

The Role of Social Media in Increasing the Growth and Competitiveness of Startups

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Abstract

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Social media has become one of the main pillars in the digital transformation of the entrepreneurial sector, especially in encouraging the growth and competitiveness of startups. This study aims to analyze the strategic role of social media in the development of start-ups in Indonesia by using a literature review approach on 12 scientific articles. The results of the study show that social media contributes significantly to increasing business growth through expanding market access, strengthening brand identity, and direct interaction with customers. In addition, social media plays an important role in creating competitive differentiation through creative content and data-driven marketing strategies. However, the effectiveness of social media is greatly influenced by the digital capacity of business actors, including digital literacy, analytical skills, and consistency in platform management. This research confirms that social media is not just a promotional tool, but an integral part of a sustainable digital business growth strategy. Collaborative support between the government, the private sector, and academia is needed to strengthen the optimal use of social media by startups in Indonesia.

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1. Introduction

The development of information and communication technology has had a significant impact on the business world, including in the startup landscape. In the midst of the accelerating flow of digitalization, social media has emerged as one of the transformational forces that influence the way businesses build brands, reach consumers, and develop markets. Social media is no longer just a space for sharing personal content, but has evolved into a strategic tool for agile and adaptive business growth. For startups that generally have limited capital, network, and human resources, social media provides wider and more efficient market access opportunities than conventional approaches. Startups are often faced with major challenges such as fierce market competition, limited promotions, and low consumer reach. In this context, social media acts as a bridge that allows them to interact directly and in real-time with potential consumers without requiring large investments.

Platforms such as Instagram, Facebook, TikTok, LinkedIn, and WhatsApp Business provide a wide interaction space and support the massive dissemination of information. In fact, not a few startups grow and develop entirely through social media channels without a physical presence in the traditional market. This phenomenon shows that social media has democratized market access and business communication. Several studies show a positive correlation between the intensity of social media use and the growth of startups. For example, a study by Vernia (2017) states that social media has a direct influence on customer growth and market penetration.

In the study, startups that actively use social media have the potential to increase revenue up to 30% higher than those that do not use it. Another study by Rafiana et al. (2021) found that the use of social media in Jambi food MSMEs contributes significantly to increasing turnover and the number of customers. This confirms that social media has the power to accelerate business growth, especially in the early phases of market formation and product introduction. Furthermore, social media also plays an important role in increasing the competitiveness of startups. In an era where consumers have many choices, a brand's ability to appear attractive, different, and relevant is the key to success. Social media allows brand differentiation through visual content strategies, storytelling, and collaboration with influencers.

Trulline (2021) emphasizes that social media allows small businesses to compete on an equal footing with large companies through smart and creative marketing strategies. With engaging content, a good customer experience, and an authentic brand narrative, startups can build strong consumer loyalty even with limited resources. However, the effectiveness of social media in the context of startups is not automatic. It requires an in-depth understanding of digital strategy, consistency in content production, and the ability to read trend dynamics and platform algorithms. In this case, digital literacy is the determinant of success.

Many startups fail to maximize the potential of social media because they do not have a planned digital marketing strategy. Another challenge that also emerges is the lack of training and access to modern social media management tools. On the other hand, social media also serves as a channel for innovation and co-creation, where consumers are not only the object of marketing but also partners in product

development. Through active interactions, polls, and comments, customers provide high-value feedback for the process of adapting products to the market. Lutfiani et al. (2020) highlight how startups are able to improve the quality and relevance of their products thanks to real-time feedback from digital audiences.

Seeing the central role of social media, it is important to conduct an in-depth study of how social media contributes to the growth and competitiveness of startups, especially in Indonesia. This article is compiled based on a literature review of various scientific studies published between last five years, with the aim of presenting conceptual mapping, empirical findings, and strategic insights on the use of social media in the context of startups. With this approach, it is hoped that this study can make a theoretical and practical contribution for business actors, academics, and policy makers in building an inclusive and sustainable digital entrepreneurship ecosystem.

2. Literature Review

2.1. Social Media as a Startup Business Growth Tool

Social media has become the main tool for the growth of startups in the digital era. As a communication channel, social media allows startups to reach a wide audience quickly and cost-effectively. Platforms such as Instagram, Facebook, and TikTok have become effective vehicles to introduce products, interact with customers, and build brand image from the early stages of business. Dahlan, Munir, and Salam (2020) emphasized that social media is able to reduce barriers to market entry, especially for micro businesses with limited capital. Research by Vernia (2017)

highlights that the use of social media in online marketing encourages the growth of MSMEs in Indonesia, especially when combined with training and mentoring. In another study, Rafiana et al. (2021) revealed that Jambi's typical food businesses that are active on social media have experienced a significant increase in turnover of up to 25%. This shows that digital presence is directly correlated with business growth quantitatively.

Not only that, but growth also occurred qualitatively through the expansion of geographic reach and customer engagement. Lutfiani et al. (2020) added that social media allows for a co-creation process, where customers take part in product development through digital interaction. This model reinforces the emotional closeness between the brand and the consumer. In crisis conditions such as the COVID-19 pandemic, social media is the main channel for maintaining business operations. Susanto et al. (2021) noted that many student startups rely on social media to continue selling products and reaching consumers during social restrictions. Thus, social media is not only an accelerator of growth, but also the foundation of the sustainability of startups.

2.2. Social Media and the Competitiveness of Startups

Increasing competitiveness is an important element in the sustainability of startups in the competitive digital era. Social media plays a central role in shaping differentiation and competitive advantage, both from the marketing aspect and brand perception. Trulline (2021) shows that businesses that have a consistent visual identity on social media are able to create a professional and credible image, which is an important differentiator in the midst of a flood of digital information. One of

the main strengths of social media is the flexibility in managing brand storytelling. Through creative content, business actors can convey unique values and build emotional relationships with customers. Lizardo and Furinto (2020) explain that modern competitiveness depends more on customer experience than just product features. Therefore, social media is an ideal platform to present these experiences in an interactive and narrative way.

Startups that analyze social media insights such as audience demographics, interaction time, and content preferences are able to tailor messages and publication times more precisely, resulting in higher engagement. The use of this analytics feature makes social media not just a promotional channel, but a strategic tool in decision-making. Collaboration with influencers, participation in digital trends, and adaptability to the platform's algorithms also strengthen competitive advantage. Dahlan et al. (2020) underline that the younger generation is more responsive to content trends, making them the main actors in building the competitiveness of digital-based startups. So, social media is a competition arena as well as a means to stand out strategically.

2.3. Challenges and Factors Supporting the Effectiveness of Social Media for Startups

Although the potential of social media is huge, not all startups are able to make optimal use of it. One of the main obstacles is the low digital literacy among business actors. Setiawati (2020) shows that many MSME actors still consider social media to be limited to photo uploads, not as a strategic channel for marketing, market research, or customer service. This lack of understanding makes their digital

activities unstructured and lacking results. Another challenge is the lack of consistency in content production. In a dynamic digital ecosystem, social media algorithms rely heavily on interaction and upload frequency. Passive or irrelevant accounts will lose visibility, as well as the opportunity to reach potential customers. Therefore, consistency in content management is a prerequisite for the effectiveness of digital communication.

However, a number of supporting factors can overcome these obstacles. Digital marketing training and entrepreneurship incubation are proven to be effective approaches. Business actors who participated in digital training showed a significant increase in understanding content strategies and the use of social media features. The use of tools like Canva, Hootsuite, and Meta Business Suite also makes it easier to manage content professionally even with a small team. Another factor that supports the effectiveness of social media is collaboration with creative communities and digital mentors. This support not only adds to the network, but also accelerates the process of adapting to digital trends. Overall, the success of social media use does not depend only on technology, but on the readiness of human resources and a planned strategy.

3. Methods

This study uses the literature review method as the main approach to analyze the role of social media in increasing the growth and competitiveness of startups. Literature study is a systematic method of collecting, evaluating, and interpreting scientific works relevant to a particular topic (Snyder, 2019). In the context of this

study, this approach was used to develop a conceptual framework and find patterns and trends in the use of social media by startups in Indonesia in the last five years. The first step in implementing this method is to identify and select literature sources through searching trusted academic databases, especially Google Scholar, using keywords: “social media,” “startups,” “digital business growth,” “MSME competitiveness,” and “digital marketing startups.” The inclusion criteria include articles written in Indonesian or English, published between last five years, and directly addressing the relevance of social media use in the context of start-up businesses or MSMEs.

From this process, 12 academic articles that meet the criteria were obtained, consisting of scientific journals, academic books, proceedings, and research reports from higher education institutions. After the selection stage, a content analysis process is carried out to identify recurring main themes, such as digital marketing strategies, visual branding, the use of social media analytics, the impact of the pandemic on digitalization, and the relationship between business growth and the intensity of social media use. The articles were analyzed with a descriptive-qualitative approach to describe the main findings and their relationship with the problems raised.

In the analysis process, special attention is paid to the integration between digital entrepreneurship theory and actual practices carried out by start-ups. For example, how digital literacy mediates the effectiveness of social media use, or the extent to which social media affects the innovation and value creation process in startups. The conceptual triangulation technique is used to ensure the reliability of

the findings, namely by comparing results from various different sources to form more valid and comprehensive conclusions. The advantage of this method lies in its ability to summarize various academic viewpoints comprehensively and in depth. However, the limitations of the literature study are also recognized, especially in the limitations of generalization of results because they are not supported by primary empirical data. Therefore, the findings are interpreted contextually to remain relevant in the dynamics of digital startups in Indonesia.

4. Results

4.1. Growth of Startups through Social Media

Social media has been a major catalyst in driving startup growth, especially in the early phases of business development. Platforms like Instagram, Facebook, and TikTok allow startups to publish their products and services widely without having to rely on expensive conventional media. One of the main advantages of social media is its cost efficiency in terms of promotion and marketing, which is especially important for startups that generally have limited capital and resources. Dahlan, Munir, and Salam (2020) noted that more than 70% of startups active on social media experienced an increase in the number of customers in the first six months of their digital activities.

A study by Rafiana (2021) shows that the use of social media is able to drive a significant increase in turnover. In the study, 82% of typical food MSMEs in Jambi that use social media consistently recorded revenue growth of up to 25%. These findings confirm that digital presence not only increases business visibility, but also

expands conversion opportunities from visitors to active customers. In addition, business growth is also greatly influenced by the intensity and quality of interactions built through social media. Lutfiani et al. (2020) found that two-way interactions, such as quick responses to comments, the use of poll features, and product live-streaming, were able to increase customer engagement, which in the long run strengthened consumer loyalty. Consumers feel more valued and emotionally connected, so the likelihood of repurchase increases.

In the context of the COVID-19 pandemic, social media has even become the only operational channel for some startups who are forced to close their physical stores. Susanto et al. (2021) highlighted the surge in the use of digital platforms by student startups during the pandemic as a form of adaptation to the crisis. This adaptation not only saves business continuity, but also creates a new digital-based business model that is more flexible. Social media also opens access to markets outside the region or even internationally through hashtag marketing techniques and collaborations with influencers. Startups can target consumers beyond their geographic reach quickly and in real-time. Thus, the growth of social media-based startups is no longer local, but has the potential for cross-regional expansion. These findings reinforce the argument that social media is not just a communication tool, but a growth infrastructure that can expand access, build customer relationships, and significantly accelerate the scale of startups.

4.2. Increasing Competitiveness through Social Media Strategy

Social media has changed the way startups build a competitive advantage in a competitive market. Competitiveness that used to be achieved with large capital can

now be formed through content strategies, brand strengthening, and mastery of customer data based on social media. In the digital environment, content-based marketing strategies are one of the main forms of differentiation that are able to highlight the uniqueness of startups and create emotional attachment with customers (Trulline, 2021). Consistent visual content, communication styles that align with brand values, and strong narratives have been proven to increase brand awareness. Lizardo and Furinto (2020) mentioned the concept of co-dignation, which is the integration of digital strategy and brand narrative in building long-term competitiveness. With this approach, companies not only sell products, but also offer value, experience, and emotion to customers.

On the other hand, social media provides direct access to customer behavior analytics, such as uptime, interests, age, and interaction patterns. Startups that use digital insights and metrics can quickly adjust their content strategy to make them more relevant. Startups that implemented data-driven content strategies experienced an increase in engagement of up to 35%, while strengthening their positioning in the midst of fierce digital competition. No less important is the ability to adapt to ever-changing digital trends. Dahlan et al. (2020) noted that the younger generation of start-ups showed excellence in adapting to communication styles and emerging social platforms, such as TikTok or Twitter. Their creativity is an important asset in shaping a competitive advantage, especially in the creative and lifestyle sectors.

Collaborative strategies through influencer marketing have also been proven to accelerate exposure and expand the market. Collaborations with micro influencers (followers <100K) are much more effective in building market trust compared to

big celebrities, because they are considered more authentic. This strategy not only increases awareness but also direct conversions to sales. However, a social media-based competitiveness strategy must still be complemented by consistency management and clarity of brand identity. Startups need to maintain continuity between digital messaging, customer experience, and product/service quality. With the right approach, social media not only increases its existence but also strengthens the position of startups in an increasingly complex competition arena.

4.3. Social Media Optimization: Case Studies and Practical Lessons

To understand the real application of the role of social media in increasing the competitiveness and growth of startups, a number of case studies show valuable learnings. One concrete example comes from digital marketing training conducted by Nurlaily, Asmoro, and Aini (2021), which focuses on product photo techniques using smartphones. This training not only improves the visual quality of the content, but also encourages participants' awareness of the importance of aesthetics and consistency in building a brand on social media. In the three months after the training, participants experienced a 40% increase in followers and a 25% increase in transactions. Another example is a local culinary startup in Bandung that adopted an Instagram Story Polling strategy to find out consumer taste preferences before producing new variants. This approach shows how social media can function as a fast, cheap, and effective market research tool. A study by Lutfiani et al. (2020) emphasizes the importance of digital interactivity as a form of co-creation that strengthens customer loyalty.

Meanwhile, the startup in Medan discussed by Rizki (2021) integrates WhatsApp Business and Facebook Page as a means of communication and transactions. The merger of the two allows consumers to place orders, complaints, and follow-ups directly, which has an impact on increasing customer retention by 18%. This suggests that social media, if optimized as a customer service system, can strengthen long-term relationships and reduce acquisition costs. Social media optimization is also greatly helped by the use of automation technologies such as Hootsuite, Buffer, and Canva. Startups that use these tools show time efficiency in content management and marketing calendar planning. In practice, this allows business actors to focus on strategic aspects such as product innovation and improving service quality. Learning from all these case studies, it is clear that the success of social media use does not only depend on a digital presence, but on the quality of strategies that involve content planning, data analysis, creativity, and customer experience. Startups that adopt a holistic approach to managing social media are proving to be more resilient in the face of crises and more competitive in the ever-changing digital business ecosystem.

5. Discussion

The results of this literature study show that social media has become one of the main drivers of growth and competitive advantage of startups in the digital era. This growth is not only in the form of increased sales, but also market expansion, increased customer interaction, and strengthening brand identity. In various studies analyzed, it appears that the success of social media use is highly dependent on

business actors' understanding of the characteristics of digital platforms, consumer behavior trends, and the importance of two-way engagement. The function of social media in a startup business is not just a promotional tool, but an interactive space that brings together producers and consumers directly. This can be seen from how startups use features such as polls, comments, live streaming, and hashtag challenges to involve customers in the product development process.

This concept of co-creation, as explained by Lutfiani et al. (2020), contributes to the creation of value that is more relevant to market needs. In this context, customers are no longer just targets, but also partners in innovation. The discussion also showed that the competitiveness of modern startups is increasingly determined by the quality of content strategies and the ability to read user behavior data. Data-driven strategies allow startups to design more personalized and targeted content, which has an impact on increasing consumer engagement and loyalty. In this case, social media is not only a communication tool, but also a market research tool and a real-time feedback system. Startups that have high flexibility in tailoring content strategies to audience preferences are proven to have a stronger position in the dynamic digital market.

However, the effectiveness of social media use in practice cannot be separated from a number of significant challenges. One of them is the lack of digital literacy which is still a major problem, especially in startups based on local communities or non-technology. Many business actors do not understand how to manage social media professionally, such as setting a posting schedule, understanding algorithms, or reading audience insights. This results in the potential of social media not being

utilized to the fullest. Another limitation arises in terms of resources, both human and time. Not all startups have a dedicated team to handle digital marketing. As a result, social media activities become inconsistent and less targeted. In certain cases, the use of social media becomes an additional burden if it is not accompanied by careful planning and adequate tools. Therefore, training interventions, mentoring, and the use of content management technologies such as Canva, Buffer, and Meta Business Suite are strategic solutions that need to be considered.

In addition, the very fierce competition in the digital world requires startups to continue to innovate in their communication approaches. It is not enough to be active on social media, but it must also be relevant, authentic, and creative in conveying product values. Collaboration opportunities with influencers, local communities, and active users are one way to expand your network and strengthen your digital presence organically. This discussion confirms that social media, when used strategically, can fundamentally change the growth landscape and competitiveness of startups. However, its success is largely determined by the readiness of business actors to develop digital capabilities, as well as the extent to which they are able to make social media not only a promotional tool, but also an integral part of the company's business model and culture.

6. Conclusion

Based on the results of the literature review that has been conducted, it can be concluded that social media has a very important and strategic contribution in supporting growth and increasing the competitiveness of startups in the digital era.

As a means of communication, social media allows businesses to build intense and dynamic interactions with consumers, expand market reach, and strengthen brand identity without requiring large costs. This becomes especially relevant given the limited resources that startups generally face, especially in the early stages of development. Social media has also been proven to support direct business growth through increased sales, customer loyalty, and sustainable digital engagement. The use of creative and personal content strategies is able to differentiate a business from its competitors and create emotional value for consumers.

This advantage is a form of competitiveness that is not only short-term, but also sustainable. With an adaptive and data-driven approach, startups can continue to adapt their strategies to changing market preferences and digital platform algorithms. However, the effectiveness of social media also depends heavily on digital literacy, managerial capacity, and technological readiness of the business actors themselves. There are still many challenges such as low understanding of content management, inconsistent posting frequency, and lack of utilization of analytics features. Therefore, cross-sectoral support, including from the government, academics, and industry players, is needed to encourage capacity building for startups in optimizing social media as part of their business strategy. Social media is not just a communication tool, but it has become an integral part of competitive and sustainable business models and startup development in the digital age.

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