



## **Factors Influencing the adopting social media marketing by Small and Medium Sized Enterprises During Covid 19**

**J.M.K.G.T.G. Wijerathna**

Department of Accounting and Finance, Faculty of Management, South Eastern University of Sri Lanka.

### **ABSTRACT**

This study investigates the adoption of social media advertising among Small and Medium Enterprises (SMEs) in Sri Lanka, emphasizing its significance over general digital marketing strategies. Despite high engagement with social media platforms, SMEs demonstrate low utilization of social media advertising, indicating a notable research gap. The study revealed that SMEs extensively use social media platforms but their adoption of social media advertising remains limited. This highlights the importance of exploring factors influencing social media ad adoption to bridge this gap effectively. Employing a survey methodology, data was collected from SMEs in Sri Lanka during the Covid-19 pandemic from 100 SME sectors. The collected data were analyzed using the SPSS Version 25.0. Key findings representing that there is an influence of factors such as perceived relative advantage, complexity, costs, top management support, and employee capability on social media marketing adoption among SMEs. Based on the findings the study recommends tailored digital literacy programs for SMEs to enhance their social media marketing skills and advocate for government incentives to encourage adoption. Collaborations with educational institutions can facilitate knowledge exchange and skills development, while community engagement initiatives can foster peer learning and support among SMEs. By focusing on social media advertising adoption specific to Sri Lankan SMEs, this study aims to address the research gap and provide actionable insights for practitioners, policymakers, and researchers. Understanding social media ad adoption is crucial for SMEs to leverage digital marketing effectively and thrive in the digital era.

**Keywords – Social Media Advertising Adoption, Perceived Complexity, Relative advantage, Perceived Cost, Employee capability, SME**

\*Corresponding [tharundigeethma94@gmail.com](mailto:tharundigeethma94@gmail.com)

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### **1. Introduction**

Over the past two decades, the surge in internet usage has presented numerous opportunities for businesses to thrive, particularly in the realm of digital marketing. In Sri Lanka, as in many other parts of the world, the adoption of digital marketing practices, including social media advertising, has become increasingly prevalent among businesses, especially small and medium-sized enterprises (SMEs) (Abu Mater et al., 2021). However, the onset of the Covid-19 pandemic has brought about unprecedented challenges, particularly for

SMEs in Sri Lanka, necessitating a sharper focus on the adoption of social media advertising during this crisis period. During the pandemic, Sri Lankan SMEs encountered unique hurdles in embracing social media advertising as a means of sustaining their businesses. These challenges, distinct from those encountered in traditional e-commerce settings, necessitate a closer examination of the factors influencing the adoption of social media advertising among SMEs during the Covid-19 era (Ibrahim & Sahirazi, 2020).

In light of the varied perspectives on digital marketing adoption among SMEs (Omar & Atteya, 2020; Rahi et al., 2020), it becomes imperative to address the research gap surrounding the specific context of social media advertising adoption in Sri Lanka during the Covid-19 pandemic. Understanding the drivers and barriers to social media advertising adoption in this context is crucial for informing strategic decisions aimed at sustaining SMEs and mitigating the adverse effects of the pandemic on their operations.

Therefore, the primary objective of this research is to develop a theoretical framework elucidating why certain Sri Lankan SMEs opt to implement social media advertising during the Covid-19 crisis while others do not. By refining the research questions and objectives to target the factors influencing social media advertising adoption, this study seeks to contribute to the existing body of knowledge on digital marketing adoption among SMEs, particularly in the context of a global crisis such as the Covid-19 pandemic. Ultimately, the development of a conceptual model for social media advertising adoption aims to empower SMEs in Sri Lanka to navigate the challenges posed by the pandemic and sustain their businesses in the digital age.

### **Problem statement**

Economic processes have been impacted by the development of digital resources. On social media, for instance, people often share helpful info and utilize search engines to find what they need. This has led to behavioral changes on the part of both consumers and businesses. As mentioned by Kotler & Keller (2012), digital marketing serves as an excellent example of how new technology can be applied.

Due to a lack of infrastructure and resources and a change in consumer behavior, e-commerce presents the greatest challenge for SMEs (Gunawardena, 2020). According to Gunawardena (2020), most SMEs only employ fundamental to elementary e-commerce features in their day-to-day operations. So, SMEs need to be cognizant of available technological improvements and have the infrastructural, technology, and knowledge hurdles within the country removed so they may engage in digital marketing. In the current climate, SMEs are hesitant to adopt innovative e-business strategies in favor of the tried-and-true methods that have proven their worth in the past. It is imperative, then, that SMEs have guarantees on the outcomes of their digital marketing efforts. Improve SMEs' Digital Marketing in Sri Lanka by letting them know that there's more to it than just posting on social media sites and buying social media advertisements (Dey, 2020). As a result, this study will analyze the factors that affect the adoption of digital marketing while also filling the indicated research gap. The study's one and only goal is to determine whether or not SMEs in Sri Lanka are prepared to take advantage of digital marketing strategies and to provide a preparedness model for SMEs in Sri Lanka engaged in e-business to do so.

## Research Questions

What are the factors impact on social media marketing in SME Sri Lanka due to COVID 19?

## Research Objectives

Is to Understand

1. The factors impact on digital marketing in SME Sri Lanka due to COVID 19
2. The level impact of digital marketing on SME in Sri Lanka due to COVID 19

## Significance of the Study

This study looks at the external factors in Sri Lanka that have an impact on the accounting methods SME adopt. Benefits to SMEs, policymakers, marketing managers, and academics from this study on the development and factors affecting the use of digital marketing to Sri Lanka's SMEs sector are anticipated. Moreover, this study is useful for future researchers in developing the literature review and performing their own research on the effects of digital marketing on SME (SMEs) and their interactions in the event of a global pandemic.

## Limitations

1. Constrained time frame for the study
2. The selection of the sample size is problematic, because it is challenging to obtain data from the entire population.
3. Only the quantitative approach is used in the research.
4. Results from data collection cannot be predicted with absolute certainty.
5. Constraints on the study's validity based on ethical considerations.

## 2. Literature Review

### Technology Acceptance Model (TAM)

When considering the spread of new technologies in the IT sector, TAM stands out as the most often used research model. A user adoption and use model is presented (Taherdoost, 2019). Many studies have found several elements that affect the spread of digital marketing (Ahmad. et al.,2019; Ainin, et al., 2015; AlSharji,et al.,2018; Chatterjee, & Kar, 2020; Rasheed & Nafiz, 2022). The Technology-Organisation-Environment (TOE) paradigm developed by Ahmad, & Bakar, (2018), is utilized in this study to investigate the factors impacting the implementation of digital marketing in MSMEs. Previous studies by Hsu,et al., (2006); and Zhu & Zhang, (2022) show that the TOE framework can be utilized to analyze various kinds of innovations and may provide an explanation for the spread of innovations inside a company. Abed, (2020) recently argued that there is substantial empirical evidence and a solid theoretical foundation for the TOE paradigm.

**Relative advantage**

According to one definition, relative advantage is "the degree to which potential adopters regard innovation as better than the alternative" (Ahmad, et al., 2019). As a result, it exemplifies the benefits that might result from the implementation of new ideas. According to Hsu, et al., (2014) improving knowledge exchange and overall organizational performance may be facilitated by determining the relative benefits that an organization's digital marketing platforms offer. It has been established by a number of researchers (Varadarajan, 2010) that the relative advantage has a significant and favorable impact on the decision of an organization to implement a certain technology or innovation. According to Kaplan & Haenienin, (2010), a trait that increases the value of a product or service from the perspective of both the client and the firm can be characterized as having a relative advantage. According to the findings of certain studies, businesses are largely driven to adopt new technologies by the projected benefits those technologies would bring to the businesses (Ahmad et al., 2019). It is more probable that managers, who are the decision-makers in SMEs, will push for such change if they believe that adaptation will deliver strategic and operating improvements inside an organization (Ramayah et al., 2016). At the same time, there is a story that the bad opinion of a certain invention or technology will substantially hinder the process of adoption (Li et al., 2008). The favorable benefits that relative advantage has on adoption have been established in a number of studies that have been conducted in recent years (Zailani et al., 2019). In the context of Sri Lankan SMEs during the Covid-19 pandemic, relative advantage becomes particularly significant. As businesses faced unprecedented challenges and uncertainties, the adoption of social media advertising offered a promising avenue for maintaining competitiveness and reaching customers in a predominantly digital environment (Ramayah et al., 2016).

**Perceived complexity**

The degree of difficulty involved in implementing new technologies is taken into consideration as a significant indication during the implementation process (Zailani et al., 2019). Employing any technology that is believed to be difficult to use is unlikely to result in its actual implementation (Alshamaila et al., 2013). In addition to this, it has been brought to everyone's attention that these technologies need to be simple and easy to use in order to facilitate the process of adoption (Berman et al., 2012). Suffice it to say that the easier a piece of technology is to comprehend, the greater the likelihood that it will be utilized and put into practice. With the sudden shift to online platforms during the pandemic, Sri Lankan SMEs may have encountered heightened challenges in navigating the complexities of social media advertising during COVID. The rapid pace of digital transformation and the need for technical expertise in managing digital marketing campaigns may have contributed to perceptions of complexity among SMEs (Berman et al., 2012). SMEs lacking prior experience or resources in digital marketing may have found it particularly daunting to adapt to new technologies and platforms, potentially hindering the adoption of social media advertising initiatives (Zailani et al., 2019).

**Perceived costs**

Cost effectiveness describes how beneficial a technology or invention is in comparison to the resources it consumes. Cost has been shown to be a major factor in the research and development, acceptance, and implementation of technology and innovation in a number of studies. According to Kaplan & Haenlein (2010), small businesses are more inclined to adopt digital marketing since it is a cheap form of marketing. While social media advertising offers cost-effective marketing solutions, the financial constraints exacerbated by the pandemic may have influenced SMEs' perceptions of costs. Some SMEs may have viewed social media advertising as a viable option for reaching customers at a lower cost compared to traditional marketing channels (Chatterjee & Kar, 2020). However, others may have faced challenges in allocating resources to digital marketing initiatives amidst financial uncertainties, leading to hesitancy in investing in social media advertising during COVID (Tan et al., 2009). The perceived return on investment and long-term benefits of social media advertising may have played a crucial role in shaping SMEs' decisions regarding cost considerations (Derham et al., 2011).

SMBs' propensity to implement digital marketing strategies is said to be profoundly affected by the financial implications of doing so (Chatterjee & Kar, 2020). On the other hand, there have been countries like Malaysia where the price tag did not prevent widespread implementation of IT (Tan et al., 2009). Every business that decides to employ cutting-edge technology will likely face hefty initial expenses (Ghobakhloo et al., 2012). Nonetheless, numerous SMEs favor digital marketing adoption above any other type of IT adoption because of the low barriers to entry, low costs, and high returns on investment (Derham et al., 2011). Several companies would rather use digital marketing if it is inexpensive since it allows for two-way communication with their consumers (Ainin et al., 2015). In most cases, social networking saves money. It's a low-cost way for small businesses to connect with their consumers. If the expenses of digital marketing are reasonable, it is plausible that small and medium-sized enterprises will adopt it.

**Top management support**

A company's willingness to adopt new technologies depends in large part on the backing of its upper management. Lin, (2014) argues that the adoption of new technologies requires the backing of upper management in order to foster an enabling environment and allocate sufficient resources. When upper management is on board with implementing new technologies, everyone wins. If SMEs have affordable internet connection and are taught how to utilize digital marketing for marketing, digital marketing will become widespread. The opposition to utilizing digital marketing in the workplace can be mitigated by the dissemination of relevant information and training. As has been discovered in other studies, the choice to implement digital marketing into an organization must come from the very top (Maduku, et al., 2016; Ramdani, et al., 2013).

Top management is seen as crucial to the success of any enterprise. Top management support refers to any form of backing that is received from an organization's upper management. Top-level management's role, as

described by Gutierrez et al., (2015) and Zailani et al. (2014), is to create an environment conducive to adoption and equip employees with the tools they need to take advantage of that environment. Also, studies have shown that upper management is solely responsible for communicating the organization's ultimate goal of adopting new technologies (Maroufkhani et al., 2020). During the Covid-19 pandemic, the role of top management in guiding SMEs through digital transformation became even more critical. Upper management's commitment to embracing digital marketing initiatives and allocating resources towards social media advertising can significantly influence SMEs' adoption decisions (Maduku et al., 2016). Effective communication of the organization's goals and vision for digital marketing, coupled with supportive leadership, can motivate employees and facilitate the integration of social media advertising into SMEs' marketing strategies (Gutierrez et al., 2015; Zailani et al., 2014).

### **Employee capability**

It is widely acknowledged that having access to specialist human resources to manage the complexities of the technology adoption process is crucial. Any business's adoption of new technologies is boosted by, and is in part due to, the employees' capacity for learning and competence. Technology-driven organizations, especially those in the SME sector, may have to pay more to hire an IT adviser owing to a shortage of employees with strong creative and analytical skills, as reported by Maduku et al., (2016). Previous studies have shown that the lack of an IT specialist can have a significant impact on the IT-related complexity of a business (Ghobakhloo et al., 2012). In the context of social media advertising adoption among Sri Lankan SMEs during Covid-19, the availability of skilled human resources becomes paramount. SMEs may need to invest in training and upskilling their workforce to effectively utilize social media advertising platforms and capitalize on emerging opportunities (Ghobakhloo et al., 2012). The shortage of employees with strong analytical and creative skills in digital marketing may pose challenges for SMEs, highlighting the importance of building internal capabilities to drive successful adoption (Maroufkhani et al., 2020).

In summary, while the Covid-19 pandemic has accelerated the adoption of social media advertising among Sri Lankan SMEs, several factors influence their decisions regarding adoption. The relative advantage offered by social media advertising, perceived complexity of implementation, perceived costs, top management support, and employee capability play crucial roles in shaping SMEs' adoption decisions. However, there remains a significant gap in understanding the nuanced impacts of these factors specifically within the context of Sri Lankan SMEs during Covid-19. Further research is needed to explore these dynamics comprehensively and develop targeted interventions to support SMEs in navigating the digital landscape amidst the challenges posed by the pandemic.

### **Social Media Marketing**

Social media marketing has emerged as a significant strategy for businesses worldwide, including in Sri Lanka, due to its ability to reach a wide audience, engage customers, and drive brand awareness and sales (Visser, et al., 2019). One of the notable aspects of social media marketing in Sri Lanka is its rapid growth and

adoption across various industries. According to Fernando & Alahakoon (2018); Omar & Atteya (2020), social media platforms such as Facebook, Instagram, and Twitter have gained immense popularity among Sri Lankan consumers, presenting businesses with new opportunities for customer engagement and brand promotion. This trend is further supported by Perera & Fernando (2019), who highlight the increasing use of social media among Sri Lankan youth and its impact on their purchasing behavior.

Research suggests that Sri Lankan businesses are increasingly recognizing the importance of social media marketing in their overall marketing strategies. Karunarathna & Maduwanthi (2020) note that businesses in Sri Lanka are investing more resources in social media marketing to leverage its benefits, such as targeted advertising, real-time customer feedback, and viral content creation. This trend is reflected in the findings of Jayasooriya & Nawarathna (2017), who report a growing number of businesses allocating a significant portion of their marketing budgets to social media campaigns.

Studies indicate that social media marketing has unique implications for businesses in Sri Lanka, particularly in terms of cultural and linguistic considerations. Wickramasinghe et al. (2018) emphasize the importance of culturally sensitive content and language proficiency in social media marketing campaigns targeted at Sri Lankan audiences (Wardhana, et al., 2017). They argue that businesses need to tailor their messaging and communication style to resonate with the cultural values and preferences of Sri Lankan consumers.

Another key theme in the literature is the effectiveness of social media marketing in driving business outcomes in Sri Lanka. Amarasinghe & Maduwanthi (2019) found that businesses that actively engage in social media marketing experience higher levels of brand visibility, customer engagement, and sales growth compared to those that rely solely on traditional marketing channels. This finding is corroborated by De Silva & Wickramasinghe (2016), who suggest that social media marketing can lead to improved brand loyalty and customer retention in the Sri Lankan market.

However, challenges exist in the implementation of social media marketing strategies in Sri Lanka. These challenges include limited access to high-speed internet in rural areas, language barriers, and a lack of expertise in digital marketing among small and medium-sized enterprises (SMEs). Silva & Wijerathne, (2020), argue that addressing these challenges is crucial for the widespread adoption and success of social media marketing initiatives in Sri Lanka.

Social media marketing has become an integral part of the marketing landscape in Sri Lanka, offering businesses new avenues for customer engagement, brand promotion, and sales growth. While the adopting social media marketing is on the rise, challenges related to infrastructure, language, and expertise persist, highlighting the need for further research and strategic interventions to maximize its potential impact on businesses in Sri Lanka.

### 3. Research Methodology

#### Research design

A survey methodology was chosen as the most suitable approach for investigating social media advertising adoption by SMEs in Sri Lanka during Covid-19. Surveys allow for the efficient collection of data from a large sample size and enable researchers to gather quantitative insights into the factors influencing social media advertising adoption among SMEs in a systematic manner.

#### Research approach

Quantitative research was employed for this study to provide statistical analysis and factual evidence regarding social media advertising adoption by SMEs in Sri Lanka during Covid-19. This approach is well-suited for generating numerical data that can be analyzed to test hypotheses and draw statistically significant conclusions.

#### Conceptual framework

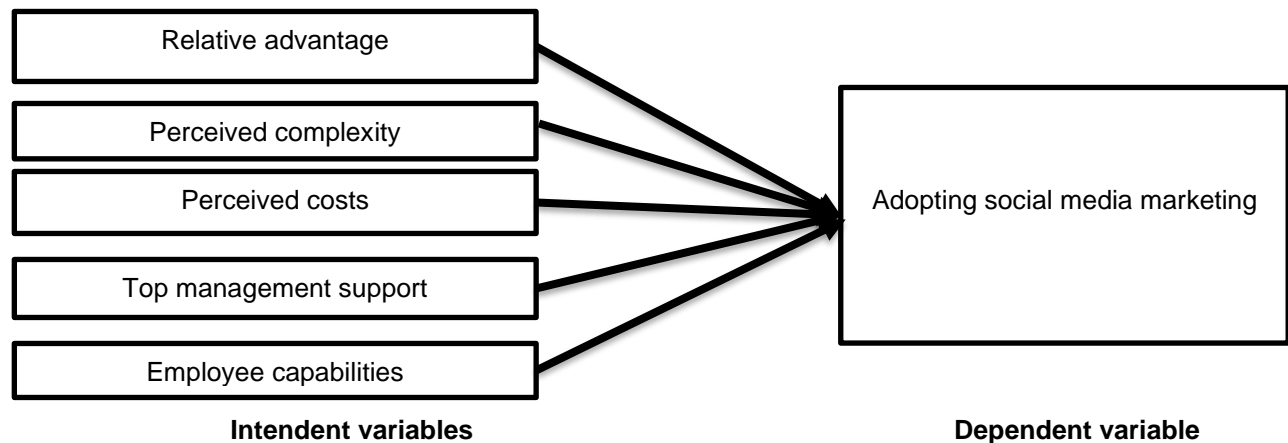


Figure 1: Conceptual framework

Source : Maroufkhani et al., (2020)

#### Hypothesis

##### **H1 = Relative advantage is positively influencing the adopting social media marketing**

This hypothesis is supported by Ahmad, et al., (2019), who define relative advantage as "the degree to which potential adopters regard innovation as better than the alternative." It is further supported by the findings of Hsu et al. (2014), who suggest that improving knowledge exchange and overall organizational performance may be facilitated by determining the relative benefits of an organization's digital marketing platforms. Varadarajan (2010) also establishes that relative advantage significantly influences an organization's decision to implement a certain technology or innovation.

##### **H2 = Perceived complexity is positively influencing the adopting social media marketing**

This hypothesis is drawn from the discussion on perceived complexity, which suggests that the ease of use of a technology greatly influences its adoption. Zailani et al., (2019) emphasize the importance of considering



the degree of difficulty involved in implementing new technologies during the adoption process. Alshamaila et al., (2013) further support this by stating that employing technology perceived as difficult to use is unlikely to result in its adoption.

### **H3 = Perceived costs is positively influencing the adopting social media marketing**

This hypothesis is based on the discussion of perceived costs, which suggests that cost effectiveness plays a significant role in technology adoption. Kaplan & Haenlein, (2010), highlight those small businesses are more inclined to adopt digital marketing due to its cost-effectiveness compared to traditional marketing methods. Additionally, the discussion mentions the example of Malaysia, where the price tag did not prevent widespread implementation of IT (Tan et al., 2009).

### **H4 = Top management support is positively influencing the adopting social media marketing**

This hypothesis is derived from the importance of top management support in fostering an environment conducive to technology adoption. Lin, (2014) argues that the backing of upper management is crucial for implementing new technologies successfully. This is further supported by the assertion that top-level management plays a critical role in communicating the organization's goals of adopting new technologies (Maroufkhani et al., 2020).

### **H5 = Employee capability is positively influencing the adopting social media marketing**

This hypothesis stems from the acknowledgment that access to specialist human resources is crucial for technology adoption. Maduku et al., (2016) suggest that the adoption of new technologies is boosted by employees' capacity for learning and competence. Additionally, the lack of IT specialists can significantly impact the IT-related complexity of a business (Ghobakhloo et al., 2012). Therefore, the availability of workers open to adopting new technologies and having the capacity for learning is likely to boost the adoption of digital marketing by SMEs.

## **Sample**

A research sample is a selection from the larger population from which inferences are drawn. The study included a sample size of 100 SMEs in Sri Lanka, which was selected using a convenient sampling technique. given the resource constraints and time limitations inherent in conducting research during the Covid-19 pandemic, a smaller sample size was deemed more feasible and practical for timely data collection and analysis. Additionally, previous research studies in similar contexts have demonstrated that sample sizes of around 100 participants can yield statistically reliable results when employing quantitative research methodologies (Hair et al., 2018).

## **Sample technique**

### **Convenient Sampling Technique**

The researcher employed a convenience sampling method to collect data from SME sectors who could devote time to the study. Subjects in a convenience sample are chosen because they are easily accessible

to the researcher, making this a non-probability sampling method. Easy-to-reach populations are used as subjects because that's what makes the study feasible.

### Research instruments

Questionnaires were used as the primary method of data collection in this study. The secondary data: This came from a variety of sources, including the web, print publications, databases, and electronic theses and dissertations. This allowed for a more thorough theoretical grounding from which to define the problem, conduct tests, and compare study results to those found in the literature. Primary Data: Informational questionnaires were used to collect this data, and they were broken down into two portions representing company and employee personal characteristics and research variables.

### Data analysis technique

The qualitative survey responses were tabulated, coded, and processed with the use of the Statistical Package for the Social Sciences (SPSS) version 25.0.

### Ethical Considerations

Respondents are properly briefed on the purpose of the study by the researcher and research assistants prior to the start of any in-depth interviews. This was done so that there would be no room for confusion during the interview concerning the study's goals. The interviewees voluntarily participated in the study. Opinions expressed by respondents were kept strictly secret during the entirety of the survey. In cases where it was necessary, respondent confidentiality was ensured.

## Data Analysis and Discussion

### Reliability

Within the realm of social science research, the "Cronbach's alpha" method is used to evaluate the reliability of internal consistency. Cronbach's Alpha is greater than 0.7, as shown in the table below. Consequently, each of the variables has demonstrated a higher degree of reliability in terms of internal consistency.

**Table 1 Reliability**

Variables	Alpha value	Number of items	Accepted
Perceived relative advantage	.919	4	Accepted
Perceived complexity	.822	4	Accepted
Perceived cost	.767	4	Accepted
Top management support	.836	4	Accepted
Perceived employee capability	.795	4	Accepted
Adopting social media marketing	.841	4	Accepted

Source – Survey data, (2023)

Table 2 shows that the KMO value higher than 0.5 can be accepted. Hence the researchers identified that validity ensures the survey questions accurately measure the intended concept.

**Validity of the variables**

**Table 2 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of sampling adequacy	0.746
Bartlett's Yest of Sphericity Approx. Chi-Square	358.245
df	6
Sig	0.000

Source – Survey data, (2023)

**Descriptive statistics**

**Table 3 Descriptive statistics**

	Minimum	Maximum	Mean	Std. Deviation
Perceived relative advantage	1.50	5.00	4.5600	.57857
Perceived complexity	1.00	4.75	4.4350	.64120
Perceived cost	1.25	5.00	4.5600	.49508
Top management support	1.50	4.75	4.4250	.46669
Perceived employee capability	1.25	4.75	4.3900	.57441
Adopting social media marketing	1.00	4.75	4.4350	.52177

Source – Survey data, (2023)

Table 3 shows that the all of the variables seem to have larger means and standard deviations based on the descriptive statistics of the dataset. All of these things point to a stronger correlation between the intention to adopt social media and each of these criteria. Perceived personnel capability ranks last, followed by perceived relative advantage and perceived cost.

Table 4 shows that the Perceived relative advantage and intention to embrace social media platform have a strong association, according to the Pearson Correlation (r) Value, which yields 0.875. It demonstrates that the intention to utilize social media platforms is strongly correlated with perceived relative advantage.

**Correlation**

**Table 4 Correlation for perceived relative advantage and adopting social media marketing**

		Adopting social media marketing	Perceived relative advantage
Adopting social media marketing	Pearson Correlation (r) Value	1	.875**
	Significant (2 tailed)		.000
Perceived relative advantage	Pearson Correlation (r) Value	.875**	1
	Significant (2 tailed)	.000	
** Correlation is statistically significant at 0.05 (2 tailed)			

Source – Survey data, (2023)

**Table 5 Correlation for perceived complexity and adopting social media marketing**

		Adopting social media marketing	Perceived complexity
Adopting social media marketing	Pearson Correlation (r) Value	1	.702**
	Significant (2 tailed)		.000
Perceived complexity	Pearson Correlation (r) Value	.702**	1
	Significant (2 tailed)	.000	
** Correlation is statistically significant at 0.05 (2 tailed)			

Source – Survey data, (2023)

Table 5 shows that the perceived complexity and the intention to embrace a social media network have a Pearson Correlation (r) Value of 0.702. The results demonstrate a strong correlation between perceived complexity and the desire to utilize social media platforms.

**Table 6 Correlation for perceived cost and adopting social media marketing**

		Adopting social media marketing	Perceived cost
Adopting social media marketing	Pearson Correlation (r) Value	1	.541**
	Significant (2 tailed)		.000
Perceived cost	Pearson Correlation (r) Value	.541**	1
	Significant (2 tailed)	.000	
** Correlation is statistically significant at 0.05 (2 tailed)			

Source – Survey data, (2023)

Table 6 shows the association between perceived cost and intention to adopt a social networking platform is 0.541, according to the Pearson Correlation (r) Value. The results demonstrate a strong correlation between perceived cost and the desire to use social media.

**Table 7 Correlation for top management support and adopting social media marketing**

		Adopting social media marketing	Top management support
Adopting social media marketing	Pearson Correlation (r) Value	1	.656**
	Significant (2 tailed)		.000
Top management support	Pearson Correlation (r) Value	.656**	1
	Significant (2 tailed)	.000	
** Correlation is statistically significant at 0.05 (2 tailed)			

Source – Survey data, (2023)

Table 7 shows that Top management support have a high association with intention to adopt social media platform of 0.656. The hypothesis can be accepted since the value of P is much lower than expected. This indicates that there is a connection between Top management support and intention to adopt social media platform.

**Table 8 Correlation for perceived employee cabability and adopting social media marketing**

		Adopting social media marketing	Perceived employee capability
Adopting social media marketing	Pearson Correlation (r) Value	1	.766**
	Significant (2 tailed)		.000
Perceived employee capability	Pearson Correlation (r) Value	.766**	1
	Significant (2 tailed)	.000	
** Correlation is statistically significant at 0.05 (2 tailed)			

Source – Survey data, (2023)

Table 8 shows that the result of the Pearson Correlation (r) Value for the relationship between perceived employee capability and intention to adopt social media platform is 0.766. It shows that Perceived employee capability have a high association with intention to adopt social media platform.

**Regression**

Multiple regressions are used on the data set to investigate how the independent variables such as Perceived relative advantage, Perceived complexity, Perceived cost, Top management support, and Perceived employee capability impact on the Adopting social media marketing factors. The primary objective is to examine the significant relationships between the Perceived relative advantage, Perceived complexity, Perceived cost, Top management support, and Perceived employee capability and adopting social media marketing factors using the Adjusted R-squared value, regression coefficients (Beta coefficients), and p-values.

**Table 9 Model Summary**

R	R Square	Adjusted R Square	Std. Error	Change Statistics					Durbin-Watson
				R Square Change	F Change	df1	df2	Sig. F Change	
.979 <sup>a</sup>	.958	.956	.10951	.958	430.700	5	94	.000	3.086

Source – Survey data, (2023)

A high R-squared value indicates that the data is well-explained by the linear regression model. Consequently, 95.8% (R2 =0.958) of the adoption of social media platforms may be explained by factors such as perceived relative advantage, perceived complexity, perceived expense, support from upper management,

and perceived staff capabilities. Consequently, the proportion of non-study-related variables influencing social media platform use is 4.2%.

**Multicollinearity**

There is no issue with multicollinearity, as seen in the preceding table, since the VIF values are less than 5. No multicollinearity exists if and only if the Tolerance value is less than or equal to 1. Based on these characteristics, it may be inferred that the regression analysis does not suffer from multicollinearity.

**Table 10 Multicollinearity**

Model	Collinearity Statistics	
	Tolerance	VIF
Perceived relative advantage	.461	2.167
Perceived complexity	.209	4.792
Perceived cost	.237	4.223
Top management support	.287	3.482
Perceived employee capability	.406	2.465

Source – Survey data, (2023)

This level of significance is lower than 0.05. Therefore, the model was considered statistically significant at the 5% level. This ANOVA table's explanatory power is shown by the p value and F test. Furthermore, the inability of the model to provide an explanation is the apparent starting point for the null hypothesis. Either all of the coefficients for the independent variables are zero or the dependent and independent variables are completely unrelated.

**Table 11 ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	25.825	5	5.165	430.700	.000 <sup>b</sup>
Residual	1.127	94	.012		
Total	26.952	99			

a. Dependent Variable: INTENTION  
 b. Predictors: (Constant), PEC, PRA, PCT, PCY, TMS

Source – Survey data, (2023)

**Table 12 Coefficient of the Variables**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant)	.079	.117		.675	.502
Perceived relative advantage	1.086	.038	1.205	28.761	.000
Perceived complexity	.482	.055	.592	8.735	.000
Perceived cost	1.995	.106	1.893	18.756	.000
Top management support	2.808	.153	2.511	18.400	.000
Perceived employee capability	.135	.073	.149	1.848	.008

a. Dependent Variable: INTENTION

Source – Survey data, (2023)

Based on the above results, equation can be developed as,

$$y = a + bx$$

$$y = a + \beta PRA + \beta PCA + \beta PC + \beta TMS + \beta PEC + \varepsilon$$

$$y = 0.79 + 1.086PRA + 0.482PCA + 1.995PC + 2.808TMS + 0.135PEC + 0.117$$

Where,

$\beta$  PRA= Beta value for Perceived relative advantage

$\beta$  PCA = Beta value for Perceived complexity

$\beta$  PC = Beta value for Perceived cost

$\beta$  TMS = Beta value for Top management support

$\beta$  PEC = Beta value for Perceived employee capability

Y = Adopting social media marketing

### Discussion

The correlation analyses revealed strong positive associations between adopting social media marketing and perceived relative advantage, perceived complexity, perceived cost, top management support, and perceived employee capability (Survey data, 2023). Specifically, Pearson correlation coefficients indicated significant relationships between these variables, with values ranging from 0.541 to 0.875, all statistically significant at  $p < 0.05$  (Survey data, 2023).

Furthermore, the regression analysis provided insights into the collective impact of these variables on the adopting social media marketing platforms. The model's high adjusted R-squared value of 0.956 suggests that approximately 95.6% of the variance in adopting social media marketing can be explained by the combined effects of perceived relative advantage, perceived complexity, perceived cost, top management support, and perceived employee capability (Survey data, 2023).

The perceived relative advantage offered by social media advertising was found to have a strong positive association with the intention to adopt these platforms (Ahmad et al., 2019; Varadarajan, 2010). This aligns with existing literature emphasizing the importance of relative advantage in driving technology adoption decisions. SMEs likely perceived benefits such as enhanced customer reach, engagement, and brand visibility, compelling factors amidst disruptions caused by the pandemic (Survey data, 2023).

Perceived complexity emerged as a significant factor influencing adoption decisions, with SMEs facing challenges in navigating the complexities of social media advertising during Covid-19 (Alshamaila et al., 2013; Berman et al., 2012). The rapid pace of digital transformation and the need for technical expertise may have posed barriers for SMEs lacking prior experience or resources in digital marketing (Survey data, 2023).

Perceived cost was identified as a crucial consideration for SMEs evaluating the adoption of social media advertising platforms (Kaplan & Haenlein, 2010; Derham et al., 2011). While social media advertising offers cost-effective marketing solutions, financial constraints exacerbated by the pandemic may have influenced

SMEs' perceptions of costs (Survey data, 2023). This underscores the significance of cost considerations in technology adoption decisions, particularly amidst economic uncertainties.

Top management support emerged as a critical factor influencing adoption decisions, with SMEs benefiting from supportive leadership in navigating digital transformation (Lin, 2014). Effective communication of organizational goals and vision for digital marketing, coupled with supportive leadership, can motivate employees and facilitate the integration of social media advertising into SMEs' marketing strategies (Survey data, 2023).

Perceived employee capability was found to be positively associated with the adopting social media marketing platforms (Ghobakhloo et al., 2012; Maroufkhani et al., 2020). This underscores the importance of skilled human resources in driving successful technology adoption initiatives (Survey data, 2023). SMEs may need to invest in training and upskilling their workforce to effectively utilize social media advertising platforms and capitalize on emerging opportunities.

#### **4. Conclusion**

In summary, this study underscores the significant role played by various factors in influencing the adoption of social media platforms among SMEs in Sri Lanka, particularly during the Covid-19 pandemic. The concept of relative advantage highlights the perceived benefits associated with utilizing social media marketing strategies, positioning them as superior options for business promotion and marketing operations. The findings reveal a positive trend among SMEs in leveraging social media to enhance customer relationships and expand their market reach.

Despite the promising prospects offered by social media marketing, it is essential to acknowledge the limitations of this study. The small sample size and convenient sampling method employed may restrict the generalizability of the findings. Therefore, caution should be exercised when extrapolating these results to broader contexts or populations.

Moreover, this study contributes to bridging the gap in the existing literature on social media ad adoption during Covid-19, particularly within the Sri Lankan context. By shedding light on the nuanced dynamics of social media adoption among SMEs, this research offers valuable insights for practitioners, policymakers, and researchers seeking to understand and support digital transformation efforts in similar settings.

#### **Recommendations**

The research investigated how the use of social media may contribute to the expansion of small and medium-sized businesses, and it offered the following suggestions as a result of its findings as well.

##### **1. Enhanced Digital Literacy Programs for SMEs**

- Prioritize the development and implementation of tailored digital literacy programs specifically designed for SMEs in Sri Lanka. These programs should focus on equipping business owners and employees with



the necessary skills to effectively leverage social media platforms for marketing and customer engagement.

- Collaborate with industry experts, digital marketing agencies, and business associations to design comprehensive training modules covering topics such as social media advertising, content creation, analytics, and customer relationship management.
- Establish digital resource centers or online learning platforms where SMEs can access training materials, webinars, and tutorials on various aspects of social media marketing at their convenience.

## **2. Government Incentives and Support**

- Advocate for government incentives and support schemes to encourage SMEs to invest in digital marketing initiatives. These incentives could include tax breaks, grants, or subsidies for SMEs that demonstrate a commitment to adopting and implementing social media marketing strategies.
- Collaborate with government agencies and industry stakeholders to develop and disseminate best practice guides, case studies, and success stories highlighting the tangible benefits of social media marketing for SMEs in Sri Lanka.

## **3. Partnerships with Educational Institutions**

- Foster partnerships between SMEs and educational institutions to facilitate knowledge exchange and skills development in the field of digital marketing. Encourage SMEs to collaborate with universities, colleges, and vocational training centers to offer internships, apprenticeships, or mentorship programs for students pursuing degrees or certifications in marketing, business administration, or related fields.
- Establish industry-academic partnerships to co-create and deliver practical training programs, workshops, and seminars on social media marketing for SMEs. Encourage faculty members to integrate real-world case studies and projects into their curriculum, providing students with hands-on experience in developing and implementing social media marketing campaigns for SME clients.

## **4. Community Engagement and Peer Learning**

- Facilitate community engagement and peer learning opportunities for SMEs through networking events, business forums, and online communities. Encourage SME owners and managers to participate in industry-specific groups, online forums, and social media communities where they can share experiences, exchange ideas, and learn from their peers.
- Establish mentoring programs or business incubators that pair experienced entrepreneurs with aspiring SME owners to provide guidance, support, and practical advice on navigating the challenges of adopting social media marketing strategies. Encourage knowledge sharing and collaboration among SMEs to foster a culture of innovation and continuous learning within the business community.

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