

## Business To Business In Purchasing MSME Products

**Asmita Wulansari Dg. Liwang**

Universitas Muhammadiyah Luwuk

*E-mail* : [asmitawulansaridgliwang@gmail.com](mailto:asmitawulansaridgliwang@gmail.com)

**Irwan Moridu**

Universitas Muhammadiyah Luwuk

*E-mail* : [irwanmoridu@gmail.com](mailto:irwanmoridu@gmail.com)

*Corresponding author* : [asmitawulansaridgliwang@gmail.com](mailto:asmitawulansaridgliwang@gmail.com)

**Abstract:** In the current digital environment, employees are urged to establish social media relationships with clients in order to boost trust and lower the possibility of transactions that can erode client loyalty. The purpose of this study is to evaluate and assess the predisposing factors for customer loyalty, including MSME customers' use of social media, level of trust, and purchase risk. Causal explanatory research is the methodology employed. The research sample consists of small and medium-sized companies that interact with suppliers and use social media for business purposes. A survey was used to gather data, and 212 respondents were given questionnaires. Regression with mediation is instead employed in the data analysis process. The findings indicate that purchase risk is not as effective at moderating the impact of social media use on consumer loyalty as trust is.

**Keywords:** Purchase Risk, Trust, Social Media Use, Customer Loyalty.

### INTRODUCTION

In addition to earning a profit, the primary objective of business is to uphold ties with clients in order to foster client loyalty. According to Belani (2021), a company's potential to increase revenue, profitability, and effectiveness is influenced by its devoted customer base. Customer loyalty, a type of long-term relationship between sellers and customers that has an impact on enhancing business success, is the outcome of customer contentment with the services supplied in the form of good service and being able to match customer requirements and wishes. By developing strategic strategies and relying on strong business performance, a company can manage positive customer connections (Belani, 2022).

A vast amount of knowledge is readily available at one's fingertips in the modern era. Consumers use social media to do preliminary research on goods and services before making a purchase. Thus, buyers spend a lot of time using smartphones to explore merchants' goods or services.

Using social media in conjunction with other communication channels to accomplish organizational objectives and add value for both internal stakeholders and external clients is referred to as marketing and business activities using social media (Yusuf, 2022).

Research firms, Google, and the CEB Marketing Leadership Council have all conducted surveys that demonstrate that the myth in B2B marketing—that there aren't many

emotional factors influencing purchases in the B2B process—is untrue. In reality, B2B customers have a strong emotional bond with their clients. Suppliers use salespeople to gain the trust of clients and reduce any potential dangers associated with their purchases (Belani, 2021).

It is crucial for B2B companies to improve their business marketing strategies as digital media grows in popularity (Moridu, 2019). The majority of business-to-business (B2B) companies still do not use social media as a component of their digital marketing mix to the same extent that they employ traditional techniques like in-person sales, phone sales, word-of-mouth (WOM), and personal selling (Suryanto, 2022).

In B2B sales, digital tools and technology can boost revenue, profitability, efficacy, and customer knowledge (Syam and Sharma, 2018). Although most B2B organizations have official profiles on other social networking sites like Facebook, the majority of B2B companies that use social media prefer the LinkedIn platform (Chu-Bing Zhan and Yina Li, 2019).

Because social media is the most affordable and user-friendly marketing display for disseminating information about brands, businesses, new products, services, and other things, it is also a powerful instrument for drawing in customers and fostering loyalty (Belani, 2021).

As long as customers can communicate with sales representatives via social media and then decide whether to make a purchase, it is anticipated that the spread of information about business products and services on these platforms will raise customer expectations and foster trust (Bongsug Kevin) Chae, 2020). Trust that has developed among employees It is also anticipated of the buyer and seller to lower the potential risk of a purchase. Consumers exclusively rely on salesmen and suppliers, making them susceptible to hazards. In order to avoid making poor selections and taking unnecessary risks while making a purchase, prospective clients are typically driven to use social media to research suppliers (Suryanto, 2021).

Customer loyalty, which considers a number of factors such as behavior, attitudes, and combinations, is a strong commitment on the part of the customer to renew their subscription or make repeat purchases of particular goods or services in the future (Suryanto et al., 2020).

Following the initial interactions, clients can evaluate the salesperson's credibility by looking up information on social media. Social media can help with communication and enhance the consumer and salesperson experience while establishing trust. Salespeople's social media information processing skills (internal capabilities), particularly when coupled

with customer co-creation (external capabilities), according to Shun Hui Chang (2020). This has to do with using social media nimbly, which improves client interactions and impacts customer trust.

Salim, Hurriyati, and Sultan (2020) added that there is a partial and simultaneous considerable influence of salespeople's perceived social media use quality on the quality of their customer interactions. The degree of trust and interaction between salespeople and customers increases with the quality of information obtained through social media use.

### **H1. Social media usage affects consumer trust**

Using social media to share information from reputable sellers can lower the likelihood that a transaction will be made. Customers that rely only on salespeople and suppliers put themselves at danger from a dynamic environment or purposeful opportunistic behavior. Customers are therefore currently incentivized to use social media as their initial source of information in order to avoid making poor selections when making a final purchase (Liang and Kee, 2018).

### **H2. Social media usage affects the risk of making a purchase**

Consumer trust is an arbitrary standard that lowers transactional uncertainty and potential buying risks. Customers' sensitivity to perceived risk can be decreased by purchase confidence (Chu-Bing Zhan and Yina Li, 2019). A customer's sound judgment will reduce the likelihood of making a purchase. B2B connections that lack trust will expose customers to potential dangers or uncertainties while making purchases.

### **H3. Purchase risk is influenced by customer trust**

Customer loyalty is a beneficial outcome of long-term relationships, which are fundamentally built on trust. Customers' trust in salespeople is a sign that they will honor their end of the bargain and perform as requested by them. Once a customer's trust has been established, they will be more inclined to make the supplier their last choice and will keep up their commercial connection with them. Ahmad (2021) posits that good emotions, trust, admiration for the service, and relationships formed by salespeople towards clients are the foundations of customer loyalty. The ability of a client to stick with a specific supplier over the long term and make recurring purchases from them is known as customer loyalty. Repeat business from a supplier is indicative of a loyal customer base. Stable sales income and positive word-of-mouth (WOM) among other business owners are two benefits that loyal consumers can offer, both internally (to suppliers) and outside (to customers). Customer loyalty programs are crucial in B2B marketing and should be further studied since business-to-business (B2B) customers are less loyal to suppliers and will follow more logical purchase

criteria than business-to-consumer (B2C) customers (Silva, 2020).

**H4: Customer loyalty and trust are related.**

One measure of a company relationship's strength is its ability to retain customers. Low perceived risk and high switching barriers reduce the opportunity for a customer to switch from one current supplier to another and preserve a positive working relationship between the salesman and the customer (Chu-Bing Zhan and Yina Li, 2019).

**METHOD**

The purpose of this study is to evaluate and assess the social media use, trust, and risk associated with B2B MSME purchases as antecedents of customer loyalty. The kind of research that is employed is causal explanatory research for hypothesis testing. Research on hypothesis testing, according to Suliyanto (2006), is intended to test hypotheses. Theory is the foundation upon which these research-related hypotheses are developed. According to Cooper and Schinder (2011), explanatory research tries to explain the relationship between variables and study phenomena. Causal research is a variable that effects other factors.

This study uses MSMEs as the population object and a sample of MSMEs that use social media to connect with suppliers as part of their business operations. Purposive sampling is the sample strategy used in this study. Ten times as many indications were used by the researchers. In order to meet the requirement for MSME respondents who use social media to engage with suppliers for business purposes, researchers sent questionnaires to at least 210 respondents. study participants were given questionnaires to complete in order to gather study data through surveys. The primary data used in this study is cross-sectional data, which is obtained from respondents' responses to questionnaires that were sent out during a specific time period. Regression with mediation is the data analysis technique employed, and the data is processed using SPSS software version 26.0 for Windows.

**RESULTS AND DISCUSSION**

**Regression Analysis Test Results with Mediation**

**Table 1.** Results of Regression Analysis with Mediation

| Hypotesis | Relationship | B     | Beta  | T     | Sig   | Results  |
|-----------|--------------|-------|-------|-------|-------|----------|
| 1         | SMU -> CT    | 0.456 | 0.513 | 8.945 | 0.000 | Accepted |
| 2         | SMU -> PR    | 0.354 | 0.307 | 4.833 | 0.000 | Accepted |
| 3         | CT -> PR     | 0.136 | 0.105 | 1.575 | 0.117 | Accepted |
| 4         | CT -> CL     | 0.437 | 0.440 | 7.338 | 0.000 | Accepted |
| 5         | PR -> CL     | 0.350 | 0.422 | 6.974 | 0.000 | Accepted |

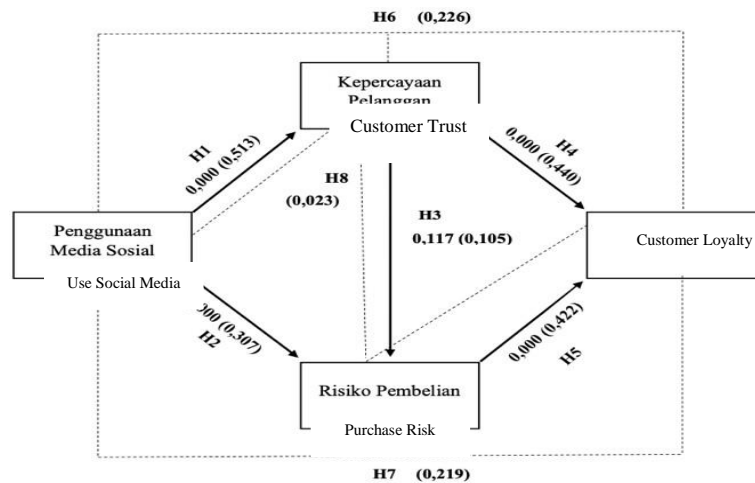
Source: SPSS data processing (2023)

Table indicates that the following hypothesis can be tested: The impact of social media use on consumer trust is demonstrated by a standardized coefficient value of 0.513 and a sig of 0.000 < 0.05, indicating the significance of the H1 hypothesis, which is accepted.

The impact of social media use on purchase risk is demonstrated by a standardized coefficient of y value of 0.307 and a sig of 0.000 < 0.05, indicating the acceptance of H2 due to its significant findings.

With a standardized coefficient value of 0.105 and a sig of 0.117 > 0.05, the impact of customer trust on purchase risk is demonstrated, indicating the rejection of H3, as purchasing risk is deemed to have little bearing on customer loyalty. Using the formula  $\beta_{H1} \times \beta_{H3} \times \beta_{H5}$ , researchers can determine the value for standardized coefficients, which comes from 0.307 x 0.422. The fact that the standardized coefficients value indicates that H7 is deemed significant supports its acceptance.

Using the formula  $\beta_{H1} \times \beta_{H3} \times \beta_{H5}$ , the influence of social media use on customer loyalty is mediated by purchase risk and customer trust. The value for standardized coefficients is 0.023, which is derived from 0.513 x 0.105 x 0.422. The standardized coefficients' value demonstrates the rejection of H8. In summary, trust has little effect since it has a negligible impact on purchase risk. The research model's route is depicted in Figure 1.



**Figure 1.**  
Research Model Path Values

The purpose of this study is to evaluate and assess the social media use, purchase risk, and trust of B2B MSME customers as antecedent variables of customer loyalty. This study only looks at how social media can help B2B MSME companies boost customer loyalty, lower purchase risk, and foster trust.

Nowadays, social media usage offers B2B salespeople a lot of advantages and chances. In addition to providing a platform for information gathering from prospective

clients, social media use in business circles may also spread word about a company's goods and services (Suryanto, 2022).

The analysis that was done offers factual proof of how social media use might affect customer loyalty and purchase risk as well as customer trust in H1, H2, and H3Regression Analysis Test Results with Mediation

## **CONCLUSION**

The results of this study have demonstrated a positive and significant relationship between the research variables, leading to the conclusion that consumer attitudes, product design, and OCR influence decisions about what contemporary local trainer products to buy in Indonesia. It has been demonstrated that consumer attitudes mediate the impact of product design and OCR on consumer purchase decisions. These results suggest that when consumers are making selections about what to buy, they will take into account a variety of internet reviews, which are further supported by the model and quality of the product design. Aside from that, while choosing to purchase modern local trainers, customer attitudes will also reinforce their opinions about product design and OCR.

The findings of this study may be taken into account while creating a marketing plan. The marketing staff can heavily promote shoe products, such as by holding giveaways or giving them away for free, encouraging customers to post reviews on different online platforms and encouraging the creation of favourable OCR that can sway opinions and influence purchases. The findings of this study may be taken into account while creating a marketing plan. The marketing staff can heavily promote shoe products, such as by holding giveaways or giving them away for free, encouraging customers to post reviews on different online platforms and encouraging the creation of favourable OCR that can sway opinions and influence purchases.

## **REFERENCES**

- Azkie Kurnia, R., & Tri Basuki, K. (2023). Analysis of Accounting Information Systems for Purchase and Sales in MSMEs. *Journal of Data Science*, 2023(18), 1-11.
- Belani, S. (2023). Artificial Intelgence Sebuah Inovasi Baru Menjual Produk (Membandingkan Keunggulan FB, WA, Instagram, Telegram dan Youtube). *Lentera: Multidisciplinary Studies*, 1(2), 111-118.
- Efendi, E., Utami, E. Y., Akbarina, F., Ilham, I., & Belani, S. W. (2024). THE INFLUENCE OF WEBSITE QUALITY ON PURCHASE INTENTION WITH BRAND REPUTATION AS A MODERATION VARIABLE. *INTERNATIONAL JOURNAL*

OF ECONOMIC LITERATURE, 2(1), 91-97.

- Fadli, Z., Siagian, A. O., Siregar, N., Amelia, D., Januardani, F. D., Mardika, N. H., ... & Jamil, M. (2023). *Ekonomi Makro: Teori-Teori Pengantar*. CV. Gita Lentera.
- Hadiyati, R., & Belani, S. (2023). PEMANFAATAN MEDIA SOSIAL DALAM PEMASARAN PRODUK UMKM DI DESA LUKSAGU, KABUPATEN BANGGAI KEPULAUAN. *Indonesian Journal of Economy, Business, Entrepreneurship and Finance*, 3(3), 536-543.
- Herdiansyah, D. (2023). *Surat Pencatatan Ciptaan: Ekonomi Makro Teori-Teori Pengantar*.
- Judijanto, L., Liestyowati, L., Belani, S. W., Daud, A., & Syofya, H. (2024). Utilization Of Digital Marketing For Palm Oil Farmers And Palm Fruit Craftsmen In Indonesia. *Journal Of Human And Education (JAHE)*, 4(1), 214-218.
- Kurniati, R. R., & Anastuti, K. U. (2022). The Role of E-commerce to Consumers and MSME Business in The Digital Era. In *Proceeding Global Conference on Social Science (Vol. 1, No. 1, pp. 165-175)*.
- Kusumastuti, Y. I. (2022). *Komunikasi bisnis*. Pt Penerbit Ipb Press.
- Mujianto, M., Hartoyo, H., Nurmalina, R., & Yusuf, E. Z. (2023). The Unraveling Loyalty Model of Traditional Retail to Suppliers for Business Sustainability in the Digital Transformation Era: Insight from MSMEs in Indonesia. *Sustainability*, 15(3), 2827.
- Nainggolan, H., Erdiansyah, R., Ratri, W. S., Gorda, A. N. E. S., Prastiwi, N. L. P. E. Y., Kadiman, S., ... & Ningsih, L. K. (2022). *Ekonomi Sumber Daya Manusia*. Pradina Pustaka.
- Rustiawan, I., Lesmini, L., Sidjabat, S., & Belani, S. (2023). Deteminant Organizational Development: Analysis Recruitment, and Servant Leadership. *Formosa Journal of Multidisciplinary Research*, 2(5), 837-846.
- Sudirjo, F., Yuliana, A., Novilia, F., Kalalo, R. R., & Belani, S. W. (2023). The Influence Of Service Quality And Consumer Experience On Consumer Repurchase Intention. *Innovative: Journal Of Social Science Research*, 3(6), 3965-3973.
- Sumarlinah, Y., Sukesi, S., & Sugiyanto, S. (2022). The Role of Digital Marketing, Service Quality, Product Quality on Purchasing Power through the Satisfaction of Probolinggo MSME Followers during the Covid-19 Pandemic. *International Journal of Applied Business and International Management (IJABIM)*, 7(1), 96-105.
- Wonua, A. R., Widiana, I. N. W., Mangkay, S. D., Baali, Y., Hadiyati, R., Simarmata, N., ... & Saerang, A. A. (2023). *Manajemen Kinerja: Pendekatan SDM*. Get Press Indonesia.