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## FACTORS AFFECTING THE ADOPTION OF SOCIAL MEDIA MARKETING IN SMALL AND MEDIUM-SIZED BUSINESSES.

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### ABSTRACT

Social Media Marketing is an effective marketing tool that can enhance marketing in Small and Medium-sized businesses (SMEs). Businesses are different in their adaption of new methods, such as social media. The purpose of the paper is to summarize the mentioned factors in the literature that drive social media marketing adoption in SMEs. The paper found that SMEs need more equipped staff. Therefore, studies highly recommended that SMEs design training to transfer the needed skills. Then, to build positive thoughts, companies must increase the interactions between top management, social media, and technology experts. Another factor is the perceived advantages of social media marketing as the lower costs and a broader market. Sometimes SMEs need to gain trust in new technologies due to their fast-moving feature. Therefore, SMEs need to collaborate to mitigate technology constraints. Moreover, stakeholders are essential factors. SMEs need to review their competitors' and suppliers' strategies and consider the preferred platforms by the customers. To adopt social media marketing, SMEs need to make the necessary investment. Studies suggest designating a percentage of the revenue to enhance the online presence. Finally, external factors and industry, such as the need to understand SMEs' needs and type of industry, are essential.

**KEYWORDS:** social media, social media marketing, marketing, small and medium-sized business, user-generated content, digital marketing, top management, technology.

### 1. INTRODUCTION

Innovation and technology evolving have changed the characteristics of the social network. Due to the mediation of computers, human interactions shifted from personal to impersonal communications (Michaelidou et al., 2011). Online communications overcome the restriction of time and geographical locations, where the users can contact each other and exchange information at any time and from any location (Lea et al., 2006). Today, Social media websites operate in a rich and varied, varying in their scope and purpose. Some websites, such as Facebook, are for the public. Other websites are more



professionally oriented, such as LinkedIn. Sharing movies and photographs are the main focus of media-sharing websites like MySpace, YouTube, and Flickr. Similarly, users can rank websites by voting on material quality using Reddit, Digg, and delicious websites. Microblogging has recently become popular, concentrating on providing real-time updates; Twitter has led this evolution (Kietzmann et al.,2011).

In recent years social media has become an integral part of everyday life, with year-on-year growth in the number of users. In January 2022, the number of monthly active users on Facebook reached 2,91 million, while YouTube jumped to 2,562 million and Instagram to 1.478 million (Statista, 2022b). Globally, the average daily minutes consumed on social media was 147 minutes per day in 2022, up from 145 minutes in the previous year. Social media networks affect how the community uses the web and shift and change how the owners and managers manage their work (Statista, 2022a). These numbers led us to see that social media platforms are one of the most robust growth tools in marketing. The social media industry report indicated that Facebook (94%) and Instagram (76%) are the most used platforms in business marketing (Stelzner, 2020). Moreover, data revealed that 97% of Fortune 500 companies depend on social media (Porteous, 2021).

Social media marketing is an effective tool to help small and medium-sized businesses to enhance their brands and advertise their services or products by creating close connections with potential customers. Small and medium-sized businesses usually have limited financial resources, which restrict their ability to market their products on a large scale. Social media marketing is a cost-effective tool that can help small and medium-sized businesses (Chatterjee et al., 2021). However, SMEs need to have a clear plan explaining how and why to use social media if they want to ensure that it is effective. With a clear plan, SMEs can assess their utility and efficacy (McCann & Barlow, 2015).

This paper reviews related studies on social media marketing in small and medium-sized businesses and the factors that led to adopting social media marketing. The paper sections are as follows. The first section describes social media and social media marketing. Then, the second section explains the definitions of small and medium-sized businesses, their economic advantages, and their challenges. The third section is about the positive advantages of social media marketing in small and medium-sized businesses. Finally, the fourth section explains factors that support social media adoption in small and medium-sized businesses.

### **1. Social Media and Social Media Marketing**

Social Media Features are known to be changeable and volatile and combine the characteristics of mass and one-to-one communications, which makes it hard to agree on a unified definition (Vorderer et al., 2017). However, Kaplan & Haenlein (2010) defined Social Media as a group of net-based, wide-



range apps that work as two-ways platforms to generate and transfer user-created content. Social Media features re-shaped how community members connect and allow business owners to utilize it in their business, especially in their marketing.

Carr & Hayes (2015) proposed that Social Media is a net-based tool that provides platforms for mass communications and personal connection. Social Media allow users to interact with each other and give exceptional value to user-generated content. Also, it creates spaces for the users and audiences to create content varied from feedback, videos, and stories to reviews. Social Media is defined as "Web 2.0 applications enabling the creation, editing, and dissemination of user-generated content" (Constantinides, 2014, p.42). Filo et al. (2015) defined it as "new media technologies facilitating interactivity and co-creation that allow for the development and sharing of user-generated content among and between organizations and individuals" (p.2). Due to their widespread use and cultural effects, social media have attracted much attention from academics and practitioners. In the consuming process, customers can engage with social media, including information search, decision-making, word-of-mouth, and the procurement, usage, and disposal of goods and services (Filo et al., 2015). Promoting products, services, information, and ideas through online social media can be seen as a new sector and commercial advantage that social media marketing offers (Dahnil et al., 2014). Online interactive tools such as social media allow businesses and brands to create strategies to interact with customers and generate profit. Due to this, social media now play a unique function compared to other forms of traditional communications tools. Social media offer a low-cost medium that embraces interaction, teamwork, and co-creation over one-to-many communications, integrates channels for communications, and distribution, offers opportunities for customization, and provides feedback and information delivery that is more quickly (Shilbury et al., 2014).

From a business perspective, companies can use social media in several ways to improve operations and enhance the business profile by creating relationships with potential and existing consumers, creating value, enhancing and promoting brands, and building sustainability (Derham et al., 2011; Dubbelink et al., 2021; Hajli, 2014; Korcsmáros & Csinger, 2022). For example, Tuten & Solomon (2015) defined social media marketing as using social media platforms to develop and share valuable offers with the organization's stakeholders. At the same time, Dahnil et al. (2014) defined it as utilizing social media platforms and their related technology and features in conjunction with other marketing communication tools.

The use of social media tools is an extension of traditional marketing. Utilizing mobile and web-based technologies to create interactive media where users and groups can share, co-create, discuss, and modify content that is known as user-generated content, marketing activities through online applications that enable this production of information and user collaboration are possible (Kaplan &



Haenlein, 2010; Kietzmann et al., 2011).

Kim & Ko (2012) described social media marketing as integrating five elements, entertainment, trendiness, word-of-mouth, customization, and interaction. First, entertainment describes the users of Social Media as pleasure seekers. Second, trendiness denotes discussing the most recent and popular news on social media. Third, word-of-mouth (WOM) as consumers see WOM as reliable and more credible information than the published on the company's websites. Fourth, customization is the company's ability to individualize its messages for targeted or specific audiences. Fifth, interaction social media give customers the room to discuss and exchange thoughts (Gruen et al., 2007; Seo & Park, 2018; Khan, 2022).

The E-marketing model by Constantinides (2014) has four levels, including the relationship between social media marketing and the other components of the marketing strategy. The first level is the product and services. In the age of social media, consumers are highly knowledgeable. They seek the most updated information and news by reading reviews and feedback. As a result of that, it will be risky to deliver low-quality products or services. The second level is the marketing and e-marketing organization. This level refers to the organization's ability to support online and traditional marketing activities. Organizations must be flexible and adapt their different operations, such as sales, logistics, and procurement, to meet online marketing needs. The third level is Web 1.0. Organizations must appreciate the high-quality, designed, and reliable website that facilitates consumer access to products and services. Establishing a positive consumer online experience and integrating the website into the marketing strategy is an added value for the total marketing strategy and social media marketing foundation (Constantinides, 2014). Hajli (2014) stressed that the high quality of the company's website could increase its usefulness, leading to an increase in the customers' buying intention.

Marketers can use social media in marketing in two ways. First is the passive way, where marketers use social media to collect data about the market's needs, consumers' experiences, and existing and potential competitions and trends. Second is how organizations communicate and sell directly to consumers (Constantinides, 2014).

The section discussed the terms social media and social media marketing. Social Media transformed fundamental business and marketing concepts by creating new information distribution channels. Also, it changed when, how, and by who created the information and how to use it. These days businesses are more aware of the provided advantages of social media. Today, for businesses, online presence is no longer optional but critical.

In addition to presenting the reality of marketing in Small and medium-sized businesses, the following



section will present different definitions of small and medium-sized businesses, advantages, and challenges.

## **2. SMEs: Definitions, Advantages and Challenges.**

At the worldwide level, small and medium-sized enterprises have traditionally been seen as the foundation of development and macrosocial and economic policies. They have emerged as significant economic players during the past three decades in both developed and developing nations, particularly in light of the growth of information technology and the shift towards a more global business environment (Korcsmáros & Csinger, 2022).

Small and medium-sized businesses (SMEs) play a significant role in the economy and are widely recognized as the main forces behind socioeconomic development worldwide (Karadag, 2015). For example, in 2022, SMEs had a value-added of around 3.9 trillion euros to the European economy (Statista, 2022c). The importance of SMEs extends to other regions as well. For example, in the Arab economies, SMEs present over 90 percent of all businesses and provide a significant source of new job creation (International Monetary Fund 2019). Moreover, the number of SMEs increases almost every year. Worldwide, there were around 332 million SMEs in 2021 compared to 204 million in 2000 (Statista, 2021).

The heterogeneous nature of SMEs and the nature of the economies they work make it hard to establish a unified definition. Storey (1994) argues that small and medium-sized businesses need to be defined. Across the world, each country and organization create different definitions and categories of SMEs. World Bank considers the number of employees and sales volumes the most accurate parameters to define SMEs (World Bank, 2011). IFC and the Multilateral Investment Guarantee Agency (MIGA) mentioned that companies qualify as micro, small or medium businesses if they meet two out of three criteria (World Bank, 2019).

**Table1. IFC Micro, Small, and Medium Enterprise definitions**

<b>Indicator</b>	<b>Employees (no.)</b>	<b>Total assets (\$)</b>	<b>Annual Sales (\$)</b>
<b>Micro enterprise</b>	< 10	<100,000	\$100,000
<b>Small enterprise</b>	10–49	100,000 – <3,000,000	\$100,000 – <3,000,000
<b>Medium enterprise</b>	50–300	3,000,000– 15,000,000	3,000,000– 15,000,000

Description: (World Bank, 2019).

On the other hand, European Commission (EC) defines SMEs based on three factors: the number of employees, turnover level, and balance sheet size (European Commission, 2022).

**Table 2. The definition of SMEs according to EC.**

<b>Enterprise Category</b>	<b>Employees</b>	<b>Turnover</b>	<b>Balance sheet total.</b>
<b>Micro SME</b>	0 to < 10	< €2 million	< €2 million
<b>Small SME</b>	10 to < 50	< €10 million	< €10 million
<b>Medium-sized SME</b>	50 to <250	< €50 million	< €43 million

Description: (European Commission, 2022).

SMEs are regarded as the most dynamic and susceptible industries in the global economy and are essential to the development of any nation since they contribute significantly to human advancement, poverty reduction, and long-term economic expansion (Naradda Gamage et al., 2019). Also, SMEs benefit the economy because of their potential to utilize local resources, including local raw materials, local savings mobilization, opportunities for self-employment, and the chance to train semi-skilled workers through apprenticeships (Asare et al., 2015).

Small and medium-sized businesses face several challenges. These challenges can be internal or external factors. The external macroeconomic factors are beyond their control, such as the political, economic, social, technological, environmental, and legal factors (Govori, 2013). The latest report



revealed that cyber incidents, such as cybercrime, IT outages, and data breaches, were the leading risk for small businesses globally in 2022. Other challenges changed in legislation and regulations, market development, shortage of skilled workflow, and new technology (Statista, 2022c). As a result of their small size, SMEs do not take advantage of large companies' economies of scale and bargaining power (World Bank, 2019). While European Commission (2022) mentioned that limited human resources, lack of access to finance, and a focus on niche markets are challenging to SMEs. Yoshino & Taghizadeh-Hesary (2016) explained that the lack of networks in SMEs leads to a lack of information and know-how. The reality of marketing in small businesses is different from big-sized businesses, and digitalization adds more challenges for them (Taiminen & Karjaluoto, 2015). Some studies mentioned that traditional marketing theories fail to explain marketing in small businesses. These SMEs follow informal and chaotic marketing methods, which are also unorganized and unplanned, and their marketing activities depend on personal contact networks (Reijonen, 2010; Hill, 2001). Rhys (1989) mentioned that SMEs practice marketing to avoid direct competition with the dominant manufacturers in the market. This marketing strategy restricts SMEs in market segments left by large companies.

A study surveyed 291 SMEs to understand the marketing concepts and practices in SMEs and found that these companies use marketing as a tool to inform the customers about the company and its services or products and to interact with the consumers. In addition, many SMEs use marketing to increase sales (Reijonen, 2010), and their sales orientation defines their marketing characteristics (Hill, 2001). However, the study also found that the marketing practices are unique and depend on the company size. Castronovo & Huang (2012) explained that alternative marketing avenues, such as social media, open up opportunities for firms that lack resources, knowledge, or skills.

Small and medium-sized businesses positively impact the economy. These economic entities contribute to countries' development by utilizing local resources and providing work opportunities. Although these benefits, the road ahead could be smoother. SMEs face many challenges. Some of these challenges include a shortage of skilled workers and a need for more access to finance. While the studies explained that the marketing reality in SMEs tends to be informal and chaotic, the next section will explain the advantages of social media marketing.

### **3. Social Media Marketing advantages of SMEs.**

Many studies explained three unique features of social media that make it an efficient marketing tool. The First feature is interactivity. Liu & Shrum (2002) defined it as "The degree to which two or more communication parties can act on each other, on the communication medium, and on the messages and the degree to which such influences are synchronized" (p.54). Deighton (1996) mentioned that the two fundamental characteristics of interactivity are the ability to address a person and to gather and



remember that person's response. Goldfarb & Tucker (2011) and Cade (2018) considered interactivity as the two ways of communication between the consumers themselves from one side and with companies from the other side. It has become crucial for businesses to involve end-user parties at different levels and use unusual channels in an era where customer-generated content has a louder voice. The introduction of Web 2.0 platforms presents unique ways for businesses to create and maintain relationships and improve communications with clients and business partners (Odoom et al., 2017). The people and groups that produce and share blogs, tweets, Facebook posts, movies, images, and other media content have moved the power away from those in marketing and public relations. The social media community will discuss the brands with or without the consent of the relevant companies (Kietzmann et al., 2011). User-generated content has several advantages for both organizations and consumers because it aids in understanding what (other) customers believe, provides information and support, and influences how consumers make decisions (Dubbelink et al., 2021). For example, when a customer shares information online, the company will have the privilege of exploring extra information related to other people's opinions, such as how many other users interact with the post by liking it, reposting it, or commenting on it (Cade, 2018). Hajli (2014) said that the impact of social media "empowers consumers to generate content and influence others. Business and consumers are involved in the co-creation of value" (p.399). The generated content, which takes several shapes as reviews and recommendations, can create trust. This user-generated content encourages other customers to buy, which leads to an increase in buying intent.

The second feature is cost-effectiveness. While small and medium-sized businesses have limited resources, Social Media offers several zero-cost or low-cost options that marketers can effectively use. Mostly, it is free to create an account on most social media platforms, so the cost comes from the time spent managing these accounts (Odoom et al., 2017). Michaelidou et al. (2011) and Amoah & Jibril (2020) agreed on the same point that social media adaption does not need high investments. Social Media allows companies to note customers' complaints and recommendations, build new partnerships, and create exposure, and companies can achieve all these advantages at almost zero cost (Sajid, 2016; Tuaeja & Toombs, 2014).

The third feature is compatibility. Social media platforms include features and functions that may not have been available in traditional marketing channels in terms of meeting and understanding customers' needs and market demands. As a result, businesses can effectively and efficiently target their clients by incorporating social media activities into their business operations in a way that is compatible with organizational values and objectives by timely publishing their product/service content (Odoom et al., 2017; Derham et al., 2011; Cade, 2018).

Also, Social Media is an effective way to keep an eye on the activities of competitors and enhance the





understanding of their strategies, which can be helpful in both the growth of the company and the creation of competitive advantages (Korcsmáros & Csinger, 2022; Amoah & Jibril, 2020).

(Stelzner, 2020), the social media industry report surveyed over 5,200 businesses to explain how social media marketing contributed to their growth. The report revealed that social media marketing increased business exposure, which means that companies get more attention (86% of marketers). Also, social media marketing generated more traffic, meaning more people reached out to the organization's website (78%). Social media marketing improved sales (59%) and created loyal fans (60%).

Other studies mentioned several advantages of social media marketing in small and medium-sized businesses as engaging new consumers and maintaining a solid relationship with them. Also, increase awareness about brands, enhancing market accessibility and creativity. Finally, Social Media creates higher consumer values and satisfaction through interaction with them. All these benefits can lead to higher sales and profit (Michaelidou et al., 2011; Amoah & Jibril, 2020). Also, companies may rapidly and effectively reach out to their target market through social media, and those people can give the company direct feedback in real time, which allows for the ongoing development of programs and analysis for gauging efficiency (Svatošová, 2012). The studies indicated that social media has unique features that make it an efficient marketing tool.

Social media has unique characteristics of interactivity, cost-effectiveness, and compatibility. As a result, SMEs can benefit from social media marketing on several occasions, such as improving sales, generating website traffic, and increasing brand awareness. The following section will discuss factors that affect SMEs' ability to adopt social media marketing.

#### **4. Factors Leading to Adopting Social Media Marketing in SMEs**

Globalization and the economic situation have significantly changed the business environment. The changes in trading boundaries significantly impacted the SMEs' ability to traverse international borders and expand their markets (Stockdale & Standing, 2006). Small and medium-sized businesses are subject to restricted resources (financial, time, and human) and limited reputation and capabilities in their innovation initiatives. Additionally, they are more vulnerable to changing environmental factors and economic pressures (Taneja et al., 2016). Due to these limitations, small and medium-sized businesses face some challenges in adopting e-marketing and social media marketing.

The literature revealed many factors that impact SMEs' ability to adopt and utilize Social Media as a marketing tool. These factors can be facilitators or inhibitors. This paper groups these factors as the following:



### **5.1 Staff and knowledge**

Several studies found that a lack of practical and technical experience, not receiving proper training, and a lack of well-equipped staff hinder SMEs from adopting social media marketing (Korcsmáros & Csinger, 2022; Michaelidou et al., 2011; Stankovska et al., 2016; Stockdale & Standing, 2006; Gilmore et al., 2007; Bruque & Moyano, 2007). Studies recommended many ways to overcome this challenge. Karjaluoto & Huhtamäki (2010) found that both managerial and technological know-how skills are essential to facilitate the adaption of e-business. Stockdale & Standing (2006) and Svatošová (2012) suggested designing training and education programs and higher a proficient team to manage social media marketing. Instead of hiring external persons or contractors to manage the company's online marketing, it is better to invest in building the employees' capacity. In the long term, capacity building can be more effective cost-wise, although it is time-consuming in a short time (Korcsmáros & Csinger, 2022). It is fundamental to consider the staff's age, and the companies must work toward changing the staff values and culture to facilitate information technology implementation (Bruque & Moyano, 2007).

### **5.2 Top management**

Top managers have crucial responsibilities and actions to ease their companies' digitalization. Managers overcome the related digitalization challenges in three ways: first, by understanding digitalization; second, by setting the formal context; and finally, by leading the change (Wrede, Velamuri, and Dauth 2020). Stockdale & Standing (2006) described enthusiastic managers to adapt technology as "technology champions." Top management involvement is significant as they are devoting the needed resources. However, they can be motivators or inhibitors (Svatošová, 2012). For example, if the managers cannot see the added value of social media, they can hinder adapting it (Taiminen & Karjaluoto, 2015). An important point raised by Taiminen & Karjaluoto (2015) was management resistance because of the unfamiliarity with social media and how to use it. Studies suggest organizations should increase the interaction between e-marketing and social media marketing specialists and top management. These interactions will educate and raise awareness among the top management. The ongoing connections will facilitate building positive attitudes and thoughts about the adoption (Tarafdar & Vaidya, 2006). Also, its crucial to engage the staff and management in the adaption process (Bruque & Moyano, 2007).

### **5.3 Perceived benefits of social media marketing**

Another factor the researchers found to impact SMEs' adoption of social media marketing is their understanding or recognition of the advantages and potential of e-commerce and social media marketing. Uncertainty about how to use new digital tools is a factor that impacts the company's adoption of these tools (Taiminen & Karjaluoto, 2015). Kendall et al. (2001) found that one of the



critical factors is relative advantages, which refers to the perceived advantages by small and medium-sized businesses. The study gave examples of these advantages as the lower business cost and broader market coverage. Davis (1989) mentioned that perceived usefulness is one of the main reasons that motivate the individual to adopt new technology. Perceived usefulness is an element of the technology acceptance model. Davis (1989) defined it as "the degree to which a person believes that using a particular system would enhance his or her job performance." The SMEs are characterized by being sales oriented, affecting their social media usage. So, these companies need to take full advantage of social media rather than using it only to raise sales (Taiminen & Karjaluoto, 2015).

#### **5.4 Technology constraints**

The studies found that technology constraints are one of the main factors that impact the adaption of social media marketing. There is a lack of trust in the IT industry because of its fast-moving and risk of fraud (Stockdale & Standing, 2006). Sometimes, companies are concerned about the associated cost of maintaining and installing software to manage their online presence. In addition, studies found that some companies need to pay more attention to their online content and update it regularly. As a result, the non-updated content led to the available online content not reflecting the professionalism of the companies, to it presenting an old version of them (Gilmore et al., 2007; Stockdale & Standing, 2006; Svatošová, 2012).

Companies face difficulties independently creating technology due to the cost, uncertainties, and associated risks. Likewise, small businesses find it challenging to develop technology independently because of the high prices and risks involved. Due to these difficulties, networks and collaborative partnerships are crucial to the strategies and results of small and medium-sized businesses (Taneja et al., 2016). Another implication that the studies added to SMEs' concern are the risk of spreading negative information or rumors about the company. Also, although social media allow the wide dissemination of information, it can be restricted to a specific group of age, mostly younger users (Svatošová, 2012).

#### **5.5 Stakeholders**

Stakeholders such as suppliers, customers, and competitors play a critical role in adapting social media marketing. For example, Svatošová (2012) suggests that companies must analyze the existing situation by reviewing competitors' strategies and tools. Also, Karjaluoto & Huhtamäki (2010) mentioned that consumers and competitors could pressure companies to adopt digital channels such as social media. For example, more prominent companies sometimes pressure small business contractors to adopt e-business (Stockdale & Standing, 2006). Additionally, the needed skills by consumers or suppliers matter. One of the main obstacles that SMEs face is that their consumers or suppliers do not have the skills or knowledge to engage in electronic ways (Gilmore et al., 2007). One of the main elements of



successful social media marketing is the audience, their preferred communications tools, and the most discussed themes companies need to choose the correct social Media for their work (Svatošová, 2012). Odoom et al. (2017) recommended that they establish their strategy based on the favored platform of their target customers. Also, the demographic location of the consumers is a fundamental factor in choosing suitable platforms (Taiminen & Karjaluoto, 2015).

Studies recommended that companies establish their strategy based on the favored platform of their target customers, and to maximize the reach, the studies suggested using multiple platforms rather than focusing on one (Korcsmáros & Csinger, 2022; Odoom et al., 2017).

### **5.6 Investment**

The authors mentioned that companies face the challenges of financial and time constraints. Trialability refers to the ability to engage in online commerce without having a high cost. Trialability is an essential factor that impacts the adoption of new technology as social media marketing (Kendall et al., 2001). Taiminen & Karjaluoto (2015) revealed that the companies that have adopted digital marketing and made the necessary investments have been able to take advantage of these tools. For example, the ongoing development of new social media platforms, and the regular updating to the existing ones, is very time and money-consuming to stay up to date. In addition, companies face the fear of devoting their limited resources to techniques that can be risky. Especially these technologies can be costly (Gilmore et al., 2007; Taneja et al., 2016; Stankovska et al., 2016; Korcsmáros & Csinger, 2022).

Sometimes, organizations focus on short-term rather than long-term returns (Korcsmáros & Csinger, 2022; Stockdale & Standing, 2006; Gilmore et al., 2007). Studies found that businesses believe that if a social media presence does not quickly meet high expectations or generate an immediate return on investment (ROI), that will be lost. Also, owners or managers are willing to see the benefits of e-marketing compared to traditional methods before investing their time and money. Also, companies do not have effective ways to measure the cost and the returns from using e-marketing (Korcsmáros & Csinger, 2022; Stankovska et al., 2016; Stockdale & Standing, 2006; Gilmore et al., 2007). Korcsmáros & Csinger (2022) recommended that companies designate a percentage of the revenue to have a successful online presence. Also, companies need to assess their current social media strategy before taking additional action to improve it (Dubbelink et al., 2021), which can save time in cost.

### **5.7 External factors and industry**

External factors impact the companies' ability to adopt social media marketing. For example, a study found that the industry sector is one of the power factors (Stockdale & Standing, 2006). Some products or services are unsuitable to trade online, impacting the companies' ability to adopt social media



marketing (Karjaluo & Huhtamäki, 2010). Another factor found is the outside support from others, for example, from the government, partners, or more prominent organizations (Karjaluo & Huhtamäki, 2010). As a result, the gap in understanding the SEMs' needs in capacity building, knowledge, and funding by governmental institutions and more prominent organizations will impact their ability to adopt social media marketing (Karjaluo & Huhtamäki, 2010).

## **5. CONCLUSIONS**

Social media has a very long development history since it affects daily life in the knowledge-based society of the twenty-first century and plays a significant role in business. As a result, in the age of the fourth industrial revolution, an increasing number of enterprises are conscious of the necessity of using Social Media for business; today, having an online presence is crucial rather than optional. Participation in social media Marketing by SMEs is a strategic choice. This choice may be made as a defensive reaction by SMEs to a change in the external environment, realigning business resources and operations to maintain performance, or as a more proactive decision, redefining how the enterprise pursues its objective. Social Media empowered customers through user-generated content and shifted the power from those in marketing and public relations customers. Social Media Marketing positively impacts SMEs, such as connecting with current and potential customers, collecting information about customers' thoughts, and keeping an eye on the competitors' activities. SMEs can achieve these advantages at almost zero cost.

However, many factors impact the SMEs' ability to adopt social media marketing, and these factors can motivate or hinder the adoption. This paper reviewed the literature and summarized a group of factors. One factor is the need for equipped staff with the needed knowledge and experience. In addition, top management mentality can motivate or hinders the adaption. Primarily, the adoption of social media adaption is led by a leader who has taken the time and effort to convince the rest of the company. Another factor is the need for more understanding of the potential of social media marketing. Another factor is technology, as sometimes companies need to trust technology, and it is challenging to create technology independently. The suggestion is to seek partnerships with other companies to overcome this challenge. Also, the external environment is essential. Stakeholders such as customers and competitors play a significant role in adopting social media marketing. Another factor is the investment. Companies usually want to see the results of their investment in the short term—finally, the external factors and industry type. For example, the government and partners' support are essential to the SMEs' adoption of social media marketing. SMEs need to consider the previously mentioned factors while building their social media adoption models. Also, to develop suitable strategies to mitigate their negative impact and maximize the positive effects.



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