

FACTORS THAT INFLUENCES SMES ADOPTION OF SOCIAL MEDIA MARKETING: A REVIEW

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DOI: 10.5958/2249-7307.2021.00071.2

ABSTRACT

Small and medium-sized enterprises (SMEs) are widely acknowledged as major contributors to economic, development, and job growth. SMEs are widely recognized for having limitations and acceptability hurdles when it comes to embracing new technology, despite the fact that the technology and telecommunications channels have altered the way people do business today. The use and acceptance of social media marketing as a new communication tool by organizations and SMEs is growing worldwide, providing unique possibilities for small and midsize enterprises and marketing researchers to conduct impactful study. The goal of this article is to examine the academic literature on the variables that influence the adoption of social media advertising in SMEs and organizations. Others will be able to get a fair view of the present status of global social media marketing adoption study thanks to the subject. It also provides a helpful tool for analyzing the types of research that has to be conducted in order to further research in the linked field of social media marketing.

KEYWORDS: *Literature Review, Marketing Research, Social Media Marketing, Technology Adoption, Smes*

1. INTRODUCTION

In recent years, social media has rapidly evolved into a new commercial communication tool. As more companies use social media and other electronic media to conduct their marketing activities, electronic marketing researchers will have more opportunities to investigate this subject. Despite the adoption hurdles, SMEs may use social media marketing to generate not just opportunities, but also to alter the structure and character of their businesses all over the globe.[1]

SMEs are widely acknowledged as one of the most important contributors to economic, development, and job growth. SMEs are widely recognized for having limitations and acceptability hurdles when it comes to embracing new technology, despite the fact that the internet and communication channels have altered the way people do business today. In recent years, social media has rapidly evolved into a new commercial communication tool. As more companies use social media and other electronic media to conduct their marketing activities, electronic marketing researchers will have more opportunities to investigate this

subject. Despite the adoption hurdles, SMEs may use social media marketing to generate not just opportunities, but also to alter the structure and character of their businesses all over the globe.[2]

In India, Small and Medium Enterprises SMEs are those enterprises where investments in machinery or equipment and in plant lie between INR 25 Lakhs ~USD 35000 to INR 10 Crores ~USD 1.4 million concerning to manufacturing industries. For SMEs, concerning to service sector the investments lie between INR 10 Lakhs ~USD 14000 to INR 5 Crores ~USD 0.7 million. These limits are in conformity with Micro, Small & Medium Enterprises Development Act, 2006; notified in Sept 2006. The role of these SMEs in India is vital so far as social and economic developments of India are concerned. These enterprises have effective contribution towards export activities, towards employment generation and in productive growth. SMEs effectively contribute to improve nation's economic health. It enriches inventions as well as innovation. SMEs have ample opportunities to employment generation at a low cost and as such SMEs in India may be considered to have emerged as a vibrant and dynamic sector of economic growth. In India, 95 % enterprises are categorized as SMEs and in manufacturing sector, they are adding 40 % value.

The characteristics of SMEs are highly heterogeneous with high flexibility along with appreciable innovative entrepreneurial spirit. SMEs have variety of sizes having different technological levels with varied characteristics of services and products. As a result, it helps to spread industrialization in backward and rural areas, reducing regional imbalances. This helps to provide equitable and fair distribution of wealth and national income. Study reveals that during 2016, SMEs in India have contribution of 40 % towards total exports, 45 % on manufacturing output, contributing 8% of GDP. Thus, improvement of the health of SMEs would bring in economic growth of the country. However, ironically, in India SMEs have low technological competence with limited resources. As such, to improve the growth of SMEs in all sectors like effectiveness, efficiency, competitive advantage; applications of modern Information and Communication Technology (ICT) are considered necessary.

ICT has many and varied applications. Among these, social media is considered as one of the important ingredients of ICT that has appreciable impact on business. In this perspective, it is necessary to investigate if the use of social media can help the SMEs of India towards their overall growth. It has been ascertained that, there exists very few studies how the use of social media can improve the overall activities of the SMEs of India. This gap in existing literature is needed to be addressed as findings from India would also be generalizable to other similar emerging economies. However, in the global context, different studies highlighted the advantages of social media for the business growth of SMEs. Using social media platform, consumers can directly connect with new products, services and brands easily. In this perspective, it is pertinent to investigate if use of social media can help the SMEs of India towards their overall growth. Through the help of social media, SMEs can get feedbacks from the consumers to improve their brands.

SMEs would use social media if they perceived it to be less expensive, easy to use having compatibility. Use of social media in business activities has introduced new business models like 'social commerce'. This is often considered as a means to have facilities for the people to be involved in online activities through social media for marketing prospect, for comparing selling and buying issues to arrive at a right decision. Social media is claimed to have made bridge of connection between SMEs and prospective consumers. This strategy of enterprises to continue their business activities with the help of social media can be termed as Social Media Marketing (SMM). Investigation is essential whether use of SMM can impact on the

growth in business of SMEs of India. In this scenario, this paper has taken a holistic attempt to identify the factors which might impact on SMM and to investigate if SMM can act as an effective instrument for growth of SMEs in India.

1. Social Media Marketing:

Small and medium-sized enterprises (SMEs) are widely acknowledged as major contributors to economic, development, and job growth. SMEs are widely recognized for having limitations and acceptability hurdles when it comes to embracing new technology, despite the fact that the online communication channels have altered the way people do business today. In recent years, social media has rapidly evolved into a new commercial communication tool. As more companies use social media and other electronic media to conduct their marketing activities, e - marketing researchers will have more opportunities to investigate this subject. Despite the adoption hurdles, SMEs may use social media marketing to generate not just opportunities, but also to alter the structure and character of their businesses all over the globe.[3]

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2. Smes And Technology Adoption Barriers:

In many nations, SMEs make a major contribution. The literature on the contribution of SMEs to the economy covers a broad range of topics. New job creation, contribution to GDP, and generation of technological innovation are some of the main SME contributions in the United States, according to Kuan and Chau. Similar data can be seen in Europe, where SMEs account for 99.8% of all business establishments and account for two-thirds of all revenue and employment. SMEs help to improve the living conditions of their families while also contributing to a stable and sustainable social and economic community environment .Several studies have been undertaken by policymakers, academics, and business consultants over the last several decades to examine the kinds of business issues faced by SMEs.

Many studies were able to identify not only the kinds of issues that small businesses confront, but also their relative importance. SME issues in Malaysia range from a lack of sales and marketing to the usage of outdated technologies in their operations. SMEs are unusual in that they have limited resources, money, human capital, and technology. A study was also conducted on the variables that encourage SMEs to use information technology. Most SMEs perceived the barriers to implementing IT into their business operations to be expensive initiative, risk, complex procedure, technical expatriate, and customer services, as opposed to larger corporations.[5]

2. DISCUSSION

3. Social Media Marketing Adoption within SMEs:

Even though there is a lot more interest in social media-based marketing, there was relatively little noteworthy study on the adoption and implementation and associated technological adoption theories. Pookulangara & Koesler propose a study paradigm based on Hofstede's cultural dimensions and Technology Acceptance Model 3 to investigate the cultural impact on social networking and its impact on purchasing intention. Curtis et al. used the Unified Theory of Acceptance and Use of Technology (UTAUT) to find positive connections between UTAUT variables and credibility, indicating that public relations departments are more likely to use social media. Because it can describe the adoption phenomena as an interaction process between organizations and their surroundings rather than concentrating on individual variables that may influence adoption, Sarosa utilized Actor Network Theory (ANT) by Indonesia SMEs to explain the adoption social media networks. Although many efforts have been made by various academics to add to the body of knowledge in social media marketing in various domains and sectors, prior literature has not specified precisely how to evaluate social media marketing acceptance technologically. To keep the topic open for conversation in this paper, the term "social marketing adoption" is defined as a broad term that encompasses a wide range of related technology adoptions within e-marketing, internet marketing, and ICT technology adoption, that are based on relevant technology adoption theories and can be adapted.[6]

4. Related Theories on Technology Adoption:

It is necessary to examine the adoption idea in order to explain the process of social media marketing adoption. It is essential to resort to the existing technology adoption theory to address issues about how and why social media marketing adoption happens. Prior literature provides various definitions of technology acceptance in organizations, such as the decision to accept and use the innovation, implementation success, scope of usage, and efficiency and achievement of adopted IT based on acquiescence of or satisfaction with IT. Some of the viewpoints given include diffusion theories, which explain and forecast how and why a technology gets accepted via various routes. Human behavior and its effects on an individual's desire to embrace and probable efficacy in utilizing technology are covered in other theoretical approaches. Many ideas about technology adoption are not unique to social media marketing adoption, but they are nonetheless relevant when seen in a broader context of technology adoption.[7]

5. Theories about Diffusion:

Many earlier publications cite Beal and Bohlen (1957), who defined the phases of technology acquisition as awareness, interest, assessment, trial, and adoption. The five phases of technology acceptance are an important study to understand how countries differ in their adoption stages. It provides the phases that enable us to classify a country's technological adoption. Rogers (1995) suggested five adopter groups based on the demographic of the adopters to compare the time and progress of adoption. This pattern has been extended to people, companies, and industries inside a nation, even though Roger's work assumed a country level. The trend is likewise anticipated to be similar in the global environment of social media technologies. Bass divided technology adopters into two groups in 1969: innovators and imitators. In the realm of social media adoption, innovators are companies or nations that make technological adoption choices independently of other companies or countries. Imitators, on the other hand, are affected by other companies or nations in their adoption choices.[8]

6. Behavioral Perspectives Theories:

While related theories of technology adoption may help explain adoption results, behavioral theories concentrate on the individual level, where human conduct has an effect. According to Ajzen's (1991) Theory of Reasoned Action (TRA), attitudes and subjective norms affect behavioral intention. Davis (1989) used TRA to study technology acceptance behavior at the individual level. The Technology Acceptance Model, one of the most well-known behavioral models of technology adoption, was the result (TAM). Perceived Usefulness (PU) and Perceived Ease of Utilize are two important variables that affect an individual's desire to use a technology (PEU). TAM offered a well recognized paradigm in a variety of fields. For more than two decades, the model has been used to predict and explain behavior.[7] The Unified Theory of Acceptance and Use of Technology is an example of this approach (UTAUT). Performance expectation, effort expectancy, social influence, and enabling circumstances are among the constructs used, with moderators such as gender, age, experience, and voluntariness of usage affecting technology adoption intentions.[9] In terms of forecasting technological adoption, the result beat eight other models. While extended TAM and UTAUT have been evaluated and are considered to be successful in determining individual technology acceptance, TAM remains valid and is better suited to determining technology adoption by businesses such as SMEs. Rogers (1995) backed this up by defining innovation as an idea, activity, or item that is regarded as novel by a person or another unit of adoption.[10]

3. CONCLUSION

Although there has been minimal academic study on social media and its marketing communications function within the company and organization sector, academic research on the topic and its marketing and communications role inside the business and organization industry is growing. The use of social media technologies to perform a company's marketing operations is referred to as social media marketing. Even though many SMEs face many challenges, including technology adoption, social media marketing is seen as a highly promising avenue of corporate communication that may help the firm improve its performance. With their limited resources, however, any misunderstanding or lack of knowledge of technology would have a significant impact on small companies.

The definitions of social media marketing have a strong connection with e-marketing, as shown by a study of the relevant literature. El Gohary presented a graphic to illustrate how internet marketing is a subset of a wider scope e-marketing, because internet marketing solely relates to the Internet, World Wide Web, and e-mails. Meanwhile, Kaplan and Haenleinsocial media is defined as an online program having features that are similar to those of an internet application. As a result, there is sufficient evidence to classify social media marketing as an element of internet marketing. It is legitimate, in the author's opinion, to define, categorize, and evaluate social media advertising as a subset of e-marketing. Many research used technology acceptance theories and frameworks to analyze and assess different effects on companies and organizations, according to the literature. Internal variables like users and individuals have been recognized as major determinants of adoption. It is appropriate to incorporate management and organizational elements in the case of SMEs. Because variables such as the business climate and the global economy are significant, including them as external determinants is also vital for future study directions.

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