

The Role of Innovation Capability and Social Media Marketing Capability to Improve SME's Social Media Performance: Empirical Study in Java Florist Industry

Oleh:



THESIS

Academic Research Project Report

Submitted as a Final Project in Order to

Obtain Master's Degree in Management (M.M)

In the Master's Program in Technology Management

Michelle Clysia Sabandar
NIM: 00000056130

UNIVERSITAS MULTIMEDIA NUSANTARA
FACULTY OF BUSINESS
MASTER IN TECHNOLOGY MANAGEMENT
TANGERANG
2022

**PERAN INNOVATION CAPABILITY DAN
SOCIAL MEDIA MRKETING CAPABILITY
DALAM MENINGKATKAN SOCIAL MEDIA
PERFORMANCE : STUDI EMPIRICAL PADA
FLORIST DI JAWA**



TESIS

Laporan Proyek Penelitian Akademis
Diajukan sebagai Tugas Akhir dalam Rangka
untuk Memperoleh Gelar Magister Manajemen (M.M.)
pada Program Studi Magister Manajemen Teknologi, UMN

Michelle Clysia Sabandar
00000056130

UNIVERSITAS MULTIMEDIA NUSANTARA
FACULTY OF BUSINESS
MASTER IN TECHNOLOGY MANAGEMENT
TANGERANG
2022

NO PLAGIARISM STATEMENT PAGE

I hereby,

Name : Michelle Clysia Sabandar

Student Number : 00000056130

Study Program : Magister Management Technology

Thesis with title

The Role of Innovation Capability and Social Media Marketing Capability to Improve SME's Social Media Performance: Empirical Study in Java Florist Industry

is the result of my own work, not plagiarism from scientific works written by others, and all sources, both quoted and referenced, have been correctly stated and include in the Bibliography.

If it is proven that fraud/regulation are found in the future, both in the implementation of the thesis and the writing of the thesis report, I am willing to accept the consequences of being declared NOT PASS for the Final Project that I have taken.

Tangerang, July 18th 2022



Michelle Clysia Sabandar

APPROVAL OF ADVISOR

The Role of Innovation Capability and Social Media Marketing Capability to Improve SME's Social Media Performance: Empirical Study in Java Florist Industry

Oleh:

Michelle Clysia Sabandar

NIM: 00000056130

Thesis

Submitted to Fulfil Some Requirements to Achieve Master in Technology Management

Has been Approved by the Advisor Commission as dated below:

Tangerang, 20th June 2022

Main Advisor



Dr. So Yohanes Jimeny, S.T., M.M.

Co-Advisor



Dr. Mohammad Annas, S. Tr. Par., M.M.,
CSCP

Acknowledge by,



Dr. Prio Utomo, S.T., M.P.C.
Digitally signed by Dr.
Prio Utomo, S.T., MPC
Date: 2022.07.20
17:08:48 +07'00'

Head of Study Program

Master in Technology Management

ENDORSEMENT PAGE

**The Role of Innovation Capability and Social Media Marketing
Capability to Improve SMEs Social Media Performance:
Empirical Study in Java Florist Industry**

By:

NAME : MICHELLE CLYSIA SABANDAR

NIM : 00000056130

Study Program : Master in Technology Management

Faculty : Faculty of Business

Has been examined on Wednesday, July 6th 2022

From 09.00 to 11.00 and stated

PASSED

with the order of examiners as follows :


20/07/2022

Dr. Florentina Kurniasari T., S.Sos., M.B.A
Head Of the Examiner


Dr. So Yohanes Jimmy, S.T., M.M.
1st Member Examiner


Dr. Mohammad Annas, S.Tr., Par., M.M., CSCP
2nd Member Examiner

Acknowledge by :



Dr. Prio Utomo, S.T., M.P.C
Head of Master in Technology Management

**STATEMENT OF AGREEMENT IN THE PUBLICATION OF FINAL
PROJECT FOR ACADEMIC PURPOSES**

I am student of Universitas Multimedia Nusantara :

Name : Michelle Clysia Sabandar
Student Number : 00000056130
Study Program : Magister Management Technology

For scientific development, to give Universitas Multimedia Nusantara the Non-exclusive Royalty-Free Right of my final project entitled:

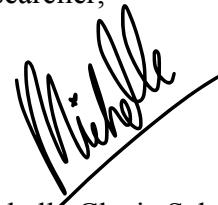
**The Role of Innovation Capability and Social Media Marketing
Capability to Improve SMEs Social Media Performance: Empirical
Study in Java Florist Industry**

Along with the necessary equipment (if any). With this Non-Exclusive Royalty- Free Right, Universitas Multimedia Nusantara has the right to store, convert/re- format, manage it in the form of a database, distribute, and display/publish it on the internet or other media for academic purposes without permission as long as include my name as author/creator.

I am willing to take responsibility for all forms of lawsuits arising from copyright infringement in my scientific work without involving Universitas Multimedia Nusantara.

This is a statement letter that I made.

Tangerang, 20th June 2022
Researcher,



Michelle Clysia Sabandar

PROLOGUE

Praise God Almighty for His blessings, grace, grace, and abundance so that the author can complete the Thesis with the title: "The Role of Innovation Capability and Social Media Marketing Capability to Improve SME's Social Media Performance: Empirical Study in Java Florist." The writing of this Thesis was submitted as one of the graduation requirements to achieve a Master's degree in Technology Management at the Faculty of Business, Universitas Mutlimedia Nusantara.

The success of writing this Thesis cannot be separated from the help and support of various parties, for which the author would like to thank:

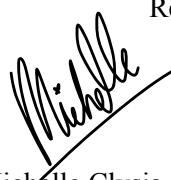
1. Dr. Ninok Leksono, M.A., as Rector of Universitas Multimedia Nusantara.
2. Dr. Florentina Kurniasari T., S.Sos., M.B.A., as Dean of the Faculty of Business Universitas Multimedia Nusantara and as the head of the examiner who give a lot of good advice for the completion of this final project.
3. Dr. Prio Utomo, S.T., M.P.C., as the Head of the Master of Technology Management Study Program, Faculty of Business, Universitas Multimedia Nusantara.
4. Dr. So Yohanes Jimmy. S.T., M.M, as the main advisor who has taken a lot of time to provide guidance, direction, and motivation for the completion of this final project.
5. Dr. Mohammad Annas, S. Tr. Par., M.M., CSCP, as the Co-Advisor who has helped a lot and provided guidance on completing this final project.
6. The author would like to thank me and myself for not giving up and persisting in working on and completing this thesis. It was hard but you nail it, please put your chin up because you did it!
7. All Florists in Java have been willing to take their time to help me complete this thesis.

8. Family that I love : Dad, Mom, Little Brother, dan Grandmother who continues to provide unlimited support, prayers, and motivation so that the author can complete the thesis.
9. Novita, Stella, Bebea, Giska, Barkah, Stephanie, and Maya as close friends of the author who have given much support since the author decided to take his Masters's degree. Thank you all for your support so that the author can complete this thesis
10. Pentabengek and Zef who always give the support for the writer while doing this thesis and never stop to motivate writer as well.
11. Claresta Nathania as a comrade in arms working on the thesis and always guides together.
12. Group 2 Tim Dynamite (Indah, Jagra, dan Joveta), whom working very hard since the beginning of the class until we all together finish the final project.
13. Friends of MMT Batch 4 for all the time we spent together and for the endless support also reminder to finish the Magister as fast as we can.
14. 펜타곤 dan 더보이즈 that has been the main inspiration of the writer for keep doing things and never give up. You guys are the best

The author realizes this thesis is not perfect and hopes this research can be useful as a source of information or inspiration for the readers. Thanks. God bless.

Tangerang, June 20th 2022

Researcher



Michelle Clysia Sabandar

ABSTRACT (English)

Social Media is one of the most important tools in running a business. With various features and conveniences offered, Social Media is one that business people rely on in building their business. Moreover, Social Media also helps business people better understand what customers need and a place to communicate with customers. This study aims to determine the role of Capability Innovation on Social Media Marketing Capability and Social Media Performance on SME's Florist in Java. Florist is part of a fairly large creative business industry in Indonesia. However, it is quite large. Until now, there is rarely any research that specifically discusses the previous creative florist industry.

Many Florists in Indonesia use Social. This quantitative research uses a purposive sampling technique that analyses 98 respondents who were collected using an online questionnaire. The theory used is Resource-Based Theory (RBT), where an analysis technique using SMART-PLS. Social Media Marketing Communication Capability, Social Media Product Development, and Innovation Capability are the variables studied to determine whether they will produce Social Media Performance for SME's Florist in Java.

The results showed that Innovation Capability did not produce Social Media Performance with a t-value of 0.618 and a p-value of 0.537. Furthermore, social Media Marketing Communication Capability can also not produce Social Media Performance with a t-value of 1.085 and a p-value of 0.278. Meanwhile, Social Media Product Development Capability has a big role in producing Social Media Performance. Of the three variables, only Social Media Product Development has a significant role in producing Social Media Performance.

The theoretical implication of this research is to provide insight for SMEs Florist in Java on which strategy is best to produce Social Media Performance. Furthermore, what can Florist use in setting strategy.

Recommendations for further research are to increase the number of respondents and take from different angles to learn more about what strategies SME florists can use in Java.

Keyword : Innovation Capability, Social Media Product Development, Social Media Marketing Communication , Resources Based Theory (RBT), SME, Florist, Creative Industry

ABSTRAK

Social Media menjadi salah satu alat yang terpenting dalam menjalani bisnis. Dengan berbagai fitur serta kemudahan yang ditawarkan, *Social Media* menjadi salah satu yang diandalkan pembisnis dalam membangun bisnisnya. Apalagi, *Social Media* juga membantu para pembisnis untuk bisa lebih memahami apa yang menjadi kebutuhan customer serta tempat untuk berkomunikasi dengan pelanggan. Penelitian ini bertujuan untuk mengetahui peranan *Innovasi Capability* terhadap *Social Media Marketing Capability* dan *Social Media Performance terhadap SME's Florist* di Jawa. *Florist* adalah bagian dari industry creative bisnis yang cukup besar di Indonesia. Meskipun cukup besar, namun hingga saat ini masih jarang ada penelitian yang secara spesifik membicarakan industri kreatif *Florist* sebelumnya.

Penelitian ini merupakan penelitian kuantitatif dengan teknik *purposive sampling* yang menganalisis 98 responden yang dikumpulkan menggunakan kuisioner *online*. Teori yang digunakan adalah *Resource Based Theory* (RBT) dimana dan teknik analisis dengan menggunakan SMART-PLS. *Social Media Marketing Communication Capability*, *Social Media Product Development*, dan *Innovation Capability* adalah *variable* yang diteliti untuk mengetahui apakah akan menghasilkan *Social Media Performance* untuk SME's *Florist* di Jawa.

Hasil penelitian menunjukkan bahwa *Innovation Capability* tidak menghasilkan *Social Media Performance* dengan *t-value* 0,618 dan *p-value* 0,537. *Social Media Marketing Communication Capability* juga tidak mampu menghasilkan *Social Media Performance* dengan *t-value* 1,085 dan *p-value* 0,278. Sedangkan *Social Media Product Development Capability* memiliki peranan yang besar dalam menghasilkan *Social Media Performance*. Artinya, dari ketiga variable tersebut, hanya *Social Media Product Development* yang memiliki peran *significant* dalam menghasilkan *Social Media Performance*.

Implikasi teoritis dari penelitian ini adalah memberikan insight bagi SME's *Florist* di Jawa strategi mana yang terbaik untuk menghasilkan *Social Media Performance*. Apa saja yang *Florist* bisa gunakan dalam mengatur strategi.

Rekomendasi untuk penelitian lebih lanjut,, agar bisa menambah jumlah *respondent* dan mengambil dari angle yang berbeda sehingga bisa mencari tahu lebih dalam strategi apa yang bisa digunakan SME's *Florist* di Jawa.

Kata kunci : Innovation Capability, Social Media Product Development, Social Media Marketing Communication , Resources Based Theory (RBT), SME, Florist, Creative Industry

Table of Contents

DECLARATION OF THESIS AUTHENTICITY	iii
APPROVAL OF ADVISOR	iv
PROLOGUE.....	vii
ABSTRACT (English)	ix
ABSTRAK	x
Chapter I Introduction.....	1
1.1 Background	1
1.2 Research Problem.....	6
1.3 Research Purpose	11
1.4 Research Contribution	11
Chapter II Literature Review	12
2.1 Theory Review 2.1.1 RBT (Resources Based Theory).....	12
2.1.2 social media	13
2.1.3 SMEs (Small and Medium Enterprise)	14
2.1.4 Creative Industry.....	15
2.1.5 Social Media Marketing Communication Capabilities.....	16
2.1.6 Social Media Product Development	16
2.1.7 Social Media Performance.....	17
2.1.8 Innovation Capabilities	17
2.2 Early Research	18
2.3 Conceptual Framework.....	23
2.4 Submission of Hypotheses	25
Chapter III Research Methodology.....	29
3.1 Research Paradigm	29
3.2 Object of Research.....	29
3.3 Population and Sample	30
3.4 Variable Operation	30
3.5 Data Collection Technique	32
3.6 Data Analysis Technique Pre-Test.....	33
3.6.1 Validation Test research Instrument	33
3.6.2 Reliabilities research Instrument.....	33

3.6.3 Main-Test Data Analysis (Outer Model)	34
3.6.3.1 Outer Model Analysis.....	34
3.6.3.2 Inner Model Analysis.....	35
3.7 Pre-test Result and Analysis.....	36
3.7.1 Validity Test	36
3.7.2 Reliability Test	38
Chapter IV Analysis and Discussion	39
4.1 Respondent Characteristics.....	39
4.1.1 Respondent based The Florist Duration Year.....	39
4.1.2 Respondent based on the Area.....	40
4.2 Analysis of the Statics Research	40
4.2.1 Descriptive Static	41
4.2.2 Outer Model Statistic.....	43
4.2.3 Inner Model Statistic	48
4.3 Discussion	55
4.3.1 Social Media Marketing Communication Capability (X1) influence positively towards of Social Media Performance (Y)	55
4.3.2 Innovation Capability (X2) influence positively towards Social Media performance (Y) ..	57
4.3.3 Social Media Product Development (X3) influence positively towards Social Media performance (Y).....	58
4.3.4 Social Media Marketing Communication (X1) influence positively towards Social Media Product Development (X3)	59
4.3.5 Innovation Capability (X2) influence positively towards Social Media Marketing Communication (X1)	60
4.3.6 Innovation Capability (X2) influence positively towards Social Media Product Development (X3)	61
4.5 Research Implication	62
4.6.1 Managerial Implication	62
4.6.1.1 Make Innovation as the Culture for the business and Customers	62
4.6.1.2 Increasing Performance through Product Development	63
4.6.2 Theoretical Implication	63
Chapter V Conclusion and Suggestion.....	64
5.1 Conclusion.....	64
5.2 Suggestion.....	66
5.1.1 Academic Suggestion	66
5.2.2 For the Florist.....	66
References	68
LAMPIRAN	74
Lampiran Kuisioner	74

Social Media Marketing Communication Capability	74
Innovation Capability	74
Social Media Product Development	75
Social Media Performance	75