

## **Social Media Adoption in the New age among SMEs Manager: Benefit and Challenges**

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**ABSTRACT:** *Social media marketing and its adoption in SMEs involves the use of online social media tools—such as Facebook, Twitter, and LinkedIn—to reach consumers in innovative ways. Given the increasingly large numbers of consumers using social media, businesses of all types are getting involved in social media in an attempt to reach new audiences and strengthen their ties with existing customers. However, the magnitude of resources available and the potential consequences of a failed social media marketing campaign have left many companies in a state of uncertainty. This study explores the benefit and challenges faced by SMEs managers in the implementation of social media. Therefore, this study will guide managers to understanding the need to make use of the social media as a platform for marketing and also exposing them to understanding the challenges.*

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### **I. INTRODUCTION**

Fast technological evolution and intensity of competition oblige companies to constantly seek for new ways to differentiate themselves and offer added value to their customers. With the increasing popularity of social media, companies have started to consider this means as a new way to communicate with their customers and increase their brand reputation.

In 2013, 28.6% of small businesses in Europe deployed some form of social media for business purposes, and by 2014 this percentage had increased up to 61% (Batikas, van Bavel, Martin, & Maghiros, 2013). By looking at these statistics, it is easy to realize the fast-paced growth that social media is experiencing in the context of business, businesses know that social media is not going anywhere, and they realize that if they wish to reach their customers, their online presence in social media is a foundation of their overall marketing strategy. Due to the importance that social media is acquiring in the context of business, there have also been an increasing interest in this topic by researchers and academics. We can see the evolution of literature that mention the terms “Social Media” and “SMEs” throughout the years, from the beginning of 2000 until the end of 2017.

Social media enables companies to better communicate with their customers, to build relationships and become more personal, and, at the same time, to attract the attention of potential customers (Michaelidou, Siamagka, & Christodoulides, 2011). The rise of social media has led to a fundamental shift in the way businesses engage with their customers (Nadeem, 2012), companies are starting to use social technologies in order to form meaningful, on-going relationships that involve frequent interactions with their customers. This new definition of customer engagement allows companies to build loyal relationships with their customers.

For SMEs, their ability to innovate is even more important because it improves their own competitiveness. Small businesses are characterized by limited resources: capital, human and technology (Davis & Vladica, 2006).

Consequently, they face more barriers to adoption of IT and are less likely to adopt IT than large businesses (Ein-Dor & Segev, 1978), which prevents them from improving their efficiency and effectiveness, and from gaining competitive advantage.

Previous research has developed a long list of factors that affect the adoption of IT by small businesses. These factors have usually been categorized either as internal or external factors (Lefebvre & Lefebvre, 1996), having internal factors demonstrated to be more significant in the adoption of IT than external ones (Fink, 1998). CEO's characteristics, such as innovativeness, IT knowledge (Thong, 1995) and age (Fosso Wamba & Carter, 2014) have been proved to have a great influence in the adoption of IT, as well as other organisational factors, such as perceived benefits (Rogers, 1991; Mehrrens, Cragg, & Mills, 2001), ease of use (Iacovou, Benbasat, & Dexter, 1995), firm size (Thong & Yap, 1995) and organisational readiness (Iacovou et al., 1995;

Mehrtens et al., 2001). External pressure (Iacovou et al., 1995; Premkumar & Roberts, 1999) is the only external factor that has proved to be significant when adopting IT.

### **1.1 Benefit of Social Media Adoption by SMEs**

Because of its simplicity and accessibility, SMEs can obtain great benefits from implementing social media tools (Zeiller & Schauer, 2011). SMEs have the advantage, in spite of being usually characterized by limited resources, of enjoying a flatter hierarchy than large organisations, making them more suited to utilize social media, due to their greater flexibility and higher need to contain marketing communications costs (Pentina, Koh & Le, 2012). Social Media can give many benefits to SME owners: they facilitate communication over large distances with ease, breaking down geographical barriers, and they overcome time constraints for information and interaction purposes (Chen & Wellman, 2009; Schwartz-DuPre, 2006). Social media provides a way to be closer to consumers with the added benefit of not needing to go through “gate keepers” to transmit information, making it an easy and accessible way to communicate (Hennig-Thurau, Malhotra, Frieger, Gensler, Lobschat, Rangaswamy & Skiera, 2010).

Social Media can also directly benefit the business, if it is used correctly. In a study developed by Nobre and Silva (2014), all the companies using social media tools stated that they had noted an increased traffic in their website, and three out of four companies stated that they had experienced increased knowledge about their company. At the same time, two companies were able to translate these benefits into increased sales.

Although, as specified in the previous section, social media is often seen as a means for sales and marketing, several studies have found that SMEs also appreciate the benefits of using social media for other business purposes, such as customer satisfaction (Kietzmann, Silvestre, McCarthy & Pitt, 2012). Social media gives SMEs’ owners the opportunity to talk to their consumers and discover new ways of improving their products. In a research into social media use by small retailers, Ashworth (2011) found that gaining knowledge through gathering information on customers and building stronger relationships was seen as one of the main benefits of social media use.

As a marketing means, SMEs can benefit greatly from easy-to-use and easy-to implement social media applications (Zeiller & Schauer, 2011). Moreover, the adoption of social media applications is rather less complicated and less costly due to its wide diffusion and technological advances (Kim, Lee & Lee, 2011). Social media adoption offers tremendous power to the marketers to do precise targeting in a very cost-efficient way. The best part of social media tools is that they offer excellent reporting and analytic, which might help SMEs to “level the playing ground” with large firms (Kim, Lee & Lee, 2011). In a study conducted by Deloitte (2012), Facebook was found to enable companies to focus advertising towards a specific group of users once they had become fans of the firm. Through monitoring the communication between consumers and engaging visitors, companies can promote their brand in a more effective and meaningful way, in order to generate awareness and new sales.

Social networks also seem to be an exceptional tool for companies to communicate with consumers, due to the speed with which information circulates and the low costs associated compared to traditional marketing. The power of social media lies in its viral nature: one consumer relates to another and, eventually, the marketing message quickly spreads throughout the Internet (WOM). Regarding WOM marketing, Facebook mentions the following benefits of using this platform for business purposes (Facebook, 2013):

### **1.2 Challenges of Social Media Adoption by SMEs**

Kuikka and Äkkinen (2011) developed a study in order to identify internal and external challenges related to the adoption and use of social media. Results of their study revealed that companies face internal challenges such as resources, ownership, authorization, attitudes and economic issues, as well as external challenges associated with company reputation, legal issues and public/private network identity. In the case of SMEs these challenges are even more difficult to overcome, since, as Gilmore, Carson, and Rocks (2006) suggested, SMEs have several particular characteristics and constraints, such as lack of time, lack of marketing expertise, lack of market information and lack of planning. SMEs are, moreover, always constrained when marketing themselves and gaining visibility, due to their limited budgets.

Adoption of social media requires resources and demands a comprehensive managerial strategy, which cannot be easily provided by SMEs. It is therefore not surprising that, when adopting social media, several aspects related to resources, such as “high maintenance efforts”, “the need to have someone keeping it running” or “the need to keep information up to date”, are one of the most commonly mentioned aspects, like the study of Meske and Stieglitz (2013) revealed. Lack of staff resources was also found to be a barrier to social media use in businesses by Ashworth (2011).

Another aspect related to social media adoption that has been frequently mentioned is the difficulty when measuring and monitoring the impact that social media has in the business. In a study developed by Carter

(2014), three out of six businesses highlighted the difficulties of monitoring the impact of social media. Other research (Aral, Dellacrocas, & Godes, 2013; Fischer & Reuber, 2011) has also confirmed that there is little guidance available to businesses regarding monitoring and measuring social media impact.

In order to successfully implement a social media marketing strategy, SME's owner-managers must recognise social media's limitations and opportunities, specifically in terms of performance measurement. Many social media studies have emphasised the need and importance of measurement when evaluating social media (Green, 2000; Henning-Thurau et al., 2010; Zhang et al., 2011), since monitoring results provides input for future strategic planning and allows an opportunity to review objectives.

In addition, social media is not free, it requires time to develop relationships, commitment, people and finance, conditions that, like previously mentioned, are easy for large companies to achieve, but very difficult for SMEs. Since SMEs do not count with the necessary resources to monitor and measure the impact of social media in their business (Persaud, Spence, & Rahman, 2012), their owners are usually not convinced of its strategic viability.

Another issue raised by some studies is the SMEs' owners' lack of knowledge about social media. In a study developed by Hywel, Carr, Gannon-Leary, Fuller-Love and O'Gorman, (2014), the interviewees explained that the reason why social media had previously failed in their business was the fact that they were not used to that kind of communication and lacked the required technical and strategic skills to implement social media effectively. Another issue highlighted was the number of choices of social media tools available and the lack of information or advice about which is the best one for their particular business purposes.

Lack of time may be another important challenge to overcome when implementing and using of social media. It is widely recognised that an investment of time for social media to work effectively is required, with some businesses seeing the management of social media as a full-time role, but not being able to afford it because of their resource poverty (Carter, 2014).

The last challenge that SMEs may face when using social media is regarding negative communications. As we have seen before, social media can be an excellent tool for users to learn about companies and their products through the sharing of information and the interaction that the site enables. However, it must also be taken into consideration that users may generate negative communications about the company, making it necessary for firms to monitor the sites carefully, so that they can take the content down quickly and/or respond to it effectively (Nobre & Silva, 2014).

### **1.3 Conclusion**

This review is mainly to explore the benefit and challenges faced in the adoption of social media by SMEs manager.

In order to study the benefits and challenges that they had experimented with the use of social media. The study discovered that businesses agreed on the fact that social media was worthy to implement, its benefits surpassing the few negative aspects of its implementation. Social media mainly to promote their products and maintain their customer relationships, study revealed that, by doing this, social media had helped them to increase their sales, both physical and online, and had improved their customer relationships. However, there are managers that did not know how to use social media, even though they struggled at the beginning to learn how to use it, eventually it did not take them a long time to get used to using them. The only negative aspect is the ease for their competition to monitor them and copy their strategy, and the time and dedication required for social media to work. Despite of this, study shows that the benefits of implementing social media had proven to be much greater than its drawbacks.

This study has shed some light over the under-researched topic of social media adoption by SMEs and it can be considered an important contribution to the scarce literature existing about this topic in developing economy like Nigeria.

Finally, we can conclude that this review can also help owners of SMEs to finally make the decision to implement social media within their business, and can help them see that, with the right strategy and very little investment, social media can be of great benefit to their business. In addition, the study can also serve as a guide to help managers avoid other people's mistakes during social media implementation, making it easier for them to implement the right strategy from the beginning, so that they can sooner start enjoying the benefits that social media can provide to their business.

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