

## **Utilization Of Social Media And Business Innovation In Strategy Management: Using A Qualitative Method Approach**

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INDEXING	ABSTRACT
<b>Keywords:</b> Keyword 1 : <i>Social Media</i> Keyword 2 : <i>Business Innovation</i> Keyword 3 : <i>Strategy</i> Keyword 4 : <i>Management</i> Keyword 5 : <i>Qualitative</i>	This research aims to gain a deeper understanding of the use of social media and business innovation in company growth strategies. Researchers applied qualitative research methodology, using semi-structured interview techniques to examine follow-up questions that could answer the study's objectives. Interviews were conducted with a number of MSMEs in Thailand, who served as the research subjects, totaling 20 respondents. The research results indicate that social media usage can help build better consumer-customer relationships, leading to increased loyalty. Effective business innovation can also create a favorable impression and provide significant information and recommendations to influence purchase decisions. Businesses that effectively utilize social media will have stronger connections compared to those that do not engage with corporate social media platforms.

### **Article History**

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## **INTRODUCTION**

Social media has become a part of every individual's life in society in the era of technological development. This change in dynamics also has a significant impact on the development of emerging companies. Social media has also been used by companies to help with various marketing activities (Jussila et al., 2008). Marketing activities are widely used in involving customers in the product or service production process. (Pascucci et al., 2018). The continuing development of social media has changed the way businesses view things, which are closely related to customers in designing a business strategy (Kaushiket al., 2018).

The existence of social media is now an important key in creating ease and effectiveness in communicating directly or indirectly with customers. Increasing customer involvement in terms of effective communication through social media will be useful for forming the company's reputation in the minds of consumers indirectly (Chirumallaet al., 2018). Not only that, social media also has a good impact on companies being able to utilize and monitor every competitor's activity and developing industry trends. The existence of this supervision will help the company to remain competitive in marketing activities (Ram, J & Liu, 2018). Overall, the growth of social media has opened new doors in interacting with customers, marketing products, and maintaining relevance in an ever-evolving business environment. Social media and innovation strategies are very closely related (Naeem, 2020). Business companies have long stated that companies need to utilize social media as a means for consumers to interact directly, participate in company activities, and obtain accurate information and entertainment (Obermayer et al., 2022)

According to the fourth wave of global annual surveys conducted by McKinsey, it was explained that after the global financial crisis, 65% of businesses integrated Web 2.0 technology into their business activities (Hardik Bhimaniet al., 2018) and businesses that do so experience huge increases in market share and profit margins (Scuottoet al., 2010). Meanwhile, 79% of companies that are highly innovative really integrate digital innovation processes by using social media as a new idea, and can encourage the consumer environment to be more open and collaborative. The survey is also supported by the latest BCG Global Innovation Survey in 2018, the survey explains that social media can also be optimized by public sector organizations to increase innovation initiatives (Dwivedi et al., 2018) Apart from that, social media is also used to encourage social innovation by involving the public to be more active in exploring company information which can benefit consumers and also the company itself.

This research aims to find out more about how social media is used in company growth strategies and business innovation in the era of digital development. Several previous studies have discussed these elements (Dwivedi et al., 2018). However, not many have delved into why these elements can be used as additional strategies for companies to increase profits or improve performance. This creates an opportunity for researchers to review the importance of these elements for companies.

The development of the digital era continues to grow. Understanding digital technology is not only a strategic idea, but it must be a necessity for companies to be able to utilize this media to support every business activity for the company (Brink, 2018). The ability to use and understand digital technology allows companies to identify new opportunities and can be an added value for companies to attract customers. Having a good management strategy with social media will be able to optimize the company's operational efficiency, improve the customer experience in purchasing a product or service, and create products or services that are relevant to current market demands.

## **LITERATURE REVIEW**

### **Social Media**

Social media has various features that can be integrated with various aspects of business operations. In business development strategies, social media can support several flexible activities that are able to create interactive customer networks that exceed the value created by the organization (Schrader, 2014). Another way to develop social media in a business context is to make social media the spearhead of a change-based framework into dynamic content (Kaplan, AM, & Haenlein, 2010). Several studies have been carried out by Nazanin Tourani (2022) that show that half of social media users, such as Facebook and Twitter, have made a purchase after connecting with an organization through social media (Wono et al., 2023). So, in this case, it can be said that social media, in business activities, is able to adopt strategies that can combine customers with companies to carry out buying and selling activities for their products and services (Nazanin Tourani, 2022).

### **Business Innovation**

The goal of business innovation is to increase profits and expand customer reach. According to Wono et al. (2023), business innovation refers to the development of new products and innovative business processes and models. Business processes can generate new value for a company by implementing ideas to modify goods, services, procedures, or business models. According to several experts, business innovation also provides a

sustainable competitive advantage for organizations by helping with the analysis and planning of transformation from one business model to another (Schallmo, 2013; Kaplan, AM, & Haenlein, 2010). Innovation in business models involves identifying a group of elements in a business model based on the combination of the business model designer.

### **Strategy Management**

Strategic Management is a process of comprehensively collecting decision-making actions from an organization's activities. According to Spieth & Matzler, K. (2016), effective strategic management encourages an ideal relationship between the organization and its environment to take advantage of business opportunities and challenges and achieve strategic goals (Wono et al., 2023). The components of the strategic management process consist of strategy formulation, strategy implementation, and strategy evaluation. In the strategy formulation stage, preparation involves analyzing the company's internal and external environment. In the strategy implementation stage, the organization implements strategies formulated from the development of tactical programs. Strategy evaluation involves assessing the company's performance in terms of the strategies that can be used to achieve these goals (Wono et al., 2023).

### **RESEARCH METHOD**

This research uses descriptive methods with a qualitative approach. The data collection process was conducted through interviews and the collection of data from various reference sources, including books, articles, documents, and other materials related to management strategy. The data was collected with the random sampling. The subject of this research is the MSME sector in Thailand, which contributes a large percentage to the country's GDP compared to other business categories. This was proven in a survey conducted by Statista (2022), which found that in the second quarter of 2023, the Thai MSME sector was able to contribute significantly to the country's economy, particularly in terms of employment and foreign income. For data collection techniques, researchers utilized semi-structured interviews, including follow-up questions, to address the research objectives (MELiani et al., 2022). Interviews were conducted with a total of 20 respondents who were MSME owners in Thailand.

### **RESULTS AND DISCUSSION**

The findings of this research also show that businesses that use social media well to interact with consumers will have stronger ties compared to those that have no connection to corporate social media. The ever-increasing technological developments make social media the company's main means of building a more intense emotional bond between the company and consumers. Apart from that, social media also has a mutually influential effect on the company's strategy in terms of market targeting and product development. The results of this research explain that the decision making made by consumers when purchasing goods or services will significantly influence the company's strategy, which is driven by business innovation.

Businesses that effectively implement innovations that are different from their competitors will have a stronger competitive advantage and be able to attract higher consumer purchasing power. Business innovation is very important in creating consumer needs in a marketing world that changes rapidly over time. Research findings also support

the importance of social media in its application for companies. Social media has developed into an important channel for businesses to receive positive feedback from consumers. According to previous research conducted by (Wong et al., 2023; Nazanin Tourani, 2022; and Schrader, 2014), a business will be successful if the company can use social media as an innovation in interacting with its consumers.

These findings also highlight how important it is for business innovation to be applied to business activities that have a high level of competition and are constantly changing. The capacity of an organization to produce and implement innovative concepts that are different from competitors will increase the company's added value in terms of business innovation. The findings of this research are also in line with research conducted by (Obermayer et al., 2022; Ram, J & Liu, 2018) that businesses with the ability to innovate more competitively will enable innovation to adapt to changes in consumer demand and market shifts, so that businesses will be better able to handle obstacles and take advantage of opportunities in a dynamic business environment.

## CONCLUSION

The importance of social media and business innovation in the context of corporate strategic management is widely demonstrated by this research. The use of social media can build better consumer-customer relationships and increase loyalty as the end result. Apart from that, the existence of business innovations that are different from competitors will provide an attractive impression that can give significant information and recommendations to consumers to determine their choices when they want to make a purchase. The limitation of this research is that there were only a few respondents in collecting the data. For further research, the results of this research are expected to provide a good contribution as material for further research regarding the use of social media in more optimal management strategies, increasing a strong culture of innovation, which is an important component of company strategic management in this digital era. This component can ultimately be the main determinant of a company's success in facing ever-changing business dynamics.

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