



Social media usage and its effect on Small, Medium and Micro-Enterprise performance

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Abstract

As the market environment becomes more complex, small, medium, and micro-sized businesses (SMMEs) are required to develop fresh, innovative approaches to strategically positioning themselves. Due to limited resources, it makes sense for SMMEs to adopt technologies that are relatively inexpensive, simple to use, and highly rewarding. Social media technology is useful in these situations, but little is known about how SMMEs are utilizing it, particularly in developing African economies. Therefore, the goal of this work is to empirically research the determinants of Facebook usage among SMMEs in an emerging African economy. Additionally, it looks at how Facebook usage affects SMME performance. A survey of 289 SMMEs operating in the Buffalo City Metropolitan Municipality was done to advance this discussion under the direction of a quantitative approach. According to the study results, using Facebook considerably improves SMMEs' performance. It was also discovered that characteristics like cost effectiveness, trust, compatibility and interactivity have a positive significant impact on SMMEs usage of Facebook. The conclusions offer evidence for possible managerial and research interests and have significant practical and academic ramifications.

Keywords: SMME, social media, Facebook, emerging economy

1. INTRODUCTION

Social media is used by businesses as a tool for marketing and communication directly with customers, gather feedback, and sustain customer satisfaction (Tlapana & Dike, 2020). In South Africa and beyond, small, medium, and micro enterprises (SMMEs) have been





recognized as effective forces behind inclusive economic growth and development. The traditional marketing methods employed by businesses, such as television, radio, billboards, newspapers, and flyers, end up being quite expensive for the burgeoning company. Consequently, social media gives SMMEs a platform to advertise their goods and a chance to build brand recognition at a low cost (Jobber & Ellis-Chadwick, 2013; Wibawa, Nareswari, Mardhotillah & Pramesti, 2022). As stated by Tlapana and Dike (2020), a successful social media marketing strategy is one that enables businesses to draw in new clients while retaining the ones they already have by focusing on customer relationship management (CRM), satisfying their needs, and protecting themselves from rivals. Businesses must consequently be practical and socially accessible in the twenty-first century to advertise their products and services. Cesaroni and Consoli (2015) proffer that, businesses are using the internet as a platform to connect with potential customers. Social media has an impact on consumer perceptions and purchase decisions as alluded by Kuncoro and Kusumawati (2021). To boost their chances of survival, keep their current clientele, and attract new ones, SMMEs must immerse themselves in learning more about social media marketing techniques. The aim of this study is to consider the factors that affect Facebook usage among SMMEs, with a particular focus on Facebook as a sort of social media. Additionally, it looks at how Facebook usage affects SMME performance. The following research goals, which were aimed at SMMEs operating in the Buffalo City Metropolitan Municipality (BCMM), helped to achieve the study's objectives:

- To explore the extent to which cost effectiveness has an impact on Facebook usage by SMMEs;
- To determine the level of impact that trust has on Facebook usage by SMMEs;
- To ascertain the extent in which interactivity impacts Facebook usage by SMMEs;
- To assess the degree to which compatibility influence Facebook usage by SMMEs; and
- To evaluate the level of impact that Facebook usage has on SMMEs' performance.

Harvard University students at the time, Mark Zuckerberg, Eduardo Saverin, Dustin Moskovitz, and Chris Hughes, established Facebook in 2004 (Tang, 2023). Facebook had about three billion users by 2021, making it the biggest social network on the planet. Around half of those users used Facebook daily, including for marketing (Hall, 2023). As proffered by Ainin, Parveen, Moghavvemi, Jaafar, and Mohd Shuib (2015), small companies can use





Facebook features like tagging, messaging, commenting, sharing and notifying to advertise their goods, services, and brands. In their analyses of Facebook use in businesses, Alraja, Khan, Khashab, and Aldaas (2020) and Aggarwal (2023) agreed that it is beneficial for firms to use it into their marketing strategy. If a business is already linked, Facebook marketing can be integrated without any additional resources being required. Due to the low cost and low level of information technology (IT) skill requirement, it can be used for daily transactions by SMMEs as well (Abdullahi, Husin, Baharudin & Abdullah, 2022).

Studies on social media, particularly Facebook, have previously either concentrated on factors influencing usage (Wong, 2012; Abuhashesh, Alshurideh, Ahmed, Sumadi & Masa'deh, 2021), types of usage (McCann & Barlow, 2015; Chen & Lin, 2019) or impact of usage (Dwivedi, Ismagilova, Rana & Raman, 2021; Syaifullah, Syaifudin, Sukendar & Junaedi, 2021). This study incorporates all three components, building on the research by Ainnin et al. (2015). Resultantly, the study intends to comprehensively explore the different factors that influence Facebook usage and its effects on the performance of SMMEs operating in the BCMM. Due to the fact that Facebook is the most widely used social networking platform in South Africa (Maree & Van Heerden, 2021; BusinessTech, 2023), this study focused on its use. The Diffusion of Innovation (DOI) theory (Rogers, 1983) is the foundation of the study. As specified by Sun, Hall, and Cegielski (2020) as well as Amini and Jahanbakhsh Javid (2023), the DOI theory has a substantial influence on the intention and actual adoption of a technology. In accordance with Ainin *et al.* (2015), innovation is defined as change, whether it be in the medium we utilize or the methods we employ to engage in a traditional process. In this study, the compatibility of the innovation characteristic was investigated based on the DOI theory. Additionally, factors including social media trust, cost effectiveness, and interactivity were taken into consideration.

The literature review and hypothesis development are presented in the section that follows. The study's methodologies are then highlighted, followed by data analysis description, results, and discussion. Last, the study's conclusion and implications are outlined.

2. THEORETICAL SETTING AND HYPOTHESIS DEVELOPMENT

The DOI theory “promotes the process by which an innovation spreads over time among individuals or within organizations, leading to adoption and utilization for a variety of reasons” (Ilie, Van Slyke, Green & Lou, 2005: 17). A product, service, idea, piece of information, or method that people perceive as novel may constitute innovation in this





context (Farida & Setiawan, 2022). In general, the innovation might be viewed as something original in terms of how the adopting organization uses it, but given the item's inception date, it might not necessarily be novel in its own right (Marion & Fixson, 2021). According to proponents of the theory, such innovations are characterized by relative advantages over current approaches, simplicity of understanding with observable results, ability to be tested by potential adopters, compatibility with current values, experiences, and needs, and ability to be implemented quickly (Odoom, Anning-Dorson & Acheampong, 2017). The DOI theory frequently serves as the foundation for studies on the uptake and application of technological breakthroughs (Mehra, Paul, & Kaurav, 2021; Sun, Hall, & Cegielski, 2020). Given the expansion of small businesses using social media in Africa, it is essential to put the theory into practice. The African continent is significantly dependent on its SMMEs, which are the foundation of the economy, according to CNBC Africa (2021). Research indicates that social platforms can be crucial to the development of the continent as several nations embark on their digital transformations (CNBC Africa, 2021).

Social media use as an internet-based technology is not an exception to the inherent eccentricities of the DOI, despite its proclaimed potentials above traditional media (Agarwal & Wu, 2015). This study views the usage of social media as a technology innovation that has to be coordinated and adopted with the marketing initiatives of South African small businesses since it is a business support system used for a variety of purposes with varied outcomes. Resultantly, social media is defined in this study as “an extension of traditional media that employs a more sophisticated set of tools, techniques, and technologies for connecting, building relationships, and social interactions,” as stated by Odoom, Anning-Dorson, and Acheampong (2017: 17). Thus, by enhancing marketing efforts with social media platforms, newness as utilized in this study is added to the current traditional media used by small businesses. From there, the subsequent sections explore the factors influencing social media use and how they ultimately affect the performance outcomes for SMMEs.

2.1 Cost effectiveness

As averred by Odoom *et al.* (2017: 390), “among the many choices facing marketing managers today is the need to defend their preferences for online communications over the usage of conventional advertising techniques”. Marketing expenditures for disseminating messages historically are typically seen as an expenditure and have frequently been made in cash (Weinberg & Pehlivan, 2011). However, there are plenty efficient free or inexpensive





options on the market right now. Compared to traditional media, which is typically expensive, social media marketing may not require a significant investment (Odoom *et al.*, 2017). As recommended by past scholars (e.g., Kirtiş & Karahan, 2011; Han, Wang & Fan, 2023; Shetgaokar, 2022), social media platforms are among the most economical and effective ones available to marketers. Research by Ainin *et al.* (2015) established that, such outlets are now fairly accessible to both businesses and consumers. Furthermore, social media enables the creation of target audiences and the distribution of methodical promotions and advertisements to these audiences at relatively lower costs (Lee, Hosanagar, & Nair, 2018). Since most social networking platforms offer free sign-up, the price is often determined by the total time required to publish status updates, blog, and reply to customer comments (Akbar, 2021).

Social media platforms enable the successful dissemination of collaborative material sharing to vast numbers of individuals across geographic boundaries in addition to being substantially less expensive (Korda & Itani, 2013). Outside of these restrictions, the cost of employing conventional media to reach clients could be higher. Since Facebook and Twitter alone have over two billion users (Oltulu, Mannan, & Gardner, 2018), customers are increasingly avoiding conventional media when researching products and services. As a result, companies can now leverage platforms to successfully connect with and reach their customers in a number of ways without having to spend a lot of money on media or using creative thinking (Odoom *et al.*, 2017). For most SMMEs, who are often saddled with resource limits, social media adoption becomes a crucial decision given that it may result in genuine cost savings (Ainin *et al.*, 2015). As such, the following is the initial hypothesis:

H1: Cost effectiveness of Facebook positively influences social media usage.

2.2 Trust

Scholars have researched several trust categories since trust is a complex entity. The institution-based trust would be a better fit for this study (Zhao, Wang, Zhang & Huang, 2022). Situational normality and structural assurance were the two categories of institution-based trust that McKnight, Cummings, and Chervany (1998) identified. The idea that success is expected because the situation is normal is known as situational normality. A structural assurance is the presumption that favourable outcomes are expected due to contextual structures like contracts, regulations, and guarantees. Choudhury and Karahanna (2008) hypothesized the presence of another type of trust, namely informational trust, and further





extended McKnight *et al.* (1998) approach. Informational trust is an important aspect that affects usage and is defined as a user's belief in the dependability, legitimacy, and veracity of information obtained through social media (Martinez, Herrero, & Garca-de los Salmones, 2020). Social media fosters successful client interactions, which are essential for small businesses. Small-business experts may use social media to provide their knowledge, opinions, and responses to client queries (Schaffer, 2013). Organizations in the framework of SMMEs post loads of information about their businesses, their goods and services, and other marketing initiatives as well as obtaining information from Facebook and acquire insights from it. Therefore, to use Facebook to accomplish business objectives, structural assurance and informational trust may be required. Thus, the following hypothesis is put forth:

H2: Trust on Facebook positively influences social media usage.

2.3 Interactivity

Earlier research has established that, the effective interaction between technology and people is considered during the implementation and design of information systems (Lee & Kozar, 2012). The key and distinctive design aspect that affects how customers respond to new technologies, notably websites, is interactivity, which stands out among the other design elements (Ainin *et al.*, 2015). Facebook is regarded as interactive media since it allows for two-way contact as opposed to one-way distributions or transmissions of information to an audience (Chan-Olmsted, Cho & Lee, 2013). Handayani and Lisdianingrum (2011) researched on the use and adoption of Facebook in two SMMEs based in Indonesia and made the case that, with proper administration, Facebook may be an efficient free online marketing tool. Thus, given that Facebook is interactive, the interactivity variable may have a significant impact on Facebook usage, leading to the devising of the ensuing hypothesis:

H3: Interactivity of Facebook positively influences Facebook usage.

2.4 Compatibility

As defined by Chong and Chan (2012), how well an innovation meshes with an adopter's present demands, prior habits, and existing values describes compatibility. Within the fundamental parameters of the DOI theory, this is a critical element in the acceptance and usage of an innovation, especially when it comes to the originality of the qualities or





properties of the innovation (Odoom *et al.*, 2017). In terms of meeting consumer preferences and market expectations, social media platforms perform better than traditional marketing channels. They offer features and functionalities that may not have been available in the past. By integrating social media activities into corporate operations in a way that is compatible with business principles and goals along with publishing their product/service contents almost instantly, businesses can efficiently and effectively target their target clientele (Tidd & Bessant, 2020). According to earlier research, companies are more inclined to embrace and utilize social media if it is in line with their beliefs and goals (Ainin *et al.*, 2015). The study hypothesizes a positive link given that the arguments on compatibility favouring adoption of social media by enterprises are more likely to be depicted in SMME settings, although existing findings indicate conflicting results regarding relationships. Consequently, the fourth hypothesis is depicted as follows:

H4: Compatibility will have a positive effect on Facebook usage.

2.5 Performance

Despite Facebook's many benefits, organizational-level enquiry on the social media platform's effect on business performance has not expanded as quickly in emerging economies (Lovejoy & Saxton, 2012). Thus, this study explores the numerous elements that affect SMME Facebook usage and its effects on business performance. Business performance, as alluded by Akbar (2021), refers to the actual advantages firms experienced because of using Facebook in terms of both non-financial and financial performances. Furthermore, while earlier research considered Facebook usage within organizations, few studies looked at how Facebook affected business performance (Odoom *et al.*, 2017). Ainin *et al.* (2015), for instance, offered evidence that social media technologies like Facebook have a favourable impact on customer behaviour, which in turn has an impact on a company's sales success. On the other hand, Mensah, Narteh, Hinson, Kosiba, and Muritala (2022) found that the adoption of social media technology has a beneficial influence on an enterprise's social capital and is thus likely to have a positive effect on both non-financial and financial performances. Setting up the following hypothesis can be used to empirically verify this:

H5. Facebook usage will have positive impact on performance of SMMEs.



The study suggests a conceptual model for the research hypotheses, which is shown in Figure 1, based on the literature's aforementioned discourses.

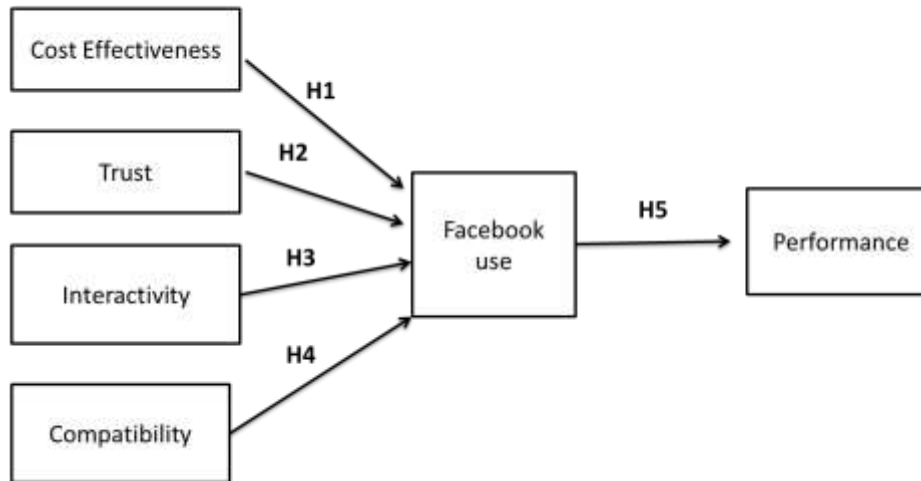


Figure 1 Study's Conceptual model
Source: Modified from Ainin et al. (2015)

3. RESEARCH METHOD

3.1 Sample and data collection

A quantitative approach is applied in the study, and statistical data analysis is performed to comprehend and explain the relationships (Kraus, Vonmetz, Orlandi, Zardini & Rossignoli, 2023). To collect data, a survey by means of a self-administered structured questionnaire was conducted on a purposive sample of 300 SMME owners and managers operating in the BCMM. Given that obtaining the estimated total population of the SMMEs operating in the Metropolitan from the municipal database was challenging, the researcher considered minimising the time and expenses involved in gathering data from a big sample. As a result, the sample size was determined using the following two criteria in order to perform a relevant analysis: (a) the bare minimum sample size required to conduct statistical analysis that is deemed meaningful; (b) the sample sizes used in earlier studies. (Fritz & MacKinnon, 2007; Tshikovhi & Shambare, 2015; Pallant, 2011).



a) Minimum sample size: To perform meaningful analysis, methodology specialists recommend that larger samples be used to yield better results (Iacobucci, Popovich, Moon & Román, 2023). The recommended minimum size for studies using multivariate data analysis techniques is of at least 300 respondents (Pallant, 2011).

b) Sample sizes from past studies: Past quantitative similar studies used a sample of between 250 and 450 respondents. For instance, Chimucheka, Chinyamurindi and Dodd (2019) used a sample size of 400, Octavia, Indrawijaya, Sriayudha and Hasbullah (2020) used a sample of 250; Ainin, Parveen, Moghavvemi, Jaafar and Mohd Shuib (2015) utilised a sample size of 259 and Raphael, Thomas and George (2017) employed a sample of 210 respondents. Consequently, from these studies, a sample size of 300 is considered adequate.

Following the challenges incurred in obtaining trusted database with all details of SMMEs operating in the BCMM, participants (owners and managers) were selected through a combination of snowball and purposive sampling techniques. Field research assistants were appointed to assist the principal researcher with the data collection process. Using academic faculty including PhD candidates, marketing lecturers and social media experts, tests for face and content validity were conducted prior to the questionnaire administration to adequately assess the psychometric properties of the scale items (Raphael et al., 2017). Additionally, the researcher briefed the study team to ensure that they understood the requirements of the questionnaire.

This made sure the research assistants knew exactly what was expected of the respondents so they could properly brief them. To ensure that the selected sample met the criteria of the study, they were supposed to meet the following conditions: (1) be operating in the BCMM; (2) owners and managers of Small, Medium and Micro-Enterprises; (3) be above 18 years; and (4) were using Facebook for their business. In total the questionnaire did not take more than 25 minutes to complete. All study procedures conformed to the University of Fort Hare Research Ethics Policy and were approved by the University's Research Ethics Committee. Participants were fully informed about the research objectives, the advantages of the study, the format and method of data collection, and the confidentiality policies before data collection began. Furthermore, individual consent was sought from the participants prior to the survey.





3.2 Measures

Measurement items established from earlier studies and slightly conceptually altered to meet the study setting were used to test the study constructs (Kansheba, Marobhe & Wald, 2023). Measurement scales linked with cost effectiveness, compatibility and interactivity that were used in the study were adapted and modified from Raphael et al. (2017) to suit the study context. While for the trust and Facebook usage constructs, items were adapted and modified from scale used in a study by Ainin et al. (2015). Three measurement items measured cost effectiveness. A sample item for cost effectiveness construct is: “Our social media platform saves costs relating to time and effort in marketing, branding and customer service.” Similarly, three measurement items such as: “Facebook provides enough safeguards to make me feel comfortable using it to post my information” were used to measure the trust construct. Whereas the interactivity construct was measured by three items. A sample item for the interactivity construct is: “Our social media platform offers interactive communication with customers.” Four items measured compatibility that involved items such as: “Facebook is compatible with our business processes and operations”. In terms of business performance, fourteen items were adapted from Chimucheka et al. (2019) and a sample item for the business performance construct is: “I am satisfied with the performance of this business.” Lastly, seven measurement items such as, “We use Facebook to create brand visibility and reach new customers” were employed for the Facebook usage construct. A five-point Likert scale, spanning from (1) strongly disagree to (5) strongly agree, was used to evaluate the measurement items across all scales.

3.3 Data analysis

IBM Statistical Packages for Social Sciences (SPSS) V26 was used to statistically analyze the measurement tool and evaluate the study hypotheses. The following analyses were carried out using quantitative data:

- a) Descriptive statistics – to describe the sample’s demographic profile.
- b) Regression analysis – to test for relationships between variables that influence Facebook use (Cost Effectiveness, Trust, Interactivity, and Compatibility) and Facebook usage by SMMEs.





4. RESULTS

4.1 Descriptive Statistics

In total 289 valid questionnaires were retained yielding a 96% response rate. Table 1 summarizes the demographic characteristics of the study's sample. Slightly more than half (52.37%) of the sample were male. The majority, 48% (n=139) were between 36 – 45 years old. In terms of position in Business, majority (n=163; 56.36%) of the participants were both owners and managers, while in terms of industry category, the majority (52.00%) operated in the wholesale and retail sector. There was a wide variation in terms of the number of employees per each business, with the majority falling between the 11 – 15 employees category, making up a total of 67.57% (n=195), with the least proportion (4.05%; n=12) of respondents constituting of between 51-250 employees. Lastly, relating to years in business, most businesses (43.00 %) operated between 1 and 3 years.

Table 1: Sample profile of respondents (n=289)

Demographic description		<i>n</i>	(%)
Gender	Male	151	52.37
	Female	138	47.63
	Total	289	100
Age	25 – 35 yrs.	39	13.33
	36 – 45 yrs.	139	48.00
	46 – 55 yrs.	96	33.33
	56 – 65 yrs.	15	5.34
	Total	289	100
Position in Business	Owner and Manager	163	56.36
	Owner	82	28.37
	Manager	44	15.27
	Total	289	100
Industry category	Manufacturing	8	2.67
	Construction	15	5.33
	Wholesale and retail	150	52.00
	Service	116	40.00
	Total	289	100





Number of Employees	0-10 employees	82	28.38
	11- 15 employees	195	67.57
	51-250 employees	12	4.05
	Total	289	100
Years in Business	Less than 1 yr.	20	7.00
	1-3 yrs.	124	43.00
	3-5 yrs.	58	20.00
	5+ yrs.	87	30.00
	Total	289	100

4.2 Hypotheses testing

The study employed a multiple regression analysis to test for association between constructs that influence Facebook use (Cost Effectiveness, Trust, Interactivity, and Compatibility) and Facebook usage by SMMEs. Table 2 below provides a summary of the multiple linear regression model.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.961 ^a	.923	.919	.336	1.476

a. Predictors: (Constant), Compatibility, Interactivity, Cost Effectiveness, Trust

b. Dependent Variable: Facebook Usage

It is clear from the results in table 2 above that the model accurately described the data. The modified R Square is used to assess how well a regression model fits the data in this case. In model one "1" the effect size ($R^2 = 0.919$) suggested that the predictor variables explain over 91% of the variability in Facebook usage by SMMEs operating in the BCMM. To test for multicollinearity, the Durbin-Watson test was employed and a value between 1 and 10 should suggest that there is no multi-collinearity (Shah, Chesneau, Mohsin, Jamal & Bhatti, 2020). Given that Durbin-Watson in this instance is 1.476, which indicates that multicollinearity is not present, the model was suitable for hypothesis testing. Furthermore, analysing the ANOVA results (see Table 3) shows that the entire model yielded a statistically significant effect of the predictor variables (Cost Effectiveness, Trust, Interactivity, and



Compatibility) on Facebook usage among SMMEs operating in the BCMM ($F(4) = 211.214, p < 0.05$).

Table 3: ANOVA Statistical significance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	95.378	4	23.844	211.214	.000 ^b
	Residual	7.902	70	.113		
	Total	103.280	74			

a. Dependent Variable: Facebook Usage

b. Predictors: (Constant), Compatibility, Interactivity, Cost Effectiveness, Trust

Furthermore, as depicted in the coefficients Table 4, the results showed that Cost Effectiveness, Trust, Interactivity and Compatibility were all significant positive predictors of Facebook usage among SMMEs ($\beta = .307, t = 4.057, p < .005$; $\beta = .234, t = 1.614, p < .005$; $\beta = .227, t = .551, p < .005$; and $\beta = .565, t = 7.095, p < .005$ respectively). Consequently, a conclusion can be advanced that a greater implementation of Facebook usage constructs linked to Cost Effectiveness, Trust, Interactivity and Compatibility, will result in greater Facebook usage by SMMEs. Thus, accepting H_1, H_2, H_3 and H_4 .

Table 4: Statistical significance of the independent variables model coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.289	.139		.643	.522
	Cost Effectiveness	.303	.075	.307	4.057	.000
	Trust	.232	.228	.234	1.614	.011
	Interactivity	.230	.226	.227	.551	.041
	Compatibility	.256	.258	.565	7.095	.000

a. Dependent Variable: Facebook Usage

The simple linear regression was carried out to ascertain the relationship between Facebook usage and the performance of SMMEs. The outcomes shown in Tables 5 to 7 show the standardized coefficients for each predictor R , R^2 , F , and used in the linear regression analysis.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.925 ^a	.856	.854	.407	1.762

a. Predictors: (Constant), Facebook Usage

b. Dependent Variable: Performance

Table 6: ANOVA Statistical significance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	72.145	1	72.145	435.198	.000 ^b
	Residual	12.102	73	.166		
	Total	84.247	74			

a. Dependent Variable: SMMEs performance

b. Predictors: (Constant), Facebook usage

Table 7: Statistical significance of the independent variables model coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.698	.143		4.898	.000
	Facebook Usage	.836	.040	.925	20.861	.000

a. Dependent Variable: Performance

The entire model shows that using Facebook significantly improves SMME performance ($F(1) = 435.198, p < 0.05$). In addition, analysing the effect size ($R^2 = 0.854$) shows that Facebook usage, explained performance of SMMEs with a power of 85.4%. Additionally, Table 7 highlights the standardized coefficient (beta) value for Facebook usage is favourable ($\beta = 0.925$) and significant ($p < 0.05$), supporting hypothesis H₅. We can

consequently draw the conclusion that SMME performance will improve as Facebook usage increases.

Table 8: Summary of Hypotheses Testing

Hypothesis		Decision
H1:	Cost effectiveness of Facebook positively influences social media usage	Supported ($\beta = .307, p < .05$)
H2:	Trust on Facebook positively influences social media usage	Supported ($\beta = .234, p < .05$)
H3:	Interactivity of Facebook positively influences Facebook usage	Supported ($\beta = .227, p < .05$)
H4:	Compatibility will have a positive effect on Facebook usage	Supported ($\beta = .565, p < .05$)
H5:	Facebook usage will have positive impact on performance of SMMEs	Supported ($\beta = .925, p < .05$)

5. DISCUSSION

First, prior studies have stressed the essential significance of cost effectiveness as a driving force behind SMMEs' use of Facebook (Ainin *et al.*, 2015; Hanna, Rohm & Crittenden, 2011; Raphael *et al.*, 2017; Van Brakel, 2020). SMMEs can have a wider appeal among consumers through adverts, campaigns and promotions on Facebook without making a sizable investment because they have minimal financial resources. Additionally, Van Brakel (2020) proffers that, the considerably reduced cost of using Facebook as a social media platform affords an appealing way for South African SMMEs to conduct their marketing efforts despite their continued resource shortages. In a similar way, this study strengthened this claim by supporting it with relevant empirical findings. According to the current study, Facebook seems to give South African SMMEs a better low-cost alternative to traditional media.



The findings also demonstrated that Facebook's interactivity is a significant determinant of Facebook use among SMMEs. The interactive element of social media is a crucial consideration for businesses who pick and deploy their marketing operations on such platforms because it facilitates two-way contacts with the public, as found in previous studies (e.g., Ainin *et al.*, 2015; Rosário & Raimundo, 2021). Raphael *et al.* (2017) hinted that interaction gives businesses a deeper return in terms of getting feedback through two-way communication, as well as better-instilling perceptions of responsiveness and the flow of shared information. Thus, in line with earlier research, this study supports the idea that social media's interactive features are a major factor in driving SMMEs to use them.

The research findings also showed a significant positive association between trust and Facebook use. As stated by Zafar, Shen, Jasfaq, and Shahzad (2021) in support of this finding, "social networking sites are rooted in interpersonal relationships as individuals who perceive a high level of trust in such platforms keep using them." While other researchers (e.g., Ventre, Molla-Descals, & Frassetto, 2020; Sarulatha & Sasirekha, 2018) argued that trust is a crucial factor in business connections and that it helps people overcome the risks and uncertainties of social media, several studies (e.g., Ainin *et al.*, 2015; Wu & Liu, 2007) showed the trust construct to have a negligible association with Facebook usage, which runs counter to the study's inferences. As noted by Ainin *et al.* (2015), one interpretation of this finding could be that because social media service providers like Facebook are well recognized globally and have features that are accessible to all users, trust may not be a problem. Additionally, since adopting Facebook comes at a relatively low cost, businesses may do so without taking the issue of trust into account. Nevertheless, these studies have been conducted in non-African context where adoption of technology has been comparatively faster implying that trust may not be a major concern. Within the South African context, the situation is different as trust still plays a substantial role in social media technology adoption as social media marketing is still in its early stages. The Global Disinformation Index (2020) found that 41% of South Africans distrust social media in general whereas 70% are concerned about distinguishing between truth and fake content on media. The Global Disinformation Index report thus supports the study finding.

The study's findings also revealed a significant relationship between SMME Facebook usage and compatibility. The research conducted by Ainin *et al.* (2015), reveals that, Facebook can be used on the move by anyone with an internet connection and is very compatible with the infrastructure that already exists because the technology is so





straightforward and basic that any business can quickly implement it. Consequently, the degree to which social media satisfy the demands and procedures of businesses (compatibility) becomes a significant factor in SMMEs' decision to use them. The study's findings on compatibility were in line with those of earlier research on SMMEs, which concluded that adoption of social media technology is significantly influenced by compatibility (Oji, 2016; Ramphela & Msosa, 2022; Ndiege, 2019; Kikawa, Kiconco, Agaba, Ntirampaba, Ssematimba, & Kalema, 2022).

Last, the study results revealed that Facebook usage has a very strong positive impact on SMMEs' performance. As stated in Fakhreldin and Miniesy (2023), the performance can be both financial and non-financial. Furthermore, Effendi, Sugandini and Istanto (2020) posits that the capability of SMMEs to understand customers, competitors, and economic trends through social media can make SMMEs able to attain viable business performance. The outcome is in line with earlier research that discovered positive relationships between the use of technology and organizational effectiveness (Raphael *et al.*, 2017; Ahmad, Abu Bakar & Ahmad, 2019; Olanrewaju, Hossain, Whiteside & Mercieca, 2020). Overall, the study's findings allow us to draw the conclusion that, despite some obstacles, SMMEs in South Africa, an emerging market, are increasingly using social media as a strategic tool to improve business performance.

6. CONCLUSION AND IMPLICATIONS

The motives SMMEs have for using social media and the performance advantages of doing so are clarified in this study. The study looked at these connections based on the DOI theory. In general, the study discovered that cost effectiveness, interactivity, trust and compatibility were social media usage-related aspects that ultimately led to SMMEs realizing greater business performance. The study's findings have several intriguing ramifications for marketing and policy. First and foremost, it is vital for SMME owners or managers to be aware that if their main objective is simply to have existing Facebook accounts without utilizing them for any marketing activity, they may not adequately maximize their social media presence. Therefore, brand managers should include Facebook in their marketing communication plan and acknowledge that social media is a crucial component of the internet because so many users utilize it in their daily lives. This may be accomplished by making sure that they properly maintain their corporate brand accounts on Facebook, hire qualified personnel to establish their social media teams, develop tactics to encourage interaction, and increase the credibility of the brand. Consumers must be given the ability





to express, share, and produce content regarding the products and services of businesses if social media interaction is to increase.

Whereas, to improve overall business performance it is also crucial for marketing managers to make use of analytic tools as they form a fundamental aspect of practically every social media management strategy. Through analytic tools SMMEs can track their performance to discover which kind of content resonates the most within their target consumers. This way, they can adjust their Facebook marketing strategy with hands-on data backed by measurable metrics. Although, the original free Facebook Analytics is no longer available since June 30, 2021, there are other options available such as NapoleonCat, Socialinsider, AgoraPulse, Buffer and SproutSocial among others. The research also calls for digital platforms and policymakers to recognize the marketing opportunities offered by social media and to establish the best possible conditions for SMMEs to succeed on social media. They might also need to concentrate more on lowering internet and data prices, fostering data privacy trust, and promoting social media adoption and growth. By overcoming these obstacles, governments and private firms will be better able to work together closely to create a digital environment that will enable small businesses in South Africa to take advantage of the country's abundant prospects.

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