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Factors Influencing the Adoption of Social Media Marketing with Reference to SMES

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ABSTRACT: Social media marketing is the use of social media platforms to promote a product, service, or brand. It involves creating and sharing content on social media networks to engage with the target audience, build brand awareness, drive website traffic, and ultimately achieve marketing goals. This study is conducted to comprehensively identify and analyse the factors that influence on adoption of social media marketing by SMEs. So, this study aims to gain insights on the level of social media usage by SMEs along with the recent trends like AI, Machine Learning, and Automation. The research employs a primary data collection approach through a questionnaire. Quantitative Research design has used. Convenience sampling is used and a sample of 220 respondents employed due to its practicality and resource constraints. The findings of the research were that social media marketing initiatives have successfully raised revenue for their companies and majority of respondents used Instagram as platform for marketing, followed by WhatsApp and YouTube. The findings presented in study will inspire further research and contribute to the ongoing dialogue on digital marketing practices in the SME sector.

KEYWORDS: Social Media, Artificial Intelligence, Instagram, Technology, SME's, Face book.

I. INTRODUCTION

Globally, small and medium-sized businesses (SMEs) are acknowledged as essential to economic expansion, employment generation, and the promotion of innovation. They play a crucial role in the economic development of nations, especially in dynamic and rising market contexts like India, since they exemplify the spirit of entrepreneurship and adaptability. However, SMEs frequently face major challenges along the way, such as barriers to the adoption and application of new technologies. This is where social media marketing (SMM) becomes a ground breaking instrument, giving small and medium-sized businesses (SMEs) a means of overcoming these obstacles and taking advantage of digital potential.

Social media is becoming a powerful instrument for corporate marketing and communication, having quickly transformed from a platform for simply social engagement. Social media has an unprecedented reach and impact since the introduction of platforms like Facebook, Instagram, and WhatsApp. These platforms give businesses, particularly SMEs, an affordable way to interact with a global audience. SMM is based on the idea of using these platforms to reach out to a large, connected online network of potential customers in order to improve visibility, cultivate client connections, and accelerate business growth.

It is impossible to exaggerate the importance of SMM for SMEs since it creates opportunities for engagement and contact that were previously unattainable because of budgetary limitations or a lack of technology infrastructure. Through direct and tailored communication, SMEs can improve client acquisition and retention while also expanding their market presence by embracing SMM. SMM also provides a degree of scalability and flexibility that is well suited to the dynamic nature of SME operations, enabling them to modify their marketing plans in real-time to satisfy the changing demands and preferences of their target market.

Small and medium-sized businesses, or SMEs, are essential to a nation's economic expansion, especially in developing nations like India. These businesses have a major impact on innovation, job growth, and export expansion. SMEs have a crucial role in bolstering the economic fabric of India, as seen by their 40% share of exports and 45% contribution to manufacturing output. SMEs are also known for their inventiveness and flexibility, which allow them to react quickly

to emerging markets and technical breakthroughs. SME dynamism is essential for sustainable growth and development because it promotes economic diversification and increases competitiveness.

Social media marketing is the use of social media platforms to promote a product, service, or brand. It involves creating and sharing content on social media networks to engage with the target audience, build brand awareness, drive website traffic, and ultimately achieve marketing goals. It encompasses various strategies such as creating compelling content, engaging with followers, running advertisements, and analyzing metrics to optimize performance.

II. LITERATUREREVIEW

S Chatterjee (2021). They conducted a study on “Antecedents and consequence of social media marketing for the strategic competitive advantage of small and medium enterprises: the mediating role of utilitarian and hedonic value”. They studied a conceptual model that integrates the resource-based view (RBV) and the resource advantage theory (RAT) of the firm with the social media marketing literature. They used primary data to collect data from 139 SMEs in Greece. The findings show that social media marketing has a positive effect on strategic competitive advantage, which is mediated by utilitarianism and hedonism. Value.

MohdIrwan Dahnil (2014). They conducted a study on “Factors Influencing SMEs Adoption of Social Media Marketing”. They conducted a study on the factors that influence SMM adoption by SMEs also offers a useful means to analyze the kinds of research that needs to be pursued to advance further study in the associated field of social media marketing. T Internal factors such as users and individuals have been identified as the main contributors that affect the adoption in this study.

M McCann (2015). They conducted a study on “Use and measurement of social media for SMEs”. The study investigated why SMEs are using social media and how they should measure their return on investment. SMEs were surveyed as part of primary research to find out how valuable social media is and how they calculate return on investment. They found that certain social media applications are more beneficial to SMEs than others, however, 65% of the businesses polled did not calculate the return on investment.

SFIH Jama (2020). They conducted a study on “The Adoption of Social Media as Marketing Tools: Case Small and Medium Enterprises in Brunei Darussalam”. They investigated the factors that mainly drive social media adoption among the SMEs in Brunei, to determine the types of social media platforms that they used as well as to assess the possible advantages and difficulties of implementing it. They used primary data in this study, online questionnaires to 57 CEOs or managers of local SMEs. The study used IBM SPSS Statistics to analyze data, assessing normality, reliability, factor analysis, and the relationship between social media adoption among SMEs, using the Shapiro-Wilk test, Cronbach's Alpha, and factor analysis.

SulaimanAinin (2015). They conducted a study on “Factors influencing the use of social media by SMEs and its performance outcomes”. This study investigates the factors influencing Facebook usage among small and medium enterprises (SMEs) in Malaysia. It examines the impact of Facebook usage on financial and nonfinancial performance. The study used an integrated model to analyse factors such as compatibility, cost-effectiveness, interactivity, and trust in Facebook usage and its subsequent impact on organizational performance.

Sikandar Ali Qalati (2020). They conducted a study on “Examining the Factors Affecting SME Performance: The Mediating Role of Social Media Adoption”. The influence of technology, organization, and environment as significant determinants in small- and medium- sized company success are examined in this study. It also looks at how social media adoption acts as a mediator. They used primary data, a closed-ended questionnaire, and observed 423 responses through structural equation modelling. They used the partial-least-squares structural equation modelling (PLS-SEM) to test the hypothesized model. They found that SM has a significant effect on SME performance.

OH Solomon (2023). They conducted a study on “Analyzing the factors that influence social media adoption among SMEs in developing countries.” In this study, they investigate the attitudes and behaviours of small and medium-sized enterprises in Kenya and Nigeria towards using social media in their businesses. In the study, they have collected primary data from, a survey among local SMEs in Nigeria and Kenya.

Rodrigo Martín-Rojas (2023). They conducted a study on “Social media use, corporate entrepreneurship and organizational resilience: A recipe for SMEs success in a post-Covid scenario.” In this study, they have analyzed the role of social media use as an antecedent of corporate entrepreneurship and firm performance in Spanish SMEs, while also examining the mediating role of organizational resilience in this process.

Sheshadri Chatterjee and Arpan Kumar Kar (2020). They conducted a study on “Why do small and medium enterprises use social media marketing and what is the impact: Empirical insights from India.” This study aims to identify factors that can help Small and Medium Enterprises (SMEs) in India adopt Social Media Marketing (SMM) mechanisms to improve their business impact. A theoretical model was developed using theories borrowed from TAM and UTAUT2, with modifications. The model was validated empirically using a survey of 310 firms and structured equation modelling. The findings demonstrated that compatibility, perceived utility, and convenience of use all favourably influence the effect of SMM when SMEs embrace

HMS Namankani (2019). They conducted a study on “Exploring Social Media Adoption Processes and Factors: Small and Medium Enterprises in the Kingdom of Saudi Arabia.” This study investigates SM adoption by SMEs in the Kingdom of Saudi Arabia (KSA), focusing on enablers, barriers, and practices that might promote or inhibit it. A conceptual framework was developed, integrating current models of technology adoption.

III. RESEARCH DESIGN

Need for the study:

This study is conducted to comprehensively identify and analyse the factors that influence on adoption of social media marketing by SMEs. With the growing technological aspects in the marketing strategies. There is a need for SMEs to align with the advancements. So, this study aims to gain insights on the level of social media usage by SMEs along with the recent trends like AI, Machine Learning, and Automation. It also involves in understanding the impact of social media marketing on the performance and return on investments of SMEs.

Scope

The study investigates and assesses the factors affecting the SMEs' adoption of social media marketing in Bangalore. The research aims to determine how the variables affect small and medium-sized enterprises' (SMEs) adoption of social media marketing. It involves analyzing the current advancements like AI, machine learning, and automation, it does not entail analyzing a specific industry, such as manufacturing or service firms. This study focuses on the overall market and determines whether social media marketing affects SMEs' performance and return on investment or not.

Statement of the problem

During different time era's different methods of marketing has developed and changed the market situations. Social Media Marketing has become the significant method of marketing in the 21st century. The meteoric growth of community websites such as Twitter, Facebook, Linked, Instagram, What's App, YouTube have ushered the world in to new era of social media. The technological development in these platforms has given a huge opportunity for the Businesses to market their production. Lately, the social media platforms are evolved with AI, Machine Learning and Automation opening the doors for advanced marketing strategies especial for the small and medium enterprises. But the SMEs are not effectively optimizing social media for marketing due to various barriers. This research is conducted to identify and analyse various factors that influence the small and medium enterprises in adopting Social Media Marketing. This also involves in assessing the impact of social media marketing on the overall performance of SMEs.

Objectives:

To identify the factors influencing small and medium-sized enterprises (SMEs) to adopt social media marketing.
To analyse the challenges faced by small and medium-sized enterprises (SMEs) in adopting social media marketing.

FACTORS AFFECTING SMEs IN ADOPTING SMM

The ability of SMEs to use social media marketing is influenced by a variety of factors, some of which may encourage or impede adoption. Numerous elements that affect SMEs' capacity to embrace and leverage social media as a marketing tool have been identified by the literature. These elements may operate as enablers or barriers. These elements are grouped together in this study as follows:

A. Technology

According to the study, one of the key elements influencing social media marketing's adaptation is technological limitations. Because of its rapid growth and fraud risk, the IT business lacks confidence. Businesses occasionally worry about the upkeep and installation costs of the software needed to manage their web presence. Additionally, research indicates that certain businesses should focus more on and consistently update their internet material. Consequently, the absence of updated content caused the existing online content to portray an outdated image of the companies, rather than accurately representing their professionalism.

B. Cost

The writers noted that businesses struggle with time and money constraints. The term "trialability" describes the affordability of conducting business online. According to Kendall et al. (2001), trialability is a crucial component that influences the uptake of new technologies, such as social media marketing. According to Taiminen&Karjaluo (2015), businesses that have embraced digital marketing and made the required financial commitments have been able to benefit from these resources.

C. Competitiveness

To adjust social media marketing, competitors are essential. Svatošová (2012), for instance, recommends that businesses examine the tactics and resources used by rivals to assess the current situation. Karjaluo & Huhtamäki (2010) also noted that businesses may face pressure from rivals and customers to use digital channels like social networking. For instance, larger well-known corporations have occasionally put pressure on small company contractors to use electronic commerce (Stockdale & Standing, 2006). SMEs frequently follow suit and adopt new technology when their rivals do, using it to maintain an advantage.

D. Trust

Trust is a multidimensional construct, with McKnight et al. (1998) identifying two types: situational normality and structural assurance. Choudhury and Karahanna (2008) further extended McKnight et al.'s framework by suggesting informational trust, which refers to a user's belief in the reliability, credibility, and accuracy of information obtained from Facebook. In the context of SMEs, organizations often post extensive information about their organization, products, services, and promotional activities on social media.

E. Usage

The Technological Acceptance Model (TAM) suggests that users are more likely to use technology or systems if they perceive them as simple and easy to use, if they are also beneficial. This belief is influenced by factors such as self-efficacy and simplicity, which are believed to impact SMEs' adoption and usage of social media. Perceived usefulness (PEU) encompasses attitudes about performance, effectiveness, risk, and trust.

F. Skills and Knowledge

The use of Information and Communication Technology (ICT) is not complex, and the adoption of new technology is crucial for business development. A lack of knowledge about IT is a key barrier for SMEs, as it hinders their ability to learn and acquire knowledge. There are two types of knowledge: hard skills and soft skills. Soft skills are highly specific knowledge held within the human mind, based on a person's behavior and experiences.

IV. RESEARCH METHODOLOGY

Social media marketing has become a powerful tool for businesses of all sizes. This study aims to explore the factors influencing the adoption of social media marketing by Small and Medium Enterprises (SMEs) in Bangalore, India. The research employs a primary data collection approach through a questionnaire distributed via Google Forms. Quantitative Research design has used. The target population for this study comprises SMEs of Event Management Industry operating in Bangalore, India. Convenience sampling will be employed due to its practicality and resource constraints. This method involves selecting readily available participants who meet the inclusion criteria, such as SME owners or managers. A sample size of 220 respondents will be targeted. This size is sufficient for considering the likely large and unknown population of SMEs in Bangalore. Primary data will be collected through a self-administered questionnaire.

**Data Analysis:
Business experience**

Experience in years	Percentage
0-5years	64.1%
5-10years	21.8%
10-15years	5%
15–above	9.1%

The largest segment (64.1%) consists of people with 0-5 years of business experience. The next largest segment (21.8%) consists of people with 5-10 years of experience. There are smaller segments for people with 10-15 years (5%) and 15 above years (9.1%) of experience.

Operations in years	Percentage
0-5years	68%
5-10years	18.3%
10-15years	5%
15–above	8.7%

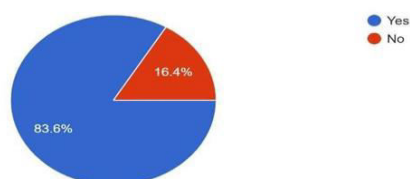
The largest segment (68%) consists of entrepreneurs who have been operating for more 0-5 years. The next largest segment (18.3%) consists of people who have been operating for 5-10 years. There are smaller segments for people who have been operating 10-15 years (5%) and 15above years (8.7%).

Educational qualifications

Qualification	Percentage
SSLC	15%
PUC	46.8%
UG	36.4%
PG	1.8%

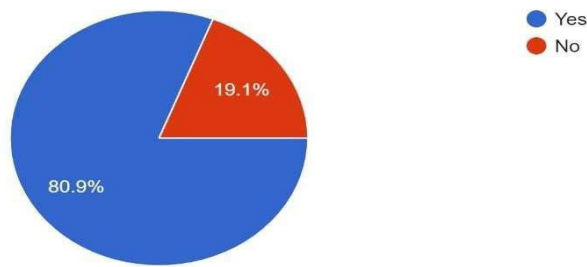
The largest segment (46.8%) consists of entrepreneurs with PUC as their qualification. The next largest segment (36.4%) consists of entrepreneurs with undergraduate degrees (UG). A smaller segment (15%) consists of entrepreneurs with secondary school certificates (SSLC). There is also a small segment (1.8%) for postgraduate degrees (PG).

Do you know how to use social Media platforms?
219 responses



The pie chart shows the distribution of respondents who know how to use social media platforms out of 220 people surveyed. A vast majority (83.6%) of the respondents said they know how to use social media platforms, while a small minority (16.4%) said they do not.

Are you currently using social media for marketing purposes?
220 responses



Out of the 220 people surveyed, 19.1% (42 people) said they are not currently using social media for marketing purposes. On the other hand, 80.9% (178 people) said they are currently using social media for marketing purposes.

Social media platform Used for marketing	Percentage
Instagram	98.3%
Twitter	9%
YouTube	15.2%
WhatsApp	12.4%
LinkedIn	0%

The bar graph shows the number of respondents out of 220 who said they use social media for marketing. Instagram is the most popular platform, with 175 respondents (98.3%) saying they use it for marketing. Far fewer respondents i.e. 16 respondents use Twitter (9%), YouTube (15.2%) and WhatsApp (12.4%) for marketing. None of the respondents said they use LinkedIn for marketing.

Imp of SMM on Business Growth	Percentage
Strongly Agree	65.7%
Agree	29.3%
Disagree	5%
Strongly Disagree	0%

The pie chart shows the distribution of survey responses on the importance of social media marketing for business growth out of 220 people surveyed. Strongly agree (65.7%) and Agree (29.3%) responses together account for 95% of the respondents, which means a vast majority of the people surveyed believe social media marketing is important for business growth. Only a small minority (5%) disagree and no one strongly disagreed.

Factors influencing the Decision to adopt SMM	Percentage
Technology	22.3%
Cost	38.3%

Competition	72.9%
Trust	53.2%
Usage	20.2%
Skill&Knowledge	10.6%

The graph shows the distribution of factors influencing the decision to adopt social media marketing among 220 respondents. Competition is the most influential factor, with 137 (72.9%) respondents saying it is a significant factor. Trust is the second most influential factor, with 100 (53.2%) respondents saying it is significant. Cost is the third most influential factor, with 72 (38.3%) respondents saying it is significant. Following that are Technology (22.3%), Usage (20.2%), Skill & Knowledge (10.6%).

V. FINDINGS

- Most respondents to the poll think that social media marketing initiatives have successfully raised revenue for their companies.
- Few respondents do not know how to utilize social media sites; the majority do.
- Instagram is currently the most popular platform with the majority usage, with just a small percentage of responders using social media for marketing objectives.
- Most people think that social media marketing is crucial for the expansion of businesses.
- With many responders utilizing it, Instagram is the most widely used platform for marketing, followed by WhatsApp and YouTube.

The choice to use social media marketing is influenced by several important elements, the most important of which is competition. Other very important aspects are cost and trust. And they believe social media marketing is effective than traditional marketing.

While competition presents challenges, the potential benefits appear to outweigh them. Building and maintaining trust is seen as a critical aspect of social media marketing for enterprises. The data suggests enterprises understand the positive impact of social media activity on customer trust perception and the importance of proactive communication, transparency, and responsiveness. While challenges exist due to misinformation, the overwhelming focus on trust signifies its central role in successful social media marketing strategies.

Understanding how and where the target audience uses social media is crucial for successful social media marketing. The data suggests that while audience activity on relevant platforms seems likely, further research is needed. There's a clear emphasis on the importance of audience behaviour analysis and strategic platform selection to optimize marketing strategies and avoid managing too many platforms ineffectively. While there's some confidence in content creation skills, the data suggests uncertainties around keeping up with trends, resource adequacy, and investment in continuous learning. This highlights a potential need for enterprises to address skill development in social media marketing to stay competitive.

VI. SUGGESTIONS

- To ensure comparability and a more concentrated study, think about limiting the research scope to business categories.
- To boost operating performance and thrive in the market, small food industry enterprises should dedicate time to creating a social media strategy.
- Create explicit guidelines to help employees use social media for work in an efficient manner.
- Examine the relationship between paid advertising tactics, ad scheduling, and attracting new consumers in the food industry.
- Find out how respondents feel about the efficiency of social media marketing initiatives in boosting company revenues to comprehend the perceived influence on financial results.

VII. CONCLUSION

In conclusion, the study on the factors influencing the adoption of social media marketing among SMEs in Bangalore has provided valuable insights into the dynamics of digital marketing in the context of small and medium-sized enterprises. Through a comprehensive analysis of the literature, data collection, and interpretation, several key findings have emerged. Firstly, the research highlighted the significance of social media as a powerful tool for SMEs to engage with their target audience, build brand awareness, and drive customer engagement. The study revealed that factors such as perceived usefulness, ease of use, and organizational readiness play a crucial role in the adoption of social media marketing strategies. Overall, this study underscores the importance of embracing digital marketing tools, particularly social media, in today's competitive business landscape. As technology continues to evolve, SMEs must adapt and innovate to stay relevant and competitive. By incorporating the insights gained from this research, businesses can position themselves for success in the digital age.

In essence, the study serves as a valuable resource for academics, practitioners, and policymakers interested in understanding the role of social media in the marketing strategies of small and medium-sized enterprises. It is hoped that the findings presented in this report will inspire further research and contribute to the ongoing dialogue on digital marketing practices in the SME sector.

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