

Examining Performance Expectancy and Social Media Utilization Among Micro, Small and Medium Enterprises (MSMEs) Within the Malaysian Context.

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ABSTRACT

Performance expectancy is one of the factors that may influence social media usage as a marketing tool in Malaysia. The main objective of this study is to explore the relationship between performance expectancy and social media usage, especially among the micro, small and medium enterprises (MSMEs). The previous researchers have indicated that performance expectancy was known as the independent variables. On the other hand, the social media usage will act as the dependent variable. A sample of 352 questionnaires from micro, small and medium enterprises in Malaysia were examined using the Statistical Package of Social Science (SPSS). Descriptive statistics, correlation, and multiple regression were used to analyze the relationship among the variables. Multiple regression analysis was used to test the hypothesis. The finding disclosed that performance expectancy has a positively significant relationship with social media usage as a marketing tool. The limitations of the study are biased feedback while collecting data online and identifying micro, small and medium enterprises (MSMEs) as a respondent who use social media as a marketing tool. This paper will be an advantage to the academicians, administrations and other researchers especially those who are interested in the field of business administration and in micro, small and medium enterprises (MSMEs) in Malaysia especially.

Keywords: Micro, small and medium enterprises (MSMEs), performance expectancy and social media usage.

1. INTRODUCTION

In today's digital age, social media platforms have become an integral part of business daily lives, and their impact on various aspects of business lives, including performance expectancy, has been a topic of growing interest. This research paper aims to investigate the relationship between performance expectancy and social media usage, exploring how users' perceptions of technology's ability to enhance their performance can influence their engagement with social media.

Previous scholars have suggested performance expectancy as one of the factors which might influence social media usage (Serben, 2014; Shy Hong, Kah Sin, Wai Lun, and Guan Zhou 2015; Teresa & Ceyrat 2017; Thomas, Singh, & Aulia 2017; and Bakar, N. A. A., & Zaini, A. F. A. 2022). The concept of performance expectancy, as defined within the Unified Theory of Acceptance and Use of Technology framework, refers to the degree to which an individual believes that utilizing a particular system will help them achieve gains in their job performance (Venkatesh et al., 2003 and Momani, A. 2020).

Given the ubiquity of social media and its potential impact on business productivity, it is important to understand how performance expectancy shapes users' social media consumption and engagement. Without social media, micro, small and medium enterprises (MSMEs) could not align their strategic objectives with the business process, and therefore failing to achieve target performance (Hazen, Kung, Cegielski, & Jones Farmer, 2014).

1.1 Problem Statement

The study aims to explore the linkage between performance expectancy and social media usage, particularly within the context of businesses. Specifically, this research paper seeks to address the following question: Does there any influence of performance expectancy towards social media usage as marketing tool?

A recent study finds that a significant 87% of micro, small, and medium enterprises utilize social media for marketing, with Facebook and Instagram being the most used platforms (Stelznew, 2018). However, a World Bank report from 2018 indicates that most of these enterprises have not fully embraced social media marketing due to factors such as limited knowledge or experience, time constraints in managing social media, financial constraints, lack of information about relevant and up-to-date social media applications, and fear of negative feedback (Almaiah, Al-Khasawneh, & Althunibat, 2020; Bank, 2022).

There are diverse perspectives on which businesses are eligible to utilize social media as a marketing tool. Although social media platforms offer equal opportunities for micro, small, and medium enterprises, regardless of size, a perception persists that only large companies leverage social media for marketing purposes (Nadaraja & Yazdanifard, 2013; Prenaj, B. 2016). This perception exists among small, and medium enterprises (SMEs), who believe that only prominent companies utilize social media as a marketing strategy (Andrea, M. & Mike, P., 2023). Examining this issue can provide valuable insights into how businesses can leverage social media to improve their overall performance and productivity.

Andrea Meier, Mike Peters,
Limited engagement of SMEs with social media: A structuration and sensemaking perspective,
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2. LITERATURE REVIEW

There is growing evidence in the literature that suggests a strong correlation between performance expectancy and social media usage. Existing research suggests that communication with customers through social media, as well as the use of video advertising on social media, are positively associated with the performance of small and simple enterprise (Batumalai & Sahid,

2022). Moreover, literature indicates that when people strongly believe that technology can help them do their jobs, their intentions to use it grow (Gadiman et al., 2023).

For instance, a recent study reported that more than 50 million firms utilize Facebook business pages, including 2 million for direct advertising purposes (Pellegrino & Abé, 2023). Furthermore, the study highlights the benefits of social media usage, such as increased brand awareness, enhanced customer engagement, and improved marketing effectiveness. (Chivandi et al., 2019).

Another study aimed to test the relationship between communication with customers in social media and the performance of small and simple companies. The findings suggest that communication using social media can be an effective strategy to improve the performance of small enterprises, as it reduces costs, increases efficiency, and leads to positive results in terms of marketing effectiveness.

Additionally, the literature suggests that the successful use of social media for business purposes is contingent on the alignment of social media strategies with other critical business functions like product strategies, pricing strategies, and distribution strategies. Overall, the existing literature highlights the significant role that performance expectancy plays in shaping social media usage, particularly in the context of micro, small and medium enterprises (MSMEs).

3. RESEARCH METHODOLOGY

This study was a quantitative in nature and has utilised a questionnaire. The sampling method used is proportional random sampling with 352 respondents collected. The data was analysed using SPSS.

The performance expectancy measurement used in this study is based on the work of Venkatesh et al. (2003) They defined performance expectancy as the degree to which an individual believes that using an information system can enhance their job performance. This suggests that micro, small, and medium enterprises (MSMEs) would be more likely to utilize social media as a marketing tool if they perceive it can benefit their business outcomes. In other words, if these enterprises recognize that social media for digital marketing can improve their business performance, they may be more inclined to incorporate it into their marketing activities.

Table 3.1: Instrument for performance expectancy

	Instruments	Sources
1.	I find social media useful in my business activity.	Adapted (Venkatesh et al.,2003)
2.	Social media use may increase my chances of achieving my target sales.	Developed
3.	Social media use helps me accomplish things more quickly.	Adapted (Venkatesh et al.,2003)
4.	Social media use helps increase productivity.	Adapted (Venkatesh et al.,2003)
5.	Social media use increases my chances of gaining more benefit for my business.	Adapted (Venkatesh et al.,2003)

Table 3.1 refers to the measurement of performance expectancy variable. These questions have been adapted according to (Venkatesh et al., 2003). This performance expectancy measurement has five items. The items are graded on a seven-point Likert scale, from strongly disagree to strongly agree.

4. FINDINGS

The results of the study showed a strong positive correlation between performance expectancy and social media usage for marketing purposes.

4.1 Factor analysis for performance expectancy

For performance expectancy, the finding of factor analysis shows component three was comprised of items related to performance expectancy. This component included statements like "Social media use helps me accomplish things more quickly", "Social media use helps increase my productivity", "Social media use increases my chances of gaining more benefit for my business", "Social media use may increase my chances of achieving my target sales", and "I find social media useful in my business activity". The factor analysis showed these items had values of .808, .744, .694, .689, and .589 respectively. The Eigenvalue for this component was 4.289, with a percentage variance of 8.409. This component three represented the factor of performance expectancy.

The results indicate that the higher the performance expectancy, the more likely businesses are to leverage social media as a marketing tool. Specifically, if businesses perceive that using social media can improve their productivity, help them achieve their target sales, and increase the overall benefits for their operations, they are more inclined to adopt social media as part of their marketing strategy. The findings of this study offer valuable insights for micro, small, and medium enterprises seeking to enhance their marketing efforts through social media platforms.

4.2 Regression analysis results of performance expectancy and social media usage

The analysis results revealed in performance expectancy towards social media usage as a marketing tool, standardized regression coefficients ($\beta=.408$), standard errors (.312), t value (8.336), and p-value (.004) which is statistically significant.

H1 Performance expectancy has a positive effect on social media usage.

The hypothesis is confirmed.

5. DISCUSION

The findings of this study align with the broader literature on technology adoption, which suggests that performance expectancy is a critical factor influencing the use of information systems (Schultz et al., 2012; Onețiu, 2020; Batumalai & Sahid, 2022; and Jovevski & Tijan, 2014).

The first objective of this study was to examine the relationship between performance expectancy and social media usage as a marketing tool. Performance expectancy is represented by a single, key dimension after factor analysis was conducted. Previous researchers, such as Venkatesh, Michael, Gordon, and Fred, (2003) have also identified performance expectancy as a one-dimensional variable. The findings of this study indicate that performance expectancy is a significant predictor of social media usage among micro, small, and medium enterprises.

The performance expectancy variable refers to the degree to which an individual believes that using a particular system can enhance their job performance. In this study, performance expectancy relates to the expectation that using social media as a marketing tool can help micro, small, and medium enterprises reach their target sales, conduct marketing activities, accomplish objectives, increase productivity, and gain more benefits.

Micro, small, and medium enterprises find social media useful for their business activities. Additionally, they utilize social media to enhance their chances of meeting their sales targets. Another reason why micro, small, and medium enterprises use social media is that it helps them accomplish business tasks more efficiently. Additionally, micro, small, and medium enterprises believed that using social media would help increase their productivity. Furthermore, they perceived that social media usage would enhance their chances of gaining more business benefits.

The study's findings indicate that performance expectancy has a positive and significant relationship with social media usage as a marketing strategy. This aligns with the research by Alcira Calderón, López, and Peña (2017), which identified performance expectancy as the strongest predictor when adopting new technology. The relationship between performance expectancy and social media usage demonstrates that the performance expectancy factor is crucial in influencing micro, small, and medium enterprises to utilize social media for marketing purpose.

For micro, small, and medium enterprises in the food and beverage sector, performance expectancy is a crucial factor in deciding to adopt new technology. These enterprises not only sell products but also offer various services, such as gastronomy, ambiance, comfort, and safety, catering to customer expectations (Perumal, Devi Krisnan, & Abdul Halim, 2017). Given the highly competitive nature of the food and beverage industry due to similar offerings, these enterprises carefully evaluate whether new technologies can bring significant benefits to their performance and productivity.

The use of social media can effectively communicate this feature, making micro, small, and medium enterprises in the food and beverage sector more profitable. As a result, these enterprises anticipated that their sales targets could be easily achieved through social media usage. This aligns with the findings of Hazen, Kung, Cegielski, and Jones-Farmer (2014), who discovered that without social media, micro, small, and medium enterprises were unable to align their strategic objectives with their business processes, ultimately failing to meet their performance goals. Another reason why micro, small, and medium enterprises utilized social media was that it helped them accomplish tasks more quickly. This is consistent with the findings of Kumar and Ayedee (2021), who revealed that the use of social media as a marketing tool during the pandemic has assisted micro, small, and medium enterprises in Indonesia in increasing their sales demand.

The study found that micro, small, and medium enterprises in the food and beverage sector perceived that using social media would boost their productivity. Prior research supports this, showing that social media usage can enhance the productivity of these enterprises through better information exchange, knowledge sharing, and decision-making. Additionally, the study revealed that micro, small, and medium enterprises in the food and beverage sector believed that using social media would provide more business benefits, such as increased customer engagement, improved brand awareness, and higher sales revenue.

6. Conclusion

The results of this study have several important implications. First, the findings suggest that improving the performance expectancy of micro, small, and medium enterprises is crucial for increasing their adoption and usage of social media as a marketing tool. Enterprises should focus on educating and training their employees on how social media can enhance their business performance, productivity, and overall competitiveness.

Second, policymakers and industry associations should provide support and resources to help micro, small, and medium enterprises understand the potential benefits of social media usage. This could include workshops, training programs, and case studies demonstrating successful social media marketing strategies.

Third, social media platform providers should work closely with micro, small, and medium enterprises to design and develop features that better cater to their specific needs and performance expectations. By addressing the performance expectancy factor, micro, small, and medium enterprises in the food and beverage sector can be encouraged to more readily adopt and utilize social media as an effective marketing strategy.

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