

-RESEARCH ARTICLE-

## BUSINESS DEVELOPMENT AND OPTIMIZATION OF SMES' GROWTH THROUGH DIGITAL MARKETING

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### —Abstract—

This study analyzes the impact of various exogenous and dependent factors on SMEs' adoption of social media marketing methods to boost their sustainable business development and growth. Small and Medium-Sized Enterprises (SMEs) are the backbone of a country's economic development. Using a quantitative research approach and a random sampling procedure, data were collected from entrepreneurs of small and medium-sized enterprises (SMEs) in the Indonesian region of South Kalimantan. Using SmartPLS v. 4 software and structural equation modeling, data were examined. Incorporating the Unified Theory of Acceptance and Use of Technology (UTAUT2) and the Technology Acceptance Model (TAM), the results demonstrated the influence of perceived ease of use and perceived utility on the adoption of social media marketing by SMEs. This social media marketing usage promotes SME businesses' sustainable growth and development. While favorable conditions and lower costs interact with exogenous variables, the impact of their interaction on social media marketing adoption is increased, resulting in business growth. The current study theoretically contributes to the existing body of knowledge and provides practitioners, marketers, and policymakers with significant insight.

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## 1. INTRODUCTION

Small and medium-sized businesses (SMEs) are among the most important suppliers of semi-finished and finished raw materials to bigger businesses (Chatterjee et al., 2020). Due to their diversity and heterogeneity, SMEs are regarded as a nation's economic pillars (Melnyk et al., 2021). In recent years, small and medium-sized enterprises (SMEs) have expanded their operations in emerging economies and become essential to their economic success (Yousaf et al., 2021). Despite their tremendous importance and diverse characteristics, small and medium-sized enterprises (SMEs) worldwide face resource limits and limitations in the availability of contemporary technological equipment (Yoon et al., 2021). This problem is worse in developing countries (Chatterjee et al., 2020). The internationalization of small and medium-sized enterprises (SMEs) is also dependent on information and communication technology (ICT) due to the growing globalization (Nasrallah et al., 2022). The use of digital word technology in such markets is crucial to maintaining well-established commercial procedures in the present day. Simultaneously, SME researchers underlined the importance of marketing methods for generating sustainable business growth in a cost-effective manner (Boonmalert et al., 2021; Yousaf et al., 2021). Therefore, SMEs can leverage ICT in digital marketing for their promotional operations and emphasize their offerings to achieve sustainable business growth.

Additionally, there are numerous applications of ICT. Social media has been regarded as the most important ICT technology in business applications. In addition, digital marketing leveraging social media has developed as a crucial instrument for businesses to establish significant customer interactions (Dolega et al., 2021). In addition, social media is rapidly expanding with millions of Internet users. Consequently, it may pertain to "a secured generation of web development and design that strives to enhance communication, sources, information sharing, interoperability, and collaboration on the World Wide Web" (Paris et al., 2010). In contrast, based on budget limits and growth-oriented goals, SMEs will only be driven to use social media marketing when they are aware of and satisfied with the results (Boonmalert et al., 2021). Therefore, it can be said that SMBs use social media marketing as a promotional technique based on its applicability.

In the context of emerging markets, the use of ICT to explain the adoption of social media for marketing activities by SMEs has been studied the least (Chatterjee et al., 2020; Dolega et al., 2021; Shareef et al., 2019). In contrast, all current material on social media marketing use in terms of SMEs embracing and utilizing ICT for organizational development is focused on western markets and describes Western society's distinctive expectations and needs (Aswani et al., 2018). However, small and medium-sized

enterprises (SMEs) in emerging economies such as Pakistan, India, Indonesia, etc., also play a key role in economic development. Therefore, the present study empirically tests the influence of various factors on the adoption of social media marketing (SMM) by small and medium-sized enterprises (SMEs) and their subsequent development and expansion.

Moreover, based on the significance of ICT adoption in company development and the gap surrounding social media marketing as an effective instrument to accelerate the growth of SMEs in emerging nations, the current study focuses on one of these economies, Indonesia. According to February 2022 statistics, 191,4 million Indonesian Internet users follow various social media profiles. Moreover, in the Indonesian context, numerous studies have reported the significance of social media to use for a variety of purposes, such as building trust in the governance system (Hartanto et al., 2021), digital banking (Satria et al., 2021), and online businesses (Yucha et al., 2020), among others. Whereas the primary objective of the present study is to analyze the impact of social media marketing on the sustainable growth of small and medium-sized enterprises (SMEs) in Indonesia based on the increasing number of SMEs, the secondary objective is to examine the impact of social media marketing on the growth of (62 million SMEs in the country by 2021). Consequently, the current study seeks;

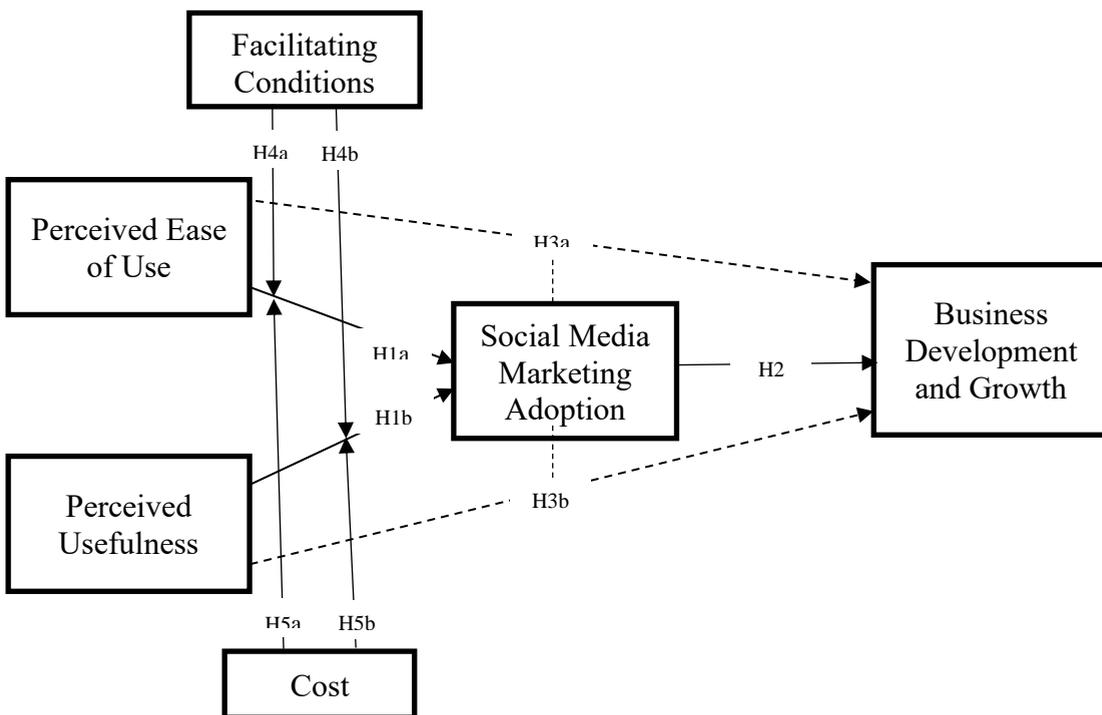
- Examine the influence of Perceived Ease of Use (PEOU) and Perceived Usefulness (PU) on the adoption of social media marketing strategies by small and medium-sized enterprises (SMEs) in emerging economies.
- Examine the contingent effect of facilitating conditions and cost in conveying the influence of PEOU and PU on the adoption of SMM by SMEs in emerging markets
- Examine the impact of SMM on the sustainable growth and development of SME businesses in emerging markets.

The new study would contribute to the existing body of knowledge in numerous ways. It empirically evaluated, for instance, the impact of multiple factors on the usage of SMM by SMEs in the digital environment. Social media consists of various online activities, such as social networking site communications, consumer-to-consumer emails, blogs, Vlogs, social influencer marketing, etc. (Bailey et al., 2021). Previously, it was believed that SMEs' Size, customer contact with SMEs, conducive infrastructure, top managers' backing, and the number of IT exports were significant determinants of their use of social media marketing (Eid et al., 2020; Lim et al., 2020; Sultan et al., 2019). To apply social media marketing in SMEs, this study involved TAM and UTAUT2 while emphasizing PEOU, perceived utility, an enabling environment, and the cost of adopting ICT. This study is unique in the emphasis on using social media marketing in SMBs to achieve sustainable organizational growth, particularly in emerging markets. Finally, the contingent influence of favorable conditions and the cost of adapting ICT for social media marketing has been meticulously evaluated.

## 2. THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

The current study merged the TAM (Davis, 1989) and UTAUT2 models to answer the study's primary question: What elements enable SMEs to employ social media marketing as a promotional tool for sustainable growth? (Venkatesh et al., 2012). TAM is concerned with two distinct concepts, namely PEOU and perceived usefulness. Numerous research on technology adoption in various contexts and levels, e.g., expert, organizational, cultural, individual, etc., have utilized it extensively (Abd Majid et al., 2019; Zaineldeen et al., 2020). Simultaneously, it has been viewed as a very explanatory universal model for technology acceptance. However, researchers also said that in addition to PEOU and PU (which currently cover all psychological qualities), additional variables covering the financial and technological aspects of SMEs' adoption of social media marketing must be investigated (Chatterjee et al., 2020; Dwivedi et al., 2019; Shareef et al., 2019). As a result, in addition to TAM, UTAUT2 (i.e., cost/price value and facilitation orientation) served as the theoretical foundation for this study. In addition, the current research has analyzed the moderating function of cost and enabled orientation to augment the influence of PEOU and PU on SMEs' adoption of social media, enhancing their economic growth and development.

Figure 1 is a theoretical framework of the study as the basis for forming the hypothesis which is described in the following sections.



**Figure 1:** Theoretical Framework of the Study

## 2.1 PEOU, Perceived Usefulness, and Social Media Marketing Adoption

When people perceive a system or technology as straightforward and simple, they are not hesitant to adopt it and see its value (Wilson et al., 2021). This further demonstrates the acceptability of technology by individuals and organizations depending on its usability. This perspective is associated with investing some effort at the individual, group, or enterprise level to utilize technology or system. Researchers explain these beliefs in terms of simplicity or self-efficacy (Huang et al., 2014; Mutahar et al., 2018). Simultaneously, these attitudes of clarity and self-efficacy have been previously associated with using social media for marketing reasons by small and medium-sized enterprises (SMEs) (Kuo et al., 2009; Tan et al., 2018). It also represents any breakthrough's ease of use, generating enthusiasm for that technology (Ware, 2018). It further establishes the favorable relationship between PEOU and the adoption of new technology. Therefore, when SMEs think that adopting and using a certain technology, such as SMM, is simple and straightforward, they will employ it as a marketing strategy to attract buyers to their products.

Concurrently, PU has been viewed as an intangible metric based on which individuals perceive that technology adoption is beneficial for improving the performance of individuals and organizations (Harrigan et al., 2021). Similarly, when SMBs begin utilizing new technologies, their performance is significantly enhanced; hence, they will be more ready to adopt them. Because social media marketing is a technology instrument for promoting organizational offerings, researchers have acknowledged its importance for boosting the performance of businesses (Fatima et al., 2020; Sullivan et al., 2019). Various researchers simultaneously reported the significance of PU in the context of a certain technology (Siagian et al., 2022). PU is crucial when using smart gadgets such as smartphones, tablets, etc. (T. Kim et al., 2019). PU includes numerous beliefs, such as trust, risks, efficacy, and performance. (Park et al., 2019). Previously, while focusing on the risk element of perceived utility, researchers underlined the importance of security and privacy, which, coupled with social media marketing, can draw buyers to SME products significantly. Based on the TAM and the supporting research, it is hypothesized that;

*H1: There is a positive impact of a) PEOU and b) PU on SMEs' adoption of SMM practices.*

## 2.2 Social Media Marketing Option and Organizational Development and Growth

Researchers conceptualize social media as "a secure generation of web development and design that aspires to enhance communication, information sharing, interoperability, and cooperation on the Internet" (Paris et al., 2010). It is also estimated that clients spend approximately 330 minutes daily on social networking sites (Chatterjee et al., 2020). These platforms have further facilitated communication between enterprises and

customers or between customers around the globe, regardless of location or time constraints (Rana et al., 2019). Consequently, firms can use social media channels to promote their brands and demonstrate their commercial activity (Elbanna et al., 2019). Therefore, social media encourages small and medium-sized enterprises to utilize social media marketing as a digital strategy, particularly in developing nations. Previously, social media marketing was seen as a significant indicator of increased revenue and organizational productivity (Syaifullah et al., 2021). whereas the current study extends prior format findings in SME contacts, it is hypothesized that:

*H2: SMM positively impacts sustainable business development and growth among SMEs.*

### **2.3 Social Media Marketing Adoption as a Mediator**

This study contributes to the existing literature by proposing the mediating function of SMM adoption in the relationship between PEOU and PU of digital technologies and SMEs' sustainable business development and expansion. Researchers have previously reported the importance of PEOU and PU in adopting digital technologies based on the least complications and opportunity costs associated with implementing such technologies (Siagian et al., 2022; Wilson et al., 2021). whereas in this study, the PEOU in PU was viewed as a predictor of SMM adoption by SMEs. Scholars have emphasized the significance of social media marketing in terms of boosting firms' productivity and performance (Chatterjee et al., 2020; Shareef et al., 2019; Syaifullah et al., 2021). Therefore, based on the TAM, it is expected that when SMBs view social media marketing as valuable and simple to implement, they employ digital technologies to advertise their products. These promotional actions will attract even more clients to SMBs, contributing to their continued development and expansion. Consequently, it is postulated that;

*H3: SMM adoption mediates the association of a) PEOU and b) PU in SMEs' sustainable business development and growth.*

### **2.4 Moderating Role of Facilitating Conditions (FCO)**

FCO is "the extent to which an individual believes that the technical infrastructure and top-level managerial support are in place to adopt a new system" (Venkatesh et al., 2003). Researchers have already highlighted the significance of good conditions for adopting innovative technology (Chatterjee et al., 2020). In addition, when SME personnel acquire the appropriate training to adapt technologies and use social media marketing as strategic tools, the organization's growth and development are increased (Ng et al., 2020). This training supports and encourages workers to advance the adoption procedure (Venkatesh et al., 2012). Accordingly, the facilitating condition, as described by Venkatesh et al. (2003), is an important factor in the UTAUT2 model, which predicts that the facilitating conditions by SMEs can be viewed as a moderator that, while

interacting with PEOU and perceived usefulness, multiplies their impact and improves the social media marketing adoption process. Consequently, it is suggested that;

**H4:** *Facilitating conditions moderate the association of a) PEOU and b) PU with SMEs' adoption of SMM practices such that the relationship is stronger in the case of highly facilitating conditions.*

## 2.5 Moderating Role of Cost

"In evaluating the Cost, a trade-off between advantages and sacrifice is examined" (Harrigan et al., 2021). Additionally, researchers reported the causal link between cost and technology adoption (K. J. Kim et al., 2015). Moreover, in developing nations such as Indonesia, citizens are more mindful of the costs associated with their behaviors (Dwivedi et al., 2019). Concurrently, the cost is a crucial aspect of the organization's operation. Due to the costly nature of social media marketing activities, SMEs would not like to implement them to derive the greatest possible benefits (Zhang et al., 2019). In addition, the impression of using social media has been related to the lower cost of communicating with large numbers of clients from anywhere in the world (Kaplan et al., 2010; Shi et al., 2019). Therefore, it can be argued that the decreased costs associated with social media marketing will interact with the PEOU and PU to increase their impact on SMEs' adoption of social media marketing strategies. This can further improve business growth and development (Shi et al., 2019). Therefore, it is proposed that;

**H4:** *The cost of adopting technologies moderates the association of a) PEOU and b) PU with SMEs' adoption of SMM practices such that the relationship is stronger in the case of lower costs involved in the adoption process.*

## 3. RESEARCH METHODOLOGY

### 3.1 Sample and Data Collection

The current study collected data from Indonesia's South Kalimantan province SMSs using the quantitative research approach. The development of survey questionnaires was based on well-established measures from prior investigations. In addition, we shared the instrument with our colleagues so that they could evaluate the survey's content, language, and understandability, thereby confirming the content validity of the measures (White III et al., 2020). To obtain more generic statistics, a random sampling approach was employed to evaluate the numerous SMSs in the province of South Kalimantan, regardless of their industry or the sort of product they offered. In September 2021, the authors contacted SMSs to obtain their entrepreneurs' permission to participate in the survey. The entrepreneurs were informed of the purpose of the study. After obtaining their agreement, they were asked to complete a survey questionnaire with three sections: a cover letter, demographic information about the respondents, and study construct items. This entire procedure lasts five months. Researchers were able to collect 561

replies by February 2022. After thoroughly examining the surveys, 27 answers were deemed unacceptable due to missing values and disinterested patterns.

Consequently, the remaining 534 survey responses were included in the analysis section. In addition, the age of the entrepreneurs ranged from 1 to 57 years, with a mean of 32 and a standard deviation of 11. In addition, 78% were men, and 22% were women. 37% were undergraduates, 46% were graduate students, and 17% were postgraduates.

### 3.2 Measures

A survey questionnaire with 27 questions. A 5-item scale derived from [Chatterjee et al. \(2020\)](#) was used to measure PEOU. Examples include "Social media is a valuable marketing tool" and "Social media increases corporate efficiency." Five modified [Chatterjee et al. \(2020\)](#) items were used to evaluate PU. Examples include "Overall, social media marketing is simple to learn" and "Identifying new clients via social media is simple." Simultaneously, a 3-item scale derived from [Shareef et al. \(2019\)](#) was utilized to assess social media marketing. Examples include "Social media marketing is good for selling my products and services" and "Because my competitors are utilizing social media for marketing, I should as well.

"[Chatterjee et al. \(2020\)](#) utilized a four-item scale to evaluate business expansion and development. "Using social media platform has improved my business performance" and "My sales are above average compared to others using social media platform" The six-item measure of facilitating conditions was adapted from [Venkatesh et al. \(2012\)](#) and [Ng et al. \(2020\)](#). Examples are "We have the proper infrastructure for utilizing social media" and "Our company actively supports social media for business." Four elements were taken from [Kaplan et al. \(2010\)](#) and [Zhang et al. \(2019\)](#) to calculate the costs associated with the use of social media marketing mechanisms. Sample items are "Using SMM has lowered the cost of handling consumer inquiries" and "Using SMM has cut the cost of locating new clients." Each response was evaluated using a 5-point Likert scale.

## 4. DATA ANALYSIS AND RESULTS

### 4.1 Measurement Model

SmartPLS 4 software employing Structural Equation Modelling was utilized for analysis (SEM). To conduct the conformity factor analysis, the measurement model was used, and the reliability of the variables was determined using "Cronbach's (CA)" and "Composite Reliability (CR)" ([Henseler et al., 2015](#); [Mansoor, 2021](#)). [Table 1](#) demonstrates that the reliabilities of all reflective measures fell within the prescribed range, i.e.,  $CA > 0.70$  and  $CR > 0.70$ .

**Table 1: Factor Loadings, Reliability, and Validity**

Constructs/Indicators	Factor Loadings						AVE	CR	CA
	1	2	3	4	5	6			
<b>Perceived Ease of Use</b>							0.558	0.863	0.789
PEOU1	0.725								
PEOU2	0.714								
PEOU3	0.737								
PEOU4	0.816								
PEOU5	0.739								
<b>Perceived Usefulness</b>							0.578	0.872	0.801
PU 1		0.792							
PU 2		0.706							
PU 3		0.793							
PU 4		0.733							
PU 5		0.773							
<b>Social Media Marketing</b>							0.673	0.860	0.797
SMM1			0.856						
SMM2			0.842						
SMM3			0.759						
<b>Business Development and Growth</b>							0.525	0.816	0.742
BDAG1				0.726					
BDAG2				0.708					
BDAG3				0.729					
BDAG4				0.736					
<b>Facilitating Conditions</b>							0.591	0.897	0.833
FC1					0.840				
FC2					0.761				
FC3					0.750				
FC4					0.786				
FC5					0.739				
FC6					0.733				
<b>Cost</b>							0.600	0.857	0.782
COST1						0.791			
COST2						0.738			
COST3						0.777			
COST4						0.791			

"Note: CR, composite reliability; CA, Cronbach Alpha; AVE, average variance extracted."

Assessing the "convergent and discriminant validity" of the study's items. Establishing the "convergent validity" of the study constructs since the factor loadings of all the items of the study variables were within the range (>0.70) and the Average Variance Extracted (AVE) of all the latent variables was > 0.50.

Simultaneously, for establishing the discriminant validity, "the Heterotrait-Monotrait (HTMT) ratio" was used (Henseler et al., 2015; Mansoor et al., 2022). Table 2 shows that all HTMT values were > 0.9 for the whole model, as suggested by scholars (Henseler et al., 2015; Mansoor, 2021).

**Table 2: Heterotrait-Monotrait Ratio**

Constructs	Mean	STD.	1	2	3	4	5	6
Perceived Ease of Use	3.91	1.07	<b>0.746</b>					
Perceived Usefulness	4.05	0.99	0.501	<b>0.760</b>				
Social Media Marketing	4.14	0.95	0.456	0.459	<b>0.820</b>			
Business Development and Growth	4.01	1.01	0.402	0.499	0.444	<b>0.724</b>		
Facilitating Conditions	3.89	1.12	0.509	0.488	0.471	0.503	<b>0.768</b>	
Cost	3.97	1.04	0.521	0.460	0.501	0.487	0.511	<b>0.774</b>

“**Note:** The square roots of AVEs of the constructs are shown in bold in diagonal.”

*Where:* PEOU=PEOU; PU = Perceived Usefulness; SMM= Social Media Marketing; BDAG= Business Development and Growth; FC= Facilitating Conditions; COST= Cost

## 4.2 Structural Model

We applied the structural model in SmartPLS v.4 software to investigate the hypothesized links empirically. Also,  $\beta$ -coefficient,  $p$ -value, and  $t$ -value were calculated to confirm the proposed relationships. In addition, the Coefficient of Determination ( $R^2$ ) was assessed to establish the overall proposed models' fitness. The  $R^2$  change of 78.2% in the SMSs business development and growth was found due to the influence of all the exogenous, mediating, and moderating constructs. This further presents a good model fit for the current study.

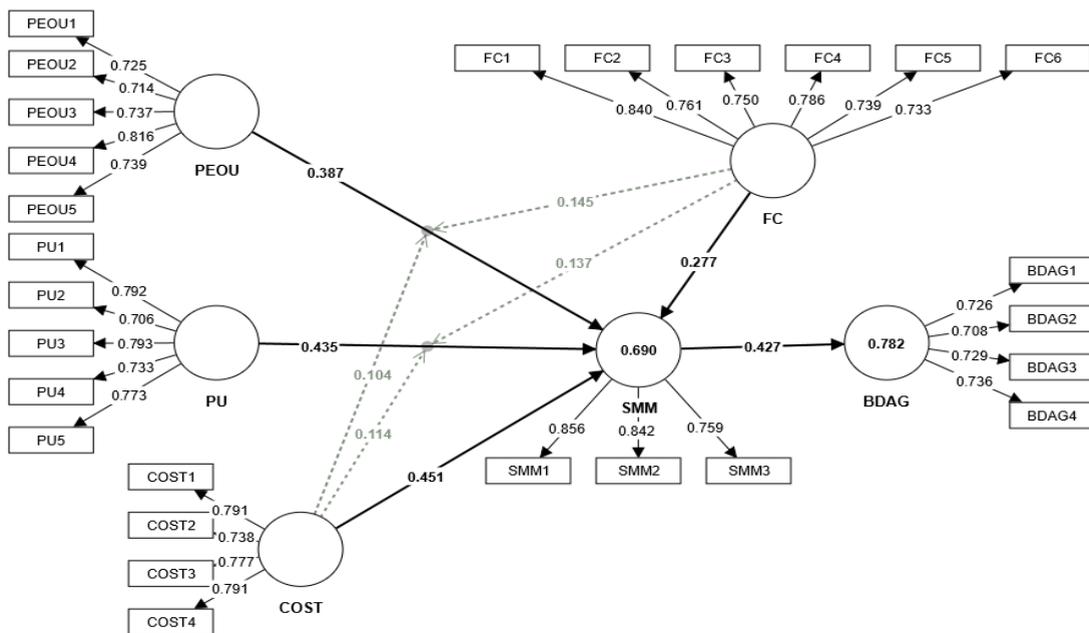


Figure 2: Full Measurement Model

### 4.3 Direct Hypotheses

Results revealed a positive and significant influence of *PEOU* ( $\beta = 0.387^{***}$ ,  $t = 6.991$ ) and *PU* ( $\beta = 0.435^{***}$ ,  $t = 7.560$ ) on *social media marketing adoption* by the SMSs. Simultaneously, a significant positive impact of *social media marketing adoption* ( $\beta = 0.427^{***}$ ,  $t = 7.211$ ) on *SME business development and growth* was found. These results further support the hypotheses *H1 a, b* and *H2*, as shown in figure 2 and Table 3. Additionally, the level of significance is evident in figure 5.

### 4.4 Mediations Hypotheses

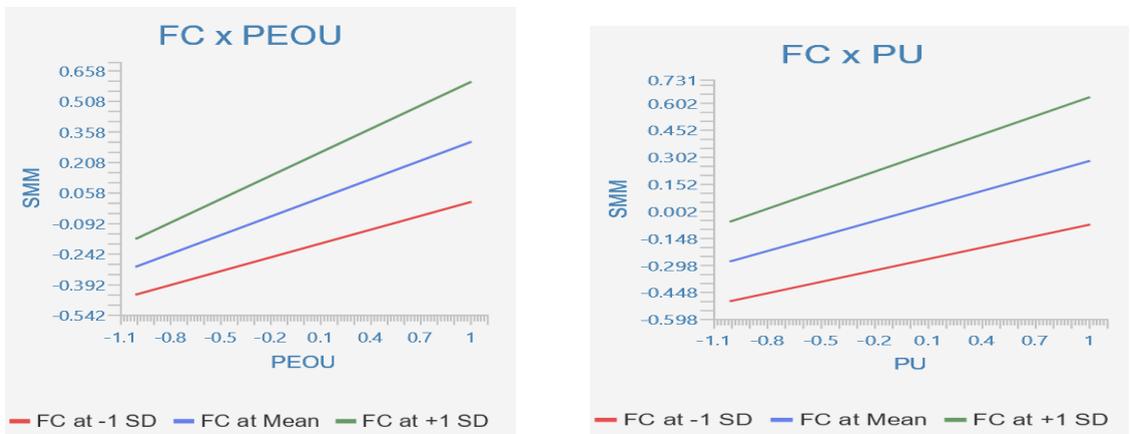
The mediation hypothesis *H3*, the study results also proved *a* and *b*. A significant indirect impact of *PEOU* ( $\beta = 0.209^{***}$ ,  $t = 4.772$ ) and *PU* ( $\beta = .256^{***}$ ,  $t = 5.006$ ) on *business development and growth* via an underlying mechanism of *social media marketing adoption* was supported by the results as shown in Table

### 4.5 Moderation Hypotheses

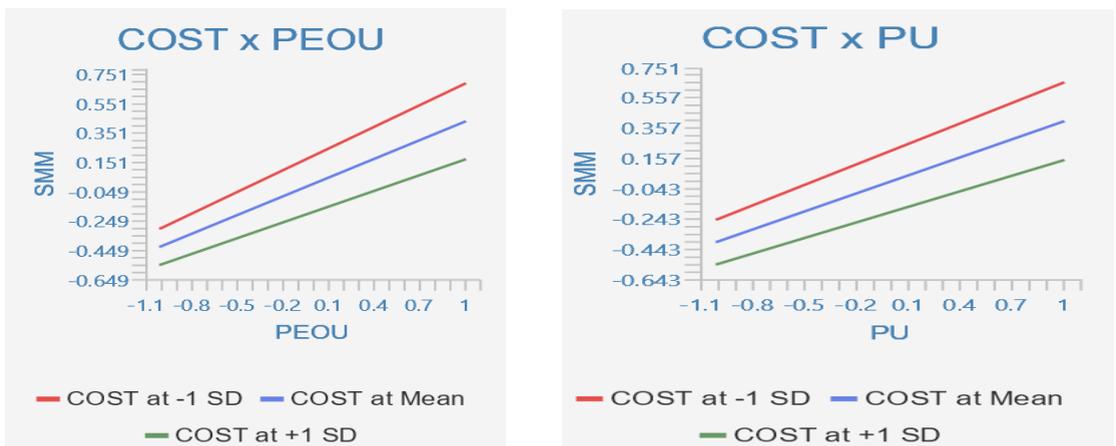
For calculating the moderating effect of the independent and moderating variables on *social media marketing adoption*, an interaction term between exogenous variable and moderators was developed using the product indicated approach PLS-SEM v.4 software. The results shown in Table 3, shows significant effect of interaction terms, *facilitating conditions\*PEOU* ( $\beta = 0.135^{**}$ ,  $t = 3.522$ ), *facilitating conditions\*PU* ( $\beta = 0.147^{**}$ ,  $t = 3.237$ ), *cost\*PEOU* ( $\beta = 0.104^{**}$ ,  $t = 2.627$ ), *cost\*PU* ( $\beta = 0.114^{**}$ ,  $t = 2.915$ ) one *social media marketing adoption* by SMEs. Simultaneously,  $R^2$  for the influence of

exogenous variables on social media marketing adoption by SMEs increased from 51% to 69% based on the contingent impacts of facilitating conditions and cost. Moreover, the moderating results are depicted via plotted graphs as presented in Figures 3 a, b, and 4 a, b.

Figures 3a and 3b demonstrate that the line label for the higher values of the enabling conditions has a steeper slope than the line label for the lower values of the facilitating conditions when interacting with PEOU and PU to enhance their impact on SMM adoption by the SMSs. These findings indicate that employees are more likely to adopt current technologies when given proper training and other workplace amenities. Consequently, entrepreneurs feel more confident implementing social media marketing tactics to promote their products and services, resulting in the expansion and development of their businesses. Therefore, the outcomes of this investigation corroborate hypotheses 4 a and b.



Figures 3: a and b: Interaction Plots of FC\*PEOU and FC\*PU



Figures 4: a and b: Interaction Plots of COST\*PEOU and COST\*U

Figures 4 a and b demonstrate that the line label for the lower cost values has a steeper slope than the line label for the higher cost values when interacting with PEOU and PU to enhance their impact on SMM adoption by SMSs. These results indicate that entrepreneurs are more ready to use digital technologies when they feel they are inexpensive and will incur no additional costs. In addition, the affordable nature of social media marketing, based on its extensive network and low cost, promotes and stimulates business owners to embrace SMM methods to advertise their products and services to the general public. Therefore, the outcomes of this investigation corroborate hypotheses 5 a and b.

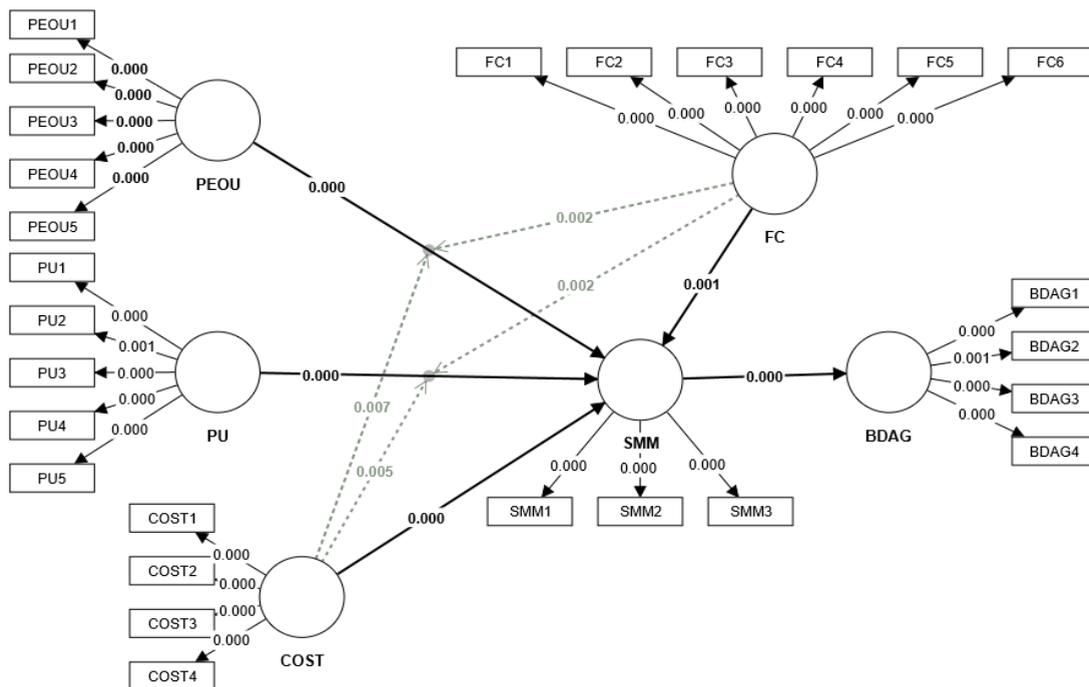
**Table 3: Hypothesis Testing Results**

	Hypotheses	Std. Beta	t-Value	p-values	Supported
H1a	PEOU→SMM	0.387	6.991	0.000	Yes
H1b	PU →SMM	0.435	7.560	0.000	Yes
H2a	SMM→BDAG	0.427	7.211	0.000	Yes
H3a	PEOU→SMM→BDAG	0.209	4.672	0.001	Yes
H3b	PU →SMM→BDAG	0.256	5.006	0.000	Yes
H4a	FC*PEOU→SMM	0.145	3.522	0.002	Yes
H4b	FC*PU →SMM	0.137	3.237	0.002	Yes
H5a	COST*PEOU→SMM	0.104	2.627	0.007	Yes
H5b	COST*PU →SMM	0.114	2.915	0.005	Yes

## 5. DISCUSSIONS

### 5.1 Key Findings

Considering the importance of contemporary technologies for organizational success, this study presents a consolidated model of technology acceptance in the form of SMM among small and medium-sized enterprises (SMEs) in Indonesia. To this end, the empirical impact of PEOU and PU on the adoption of SMM by SMEs was examined. Simultaneously, the contingent effect of facilitating conditions and cost between PEOU and PU and SMS sustainable development and expansion has been evaluated. Results demonstrated the strong impact of PEOU on the adoption of SMM by SMEs. Because the PEOU has self-efficacy and simple factors, the selection of these elements influences the adoption of SMM by SMEs (Mutahar et al., 2018). These findings also indicate that SMSs are more likely to utilize social media marketing activities as promotional tools when they have a higher degree of confidence in the simplicity of these activities.



**Figure 5:** Full Structural Model

Moreover, the PU highlights the key perceptions associated with the trustworthiness, hazards, efficiency, and performance of social media marketing activities (Park et al., 2019). In addition to being user-friendly, it demonstrates the significance of SMM activities that promote the products and services offered by SMEs to the general public. In addition, the results validated the impact of SMM technology on SME growth and sustainable development. This indicates that SMBs must utilize social media marketing to communicate their message and brand/product offerings to other enterprises and end users. The significance of social media marketing in boosting the productivity and performance of businesses in terms of increased sales and consumer loyalty is supported by these findings, which are consistent with findings from earlier research (Siagian et al., 2022; Syaifullah et al., 2021; Wilson et al., 2021).

In addition, the present study explored the underlying mechanism of SMM adoption between the association between PEOU and PU and SMEs' sustainable development and expansion. Despite the lack of data indicating the indirect relationship between PEOU and PU and SMS development and growth, several studies demonstrate the importance of technology adoption in enhancing organizational productivity and performance in a variety of scenarios (Miqdad et al., 2021; Syaifullah et al., 2021; Zaineldeen et al., 2020). Consequently, when these findings are applied to Indonesian SMEs, it can be concluded that SMM adoption serves as a conduit for communicating the relevance of simple technology use and its utility in achieving organizational growth and development.

In addition, considering Indonesian SMEs' sensitivity to cost-effectiveness, the current study revealed that the lower costs associated with the adoption of SMM practices bolster the significant role of PEOU and PU in technology adoption by increasing the use of social media marketing as a promotional tool by SMEs. These findings are consistent with earlier research highlighting the role of cost-effectiveness in firms' adoption of technology (Kaplan et al., 2010; K. J. Kim et al., 2015). In addition, researchers have reported the efficacy and fruitfulness of social media marketing in enhancing SMS firms.

In addition, the current study postulated that moderating conditions would convey the favorable influence of PEOU and PU on adopting these social media marketing platforms. Previously, there were contradicting findings about the direct impact of supporting conditions on the adoption of social media marketing by SMEs (Hung et al., 2015) supported this relationship. In contrast, Chatterjee et al. (2020) discovered that enabling customs had little effect on SMEs' adoption rate of social media marketing technology. At the same time, the results of the current study demonstrated that favorable conditions interact considerably with perceived usage of use and PU to inspire SMEs to use SMM technologies for the convenience of their consumers above and beyond their own. Previously, researchers have also established a direct correlation between SMEs' adoption of SMM activities and their cost-effectiveness (Dwivedi et al., 2019; K. J. Kim et al., 2015).

In contrast, the current study has examined its interacting effect with the PU and PEOU, providing marketers with more important information. In the current digital transformation era, these findings imply that the function of social media marketing in SMBs has grown crucial (Kar et al., 2019). In addition, the empirical support for the study's hypothesized relationships is a significant addition to the current body of knowledge, which practitioners and policymakers may use to achieve the greatest business outcomes/outcomes.

## 5.2 Theoretical Contribution

To extract the net benefits of SMM, the current study theorized the direct influence of two parameters, namely PEOU and perceived usefulness, and the contingent effect of two elements, namely enabled conditions and cost, on SMM adoption/use by SMEs in a developing nation, namely Indonesia. In the context of this study, the net benefit is viewed as the sustainable development and growth of SMEs. Simultaneously, while conceptualizing and creating the PEOU scale, two factors, including technology-related simplicity and self-efficacy, were prioritized (Mutahar et al., 2018; Siagian et al., 2022). Consequently, several explicit aspects are examined indirectly to determine their effect on the adoption of SMM by SMEs, taking into account the importance of these features to the user's perception of its usability. Simultaneously, while conceptualizing and assessing perceived usefulness, four distinct aspects, including risks, trust, efficacy, and

performance, were taken into account, thereby adding substantial value to the existing body of literature (Davis, 1989; Wilson et al., 2021). In addition, the underlying mechanism of social media marketing adoption between PEOU and PU in SME growth and sustainable development has been analyzed novelly. It paves the way for researchers to go deeper into the topic and uncover other processes that convey the significance of technology to organizations' productivity and growth. In addition, the contingent impact of enabling conditions and cost while interacting with PEOU and PU contributes to the current body of literature by demonstrating SMEs' increased adoption of SMM. The predictive value of all independent, mediating, and moderating variables for the dependent variable (SME sustainable development growth) was approximately 78%. This further demonstrates the validity of the proposed model and hypothesis associations. This indicates that considering moderating variables of the UTAUT model significantly enhances the theoretical framework of the investigation.

## 6. PRACTICAL CONTRIBUTION

The current study is of enormous significance for marketers, organizational managers, practitioners, and policymakers to change their strategic plans and marketing activities to maximize the benefits of digital technologies. The primary focus of this study is on the factors that motivate small and medium-sized enterprises (SMEs) to adopt digital technologies in the form of social media marketing (SMM) to develop and expand. Although PEOU and PU technologies are essential for predicting SME adoption of social media marketing mechanisms, the results demonstrated that PEOU and PU alone are insufficient. However, situational factors augment these two elements' impact on SMEs' adoption of social media marketing methods. For instance, when SMEs and their staff have an optimal operating environment, they are more likely to utilize social media marketing techniques to engage with the public. This favorable environment also represents the infrastructure and working circumstances that significantly impact the likelihood of SMEs using SMM strategies to enhance their business activities and achieve sustainable growth. These amenities may also include employee training to help them overcome their worries about adopting new technologies due to their views of the difficulties associated with the latest technology. In addition, senior managers should truly and successfully encourage their personnel to utilize digital marketing technologies. Considering the cost-effectiveness, firms must also prioritize providing convenient Internet services at affordable rates so that staff may engage with the masses to promote SME offerings. The cost-effectiveness in numerous settings might automatically entice small and medium-sized enterprises (SMEs) to utilize SMM technology in their normal activities to maximize their development and growth. This will, in turn, contribute to the entire nation's economic growth.

## 7. LIMITATION AND FUTURE RESEARCH DIRECTIONS

With the aid of TAM, UTAUT2, and literature analysis, the current study has built a consolidated model that has been statistically validated using PLS-SEM in SmartPLS 4 software. Nonetheless, the recent study had several drawbacks. First, our work has only evaluated the contingent role of two crucial UTAUT2 elements: the cost and the facilitation conditions. In the future, however, researchers may also explore the contingent impact of other elements, such as effort expectancy, hedonic motives, and performance expectancy, in increasing SME adoption of social media marketing. Second, the current study was conducted with SME representatives from various cities in South Kalimantan, Indonesia.

On the other hand, Indonesia is a large nation with 34 provinces. Therefore, in the future, at least five or six provinces' small and medium-sized enterprises (SMEs) should be considered for data collection to make it more generalizable and helpful to emerging economies. In addition, comparative research of the growth and development of small and medium-sized enterprises (SMEs) in different provinces should be conducted to determine (if any) predictive differences based on each province's working circumstances and business climate. A final consideration should be given to the impact of religious beliefs and cultural variations on the adoption of new technologies and social media marketing to boost commercial activities in SMEs, given the high level of religious participation in the Indonesian economy.

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