ABSTRACT

With social media, micro, small and medium enterprises (MSMEs) can disseminate information at a relatively low cost. The ability to share, communicate and access information can affect business performance, but currently there is little research on the use of social media on business performance, especially MSMEs. This study aims to present a quantitative test to further study the effect of using social media on the performance of MSMEs in West Java. This study uses the TOE framework that combines elements of technology, organization and environment that affect MSMEs in the use of social media. This research conducted on 300 respondents who are MSME business actors in West Java. Questionnaires distributed to obtain data from respondents, then the data obtained will be processed, analyzed using SPSS software with the path analysis method. The use of social media affects the performance of MSMEs. From this study, it was found that the technological aspect has a significant influence on the use of social media, as well as organizational and environmental aspects which also have a significant influence on the use of social media. The use of social media has a positive impact on company performance. These findings will serve as a guide for managers and decision makers in the MSME sector in following studies of the latest social media trends, and provide benefits for them to be widely known.

Keywords— social media, business performance, small and medium enterprises (MSMEs), technology adoption