Factors That Influence The Usage of Social Media In Marketing

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ABSTRACT:- Recently, social media has become a popular marketing instrument. Most businesses start to use social media to promote brands, goods and services to customers. The purpose of this study is to determine the factors that influence the usage of social media as a marketing tool among the Small Medium Enterprises (SMEs) in Malaysia. Comprehensive searches based on document analysis/academic literatures have been conducted. The findings reveal several factors namely usefulness, ease of use and enjoyment influence the usage of social media by the Malaysian SMEs, and resulted in proposing a conceptual framework. The evidences gathered in this study are useful and can be served as guidance for SMEs’ entrepreneurs and marketers in using social media in the future.

Keywords:- Usefulness, ease of use, enjoyment, social media

I. INTRODUCTION

Due to its popularity in recent years, social media has been generally known as a new medium which can be used as a marketing instrument by companies. Social media is not only appropriate for large companies, but also for Small and Medium Enterprises (SMEs) [1]. It enables SMEs to handle marketing activities in effective ways even though lack of skill, restricted financial resources and competition with large companies [2]. Hence, SMEs have more opportunities to market their brands, goods or services through social media globally [3][4][4][5][6][7]. SMEs are chosen in this study because they play a crucial role in economic development and employment growth and are drivers of new innovation [8][9][10]. In Malaysia context, SMEs contribute 32 percent of Malaysia’s total gross domestic product, 59 percent of employment and 19 percent of exports [11].

Although having advantages for marketing purposes, SME Corporation Malaysia (2014) reported low usage of social media by Malaysian SMEs at only 12.1%. Research on the factors influencing the usage of social media among SMEs is still in its early stages [13]. Also, lack of research on the usage of social media by SMEs in Malaysia is the purpose of the researcher’s interest to study more in this area. In view of that, it is crucial for social media marketing researchers, social media companies and new entrepreneurs to have a deeper understanding on the factors that influence SMEs’ social media usage.

Furthermore, in the context of Malaysian SMEs, there is limited research on factors influencing the use of social media marketing based on the Technology Acceptance Model’s (TAM) perspective. TAM is applied in this study to analyze the significant factors that affect social media usage. The factors can be categorized into three which are usefulness, ease of use and enjoyment [14][15][16][17]. TAM has simple characteristics and is appropriate to predict the usage of new technologies in many areas [18].

Therefore, this study aims to examine the factors that influence social media usage in marketing activities among SMEs in Malaysia. The following section presents the review of literature about the area and the methodology conducted in this study. This is followed by explanation of the results and discussion. Finally, it will end with general conclusions for this study.

II. LITERATURE REVIEW

Social media such as Blog, Facebook, Twitter, Instagram, WhatsApp etc. have gained worldwide popularity [19][20]. The unique features of social media and its widespread use have transformed marketing method from traditional to online, especially in communication and promotion [8]. Moreover, with the higher speed connection, social media allows communication between companies and customers everywhere at any time without face-to-face meetings [21][22][23][24][7].

This study draws the definition by Kaplan and Haenlein [1] who defined social media as a group of Internet-based applications built based on the ideological and technological foundations of web 2.0 and it
enables content creation by users for marketing purposes. In addition, Berthon et al.,[25] described social media as an element containing text, networks, pictures and videos. As mentioned by Dahnil et al.,[8] social media marketing can be seen as a new business practice which involves marketing of brands, goods, services, information and opinions using the social media platform.

In today’s business world, marketing activities via social media applications allow companies and customers discuss and share information with each other.[26]. As an interactive platform, social media enables businesses to engage existing customers[27] and attract new customers[28], generate more sales[29][30], build brand awareness[31][32] and brand image[33][34]. Marketing activities via online social media may affect a brand’s performance[35]. SMFs can successfully use social media to promote their business due to the increasing number of users on social media nowadays[36]. Most business owners and marketers are going to social media because that is where stakeholders are to be found, including customers and suppliers.[18].

Previously, few researchers have discovered the usage of social media by SMEs in both developed countries and developing countries and in various contexts. McCann and Barlow[37] in their study investigated why Scottish SMEs use social media for business and how the return on investment (ROI) is measured. Another study conducted by Lekhanya[38] studied social media usage as a value added to marketing and business growth of rural SMEs in KwaZulu-Natal, South Africa. Based on the study by Jagongo and Kinyua[39], they determined the effect of social media usage on the development of SMEs in Nairobi, Kenya in terms of customer engagement, market access, innovation and product price. In Indonesia, the usage of social media in SMEs is quite new. Thus, Sarosa[40] examined how Indonesian SMEs use Facebook and Twitter to support their business. Similar with the study by Karimi and Naghibi[28], the study focused on how SMEs in India use social media to promote their business. Meanwhile Adegbuyi et al.[9]; Surin and Wahab[42] identified the effect of social media usage on SMEs’ business performance.

Nevertheless, there is very little research that uses TAM and is specific on factors influencing social media usage for marketing activities by SMEs. Sulaiman et al.,[43] applied the Diffusion of Innovation (DOI) theory to investigate four factors that influence Facebook usage among Malaysian SMEs which are compatibility, cost effectiveness, trust and interactivity. Serben[44] used the Unified Theory of Acceptance and Use of Technology (UTAUT) models to determine significant factors affecting social media usage by African American SMEs. On the other hand, Fosso and Carter[45] observed factors such as organizational characteristics, manager characteristics and environmental characteristics which contribute to social media adoption among SMEs in United Kingdom, Australia, United States of America and India.

### III. METHODOLOGY

The aim of this study is to determine the factors that influence social media usage in marketing activities. Document analysis of previous studies was the method used to achieve the purpose of this study. This study will be a guidance for new entrepreneurs and marketers to use social media in future. All documents of previous studies related to social media, social media marketing and Technology Acceptance Model were analysed.

### IV. RESULTS AND DISCUSSION

Next, the section below discusses the findings obtained during the document analysis conducted. The evidence from literature review, it was showed that TAM is popular in studying social media acceptance, adoption or usage. The use of three constructs; usefulness, ease of use and enjoyment in previous studies contribute to the research framework development. It can be summarized in Table 1.1 as below:

<table>
<thead>
<tr>
<th>Study</th>
<th>Research Framework Constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Destiana, Salman, &amp; Abd Rahim, (2013) Social Media Acceptance- TAM</td>
<td>Usefulness</td>
</tr>
<tr>
<td>Sin et al., (2012) Online Purchase Intention in Social Media - TAM</td>
<td>/</td>
</tr>
<tr>
<td>Chayawan &amp; Mongkut, (2011) Factors Affecting Social Network - TAM</td>
<td>/</td>
</tr>
<tr>
<td>Sago, (2013) Factors Influencing Social Media Adoption - TAM</td>
<td>/</td>
</tr>
</tbody>
</table>

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| Lee, Tyrrell, & Erdem, (2013) | / | / |
| Behavioral Aspects of Adopting Technology - TAM |
| Rauniar et al., (2014) | / | / | / |
| TAM and Social Media Usage |
| Yoon & Rolland, (2015) | / | / | / |
| Continuance Use in Social Networking - TAM |
| Chen, (2013) | / | / |
| Facebook Continuous Usage |
| Praveena & Thomas, (2014) | / | / | / |
| Continuance Intention to Use Facebook - TAM |
| Kang & Schuett, (2013) | / |
| Determinants of Sharing in Social Media |
| Akar & Mardikyan, (2014) | / | / | / |
| Users’ Behavior Intention to Use Social Media |
| T. Teo, (2014) | / | / |
| Facebook Usage - TAM |
| Ur, Khan, & Sadiq, (2015) | / | / |
| Consumer Behavior in Social-Commerce |
| Gong, (2012) | / |
| Factors Influencing Social Networking - TAM |
| Chang & Yang, (2013) | / | / |
| Technology Acceptance and Media Choice Factors - TAM |
| Calisir, Atahan, & Saracoglu, (2013) | / |
| Factors Affecting Social Network Sites Usage - TAM |
| Martin, (2012) | / | / | / |
| Factors Affecting Social Networking - TAM |
| Shiu & Luo, (2013) | / |
| Continuance Intention of Blog Users |

Table 1.1: Summary of Previous Studies that Contribute to Research Framework Development

4.1 Usefulness

Usefulness is one of the factors examined as an important factor influencing the usage of social media by many SMEs. In this study, usefulness refer to the degree of how SMEs believe that using social media will enhance marketing performance[14][62]. The dimensions of usefulness can help increase SMEs’ productivity because their marketing activities will be more effective [46]. In past studies, findings indicate that usefulness influences the usage of social media in many areas or fields including business, education, workplace and daily life[7][47][48][63][64].

Various researchers have shown that usefulness has a positive impact related to the use of social media. Choi and Chung [47]found that usefulness is a key determinant of social networking usage. Usefulness was found to be a predictor of Facebook usage behavior [18]. Alarcón-del-Amo et al.,[48]findings indicated that usefulness significantly affects usage of social media.

Social media is useful to promote SMEs’ brands and increase brand popularity[65][66][67][68][43][69]. Another study showed that social media can enhance viral marketing and is also known as the electronic word of mouth[30][70][71][72]. As the ability of social media to reach beyond most countries in the world is high, social media is thus useful for access to global markets to expand brands, products or services [73].

4.2 Ease of use

Ease of use also influences social media usage by SMEs for marketing. Ease of use in this study can be defined as the degree of how SMEs believe that they do not have to put more effort in using social media for marketing activities [14][18].

According to past studies, ease of use is also an indicator of social media usage in many different areas. Sago [49], investigated Facebook, Twitter, Pinterest and Google+ adoption among university students and the study found that ease of use has a positive influence on social media adoption. Similarly with the study conducted by Lee et al., [50], it showed that ease of use is a determinant factor of social media usage in professional associations. Ease of use is also found to be a major factor that influences people to use blogs or weblogs[47].

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Previous studies stated that social media is easy to use. Social media offers easy ways for SMEs to engage and communicate with customers [74][9][71][72][75][44][45][76]. Besides, it is easy to deliver brand information through social media and update information at any time[32][77][75]. Furthermore, with interactive features, social media enables SMEs to display ads in a variety of creative ways [78].

4.3 Enjoyment

Apart from the factors discussed above, enjoyment is another factor that influences social media usage. Enjoyment in this study refers to the enjoyment of using social media by SMEs in marketing activities without compulsion by any party [16]. In the past, researchers have investigated the variable of enjoyment and they found that enjoyment significantly influences social media usage behavior [51][52][79].

The results found in Praveena and Thomas’ [53] study showed that enjoyment was seen to be a strong factor towards Facebook usage. This is also supported by Kang and Schuett [54], where their study mentioned enjoyment influences travelers to share their travel experience on social media. In another similar study, Shiau and Luo [61] stated that enjoyment is one of the drivers of blog usage. Ur et al. [57] indicated that social media interactivity contributes to enjoyment in social media usage. Another study in the e-learning area showed that students and educators feel that social media such as Facebook is fun, enjoyable and quite interesting [63].

4.4 Research Framework

The study revealed that there are a few factors that influence the usage of social media marketing by SMEs. These factors were identified as usefulness, ease of use and enjoyment. Fig. 1.1 below shows the research framework as a result based on the document analysis conducted in this study.

![Research Framework](image-url)

Figure 1.1: Research Framework

V. CONCLUSION

This study has examined the significant factors that influence social media usage among SMEs in marketing activities. The document review conducted in this study spanned many fields and is not limited to SMEs only. With this study, we provide understanding of social media literature in general, which is interesting and useful for academicians, entrepreneurs, online marketing practitioners and social media companies. In addition, this study also contributes to the existing knowledge in the social media environment among SMEs. As stated previously, social media is good for businesses, whether it is a large, medium or small company [80][43]. To conclude, Malaysian SMEs should start participating in social media channels to improve their marketing practices in line with current trends. By using social media, Malaysian SMEs will be more competitive in the global economy and are able to access larger markets.

REFERENCES


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