FACEBOOK MARKETPLACE IMPACT ON THE IMPROVEMENT OF FURNITURE MSMES IN TOULIANG OKI VILLAGE

DAMPAK FACEBOOK MARKETPLACE TERHADAP KEMAJUAN MEUBEL UMKM DI DESA TOULIANG OKI

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Abstract: Facebook Marketplace is a feature created by Facebook to facilitate Facebook users who are also business people to promote their business and interact with customers who are also Facebook users. The objective of this research is to find out the impact of Facebook Marketplace as a marketing channel on the improvement of the MSMEs in furniture industry at Touliang Oki village. This research used Qualitative method with purposive sampling and took 10 MSMEs owner as the respondent, in order to know the impact of using Facebook Marketplace as their marketing channel on the improvement of their business. The result of this research is Facebook Marketplace as a marketing channel affect on build customer relationship, create brand awareness, influence purchasing decision and increasing sales. And based on the results, recommendation for the MSMEs who wants to improve their business especially in the term of marketing, jump into social media marketing is a good decision.

Keywords: Facebook online marketplace, micro small and medium enterprise, sales improvement

INTRODUCTION

Research Background

The current global era is a modern era full of rapid developments. Many things becomes easier in this era, because many things in this era used technology. Development in technology, computers and telecommunications support the development of internet technology, through technology people can use internet. More than half of the world's population are internet users. Because from internet we can get many benefits, especially in doing business. Many SMEs start to use internet-based social media to market their business in order to increasing sales. This is considered very effective because the target market, that is internet users, has experienced a significant increase. Despite the controversies surrounding privacy, hacks, fake news and all the other negative aspects of
online life, the world continues to embrace the internet and social media. The most downloaded applications are applications from social media companies owned by Mark Zuckerberg, which is Facebook. Along with the development of the times and seeing the level of interest in social media marketing on Facebook, Facebook created a new feature, namely the Facebook Marketplace that focused to sell and promote products and can reach all Facebook users.

As North Sulawesi is surrounded by various and huge potential of MSMEs sectors, especially there is a region in Minahasa District called Touliang Oki. Whereas the people in this area use wood to become furniture. The furniture business is a business hereditary conducted by Touliang Oki village communities and become productive enterprises. It is existed since 1970’s started by household furniture, until know they able produce office, schools, business furniture. Even now, they can make many products contain from wood in any forms and design. More than 65% of Touliang Oki villagers has the expertise to make the furniture naturally and have more than 40 furniture enterprise existed. Until 2015 their marketing strategy from the past still remain the same. Which is most of them still using conventional marketing strategy such as, door to door by using private pickup car transportation for delivery, direct sales using (cash), or they even doing barter that exchange their products with other things like foods and animals that are equivalent with the product’s value. They have faced lack of knowledge of updated marketing strategy to become efficient to reach their market. After 2015, they began to adapt technology and started using online marketing for the improvement of their business. They tried the first platform to try online marketing that is Facebook app starting from posting a status like what Facebook users commonly do, but the difference is that the posted status contains promotions about furniture products and in 2016 they started using Facebook Marketplace for their business. Most of the entrepreneurs in this industry recorded when they are implementing social media marketing through the stalls that have been provided by Facebook in the use of the Facebook Marketplace.

**Research Objective**

The objective of this research is to find out the Impact of Facebook Marketplace as a Marketing Channel on the Improvement of Furniture MSMEs in Touliang Oki village.

**THEORETICAL FRAMEWORK**

**Marketing**

For every company, marketing plays a role as an important factor for business and strives to survive in the competitive world. Marketing as it is known is the essence of a business, because marketing itself is an important factor as a company strategy in it is primarily operations related to consumers. Definition of marketing according to Kotler (1999) is a social process and managerial in which individuals and groups get what they need and want by creating, offering, and exchanging products with other parties.

**Integrated Marketing Communication**

According to Kotler (1999), IMC is the concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear, consistent and compelling message about the organisation’s and its products. In its simplest form IMC can be defined as the management process of integrating all marketing communications activities across relevant audience points to achieve greater brand coherence.

**Social Media**

Kaplan and Haenlein (2010) define Social media as a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow users to create or exchange information on those applications. Social media allows users to communicate with millions of other users (Williams et al., 2012). For marketers this is a huge potential and opportunity to be used as a marketing tool. Social media makes sharing of information between users easier (Akrimi dan Khemakem, 2014).

**Social Media Marketing**

Social media marketing is a process that encourages individuals to do marketing through their website, product or service through online and for social channels communicating by utilizing a much larger community that is more likely to do marketing than through traditional advertising channels (Weinberg, 2009). Based on the
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definition above it can be concluded that Social Media Marketing is a form of Internet marketing that utilizes social networking websites as marketing tool.

Sales

A sale is a transaction between two or more parties in which the buyer receives tangible or intangible goods, services, or assets in exchange for money. Kotler (2002) describes sales as the process of persuading customers to purchase the company’s product or service. Selling is an effort or concrete steps taken to move a product, whether in the form of goods or services, from producers to consumers as the target.

Previous Research

Al-Ghamdi, Al-Hadban, and Al-Hassoun (2014) aimed to discover the future trends in new media and social networking. The researchers have taken a personal interest in the developments of Web 2.0 platforms after noticing the impact they have made on society on a global scale as well as in our own daily life. The advances in this technology have altered the way individual users and organizations can communicate with each other. In this study of the social network sites will be concentrated on Facebook and its effectiveness as a tool of marketing in the Saudi population because recently it gained enormous popularity for marketing communications. Facebook especially describes itself as the perfect marketing tool because its developers have created an advertising system which allows businesses to use the information of each Facebook user for targeted advertising. Facebook provides the ideal platform for direct communication between organizations and customers. Marketing on social network sites has to follow new rules and principles and each organization has to clearly determine if social media marketing is appropriate for them or not. Through extensive research and analysis, the researchers intended to find if the Facebook is an effective marketing tool in Saudi Arabia where marketers can reach and influence targeted consumers.

Lockett (2018) explored the strategies some small retail business leaders use to implement online marketing to increase sales. Data were collected from 4 small retail business owners who successfully used strategies to implement online marketing in California. The conceptual framework for this study was Rogers's diffusion of innovation theory. Data collection techniques and sources were semi-structured, face-to-face interviews, and review of public business documents, company websites, social media websites, and analytical tools. A thematic analysis of the data yielded 4 themes: social media platforms and strategies, online marketing strategies and challenges, online content strategies, and follow-up strategies.

Groothuis, Spil, and Effing (2020) contributed to the gaps in the literature and investigated the influence of Facebook marketing activities on the decision-making process of consumers. The theory revealed four Facebook marketing activities that affected the first two phases of the decision-making process. These Facebook marketing activities were advertisements, recommend/share, likes and reviews. Whether they actually had an impact has been tested with the help of survey among 112 respondents. The results of the regression analysis showed that all four Facebook marketing activities had a positive influence on the decision-making process.

Conceptual Framework

Conceptual framework explain about the relation between the variables in this research.

![Conceptual Framework Diagram]

**Figure 1. Conceptual Framework**

*Source: Data Analysis Method (2021)*

**RESEARCH METHOD**

**Research Approach**

In this research, the researcher used qualitative research to support the study to analyze the Effectiveness of Facebook Marketplace as a Marketing Tool. According to Denzin and Lincoln (1994), qualitative research
involves the studied use and collection of a variety of empirical materials (case study, personal experience, introspective, life story, interview, observational, historical, interactional, and visual texts) that describe routine and problematic moments and meanings in individual’s lives.

**Population, Sample and Sampling Technique**

The target population and sample are explained below, including the sampling technique and sampling size, in order to describe the respondents or informants criteria before doing the research. According to Sugiyono (2010), Population is a geographical generalization there: objects / subjects have certain qualities and characteristics that are determined by researchers to study then make conclusions. Population in this research are 65 MSMEs that focused in wooden furniture industry in Touliang Oki Village. Sample is a subject of the population (Sekaran and Bougie, 2009). This research sampling size are 10 respondents. In this research, purposive sampling were used with some consideration. According to Sugiyono (2010), Purposive sampling is a technique to collect data sample of data source with some consideration like people who are considered understand the matter, can be trusted or people who has authority that will make it easier for the researcher to explore the certain object or social situation. And the criteria for the informant in this research are the Furniture MSMES in Touliang Oki Village owner, already using Facebook Marketplace in this recent 5 years.

**Data Collection Method**

Data collection method are important by providing useful information to understand the process before gaining the result. Data collection method are divided into primary and secondary. In this research, the primary data will gained using in-depth interview with the respondents. Secondary data of this research gained from books, articles, and previous research that support and related with the topic that are being discussed in this research.

**Operational Definition of Research Variables**

There are two variables used in this research and two indicators which are Marketing Channel (Facebook Marketplace) X and Sales Improvement Y.

**RESULT AND DISCUSSION**

**Interview Result**

According to informant 1, Facebook Marketplace impactful on build customer relationship, through messenger. Facebook Marketplace create brand awareness, makes customer easier to remember their brand when it comes to wooden furniture. The information that presented influence customer purchasing decision. And the number of sales before the use of Facebook Marketplace was 30 items and after the use of Facebook Marketplace becomes 60. The sales revenue increase like twice from Rp.10.000.000 becomes Rp.20.000.000 per month.

According to informant 2, the use of Facebook Marketplace helps build the customer relationship it can be seen from customer’s responses through likes, comments and messenger. Through promotion posts on Facebook Marketplace, target customers can easily remember their brand even though there are many competitors. Informative and interesting content are important to influence customer’s purchase decision. Also by explaining free shipping or free delivery in the caption. The number of sales increase from 8 items becomes 27 items per month. The sales revenue increase from Rp.4.000.000 becomes Rp.13.500.000.

According to informant 3, Facebook Marketplace easier their business to build relationship with customer, through likes, comments, and messenger. New customers from far away because the promotion they have seen in Facebook Marketplace. The most influential to customer purchasing decision is if they give free shipping or free delivery in the caption. The monthly sales increase from 8 items to 15-16 items. And the monthly sales revenue increase from Rp.3.500.000 becomes Rp.7.000.000.

According to informant 4, Facebook Marketplace build customer relationship through like, comment and messenger. Added new customers from far away because the promotion from Facebook Marketplace. To influence purchasing decision we need to mention the discount and another value proposition like free shipping. The number of sales increase from 7 items becomes 14 items per month. The sales revenue increase from Rp.3.500.000 becomes Rp.7.000.000.

According to informant 5, we can see how Facebook Marketplace build customer relationship from comments and messenger. Facebook Marketplace makes distant people known the existence of their business and
become loyal customer. How diligent the seller doing the promotion is really affect the success of the promotion and its important how their content can attract customer. The number of sales increase from 16 to 30 items per month. The sales revenue increase from Rp.5,500,000 to Rp.10,000,000.

According to informant 6, from Facebook Marketplace they can interact easily with the customer through messenger. Many customers known about Al-el Meubel existence because they have seen the promotion on Facebook Marketplace. How diligent and how often they post the promotions will affect customers buying decision. The number of sales increase from 5 to 10 items per month. The sales revenue increase from Rp.3,200,000 becomes Rp.6,400,000.

According to informant 7, for building customer relationship Facebook Marketplace helps through messenger and live feature. And Facebook Marketplace makes customer easier to know about the existence of Karamoy-Maramis meubel and also add customers. They give one year warranty and build customer trust to influence customer’s purchase decision. The number of sales increase from 17 to 20 items per month. And the sales revenue increase from Rp.4,000,000 becomes Rp.7,000,000.

According to informant 8, they can interact with the customers through likes, comments, and messenger in Facebook Marketplace. With the promotion post many customers becomes recognizing their product & service and increase brand awareness. How diligent the seller do the promotion or post, it will affect the success of promotion and influence customer’s purchasing decision. The number of sales increase from 12 to 24 items. And the sales revenue increase from Rp. 4,000,000 to Rp.8,000,000.

According to informant 9, Facebook Marketplace build and keep customer relationship through like, comment, messenger and live. She also said about the advantages of keyword searching facilitate in Facebook Marketpalce create brand awareness, Do some innovations, show your advantages and also mention the discount is really influence the customer’s purchasing decision. The number of sales increase from 8 to 16 items per month. The sales revenue increase from Rp.5,000,000 to 8,000,000.

According to informant 10, Facebook Marketplace helps build customer relationship through like, comment, and messenger. With promotion post from Facebook Marketplace many customers becomes recognize their product & service. The information that presented on the promotion post influence customer purchasing decision. The number of sales increase from 12 to 25 items. The sales revenue increase form Rp.4,800,000 becomes Rp.10,000,000.

Discussion
Marketing Channel (Facebook Marketplace)
Build Customer Relationship

Build customer relationship here is the MSMEs process of build and nurturing positive relationships with the customers. From these ten informants, the answers approximately the same. Based on their answers, the most dominant facility that makes their business connect with customers through the Facebook Marketplace is messenger feature. Informant 1 and Informant 6 said that they can build and maintain their relationship with the customer in Facebook Marketplace through messenger. And according to Informant 2, Informant 3, Informant 4, Informantn 5, Informant 8 and Informant 10, Facebook Marketplace is really impactful on build customer relationship through like, comment, and messenger. They can interact directly and can see the customers responses through these features. But for Informant 7 and Informant 9, there is one more plus feature that they use to build relationships with customers through the Facebook Marketplace, such as live feature. From the statements of the informants above the result of the findings, it can be seen that Facebook Marketplace can helps furniture MSMEs in Touliang Oki village to build and also maintain their relationship with the customer through several feature that have been provided by Facebook Marketplace, such as messenger, like, comment and live.

Brand Awareness

Brand awareness here is the measure of how memorable and recognizable a brand is to its target audience. Informant 1, Informant 4 and Informant 5 stated that Facebook Marketplace makes customer easier to remember their brand when it comes to wooden furniture product. Informant 2 stated that through promotion posts on Facebook Marketplace, the target customers can easily remember their brand even though there are so many competitors, but in condition that they must be diligent in doing the promotion. Informant 3 and Informant 6 stated that many customers known about their brand existence because they have seen the promotion on Facebook Marketplace and new customers from out of the area mostly came from the promotion that theyhave seen in Facebook Marketplace. Informant 7, Informant 8 and Informant 10 stated that Facebook Marketplace’s make customer easier to know about the existence of their brand and also add customers because many customers
become recognize their product & service from the promotion on Facebook Marketplace. And about informant 10, she mentioned about the advantages of keyword searching facility that can create brand awareness because the customers can easily search about what their needs and the brand or the product shown up. From the statements of the informants above the result of the findings, it can be seen that Facebook Marketplace can create brand awareness for the MSMEs in Touliang Oki village. Facebook Marketplace make their brand memorable and recognizable for the target customers.

Influence Purchasing Decision
Influence purchasing decision here is the influence of promotion that has been done on customer’s purchase decision. From these ten informants, they said that based on their experiences, before deciding to buy at their place, customers do a lot of surveys in other places, so they try some promotional ways through Facebook Marketplace that can influence customer’s purchasing decisions. Informant 1, informant 4, Informant 5 and Informant 10 stated that the information presented on Facebook Marketplace promotion’s influence customer’s purchasing decision. Informant 2 stated that informative and interesting content are important to influence customer purchase decision also by explaining discount like free shipping. Informant 3 stated that the most influential to customer purchase decision is if they give free shipping or free delivery in the caption while doing the promotion. Informant 6 and Informant 8 stated that how diligent and how often businesses post promotions will affect customer’s purchasing decision. Different with the others, Informant 7 give one year warranty to build customer trust and influence customer purchasing decision. And according to Informant 9, to affect customer purchasing decision they must have some innovations, show their advantages and also mention the discount is really influence. So, the result of the findings, promotions that has been done in Facebook Marketplace can influence customer’s purchasing decision. But back again to the MSMEs, they have to be more active in doing promotions and providing other interesting things such as discounts and warranty and also making innovations. Because information that presented on the Facebook Marketplace’s post is really influence customer’s purchasing decisions.

Sales Improvement
Sales improvement here if there is an increase on the sales. From these ten informants, they have various number of sales. Informant 1 stated that their monthly sales before the adoption of the Facebook marketplace was around 30 units and after the adoption becomes 60 units. Informant 2 stated that their monthly sales before the adoption was 8 units and after the adoption becomes 27 units. Informant 3 stated that their sales before the adoption of Facebook Marketplace was 8 and after the adoption becomes 15-16 units. Informant 4 stated that their monthly sales before the adoption of Facebook Marketplace was 17 and after the adoption becomes 14 units. Informant 5 stated that their monthly sales before the adoption of Facebook Marketplace was 16 and after the adoption becomes 30. Informant 6 stated that before the adoption of Facebook Marketplace was 5 and after the adoption becomes 10 units. Informant 7 stated that their monthly sales before the adoption was around 17 and after the adoption becomes 20 unit. Informant 8 stated that their monthly sales before the adoption was 12 and after the adoption becomes 14 units. Informant 9 stated that their monthly sales before the adoption of Facebook Marketplace was 8 units and after the adoption becomes 16 units. Informant 10 stated that their sales before the adoption was 12 and after the adoption becomes 25. From these ten informants, based on their statements there is an improvement of their number of sales after the adoption of Facebook Marketplace as their marketing channel. If we look at the numbers, the average has increase doubled. So, the result of this findings, the adoption of Facebook Marketplace as marketing channel increased sales and makes sales improvement for the MSMEs.

Sales Revenue
Sales revenue here is the money that the MSMEs earns from selling its goods and services to customers. Based on the statements above, these ten informants had various monthly revenue. Informant 1 stated that their sales revenue before the adoption of Facebook Marketplace was Rp.10,000,000 and becomes Rp.20,000,000 after the adoption of Facebook Marketplace. Informant 2 stated that their sales revenue before the adoption of Facebook Marketplace was Rp.4,000,000 and becomes Rp.13,500,000 after the adoption. Informant 3 stated that their sales revenue before the adoption of Facebook Marketplace was Rp.3,500,000 and becomes Rp.7,000,000 after the adoption. Informant 5 stated that their monthly sales revenue increase from around Rp.5,000,000 to Rp.10,000,000 after the adoption of Facebook Marketplace. Informant 6
stated that their sales revenue increase from Rp.3,200,000 and becomes around Rp.6,400,000 per month. Informant 7 stated that their sales revenue becomes Rp. 7,000,000 from Rp. 4,000,000. Informant 8 stated that their monthly sales revenue increase from Rp.4,000,000 to Rp.8,000,000. Informant 9 stated that their sales revenue increase from around Rp.5,000,000 becomes Rp.8,000,000. Informant 10 stated that their sales revenue increase from Rp.4,500,000 becomes Rp.10,000,000. They have various sales revenue because they put different selling prices for their product and service. But the rest, from all of their statements, there is an increasement. So, the result of this findings, the adoption of Facebook Marketplace makes sales revenue of the MSMEs in Furniture Industry at Touliang Oki village increased.

CONCLUSION AND RECOMMENDATIONS

Conclusions
After the result and the discussion it can be concluded that Facebook Marketplace as a marketing channel have an impact on building customer relationships, creating brand awareness and influencing customer’s purchasing decisions. The result is Facebook Marketplace as a marketing channel has impact on the sales improvement of the MSMEs through building customer relationship, creating brand awareness and influence customer’s purchasing decisions.

So, the finding is:
1. Facebook Marketplace as a marketing channel has an impact on building customer relationship for the MSMEs through the facilities that provided by Facebook Marketplace.
2. Facebook Marketplace as a marketing channel has an impact on creating brand awareness through make customer aware and recognize the brand with the promotion that conducted.
3. Facebook Marketplace as a marketing channel has an impact on influence customer’s purchasing decision through the information that presented on promotional post in Facebook Marketplace.
4. Sales revenue is really correlated with the sales improvement of the MSMEs and Facebook Marketplace has an impact on increasing sales improvement through increasing the sales revenue.

Recommendations
There are recommendations based on the result of this research conducted:
1. Build and maintain relationship with the customer is very necessary for business continuity, don’t waste the current technological developments for your business improvement. Use various features provided by social media platforms to be able to build and maintain relationships with the customers.
2. Along with the development of technology, various things that include marketing can be easier to do, especially to build brand awareness. The use of social media marketing is very necessary for branding, it is wider our market with make customer aware and recognize our brand’s existence.
3. In promoting on social media, the presentation of promotional content must be considered. Completeness of information that presented and how interesting it is really affect customer’s purchase decision. Put complete information, mention the discount and other promo like free shipping and also give some innovation. But remember how diligent the seller doing the promotion is really affect the success of the promotion and also how their content can attract customer.
4. Recommendation for the MSMEs that want to improve their business especially in the term of marketing, jump into the social media marketing is a good decision.

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