

## INSTAGRAM FOLLOWERS AS DIGITAL ASSETS FOR MSMEs ACTORS IN PALU CITY

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### ABSTRAK

This study aims to find out MSMEs actors in Palu City in understanding Instagram followers as digital assets. The qualitative research method was carried out through a phenomenological approach, used to examine more closely and in detail understanding and explanation of individuals based on their experiences. Sources of data applied in this study are primary data and secondary data. Through the study of phenomenological awareness, the researcher has explored the awareness of informants regarding the meaning of Instagram followers. Based on the results of data analysis that has been carried out and synergize the meanings found in several meanings through reflection. How do the informants understand the meaning of Instagram followers as an asset starting with making it a necessity that can bring profits, posting freely, sacrifices, digital assets, and a sense of loss. It means that the informant has reached the point of awareness in interpreting Instagram followers as digital assets.

**Keywords:** Followers, Instagram, Digital Assets, and UMKM

### INTRODUCTION

Competition in the business world in the current era of globalization cannot be avoided and is getting tougher. Entrepreneurs must be able to recognize the current and future needs and expectations of consumers. Followed by the rapid development of information technology requires business people to strive to improve their capabilities and advantages by mobilizing all existing potential. Entrepreneurs are required to be more innovative and creative in managing their companies in order to survive. Reduced customer loyalty is caused by factors, namely the large selection of products and services, the availability of information, most of the products or services in circulation are almost the same or no different from each other, and financial problems faced by consumers (Fadly dan Wantoro, 2019).

Micro, Small, and Medium Enterprises (MSMEs) have the largest contribution to the country's economy. When the monetary crisis that occurred in 1998 hit Indonesia, MSMEs proved to be the saviors at that time. The presence of MSMEs builds the Indonesian economy so that buying and selling transactions are the largest source of income for the economic sector. According to Law no. 20 of 2008 concerning UMKM which aims to build the national economy based on the principles of just economic democracy. MSMEs in Indonesia are protected by Presidential Decree No. 99 of 1998 where "Small-scale people's economic activities with business sectors are mostly small business activities and need to be protected to prevent unfair business competition."

MSMEs businesses are starting to grow both from a household scale to a large scale such as culinary businesses, fashion businesses, agricultural businesses, electronics businesses, furniture businesses, and service businesses are the pillars of this country's economy. MSMEs will be easy to find from rural to urban areas and now the government has set MSMEs actors

to use digital technology which is used as a tool to introduce, sell products and communicate media between sellers and buyers. The use of digital technology in social media will help the process of developing MSMEs in Indonesia (Arianto, 2020).

Horst dan Hitters, (2020) Digital transformation is changing the understanding of what the media industry is, what a media organization is, and what can be done with digital media in new ways that may involve input from customers and audiences in the creation of shared content. Social media plays an important role in digital transformation. Established platforms like Facebook, Instagram, or LinkedIn create significant advantages for budding entrepreneurs and early-stage startups. This allows entrepreneurs to develop their identity as entrepreneurs and shape their work strategies through digital media technology.

Fadly dan Wantoro, (2019) Facebook and Instagram are potential media to be used as promotional media. A large number of social media users, particularly Facebook and Instagram, can be used as a company processing tool to provide information to customers.

Agam (2017) Social media influencers through Instagram have become an asset for certain products and services that can provide a large revenue stream for companies. A high number of followers can lead to a higher perception of popularity. From the results of his research, Instagram influencers with a high number of followers are considered to be more preferred and have the opportunity to convert potential customers into customers.

Wahyudi dan Damayanti (2019) social media is one of the media that currently offers the most effective promotional strategy because its users are extraordinary. One of the most effective social media, capable of loading words, videos, and images is Instagram. A large number of followers is a company asset and potential buyers for a product brand and increases the trust of potential buyers. The development of a system to increase the number of Instagram followers is very influential and provides positive value for sales.

Kim (2020) Investing in increasing the number of followers and increasing a brand's digital presence has positive and significant implications for brand sales. Furthermore, the niche brand effect shows that customer brand fit on social media is a significant factor moderating the effect of followers on revenue

Instagram is currently one of the most used social media. Instagram is an application that is applied to share photos and videos with their followers. Instagram (2020) launched a new feature that can support business activities during the Covid-19 coronavirus pandemic. Instagram said the new feature was created after many MSMEs were struggling to maintain business continuity by utilizing technology and marketing on online platforms. Instagram only needs to create interesting and useful content after that it has a lot of followers (followers) and the followers must be active, not passive. A follower is someone who follows an account on social media called Instagram. That way you can make money from Instagram. Be it from Paid Promote or Endorse services or from selling products. Most followers are proof of popularity to influence users' social status. Many even increase it by buying it even though the quality of the content is mediocre. Currently, Instagram's role is to generate income for professionals such as celebrities, brand ambassadors, and influencers. This profession is dependent on the numbers and statistics of their Instagram account followers.

Through a qualitative approach based on the phenomena that have been described previously, it encourages researchers to conduct research that wants to find out more about the extent to which MSMEs actors understand their followers for their business. Therefore, the researcher proposes a study with the title **"Instagram Followers as Digital Assets for MSMEs in Palu City"**.

Based on the above background, this research will find out the truth through the awareness of MSMEs actors in Palu City, and the formulation of the problem in this study is how MSMEs actors in Palu City understand Instagram followers as digital assets.

## **METHOD**

Qualitative research was proposed by Anggito (2018). Descriptive research with a qualitative approach is a qualitative descriptive study aimed at describing and describing existing phenomena, both natural and human-engineered, which pays more attention to the pattern of Instagram followers in Palu City using a phenomenological approach.

Thus, qualitative research produces descriptive data in the form of written or spoken words from the observed Instagram followers. So, this type of research includes qualitative descriptive research because it explains something that is happening today, namely by knowing Instagram followers in the digitalization era in Palu City.

### **Research Time and Location**

The location of this research was carried out in Palu City by choosing businessmen who use Instagram. This research was conducted in May 2022.

### **Research Informants**

This research required informants who must understand well about the object under study. The selected informants were actors who provided information about understanding their awareness related to the object of research. Based on these considerations, the researchers decided to determine the owners of MSMEs as research informants. In addition, according to researchers, business owners better understand well the aspects of their business.

### **Source of Data**

The sources of data used in this study were primary and secondary data. Primary data in qualitative research was data obtained from observations and direct interviews with informants according to the problems in the form of questions. Then secondary data was data obtained from available data as additional information for researchers or from data that is researched and collected from other parties as primary data supporters. In general, secondary data is in the form of records or documentation data reports. In this study, secondary data collection was carried out by conducting a literature study such as searching, viewing, and opening sites, and scientific books related to research.

### **Technique of Data Collection**

Data collection techniques in a study are very important in writing because the presence of data can support writing as an ingredient in writing itself. The data collection used in this study included observations, interviews, and documentation (Creswell, 2007: 130 in Sugiono, 2014):

1. Observation is data collection which is done through direct observation of the field where the research is conducted so that it can find out the activities carried out by the informants in the field and mingle with the informants observing what is being done in order to make it easier for researchers to get more information.
2. This interview was conducted by holding direct questions and answers both spoken and written while meeting face to face with the informant. This interview involves the researcher and informant having a dialogue, the questions will be asked in a random and non-sequential pattern, so that the interview process will continue to develop.
3. The next method is documentation. It is collecting general information related to informants and their businesses and recording documents related to research. The interview process is

also carried out with documentation using a voice recorder on a cellphone which will be used as an interview manuscript.

### Technique of Data Analysis

The analysis technique in qualitative research depends on the approach used. Phenomenology is a branch of philosophy created by Edmund Husserl. According to Husserl in Kuswarno (2009:10), phenomenology studies the experiences of others who experience it and as if the researcher experienced it. This is manifested by the extent to which the informant interprets an object that is in his experience, the meaning is broader than what is seen. Husserl's phenomenology emphasizes that to understand a phenomenon one must examine the phenomenon as it is.

Husserl's transcendental phenomenology in Kuswarno (2009) is the first epoche, which means moving away from the initial considerations and judgments you have of an object. Epoche fosters a new understanding and there is no influence from within oneself and others.

Identifying data by means of neoma or textural analysis and then bracketing by giving brackets to get neosis or structural analysis as a deeper meaning. This bracketing process will strengthen neoma, which is visible awareness and neosis, which is the deepest awareness (Kasmayanti, 2016).

## RESULT AND DISCUSSION

### Result

Based on the consideration of the researchers, the selection of informants in this study were MSME actors in Palu City who were deliberately selected who had used Instagram social media as a support for their business to succeed. Researchers chose 6 MSMEs actors as informants who were used as research sites, as follows:

**Table 1.**  
**List Of Followers**

No	Instagram' Account	Number of <i>Followers</i>
1.	@kedas_beautyofficial	405k
2.	@soalpalu	336k
3.	@nimshop.official	86,9k
4.	@totebagmu.id	41,1k
5.	@firmsalon	29k
6.	@chitralicious_pal	25,1k

### The Importance Of Instagram For MSMEs

The number of followers makes it a form of digital asset for businesses. Before the informant realized about the object of research, the researcher first tried to ask the informant's understanding of the function of Instagram social media for business. The informant stated that the function of Instagram is a social media that is very helpful for businesses. Through Instagram, informants' products or services can be offered by uploading photos or short videos or sharing the seller's products, so that potential consumers can see the types of products or services offered. Instagram has succeeded in becoming the social media with the most opportunities for doing business because it is in great demand by users.

### **The Importance Of Instagram Followers For MSMEs**

Regarding the statements of the informants, it can be concluded that having many followers on an Instagram account will help make it easier to reach many customers and make followers an important role in the continuity of the business being run. It can also be said that having a large following on Instagram can provide quite a number of social and financial benefits.

### **Followers Are Interpreted As Needs. Necessity: What Brings Profit**

Based on the explanation above, the informant understands that followers are a need that brings benefits in the future. Although the delivery method of each informant is different and with different experiences, it can be found that the horizon is that followers are able to generate profits. In accordance with the results of the interview, it can be seen that the informants did not feel burdened in explaining their business. The pleasure of having many followers can bring benefits. These profits can be obtained in various ways, from sales to utilization for business operations.

### **Needs: Consistently Providing Posts**

Consistency includes tips for success in running a business, as well as followers need consistency so that followers remain loyal to follow. Informants with different delivery methods can be found horizons, namely followers who are consistent in posting content so that followers will remain. In addition, two-way interaction with followers has a positive influence on followers' trust.

### **Followers Are Interpreted As A Sacrifice**

The statement above provides clarification on the sacrifices in gaining Instagram followers through endorsements, testimonials, sponsorships, and giveaways, and can be traded but the informants do not use any way of buying and selling followers considering that it will have a negative impact on the Instagram accounts owned by the informants. The answers from these informants show that the sacrifice to get followers who are captured is a business operational cost (noema) through the effort undertaken (intentional analysis). The fee is paid in the form of money (noesis).

### **Followers Are Interpreted As Assets**

Digital assets are assets that can only be owned through technological intermediaries and are usually categorized into images and multimedia known as media assets and written content. The type of asset that the researcher focuses on is social media Instagram which is widely used by entrepreneurs, influencers, or celebrities with many followers making followers the most important digital asset now and in the future (noesis).

### **Sense of Losing Followers**

The feeling of losing Instagram followers that @nimshop.official has ever felt: "The first IG disappeared, the first 183 thousand accounts that Nimshop lost, so we created another account, we created it in February a few months ago, the beginning of 2017 Instagram, the loss of February with 183 thousand followers, it's really sad..."

### **Discussion**

Statement of Financial Accounting Standards (PSAK) No. 16 Revised in 2011, assets are all assets owned by individuals or companies that have economic value and can generate profits

in the future. There are 4 things that are the nature of an asset, namely having an economic value that can be exchanged or sold, able to generate profits, controlled by a party that can be converted into cash and cash equivalents, and transactions carried out in the past that can generate economic benefits in the future. The following table is a summary that will analyze the nature of assets in accordance with the facts presented by MSMEs informants:

**Table. 2**  
**Analyses MSMEs**

Nature of Asset	Fact
1. Has Economic Value	"@chitralicious_palau: these followers can be traded" "@totebagmu.id: most people now sell followers for sale" "@firmansalon: right now you can buy it, you can get active followers"
2. Making Profit	"@jualpalu: The more targeted followers, of course the turnover will follow the increase" "@nimshop.official: followers are influential for our store, the more followers the more people will see and the more they reach, the sales will increase and the income will increase..." "@totebagmu.id: the more followers who are potential buyers, the number of sales will increase...the sales turnover will also increase because many people already know or are already known to the wider community, it can be seen from the number of followers that continues to grow" "@firmansalon: the importance of followers to increase the number of sales, have an impact on turnover, and so that the business is known to the wider community" "@chitralicious_palau: more followers can of course increase the number of sales and increase sales turnover if the target followers are right in accordance with the products we sell..."
3. Controlled by a Party	MSMEs account owner
4. Transactions in the past	The sacrifices in gaining Instagram followers through past transactions are: a. endorse b. Testimonials c. Sponsor d. give away e. For sale

Based on this description, it can be concluded through reflection and determined the meaning that followers are interpreted as assets. If viewed from the table above, it can be seen that the meanings of followers that appear can be integrated into unity and become a complete and pure understanding, so that followers are obtained as something material, including income that brings benefits.

The meanings found show that Instagram followers can be said to be assets for MSMEs actors because according to IFRS (International Financial Reporting Standards) assets are resources controlled by the company as a result of past events and future economic benefits that are expected to flow to the company.

### **Synergistic Meaning of Followers in Asset Life Cycle**

The meaning of Instagram followers based on the awareness of informants is not only related to social media values, but also the life cycle values of assets that are the basis for doing business. According to Hindrawan, et al, (2006: 119) the physical life cycle of an asset or group of assets has four phases, namely planning, procurement, operation and maintenance, and elimination.

Based on the awareness of the informants, five meanings of followers have been found. First, followers are interpreted as a need that brings profit. All informants in different disclosures have realized that followers are a form of profit they receive.



Second, followers are interpreted as consistency in providing posts because followers need to post consistency in order to remain loyal to follow. In addition, two-way interaction with followers positively influence on followers' trust and this form of consistency puts forward the quality of posts that will make consumers happy and satisfied.

Third, followers are interpreted as sacrifices because the informants are not enough just to post photos and videos but a sacrifice is needed. Sacrifice in getting Instagram followers through endorsements, testimonials, sponsors, give away, and can be traded. Sacrifice according to the experience of the informants was captured as a business operational cost. The fee is paid in cash.

Fourth, followers are interpreted as a type of digital asset because through technological intermediaries and are usually categorized into images and multimedia, which are known as media assets for entrepreneurs, influencers, or celebrities by having many followers, making followers the most important digital asset now and in the future.

Fifth, the feeling of losing followers experienced by two informants but who was interviewed was only one of them. This sense of losing Instagram followers makes the informant feel sad because the process of getting a lot of followers is not as easy as thought and not instant. It's instantly easy to make Instagram social media accounts new again but gathering followers takes a lot of sacrifice. That's why these followers are so important.

If viewed from the discussion above, it can be seen that the meanings that arise can be integrated into the 4 phases of the asset management life cycle according to Hindrawan, et al (2006), namely planning, procurement, operation and maintenance, and elimination. Based on the awareness of the informants, the meaning of followers as a need that brings profit and the meaning of followers as consistency in providing posts can be integrated with the planning phase. The purpose of the planning phase is the need identification phase, when there is a demand for assets. Therefore, the meaning of followers as a need is the entrance when getting followers.

Furthermore, followers are interpreted as sacrifices. In the procurement phase, followers who have been obtained through endorsements, testimonials, sponsors, giveaways, can be traded and increase sales. The purpose of this procurement phase is when assets are purchased, constructed or manufactured. This phase is very identical to the process that occurs in the business of the informants. If the followers that are generated are not held for these things, then the business of the informants will not run and develop.

After followers are interpreted as sacrifices, they are integrated into the procurement phase, it also enters the operation and maintenance phase. The informants realized the meaning of followers as assets because this phase was interspersed with periodic renewal, replacement, or repair of damaged assets. So the informants understand to carry out maintenance so that followers as their digital assets continue to follow it consistently.

Finally, the write-off phase is carried out when the economic life of an asset has expired or when the need for services provided by the asset has disappeared. It's the same when you lose followers, it's sad and you need to make sacrifices for the lost followers.

### **Conclusion**

Instagram has succeeded in becoming the social media with the most opportunities for doing business because it is in great demand by users. Instagram is a social media that is very helpful for businesses. Through Instagram, informants' products or services can be offered by uploading photos or short videos or sharing the seller's products, so that potential consumers can see the types of products or services offered. Having a lot of followers on an Instagram

account will help make it easier to reach many customers and make followers an important role in the survival of the business being run. It can also be said that having a large following on Instagram can provide quite a number of social and financial benefits. Entrepreneurs, influencers or celebrities who have many followers make followers the most important digital asset now and in the future.

Through the study of phenomenological awareness, researchers have explored the awareness of informants about the meaning of Instagram followers. Based on the results of the data analysis which carried out and synergizing the meanings found in several meanings through reflection. Informants in understanding the meaning of Instagram followers as an asset began to make it a need that brings profit, is consistent in posting, there are sacrifices, digital assets, and a sense of loss. Informants have reached their point of awareness in interpreting Instagram followers as digital assets.

Suggestions that can be given by researchers based on the results of this study are as follows:

1. Business owners should include followers in financial reports to support business operations in facing very tight business competition in the current digital era.
2. Further researchers are advised to reveal more deeply regarding the unfairness of a business that has a social media account with such a large number of followers.

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