

Chapter 18

Social Media Strategies for Small and Medium Scale Enterprise in the Klang Valley Region of Malaysia

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ABSTRACT

Despite the current widespread adoption and use of social media as a marketing tool, very little empirical research focusing on local small and medium-sized enterprises (SMEs) is available. This study examines the usage of social media by small and medium-sized enterprises (SMEs) in Malaysia. The study assesses the impacts of age, educational attainment, and industry characteristics to the utilization, perceived benefits and barriers of SMEs. Results of the study indicate that social media is used by most SMEs for customer acquisition and its benefits are developing new business opportunities, reduced cost of advertising, 24 hours accessibility and decreased travelling time. The results however indicate that there is a lack of allocation of resources mainly in staffing and training when adopting the social media. Results also indicate that manager's age and educational attainment had significant impacts on social media strategies. The results did not reveal any evidence of different industry sectors relevance towards social media strategies. Implications for research are discussed.

DOI: 10.4018/978-1-5225-2165-5.ch018

INTRODUCTION

Background of the Study

In this modern era, most people spend some time of their day accessing one or even several social media networks. It is possible to say that an individual would find his day incomplete if his daily routine did not involve logging into Facebook, Instagram, Twitter and many others that are freely available. With the dawn of mobile technology, many online sites have become mobile friendly, thus further deepening our involvement in social media. Social media is an essential and necessary tool in this generation, as it has become the recent trend and preferred Internet application.

Social media does not only play a significant part for large organizations, but is also becoming increasingly important for small and medium-sized enterprises (SMEs). Researches in Germany noted that 47% of all companies use social media (Meske & Stieglitz, 2013). SMEs stand to gain a great deal by utilizing easy-to-use and easy-to-implement social media applications (Zeiller & Schauer, 2011). Furthermore, it has become less difficult and less expensive to adopt social media applications due to its wide availability and advancement in technology. As social media has become widely used by more and more SMEs, it could assist to “level the playing ground” with large competitors. (Kim, Lee, & Lee, 2011). Nevertheless, many small businesses still struggle to use social media as most of them still lack the knowledge on how to use them appropriately.

Problem Statement

As SMEs are a vital element of all economies representing 99.2% of total business establishments in the Malaysia, they are of high social and economic importance (Malaysian Business Advisory 2015). Nonetheless, SMEs are often left behind when compared to large firms in the adoption of modern technologies.

In this regard, this paper intends to discover the adoption and goals behind SMEs for using social media applications as well as to what extent are social media practices being used by SMEs specifically for marketing activities. In particular, it is important to identify social media’s perceived benefits and factors behind the unwillingness of SMEs to adopt social media as marketing tool.

Research Objectives

Social Media is a relatively a new media. Studies into the commercial use of social media thus far have almost entirely been about large organizations. Although there has been increased press coverage of the use of social media by SMEs, these have primarily focused on a specific SME segment. It is therefore warranted for new research in comparing the use of social media by SMEs in different industries within Malaysia to provide a good foundation for further research in the future.

The research main objectives for this research are:

1. To investigate the adoption, goals, and social media practices, particularly the usage of social media platforms as a marketing tool in SMEs.
2. To investigate perceived added values and barriers of adoption of social media and its effectiveness as a marketing tool.

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