

## Strategy Orientation, Use Of Online Media – Social Media, Business Performance During The Covid-19 Pandemic

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**Abstract:** The COVID-19 pandemic crisis has disrupted the movement of MSME actors in running their businesses. The use of online media – especially social media – is considered by many to be the main impact of a business strategy orientation that focuses on competitive and innovative strategies to improve business performance. For this reason, this study aims to prove whether there is an influence between strategic orientation on the use of online media and social media and to prove the use of online media and social media on MSME business performance in the city of Palembang. To test the hypothesis, a sample of 160 (80percent) MSME entrepreneurs in Palembang were polled, and Structural Equation Modeling (SEM) analysis of Partial Least Squares (PLS) was performed using Warp PLS software version 5.0. The results showed that the strategic orientation of MSME entrepreneurs in the city of Palembang had a positive effect on the use of online media and social media in their business activities. The research findings also show that the use of online media, particularly social media, has a positive effect on the achievement of their business performance during the COVID-19 pandemic.

**Keywords:** Strategic Orientation; Use Of Online Media – Social Media; Business Performance.

**Abstrak:** Krisis pandemi Covid-19 telah mengganggu langkah gerak pelaku UMKM dalam menjalankan bisnis mereka. Penggunaan media online – media sosial oleh banyak pihak dianggap sebagai dampak utama dari orientasi strategi bisnis yang berfokus pada strategi kompetitif dan inovatif untuk meningkatkan kinerja bisnis. Untuk itu, penelitian ini bertujuan untuk membuktikan apakah terdapat pengaruh antara orientasi strategi pada penggunaan media online – media sosial, dan membuktikan penggunaan media online – media sosial pada kinerja bisnis UMKM di kota Palembang. Menggunakan sampel 160 (80 persen) responden pengusaha UMKM di kota Palembang, dan menggunakan analisis Structural Equation Modeling (SEM) Partial Least Squares (PLS) menggunakan perangkat lunak Warp PLS versi 5.0 untuk menguji hipotesis. Hasil penelitian menunjukkan bahwa orientasi strategi pengusaha UMKM di kota Palembang berpengaruh positif terhadap penggunaan media online – media sosial dalam aktivitas bisnis mereka. Temuan penelitian juga menunjukkan bahwa penggunaan media online – media sosial berpengaruh positif terhadap pencapaian kinerja bisnis mereka selama pandemi Covid-19.

**Kata Kunci:** Orientasi Strategi; Penggunaan Media Online – Media Social; Kinerja Bisnis.

## INTRODUCTION

The COVID-19 pandemic has had many impacts on the achievement of business performance. Business, economic, and trade activities are important aspects disrupted by the COVID-19 pandemic (Achim et al., 2021; Azizah et al., 2020; Kumar et al., 2020; Pramono et al., 2021). Many private companies, both large and small, experience problems in achieving their business performance (Kang et al., 2021; Gu et al., 2020). The problem of achieving performance from many companies has a negative impact on the business survival of many companies (Mukoffi and As'adi, 2021). This is as described by (Setiawan et al., 2021), that the current COVID-19 pandemic has become a problem for many entrepreneurs because it has an impact on their efforts to achieve business performance. This is because the prolonged COVID-19 pandemic has had an impact on the quality of public health and also the quality of the community's economy, thus having a significant impact on economic shock at the household, local, and global level (Taufik and Ayuningtyas, 2020). This condition presents a big challenge for every business actor and a challenge for the government to maintain economic growth at a stable level in each region. On the other hand, every entrepreneur must be able to adapt to the conditions of the COVID-19 pandemic to be able to maintain their business performance (Hazirah et al., 2021).

The pattern of adaptation that can be carried out by entrepreneurs is how they can increase creativity in running their business ventures. Choosing the right strategy and implementing information and communication technology is a form of business creativity that can be chosen. An innovative mindset must be adopted by all entrepreneurs, especially small entrepreneurs (Liguori and Pittz, 2020). This is explained by (Abubakar, 2020) that during the COVID-19 pandemic, entrepreneurs must be able to create creativity in choosing effective strategies and implementing adaptive technology. Implementation of strategies that are relevant to current conditions and the use of digital technology is an important key for every company in responding to the current COVID-19 pandemic problem (Anderson et al., 2020).

Besides being useful for increasing the effectiveness of business operations, the use of information and communication technology can also have a positive impact on creating business continuity (Akpan et al., 2020). Digital technology in marketing is considered to have been able to contribute to the creation of business performance so that it is very supportive in creating business viability and even able to assist in creating business growth and market leadership for products produced during the COVID-19 pandemic (Guo et al., 2020; Setiawan et al., 2021b). This is also supported by (Priyono et al., 2020) that digital technology is a form of business model transformation that responds to environmental changes, especially due to the COVID-19 pandemic crisis.

For this reason, social media-based marketing strategies and various digital platforms are the answers that must be used by every entrepreneur to respond to the COVID-19 pandemic (Rosmadi, 2021). This is in line with the opinion of (Kirtis and Karahan, 2011), who state that the growth of social media as a marketing tool is driven by crisis situations, especially during an economic crisis, because social media has advantages in saving costs and time in improving market relations by market participants. This is also described by (Tajudeen et al., 2018) that the use of social media can have a positive impact

on organizations, especially in terms of reducing the costs of marketing and customer service activities, improving relationships with customers, and efforts to increase customer loyalty. Therefore, every company must be able to maximize the strategic effect of business brand identity and image through social media and various digital platforms (Okazaki and Taylor, 2013). Today's digital platforms and social media have become new sites for interacting with customers, making it possible for companies to gain valuable knowledge (Moreno et al., 2020).

Several papers have discussed the use of social media and various digital platforms to support the achievement of company business performance. The adoption of social media for marketing and business communication has had major implications and influenced many industries (Capitello et al., 2014). Previously, (Baird and Parasnis, 2011) have explained that social media has great potential for companies to get closer to customers and, thus, facilitate increased revenue, reduce costs, and increase efficiency. This shows that digitalization has changed the way companies and their customers interact, exchange value, and create new avenues for interaction and collaboration with the market in order to create the best business performance (Moreno et al., 2020).

(Wu, 2016) argues that social media and digital platforms can help companies rediscover the relationship between companies and their customers and encourage companies to develop relevant company capabilities in creating performance (Wu, 2016). Therefore, it is reasonable if the use of social media and digital platforms combined with company resources can result in the company's ability to create competitive advantages and effective business performance (Harrigan et al., 2015). On the other hand, (Palalic et al., 2021) explained that today, social media has taken an important role for many entrepreneurs in carrying out business activities, and this provides opportunities to increase business growth.

However, some literature explains that the use of online media, especially social media, will greatly depend on the strategic orientation of entrepreneurs. The decision to use online media and social media in business operations is more influenced by the innovation orientation of entrepreneurs. Therefore, (Raman and Menon, 2017) explain that innovation-oriented organizations will adopt several strategies, one of which is the strategy of using social media. This is also supported by (Olanrewaju et al., 2020) that innovation-oriented top management will try to adapt to new technologies, one of which is the adoption of social media in their business operations. Another opinion was conveyed by (Cesaroni and Consoli, 2015) that the adoption and use of social media in the company's business operations is more influenced by the view of the need for high visibility of the company, the ability to create interactivity, and the ability to create cost effectiveness. The three opinions indicate that the company's strategic orientation and vision have a role and have become an important factor for management to adopt and utilize communication technology in their business operations.

Based on some of the descriptions above, it can be seen that the COVID-19 pandemic has had a negative impact on businesses. The situation of uncertainty from the COVID-19 pandemic can have a negative impact on business survival (Setiawan et al., 2021b). For this reason, every company must choose the right strategy to maintain the continuity of their business. The right strategy orientation and the use of relevant technology are predicted to have a positive impact on business performance, especially during the current

COVID pandemic. Therefore, this research is important to see whether the use of online media and social media has an impact on the achievement of business performance and whether the strategic orientation factor is a trigger in the use of online media and social media in small and medium enterprises in the city of Palembang.

Based on the literature above, it has been described how every entrepreneur must be able to respond to the COVID-19 pandemic situation through the right strategy in order to provide the best business performance. For this reason, the use of online media, especially social media, is an important choice for every entrepreneur to implement. Especially for small and medium enterprises that have limited resources, (Qalati et al., 2020) explained that the use of communication technology plays a key role in the creation of a competitive advantage and the sustainability of their business. However, the problem that arises is that the impetus for implementing online media communication technology—social media—is influenced by the choice of entrepreneur strategies that are innovation-oriented and long-term (Raman and Menon, 2017; Olanrewaju et al., 2020).

On the other hand, some literature also shows that the use of online media—social media—has a positive impact on the company's business performance (Palalic et al., 2021; Moreno et al., 2020; Harrigan et al., 2015). However, (Capitello et al., 2014) found a different thing—that there are still many company managers who are not convinced of the use of social media to provide benefits for their company's business. Some of the descriptions of these problems are the reasons that encourage the need for research on the use of online media and social media in small and medium enterprises in the city of Palembang.

## **THEORETICAL REVIEW**

**Strategy Orientation.** In many studies, the company's strategic orientation is positively related to the company's emphasis on innovative activities (Aghajari and Senin, 2014). In its development, companies are required to be able to combine a strategic focus on meeting customer needs with an understanding of the competitive environment and how they can achieve their competitive advantage (Brege and Kindström, 2021). For this reason, the concept of strategy will often be associated with company performance and a focus on making choices in the company's business decision-making process (Drahokoupil, 2014).

Therefore, every company's management must choose a relevant strategic orientation in responding to market needs. Strategies that are able to increase resilience and the ability to deal with environmental changes that have the potential to cause harm to the company (Chowdhury et al., 2020). On the other hand, (Verbekea and Yuand, 2021) during the COVID-19 pandemic, every company must implement the right business strategy. Therefore, companies must also implement strategies for product development, build supply chain management, and start implementing digital technology (Kang et al., 2021)

On the other hand, strategic planning is needed by every company as a systematic process to establish a strategic orientation that focuses on creating competitive advantage and improving performance by anticipating uncertain environmental conditions (Wolf and Floyd, 2017). To that end, (Teeratansirikool et al., 2013) discovered that strategy may be viewed through Porter's model's two main typologies, namely, cost leadership strategies

and differentiation strategies. A cost leadership strategy is one that prioritizes attempts to achieve the lowest cost in comparison to competitors. In contrast, the differentiation approach will place a greater emphasis on supplying superior products to those supplied by competitors, as well as a superior brand image (Cinquini and Tennuci, 2010).

**Use of Online Media – Social media.** Currently, the use of information and communication technology, especially social media, has become an important part of human life (Karanasios and Parker, 2018). The use of online-social media in business has been recognized as an important component of a digital transformation strategy (Torres and Augusto, 2019). The growth of social media in business, especially as a marketing tool, occurred due to the impact of the global economic crisis and its advantages in increasing costs and increasing market capacity (Kirtis and Karahan, 2011). Business digitization has changed the way companies and customers interact to create market collaboration (Moreno et al., 2020).

The adoption of technology, especially the implementation of online media and social media in business operations, aims to create a competitive advantage and change the business model from an operations perspective to a strategic perspective (Akpan et al., 2020). For this reason, MSME entrepreneurs must use technology and social media to communicate with customers (Liguori and Pittz, 2020). (Wan, 2009) further explained that every business manager needs to continuously improve the implementation of information technology to maintain and increase the number of their customers. Another reason is that the implementation and utilization of technological sophistication will make it easier for business managers to carry out their business processes, especially in obtaining and analyzing the market share information they need to maintain business continuity and improve business performance (Mukoffi and As'adi, 2021).

This is in line with the opinion of (Trainor, 2012) that social media is designed to create customer involvement in collaborative relationships so as to create shared value. Therefore, digital technology is believed to have dramatically changed business interactions, the business environment, and marketing communication strategies (Foltean et al., 2019). Social media can also help create consumer loyalty because consumers feel more protected if they see companies responding openly to criticism or negative ratings from consumers (Capitello et al., 2014). In addition, the use of social media for companies can allow businesses to share information and change customer perceptions of products, brands, or companies (Sasatanun and Charoensukmongkol, 2016).

The development of the use of social media has not only become a trend in private companies but has also been widely used in government agencies (Raman and Menon, 2017). Therefore, family companies are also very open to innovating using social media, even though they have a small R & D budget and team (Hitchen et al., 2017), and it is reasonable to assume that the use of social media has experienced a development trend in family companies (Raman and Menon, 2017). Furthermore, the use of online media, particularly social media, has provided numerous benefits for increasing brand awareness, sales, and revenue in small and medium-sized businesses (Momany and Alshboul, 2016).

**Business Performance.** Business performance is a core concept used by academics and professional managers to view studies in the field of strategic management (Selvam et al.,

2016). For this reason, business performance is often seen in the context of financial performance as well as non-financial performance or operational performance (Campos et al., 2020). In addition to financial and operational performance, business performance is also related to innovation performance. Innovation performance is measured based on the company's ability to introduce new services or products, new business methods or processes, and various updates in management and marketing practices that can trigger performance improvements (Ritala et al., 2015).

However, companies that only focus on financial measures only replicate traditional performance measures; if they integrate financial and non-financial measures, they have implemented the Balanced Scorecard (Micheli and Mura, 2017). The two types of performance measurement have different characteristics. The traditional measure only focuses on short-term goals, while the balanced scorecard is more long-term and holistic oriented because it integrates financial measures, customer perspectives, internal business processes, and learning and growth perspectives (Singh et al., 2018).

### Research Hypothesis

**Strategy Orientation Affects the Use of Online Media - Social Media during the Covid-19 Pandemic.** Every company needs to make strategic changes that play a role in facilitating collaboration with customers (Baird and Parasnis, 2011). Therefore, (Olanrewaju et al., 2020) conclude that top management that is oriented towards an innovation strategy will try to adapt to new technologies by adopting social media. This is in line with the findings of (Braojos-Gomez et al., 2015), which state that management's visibility in the strategy will encourage companies to use social media in carrying out their marketing activities. This is also very relevant to the findings of (Cesaroni and Consoli, 2015), which state that every company that has a high visibility and interactivity orientation is a company that adopts social media.

Support for these findings is also provided by (Raman and Menon, 2017), who explain that innovation-oriented organizations will adopt social media in their business operations. In other findings, (Anderson et al., 2020) explain that the pattern of a strategic management approach can accelerate the company's automation process. This is also supported by (Kang et al., 2021) that companies that develop development strategies will migrate to digital technology. On the other hand, (Abubakar, 2020) explains that companies need to build strategic assets and must utilize technology and switch to digital resources. Based on this description, the hypotheses that will be proven in this study are:

**H1:** Strategy orientation affects the use of online media - social media during the Covid-19 Pandemic.

**Use of Online Media – Social Media Affects Business Performance during the Covid-19 Pandemic.** Several studies have shown the results of a positive relationship between the use of online media and social media on the achievement of company performance. (Foltean et al., 2019); (Moreno et al., 2020) found the fact that the use of social media was able to increase the company's ability to obtain better business performance. This is in line with the findings of (Obrenovic et al., 2020) that many companies have taken advantage

of social media and their online platforms to sustain business operations during the COVID-19 pandemic. The findings of (Kraus et al., 2020) also show that companies experiencing the shock of the COVID-19 pandemic have adopted many new digital technologies to support their business performance.

(Tajudeen et al., 2018) explain that the use of social media has the potential to change business processes, have an impact on improving customer relationships, and ultimately will provide an increase in company performance. This is supported by (Moreno et al., 2020), who discovered that social media has changed the way companies relate to their markets by creating enhanced customer relationships that ultimately support the creation of value and company performance. (Tarsakoo and Charoensukmongkol, 2020) also confirmed the positive relationship between social media planning ability and the achievement of corporate financial performance. Based on this description, the hypothesis that will be proven in this study is;

**H2:** The use of online media – social media affects business performance during the Covid-19 pandemic.

## METHODS

**Population, sample, and data collection method.** The population and sample involved in this study are business owners or business managers in small and medium-sized business groups in the Palembang city area. The sampling technique in this study used a convenience nonprobability sampling technique. 160 respondents participated in this research. The respondents' average age was 38 years old, but they ranged from 20 to 72 years old. According to this data, entrepreneurs and business managers in Palembang are on average of a productive age. The gender demographics of the respondents, here were 40 female responses (25 percent), and 120 male respondents (75 percent). This data demonstrates that the male gender continues to dominate corporate management in Palembang City.

**Data analysis method.** Partial Least Square (PLS) Structural Equation Modeling (SEM) analysis is used to test hypotheses. Warp PLS software version 5.0 was used for SEM-PLS analysis. Testing hypotheses Based on the value of the path coefficient and the significance of the p-value. With the significance of p-values set at 5 percent, the path coefficient must be positive.

### Variables

**Strategy Orientation.** Strategy orientation, according to (Cinquini and Tennuci, 2010), is defined as the choosing of a strategy oriented toward innovation and business development vs the implementation of a strategy geared toward survival and efficiency. The instrument employed by (Setiawan et al., 2020); (Setiawan et al., 2021a) which was developed by (Cinquini and Tennuci, 2010), was used to assess strategy choice. Respondents were asked to rate three statements on a six-point Likert scale.

**Use of Online Media – Social Media.** Entrepreneurs' use of online media is defined as how many different types of internet-based communication technology they use. The use of online media – social media – is measured using a usage index among four types of internet-based information technology media, namely (1) websites; (2) blogs; (3) social media such as Facebook, Instagram, Tiktok, YouTube, and so on; and (4) platform online orders such as Gojek, Grab, Tokopedia, Shopee, OYO, Traveloka, etc.

**Business Performance.** Business performance is defined as the ability of a corporation to gain business profits, to minimize the risk of losing consumers, and the ability to service the needs of its customers. The business performance instrument was adopted and modified by (Niemimaa et al., 2019) and (Setiawan et al., 2021b) to ask respondents to identify the level of business continuity on a 6-point Likert scale.

## RESULTS

**Descriptive statistics.** The descriptive statistics for the dependent variable data are shown in Table 1. The average index value for strategic orientation is 15.58, with a theoretical range of 3 until 18 and an actual range of 3 until 18. This implies that many MSME entrepreneurs in Palembang use strategic orientation as a competitive strategy. Social media entrepreneurs have an average utilization index of 1.61, with a theoretical range of 1 until 4 and an actual range of 1 until 4. This indicates that the level of use of online media and social media is modest. Finally, the average MSME business performance data in Palembang is 13.09. During the COVID-19 epidemic, this indicates the level of performance in reasonably good conditions.

**Table 1.** Research Variable Data

Variabel	Theoretical Range	Actual Range	Mean	Standard Deviation
Strategy Orientation	3 until 18	3 until 18	15.580	3.023
Use of Online Media – Social Media	1 until 4	1 until 4	1.610	0.794
Business Performance	3 until 18	3 until 18	13.090	2.529

Source: Primary data processed

**Table 2.** Data Validity and Reliability Test Results

Research variable	Loading	Composite Reliability	AVE
Strategy Orientation		0.861	0.675
SO 1	0.828		
SO 2	0.852		
SO 3	0.783		
Business Performance		0.810	0.593
BP 1	0.842		
BP 2	0.584		
BP 3	0.855		

Source: Primary data processed



The validity and dependability of the research data are shown in Table 2. The variables for strategy orientation and company performance were only tested for validity and reliability because they were on an interval scale, whereas the variables for using online media and social media were not tested for validity and reliability because they used index data scales. The test findings demonstrate that each construct's composite reliability value is larger than 0.700. Similarly, each construct's convergent validity (average variance extracted) score is more than 0.500. All constructs have a value greater than 0.700 for the reliability indicator (loading). As a result, all of the study construct's indicators can be utilised.

The findings of discriminant validity testing on the measurement of the research concept instrument are presented in Table 3. The square root value of each construct's AVE is bigger than the highest correlation of the other constructs, as seen in Table 3. The construct measurement in this research model is valid and reliable, according to the test results provided in Tables 2 and 3. As a result, this research data is appropriate for use in subsequent testing.

**Table 3.** Research Data Discriminant Validity

	SO	BP
SO	0.822	
BP	0.478***	0.952

Diagonal elements: square root of AVE, off-diagonal elements: correlation between constructs

\*\*\* significant on *p* more than 0.010

**Table 4.** Model Fit and Quality Indices

Fit Model Items	Value	Standard	Conclusion
Average path coefficient (APC)	0.171 P is at 0.007	P at 0.050	fit
Average R-squared (ARS)	0.234 P is at 0.001	P at 0.050	fit
Average block VIF (AVIF)	1.297	at 3.300	fit

Source: Primary data processed

Each ARS displays a value that meets the criteria based on Table 4 model fit and quality indices, APC values. The APC 0.001 and ARS 0.001 significance values are both below the 5 percent threshold (Kock, 2011). Values of the AVIF are less than 3.300. As a result, this research model is appropriate for further testing.



**Figure 1.** Research Model

## DISCUSSION

**Strategy Orientation Affects the Use of Online Media - Social Media during the Covid-19 Pandemic.** Based on Figure 1, it can be seen that the strategy orientation variable has a coefficient value of 0.170 with a p value of 0.010 or is at a value of 1 percent of the variable use of online media – social media. This proves that there is a positive influence between the choice of strategic orientation of MSME entrepreneurs on the use of online media, specifically social media, during the COVID-19 pandemic in the city of Palembang. This finding can explain that the use of online media and social media will greatly depend on the choice of an entrepreneur's strategic orientation.

This study succeeded in proving the effect of strategy orientation on the level of use of online media and social media on MSMEs in the city of Palembang during the COVID-19 pandemic. This finding corroborates much of the literature that explains the relationship between the vision of the entrepreneur's innovation strategy and the choice of the use of communication technology and information technology. Online media and social media are an important part of the implementation of communication technology and information technology in business activities. This is explained by the findings of (Raman and Menon, 2017) that innovation-oriented organizations will adopt social media in their business operations. This finding also corroborates the findings of (Braojos-Gomez et al., 2015), which state that management's visibility in the strategy will encourage companies to use social media in carrying out their marketing activities.

Competitive strategies are innovation-oriented and adaptive to crisis disturbances, especially the COVID-19 pandemic, which is reflected in the level of utilization of information and communication technology, which is the answer to the ongoing COVID-19 pandemic crisis (Setiawan et al., 2021b). Utilization of information and communication technology in the form of websites, social media or other digital platforms such as online shops or online-based delivery services is a strategic choice for MSME entrepreneurs. This finding also supports (Obrenovic et al., 2020), which concludes that the use and implementation of digital technology is able to encourage the creation of business survival during the COVID-19 pandemic. Therefore, a strategic orientation that focuses on the use of technology has proven to provide benefits for entrepreneurs to anticipate the disruption of the COVID-19 pandemic and has proven to be an important choice for entrepreneurs to reduce the risk of business continuity (Gregurec et al., 2021).

The results of this study were also confirmed by the empirical data collected. The strategic orientation variable data shows that the average MSME actor in the city of Palembang has a relatively competitive orientation level. The choice of a competitive strategy will encourage rulers to make smart decisions. Smart decision choices can be seen in the high level of implementation of the use of online media and social media in their business. It is also based on the usage index, which is not low. Therefore, the empirical evidence in this study increasingly shows that the choice of competitive strategy orientation will further encourage MSME actors to implement new things related to the use of information technology and communication technology.

The strategic orientation of choosing to utilize online media—social media is also smart for entrepreneurs to deal with the current pandemic situation. This is explained by (Abubakar, 2020) that during the COVID-19 pandemic, entrepreneurs must be able to

create creativity in choosing effective strategies and implementing adaptive technology. Previously, (Kirtis and Karahan, 2011) have stated that the growth of social media as a marketing tool is driven by crisis situations. (Rosmadi, 2021) also explained that social media-based marketing strategies and various digital platforms are the answers that every entrepreneur must use to respond to the COVID-19 pandemic. Therefore, it is very reasonable that, in the conditions of the COVID-19 pandemic crisis, MSME entrepreneurs must have an innovative and adaptive strategic orientation that ultimately chooses the use of online media and social media as important tools in running their business and marketing the products/services they produce.

Finally, the findings of this study can clearly show that the crisis conditions of the COVID-19 pandemic have encouraged SME entrepreneurs to choose a strategic focus that is oriented towards the choice of competitive and adaptive strategies. The choice of competitive strategy orientation is implemented in the choice of using information technology and communication technology based on digital marketing. Social media and online media are practical choices for entrepreneurs who think creatively and adaptively. Besides being cheap and easy to implement, social media and online media have high flexibility, which is not limited by space, time, and distance. Therefore, it is very reasonable that the COVID-19 pandemic has changed the pattern of management strategy approaches and accelerated the automation process (Anderson et al., 2020). A competitive strategy that focuses on innovation and adaptive choices to crisis disruptions such as the current COVID-19 pandemic, as well as the use of information and communication technology in the form of websites, social media, or other digital platforms such as online shops, online-based delivery services, greatly assists entrepreneurs in operating their businesses (Setiawan et al., 2021b).

**The use of online media – social media affects business performance during the Covid-19 pandemic.** Figure 1 also shows that the use of online media—social media has a coefficient value of 0.170 with a p value of 0.010 or is at a value of 1 percent of the achievement of MSME business performance. This has also succeeded in proving that there is a positive influence on the use of online media, particularly social media, on the achievement of MSME business performance during the COVID-19 pandemic in the city of Palembang. These findings suggest that online media and social media play a role in achieving performance for MSMEs in the city of Palembang during the COVID-19 pandemic.

This study also succeeded in supporting the hypothesis of the effect of using online media and social media on business performance. These findings confirm (Foltean et al., 2019); (Moreno et al., 2020), who found the fact that the use of social media was able to encourage an increase in the company's ability to obtain better business performance. Online media – social media has changed the pattern of marketing businesses, which brings sellers closer to their buyers. Online media and social media have also eliminated the time space in transactions. It is therefore very reasonable if (Baird and Parasnis, 2011) argue that social media has great potential for companies to be closer to customers and, thus, facilitate increased revenue, reduce costs, and increase efficiency.

In addition to empirical evidence data on the online media use variable, social media has a moderate average. The findings of this study are also supported by empirical evidence

which shows that the business performance variable has a good value. The use of information technology and communication technology based on online media and social media is empirically proven to have an impact on the strength of UKMK actors in carrying out their business operations. Speed in disseminating information and responding to customers has proven to have a positive impact on their business performance. Therefore, it is reasonable to assume that these empirical findings can confirm the important role of the use of information technology and communication technology in achieving business performance.

In addition, (Tajudeen et al., 2018) also explain that the use of social media can have a positive impact on organizations, especially in terms of reducing the costs of marketing and customer service activities and improving relationships with customers. Virtually closer interactions will provide many advantages, especially during the COVID-19 pandemic. Social restrictions that prevent face-to-face meetings between sellers and buyers do not hinder transactional interactions in business. This is what shows the benefits of using online media and social media in business activities. So, it becomes reasonable that the adoption of social media for marketing and business communication has major implications and influences for many industries (Capitello et al., 2014). In the end, research findings support (Moreno et al., 2020) that digitalization in business activities has changed the way companies and their customers interact, exchange value, and create new avenues for interaction and collaboration, which ultimately have an impact on the creation of the best business performance.

In addition, an important impetus for companies to make more use of information technology and communication technology is to achieve competitive advantage (Akpan et al., 2020). This has previously been explained by (Cesaroni and Consoli, 2015) that the adoption and use of information technology and communication technology, especially social media, in the company's business operations will have a positive implication on the company's ability to create interactivity and to create cost effectiveness. This is due to the view of the need for high visibility of every company that is oriented towards competitive strategy.

The findings of this study as well as various literature further strengthen that the role of using online media and social media in business digitization has had a positive impact on the company's business performance. Especially during the covid -19 pandemic, the use of information technology and communication technology has played a very important role in supporting the continuity of the company's business operations (Obrenovic et al., 2020). This is supported by the explanation of (Kraus et al., 2020) that the COVID-19 pandemic has pushed many companies to adopt new digital technology to run their businesses with the aim of creating business performance and continuity. The findings further support the conclusion that the use of communication technology in the form of the internet, social media, and other online media is able to help create business continuity during the COVID-19 pandemic, as shown by the achievement of good business performance (Setiawan et al., 2021b).

## CONCLUSION

This study concludes that business orientation has a positive effect on the use of online media and social media by MSME entrepreneurs during the COVID-19 pandemic. The research findings also conclude that the use of online media, particularly social media, has a positive impact on achieving better business performance during the COVID-19 pandemic. The choice to use online media – social media in business strategy and marketing strategy shows the level of vision of the entrepreneur's strategy, especially MSME entrepreneurs in the city of Palembang. Utilizing online media, social media is a smart choice for entrepreneurs to face the limitations of social interaction with their business partners and customers. This is also reasonable when the results of the study found the conclusion that the use of online media and social media in business activities had an impact on increasing business performance. Online media – social media has succeeded in overcoming the barriers of interaction during the pandemic so that businesses can continue to run and business performance can still be achieved by entrepreneurs.

The findings of this study have important implications for entrepreneurs, especially MSME entrepreneurs. When crisis conditions disrupt business activities, entrepreneurs are required to be able to choose and be oriented towards competitive strategies that are adaptive to the environment and utilize technology that can bring them closer to business partners, especially to their customers. This has been proven in this study that the use of online media, especially social media, is more based on the orientation of innovative and adaptive strategies by loyal entrepreneurs. As a result of implementing competitive strategies and implementing creative technologies, the company's business performance can be maintained and even improved. Therefore, the use of online media and social media must be a priority in the business practices of entrepreneurs both during the COVID-19 pandemic and post-covid-19 pandemic.

The study's limitation is that researchers did not identify the type of online media (social media) that has the greatest impact on business performance. This research is only limited to looking at the index of online media usage – social media in the number of types implemented in their business operations. For this reason, suggestions that can be considered in future research are the need to identify the type or media platform that contributes a lot to performance achievement; for example, distinguishing performance results based on the use of digital platforms such as Gojek, Grab, and Shopee versus social media platforms like Facebook, Instagram, and Tiktok.

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