Determinants of Social Media Marketing Adoption in Small, Medium and Micro Enterprises during the Covid-19 pandemic

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Purpose: This study aims at assessing the determinants of Social Media Marketing adoption in small, medium and micro enterprises (SMMEs) during the Covid 19 pandemic.

Design/Method/Approach: The study seeks to understand the viewpoints and motives for employing social media campaigns. Thus, a structured quantitative questionnaire was provided to 150 respondents to assess social media marketing in their firms, using convenience sampling. A descriptive analysis of data was undertaken using the SPSS.

Findings: The study’s findings showed that most respondents agreed with items related to Social Media Marketing’s facilitating conditions, perceived ease of use, perceived usefulness and cost implications.

Theoretical Implications: The study contributes to the extant literature on Social Media Marketing during the Covid-19 pandemic in the developing world, wherein poor infrastructure, bureaucracy, and culture play an important role in business performance.

Practical Implications: SMME owners and managers should encourage their employees and customers to use social media regularly in order to drive traffic towards the business.

Originality/Value: The study is unique as it analyses Social Media Marketing during a turbulent time in which the Covid-19 pandemic is wreaking havoc on economies globally.

Research Limitations/Future Research: Researchers should consider analyzing the effect of Covid-19’s lockdown restrictions on specific sectors to facilitate tailor-made solutions to the problem.

Paper type: Empirical

Keywords: Small, Medium and Micro Enterprises, Social Media Marketing, Covid-19.

Reference to this paper should be made as follows:
Детермінанти застосування маркетингу в соціальних мережах на малих, середніх та мікропідприємствах під час пандемії Ковід-19

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Мета роботи: Дане дослідження спрямоване на оцінку визначальних факторів прийняття маркетингу в соціальних мережах малими, середніми та мікропідприємствами (SMMEs) під час пандемії Ковід-19.

Дизайн / Метод / Підхід дослідження: Дослідження спрямоване на розуміння точок зору та мотивів використання кампаній у соціальних мережах. Таким чином, 150 респондентам було надано структуроване кількісне запитання для оцінки маркетингу соціальних медіа в їх фірмах, використовуючи зручну вибірку. Описовий аналіз даних було проведено з допомогою SPSS.

Результати дослідження: Результати дослідження показали, що більшість респондентів погодилися з пунктами, пов’язаними з умовами полегшення маркетингу в соціальних мережах, сприйнятою простотою використання, сприйнятою корисністю та витратами.

Теоретична цінність дослідження: Дослідження робить внесок у існуючу літературу з маркетингу в соціальних мережах під час пандемії Covid-19 у країнах, що розвиваються, де нерозвинена інфраструктура, бюрократія та культура відіграють важливу роль в ефективності бізнесу.

Практична цінність дослідження: Власники та менеджери SMME повинні заохочувати своїх співробітників та клієнтів регулярно користуватись соціальними мережами, щоб залучити трафік до бізнесу.

Оригінальність / Цінність дослідження: Дослідження є унікальним, оскільки воно аналізує маркетинг у соціальних мережах у неспокійний час, коли пандемія Covid-19 завдає шкоди економіці у всьому світі.

Обмеження дослідження / Майбутні дослідження: Дослідникам слід розглянути можливість аналізу впливу обмежень блокування Covid-19 на конкретні галузі, намагаючись знайти індивідуальні рішення проблеми.

Тип статті: Емпірічний

Ключові слова: мали, середні та мікропідприємства, маркетинг у соціальних мережах, Covid-19.
1. Introduction

The Covid-19 pandemic is small companies getting online, which opens up new avenues for solving numerous problems. Indeed, the Internet remains a lifeline for many small enterprises, allowing them to stay viable throughout the pandemic. In this regard, SMMEs have adopted Social Media Marketing (SMM) to thrive during the pandemic. Thus, social media has become a critical component of small businesses’ marketing strategies due to its low cost, ability to reach targeted consumers quickly, and capacity to generate additional leads or purchases. Businesses may leverage social media efficiently with a small expenditure outlay whilst also providing valuable information and insight into the enterprise’s products and services.

Several studies on SMM determinants in SMEs have been conducted in different sectors (Ahamat, Ali & Hamid, 2017; Trawnih et al., 2019; Ali Abbasi et al., 2022). In South Africa, previous research has focused on analysing different social media platforms used by SMEs to engage customers (van Scherfs, 2016; Urban & Maphathe, 2021), enabling factors of social media usage that are not related to the variables in this study except cost (Dos Santos & Duffett, 2021) and social media marketing and business competitiveness (Rambe, 2017). However, there is a dearth of research on the determinants of social media adoption in SMEs during the Covid-19 pandemic in the South African context.

Therefore, this study seeks to assess the determinants of Social Media Marketing in SMMEs during the Covid-19 pandemic.

2. Literature review

2.1. Covid-19 Impact on SMME’s in South Africa

The Coronavirus outbreak and subsequent lockdown measures have severely impacted the global economy (Maital & Ba, 2020), prompting numerous businesses to close and causing enormous trading disruptions across major industries and sectors (Donthu & Gustafsson, 2020). In particular, lockdown restrictions have impacted South African enterprises. During this period, economic damage was afflicted on both small and large firms, resulting in layoffs and the closure of small businesses (Rogerson & Rogerson, 2020). In addition, the Covid-19 pandemic has exacerbated the difficulties that small businesses were already facing. These problems include insufficient networks or business support and red tape towards businesses (Jill, Masuku & Selepe, 2017). However, the challenge remains in that it is unclear how long the Covid-19 pandemic will persist, which could significantly impact daily life and industry. Consequently, in order to remain open and competitive during the Coronavirus outbreak, leaders of small, medium, and micro enterprises needed to adopt and implement technologies such as Web 2.0, Big Data analytics, machine learning, Social Business Intelligence, the Internet of Things (IoT) and blockchain technology (Akpan, Soopramian & Kwak, 2020). Unfortunately, some small firms that lacked the necessary infrastructure and experience to digitise their operations and marketing could no longer operate (Donthu & Gustafsson, 2020).

Amongst other reasons, SMMEs’ adoption of Social Media Marketing has remained low because most SMMEs’ management are unfamiliar with the benefits of adopting technology to increase profits (Patma, Wardana, Wibowo & Namarditya, 2020).

2.2. Social Media Marketing

Social Media Marketing (SMM) refers to all marketing activities on social media platforms like Facebook, Snapchat, Pinterest and Twitter. More and more global groups consider social media applications a significant part of their daily lives, and the world’s largest population is frequently on their phones skimming through multiple web 2.0 social media platforms daily, which benefits social media marketers (Alalwan, Rana, Divvedi & Algharabat, 2017). Social media has been widely acknowledged as a successful tool that helps a company’s marketing goals and strategy, particularly in consumer involvement, customer relationship management and communication (Alalwan et al., 2017). Modern businesses see social media advertising as the future for promoting business offerings and communicating successfully with targeted clients (Gao & Feng, 2016; Popp & Woratschek, 2016; Harrigan, Evers, Miles, & Daly, 2017). According to a survey conducted by market research firm Askafrika, 87 percent of respondents accessed social media platforms at least once a day during the lockdown period, with a substantial percentage of users using them to advertise commercial promotions (Fourie, 2020).

In today’s world, where people use technology in various ways, SMMEs must consider learning more about Social Media Marketing tactics to boost their chances of survival while retaining existing customers and recruiting new ones (Li, Larimo & Leonidou, 2021). Extant research suggests that when small firms engage in SMM, they become stronger market competitors by gaining vital market intelligence (Atanassova & Clark, 2015). Moreover, small firms are more likely to increase their viability and competitiveness if they adopt social media best practices into their operations (Lupo & Stroman, 2020). Nowadays, people use social media to access information, thereby allowing businesses to market their products by advertising on social media (Mahajan, 2015).

2.3. Theoretical Background: Technology Acceptance Model

According to the Technology Acceptance Model (TAM), a person’s attitude toward adopting technology is governed by perceived usefulness (PU) and perceived ease of use (PEOU) (Davis, 1989). The TAM was created primarily to address the readiness to adopt and apply new technology or media in information system management (Ma, Gam & Banning, 2017). According to Serra, Storopoli, Pinto and Serra (2013), the ease of access to social media and the prospect of utilising it in marketing and as a client connection channel facilitates organisations’ use of SMM. Therefore, this study considered perceived usefulness, perceived ease of use, compatibility, facilitating conditions and cost as determinants for adopting Social Media Marketing in SMES.

2.3.1. Perceived Usefulness

Small or medium-sized enterprise (SME) will not hesitate to utilize technology (in this case, SMM) if the SME authority believes that using the technology (in this case, SMM) will significantly increase the SME’s productivity (Park, 2009). A study conducted by Sullivan and Koh (2019) found that the use of SMM might improve the performance of SMEs. Michaelidou, Siagmagka, and Christodoulides (2011) argue that businesses unconcerned about the difficulties involved with social media usage are more likely to embrace it. Those that expressed reservations about adoption were less likely to do so. The more complicated technology is thought to be, the slower its adoption will be. Negative attitudes about the value of new technologies, staff unfamiliarity and a lack of training may all contribute to the delayed adoption of new technologies such as social networking platforms (Michaelidou, Siagmagka, & Christodoulides, 2011).
2.3.2. Perceived Ease of Use

Perceived ease of use (PEOU) alludes to the percentage of users who say that using technology is easy. Individuals will be more inclined to learn about a system's capabilities if it is reasonably simple to use, and they will eventually plan to use it again (Hamid, Razak, Bakar & Abdullah, 2016). As long as the user believes that the technology or system is not complicated and can be utilized easily, the user will not hesitate to use that technology or system, assuming that it is otherwise beneficial to them (Venkatesh, Thong, & Xu, 2012). According to Park (2009), this view is related to the notion that it would be necessary for a person to put some effort in order to take advantage of a system or technological innovation.

2.3.3. Compatibility

The degree of compatibility between current and new technological goods is believed to be an effective and major assessment component of the users’ attitudes regarding that service (Yoon & Cho, 2016). Compatibility is seen as a critical component in adopting novel technologies such as SMM (Wang, Wang & Yang, 2010). If a small or medium-sized enterprise (SME) believes that the adoption of technology, in this case SMM mechanisms, is consistent with the system of work application, the SME will generally consider adopting that technology (Brown & Russell, 2007).

2.3.4. Facilitating Conditions

Facilitating Conditions (FCO) are defined as the degree to which a person believes that the necessary technical infrastructure and top-level managerial support are in place to use a new system (Venkatesh, Morris, Davis & Davis, 2003). The complexity of digital information impacts the management, processing, storage, security and disposal of such information, amongst other things. New technologies for gathering, finding and analyzing unstructured data are assisting enterprises in gaining insights from their unstructured information. These technologies will become indispensable instruments in overcoming the complexity of increasing digital information (Lee, 2020). If the staff are appropriately taught to utilize social media; if the firm has a low-cost internet connection; and if there is no opposition from any side to changing the system to accommodate social media, Hung and Lai (2015) posit that SMEs will not hesitate to implement SMM. Moreover, small and medium-sized enterprises (SMEs) will not be hesitant to embrace SMM if the environment is deemed otherwise favorable. Inadequate help, lack of timely support, insufficient knowledge and scarcity of resources may all deter people from embracing web-based technologies (Kamaghe, Luanga & Kisingiri, 2020).

2.3.5. Cost

Social media is technological advancement that is relatively inexpensive, enabling small and medium-sized enterprises (SMEs) to connect with their customers at a reasonable cost (Zhang et al., 2019). As a result, if the costs associated with SMM are otherwise affordable, an organization will probably use it. Even though relatively few businesses have raised their marketing budgets, many people still believe that social media is a successful marketing tool. While maintaining social media sites may be costly, mainly if businesses employ social media workers, creating social media accounts is virtually free and easy (Chikandwa, Contogiannis & Jember, 2015). The issue of cost is seen as a critical technical aspect that may substantially impact SMEs’ intentions to implement Social Media Marketing strategies (Chatterjee & Kar, 2020), and is considered a vital technological factor (Genc & Öksüz, 2015).

3. Methodology

The research design is a strategic framework for action that links the research topic and the study implementation. According to Hunter, McCallum and Howes (2019), it provides a plan that outlines how the research is carried out to answer a research question. A descriptive research design was used in this study. A descriptive research design seeks to characterize a population, circumstance or phenomenon to explore one or more variables without modifying them but merely observing and measuring them (Siedlecki, 2020). Therefore, a quantitative and descriptive design was utilized to conduct the study. Quantitative research encompasses a variety of methodologies concerned with the systematic investigation of social phenomena using statistical or numerical data. Its goal is to analyze data for trends and correlations and validate the measurements (Watson, 2015). The questionnaire used in this study was created and digitized with Insyt Data Collection App. Esoko’s Insyt Data Collection App is an offline online data collection app. The tool enables researchers to conduct surveys, monitor field activities, handle enormous amounts of data and perform data analysis from a single integrated platform. The App was installed on a mobile phone, where the survey questionnaire form was designed.

The digitized form was distributed in two ways: face-to-face and via a code. Respondents who opted to complete the survey in their own time and in their environment were given a code to help them access the questionnaire on the App. The questionnaire survey was completed by 150 SME directors, managers or chief executive officers in Durban. Convenience sampling was used because of time and Covid-19 constraints. Convenience sampling is a method used by researchers to acquire market research data from a pool of readily available respondents. It is the most commonly used sampling technique since it is quick, simple and inexpensive (Ellis, 2021). The data was analyzed using descriptive statistics through the SPSS.

4. Results

4.1. Socio-demographic characteristics

Table 1 illustrates gender, age, education, position and race demographic variables. The findings show that females made up 53.33 % of the respondents, while males were 46.67 %. This could imply that more women are starting to manage or own enterprises. In addition, most respondents (41.33 %) were between 35 and 44 years old, with the next largest age group (24 to 34 years) accounting for 32.76 percent. Youth below 24 years of age had the lowest percentage (9%). Table 1 further shows that the majority of respondents (61.3 %) completed secondary school, with a sizable proportion (32.67 %) having completed tertiary education. Only 4.67 % of the respondents completed just primary school, and 1.32% have no formal education. Further findings illustrate that 40% of the respondents were CEOs, 40% were store managers and 20% were managing directors. In addition, an accurate portrayal of the South African environment, specifically the Durban area, shows that 57.33 % of respondents were black, followed by 24.67 % Indians, 10% coloureds and 8% whites.

4.2. Reliability Analysis

Cronbach’s coefficient alpha was used to assess reliability in this study. The average Cronbach’s alpha for all data (five variables) in this study is .79, more than .70 as shown in Tab. 2, and therefore acceptable. According to Tavakol and Dennick (2011), good alpha values vary between .70 and .95.

4.3. The Perceived Usefulness of Social Media Marketing in SMMEs

The descriptive data for the perceived usefulness of Social Media Marketing in small enterprises is presented in Tab. 3. The findings of this study show that most respondents agreed or strongly agreed, with a mean score of > 3. The results show a significant agreement amongst the respondents that many firms feel that SMM is useful for the business, with a mean score of 4.05. Tab. 3 further shows the lowest mean score for the long-term use of Social Media Marketing, at 3.11. This implies that some firms have been using SMM for many years before the Covid-19 pandemic. The
results also show that most respondents agreed that their businesses started using social media for marketing after the introduction of lockdown restrictions, with a mean score of 3.17. It is clear that while businesses did utilise social media to advertise their products before the Covid-19 lockdown, they did not rely on SMM as a production tool or use it frequently for advertising purposes. Lastly, Table 3 shows that most respondents agreed that Social Media Marketing is valuable for their business, with a mean score of 4.00.

Table 1: Socio-demographic characteristics and profiles of the participants

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age:</td>
<td></td>
</tr>
<tr>
<td>Below 24 years</td>
<td>5%</td>
</tr>
<tr>
<td>25-34 years</td>
<td>32.76%</td>
</tr>
<tr>
<td>35-44 years</td>
<td>41.33%</td>
</tr>
<tr>
<td>45-54 years</td>
<td>15.91%</td>
</tr>
<tr>
<td>Above 55 years</td>
<td>5%</td>
</tr>
<tr>
<td>Race:</td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>57.33%</td>
</tr>
<tr>
<td>Indians</td>
<td>24.67%</td>
</tr>
<tr>
<td>White</td>
<td>8%</td>
</tr>
<tr>
<td>Coloureds</td>
<td>10%</td>
</tr>
<tr>
<td>Gender:</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>46.67%</td>
</tr>
<tr>
<td>Female</td>
<td>53.33%</td>
</tr>
<tr>
<td>Education:</td>
<td></td>
</tr>
<tr>
<td>Tertiary</td>
<td>32.67%</td>
</tr>
<tr>
<td>Secondary</td>
<td>61.33%</td>
</tr>
<tr>
<td>Primary</td>
<td>4.67%</td>
</tr>
<tr>
<td>No formal education</td>
<td>1.33%</td>
</tr>
<tr>
<td>Position:</td>
<td></td>
</tr>
<tr>
<td>CEO</td>
<td>40%</td>
</tr>
<tr>
<td>Store Manager</td>
<td>40%</td>
</tr>
<tr>
<td>Managing Directors</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: Primary Data processed, 2021

Table 2: Reliability of data

<table>
<thead>
<tr>
<th>Variable</th>
<th>No of items</th>
<th>Cronbach alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived usefulness</td>
<td>4</td>
<td>.836</td>
</tr>
<tr>
<td>Impact</td>
<td>4</td>
<td>.750</td>
</tr>
<tr>
<td>Perceived ease of use</td>
<td>7</td>
<td>.857</td>
</tr>
<tr>
<td>Facilitating conditions</td>
<td>5</td>
<td>.704</td>
</tr>
<tr>
<td>Cost</td>
<td>3</td>
<td>.747</td>
</tr>
</tbody>
</table>

Source: Research results, 2021

4.4. The Impact of Social Media on SMMEs

ab. 4 shows that the responses were generally agreed and strongly agreed, hence the scores were significant (>3). The results show that most respondents agreed that there is an increase in sales (mean score =3.90) and revenue (mean score=3.89) respectively after using Social Media Marketing. In addition, the results show an overwhelming agreement by the respondents that there is an increase in productivity (mean score=3.76) and that the number of customers patronising their business has increased (mean score=3.84). The average mean score (3.8) for the impact of Social Media Marketing on SMMEs suggests that most of the respondents agreed that social media has a significant impact on small businesses.

4.5. Perceived Ease of Use of Social Media Marketing

ab. 5 shows that most respondents agreed that businesses receive customer feedback on products using SMM (mean score=3.79), and that it is easy for SMEs to adapt to Social Media Marketing (mean score=3.71). The results further show that most respondents agreed that it is easy to identify customers using social media (mean score = 3.91), and that the business can meet customer needs using Social Media Marketing (mean score=3.81). Furthermore, the findings show that most respondents agreed that businesses survived by using SMM during the Covid-19 pandemic (mean score=3.74), and that they often use Social Media Marketing for advertising services (mean score=3.95). Lastly, the results show that the respondents agreed that they are sufficiently well informed to use social media for marketing (mean score= 3.73). The average mean score for perceived ease of using Social Media Marketing is 3.8. This means that most respondents agreed on the perceived ease of using SMM.

4.6. Facilitating Conditions for Social Media Marketing in the Company

ab. 6 deconstructs the facilitating conditions for Social Media Marketing in Durban’s SMMEs. The highest mean score registered for this variable (3.97) shows that most of the respondents agreed that their business has enough capacity to provide social media to advertise their businesses and that their business promotes the use of social media (mean score=3.85). Table 6 further shows that most respondents agreed that their businesses are compatible with Social Media Marketing (mean score=3.82) and have the infrastructure to support SMM (mean score=3.49). The lowest mean score (2.92) shows that most respondents disagreed that their business has educated their employees to use Social Media Marketing. This suggests that most of the businesses polled did not teach their managers how to use Social Media Marketing.

4.7. Cost of Using Social Media Marketing

ab. 7 shows the cost of using Social Media Marketing in SMMEs. The results show that most respondents disagreed that the cost of dealing with customer queries has been reduced due to SMM (mean score=2.74). On the other hand, most respondents agreed that their marketing budget has decreased since the adoption of Social Media Marketing (mean score=3.05). Lastly, Table 7 shows that most respondents agreed that getting new customers has been reduced due to SMM (mean score=3.73).

5. Discussion

The purpose of this study was to assess the determinants of Social Media Marketing in SMMEs during the Covid-19 pandemic. The findings of this study show that most of the respondents agreed on the perceived usefulness of Social Media Marketing. Previous research shows that SMM is beneficial for establishing and maintaining relationships between a firm and its clients (ÖZTAMUR & KARAKADILAR, 2014). Similarly, several studies support the notion that organisations that do not embrace and apply technology will not be able to withstand the impact of Covid-19 (Akpan, Soopromanan & Kwak, 2020; Donthu & Gustafsson, 2020). Further analysis of the impact of Social Media Marketing shows that most respondents agreed that SMM has a significant impact on their businesses. Several studies have found that adopting and implementing Social Media Marketing can result in higher sales and revenue, particularly in small enterprises (Gekombe, Tumsifu & Juni, 2019; Rambe, Mosweumyne & Dzunzi, 2019).

The findings also show that most respondents agreed on the perceived ease of using Social Media Marketing. Extant research suggests that social media are Internet-accessible programs that allow users to create, consume and share content (Vinerean, 2017). This means that SMM may be implemented by simply using a smartphone in their company. More and more global groups consider social media applications to be a significant part of their daily lives, and recent events are likely to inspire people to shift their interactions to virtual or online platforms (e.g., Facebook, Instagram, LinkedIn and Twitter) (Alaviwan et al., 2017). This type of an internet platform does not necessitate any training or education.
Odoom, Anning-Dorson and Acheampong, (2017) discovered that SMMEs could use social media to manage customer connections by enhancing customer communication, maintaining older customers, and creating solid relationships with new customers. SMMEs can also utilise SMM to promote their products or services, raise brand awareness and increase website traffic volume. Social media has been generally recognised as a successful instrument for contributing to a company’s marketing goals and strategy, notably consumer involvement, customer relationship management and communication (Alalwan et al., 2017). In addition, the findings show that most respondents agreed that their businesses have facilitating conditions for implementing Social Media Marketing. Atanassova and Clark (2015) believe that SMM is easy to adopt because of its low cost, lack of sophisticated technical knowledge, and ease of implementation, unlike other collaborative technologies, which can be costly and complex for SMMEs. Further analysis shows that most of the respondents agreed that Social Media Marketing has a significant impact on the cost of running the business. Previous research suggests that social media represents a paradigm shift in the adoption of communication or digital word-of-mouth, allowing for more cost-effective marketing (Charalabidis, Loukis & Androutsopoulou, 2014). Social Media Marketing substantially lowers marketing costs, increases sales and revenue, develops long-term communication links with clients, increases customer engagement, and improves SMME competitiveness (Odoom, Anning-Dorson & Acheampong, 2017).

6. Conclusion

This study aimed at assessing the determinants of Social Media Marketing in SMMEs during the Covid-19 pandemic. Social media may be regarded as a phenomenon that has impacted the business environment in South Africa, particularly amongst SMMEs. Social media helps companies to engage with consumers in a timely and cost-effective manner. It also serves as a tool for developing strong customer relationships, market development and gathering information that can be utilised to create business leads that may result in increased sales.
The study's findings have underscored the importance of facilitating conditions, perceived ease of use, perceived usefulness and cost implications in the adoption of Social Media Marketing amongst SMMEs. Consequently, SMME owners and managers may benefit from identifying enabling and hindering factors for technology adoption in order to develop new marketing communication methods and approaches. This study has contributed to the literature on SMM during the Covid-19 pandemic. The study's scope was broad, including a wide range of small and medium-sized businesses. Therefore, future research should examine the effect of the Covid-19 pandemic on specific industries, such as tourism and alcoholic beverage industries, because they have been significantly affected by the Covid-19 pandemic in South Africa.

7. Funding

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8. Competing interests

He authors declare that they have no competing interests.

References


