Understanding Consumer Transformation: Dynamics of Innovation and Creativity in SMEs during the Social Media Era at Eid al-Fitr

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Abstract. Modern consumers tend to be more digitally connected and have broader access to product information through social media platforms. This has transformed the way consumers search for, choose, and interact with brands and products, significantly influencing consumer purchasing patterns and preferences. This study aims to understand consumer transformation in the dynamics of innovation and creativity in SMEs during the social media era at Eid al-Fitr. The research method used in this study is a literature review with a qualitative approach and descriptive analysis. Descriptive analysis will be used to analyze data taken from 36 articles published between 2013 and 2024 through Google Scholar. The study results show that in facing changes in consumer dynamics influenced by technological innovation and the dominance of social media, especially during the Eid al-Fitr momentum, it is important for SMEs (Micro, Small, and Medium Enterprises) to understand these changes deeply. Consumer transformation is no longer just happening at the level of economic transactions but also involves behavior patterns, preferences, and socially connected interactions increasingly in the digital realm. SMEs need to develop creative and unique marketing strategies, strengthen their presence on digital platforms, leverage technological innovation to expand market reach, pay attention to digital payment integration, and collaborate with fellow SMEs.

Keywords: Consumer, Innovation, Creativity, SMEs, Social Media, Eid al-Fitr

1. Introduction

The development of digital technology has sparked fundamental changes in modern consumer behavior, which now tends to be more digitally connected and has broader access to product information through various social media platforms [1]. This transformation not only encompasses how consumers seek information about products but also involves the process of selection and interaction with brands and products. Its significant impact is evident in shifting purchasing patterns and more defined consumer preferences.

The Eid al-Fitr holiday holds a central role within the cultural framework of Indonesia, marking a period when social activities and family gatherings peak, while the tradition of giving and receiving gifts, or greetings, becomes an integral aspect of this celebration. In this context, a phenomenon emerges that provides ample opportunities for Micro, Small, and Medium Enterprises (MSMEs) to optimize their sales. By harnessing the potential of social media, MSMEs can significantly expand their market reach and attract the attention of potential consumers, paving the way for the growth and sustainability of their businesses amidst the continually evolving market dynamics [2].

Social media has emerged as an essential tool in the marketing strategy of Micro, Small, and Medium Enterprises (MSMEs) [3]. With proportionally affordable costs and extensive reach, social media platforms offer opportunities for MSMEs to directly engage with consumers, introduce and promote their products, and garner responses quickly and efficiently [4]. Through this interaction, MSMEs can build strong communication networks with consumers, enhance brand awareness, and sustainably expand their market share within an increasingly digitally connected scope.
Despite the significant opportunities available through social media, Micro, Small, and Medium Enterprises (MSMEs) are consistently faced with dynamic challenges related to technological changes and rapidly evolving consumer behaviors. In confronting an increasingly complex and competitive market environment, sustained creative and innovative efforts are required to maintain business relevance and compete effectively [5]. Therefore, adaptability becomes a key factor for MSMEs in responding to rapid changes, with the ability to innovate and adjust their strategies according to evolving market demands being crucial in sustaining and enhancing their positions in this dynamic business realm.

Some Micro, Small, and Medium Enterprises (MSMEs) may encounter challenges related to resource limitations, whether financial, human resources (HR), or technological knowledge. In this context, it is important to gain a deep understanding of strategies that can be adopted by MSMEs with limited resources to effectively harness the potential of social media. This includes creative thinking in leveraging available resources, enhancing HR competencies through training and development, and seeking efficient and affordable technological solutions. MSMEs can optimize their presence on social media platforms, enhance visibility and engagement with consumers, and strengthen their positions in an increasingly digitally connected market [6].

The significance of this research lies in its contribution to providing deeper insights into strategies that can be applied by Micro, Small, and Medium Enterprises (MSMEs) to optimize the use of social media in enhancing the visibility and success of their businesses, especially during crucial periods such as the Eid al-Fitr celebration. By understanding the dynamics and consumer behavior patterns during this period, MSMEs can direct their marketing efforts more effectively, leveraging the celebration momentum to expand market reach and strengthen connections with consumers. In this context, research findings serve as a crucial foundation for the development of targeted, data-driven marketing strategies, assisting MSMEs in addressing challenges and capitalizing on emerging opportunities in the current digital era.

1.1 Consumer

Consumers are individuals or groups who utilize goods or services to fulfill their needs or desires. In the economic context, consumers play a pivotal role in the exchange process of goods and services [7]. They wield the power to influence the market with their preferences, purchasing behavior, and consumption decisions. Consumers can come from various backgrounds, including but not limited to individuals, families, businesses, or governments, all of which have differing needs. Consumer behavior is influenced by various factors, including economic, cultural, social, psychological, and technological factors [8]. As a result, studies on consumers and consumer behavior become crucial for companies in designing effective marketing strategies and understanding how the market reacts to the products and services offered. By understanding consumer needs, preferences, and behaviors, companies can produce more suitable products and enhance customer satisfaction, which in turn contributes to their business success.

1.2 Innovation

Innovation refers to the process of creating new ideas, products, or methods that add value and can provide better solutions to existing problems or meet evolving needs [9]. It involves a combination of creativity, knowledge, and the ability to turn ideas into implementable realities. Innovation can occur in various fields, including technology, business, education, health, and culture. It often involves developing more efficient, environmentally friendly, or market-aligned products or services [10]. Additionally, innovation can also manifest in the form of new processes, business models, or unique marketing strategies. Innovation plays a significant role in driving economic growth, enhancing company competitiveness, and improving overall societal quality of life [11]. Therefore, innovation is a key factor in shaping and directing social, economic, and technological development in society [12].

1.3 Creativity

Creativity refers to an individual's ability to generate new ideas, original solutions, and innovative concepts [13]. It involves a thinking process that is not constrained by conventional boundaries or existing patterns of thought, often requiring the courage to consider different perspectives or unconventional approaches. Creativity can be applied in various fields, such as arts, sciences, technology, business, and education [14]. It may involve finding new ways to solve problems, developing innovative products or services, or creating unique works of art. Creativity is not just about generating new ideas but also about the ability to intuitively, flexibly, and beneficially connect those ideas. In a business environment, creativity is often considered a valuable asset because it can help companies adapt to changes, solve complex challenges, and create significant added value [15]. Therefore, creativity plays an important role in driving innovation, fostering cultural development, and promoting progress in various aspects of human life.
1.4 Small and Medium Enterprises (SMEs)

Small and Medium Enterprises (SMEs) are an economic sector that plays a significant role in the economic development of a country [16]. SMEs refer to businesses that have small to medium scale in terms of the number of employees, turnover, or assets owned. Usually, SMEs are independently managed by their owners or families, and they often have greater flexibility in adapting to market changes or customer needs [17]. SMEs encompass various types of businesses, ranging from small traders, craftsmen, small-scale agriculture, to service businesses such as restaurants or creative agencies [18]. Most SMEs are run by owners with limited capital and may have limited access to resources and markets. However, SMEs have great potential to be drivers of the economy due to their contribution to job creation, increasing household income, and supporting local economic growth [19]. Therefore, SME development is often seen as a key strategy in efforts to reduce poverty, enhance economic resilience, and promote social inclusion.

1.5 Social Media

Social media refers to digital platforms that enable users to interact, share content, and connect with others online [20]. These platforms facilitate various activities, ranging from sharing status updates, photos, and videos, to participating in discussion forums or community groups. Social media users can create personal profiles or business pages, allowing them to build networks, expand reach, and communicate with others from various backgrounds and geographic locations [21]. Examples of social media platforms include Facebook, Instagram, Twitter, LinkedIn, YouTube, and many others. Social media has become an integral part of the daily lives of many people worldwide, playing a crucial role in disseminating information, influencing public opinion, and shaping digital culture. Additionally, social media also serves as a powerful tool for marketing and promotion, both for large companies and SMEs, as it provides broad access to potential audiences at relatively low costs [22], [23], [24], [25], [26]. Despite its significant benefits, social media also poses various challenges related to privacy, security, and psychological impact, requiring careful awareness and management of its use.

1.6 Eid al-Fitr

Eid al-Fitr, also known as the Festival of Breaking the Fast or simply Eid, is a major holiday in Islam celebrated by Muslims worldwide as the culmination of the month-long fasting of Ramadan [27]. This holiday marks the end of the fasting worship performed for a full month by Muslims, during which they abstain from food, drink, and certain activities from dawn to sunset. During Eid al-Fitr, Muslims gather with family and friends, exchange Eid greetings, and forgive each other. Typical Eid traditions include special prayers called Salat al-Eid, giving gifts to children (known as "THR" or Eid allowances), and providing assistance to those in need in the form of charity or Zakat al-Fitr. Traditional Eid foods such as ketupat (rice cakes in woven palm leaves), chicken opor, rendang (spicy meat dish), and various traditional sweets are also an integral part of the celebration. Additionally, Eid al-Fitr serves as a moment to visit relatives, gather with extended family members who may live far away, and strengthen familial ties. With its various traditions and religious significance, Eid al-Fitr is a highly anticipated and joyously celebrated occasion by Muslims worldwide.

2. Method

The research method used in this study is a literature review with a qualitative approach and descriptive analysis. A qualitative approach was chosen because it allows researchers to understand deeply the phenomena under study, in this case, consumer transformation, innovation, and creativity in SMEs during the social media era during the celebration of Eid al-Fitr. This approach enables researchers to explore the meanings, perceptions, and experiences underlying these phenomena through analysis of existing texts. Descriptive analysis will be used to analyze data taken from 36 articles published between 2013 and 2024 through Google Scholar. Data from these articles will be systematically analyzed to identify main themes, trends, and patterns related to consumer transformation, innovation, and creativity in SMEs during the social media era during the celebration of Eid al-Fitr. This descriptive analysis will allow researchers to provide a comprehensive overview of the current situation, identify knowledge gaps, and provide a strong basis for developing deeper insights into the research topic.

3. Result and Discussion
In facing the dynamics of consumer change influenced by technological innovation and the dominance of social media, especially during the momentum of Eid al-Fitr, MSMEs (Micro, Small and Medium Enterprises) need to gain a deep understanding of this transformation. Consumer transformation is not only limited to the dimension of economic transactions, but also about changes in behavioural patterns, preferences, and social interactions that are increasingly connected digitally.

In the era of rampant social media, consumers are now given unlimited access to search for information, evaluate products, and interact with brands directly. This creates an urgent need for MSMEs to increase their presence on various digital platforms and adopt technological innovations as a strategy to expand their market coverage. In this context, it is important for MSMEs to understand the underlying dynamics of consumer behaviour in the digital realm, identify emerging trends, and devise appropriate marketing strategies to optimise available opportunities. MSMEs can gain a vital competitive advantage in the face of intensifying competition in today's digital marketplace.

In the midst of the ongoing transformation process, creativity is one of the most important aspects to consider. MSMEs must be able to explore creative ideas and develop unique marketing strategies to attract the attention of increasingly discerning and selective consumers. Especially in the context of Eid al-Fitr, this moment is not only a great time to celebrate, but also a golden opportunity for MSMEs to come up with innovations in their product and service offerings. Utilising creativity, MSMEs can create memorable experiences for consumers, build stronger relationships with customers, and ultimately increase their competitiveness in an increasingly competitive market [28]. The emphasis on the aspect of creativity is a crucial foundation in responding to the challenges of the ongoing consumer transformation.

Innovation and creativity in the context of MSMEs are not only limited to physical product development, but also include efforts to improve the overall consumer experience [29]. For example, MSMEs can utilise social media as a means to present a variety of content relevant to the Eid atmosphere, such as tutorials for cooking Eid dishes, fashion tips for the holidays, or interesting home decoration ideas. With this approach, MSMEs are not only focusing on direct product sales, but also endeavouring to build deeper emotional connections with their consumers. With the creative use of social media and touching content, MSMEs can create stronger bonds with consumers, increase their engagement, and in turn expand their market share and increase customer loyalty. Innovation and creativity are cornerstones that cannot be ignored in MSMEs' efforts to survive and thrive in this increasingly digital and socially connected era.

In addition to the aspects already mentioned, consumer transformation also requires MSMEs to pay attention to changes in payment preferences. With the rapid advancement in financial technology, digital payment methods are increasingly becoming the dominant choice for consumers [30]. Therefore, MSMEs are required to consider the integration of digital payments in their entire transaction process. Through this integration, MSMEs can not only facilitate the purchasing process more efficiently and quickly, but can also reach a wider segment of consumers who tend to use digital payments as their primary preference. By understanding and adapting to this shift, MSMEs can optimise their sales potential and stay relevant amidst the changing market dynamics.

In the face of these dynamics, collaboration between MSMEs becomes even more crucial. Through close cooperation and exchange of experiences between micro, small and medium enterprises, MSMEs have the opportunity to learn from each other about best practices in utilising social media and technological innovations to improve their business performance [31]. This kind of collaboration not only enables the exchange of valuable ideas and knowledge, but also opens up opportunities for the development of synergies that are beneficial to all parties involved. Through this collaboration, MSMEs can reduce the barriers faced individually, improve their competitiveness collectively, and create an enabling environment for the growth and sustainability of micro, small and medium enterprises in this increasingly connected and competitive era.

Understanding consumer transformation in the era of social media during Eid requires the integration of a deep understanding of consumer behaviour, product and service innovation, creativity in marketing strategies, and rapid adaptation to payment technology developments. In this context, MSMEs need to adopt a holistic and proactive approach to ensure that they can make the most of the Eid momentum to expand their market share and improve their competitiveness in the face of increasingly fierce competition in the digital era. Through this integrated approach, MSMEs can create a more robust and sustainable strategy that not only takes into account changes in consumer behaviour and technology, but is also able to generate significant added value for their customers. Thus, it is important for MSMEs to continuously adapt and evolve in order to remain relevant and competitive amidst the ever-changing dynamics in an increasingly complex business environment [32].

In developing marketing and operational strategies, MSMEs need to consider sustainability as an important factor that cannot be ignored. Amidst the growing global awareness of environmental and social issues, consumers today tend to prefer products and brands that have a commitment to social and environmental
responsibility [33]. Therefore, MSMEs that are able to integrate sustainability principles into their business values will not only fulfil consumer expectations, but will also gain a significant competitive advantage. This integration of sustainability principles can cover various aspects, from the use of environmentally friendly raw materials, to the implementation of socially responsible operational practices. By doing so, MSMEs can build a positive brand image, increase customer loyalty, and open up opportunities for long-term sustainable business growth. Moreover, sustainability awareness can also help MSMEs to position themselves as leaders in their industry and become agents of positive change in society as a whole.

One concrete example of implementing sustainability principles in the context of Eid al-Fitr celebrations is by paying attention to environmentally-friendly aspects in the production and packing process of products, as well as through supporting local communities through partnerships with local producers or skills training programmes for the surrounding communities. Such actions not only aim to support the achievement of sustainable development goals, but also have a significant positive impact on brand image and consumer trust. By integrating sustainability values into their business practices, MSMEs have the opportunity to act as agents of sustainable change in their neighbourhoods [34]. Moreover, such endeavours can also be part of an effective differentiation strategy, enabling MSMEs to stand out in an increasingly competitive market and gain stronger support from consumers who are increasingly concerned about social and environmental issues.

In addition, it is important for MSMEs to understand the crucial role of data in shaping their business decisions. By conducting careful analysis of consumer data, MSMEs have the opportunity to identify trends and patterns in consumer behaviour that can serve as a foundation for optimising their marketing strategies, developing products that better suit market needs, as well as improving overall operational efficiency [35]. In this context, investment in information technology and human resources skilled in data analysis is a must for MSMEs that want to remain competitive in this increasingly dynamic and complex market. By utilising data effectively, MSMEs can generate value-added insights, improve strategic decision-making, and ultimately gain a sustainable competitive advantage in their industry.

However, when MSMEs utilise consumer data, an important aspect to consider is data privacy and security. Maintaining consumer trust in the protection of their personal data is a key factor in building sustainable long-term relationships between MSMEs and their customers. In an era where concerns over data privacy are increasing, MSMEs need to adopt strict policies and practices in the handling, storage and use of consumer data [36]. This includes implementing adequate information security measures, transparency in data usage, and active engagement with applicable data privacy regulations. By prioritising data privacy and security, MSMEs can build a strong reputation as responsible and reliable entities in the eyes of consumers, which in turn will strengthen their relationships and expand opportunities for sustainable business growth in the future.

Therefore, understanding consumer transformation in the era of social media during Eid al-Fitr is not only about increasing sales and profits, but also about building sustainable relationships with consumers, supporting inclusive economic growth, and integrating sustainability principles in every aspect of business activities. In this context, it is important for MSMEs to adopt a holistic and sustainable approach, involving all lines of business from marketing strategies to operations. In this way, MSMEs can continue to strengthen their position in an increasingly digitalised marketplace filled with evolving challenges and opportunities. By placing attention on building long-term relationships with consumers, MSMEs can earn strong loyalty, which is the foundation for sustainable business growth. Meanwhile, through the integration of sustainability principles, MSMEs are not only socially and environmentally responsible, but can also gain a competitive edge in a market that is increasingly aware of such issues. Thus, this holistic and sustainable approach is not only key to maintaining the relevance of MSMEs amidst rapid consumer changes, but also to building a solid foundation for their future growth.

4. Conclusion

In facing the changing dynamics of consumer behavior influenced by technological innovation and the dominance of social media, especially during the Eid al-Fitr momentum, it is crucial for SMEs (Micro, Small, and Medium Enterprises) to deeply understand these changes. Consumer transformation no longer just occurs at the level of economic transactions but also involves behavioral patterns, preferences, and digitally connected social interactions. SMEs need to develop creative and unique marketing strategies, strengthen their presence on digital platforms, leverage technological innovation to expand market reach, pay attention to digital payment integration, and collaborate with fellow SMEs. Some recommendations that can be provided include: 1. Enhance digital presence: Utilize social media platforms and technology to strengthen presence and expand market reach. 2. Develop creative marketing strategies: Innovate in presenting products and services, and use content relevant to the Eid al-Fitr atmosphere to attract consumer attention. 3. Pay attention to digital payment
integration: Simplify and expedite the purchasing process by considering digital payment integration. 4. Collaborate among SMEs: Learn from best practices and collaborate with fellow SMEs to improve business performance. 5. Integrate sustainability principles: Consider sustainability aspects in marketing and operational strategies, such as environmentally friendly production and packaging, as well as support for the local community. 6. Utilize consumer data analysis: Identify trends and consumer behavior patterns to optimize marketing strategies, develop suitable products, and improve operational efficiency. 7. Maintain privacy and data security: Maintain consumer trust by paying attention to privacy and data security aspects. By implementing these recommendations, SMEs can effectively leverage the Eid al-Fitr momentum to expand market share, enhance competitiveness, and build sustainable relationships with consumers in the ever-changing digital era.

References


