenue (Y)	0.830	Reliable

Reliability measures the extent to which a research instrument is reliable and provides consistent results, and describes the phenomenon being studied. In some respects, reliability is similar to validity, especially in the relationship between the two techniques for testing the validity of data. Both techniques play an important role in improving the quality of research instruments and results. The level of reliability of an instrument can be measured using the reliability coefficient, which has a value between 0 and 1 (Hair et al., 2010). Based on testing using SPSS software version 29.0.2.0, the reliability test on the Social Media, Product Innovation, and Income variables is declared reliable where the Alpha value is > 0.50 .

T-test

Table 3. Hypotheses Testing Result

Variables	Coefficient	P-Value
Social media (X_1)	0,130	0,105
Product Innovation (X_2)	0,481	0,000

Based on the results in table 3, the results of the t-test can be concluded that the significant value of 0.105 is more than 0.05, which means that H_0 is accepted and H_1 is rejected, which means that variable social media does not have a significant effect on MSMEs increased income. The significant value of 0.000 is less than 0.05, which means that H_0 is rejected and H_1 is accepted, which means that product innovation has a significant effect MSMEs increased income.

5. DISCUSSION

This study focuses on the analysis of factors that influence the increase in income of Seblak MSMEs in Bojonegoro Regency, with an emphasis on social media and product innovation. The results of the analysis show that social media has a significant value of 0.105, which is greater than 0.05, which means that the social media variable does not have a significant effect on the income of Seblak MSMEs in Bojonegoro Regency. In line with research (Desiana et al., 2024) which states that social media does not have a significant effect on MSME income. This shows that although many MSMEs use social media as a tool to promote their products, this does not directly affect the increase in income. This phenomenon can be caused by the lack of optimal use of social media by MSME actors. Therefore, although social media has great potential, its influence on increasing income can be indirect or even ignored if not managed properly.

Furthermore, the results of the analysis show that the product innovation variable has a significant value of 0.000 which is much smaller than 0.05, which means that the product innovation variable has a partial significant effect on increasing the income of Seblak MSMEs in Bojonegoro Regency, this is in line with research (Heri Satrianto et al., 2021) which states that product innovation partially has a significant effect on MSME income. This finding strengthens the argument that product innovation has a direct impact on increasing the income obtained by MSMEs. The existence of product innovation makes products more attractive to consumers and increases competitiveness in an increasingly competitive market.

6. RESEARCH IMPLICATIONS

Based on the research that has been conducted, although the results of the study show that social media does not have a significant direct influence on increasing revenue, MSMEs can still utilize social media to increase brand visibility and communication with customers. By utilizing social media effectively, MSMEs can reach wider customers, introduce their products and create more personal interactions with customers. However, to optimize the use of social media, MSMEs need special training. This training can cover various aspects, such as how to create creative content that attracts attention, the use of analytical tools to understand audience behavior and strategies for utilizing social media features. In addition, MSMEs also need to be trained to understand the importance of consistency in posting content and choosing a platform that suits their target market.

Product innovation that has been proven to have a significant impact on increasing income, MSMEs are advised to continue to develop products in terms of taste quality, introduction of new variants and product uniqueness. By continuing to innovate, MSMEs can create added value that differentiates their products from competitors, making them more attractive and relevant in the market (Safii & Rahayu, 2021). This can not only increase sales but also strengthen brand image and customer loyalty (Murtini et al., 2024)

7. CONCLUSION

The results of the test in this study concluded that social media did not have a significant partial effect on increasing the income of Seblak MSMEs in Bojonegoro Regency. Although social media is often considered an effective tool for expanding market reach and increasing brand awareness, these results indicate that its use has not been able to directly drive increased income for MSME actors in the region. On the other hand, the results of the study showed that product innovation had a significant partial effect on increasing the income of Seblak MSMEs in Bojonegoro Regency. This finding confirms that product innovation is a key factor in attracting consumer interest and increasing competitiveness in the market. By creating added value that differentiates their products from competitors, MSME actors can expand market share, increase customer loyalty, and ultimately earn higher income.

Based on the research results, it is recommended that Seblak MSME actors in Bojonegoro Regency improve their digital skills through relevant training, so that they can make maximum use of social media. Further research is recommended to cover more variables that affect income, such as service quality, customer relationships, and market trends, and be conducted with a wider geographical coverage so that the findings are more general. A combination of quantitative and qualitative approaches can also be applied to gain deeper insights.

LIMITATION

This study has several limitations that need to be considered. First, the study was limited to Seblak MSMEs in Bojonegoro Regency, so the results may not reflect the conditions of MSMEs in other regions or sectors. Second, data collection was carried out through a questionnaire with a quantitative approach, which may not fully describe the complexity of the relationship between social media, product innovation, and increasing MSME income. Third, the limited time and resources in data collection did not allow observation of the long-term

impact of social media and product innovation on MSME income . Finally, this study only focused on two variables, namely social media and product innovation, so other factors that might influence increasing MSME income were not discussed in depth. Therefore, the results of this study need to be understood within the scope of these limitations and can be a basis for further research to explore various other factors that influence increasing MSME income.

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