



The Impact of Social Media Marketing Activities on Brand Awareness and Sales Performance of Small and Medium Enterprises: Evidence from Indonesia

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Abstract

Background: The rapid proliferation of social media platforms has fundamentally transformed the marketing landscape for Small and Medium Enterprises (SMEs) in Indonesia, creating both opportunities and challenges in brand building and revenue generation.

Objective: This study examines how five social media marketing activity (SMMA) dimensions (content quality, posting frequency, influencer collaboration, community interaction, and platform selection) shape brand awareness, and how brand awareness converts into sales performance through brand trust.

Methods: This study employed a qualitative design. Twenty SME owners and managers were purposively selected across five Indonesian provinces (West Java, DKI Jakarta, East Java, Yogyakarta, and Bali) and five sectors. Semi-structured interviews of 45–90 minutes were conducted over sixteen weeks and triangulated with document analysis of 20 business accounts and five field observations. Transcripts were coded in NVivo 12 Pro using Braun and Clarke's six-phase reflexive thematic analysis, followed by axial and selective coding and member checking with eight participants.

Results: The findings indicate that consistent and targeted social media marketing activities significantly enhance brand visibility, consumer engagement, and sales conversion. Instagram and TikTok emerged as the most impactful platforms, while content quality, posting frequency, and micro-influencer collaboration were the decisive success factors. Brand trust, rather than recognition alone, converted awareness into revenue.

Conclusion: This study contributes theoretical and practical insights into the SMMA–brand awareness–sales performance nexus within emerging economy contexts, offering actionable implications for SME owners, policymakers, and digital marketing practitioners in Indonesia.

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INTRODUCTION

The digital revolution has reshaped how small and medium enterprises (SMEs) compete. Firms that once struggled to match the marketing reach and brand recognition of large corporations can now address consumers directly at negligible cost. In Indonesia, which hosts one of the fastest-growing digital economies in Southeast Asia, SMEs constitute approximately 99.9% of total business units and contribute over 60% of the national gross domestic product (GDP), yet many remain constrained by limited marketing budgets and insufficient brand visibility (Harini et al., 2023; F. Kurniasari et al., 2023).

The emergence of social media platforms (including Instagram, TikTok, Facebook, YouTube, and WhatsApp Business) has offered these enterprises an unprecedented democratization of marketing tools, enabling cost-effective brand communication and direct consumer engagement at a scale previously unimaginable for micro and small businesses (Srinita & Saputra, 2023). Recent national evidence sharpens this picture. Indonesia recorded roughly 185.3 million internet users and 139.0 million active social media users in early 2024, and survey evidence drawn from 234 Indonesian MSMEs confirms that social media marketing adoption exerts a direct and statistically significant effect on MSME performance (Tatik & Setiawan, 2025). Adoption nonetheless remains uneven: most Indonesian MSMEs still use social media for broadcasting rather than for structured brand management, and limited digital marketing skill is reported consistently as the binding constraint (Aprilani et al., 2025; Indiani et al., 2025).

Social media marketing activities (SMMAs) encompass a broad array of digital communication practices, including content creation and dissemination, influencer collaborations, targeted advertising, user-generated content (UGC) campaigns, and community management (K S & Massand, 2025). Research across various global contexts has consistently demonstrated that SMMAs exert a positive and significant influence on brand awareness, consumer purchase intention, and overall sales performance. Al-Hujri et al. (2025) report this effect for the Yemeni telecommunications sector, Nguyen et al. (2024) for online brand engagement and loyalty, for customer stickiness under a longitudinal design. However, most previous studies have been conducted in developed-economy contexts, leaving a research gap regarding the mechanisms, effectiveness, and contextual nuances of SMMAs within emerging economies such as Indonesia (Munandar et al., 2025).

Brand awareness, defined as the extent to which consumers are familiar with and can recognize a brand Nathaniel (2026), represents a foundational construct in marketing theory. For SMEs, establishing and maintaining brand awareness is particularly challenging given resource constraints, yet it is simultaneously critical for survival and growth in increasingly competitive markets (Cokki et al., 2025). Prior studies have established that social media constitutes a powerful vehicle for brand awareness creation, with platforms enabling continuous consumer exposure, interactive engagement, and viral content diffusion (Nuamthong & Parnkam, 2024; Sheak & Abdulrazak, 2023). Yet the translational pathways from social media activities to tangible sales performance outcomes remain incompletely theorized, particularly in the context of Indonesian SME ecosystems.

Several theoretical frameworks have been applied to understand SMMA effects, including the Uses and Gratifications Theory Sulasih et al. (2023), the Stimulus–Organism–Response (SOR) model Tam et al. (2024), and the Social Influence Theory (Wang et al., 2025). These frameworks collectively suggest that social media engagement triggers cognitive, affective, and behavioral responses among consumers that ultimately manifest as brand preference and purchase decisions. What these frameworks do not yet explain, however, is how SME owners themselves perceive and strategically deploy social media marketing, and how they relate these activities to brand outcomes and revenue, questions that remain underexplored in the Indonesian literature.

Existing studies on Indonesian SMEs have predominantly focused on digital adoption determinants, e-commerce integration, and financial performance indicators (Anjaningrum et al., 2024; Sutanto et al., 2024). Read together, however, these studies converge and diverge in instructive ways. Wirdiyanti et al. (2023) agree that digital adoption improves MSME performance, but both measure the outcome financially rather than in brand terms. Srinita & Saputra (2023) establish that social media supports marketing performance, yet neither specifies which activities carry the effect. Nurjaya et al. (2025) model brand awareness quantitatively but treat SMEs as a homogeneous population. Their shared limitation is methodological: all rely on cross-sectional survey instruments that cannot recover the reasoning behind owners' platform and content decisions.

Table 1 classifies the research gaps that follow from this synthesis. Four are relevant here. An empirical gap exists because few studies trace SMMAs through to sales outcomes in Indonesian SMEs. A contextual gap exists because the SMMA construct has been validated mainly in developed markets. A methodological gap exists because practitioner reasoning has rarely been examined qualitatively. A theoretical gap exists because the mechanism converting brand awareness into revenue remains unspecified. This is a gap worth addressing because SME owners

often operate with intuitive rather than systematized marketing strategies, and understanding their subjective experiences and decision-making processes is essential for developing contextually appropriate policy and practice recommendations (Santoso & Rahayu, 2025; Wijo et al., 2025).

Table 1

Critical Synthesis of Prior Studies and Classification of Research Gaps

Research Cluster	Representative Studies	Convergent Finding	Divergence / Limitation	Gap Type
Digital and e-commerce adoption	(Wirdiyanti et al., 2023)	Digital adoption raises MSME performance	Outcome measured financially; brand variables absent	Empirical
Social media and marketing performance	(Srinita & Saputra, 2023; Sulasih et al., 2023)	Social media supports marketing performance	SMMA dimensions not disaggregated	Empirical
SMMA and brand awareness (global)	(Al-Hujri et al., 2025; Nuamthong & Parnkam, 2024; Sheak & Abdulrazak, 2023)	SMMA raises brand awareness and equity	Samples drawn from developed or non-Indonesian markets	Contextual
SMMA, trust and loyalty	(Ali et al., 2025; Ebrahim, 2020; Fetais et al., 2023)	Trust mediates SMMA effects on loyalty	Trust untested as the awareness-to-sales converter for SMEs	Theoretical
Indonesian SME marketing capability	(Krisnanto et al., 2023; Santoso & Rahayu, 2025)	Marketing capability drives SME performance	Cross-sectional surveys; owner reasoning not captured	Methodological
SME sector heterogeneity	(Anjaningrum et al., 2024; Sutanto et al., 2024)	Sector conditions marketing effectiveness	SMEs treated as a homogeneous category in SMMA studies	Contextual

Source: Authors' synthesis of the reviewed literature (2026)

Furthermore, the Indonesian social media landscape presents distinctive characteristics—including high mobile internet penetration (approximately 78.19%), a demographically young and digitally active population, and platform-specific usage patterns that differ markedly from Western markets (Sularto & Kozlova, 2025). Indonesia is a more informative research site than comparable developing economies for three reasons. First, it combines the largest MSME population in Southeast Asia, over 64 million units, with social media penetration approaching half the total population, a combination not matched by India, Vietnam, or the Philippines at the same scale. Second, the integration of short-video discovery with in-app checkout was introduced and publicly contested in Indonesia earlier than in neighbouring markets, which makes the awareness-to-purchase path unusually observable. Third, Indonesian purchase behaviour is strongly mediated by interpersonal trust and peer recommendation, making the country a demanding test case for SMMA frameworks built on Western individualistic assumptions (Nurhadi et al., 2025; Sularto & Kozlova, 2025).

The specific gap this study addresses is therefore the absence of a practitioner-grounded account of how SMMA convert into sales performance in Indonesian SMEs. Prior work establishes that the relationship exists, but not why it exists, through which mechanism it operates, or under what conditions it strengthens and weakens. Without that account, the relationship cannot be translated into either testable theory or actionable guidance, which is what makes further study of the SMMA–sales performance link necessary rather than merely confirmatory.

The novelty of this study lies in three departures from prior work. Conceptually, it derives a dual-pathway model in which SMMAAs act on sales both directly and indirectly through brand awareness, and identifies brand trust rather than brand recognition as the converting mechanism. Contextually, it examines the SMMA–awareness–sales sequence across five Indonesian provinces and five sectors simultaneously, which permits sector-differentiated conclusions that single-sector studies cannot support. Methodologically, it uses qualitative evidence to recover the decision logic of SME owners, a perspective that survey-based Indonesian studies have not accessed.

Accordingly, this study pursues three objectives: (1) to identify the SMMA dimensions Indonesian SME owners deploy and the reasoning behind their platform and content choices; (2) to explain how these activities generate brand awareness; and (3) to trace how brand awareness converts into sales performance and to specify the mechanism involved. The study offers three corresponding sets of benefits. For academics, it supplies an empirically grounded conceptual model and two propositional equations that future quantitative work can operationalize and test. For SME owners and managers, it identifies which platform–content pairings, posting rhythms, and influencer arrangements are associated with stronger awareness and conversion in each sector. For policymakers, it provides evidence that generic digital marketing training is less effective than sector-differentiated curricula, offering a concrete design criterion for programmes such as UMKM Go Digital.

METHOD

This study employed a qualitative research design, which is methodologically appropriate given the exploratory and interpretive nature of the research questions. Qualitative approaches are particularly well-suited for investigating the subjective experiences, motivations, and strategic reasoning of SME owners with respect to social media marketing adoption and its perceived influence on brand awareness and sales performance (Loupiac et al., 2024). By prioritizing depth over breadth, this design enables the generation of rich, contextual insights that quantitative approaches cannot readily capture.

A qualitative interview design was selected over the principal alternatives after explicit comparison. A cross-sectional survey would have measured the strength of the SMMA–awareness–sales relationship but not the reasoning that produces it, which is what prior Indonesian studies already establish and what this study seeks to move beyond. A scoping or narrative review would have mapped the published literature but could not generate primary evidence about owners’ decision logic, and a systematic literature review would have inherited the developed-market sampling bias identified above rather than correcting it. A single case study was considered and rejected because the research question concerns patterns across sectors and provinces rather than the depth of one bounded case. An interview-based thematic design was therefore the only option capable of recovering mechanism-level explanation across a heterogeneous sample (Braun & Clarke, 2021).

The research was conducted across five Indonesian provinces (West Java, DKI Jakarta, East Java, the Special Region of Yogyakarta, and Bali) selected purposively against three explicit criteria. First, these provinces account for the largest concentrations of registered MSMEs on Java and Bali and together represent a majority of national MSME output. Second, they vary systematically in digital maturity: DKI Jakarta represents a mature, advertising-saturated market; West Java and East Java represent large mixed urban–rural economies; Yogyakarta represents a creative and handicraft-intensive economy with a young population; and Bali represents a tourism-exposed, export-oriented economy. Third, they cover the five target sectors with sufficient density to permit within-sector comparison. A total of 20 SME owners and managers were recruited using purposive and snowball sampling techniques, ensuring diversity in business sector (food and beverage, fashion, handicraft, services, and retail), years of operation (1–15 years), and social media marketing experience. Sample size was determined by information power rather than by a fixed saturation target, given the narrow aim of the study, the high specificity of the sample, and the theory-informed interview protocol (Malterud et al., 2016).

Primary data were collected through semi-structured in-depth interviews conducted between 8 January and 26 April 2026, a fieldwork window of sixteen weeks. Each interview lasted between 45 and 90 minutes and was conducted in Bahasa Indonesia. Transcripts were translated

into English by the second author, a bilingual researcher trained in qualitative methods, and independently back-translated into Bahasa Indonesia by a certified translator with no other involvement in the study; the two versions were compared item by item and discrepancies were resolved in discussion with the first author. The interview protocol was developed based on the existing SMMA literature Rehman et al. (2025) and covered the types and frequency of social media activities, perceived effects on brand recognition and consumer engagement, perceived influence on revenue and sales conversion, challenges and enablers of social media marketing, and future digital marketing intentions. Interviews were audio-recorded with informed consent and transcribed verbatim.

Secondary data were obtained through document analysis of participants' social media profiles, including content analysis of Instagram, TikTok, and Facebook pages, as well as available sales data and business records. Field observations were conducted at five SME premises to contextualize interview data and validate participants' accounts. Data triangulation (combining interview data, document analysis, and observational notes) enhanced the credibility and trustworthiness of the findings (Bruce et al., 2023).

Data extraction followed a standardized protocol applied uniformly to every case. For each participant, the following were recorded on a common extraction sheet: business profile (sector, province, years of operation, workforce size); platform portfolio and the date each platform was adopted; SMMA type, posting frequency, and content format; influencer arrangements and their scale; self-reported brand awareness indicators (follower count, post reach, content saves, brand mentions, and direct inquiries); self-reported sales indicators (revenue change, new customer acquisition, repeat purchase rate, and online order share); and stated challenges and enablers. Document analysis contributed the platform and content variables independently, so that every interview-derived value had a documentary counterpart against which it could be checked. Extraction was performed by two coders working separately, and disagreements were reconciled against the source transcript before analysis proceeded.

Data analysis followed Braun and Clarke's six-phase thematic analysis framework Braun & Clarke (2021), supplemented by elements of grounded theory coding to allow for emergent theme identification. The analytical process involved initial open coding of interview transcripts, followed by axial coding to identify relationships between categories, and selective coding to develop overarching theoretical propositions. NVivo 12 Pro software was employed to manage, organize, and systematically analyze the textual data. Member-checking was conducted with eight participants to enhance the transferability and credibility of interpretations.

Synthesis proceeded thematically rather than narratively or statistically. Extracted material was first grouped into first-order codes expressed in participants' own terms, then aggregated into second-order themes at the researchers' level of abstraction, and finally consolidated into the five aggregate dimensions reported in the Results. Cross-case comparison was conducted along two axes—sector and province—using a case-by-theme matrix, which allowed convergent patterns to be distinguished from sector-specific ones. Where interview accounts and documentary evidence diverged, the divergence was itself coded rather than resolved by privileging one source, and these instances informed the boundary conditions reported in the Discussion. The two conceptual equations presented below were derived at the final consolidation stage by specifying which dimensions co-occurred with reported awareness and sales outcomes across cases.

Three limitations of the design should be stated in advance. First, purposive and snowball sampling introduces selection bias toward SMEs that are already active on social media and willing to discuss performance, which probably inflates the apparent effectiveness of SMMA relative to the full MSME population. Second, the awareness and sales indicators are self-reported and were not independently audited against financial statements or platform analytics dashboards, so social desirability and recall bias cannot be excluded. Third, the five-province frame excludes eastern Indonesia, where digital infrastructure is weaker, so the findings should not be read as nationally representative. These constraints bound the claims made in the Discussion and are addressed in the recommendations for future research.

This study did not involve procedures that posed physical risk to participants. Ethical approval was obtained from the Institutional Research Ethics Board of Institut Budi Utomo Nasional, with approval number IBU-2026-ETH-047. All participants provided written informed

consent prior to data collection, and their identities were protected under strict confidentiality principles; pseudonyms are used throughout this article. All data were collected and stored in accordance with Indonesian data protection regulations and international ethical standards for qualitative research.

RESULTS AND DISCUSSION

Result

Social Media Platform Adoption Patterns Among Indonesian SMEs

All 20 study participants reported active use of at least one social media platform for business marketing purposes, with the majority utilizing between two and four platforms simultaneously. As illustrated in Figure 1, Instagram and WhatsApp Business were the most ubiquitously adopted platforms (100% and 95% of participants, respectively), followed by TikTok (80%), Facebook (70%), and YouTube (35%). This distribution is consistent with broader Indonesian digital consumption trends, wherein Instagram and TikTok have displaced traditional platforms as primary channels for consumer discovery and brand interaction (Sularto & Kozlova, 2025).

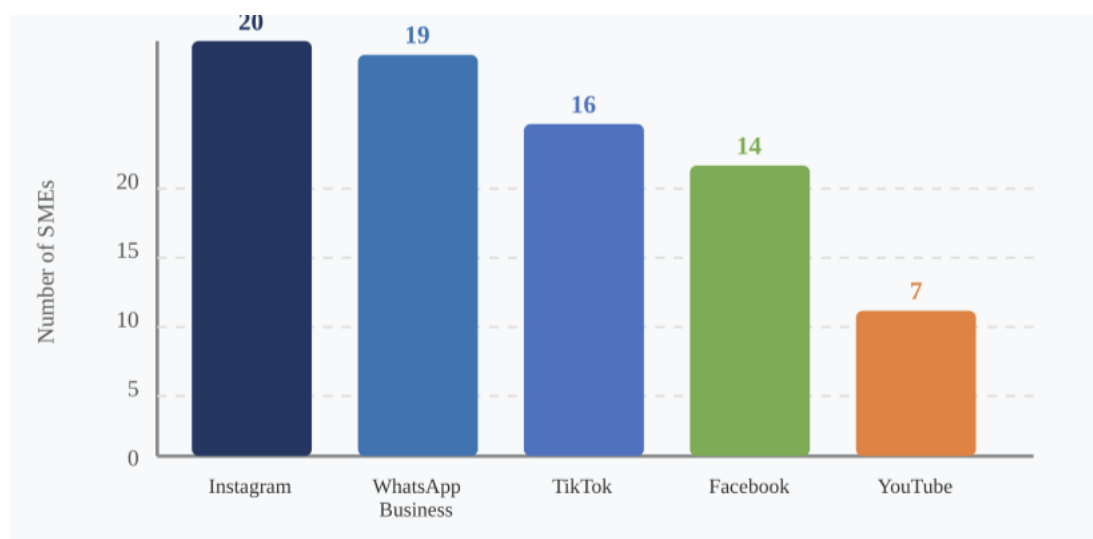


Figure 1. Social Media Platform Adoption Among Sampled SMEs (N=20)

Several participants described a deliberate multi-platform strategy, reflecting an emerging awareness of audience segmentation. As one food and beverage SME owner from West Java explained: "We post the same product but differently on TikTok and Instagram. On TikTok, we show the cooking process in a fun, fast video, that gets the young buyers. On Instagram, we post beautiful photos for people who like aesthetics" (Interview with RN, February 2026). This strategic differentiation of content by platform aligns with the affordance-based perspective advanced by Wang et al. (2025), who found that platform-specific affordances (including visibility, engagement mechanics, and synchronous interaction) significantly mediate the relationship between SME marketing activities and consumer behavioral outcomes.

A key finding was the rapid adoption of TikTok as a primary marketing channel among younger SME owners (under 35 years), who cited its algorithmic discoverability as a significant advantage. This observation corroborates Fetais et al. (2023), who established that brand loyalty and awareness are significantly enhanced by social media marketing activities on platforms characterized by high organic reach and user-generated amplification.

Participant Profile and Social Media Marketing Activities

Table 2

Participant Profile and Primary Social Media Marketing Activities

Code	Sector	Province	Years	Primary Platform(s)	Main SMMA Type
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RN	Food & Beverage	West Java	5	Instagram, TikTok	Short video, reels
SA	Fashion	DKI Jakarta	8	Instagram, Shopee	Photo content, ads
HW	Handicraft	Yogyakarta	3	TikTok, Facebook	Live streaming, UGC
MP	Retail	Bali	10	Facebook, WA Business	Promotions, stories
LK	Services	East Java	6	Instagram, YouTube	Tutorial videos
DI	Food & Beverage	DKI Jakarta	4	TikTok, Instagram	Influencer collab
YR	Fashion	West Java	12	Instagram, Pinterest	Brand storytelling
BP	Handicraft	Bali	7	Facebook, TikTok	UGC, hashtag campaigns
KS	Retail	Yogyakarta	2	TikTok, WA Business	Flash sales, memes
NT	Services	East Java	9	LinkedIn, Instagram	Testimonials, posts

Source: Primary data (2026)

Content Strategies and Posting Behaviors

Thematic analysis identified three dominant content strategy archetypes among participants: (1) Product-Centric Content, characterized by direct product photography, demonstrations, and promotional announcements; (2) Story-Driven Content, emphasizing brand narratives, behind-the-scenes footage, and founder stories; and (3) Community-Engagement Content, involving polls, Q&A sessions, UGC reposts, and hashtag challenges. The majority of participants (75%) employed a combination of these strategies, dynamically shifting approaches based on perceived audience response and platform algorithm changes.

Table 3 presents a cross-tabulation of content strategy by business sector and reported brand awareness outcomes, revealing that Story-Driven and Community-Engagement approaches were most consistently associated with high brand awareness ratings, particularly among fashion and handicraft SMEs. This finding resonates with Nurhadi et al. (2025), who established that brand love (a construct closely related to brand awareness and affinity) is significantly cultivated through social media marketing activities emphasizing authenticity and emotional resonance among young consumers in emerging markets.

Table 3

Content Strategy Typology and Perceived Brand Awareness Outcomes

Content Strategy	Sectors (Primary)	Avg. Posting Freq./Week	Platform Suitability	Brand Awareness Rating*	Sales Impact (Perceived)
Product-Centric	Retail, F&B	5–7	Instagram, WA Business	3.2/5	Moderate
Story-Driven	Fashion, Handicraft	3–5	Instagram, TikTok	4.4/5	High
Community-Engagement	Services, Fashion	4–6	TikTok, Facebook	4.1/5	High
Influencer-Led	F&B, Fashion	2–4	Instagram, TikTok	4.6/5	Very High
Mixed Approach	All Sectors	5–8	Multi-platform	4.0/5	High–Very High

* Rated by participants on a scale of 1–5. Source: Primary data (2026)

The posting frequency data reveal that participants perceive consistency as a critical determinant of algorithmic visibility and audience retention. Several participants referenced the platform algorithm as an unpredictable but consequential force shaping their content strategy. One handicraft SME owner from Yogyakarta noted: "TikTok algorithm is like a lottery, but if you post consistently every day, the chances are higher. Once one video goes viral, your followers increase drastically and orders come in" (Interview with HW, March 2026). This practitioner insight aligns with Suhud et al. (2025), who found that social media marketing activities, including interaction frequency and content entertainment value, significantly predict purchase intention among Indonesian Muslim apparel consumers on TikTok.

Social Media Marketing Activities and Brand Awareness Outcomes

The analysis of interview data, supplemented by document analysis of participants' social media profiles, reveals a consistent pattern whereby systematic and purposive SMMA's generate measurable improvements in brand awareness metrics. Participants reported increases in follower counts, post reach, content saves, brand mention rates, and direct inquiries as key indicators of growing brand awareness. Figure 2 presents the conceptual model derived from the thematic analysis, illustrating the identified pathways from SMMA types to brand awareness dimensions and subsequently to sales outcomes.

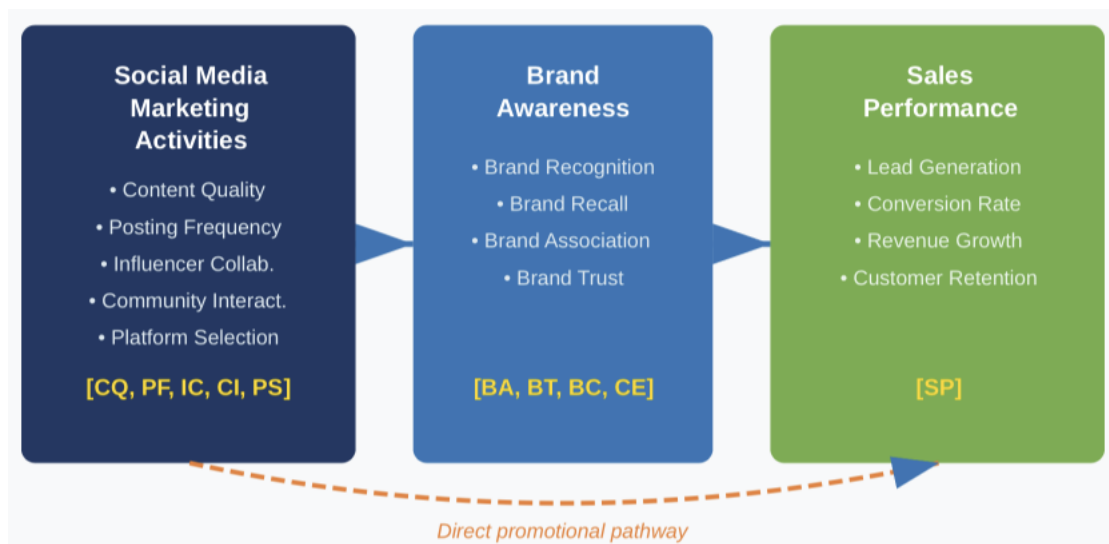


Figure 2. Conceptual Model: SMMA's – Brand Awareness – Sales Performance Linkage (derived from qualitative analysis)

The conceptual model posits that Social Media Marketing Activities (comprising Content Quality, Posting Frequency, Influencer Collaborations, Community Interaction, and Platform Selection) directly influence Brand Awareness dimensions (Brand Recognition, Brand Recall, Brand Association, Brand Trust) which in turn mediate the relationship with Sales Performance outcomes (Lead Generation, Conversion Rate, Revenue Growth, Customer Retention). This model extends the established SMMA-brand awareness framework articulated by Nuamthong & Parnkam (2024) by incorporating the critical intermediary role of brand trust as a distinct pathway to sales performance, particularly salient in the Indonesian market context where relational trust and social proof constitute primary purchase decision drivers. The SMMA–Brand Awareness relationship can be formally represented through the following conceptual equation derived from the qualitative coding process:

$$BA = f(CQ, PF, IC, CI, PS)$$

Equation (1)

Where: BA = Brand Awareness; CQ = Content Quality; PF = Posting Frequency; IC = Influencer Collaborations; CI = Community Interaction; PS = Platform Selection

Similarly, the pathway from Brand Awareness to Sales Performance is expressed as:

$$SP = g(BA, BT, BC, CE)$$

Equation (2)

Where: *SP* = Sales Performance; *BA* = Brand Awareness; *BT* = Brand Trust; *BC* = Brand Credibility; *CE* = Consumer Engagement

These formulations, derived inductively from participant narratives, provide a theoretical scaffold that future quantitative research can operationalize and test, contributing to the progressive development of SMMA theory within the Indonesian SME context. The dual-pathway nature of the model (where SMMA operates both directly on sales through promotional activities and indirectly through brand awareness enhancement) enriches the explanatory architecture of existing frameworks (Dananjoyo & Udin, 2025; Rehman et al., 2025).

The Pathway from Brand Awareness to Sales Performance

Participants articulated a relatively consistent experiential narrative wherein heightened brand awareness, generated through sustained social media activities, subsequently catalyzed measurable improvements in sales performance. This progression was described across three temporal dimensions: short-term sales spikes (associated with viral content or promotional campaigns), medium-term conversion improvements (linked to sustained brand trust building), and long-term customer retention and repeat purchase behaviors (connected to community development and brand loyalty cultivation). Table 4 presents participants' self-reported sales performance indicators before and after implementing systematic social media marketing strategies, categorized by business sector.

Table 4

Self-Reported Sales Performance Changes After Social Media Marketing Implementation

Sector	N	Avg. Revenue Increase (%)	New Customer Acquisition (avg/month)	Repeat Purchase Rate (%)	Online Orders Share (%)
Food & Beverage	5	47.3%	38 new customers	62%	71%
Fashion	5	61.8%	52 new customers	55%	83%
Handicraft	4	39.4%	24 new customers	48%	66%
Retail	3	33.7%	19 new customers	57%	59%
Services	3	28.9%	15 new customers	72%	44%
TOTAL/AVG	20	42.2%	30 new customers	59%	65%

Source: Primary data (2026). Note: Data represent participants' self-reports over a 12-month period post-implementation of systematic SMMA.

The fashion sector reported the highest average revenue increase (61.8%), a finding that may be attributed to the highly visual and aspirational nature of fashion products, which are uniquely amenable to Instagram and TikTok's image-rich and short-video formats. This is consistent with findings by Suhud et al. (2024), who identified that SMEs in visually-oriented sectors derive disproportionately greater commercial benefit from social media marketing activities compared to more utilitarian product categories. The services sector, conversely, reported the lowest average revenue increase (28.9%), suggesting that intangible service offerings may require supplementary credibility-building strategies (such as testimonials, case studies, and professional certifications) to fully translate brand awareness into sales conversion.

The mechanism of influencer collaboration emerged as a particularly potent mediating pathway between brand awareness and sales performance. Fourteen of twenty participants reported employing micro-influencers (defined as accounts with 10,000–100,000 followers) as a more cost-effective and contextually authentic alternative to celebrity endorsers. As one DKI Jakarta-based food and beverage entrepreneur explained: "We worked with a food reviewer on

TikTok with 50,000 followers. Within three days of the video posting, our orders doubled. The influencer had the trust of their followers, and that trust transferred to our brand" (Interview with DI, February 2026). This practitioner observation aligns with Joshi et al. (2025), who theorize that micro-influencer credibility operates through parasocial relationship mechanisms that are particularly efficacious in authentic, community-oriented marketing environments.

Challenges and Enabling Factors

Despite the generally positive association between SMMA and business outcomes, participants identified several significant challenges. Table 5 presents a comprehensive summary of challenges and enabling factors identified through thematic analysis, organized by frequency of mention and perceived severity.

Table 5

Key Challenges and Enabling Factors in Social Media Marketing for Indonesian SMEs

Category	Challenge/Factor	Frequency*	Perceived Severity	Recommended Strategy
Challenge	Algorithm unpredictability	18/20	High	Diversify platforms; maintain posting consistency
Challenge	Limited digital marketing skills	16/20	High	Attend government/NGO digital training programs
Challenge	Content creation resource constraints	15/20	Moderate–High	Leverage UGC; utilize free editing tools
Challenge	Competition from larger brands	14/20	Moderate	Niche positioning; local identity emphasis
Challenge	Negative online feedback management	11/20	Moderate	Proactive community management; crisis protocols
Enabler	High Indonesian social media penetration	20/20	Critical	Multi-platform presence
Enabler	Government digital economy programs	17/20	High	Utilize UMKM Go Digital program
Enabler	Micro-influencer accessibility	16/20	High	Build authentic influencer networks
Enabler	TikTok organic reach algorithm	15/20	High	Consistent short-video content creation
Enabler	Consumer trust in peer recommendations	14/20	Moderate–High	Encourage and amplify customer reviews

* Frequency of mention across 20 interviews. Source: Primary data (2026).

Discussion

The findings of this study contribute to the theoretical and empirical understanding of SMMA effects within the Indonesian SME context while extending the global literature in several directions. The study confirms and enriches the established positive relationship between SMMA and brand awareness by providing thick qualitative description of the mechanisms through which this relationship operates at the practitioner level (Al-Hujri et al., 2025; Nuamthong & Parnkam, 2024). The five key SMMA dimensions identified in this study (Content Quality, Posting

Frequency, Influencer Collaborations, Community Interaction, and Platform Selection) constitute an empirically grounded and contextually adapted extension of prior SMMA conceptualizations (Listyarti et al., 2023).

The theoretical reason this relationship holds is worth stating explicitly rather than resting on agreement with prior findings. Under the Stimulus–Organism–Response logic Tam et al. (2024), the five dimensions are not equivalent stimuli. Content quality and platform selection act on the cognitive component of the organism state by lowering the effort required to process and recall the brand, which is why participants associated them with recognition and recall rather than with purchase. Posting frequency acts through mere exposure and algorithmic reinforcement: repeated impressions raise processing fluency, and fluency is experienced by consumers as familiarity. Influencer collaboration and community interaction act instead on the affective component, transferring accumulated relational credit from a trusted source to an unfamiliar brand. That division explains an otherwise puzzling pattern in the data. Participants who posted frequently but interacted little reported rising reach without rising orders, whereas those who interacted at lower frequency reported the reverse. Exposure builds recognition, relational transfer builds trust, and only the latter is sufficient for conversion.

Beyond confirming the awareness relationship, the study makes a distinctive theoretical contribution by identifying brand trust as a mediating pathway between brand awareness and sales performance, a relationship that has been theorized but not fully empirically grounded in the Indonesian SME context. Ali et al. (2025) demonstrate through symmetrical and asymmetrical modelling that social media marketing activities influence brand loyalty through brand trust as a pivotal intervening variable, Ebrahim (2020) shows that trust carries the effect of SMMA onto brand equity and loyalty. In the Indonesian context, where interpersonal trust and social proof (known locally as *kepercayaan*) constitute primary purchase decision criteria, brand trust assumes particular importance as a conversion mechanism, suggesting that SMMA frameworks developed in Western contexts require contextual adaptation when applied to Indonesian markets.

The awareness–trust–sales pathway is not uniform, and the conditions that strengthen or weaken it were identifiable in the data. Three conditions strengthened it. Product tangibility mattered first: for food and beverage, fashion, and handicraft products, buyers could verify claims visually before purchase, so trust accrued quickly, whereas the services participants, whose offerings could not be inspected in advance, reported the weakest conversion (28.9% average revenue increase against 61.8% in fashion). Source congruence mattered second: micro-influencers who shared the audience's locality, language register, and price bracket transferred trust effectively, while larger accounts outside that frame did not, which is consistent with the parasocial mechanism described by (Joshi et al., 2025).

Response latency mattered third: participants who replied to direct messages within hours reported markedly higher conversion than those replying within days, indicating that trust in this setting is sustained by responsiveness rather than by brand assets alone. Two conditions weakened the pathway. Price-promotion dependence proved corrosive, as participants relying on flash sales reported that repeat purchase collapsed once discounting stopped, suggesting that transactional incentives substitute for trust rather than build it. Unmanaged negative feedback proved equally consequential: the eleven participants reporting difficulty with negative comments described damage disproportionate to its volume, since trust built through peer testimony is also dismantled through it.

A further implication concerns the differential effectiveness of SMMA across business sectors, which bears directly on the targeted design of digital marketing support programmes. The substantially higher SMMA effectiveness observed in the fashion and food and beverage sectors, relative to services, suggests that sector-specific social media marketing curricula and support mechanisms are needed, rather than generic digital marketing training programmes. This nuance has been largely absent from prior studies, which have tended to treat SMEs as a homogeneous category and represents a meaningful contribution to both theory and policy (Krisnanto et al., 2023; Santoso & Rahayu, 2025).

The qualitative insights generated by this study also resonate with the growing literature on TikTok and short-video content as emerging dominant forces in SME marketing (Suhud et al., 2025). The algorithm-mediated organic reach of TikTok, as described by multiple participants,

represents a structural opportunity that Indonesian SMEs, operating with limited advertising budgets, can strategically exploit to achieve brand awareness outcomes previously accessible only to larger corporations with substantial marketing expenditures.

The deeper significance of this shift is distributive rather than merely tactical. Where paid reach rewards budget, algorithmic reach rewards content performance, which relocates competitive advantage from advertising expenditure to creative judgement, an input in which small firms are not structurally disadvantaged. That is why several participants under 35 described short-video platforms as the first channel on which they could compete with national brands at all. The corollary, which participants themselves recognized, is that the advantage is contingent on platform policy and therefore revocable: algorithmic democratization is a rent granted by the platform, not a capability owned by the firm, and it merits longitudinal investigation on those terms.

The study also contributes to the understanding of micro-influencer marketing as a contextually appropriate strategy for SME brand building in Indonesia. The efficacy of micro-influencer collaborations, documented across 14 of 20 participants, reflects broader trends identified by Wang et al. (2025), who have theorized influencer marketing effectiveness through parasocial relationship and technology affordance frameworks. The present study extends these frameworks by highlighting the role of local cultural congruence (wherein micro-influencers are perceived as trusted peers rather than celebrity endorsers) as a particularly efficacious mechanism for brand trust formation in community-oriented Indonesian consumer markets.

Regarding limitations, several important caveats merit acknowledgment. The qualitative design, while enabling rich contextual insight, precludes causal inference and generalization to the broader Indonesian SME population. The reliance on self-reported sales performance data introduces potential social desirability bias, and the absence of a longitudinal design limits conclusions regarding the durability of SMMA-induced brand awareness and sales improvements. Furthermore, the study's geographic coverage, while spanning five provinces, does not capture the full heterogeneity of Indonesia's provinces, particularly those in eastern Indonesia where digital infrastructure remains underdeveloped. Future research should employ mixed-methods longitudinal designs with objective sales data to test the conceptual model developed in this study more rigorously, potentially incorporating structural equation modelling to quantify the relative contributions of different SMMA types to brand awareness dimensions and sales outcomes.

CONCLUSION

This study examined how social media marketing activities shape brand awareness and sales performance among Indonesian SMEs, drawing on 20 in-depth interviews, document analysis, and field observations across five provinces. Taken together, the evidence supports one synthesizing claim: social media marketing does not convert into revenue through visibility, but through the trust that visibility makes possible. Exposure-oriented activities (content quality, platform fit, and posting consistency) establish recognition and recall, while relational activities (community interaction and locally congruent micro-influencer collaboration) convert that recognition into trust, and only trust reliably produces conversion, repeat purchase, and retention. The strength of this pathway is conditional on product tangibility, source congruence, and responsiveness, and is weakened by price-promotion dependence and unmanaged negative feedback.

The theoretical contribution of this study is threefold. First, it advances SMMA theory from an aggregate construct toward a functionally differentiated one, distinguishing exposure-generating from trust-generating activities and showing that the two produce different classes of outcome; frameworks that treat SMMA as a single latent variable therefore under-specify the mechanism. Second, it repositions brand trust from a downstream correlate of loyalty to the operative converter between awareness and revenue, extending the trust-mediation logic of Ebrahim (2020) from consumer-brand relationships to resource-constrained SME settings. Third, it introduces contextual boundary conditions into digital marketing theory, demonstrating that SMMA effectiveness is conditioned by product tangibility, cultural congruence of the source, and interaction responsiveness, parameters absent from SMMA models developed in Western individualistic markets. The two conceptual equations derived in this study formalize these relationships and make them available for quantitative testing.

Practically, the study indicates that Indonesian SME owners should match content archetype to sector, sustain posting consistency for algorithmic visibility, and prioritize locally congruent micro-influencers over reach maximization. From a policy perspective, programmes such as UMKM Go Digital should replace generic digital marketing training with sector-differentiated curricula covering short-video production, influencer network development, community management, and the interpretation of platform analytics.

Future research should test the dual-pathway model longitudinally using objective sales data, and should examine digital literacy and AI-assisted content tools as moderators of SMMA effectiveness.

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AUTHOR CONTRIBUTION STATEMENT

Author 1: conceptualization, methodology, investigation, formal analysis, and writing of the original draft. Author 2: investigation, data curation, translation and back-translation verification, validation, and writing — review and editing. Both authors participated in coding and cross-case analysis, read and approved the final manuscript, and agree to be accountable for all aspects of the work.

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