



EFFECTIVENESS OF SOCIAL MEDIA MARKETING IN MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs); DEVELOPING STRATEGIC SOCIAL MEDIA MARKETING PROGRAMS FOR LOCAL ENTREPRENEURS

Sahrel Mike Villanueva

Master in Business Administration
Graduate School

Colegio de San Juan de Letran, Manila, Philippines

Abstract : The digital era reshaped business practices, making social media marketing (SMM) essential for MSMEs to remain competitive and sustainable. This study examined the perceptions and adoption of SMM among 350 MSMEs across the food, agriculture, services, and manufacturing sectors, focusing on platforms like Facebook, Instagram, and TikTok. The results showed that although the majority of businesses acknowledged the advantages of social media marketing (SMM) in terms of reaching a wider audience, improving customer engagement, and boosting sales, full optimization was limited by several issues, such as a lack of digital expertise, time constraints, and trouble creating consistent content. Despite these obstacles, MSMEs acknowledged the growth potential of SMM, emphasizing the need for strategic support and improved digital literacy to maximize its benefits. The study recommended implementing targeted training programs, funding initiatives, and ethical marketing regulations to support MSMEs effectively leveraging social media. Additionally, future research was suggested to explore platform-specific effectiveness, AI-driven marketing strategies, and influencer collaborations to further enhance MSME growth and long-term sustainability.

Keywords: *Social Media Marketing (SMM), Micro, Small, and Medium Enterprises (MSMEs), Technology Acceptance, marketing strategies, sustainability*

INTRODUCTION

The digital age has fundamentally transformed the methods of businesses market their products and services through social media. Given the extensive user base of social media platforms such as Facebook, Instagram, and TikTok, social media marketing has emerged as an essential strategy for businesses aiming to foster connections with their clients (Henlein et al., 2020). With MSMEs accounting for almost 90% of firms and making major contributions to employment and economic growth, this shift is especially important for these vital players in the global economy. (Shelly et al., 2020). In the Philippines, MSMEs account for approximately 99.5% of all registered businesses and employ around 61% of the workforce (Department of Trade and Industry, 2022). For these businesses, leveraging social media is not just a marketing strategy; it is often a necessity for survival and growth in an increasingly competitive marketplace. As consumer behaviors shift towards online engagement, MSMEs must adapt to meet these changing demands. Unlike large corporations that have the resources to invest heavily in traditional marketing methods, many MSMEs operate with limited budgets and personnel. As a result, social media provides a more affordable option for advertising than traditional channels, enabling small firms to reach a larger audience for less money. (Malesev and Cherry, 2021). This capability is particularly crucial in regions where MSMEs face significant challenges, such as economic instability and limited market access. The importance of social media for MSMEs has been further highlighted by the significant changes in the Philippine economy in recent years. The transition to digital platforms has been expedited by the COVID-19 pandemic, compelling businesses to pivot their marketing strategies to remain competitive. During this period, those MSMEs that effectively leveraged social media marketing were able to maintain better sales performance compared to those that did not (Valenzuela, 2021). This scenario highlights the need for a thorough understanding of how MSMEs can optimize social media as a marketing platform.

This study aims to evaluate social media marketing as a feasible platform for MSMEs in the Philippines, taking into account the state of digital marketing. It seeks to determine whether social media can effectively improve marketing tactics, identify obstacles to successful adoption, and investigate how MSMEs might use these platforms to boost their overall business performance. By comprehending these dynamics, the study hopes to offer insightful analysis and helpful suggestions that will enable MSMEs to fully utilize social media marketing for expansion and sustainability.

NEED OF THE STUDY

The need for this study arises from the growing importance of social media marketing (SMM) in the business strategies of Micro, Small, and Medium Enterprises (MSMEs), particularly in the Philippines, where MSMEs account for 99.5% of all registered businesses and employ approximately 61% of the workforce. The shift toward digital engagement, accelerated by the COVID-19 pandemic, has made social media an essential tool for businesses to reach broader audiences, enhance customer engagement, and drive sales growth. However, despite these opportunities, many MSMEs face significant challenges in effectively utilizing social media platforms. These challenges include limited digital literacy, lack of time and resources for consistent content creation, difficulty in maintaining customer engagement, and inadequate knowledge of platform-specific marketing strategies. Additionally, rapid changes in social media trends and algorithms further complicate the adoption process for these businesses. As such, this study is necessary to assess how MSMEs can better utilize social media marketing, identify key obstacles to its effective implementation, and provide strategic recommendations to strengthen their digital presence. By addressing these gaps, the study aims to support the competitiveness and sustainability of MSMEs in an increasingly digital and competitive marketplace.

Theoretical framework

Extension of the Theory of Reasoned Action (Ajzen & Fishbein, 1980). Anticipate personal uptake and utilization of novel technology within a professional setting. The desire to utilize new technology is predicated on two factors: Perceived Usefulness (PU) and Perceived Ease of Use (PEOU). PU denotes the level of confidence an individual has in the potential enhancement of their work performance through the system, whereas PEOU pertains to the extent of mental or physical effort required to utilize the technology. Davis, 1989. The TAM Model is a widely utilized framework for assessing perceived utility and perceived ease of use (Fedorko et al., 2018). What determinants affect individuals' acceptance or rejection of information technology? Previous study identifies two features that are especially influential among the several parameters affecting system use. Individuals tend to utilize or abstain from utilizing an application depending on their recognition of its capacity to improve their task performance. This first variable is termed perceived usefulness. Second, even if prospective users see a particular application as beneficial, they may concurrently regard the system as cumbersome, with the advantages of its usage being eclipsed by the effort required to use it. Moreover, alongside utility, utilization is posited to be affected by perceived simplicity of use. (Davis, 1989).

Perceived usefulness is defined as "the degree to which an individual recognizes that utilizing a specific system would enhance their job performance." This is derived from the meaning of the term helpful (Davis, 1989). Consequently, companies are seeking to leverage social media to engage with various stakeholders, as strategies for establishing a presence on these platforms are increasingly integrated into their overarching objectives (Chatterjee & Kar, 2020). Social media is probably utilized as a medium for overseeing marketing and advertising endeavors. Companies have invested significant time, capital, and resources in social media advertising (Alalwan, 2018).

Perceived ease of use, in contrast, refers to "the degree to which a person thinks that using a certain system would be free of effort." This follows from the definition of "ease": "freedom from difficulty or great effort. (Davis, 1989). The rapid growth of technology has now enabled the internet to become one of the rapidly evolving advances in information technology, according to The World Bank (2018). Social media presents potentially seductive chances for new forms of communication between marketers and consumers. Advertisers typically want to find some way to follow their target audiences (Artanti et al., 2019). Social media sites and platforms being used most by the majority of the world population; study shows that the following social media sites that have the most active users, Facebook 2.9 billion MAUs (Monthly Active Users), Youtube 2.2 MAUs, Whatsapp 2 billion MAUs, Instagram 2 billion MAUs and Tiktok 1 billion MAUs (Lua, 2022). This practically shows that the social media platforms were indeed easy to use and being used by the majority of the population, with around 36.9% of the world's population being Facebook users and more than 200 million Businesses, mostly SMEs using Facebook tools and more than seven million advertisers actively promote their Business on Facebook (Lua, 2022).

Research Through Innovation

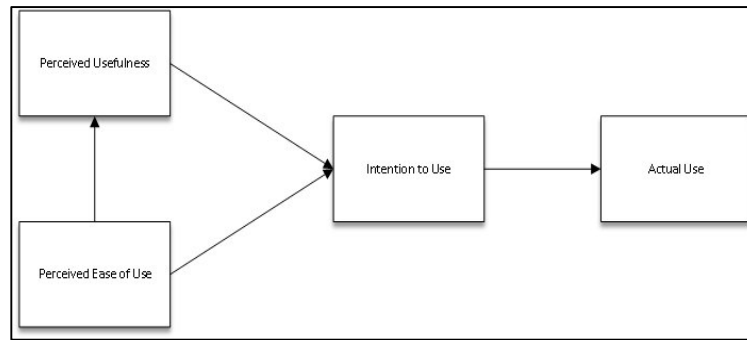


Figure 1.
Technology Acceptance Model

Social Media Marketing Theory

According to (Dave Chaffey, 2002), Monitoring and facilitating customer interaction, participation, and sharing through digital media encourage positive engagement with a company and its brand, leading to commercial value. Interactions may occur on a company site, social networks, and other third-party websites (Chaffey, 2002). Mainly focuses on four social media marketing techniques. (1) Audience Participation refers to the cognitive, emotional, or affective experiences that users have with social media content or brands (Broersma, 2019). (2) Managing Social Presence, no business establishment or management can get through without a social media presence. And no social media presence can be successful until it is well-planned out strategically. Social media platforms constitute billions of users, these can all become your consumer if you implement an impressive social media campaign (Mason, 2019). (3) Viral Campaigns, Also, viral campaigns may vary within the current trends or situation. Just like during the covid-19 pandemic, where door-to-door delivery is the hottest trend due to health factors about implemented health protocols, according to (Mason, 2019). On social media, join the trending campaign, and the platform will effortlessly project you in front of millions of users. It will be like getting free advertising for your product or yourself. (4) Customer Feedback, these days, businesses are focusing more on polishing the consumer experience. We are in a consumer-centric economy, where customer opinion is held to the highest standard. That's why collecting consumer feedback is more important than ever (Kim, 2019). Also, collecting feedback allows you to know what consumers think about your brand, your service, and your product; Mainly relying on their simple rating of service or products will highly help us to understand and evaluate what aspects we can improve and where to stand alongside many competitors.

METHODOLOGY

Research Design

This study employed a descriptive correlational research design, incorporating a comparative element. Descriptive research aims to systematically describe the characteristics of a population, situation, or phenomenon without manipulating variables (Castillo, 2017). It allowed the researchers to gain insights into the population's attributes and the relationships between variables. Correlational research, in turn, assessed the strength and nature of the relationships between these variables, while the comparative component helped identify differences among groups based on various characteristics, providing a deeper understanding of how these differences may have influenced outcomes (Paglinawan, 2019).

In this study, the variables were measured using a self-made and adapted questionnaire developed by the researchers, guided by the Technology Acceptance Model (TAM). This model focused on key constructs such as perceived usefulness and perceived ease of use, which were critical for understanding how micro, small, and medium enterprises (MSMEs) perceived and adopted social media marketing. Utilizing a descriptive-comparative design was appropriate for this study as it allowed for the exploration of differences in social media marketing practices and MSME sustainability while systematically describing the characteristics of the respondent population.

Population and Sample

The population of the study consists of Micro, Small, and Medium Enterprises (MSMEs) located in the South Triangle area of Diliman, Quezon City. According to records, there are a total of 68,388 registered MSMEs in Quezon City. Using Raosoft's sample size calculator with a 5% margin of error, 95% confidence level, and 50% response distribution, the researchers determined a sample size of 350 respondents. These respondents were carefully selected through purposive sampling, ensuring that participants met the specific criteria relevant to the study. The respondents represented diverse business sectors, including agriculture, food, services, and manufacturing, and included business owners and managers who actively utilize social media platforms for marketing their business operations.

Data and Sources of Data

The data for this study were gathered from primary sources through an adapted and self-made survey questionnaire. The questionnaire was developed based on the Technology Acceptance Model (TAM) and was designed to assess the perceptions, experiences, and practices of MSME owners and managers regarding social media marketing. The questionnaire included items focusing on perceived usefulness, perceived ease of use, audience participation, social media presence management, viral campaigns, and customer feedback. In addition to primary data, the study also used secondary data from literature, research articles, and reports from institutions such as the Department of Trade and Industry (DTI), International Labour Organization (ILO), and other relevant sources to support the discussion and analysis.

Research Instrument

The study utilized an adapted and self-made survey questionnaire designed to assess the impact of social media marketing on micro, small, and medium enterprises (MSMEs) in the South Triangle area of Quezon City. It incorporated James Lewis's adaptive questionnaire, complemented by a customized questionnaire specifically developed based on the objectives and context of MSME social media marketing practices.

A questionnaire was defined as "a list of questions used to gather data from respondents about their attitudes, experiences, or opinions" (Bhandari, 2021). It was commonly employed in research to collect both quantitative and qualitative data across various fields, including social sciences and business studies. In this study, the questionnaire gathered insights into MSMEs' use of social media for marketing and how it affected their sustainability.

To ensure its reliability and validity, the questionnaire underwent a rigorous validation process. This involved a review by experts in marketing and research methodology who assessed the clarity, relevance, and comprehensiveness of the questions. Their feedback was incorporated into the final version of the instrument to enhance its accuracy and alignment with the study's goals.

A pilot test was also conducted with a small sample of MSME owners and employees (approximately 10–15 respondents). This pilot test helped evaluate the practicality of the questionnaire and identified any areas for improvement, ensuring that the final instrument was clear, easy to understand, and capable of effectively capturing the necessary data.

Statistical Treatment

The following statistical tools were used in the study:

- *Frequency and Percentage*. This was used to determine the profile of respondents in terms of business structure, years of operation, employee count, and social media platforms used.
- *Mean*. This was used to assess the perceived effectiveness of social media marketing practices among MSMEs regarding their sustainability.
- *One-way Analysis of Variance (ANOVA)*. This was used to determine the significant differences in the acceptance of technology when grouped according to demographic profiles such as business structure, business sector, number of employees, years of operation, and social media platforms.
- *Pearson Correlation Coefficient*. This was used to analyze the relationship between the acceptance of technology and the adoption of social media marketing, as well as the correlations of perceived usefulness and perceived ease of use.

RESULTS AND DISCUSSION

The results of the study showed that MSMEs in the South Triangle area of Diliman, Quezon City, are increasingly utilizing social media platforms such as Facebook, Instagram, and TikTok for marketing purposes. Among these, Facebook (32.61%) and TikTok (27.12%) were the most frequently used platforms, demonstrating the growing reliance of MSMEs on digital tools for customer outreach and engagement.

In terms of technology acceptance, respondents generally agreed that social media marketing significantly enhances their business operations. The assessment of perceived usefulness revealed that MSME owners and managers believe social media marketing helps them connect with a broader audience, improve customer satisfaction, and achieve business goals. Statements like "Social media marketing allows me to connect with a broader audience effectively" and "Social media marketing has improved my relationship with customers" received high ratings, indicating a strong acknowledgment of its role in business growth and customer relationship building.

The perceived ease of use was also rated positively, with respondents finding social media platforms manageable and adaptable. High scores were given to items indicating that respondents could quickly learn and adapt to new features on social media, highlighting their willingness to embrace digital tools.

The adoption of social media marketing was assessed in four areas: audience participation, managing social presence, viral campaigns, and customer feedback. MSMEs demonstrated active audience participation and engagement, with significant emphasis on customer interaction and responsiveness. Managing social presence was also identified as a critical factor, with MSMEs making efforts to maintain visibility and consistency in their social media activities. Viral campaigns and leveraging customer feedback were areas that respondents agreed helped increase brand awareness and customer loyalty.

Statistical analysis showed significant differences in technology acceptance and social media marketing adoption when grouped according to demographic profiles, such as business sector, structure, and number of employees. Furthermore, there was a strong positive correlation between technology acceptance and the adoption of social media marketing, confirming that MSMEs with higher digital literacy and perceived usefulness were more likely to maximize the potential of social media platforms.

Despite these positive findings, the study also revealed challenges faced by MSMEs. These include time constraints for content creation, difficulties in sustaining engagement, limited digital marketing expertise, and resource constraints. These challenges hinder MSMEs from fully optimizing their social media marketing efforts.

In summary, the discussion emphasized that while MSMEs are increasingly adopting social media marketing, continuous support through targeted training programs, strategic planning, and digital literacy initiatives is necessary to help them overcome challenges and sustain business growth in a competitive digital landscape.

CONCLUSIONS

The study concludes that the majority of MSMEs surveyed operate as sole proprietorships within the food industry, employ fewer than 10 workers, and have been in business for only 1 to 3 years. This finding highlights the predominance of small and relatively new businesses within the MSME sector. Given their limited resources and competitive market environment, these enterprises recognize social media marketing as a valuable tool for enhancing their visibility, improving customer engagement, and

increasing overall business performance. Respondents acknowledge the benefits of social media marketing, particularly in improving their productivity and efficiency, allowing them to reach a wider audience with minimal costs.

Additionally, the study finds that respondents perceive social media marketing as easy to use, indicating that digital platforms are accessible and manageable for business operations. The user-friendly nature of social media tools facilitates their adoption, even among businesses with limited technological expertise. Despite differences in business structure, sector, and years of operation, no significant variations are observed in technology acceptance and the adoption of social media marketing. This suggests that MSMEs, regardless of their specific characteristics, share similar attitudes toward integrating digital marketing into their operations.

A crucial finding of the study is the strong relationship between technology acceptance and the adoption of social media marketing strategies. Businesses that exhibit a higher level of comfort and willingness to embrace technology are more likely to successfully implement and maximize the benefits of social media marketing. This emphasizes the importance of fostering digital literacy and providing adequate support to MSMEs in adopting new marketing technologies.

Given these insights, the study underscores the need for a well-structured strategic marketing program that focuses on improving technology acceptance, enhancing digital skills, and equipping business owners with the necessary training to effectively leverage social media marketing. By addressing these key areas, MSMEs can optimize their use of digital platforms, strengthen their market presence, and sustain long-term business growth in an increasingly digital economy.

REFERENCES

- [1] Alalwan, A. A. (2018). Investigating the impact of social media advertising features on customer purchase intention. *Journal of Retailing and Consumer Services*, 46, 101-112.
<https://www.sciencedirect.com/science/article/abs/pii/S0268401218303943>
- [2] Ariyati, A., Nuri, H., & Andriani, W. (2024). Social media marketing effectiveness in MSMEs. *Journal of Business and Digital Marketing*, 15(2), 45-62.
- [3] Artanti, Y., Prasetyo, H. F., & Sulistyowati, R. (2019). How social media marketing influences online purchasing decisions: Study of viral marketing and perceived ease of use. *Social Sciences*.
<https://knepublishing.com/index.php/Kne-Social/article/view/4066>
- [4] Bhandari, P. (2021). Correlational research (When & how to use). *Scribbr*.
<https://www.scribbr.com/methodology/correlational-research/>
- [5] Brodie, R. J., Ilic, A., Juric, B., & Hollebeek, L. (2019). Consumer engagement in a virtual brand community: An exploratory analysis. *Journal of Business Research*, 66(1), 105-114.
- [6] Buchanan, R. A. (2020). *History of technology*. Encyclopedia Britannica.
<https://www.britannica.com/technology/history-of-technology>
- [7] Carr, J. (2005). The implementation of technology-based SME management development programs. *Educational Technology & Society*, 8(3), 206-220.
<https://www.jstor.org/stable/jeductechsoci.8.3.206>
- [8] Castillo, R. (2017). Descriptive research in social sciences: A methodological approach. *Journal of Applied Social Research*, 22(4), 55-67.
- [9] Chaffey, D. (2002). *E-business and e-commerce management* (6th ed.). Pearson Education.
- [10] Chatterjee, S., & Kar, A. K. (2020). Why do small and medium enterprises use social media marketing and what is the impact: Empirical insights from India. *Telematics and Informatics*, 47, 101-126
<https://www.sciencedirect.com/science/article/abs/pii/S0268401219316676>
- [11] Cho, Y., Avalos, J., Kawasoe, Y., Johnson, D., & Rodriguez, R. (2021). *The impact of the COVID-19 pandemic on low-income households in the Philippines*. World Bank.
- [12] Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319-340.
- [13] Department of Trade and Industry. (2022). *MSME statistics in the Philippines*. Government of the Philippines Reports.
- [14] Dublino, J. (2023). Tips to improve your social media presence. *Business.com*.
<https://www.business.com/articles/6-tips-to-improve-social-media-presence/>
- [15] Fedorko, I., Bacik, R., & Gavurova, B. (2018). Technology acceptance model in the e-commerce segment. *Marketing and Management of Innovations*, 13(4), 1242-1258.
<https://sciendo.com/abstract/journals/mmcks/13/4/article-p1242.xml>
- [16] Gordon, R. (2023). Steps to engaging your audience on social media. *Business.com*.
<https://www.business.com/articles/5-steps-to-engage-your-audience-on-social-media/>
- [17] Hague, C., & Payton, S. (2019). Digital literacy: Understanding the fundamentals. *Educational Technology Review*, 17(2), 112-128.
- [18] Hanna, R., Rohm, A., & Crittenden, V. L. (2021). We're all connected: The power of the social media ecosystem. *Business Horizons*, 54(3), 265-273.
- [19] Hayes, A. (2022). Social media marketing (SMM): What it is, how it works, pros and cons. *Investopedia*.
<https://www.investopedia.com/terms/s/social-media-marketing-smm.asp>
- [20] Henlein, P., Meyer, T., & Schneider, M. (2020). The impact of social media marketing on brand loyalty. *Journal of Consumer Behavior*, 19(4), 340-355.
- [21] Hinson, R., Boateng, R., & Madichie, N. (2024). Social media marketing adoption among small businesses. *Journal of Digital Business Strategy*, 29(1), 11-27.
- [22] International Labour Organization. (2022). *Digital skills gap among MSMEs in emerging economies*. ILO Research Papers.
- [23] Kearney, M. W., Harrigan, N., & Goldsmith, A. (2019). Virality in social media: The SPIN Framework. *Journal of*

- Marketing Communications*, 25(1), 32–47.
<https://doi.org/10.1080/13527266.2016.1271065>
- [24] Kotler, P., & Keller, K. L. (2021). *Marketing management* (16th ed.). Pearson.
- [25] McCombes, S. (2019). Descriptive research (Definition, types, methods & examples). *Scribbr*.
<https://www.scribbr.com/methodology/descriptive-research/>
- [26] Malesev, S., & Cherry, M. (2021). Digital and social media marketing-growing market share for construction SMEs. *Construction Economics and Building*, 21(1), 65-82.
<https://search.informit.org/doi/abs/10.3316/informit.747666622867324>
- [27] Mason, A. (2019). Tips to improve your social media presence. *Business Twitter Blog*.
<https://business.twitter.com/en/blog/8-tips-to-improve-your-social-media-presence.html>
- [28] OECD. (2020). *The role of MSMEs in economic development: A global perspective*. OECD Reports.
- [29] Paglinawan, J. (2019). Correlational research in business studies. *Philippine Journal of Business Research*, 14(2), 122-137.
- [30] Puriwat, W., & Tripopsakul, S. (2021). The role of viral marketing in social media on brand recognition and preference. *Emerging Science Journal*, 5(6), 855–867.
<https://doi.org/10.28991/esj-2021-01315>
- [31] Revathi, R., Singh, A., & Kumar, N. (2024). Social media's role in customer engagement. *Journal of Consumer Insights*, 20(1), 45-57.
- [32] Schmitz, M. (2021). Viral social media campaigns you can learn from. *Jeff Bullas Blog*.
<https://www.jeffbullas.com/viral-social-media-campaigns/>
- [33] Sehl, K. (2020). Inclusive design for social media: Tips for creating accessible channels. *Hootsuite Blog*.
<https://blog.hootsuite.com/inclusive-design-social-media/>
- [34] Shiozaki, T., & Rao, A. (2021). *COVID-19 impact on micro, small, and medium-sized enterprises under the lockdown*.
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3807080
- [35] Statista. (2023). Social media marketing effectiveness: Global trends and insights. *Statista Reports*.
- [36] Sulasih, A., Dewi, K., & Setiawan, R. (2024). Challenges in social media adoption by small enterprises. *International Business Journal*, 33(2), 88-103.
- [37] Sutherland, K. (2020). Importance of social media marketing during COVID-19. *Palgrave Blog*.
<https://www.palgrave.com/gp/blogs/business-economics-finance-management/importance-of-social-media-marketing-during-covid-19/>
- [38] Tuten, T. L., & Solomon, M. R. (2021). *Social media marketing* (3rd ed.). Sage Publications. United Nations Philippines. (2020). *MSME sector is key to COVID-19 inclusive recovery for PH*.
<https://philippines.un.org/en/93680-msme-sector-key-covid-19-inclusive-recovery-ph>
- [39] Valenzuela, R. (2021). The COVID-19 pandemic and digital transformation in MSMEs. *Journal of Business and Economic Studies*, 19(3), 201-218.
- [40] Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: Toward a unified view. *MIS Quarterly*, 27(3), 425–478.
<https://doi.org/10.2307/30036540>
- [41] Volkwyn, M. (2022). 10 ways to increase your social media visibility. *Rock Content Blog*.
<https://rockcontent.com/blog/social-media-visibility/>
- [42] Wulandari, A., Suryawardani, B., & Marcelino, D. (2020). Social media technology adoption for improving MSMEs performance in Bandung. *IEEE Xplore*.
<https://ieeexplore.ieee.org/abstract/document/9268803/authors#authors>

