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The Impact of Social Media Marketing Strategies on the Growth of Small and Medium Enterprises (SMEs)

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ABSTRACT

This study is focused on using social media marketing for the development of small and medium enterprises. Through such a strategy, customer engagement, communication, relationships, and business visibility are some of the ways to accelerate business growth. The study looks at how SMEs use social media platforms in their marketing strategies and how these strategies lead to different stages of organizational growth and business development. The research is qualitative and used semi-structured interviews with four different SMEs: Nordic Pizza, Hietalahden Pizzeria, Herr Klipper Man, and Apsara by Antara. The data were processed by means of thematic analysis to identify the patterns that are related to social media marketing tactics, customer engagement, customer relationship-building, different stages of the business life cycle, SME growth results, and the challenges that go along with them.

The research results show that social media marketing is a fundamental strategic instrument for SMEs; mainly, it serves them for getting their names out there, communicating, and interacting with customers. On the other hand, the degree of strategic maturity differs from one case to another. Apsara by Antara is the best example of advanced and long-term utilization of social media; on the other hand, Herr Klipper Man is at the digital adoption emerging stage. Nordic Pizza and Hietalahden Pizzeria are in the middle stage, as they use social media for both advertising and customer communication. The research shows that social media is a driver of SME growth through an incremental process from visibility to engagement, engagement to customer relationships, and relationships to long-term business development. The data also reveal important problems such as content consistency, algorithm unpredictability, competition pressure, and challenges in evaluating return on investment.

In fact, the study states that social media marketing is a strategic business resource that changes as the organization becomes mature, apart from being a mere promotional tool. It significantly contributes to SME competitiveness in the digital economy through the facilitation of communication, engagement, and the development of sustainable business.

KEYWORDS: Social Media Marketing, Small and Medium Enterprises (SMEs), Entrepreneur Marketing, Digital Marketing, Business Growth, Customer Relationship Management, Organizational Development.

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Pictures

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1. INTRODUCTION

The marketing strategy has changed drastically from the old style of just telling people what to buy. Now, marketers are encouraging customers to participate and focusing on digital ways to interact with them (Kotler et al., 2017). The extensive application of internet technologies and social networking sites has extremely influenced the methods of business communications with customers, presentation of goods and services, and the creation of customer loyalty over time (Kaplan & Haenlein, 2010). Social networking sites offer businesses a great opportunity to reach out to customers instantly. For this reason, they are an excellent source of communication, engagement, and value creation (Tuten & Solomon, 2023).

Social media marketing has become a vital tool for Small and Medium Enterprises (SMEs), who can benefit from it in terms of increasing their visibility, reaching larger audiences, and competing more efficiently in the ever-changing markets, all with low-cost investments (OECD, 2021). With the expansion of digital platforms, SMEs are turning to social media marketing more and more as one of their entrepreneurial marketing tools (Hills & Hultman, 2011).

On the one hand, social media marketing has become significantly important, but on the other hand, not much empirical research is available on how SMEs strategically integrate social media marketing into their entrepreneurial marketing sessions and how these activities lead to business growth. Thus, this article explores social media marketing tactics of SMEs, especially the influence of these techniques on entrepreneurial marketing practices, consumer involvement, and organizational growth.

1.1 Background of the Study

Digital technology has developed at such a fast rate that it has dramatically changed the ways businesses communicate, market their products, and interact with customers. In the last few years, social media platforms such as Facebook, Instagram, TikTok, LinkedIn, and YouTube have emerged as leading channels for business communication and marketing. These sites allow companies to have conversations with their customers face-to-face, make more people aware of their brand, sell their products, and maintain a long-term relationship with their customers at a cheap cost (Kaplan & Haenlein, 2010). Social media marketing differs from traditional marketing tactics by allowing continuous two-way connection between companies and consumers, therefore allowing instant interaction, feedback, and close relationships (Mangold & Faulds, 2009).

For Small and Medium Enterprises (SMEs), social media marketing is a key element nowadays, since SMEs generally run their businesses with very limited financial resources, tight marketing budgets, and fewer personnel than large corporations. Social media channels give SMEs a very cost-effective and versatile means to attract bigger customer bases, engage with clients directly, and enhance their brand presence in the market, without being too dependent on conventional advertising methods (Tuten & Solomon, 2017). Therefore, a plethora of SMEs are turning to digital channels for marketing and business development purposes.

Changing consumer behaviour has also brought about the rise of social media marketing. Increasingly, consumers, after looking for product information, are also engaging with brands through digital platforms. Besides, they read customer reviews and at times make their buying decision based on what they have been recommended

on social media (Mangold & Faulds, 2009). Given this evolution, companies are looking for ways to interact more with their customers and make them the central part of their marketing strategies if they are to keep up with the rapid changes in the business environment.

According to earlier research, social media marketing is capable of having a beneficial effect on business performance as it puts the spotlight on customer engagement, deepens customer relationships, makes the brand more visible, and helps the organization to grow (Dwivedi et al., 2021). Besides, these platforms are used by businesses to foster interactive communication situations where customers discuss the brand and create brand-related content. This level of interaction may be a factor in customers' loyalty, trust development, and relationship building over time.

Besides the considerable role of social media marketing in this, the notion of entrepreneurial marketing has also been a major theme in academic circles within SME research. Entrepreneurial marketing highlights the importance of aspects such as innovativeness, opportunity spotting, adaptability, customer focus, and the finite allocation of one's own resources in marketing-related activities very effectively (Morris, Schindehutte & LaForge, 2002). Entrepreneurial marketing is a very useful perspective in explaining how small firms are able to adapt their marketing practices in response to the market environments because SMEs are often in uncertain and resource-constrained positions.

1.2 Research Gap

Apart from the other major trends, existing literature has recognized that social media marketing and entrepreneurial marketing are the two most significant tools to facilitate better business performance and competitiveness. Several papers have discussed how social media marketing is the main driver for increased customer engagement, making

new and current customers aware of a brand, effective communication, and customers. departure times (Kaplan & Haenlein, 2010; Dwivedi et al., 2021). Similarly, the entrepreneurial marketing discussion points out the crucial role of the elements of innovation, opportunity identification, change, and using one's resources in small- and medium-sized businesses (Morris et al., 2002).

Despite these contributions, there are still several notable gaps in the current knowledge base. One of the main gaps is that a large part of the previous research considered social media marketing and entrepreneurial marketing as two different research fields. Social media marketing researchers focus primarily on topics such as digital engagement, platform adoption, advertising effectiveness, and customer interaction . In contrast, entrepreneurial marketing researchers focus on innovation, opportunity seeking, and informal marketing activities of small and medium-sized enterprises (SMEs). A few studies have combined these two viewpoints into a single analytical framework (Kalpan & Haenlein, 2010; Morris et al., 2002; Hills & Hultman, 2011).

Second, current studies often consider social media marketing as a general topic and hardly focus on the efficacy of separate social media marketing tools like content marketing, customer engagement, influencer marketing, or paid advertising. Thus, there is a depth of empirical insight into the most successful social media marketing methods that drive SME growth and the context in which these strategies are effective (Felix et al., 2017; Tuten & Solomon, 2017; Dwivedi et al., 2021).

Thirdly, as literature suggests, entrepreneurial marketing remains a conceptually fragmented notion and lacks powerful theoretical integration, particularly in the digital business environment (Breit & Volkmann, 2023). Even though SMEs are at the forefront of using digital marketing platforms, only a few pieces of empirical research explain how entrepreneurial marketing behaviors are put into practice through social media portals.

Besides that, due to their nature, SMEs encounter several issues such as limited resources, unavailability of digital experts, lack of well-planned strategies, and challenges in quantifying the effectiveness of marketing activities (Parveen, Jaafar & Ainin, 2016). Most of the existing literature lacks the focus on how SMEs manage to carry out social media marketing activities despite their limitations and the role of these activities in achieving business growth in conjunction with different organizational and environmental factors.

Hence, there is still a gap for empirical studies that combine social media marketing and entrepreneurial marketing concepts while exploring the usage by SMEs of social media strategies to foster business development and growth.

1.3 Problem Statement

Even though social media marketing is one of the business trends that is now attracting small and medium enterprises a lot, there are still many companies that are running their business digitally but not achieving consistent and measurable business growth. This has meant that at the moment, businesses are using Facebook, Instagram, TikTok, and LinkedIn, and still many companies have this problem of converting online engagement into real and measurable business results, i.e., increased sales, customer retention, market expansion, and long-term competitive advantage.

Many SMEs engage in social media marketing without sufficient strategic planning, clear objectives, and a proper mechanism to monitor effectiveness (Tuten & Solomon, 2023). Therefore, social media efforts are still informal and unorganized, making it exceedingly difficult for SMEs to identify strategies that bring genuine economic value (OECD, 2021).

Furthermore, although the role of social media marketing and entrepreneurial marketing has been acknowledged in previous research, there is a lack of empirical research that explains how SMEs can strategically use social media marketing as a tool

for entrepreneurial marketing to foster customer engagement, innovation, and business growth (Hills & Hultman, 2011; Eggers et al., 2020).

This study intends to investigate the little-known use of social media marketing techniques by SMEs in their entrepreneurial marketing practices and how these methods also promote organizational development and progress.

1.4 Research Question and Objectives

The main question of this research is the following:

How does social media marketing influence entrepreneurial marketing in Small and Medium Enterprises (SMEs), and in what ways does it promote business growth?

To answer the research question, this paper targets the following objectives:

- To identify the main social media marketing strategies used by SMEs.
- To investigate the different ways through which SMEs employ social media marketing as part of their entrepreneurial marketing.
- To explore how social media marketing can generate customer engagement, enhance business visibility, and contribute to organizational growth.
- To identify the top issues that SMEs face as they adopt social media marketing strategies.
- To find out the means by which SMEs assess the effectiveness and results of their social media marketing activities.

1.5 Contribution of the Study

The current study, in theory, provides additional support to the working papers on social media marketing, entrepreneurial marketing, and SME growth.

In terms of theory, this paper deals with one of the most debated topics, i.e., entrepreneurial marketing and digital marketing integration. Usually, the literature focuses on rotational perspectives like entrepreneurial marketing and social media marketing, but this work integrates both viewpoints in one framework of analysis. Therefore, this investigation is fulfilling one of the gaps in the literature on entrepreneurial marketing, which is the issue of conceptual fragmentation (Breit & Volkmann, 2023).

1.6 Structure of Thesis

This Thesis is divided into Six Chapters.

First, discuss the research topic in Chapter 1. Also, insert a brief history of the research problem and its definition. Besides that, ask research questions and set research objectives. Furthermore, we add the contribution aspect of the research and present the structure of the whole dissertation.

Chapter 2 lists existing research works on social media marketing, entrepreneurial marketing, small and medium-sized enterprises (SMEs), customer engagement, business life cycle, SME growth indicators, and digital marketing strategies. This part includes a summary of earlier research results and a discussion of the theoretical perspectives relevant to the research.

Chapter 3 presents the theoretical framework of the study. The chapter integrates entrepreneurial marketing theory, social media marketing perspectives, and customer engagement theory into a unified conceptual framework explaining how social media marketing contributes to SME growth.

Chapter 4 discusses the methodology that was used for this research. This section covers the conceptions of research, research plan, case study strategy, research tools, sampling technique, thematic analysis, and ethical issues.

Chapter 5 is a report of the real data from the interviews of SME owners and managers with a semi-structured format. Major themes indicate the order in which the findings are presented and analyzed through thematic analysis.

In the end, Chapter 6 examines the major findings of this study in the light of the literature and the theoretical framework. Besides that, it outlines the theoretical contribution, the management implications, the research's limitations, and the directions for future research.

2. LITERATURE REVIEW

This chapter presents a review of academic literature on social media marketing, entrepreneurial marketing, SMEs and business growth. This chapter aims to lay down the theoretical basis of the study through investigating main ideas, appropriate theories and research gaps regarding the problem under research. Besides, it discusses theoretical views on how social media marketing influences the growth of SMEs.

2.1 Social Media Marketing

SMM is the use of various social media networks, such as Facebook, Instagram, TikTok, LinkedIn, or YouTube, for marketing, promotion, and sales of one's products, making the brand known to the greater population, and also creating a channel for dialogue with existing or potential clients. It indicates a shift from traditional one-way communication to modern, interactive, and network-based communication, in which consumers are constantly engaged in the creation, sharing, and assessment of content (Kaplan & Haenlein, 2010).

Mangold and Faulds (2009) recommend considering social media as a "hybrid element" of the promotion mix because, besides the components of traditional marketing communication, it also incorporates user-generated content and peer-to-peer influence. Hence, the role of firms is no longer as the sole holders of the message but rather as the ones that enable digital conversations.

On the other hand, academics affirm that this lack of control also brings through their spending both opportunities and risks. Firms can reach a wider audience and get higher engagement. With brand reputation being so dependent on customer-generated content, it is almost impossible to have full control over it (Kietzmann et al., 2011).

Felix, Rauschnabel, and Hinsch (2017) have come up with a strategic framework for social media marketing that contains five dimensions: strategic orientation, organisational structure, corporate culture, content management, and governance. What is more, since social media marketing is nowadays a function of communication, it is also an important organisational capacity that their framework brings out.

In addition to that, studies point to the fact that the effectiveness of social media marketing varies among firms. Whereas some companies can create close customer relationships and increase their business, at the same time, they can be the biggest obstacle to the achievement of the goals (Dwivedi et al., 2021) due to irregular content, lack of efficient plans and insufficient understanding of the platform algorithms.

2.2 Entrepreneurial Marketing

Entrepreneurial marketing (EM) is the integration of an entrepreneurial mindset with marketing activities, concentrating on the ability to spot opportunities, innovate and make the best use of resources while facing uncertainty. Morris, Schindehutte, and LaForge (2002) view it as a type of orientation that a company adopts, leading to the emphasis of a proactive kind of behaviour, risk-taking and customer intensity. In contrast to traditional marketing, which is often structured and resource-intensive, entrepreneurial marketing is quite flexible, informal and very adaptive. This feature makes it especially suitable for small and medium enterprises, which generally have very limited financial and human resources. According to Stokes (2000), marketing for small and medium enterprises is more likely to rely on intuition, networking, and opportunistic behaviour rather than formal planning.

Recent research points out that entrepreneurial marketing remains a fragmented theory at the moment. Breit and Volkmann (2023) explain that the main issue is “lack of a common understanding or theoretical framework, because different researches emphasize on different part in entrepreneurial marketing, for example, innovation,

opportunity-seeking or leveraging resources. It constantly causes problems in using entrepreneurial marketing in empirical research.

In the case of digital environments, entrepreneurial marketing is often associated with social media platforms. These platforms offer the possibility for organizations to try out new marketing activities at a very low cost, observe market responses instantly, and modify their marketing plans effectively based on customer feedback. Hence, the very idea of entrepreneurial marketing derives from the concept of learning through doing and adaptation.

2.3 SMEs and Business Growth

SMEs have created a lot of jobs, led to a lot of innovations, and have helped reach new markets. SMEs usually have problems like not having enough capital, not having marketing experts, and not having access to the latest technology. Conceptually, business growth for SMEs is quite a complex issue. In their article, Delmar, Davidsson, and Gartner (2003) argue that the two types of growth metrics are financial (e.g., sales, profit, revenue) and non-financial (e.g., market share, brand awareness, customer base expansion). Moreover, non-financial growth indicators have taken a lead role in digital landscapes, given the importance of online visibility and engagement, among others.

According to Chaffey and Ellis-Chadwick (2019), the digital transformation has really changed the way SMEs grow by opening up global markets to them at a much lower cost. Through social media, SMEs are able to compete with bigger companies as they get direct access to customers without going through the usual intermediaries. Nevertheless, SMEs have many barriers, e.g., a lack of digital skills, a lack of resources, and technological lag that may impact the implementation and success of digital marketing strategies (OECD, 2021; Parveen, Jaafar, and Ainin, 2016).

2.4 Social Media Marketing Strategies in SME's

Social media marketing strategies plan the activities and ways of communication that businesses employ on digital platforms to attain their marketing goals, like raising brand awareness, increasing customer interaction, deepening customer relationships, and boosting business performance. Tuten and Solomon (2017) stated that social media is no longer a medium dedicated only to advertising and promotion but rather has transformed into an interactive communication setting through which businesses can reach out directly to customers and foster long-term relationships. As for SMEs, their social media marketing strategies are frequently determined by financial resources, technological capabilities, organizational flexibility, and business goals.

One of the arguments of earlier studies is that social media marketing cannot only rely on the companies adopting the platform, but they should also strategically develop their implementation and keep the communication consistent on a continuous basis. According to Rauschnabel, Felix, and Hinsch (2017), along with others, a successful strategy for social media marketing depends on aligning goals among the company, content production, and interaction with customers. Businesses that set specific marketing objectives and plan communication with their customers are more likely to increase engagement and improve business performance from social media use.

Content production represents one of the essential parts of the social media marketing strategy of an SME. By producing visually attractive, information-enriched, and fun content, companies can get customers' focus and enhance their brand image in digital environments. Several trials show that social media content not only results in a high level of visibility but also leads to customer relationship development and continuous customer engagement.

Social media marketing strategies matter as they offer the smallest firms the opportunity to compete with the biggest ones without much of their own financial and

organisational resources. Felix et al. (2017) point out that the social media platforms have the potential of eliminating the market barriers by, for instance, enabling SMEs to reach a larger audience, to interactively communicate with their customers, as well as to establish stronger customer relationships.

2.4.1 Content Marketing

Content marketing has been widely discussed as an important strategy within digital and social media marketing. According to Pulizzi (2012), content marketing comprises the development and dissemination of content that is valuable, relevant, and consistent to attract and keep a well-defined audience. Direct selling is hardly there in content marketing as opposed to traditional advertising, which is essentially about giving useful and meaningful information that can help build a relationship with customers in the long run.

Holliman and Rowley (2014) believe that content marketing gives businesses the opportunity to develop trust and credibility by giving the audience informational and emotional value rather than just promotional messages. Customers are inclined to interact more with those brands which provide them with relevant and meaningful content through digital platforms.

Ashley and Tuten (2015), through their research, found that posting entertaining and visually-oriented content, for example, storytelling posts, videos, and user-generated content, significantly enhances customer engagement as compared to the traditional advertising methods. Their results imply that social media users have a stronger positive reaction to content that is entertaining, resonates with them, and allows for interaction, especially on platforms that heavily focus on visual communication.

Marketing through content is generally recognised as an affordable method for SMEs to increase brand recognition and strength. Tuten and Solomon (2017) argue that one of the main reasons why SMEs resort to content marketing is that it enables them to engage directly with their target audience without having to allocate large budgets to advertising. SMEs are able to communicate more authentic and personalised brand images to the audience by sharing content such as product demonstrations, customer stories, and giving a peek behind the scenes.

Also, studies show that content production on a regular basis is a significant factor in ensuring one's audience is not only focused but also long-term engaged. De Vries, Gensler, and Leeflang (2012) showed that not only the quality of social media content but also its relevancy and consistent presence determine the willingness of users to interact, e.g., by liking, commenting, or sharing.

Due to limited budgets, lack of skills, and very often the element of time, the content creativity and the frequency get compromised (Parveen, Jaafar, and Ainin, 2016). Therefore, many small and medium-sized enterprises are not able to come up with regular and innovative content plans, which in turn may underestimate the impact of their social media marketing efforts.

2.4.2 Influencer Marketing

Influencer marketing is a type of marketing where companies team up with internet celebrities to expose their goods or services to the celebrities' fans through social media. Lou and Yuan (2019) stated that influencer marketing works quite well because consumers tend to see influencers as very credible and trustworthy providers of information. Social media platforms are the medium where influencers open a conversation with their followers and change their opinions and buying behaviour.

On top of that, influencer marketing also leverages electronic word-of-mouth (e-WOM), wherein customers write and exchange online their opinions, experiences, and recommendations. A customer's buying decision can be significantly influenced when an influencer endorses a product with positive reviews. Also, De Veirman et al. (2017) found that celebrities with a highly engaged community of followers could not only elevate the brand image but also positively change consumer perceptions. This is a plus for SMEs, especially those that want to establish long-term customer relationships and increase their competitiveness in the market.

On the other hand, influencer marketing brings certain risks for SMEs. For instance, one of the biggest problems is the talent selection challenge: picking influencers whose values and images align with the company's brand identity. Besides, consumers might view sponsored content as less authentic, which may lead to a loss of trust in both the influencer and the brand. Last but not least, SMEs might struggle to measure the effectiveness and return on investment (ROI) of influencer marketing initiatives since factors such as consumer engagement and brand awareness are not always quantifiable in a direct manner (Lou & Yuan, 2019).

2.4.3 Paid Advertising

Paid social media advertising is simply using paid advertisements on social media channels to advertise products, services, or content. According to Lipsman et al. (2012), social media advertising distinguishes itself from traditional advertising chiefly in the precise targeting that the former allows. Social media sites have lots of detailed customer demographics and behaviour data on hand. In addition, Facebook, Instagram, and YouTube are giving companies the option to customize

their ads according to various factors like age, place, hobbies, and even what people do online.

As per Duffett (2017), the chief factor that makes paid advertising work is the combination of audience targeting with ad relevance. Ads that are aligned with customers' tastes and favourite things contribute to raising customer engagement and customer interaction. In addition to that, paid advertising presents businesses with analytical tools that they can employ to track the progress of their campaigns, the extent of their audience, and customer reactions almost continuously.

Moreover, paid advertising would be an excellent opportunity for businesses, no matter their size, including the smaller ones, to get tangible evidence of their marketing initiatives via multiple marketing metrics, such as click-through rates, impressions, and conversion tracking. Then, based on such data, businesses decide how effective their marketing campaigns are and whether they should make changes or not. Dehghani and Tumer (2015) have found that if businesses better understand the needs of their customers and use social media advertising in a more strategic way, then possibly, they will get higher returns on their investment (ROI).

2.4.4 Customer Engagement

Customer engagement is essentially about how deeply customers get mentally and behaviourally involved with a brand through their digital interactions. As stated by Brodie et al. (2013), customer engagement is not a static but a continuous process that evolves via interactive experiences between customers and companies. Social media sites make it possible for customers to get involved in liking, commenting, sharing, reviewing, and even having a one-to-one conversation with the brand.

Hollebeek, Glynn, and Brodie (2014) illustrate that customer engagement involves a triangular structure of cognitive, emotional, and behavioural engagement. Cognitive engagement is all about how much a customer focuses and is attracted to a brand. Behavioral engagement involves the customer's actions and interaction with social media platforms. These dimensions determine the manner in which customers interact with businesses and evolve their relationships with brands over time.

Kaplan and Haenlein (2010) pointed out that social media offers a continuous two-way dialogue between the business and the consumers, which is instrumental in reinforcing customer-brand relationships.

For SMEs, customer engagement is a great way to maintain customers over the long haul at little cost. SMEs usually use social media channels to talk directly to customers, quickly respond to customers' opinions, and provide tailored experiences. Studies have shown that increased customer engagement leads to better customer loyalty, more positive word-of-mouth, and repeat buying behaviour, all of which are essential for the growth and competitiveness of a business (Brodie et al., 2013).

2.5 Social Media Marketing and SME Growth

SMM has flourished as a focus of academic research since digital platforms radically reset the matrix of communication between businesses and their customers, as well as the promotion of products and services. As Kaplan and Haenlein (2010) define it, social media is a term used for the use of internet-based application and allows individuals to be creator of content and users of content through online interaction. The revolution makes the marketing communication changes from the conventional one-way communication channel into interactive communication between enterprises and

customers for information exchange. Likewise, Mangold and Faulds (2009) argue that social media serves as a hybrid element of the promotional mix since consumers actively participate in brand communication through web-based discussions, reviews, and content sharing.

In the realm of SMEs, social media marketing is largely thought of as a tool for business development and expansion of market avenues. Social media platforms offer SMEs very cheap means of communication that can reach larger audiences, even if the financial and organisational capabilities of the businesses are limited. According to Tuten and Solomon (2017), social media channels are a means through which SMEs can market their products/services, have direct interaction with customers, and also enhance their market visibility all at a very minimal cost.

Previous research has shown that social media marketing can facilitate the growth of SMEs in multiple ways. Among the major benefits has been the enhancement of brand awareness. Kaplan and Haenlein (2010) observed that social media channels give companies a way of being present online, which is where customers are actually looking for information, advice, and also product experiences. An upsurge in visibility can lead to obtaining customers and enhancing the identity of the brand in digital marketplaces.

One more key feature of SMM is customer engagement. Through social media, a company and its customers can interact with each other constantly via comments, feedback, discussions, and content sharing. This two-way conversation enables SMEs to gain customer trust and improve communication effectiveness (Mangold and Faulds, 2009). According to Hudson et al. (2015), even scheduling little engagements periodically with customers via social media results in customer loyalty as well as the creation of long-lasting relationships. This is vital for SMEs since they mostly depend on customers coming back and spreading good things about their business. According to OECD (2021), SMEs mostly digitalise marketing and communication functions first and

leave other business operations for later. It's because social media and online platforms give easy access to customers at a low cost and make the business more visible. So, it is a fact that social media marketing is getting more and more important in helping the SMEs to grow and be competitive in digital business environments.

Besides, marketing via social media is capable of making a significant contribution to the competitiveness of businesses. Chaffey and Ellis-Chadwick (2019) state that small and medium enterprises are those who manage their marketing strategies well and operate under digital marketing channels are the ones most likely to be able to maintain their competitiveness, no matter how crowded the online marketplaces become.

Nevertheless, past scholarly works also point to the fact that there are major difficulties in social media marketing in SMEs. To start with, according to Parveen, Jaafar, and Ainin (2016), it is simply a fact that a lot of small and medium-sized enterprises go for social media platforms as their marketing channels without any strategic planning. Social media initiatives sometimes become irregular and reactive rather than deliberate, well-planned, and targeted changes. This diminishes the SMEs' capability to produce business benefits that are sustainable through digital marketing activities. Besides limited digital marketing skills, social media actions at times unintentionally end up non-systematic and reactive rather than purposeful, well-planned, and aimed at goals.

This reduces the SMEs' capability to obtain business benefits that are sustainable through digital marketing activities. SMM success depends upon its full alignment with the overall corporate and marketing goals, according to Felix, Rauschnabel, and Hinsch (2017). SMEs that view SMM as a major part of their entire business strategy will probably obtain higher customer engagement and better business performance. On the other hand, businesses that use social media just for the sake of it may only achieve short-term results

2.6 Business Life Cycle Model

The Business Life Cycle Model describes how companies evolve and transform over the years. It assumes that businesses usually experience four major phases: Introduction, growth, maturity, and decline, with each phase representing a progression in corporate activities, competitive standing, and planning focus (Kotler & Keller, 2016). It is a mainstay in business education, especially for grasping the growth trajectories of SMEs, which tend to be irregular and reliant on resources.

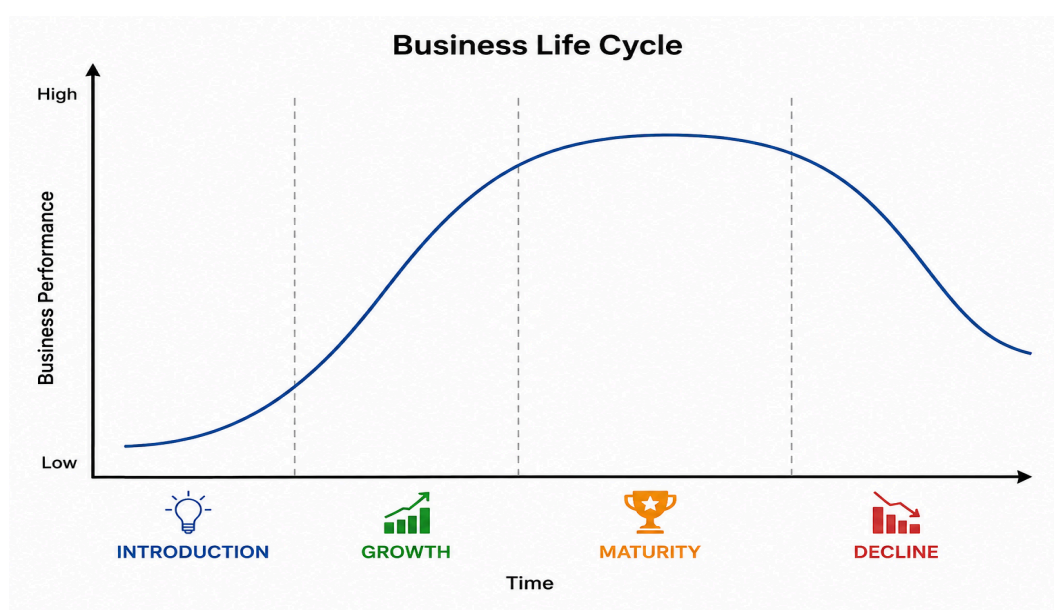


Figure-1: Business Life Cycle Model (Introduction, Growth, Maturity, Decline), based on two different sources, Kotler & Armstrong (2021) and Miller & Friesen (1984).

At the stage of introduction, SMEs are the new players, mostly concentrating on market penetration, brand recognition, and getting the initial customers. Marketing efforts may be the least due to the lack of money, and the main objective in this stage is to survive and attract customers (Churchill & Lewis, 1983).

At the growth stage, SMEs typically see sales go up, get new customers, and become more recognised in the market. Firms at this level start to put more money into

marketing efforts, including online marketing to get their message to larger groups and build stronger ties with their customers (Kotler & Keller, 2016).

Once a business reaches maturity, its growth tends to become constant, but at the same time, the market gets more competitive. Therefore, SMEs aim to defend their market position, keep their customers loyal, and work on becoming even more efficient. Their marketing methods become organised and utilise data more heavily to stay competitive (Adizes, 1979).

Possible reasons for a decline in a company's stage could be a saturated market, technological changes or competition that is more intense. Companies at this time have to turn to new creative ideas or change their image if they want to continue to be competitive. Most of the time, digitally transforming and new ways of marketing are the paths to follow (Adizes, 1979).

The Business Life Cycle Model is relevant for understanding SMEs because it explains how their marketing strategies evolve depending on their stage of development and resource capacity.

2.7 Growth Analysis

Growth analysis is the study of how a company has grown over time in terms of its financial and non-financial metrics. Business growth is not always focused on financial performance, which is still an important part of the measure of the prowess of the SME's. It encompasses various measurable activities and behaviors which communicate a firm's market penetration and consumer affinity (Hudson et al., 2001).

Non-financial growth indicators are key drivers for businesses making their transition to digital. Available examples of such indicators are: site visits, social media account engagement through different activities (like, comment, share), followers' count, user

engagement, and brand awareness. This way, these markers evaluate how well the target audiences of SMEs are being reached and engaged through digital platforms (Kaplan & Haenlein, 2010).

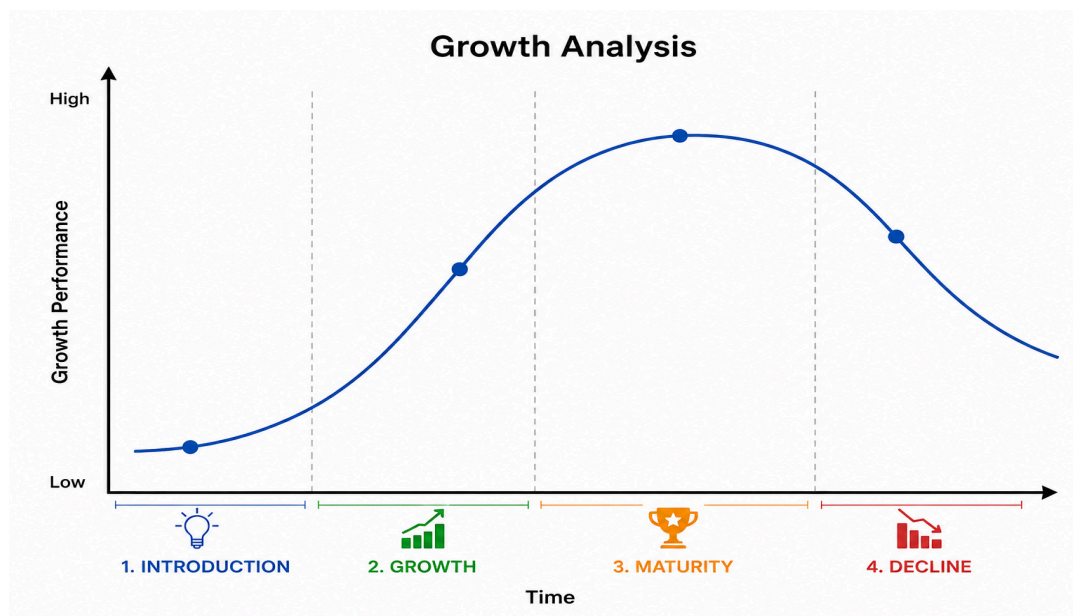


Figure-2: Growth Analysis, Source Kotler & Armstrong (2021) and Miller & Friesen (1984).

Growth analysis is especially relevant for SMEs because digital engagement often develops before financial performance becomes stable. So, it is likely that making a business visible online and gaining customer interactions may be some of the earliest signs of business growth and market potential (Hudson et al., 2001). Besides, growth analysis makes it possible to study the influence of digital marketing strategies towards SME development. Social media marketing, content creation, influencer marketing, and paid advertising are all modes which can not only help increase financial growth but also non-financial growth by elevating a brand's visibility, engagement, and customer trust (Kaplan & Haenlein, 2010). Growth analysis is able to examine the development of SMEs

in a digital environment thoroughly. Two types of indicators, i.e. financial and non-financial, can be utilised for the purpose of measuring performance effectively.

2.8 Content Creation and Brand Identity in SME's

Creating content is often seen as a key element of social media marketing, given that it offers firms a medium of interaction with their target market and a way to portray the brand image within the online world. According to Pulizzi (2012), content marketing is a strategic method that revolves around producing and sharing high-quality, relevant, and regularly available content to draw in and keep a specific audience. In this regard, content serves as more than just an advertising vehicle; rather, it is a communication strategy over time that leads to building trust and ongoing customer engagement.

In a social media environment, content is a key factor in both attracting more customer interaction and enhancing the communication of a brand. Ashley and Tuten (2015) highlight that the use of storytelling and visually motivated communication is key to increasing users' engagement on social media sites. They find that storytelling devices enable organisations to depict more recognisable, personal brand characters, going a step further in making emotional bonds between companies and clients stronger. Besides this, content with a lot of visuals, e.g. pictures, short videos, and fun interactive posts, is more likely to have a high level of engagement as opposed to text-only communication, especially on social media such as Instagram and Facebook.

For SMEs, content creation is usually seen as a key tactic for building brand image and gaining more exposure in the digitally competitive market space. SMEs, being smaller in scale, often depend on a more personal and genuine manner of communication to set themselves apart from their competition. According to Tuten and Solomon (2017) SMEs are more likely to create contents that include demonstrations of products, testimonials from the customers, "behind-the-scene" contents, and user generated contents, which are more focused on building transparency and trust. These types of contents could

allow SMEs to develop better relationships with the consumers by giving a more friendly and approachable personality for the brand.

Then compare it with past studies. It is clear then that consistently posting new material is one of the likely reasons that people remain aware of your brand and more loyal as well as time passes. The research conducted by de Vries, Gensler & Leeflang (2012) found that the nature (quality) and the stability (consistency) of the social media content had a very significant effect on user-driven behaviour, namely likes, comments and shares. It demonstrates that strategy in terms of content is crucial not only for gaining attention but also for having satisfactory engagement and loyal customers in the long term online.

However, a range of studies found that content creation can be a challenge for SMEs. It can be inferred that SMEs with low budget, no marketing skills, and time limitations will have a great difficulty to implement a consistent content plan with high quality of content. Parveen, Jaafar, & Ainin (2016) further explained that many SMEs have trouble in developing a content plan system and they posted irrelevant content inconsistently with brand message. This type of social media marketing activities will result in poor brand identity and thus lower impact of social media marketing campaigns.

The constant variation of the digital platform makes the pressure increased on the SMEs, so SMEs can't be pleased with simply produce content, but rather need to frequently update their content strategies according to customers' attitude and communication behavior. Consequently, in addition to being creative and visible, effective communication and adaptability to the new conditions by SMEs would be as crucial as content creation itself.

2.9 Customer Relationship Development through Social Media

Customer relationship development through social media has been getting more attention in marketing research, as digital platforms allow businesses and customers to interact continuously. Social media communication is not limited to traditional channels. A firm and a consumer can interact in several ways, e.g., commenting, giving feedback, messaging, and sharing content. According to Brodie et al. (2013), customer relationships in social media settings are ongoing processes of engagement and interaction between firms and customers. Moreover, the research shows that the customers are actively involved in communication activities, leading to the development of the relationship and value co-creation.

When considering the role of customer relationship management for SMEs, it becomes extremely significant since SMEs most of the time depend to a large extent on the same customers to keep coming back and also on developing trust-based relationships over the long run. Through social media, SMEs have at their disposal very easy channels of communication through which they can interact with customers almost at the same time, which helps to build a closer relationship. It is stated by Mangold and Faulds (2009) that social media acts as a medium through which businesses can set up communication ways that are more direct and a lot more interactive than those used in traditional marketing. Regular interaction is a way through which SMEs can not only deal with the questions of the customers, but based on the feedback that they receive, they can keep in touch and have stronger communication with their target groups.

Customer engagement has even been pinpointed as a crucial element that impacts the growth of relationships in online environments. Hollebeek, Glynn, and Brodie (2014) note that customer engagement plays a role in building deeper emotional bonds resulting in customer loyalty, and great customer experiences with brands. The more

engaged customers are, the better the relationship quality can become because engagement provides a means for customers to participate more fully and interact more thoroughly with business activities on social media platforms.

Indeed, Hudson et al. (2015) have also shown that ongoing interactions over social media foster customers' trust and enhance long-term relationships. For SMEs, these results carry even more weight as these businesses commonly rely on customer loyalty and the spread of positive word-of-mouth as the tools to stay competitive in the market.

In addition, there has also been communication quality shown to influence customer perceptions and relationships profoundly in previous research. For example, Verhoef, Reinartz, and Krafft (2010) believe that managing customer relationships through the web is not only about keeping in touch but also about being attentive, tailored, and effective in communication. Besides SMEs that focus on personal communication to make themselves a point of difference, it is because of their ability to hold closely and more flexibly connect with their customers than bigger organisations that smaller firms are usually perceived.

Besides the advantages, some challenges also come hand in hand with the use of social media for customer relationship management, especially for SMEs. Singh and Sashi (2016) indicate that in addition to long waiting times and inconsistent communication, low-quality interactions can result in customer dissatisfaction and the deterioration of the brand image. Usually, in digital settings, customers expect quick turnaround times and continuous communication, which might be difficult for SMEs due to their limited availability of resources.

Moreover, Parveen, Jaafar, and Ainin (2016) state that the lack of digital marketing know-how and scarcity of resources are reasons that lead many small and medium-sized enterprises (SMEs) to fail in properly handling customer interactions. As a result,

communication with customers may be disorganised and inconsistent, which finally leads to a decrease in the overall effectiveness of relationship management on social media. Previous studies reveal that social media is a major factor in boosting customer relationship development through better communication access, customer interaction, and engagement. Nevertheless, the success of relationship management via social media really depends on the quality of communication, the level of responsiveness, the consistency, and the capability of SMEs to establish and keep heart-to-heart customer relations in a digital world.

2.10 Digital Competition and SME Positioning

SMEs digital marketing competition landscape has completely changed. It is evidenced that many of the former barriers to entry that existed in marketing, especially in the areas of advertising cost and customers' reach, have decreased or become insignificant on social media. According to Kaplan and Haenlein (2010), the usage of digital platforms can create a shortcut between firm and the global customers throughout the world and enables SME's to become a part of previously reserved for the giants of industry.

Similarly, Tiago and Verssimo (2014) recognize that the adoption of digital technology have reshaped the competitive arena as they allow SMEs to approach customers with less effort and cost compared to traditional marketing strategies. According to them, social media has created an opportunity for the small businesses to consolidate their market share and enhance their visibility with a minimum financial investment. In this context, it is legitimate to claim that social media marketing represents an appropriate approach for the SMEs in order to build their competitive capacity within the contemporary business world.

This report reveals that the competitive advantage game on social media is no longer determined by "money". Moreover, SMEs are usually viewed as featuring charm in being quick-changing, inventive and more up to date with. Berthon et al. (2012) argued that

online channels like digital mediums are keen to feature those firms which presenting humorous, vigorous, engaging contents that catered well to their customers instead of those that simply have much bigger advertising budget. It is then possible for SMEs to leverage their strong quality of branding and customized methods of communication to differentiate them.

Moreover, research underscores the role of niche targeting as the main weapon for digital competition. According to Chaffey and Ellis-Chadwick (2019), small businesses may have advantages in focusing on relatively narrow customer segments and using narrowly directed marketing communications that appeal to them. Certainly, by serving niche markets, small firms can enjoy the benefits of providing more services to the customers and avoiding direct competition with large firms competing in the high volume markets.

Besides, agility is yet another major puzzle piece that helps determine how SMEs can position themselves in digital settings. According to Tuten and Solomon (2017), it is true that SMEs can be the very first one to be quick responsive regarding the changing consumer trends, customer feedbacks, or social media behaviors since they are less affected by the structural rigidities in compared to the bigger firms. As a matter of fact, such agility will let SMEs to be experimenting with various forms of communication as well as struggling to keep up their performances in the increasingly dynamic digital marketplaces.

On the other hand, it is also evident from the research that easier availability of digital platforms has led to even more fierce market competition. Felix, Rauschnabel, and Hinsch (2017) consider that the mushrooming of companies using social media has resulted in such an upsurge of digital environments that it is getting more and more difficult to be visible. The results found that a great strategy, making a unique brand and

always communicating the same thing, is the key to good positioning, and that spending money just to advertise was not that important.

In the same way, Kietzmann et al. (2011) highlight that businesses using social media must be quite careful in managing their online image and communication strategies if they want to succeed. They suggest that businesses should get to know how consumers interact with digital content and how online communities can change the way a brand is seen and its place in the market.

2.11 Measurement of Social Media Marketing Effectiveness

Measuring the effectiveness of SMM has become a major focus of research in digital marketing, especially when it comes to SMEs. Because companies may track a range of social media metrics including the numbers of "likes", "follows", "shares" or "comments", while at the same time "Measuring the actual Business Outcomes of social media activities appears to be difficult" according to other sources. The social media performance indicators are not accurate, because in the long run "they are not expected to bring about the changes in important financial outcomes, sales, profits and business growth" (Dwivedi et al., 2021).

Dwivedi et al. (2021) point out that a big challenge in social media marketing is the conversion of engagement figures into real organisational results. As per their research, although measuring online interaction is quite straightforward for companies, it is not really clear how these interactions lead to customer acquisitions or revenue generation, and how these behaviours can provide competitive advantages. The problem becomes even more critical for SMEs, which usually have limited analytical capabilities and a lack of access to high-performance measurement tools.

On the other hand, Peters et al. (2013) demonstrate that social media produces tons of user interaction data, but enterprises hardly manage to use this data for strategic

purposes. According to their research, some companies may concentrate too much on flashy engagement metrics, but without realising how these metrics connect to the overall marketing goals. This results in challenges with correctly assessing the effectiveness of social media efforts.

However, these metrics may give only a partial picture of customer behaviour, relationship quality, or overall business performance over time. Likewise Tuten and Solomon (2017) mention that the missing performance frameworks are the cause behind the inability of SMEs to measure ROI in social media marketing.

In addition, it was found by Parveen, Jaafar and Ainin (2016) that, the main problem encountered by SMEs to analyzing social media data is due to knowledge deficiency, insufficient technical tools and ineffective strategic planning. Based on their findings, it was determined that even though numerous companies may be able to collect information regarding users interaction; a very limited number of these companies utilize such data to assist them in decision making or in developing strategic plans. In so doing, there could be a loss in connecting social media activities to business goals and growth.

Besides that, literature points out that the ever-changing and fast-moving nature of social media platforms makes the assessment of one's performance even more difficult. Felix, Rauschnabel & Hinsch (2017) state that the post visibility and engagement has always been profoundly affected by platform algorithm change, users behavior and new trends of the digital world. Hence, it is almost impossible for SME's to keep a stable measuring standard.

3. Theoretical Framework

This chapter describes the theoretical framework guiding this research. The goal of the framework is to show the role of social media marketing strategies in the growth and development of SMEs. It combines the main theories and concepts from the literature review to set the conceptual basis for the empirical research of this study. This study delves into social media marketing strategies, customer engagement, business growth, and the development of small and medium enterprises (SMEs). As a growing number of SMEs are digitalising their business activities through online business platforms, social media marketing is getting recognised as one of the prime entrepreneurial marketing instruments for increasing brand visibility, strengthening customer loyalty, and encouraging business expansion. The research's theoretical framework is made up of the entrepreneurial marketing perspective, customer engagement perspective, Business Life Cycle Model, and Growth Analysis and Performance Measurement theory. The combination of these methods reveals the paths through which SMEs utilise social media marketing to improve customer engagement, increase awareness, establish a stronger connection, and support growth at different phases of business evolution.

3.1 Entrepreneurial Marketing Theory

Entrepreneurial Marketing Theory mashes up entrepreneurship and marketing principles to show how businesses find opportunities, create customer value, and keep their edge even in unstable market situations. Traditional marketing methods that often rely on formal planning and structured organisational systems are different because entrepreneurial marketing places a lot of emphasis on innovation, flexibility, proactiveness, opportunity recognition, and customer-oriented communication (Hills & Hultman, 2011).

This theory fits very well with the situation of Small and Medium Enterprises (SMEs) because these types of firms most of the time work in environments characterised by having very limited financial resources, technological limitations, and market competition, which is growing. Because of these restrictions, SMEs most of the time use informal, flexible, and experience-based marketing methods rather than highly structured marketing systems (Jones & Rowley, 2011).

Entrepreneurial marketing also brings the notion that direct contact with customers, originality, and being quick to respond in a changing business environment are very important. Digital technologies and social media channels have been helping entrepreneurial marketing to be relevant as they give SMEs communication tools that are cheap, comfortable, and help them to innovate and be flexible in marketing.

On digital platforms, SMEs can use social media accounts to communicate with customers on a one-to-one basis, keep an eye on how the market is reacting, and change their marketing plans as per customers' likes and newly emerging market trends. Hence, Entrepreneurial marketing promotes a flexible and customer-focused way of communication, which is very crucial for SMEs working with limited resources.

3.2 Customer Engagement Theory

Customer engagement is the core of digital marketing because social media platforms mainly feature interaction, involvement, and continuous communication between businesses and customers. As a matter of fact, authors Vivek, Beatty, and Morgan (2012) define customer engagement as the extent to which customers get involved and connected with a company, ongoing just beyond making a purchase, for example, through communication, emotional bonding, and interactions with brands.

Dessart, Veloutsou, and Morgan-Thomas (2015) identify customer engagement as a multidimensional construct of emotional, cognitive, and behavioural facets. Through

social media marketing, the level of engagement is evidenced by activities such as liking, commenting, sharing content, and getting in touch with businesses.

Even more so than large enterprises, customer engagement is an essential element for SMEs that at times crave customer devotion, relationships, and constant interaction to stay on top. Besides helping SMEs to build close connections with customers, social media platforms also provide a means of brand reputation enhancement and an increase in customer involvement level. Therefore, customer engagement is a crucial link through which social media marketing impacts SME growth, including customer loyalty, brand equity, and firm performance.

3.3 Two-way Communication Theory

The Two-Way Communication Theory describes communication as a bilaterally interactive and reciprocal process between organisations and their audiences rather than simply one-way transmission of information. The first communication models were mainly directed at the business side of the market, which delivered their messages to the passive consumer via channels such as television, the press, and print advertisements. With the development of digital technologies, social media platforms have radically altered communication processes by facilitating constant interaction and getting real-time feedback from customers by organisations. Mangold and Faulds (2009) argue that social media is a hybrid element of the promotional mix because it allows the firm and customers to keep communicating with one another. Thus, communication is gradually becoming more participatory, dynamic, and customer-driven.

Two-way communication in SMEs is even more important as smaller businesses often rely on developing close customer relationships, communicating directly, and providing personalised interaction. While large companies may depend on mass communication systems, SMEs, on the contrary, usually thrive through keeping a responsive and relationship-oriented communication with their customers.

Social media channels help small and medium-sized enterprises enhance their communication efforts by offering them opportunities to instantly reply to customers' enquiries, engage in online discussions, solve customers' problems, and keep regular contact with people. Such a method of communication works towards gaining customers' trust, building relationships, and enhancing customer loyalty.

3.4 Business Life Cycle Model

The Business Life Cycle Theory is a framework that describes how businesses grow and change over time. Lester, Parnell, and Carraher (2003) identified stages through which businesses normally pass, namely establishment, growth, maturity, and expansion. Different organisational needs, problems, and strategies are characteristic of these different stages.

SMEs often focus on winning customers, getting themselves known, and just staying afloat in the first phase of a business set-up. At this point, social media marketing is a usual means of working on exposure, making products and services known, and getting the interest of potential customers. As enterprises go into their growth phases, the focus of organisational priorities is on keeping customers, managing relationships, building a brand, and entering new markets. More mature SMEs tend to use social media marketing as a tool for building customer loyalty, enhancing engagement, and keeping their edge in digital markets.

According to the OECD (2021), digitalisation has become an important aspect of SME development changes at different stages of growth. Digital communication tools and social media marketing strategies help in enhancing visibility, communication efficiency, market engagement, and organisational flexibility through various stages of the business lifecycle.

Business Life Cycle Theory is relevant to this study because it explains how SMEs utilise social media marketing differently according to organisational development stages and changing business priorities. The theory additionally supports understanding of how digital communication contributes to both short-term visibility and long-term organisational development.

3.5 Growth Analysis (Performance Measurement Approach)

Growth and performance within SMEs can be evaluated through both financial and non-financial indicators. While traditional business performance measurement frequently focuses on financial outcomes such as profitability and revenue growth, digital business environments increasingly require broader evaluation perspectives.

According to Delmar, Davidsson, and Gartner (2003), SME growth includes multiple dimensions such as customer base expansion, organisational visibility, market presence, brand awareness, and business development. Social media marketing makes use of non-financial indicators mainly because, through digital communication, companies can first influence engagement, customer relationships, and their visibility. All these factors directly impact financial performance.

Tajvidi and Karami (2017), in fact, pointed out that the use of social media helps in enhancing communication and customer relationship management. Moreover, with good communication and management through social media, an organisation can stay competitive and even grow.

The OECD (2021) points out that digital transformation can be a key enabler of SME development through illustrative innovation capacity, customer communication, market accessibility, and competitive positioning. On the other hand, SMEs can face difficulties related to technology adoption, digital skills, resource constraints, and digital performance evaluation. Such a standpoint makes the study still valid as it tries to

comprehend a broader scope of social media marketing in achieving the company's development, besides just sales directly.

3.6 Integration of Theories

Theoretical frameworks that have been implemented in this research intertwine with one another and, as a whole, they reveal a thorough insight into the role of social media marketing in fostering SME growth and organisational development in digital business settings. Individually, each theory sheds light on various aspects of SME marketing activities, customer engagement, communication flows, and business expansion. Collectively, they set up a solid base concept for the research.

SMEs use flexible, innovative, and customer-oriented marketing practices to compete in dynamic and resource-constrained business environments from the perspective of Entrepreneurial Marketing (Hills & Hultman, 2011). In supporting SME competitiveness and organisational growth, the perspective stresses the significance of opportunity recognition, adaptability, creativity, and customer-focused interaction. Entrepreneurial marketing in digital environments is largely supported by social media platforms, which enable SMEs to carry out low-cost and interactive marketing strategies and, at the same time, enhance communication and market responsiveness.

The Customer Engagement angle describes the role of customer interaction, involvement and participation in the forming and strengthening of customer relationships and loyalty. Nowadays, customers can engage with businesses via social media platforms by commenting, sharing, reviewing and even participating in online communications. By doing so, customer engagement is a great way to deepen customer relationships, increase brand attachment and enhance the visibility of the organisation in the digital business contexts (Brodie et al., 2011).

Adding to those points, the two-way communication theory reveals how social media can convert communication from one-way transmission to an interactive and two-way dialogue between firms and consumers. By means of social media marketing, small and medium-sized businesses get the opportunity to talk to customers face-to-face, respond to the customers' feedback immediately, and maintain continuous communication with their audiences. The interactive communication process helps in building customer trust more firmly and relationships through transparency, and also improving communication effectiveness in SMEs (Mangold & Faulds, 2009).

Business Life Cycle Theory describes the change of focus and marketing strategies of the business at different stages in the growth of SMEs. For instance, in initial phases, SME business activities mainly concentrate on getting attention, acquiring new customers and entering the market. In contrast, older stages focus more on retaining customers, positioning the brand and maintaining competitiveness in the long run (Lester, Parnell, & Carraher, 2003). Consequently, social media marketing fulfils various strategic roles along the business development path, such as facilitating customer communication, opening new markets and managing relationships depending on the needs of organisational growth.

The Growth Analysis and Performance Measurement Approach describes how growth outcomes of SMEs can be measured not only with financial indicators but also with non-financial ones. DIGITAL BUSINESS ENVIRONMENTS, social media marketing to a large extent leads to company growth through customer engagement, online visibility, communication effectiveness, customer loyalty and relationship strength, which in the end have an impact on financial performance (Delmar, Davidsson, & Gartner, 2003). Therefore, growth in SMEs should be seen as a qualitatively different process that, besides financial performance, includes customer relationships, organisational visibility, communication quality and business development.

Collectively, these different theories imply that social media marketing boosts the growth of small and medium-sized enterprises (SMEs) by enhancing customer interaction, engagement, communication, relationship building, market visibility, and the overall business expansion. The combined model also shows that social media marketing should not be viewed simply as a promotional tool but as a strategic growth engine that enables the development of SMEs even through various stages of organisational growth and digital transformation.

Consequently, bringing these viewpoints together offers a very solid theoretical basis for the present research as it sheds light on the ways SMEs employ social media marketing tactics to raise customer engagement, reinforce communication channels, boost organisational visibility, and facilitate sustained business growth in highly competitive digital environments.

3.7 Proposed Theory Framework

After analysing the related literature and theories, this research suggests that social media marketing can help SMEs develop by allowing them to interact with customers, engage with them, develop strong relationships, and get more exposure in the market.

The following is the proposed theoretical framework:

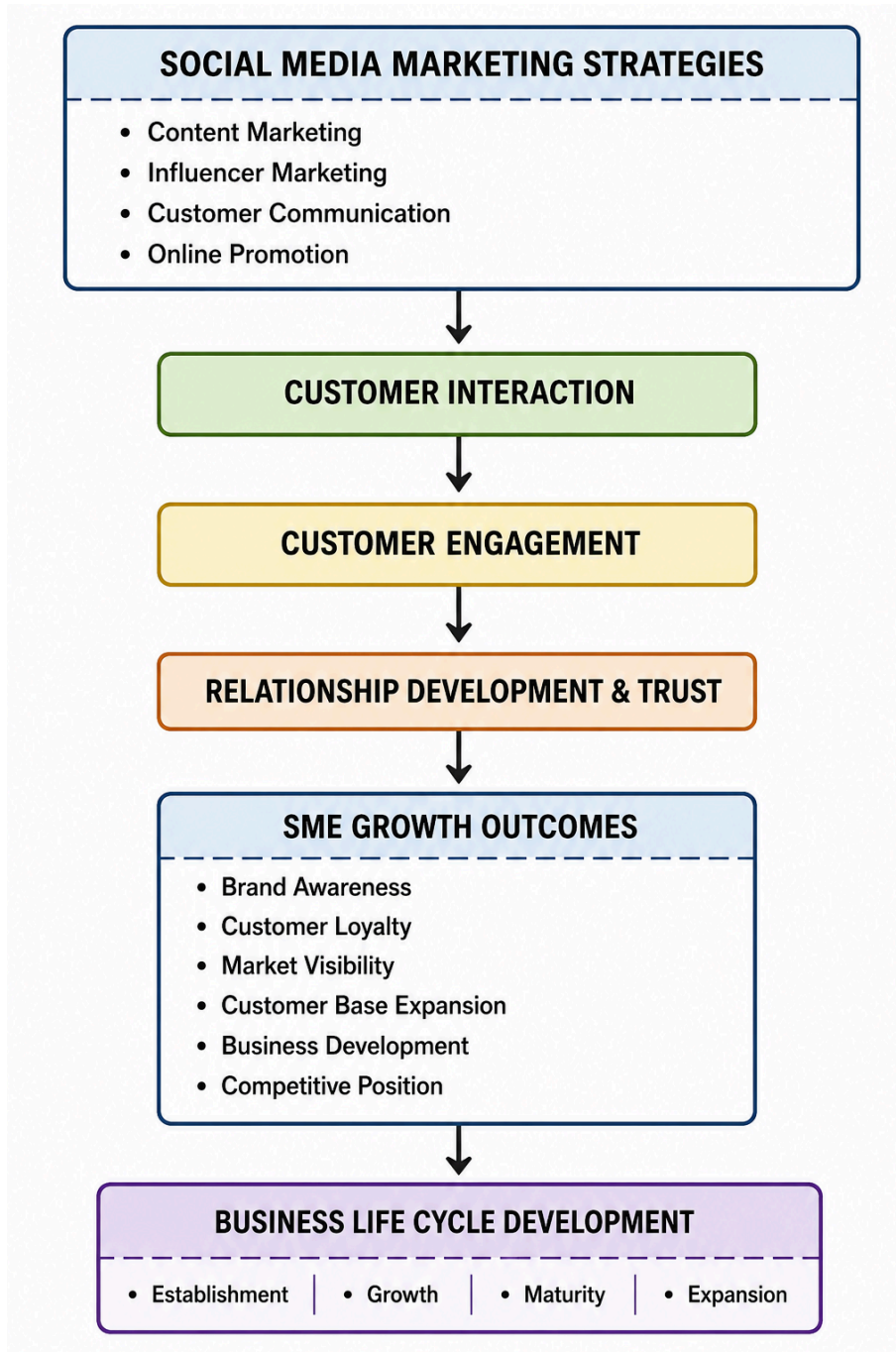


Figure-3: Illustrates the theoretical framework of the study, showing the relationship between social media marketing strategies, customer engagement, two-way communication, and SME growth. The framework demonstrates that entrepreneurial marketing theory, customer engagement theory, business life cycle model, and growth

analysis collectively support the conceptualisation of SME development in digital marketing environments.

This study's theoretical framework explains the role of social media marketing in enhancing SME growth and organisational development via customer interaction, engagement, communication, and relationship-building. The framework combines Entrepreneurial Marketing Theory, Customer Engagement Theory, Two-Way Communication Theory, Business Life Cycle Theory, and the Growth Analysis and Performance Measurement Approach to elaborate on how social media marketing activities lead to SME growth outcomes.

According to the framework, social media marketing strategies can be considered the first move through which SMEs come into contact with their customers. By means of content marketing, online promotion, communication with customers, and influencer marketing, SMEs will not only increase their visibility as organisations and enhance their brand presence but also promote customer engagement in digital settings. Besides being generally accessible, social media platforms also give businesses the opportunity to develop entrepreneurial and customer-oriented marketing through interactive communication channels (Hills & Hultman, 2011).

Customer Interaction comes next in the framework. Social media platforms offer businesses and customers several options to communicate directly and continually through comments, reviews, discussions, feedback, and content sharing. This two-way communication helps keep customers connected with the brand and allows businesses to watch customers' reactions and responses (Mangold & Faulds, 2009). Through bilateral communication, SMEs can better understand the changing needs, preferences, and expectations of their customers in the market. The emotional, intellectual, and practical (behavioural) connections of customers with brands are identified as a way of engagement (Brodie et al., 2011). The major outcomes of the increase in engagement

are stronger relationships, customer trust, development of emotional bonds, satisfaction, and enduring loyalty. Social media is an excellent medium for small and medium-sized enterprises (SMEs) to maintain a steady flow of dialogue and interactive involvement with their customers, which, in turn, leads to enhancing customer relationships.

The framework also proposes that robust customer interactions are a key source of the achievement of several main growth outcomes in SMEs. These results might be increased brand recognition, better market exposure, enlargement of the customer community, top competitive stance, customer loyalty and general business development. As far as the digital business environment is concerned, these types of growth outcomes are quite significant to the continuance of an organisation's existence and its future capacity to generate revenue (Delmar, Davidsson, & Gartner, 2003).

The proposed framework finally states that the benefits of growth resulting from social media marketing are the driving forces behind business development at different stages of the business life cycle. At early stages of a business, social media marketing mainly helps in increasing brand awareness and customer acquisition; at the later stages, it progressively becomes a tool for customer retention, relationship management, and competitive positioning (Lester, Parnell, & Carraher, 2003). Social media marketing, therefore, plays a role in not only short-term promotional activities but also in long-term SME growth, organisational development, and business sustainability in competitive digital environments.

The theoretical framework exhibits that social media marketing acts as a strategic growth tool in SMEs through facilitating customer interaction, engagement, and relationship development, besides increasing market visibility and fostering organisational growth across different stages of business development.

4. Research Methodology

The approach employed for the research is described in depth in this chapter. The main aim of the research was to find out how social media marketing methods influence the performance of Small and Medium Enterprises (SMEs). In order to do this the author first outlines the research design, research technique, data gathering methods and data analysis procedures used.

4.1 Research Philosophy

The research philosophy adopted in this paper is in line with the interpretivism. The interpretivism suggests that the social reality is not an objective fact or given fact, it is rather constructed through the meanings that people attach to their interaction and experience (Saunders, Lewis & Thornhill, 2019).

For this research, owners of SMEs and managers are seen as engaged interpreters of their business environment, especially when it comes to digital marketing methods. Their knowledge of social media marketing is influenced by various situational factors, including the company's resources, customer relations, the state of the market, and their past business experiences.

Hence, interpretivism suits this work because it is concerned with how people give meaning to their experiences rather than quantitatively assessing variables. The social media marketing experiences of different SMEs can then be viewed from many angles and understood as being dependent on their specific context.

4.2 Research Approach, Strategy and Process

For this research, qualitative methodology was chosen, along with the inductive approach in particular. Inductive logic means that it is by way of the data collected that we formulate the patterns, the themes, and theoretical comprehension rather than by hypotheses based on assumptions we choose to test (Bryman & Bell, 2015). The qualitative method was selected as it helps to understand experiences, meanings, and organisational processes in context (Denzin & Lincoln, 2018) which is highly suitable in understanding how SMES are adopting and using social media marketing, customer engagement and their understanding of its impact on business performance.

The research was carried out as four general steps. The first one was to do the theoretical review by reviewing the literature on social media marketing, entrepreneurial marketing, customer engagement and SME growth. As a result, the theoretical basis was accumulated. The second one is the primary data collection, which was derived from some semi-structured interviews with members of SMEs. Moreover, a thematic analysis had been carried on for the data to highlight the develop themes. Furthermore, the findings had been compared with the theory to examine how social media marketing affects customer engagement and SME growth.

4.3 Research Design

The exploratory research design was used in this research. When the aim is not to test hypothesis but to understand a phenomenon better, exploratory research is appropriate (Saunders et al., 2019). The social media marketing in the SME industry is an emerging concept and very flexible according to context. Hence, an exploratory design was used in this study to uncover main themes like customer engagement, digital communication, relationship building, and perceived business growth outcomes.

4.5 Data Collection Methods

For this research, the only data gathering strategy employed was qualitative. The main emphasis was placed on discovering the way the individuals perceive their environment and the way they make sense of the world.

4.5.1 Semi-Structured Interviews

Primary data in this research was gathered by conducting semi-structured interviews with owners and managers of SMEs who are directly handling social media marketing activities. It was also one of the reasons for selecting this method, as it permits a compromise between being structured and open. This way, the researcher can have a set of leading questions but at the same time, be able to dig much deeper into the participants' answers (Kvale & Brinkmann, 2015).

The main topics of the discussion were social media marketing methods and strategies, customer engagement and communication, business growth and visibility, digital communication practices, and challenges and limitations of SMEs that came up.

All of the interviews were conducted online, either due to constraint of time or how convenient they were for the interviewee. The duration of each interview was approximately 15 to 40 minutes. With informed consent, all the interviews were recorded on voice and later transcribed word by word to maintain the accuracy and trustworthiness of the analysis of the data.

4.5.2 Secondary Data

Secondary data were used to have an additional source of data and to provide the secondary information to support the primary research results. The

secondary data was collected from the websites and Facebook pages of the selected SMEs and other business publications.

The use of secondary data helped in building up a good academic foundation for the research. Using secondary data helped achieve methodological triangulation, which in turn increases the trustworthiness and comprehensiveness of the research. Indeed, by verifying the empirical results of the interviews with literature, the research can present a more impartial and dependable interpretation of the data (Saunders et al., 2019).

4.6 Sampling Strategy

In this research, purposive sampling was employed. It is a non-probability method which is generally used in qualitative studies to choose the participants who are directly connected with the research subject and who are capable of giving very rich and detailed information (Patton, 2015).

The people who took part in this study were the owners and managers of the SMEs who were also the ones doing social media marketing. Besides, the SMEs had to use at least one social media platform for marketing, have marketing-related decision-making authority and be able to report customer interaction through online channels.

There were four cases in the study. Sampling in qualitative studies is about how informative the sample is and how the data points to the meaningful patterns rather than how representative the sample is statistically (Vasileiou et al., 2018). The cases that were chosen were deep enough to obtain the main ideas that were repeated and were relevant to the goals of the study.

4.7 Data Analysis Method

Thematic analysis was used to analyse the data. It is a popular qualitative method for locating, analysing, and interpreting patterns of meaning within textual data (Braun & Clarke, 2006). It is a method especially ideal for research works that are looking to get to know experiences, perceptions, and practices in a structured but still flexible way.

1. The analysis was conducted by the researcher through a repeated reading of the interview transcripts, which helped her become quite familiar with the data.
2. It included the identification of initial codes where segments of data were selected, these were meaningful and could directly or indirectly provide answers to the research questions.
3. These codes were put together into the first categories by identifying the similarities and patterns.
4. New themes were recognised by combining similar categories.
5. The themes were checked and modified in order to make them coherent, consistent, and relevant to the data.
6. It was only then that the themes were taken and connected with the research goals and the study's theoretical base to get a better grasp of the results.

4.8 Trustworthiness of the Study

To contribute to the rigour and quality of the qualitative results, this research utilises Lincoln and Guba's (1985) trustworthiness model, a set of standards, including credibility, transferability, dependability, and confirmability, for assessing qualitative research.

Credibility was gained by carefully selecting participants who were social media marketing professionals in SMEs, as well as by using the interview questions with the highest level of openness and flexibility to allow participants to give very detailed and rich responses.

Transferability was tackled by giving very thick and lengthy accounts of the settings, the participants, and their stories. Contextualisation, it is enabled to sceptical readers to have a rough idea on the generalizability of these results to other quite similar organisations or sectoral contexts.

Reliability was maintained by using a carefully selected interview guide and the use of a rigorous, open and transparent step by step procedures for the data analysis. Following the process of research in this way ensures the consistency or stability of the findings over time.

Confirmability was increased through the use of a detailed audit trail which was maintained throughout all stages of the research from data collection through to transcription, coding and theme development. This means that the findings are not the result of researcher bias or researcher subjectivity but are grounded in the voices of the participating subjects.

4.9 Ethical Consideration

During the whole process of research, ethical conduct was a priority as well as was necessary to assume protection of people, the subjects of the research and ensure the integrity of the research. Following ethical standards for qualitative research, descriptions about the purpose of the research, opportunity of being a subject of it was voluntary and written approval was obtained from participants prior data collection (Creswell and Poth, 2018).

Confidentiality was a priority with regard to individual participants. In the findings, company names were mentioned where appropriate. However, all personal identifiers like participant names, job titles (if sensitive), and other identifying data were either changed or removed so that individual responses could not be linked to specific persons

(Saunders et al., 2019). Only the researcher had the data access; all the research data, audio recordings and transcripts included have been safely stored and will only be used for teaching purposes.

The research adheres to the philosophical embodiment of qualitative inquiry ethics on a global scale. This includes participant self-governance, confidentiality, and ethical data management during all stages of the research (Creswell & Poth, 2018; Saunders et al., 2019).

5. Empirical Findings

This chapter reveals the empirical results of the research that came from semi-structured interviews with four owners and managers of SMEs. The main goal of this research is to investigate the role of social media marketing in the growth of SMEs through customer engagement, communication, relationship development, and organisational visibility in digital business environments.

Results are presented using a thematic approach, and the themes were derived through analysis. The results are showcased through a thematic method, and the themes were extracted from the analysis of interview data.

For the sake of analytical clarity and facilitating cross-case comparison, pseudonyms have been used to represent each participant according to their respective business types:

- Apsara By Antara
- Herr Klipper Man
- Nordic Pizza
- Hietalahden Pizzeria

Direct quotations from the participants are used to support and strengthen the interpretation of the findings. However, the focus of the analysis is mainly on identifying patterns across cases rather than elaborating on individual cases.

Main themes emerging from the thematic analysis:

- Social media marketing strategies
- Customer interaction and engagement
- Customer relationship development
- Use of social media across business life cycle stages

- SME growth outcomes and performance indicators
- Challenges associated with social media marketing

To sum up, these findings indicate that Social media marketing is not merely a promotion tool but it serves as a channel of strategic communication supporting higher customers engagement, strengthen relationships, higher exposure and continuous growth and development of SMEs.

5.1 Participant Profiles

Four SMEs from different service and retail industries have been included in the research conducted in the context of the Thesis. More precisely, the four SMEs in the study include a food service, a restaurant, a hair salon and a clothing store. From a worldwide perspective, SMEs have long been described as the drivers of economic development, the main sources of jobs and the key elements for local business ecosystems. In this study, each of the SMEs heavily relies on social media marketing channels. In fact, they mostly use Instagram and Facebook as primary means of communication, promotion and customer interaction. This section will serve the purpose of a brief presentation of each SME being examined in the study so as to introduce the empirical findings. Each of the SMEs will be treated as a case study; thus, a cross-case analysis comparing social media marketing implementation and SME growth results can be carried out.

The participating SMEs in the scheme are:

Participant Name	Position	Industry	Business Age	Main Social Media Platform
Nordic Pizza (P1)	Owner	Food Service Industry	8 Months	Instagram, Facebook.
Herr Klipper Man (P2)	Owner	Personal Services Industry	2 Years	Instagram, Facebook, TikTok.
Hietalahden Pizzeria (P3)	Owner	Food Service Industry	10 Months	Facebook
Apsara By Antara (P4)	Manager	Retail Industry	12 Years	Facebook

Table 1: Participants' Profile

Companies are making the most use of a number of social media sites like Facebook, Instagram and others to reach for the target customers. These are emerging as the vital marketing tools for SME's because they have many marketing options with minimal charges, customer interaction and a good brand visibility. In fact, business on social media marketing forms. The heart of the business for the SMEs in all 4 cases, and not just a sideline. The SMEs use the platforms not only to get themselves noticed but also to build relationships with their customers and grow into the competitive digital space.

5.2 Social Media Marketing Strategies

All four SMEs had shared that paid social media advertising was the main approach they had adopted to increase their branding visibility as well as efficiently targeting their specific customers at the same time. It can be seen that all of them have a consensus on the usefulness of algorithm-based visibility in this kind of marketing context nowadays, where many businesses tend to use paid services to drive customers along by targeting individuals' Internet user figures through organic methods under normal circumstances is usually insufficient. Utilising paid advertisements was yet another means adopted

by these businesses to adapt themselves in the platform-specific marketing environment where content is prioritized based on payment support to obtain high exposure.

The one major aspect that all of the cases had in common was the online promotion style they used. Both cases mentioned influencer marketing and paid promotion as important promotional techniques. Using influence marketing was highlighted as being an extremely effective way of gaining an increased reach, building awareness and getting ones name out to potential consumers by gaining access to developed audiences of the content creators. For instance, (P2) partnered with a very well known YouTube user and offered them free services in return for promotional content and game wide access to their numerous followers leading to an increase in awareness, number of customers and numbers of eyes on their products. Similarly (P4) shared that they too use influence marketing along with paid promotion to increase their ability to be seen in a larger space to gain more customers and increase customer engagement.

The results suggest that the use of social media marketing is extremely widespread among all of the Interviewee SMEs. Engagement with influencers and sponsored advertisements (ads) have proven to be the dominant techniques through which individual companies raise their profile and reach, broaden their clientele and heighten their interaction. However, differences in strategy are more evident in the extent, frequency and integration of their employment rather than in its existence. The above phenomenon. This is also an indicator of a gradual path towards digital marketing maturity of the SMEs since, with the experience gained overtime by different SMEs and the subsequent regular usage of the particular platform, they are likely to approach social media marketing activities in a more formalised and strategic manner.

5.3 Customer Interaction and Engagement

The interaction with customers seemed to be one of the most advantageous aspects on social medias for SMEs. With the unanimity of all interviewees, social media enable a direct, immediate and accessible discourse with its users. Therefore it allows to improve handling of responses, more development of relationships as well as developing trust. The findings indicate that social media enables two-way communication and enhances customer participation in digital business settings.

(P1) and (P3) mainly leverage social media for responding to customers' questions, sending them promotional messages, and staying in touch with them on a regular basis. For instance, these two companies revealed that paid advertising on Facebook is a significant means of not only bringing in new customers but also getting their name out in the local market. In fact, using boosted posts and sponsored ads was thought to be a very successful way of connecting with larger groups of people and sparking their interest.

(P2) has social media as a channel for communication about appointments, interaction with customers, and showcasing of service. Most especially, the business pointed out that the use of TikTok videos as a tool for getting engagement, visual content and content based on trends helps to catch attention and to interact with the customer. This is a clear indication of the increasing value of short video content to get digital engagement and audience participation.

(P4) reaches customers via product promotion, brand interaction, and regular communication practices that have been developed over a long period of platform usage. The firm has also disclosed that they carry out paid advertising and boost social media content to widen customer reach and enhance engagement. In comparison to other cases, (P4) presents a more stable and organised engagement pattern, which indicates a higher level of digital marketing maturity.

(P4): "The appearance in the market has already been, and for this we have been able to keep at all times a diligent contact with the customer."

(P2), however, said: "Yes, they do receive messages and interactions, but the nature of those really relies on the type of posts we make."

Basically, the bottom line in all cases is that customer engagement is not going to translate into instant sales figures directly, particularly for small and medium enterprises which are either new to or still experimenting with social media strategies.

In fact, the engagement appears to be a long-term kind of method for relationship building, enhancing visibility and creating tight links with customers. In General, the findings suggest that to be active on social media in terms of engagement alone is only one of the ways of doing business that aims at sales and primarily the other ways are the strategic relational ones that allow for customer communications, building of trust, and gaining long-term visibility of the business.

5.4 Customer Relationship Development

Social media has become a main tool for acquiring and keeping customer relationships among all small and medium businesses. However, the extent and intensity of relationship development depend on the maturity of a business and how long it has been using digital platforms.

(P4) is an example of the highest tier of customer relationship development, as the brand's social media activities have been going on for more than a decade, since 2014, which has helped in continuously securing customer trust, loyalty, and brand recognition. According to the company, this kind of relationship development can also be achieved through offline aspects such as product quality, feedback management, customer satisfaction, and online visibility.

(P4) shared: "Longtime customers of the company believe consistently supplying top-quality merchandise at fair prices is a hallmark of the company. Besides, the company keeps a close eye on customer feedback since customers are regarded as the most important."

(P1) and (P3) are mainly going to keep in touch with customers through service openings, promotional content, and online interaction, which will help them sustain their repeat customer engagement and ongoing customer relationships. On the other hand, (P2) is at the beginning level of making relationships and social media for him is only a tool of attracting new customers, increasing awareness, and gaining market positioning. The result of the study points to a relationship that is built gradually when businesses start off a digital engagement strategy well and continue to do it regularly. The findings suggest that there is a developmental pattern to the way SMEs use social media to build customer relationships. SMEs, which are at the beginning level of digital adoption, mainly use social media for enhancing visibility and customer attraction, while companies which are more digitised are most likely to emphasise customer engagement, communication, and long-term relationship maintenance. Digitally more mature SMEs are characterised by a greater customer loyalty orientation, trust-building, and ongoing interaction through regular communication practices.

5.5 Social Media Marketing Across Different Business Life Cycle Stages

According to the Business Life Cycle (BLC), the findings are quite consistent as they show that the function and strategic application of social media changes depending on the maturity of the business and its digital engagement practices. The cases clearly reveal the disparities in how small and medium-sized enterprises (SMEs) use social media at different phases of the business life cycle.

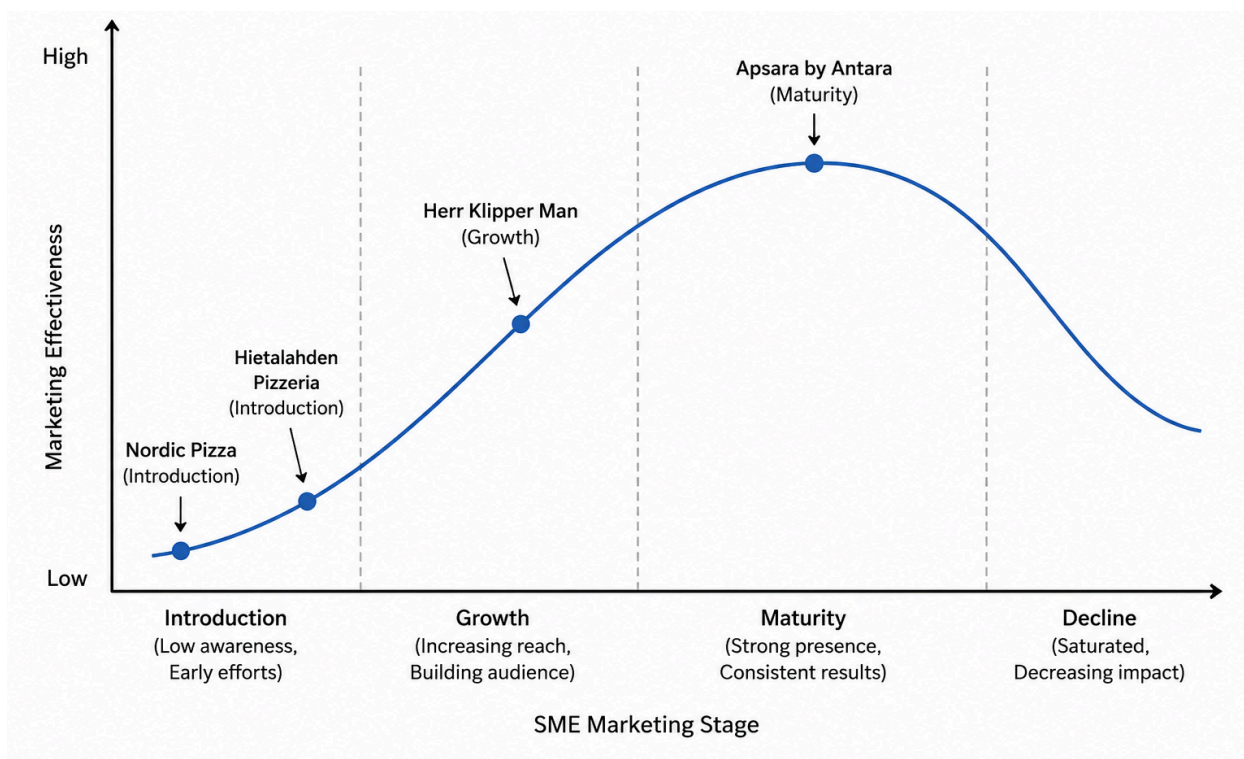


Figure-4: Illustrates the Business Life Cycle perspective to the participating SMEs

(P1) and (P3) show the features of the business life cycle introduction phase, particularly with regard to their digital marketing maturity. Typically, companies at this level of growth tend to use social media mainly to boost their brand image, attract new customers and showcase their products. Most of their social media efforts are about selling their products, responding to customer queries and simply being online. Even though both firms are very engaged in social media and Facebook paid advertising, they still seem to have a very tactical and promotional approach.

.(P2) seems to be expanding its business on social media. The company continues to post content on TikTok, Instagram and Facebook, not only to show off the brand but also to interact with customers and display its services. The creation of trendy videos, partnerships with influencers and the use of visual marketing strategies all indicate that the company's digital presence is growing and evolving in an effort to attract more customers and broaden its market.

On the contrary, (P4) is a business that is in the maturity stage of the life cycle. Having maintained a steady social media presence since 2014, the company demonstrates a highly organised and strategic approach to digital marketing. Social media is truly part of the business daily operations. Not only do they use the site to advertise the business, but its also to monitor and control the businesses relationships with their customers: Building brands, creating brand identities, and retaining customers for many years to come.

(P4) stated that "Social Media sites are now so deeply embedded with our business they are no longer just a space for marketing and promotion but are in fact now the face of the brand itself"

One major cross-case discovery is that the effect of social media seems to be a gradual one, where the visibility first helps to get customers engaged, then the engagement leads to the development of a relationship, and long-lasting relationships in turn lead to business growth and stability over time. So, the big picture is that the advantages of social media marketing are built up over time and are based on relationships and not on quick or only transactional interactions.

Such findings point out that in digital environments, SME growth through performance should not be limited to only financial indicators but should also include customer relationships, brand equity, and market visibility. Besides, the results show that the social media marketing effectiveness is improved when firms get more digitally mature and use social media as a strategy along with their other operations at large.

5.6 SME Growth Outcomes And Performance Indicators

The results show that the expansion of SMEs through social media marketing mostly translates into non-financial outcomes such as greater visibility, customer engagement,

customer retention, brand awareness, and a stronger market presence. In all cases, the participants saw social media as a significant factor in the growth of their business. However, the concept of growth was more aligned with customer interaction and long-term viability of the business rather than immediate financial results.

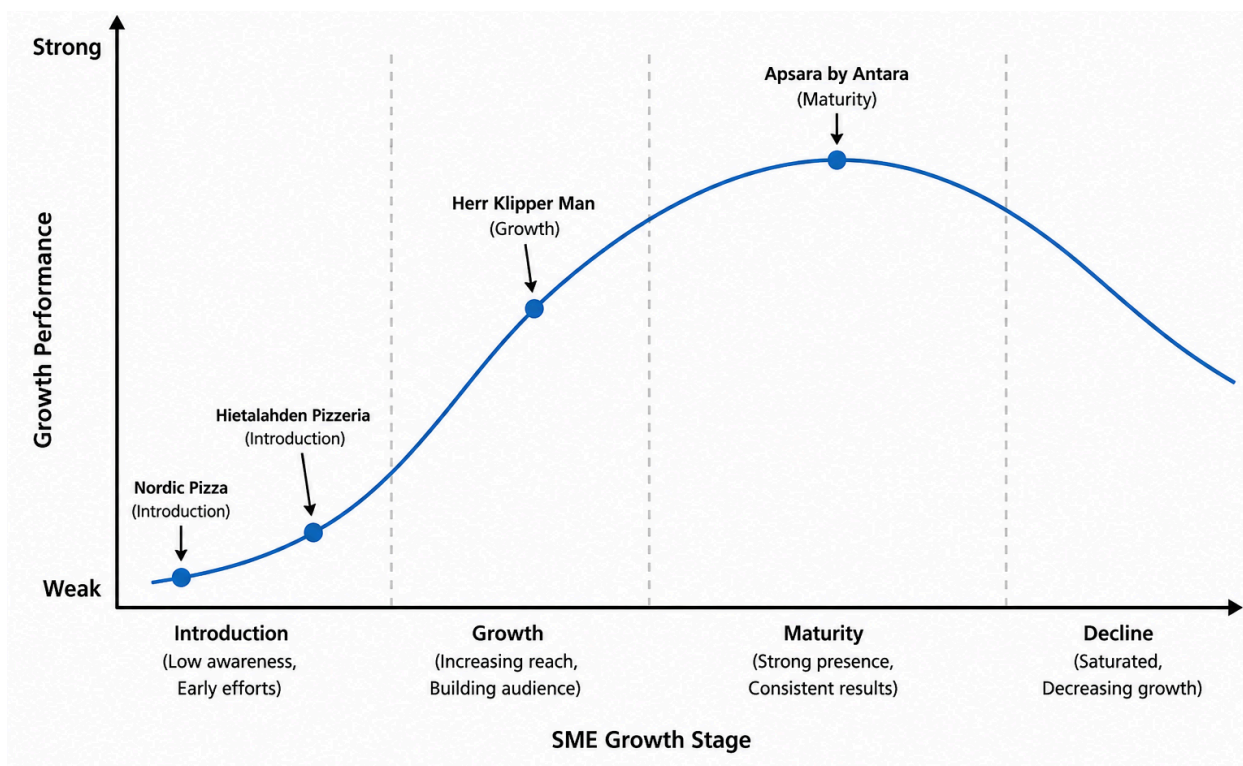


Figure 5: Illustrates SME growth stages

(P1) and (P3) said that social media visibility led to increased customer enquiries, better communication with customers, and more local awareness of the businesses. Both SMEs pointed out that regular promotional activities and paid social media advertising helped in attracting customers and keeping a continuous interaction with both new and existing customers, which corroborates findings that underline the importance of social media in increasing customer reach and engagement.

(P2), whose business is at the growth stage in the business life cycle, stated that social media is a great tool for increasing appointment bookings, strengthening brand exposure, and expanding customer reach. The business emphasized that content that

focuses on visual and trend-driven aspects is highly effective in attracting customer attention and ultimately driving business growth through digital engagement.

Meanwhile, a mature stage of digital development is marked by a company that connects social media with long-term business stability, customer loyalty, and a persistent market presence. The business has been actively participating in social media since 2014, demonstrating a more integrated and strategic approach to digital platforms to cultivate long-term customer relationships and guarantee the brand's sustainability.

(P4) mentioned that, "Our expansion on social media has played a significant role in our incremental growth over the years, in fact.

The major cross-case finding that emerges from the analysis is that social media impact corresponds to a developmental stepwise process. More visibility brings more engagement, engagement supports further developing the relationships, and in the long term, through sustained relationships, a company becomes stable and grows, which are the main elements of this gradual development. The findings show that small and medium enterprises (SMEs) at various business stages use social media marketing in different ways. Early-stage SMEs mainly try to get the word out about them and attract customers; on the other hand, mature SMEs focus more on customer engagement, relationship development, and long-term strategic communication. The research also shows that frequent communication and customer interaction play a major role in building customer relationships, trust, and customer loyalty, which last over time.

According to these, it can be said that one of the most important reasons for the growth of SMEs working in digital environments is the active use of various financial and non-financial marketing indicators, such as customer relationships through social media, brand awareness and visibility. In general, the findings support that the results of social

media marketing are cumulative, relational, and highly interconnected with both customer engagement processes and the business life cycle stages.

5.7 Summary of the Key Findings and Revised Framework

5.7.1 Social Media as a Strategic Tool

The research results reveal that social media marketing is a fundamental strategic tool for SMEs. It is so deeply integrated in their business that it cannot be considered a simple, optional or supplementary activity anymore. In all cases, social media is not only used as a promotional tool but also as a way of keeping customers, getting the brand known, and facilitating communication. It also indicates that SME's generally choose opportunity-driven and resource-efficient marketing strategies due to their limited financial and human capital. From this perspective social media is a useful tool for gaining market presence and attracting customers without large investment in traditional marketing.

The results also show that there may be differences in the extent of opportunity exploitation with social media. Social media may be perceived more as a tool for carrying out marketing tasks and bringing in leads in some cases and in others as part of a series of activities such as branding and customer management which completely change the marketing process. In other words, the level of strategic sophistication might depend not only on the availability of resources but also on the amount of experience gathered, organisational learning and regular digital presence over time.

The findings show that social media enables SMEs to respond quickly to market needs but also enables them to increase their marketing competences in a more planned manner over time.

5.7.2 Customer Engagement and Interaction

The results show that social media helps by enabling SMEs and customers to interact directly, immediately, and continuously. In all cases, the participants pointed out that social media platforms offer easier access to customers and communication with them through messages, comments and real-time questions, which has resulted in better responsiveness and new and more active ways of business and customer interaction.

Nevertheless, the data highlight that customer engagement should not be equated with immediate sales or commercial results. Certainly, engagement activities raise exposure and interaction, but they do not always lead to direct or short-term sales. On the other hand, engagement as a relational and process mechanism works nicely in supporting trust-building, customer familiarity, and long-term customer relationships.

These findings indicated customer engagement as a combination of cognitive, emotional and behavioural responses that can continue over time. By doing this, social media is not simply seen as a sales tool anymore but a means of establishing recurring, interactive communication that eventually strengthens the customer-brand relationship.

The findings essentially confirm that social media marketing engagement for SMEs is centred on relationship building, which results in ongoing communication and long-term relationship development rather than on immediate conversion outcomes.

5.7.3 Customer Relationship Development

The results show that there is a clear pattern of development in how small and medium-sized enterprises (SMEs) use social media for customer relationship development, which also corresponds to differences in organisational maturity and digital experience. Instead of one single way of doing things, the practices of building relationships change naturally as SMEs progress from entering the market to tiding of long-term customer loyalty.

It was observed that early-stage SMEs, in general, go after their target customers by putting their presence on the market first and using social media for customer acquisition. Developing-stage SMEs, on the other hand, find social media an excellent tool to support communication and dialogue, which in turn leads to stronger engagement. As for mature SMEs, they are more loyalty-oriented, and through their social media channels, they achieve customer trust and bring to life, to some extent, their customer relationship management process.

(P4) shows a customer relationship management case arguably the best of the lot. The brand's consistent and steady engagement with social media platforms over the years has greatly improved customer trust, recognition and loyalty. This implies that maintaining a consistent digital presence and frequent engagement can lead to more significant relationship benefits over time.

The results is pointing that SMEs adjust their social media strategies according to their development stages and digital maturity levels. Early-stages of SMEs focus on visibility and customer acquisition, while mature SMEs focus on customer engagement, consistent communication, and relationship building.

5.7.4 Business Life Cycle and Digital Maturity

The findings confirm that the use of social media changes with the Business Life Cycle and the level of digital maturity of the company. Between different cases, the use of social media, the organisation of social media, and the strategic integration of social media into business operations are three aspects where the progression can be most clearly observed.

P2 shows, a digital adoptions in its first stage. Here, social media serves as the primary source of creating content. Engagement practices are more flexible and less

standardised, which reflects the investigative character of digital marketing in the SMEs that are in the process of arising.

(P1) and (P3) are at a somewhat advanced stage of their business operations, where their usage of social media is rather regular for communication, promotion, and customer engagement. They are more established and structured with their ways of working than the early adopters and they probably have some basic digital marketing mechanisms in place to support the routine business operations.

On the other hand, (P4) represents the stage of a fully grown digital business, where social media has become an integral part of the total business strategy. Digital communication is very well coordinated, focused on the long term, and intimately linked to branding, customer loyalty, and relationship management at this stage.

As a whole, the results reveal that the longer small and medium-sized enterprises (SMEs) are in business, the more their use of social media is organised, regular, and in line with strategy. Such a development not only demonstrates organisational expansion but also the gradual build-up of digital skills and marketing sophistication.

5.7.5 SME Growth and Performance Outcomes

The results is pointing that SMEs adjust their social media strategies according to their development stages and digital maturity levels. Early-stages of SMEs focus on visibility and customer acquisition, while mature SMEs focus on customer engagement, consistent communication, and relationship building. On the other hand, the results to some extent reflect that the fiscal aspect of social media marketing is mostly indirect and not easily noticed. Rather, SMEs regard social media as a tool for gradual and cumulative growth that does not result in immediate sales outcomes. Hence, it points to the necessity of perceiving growth in a way that goes beyond only financial indicators, especially in digitally transformed SME settings.

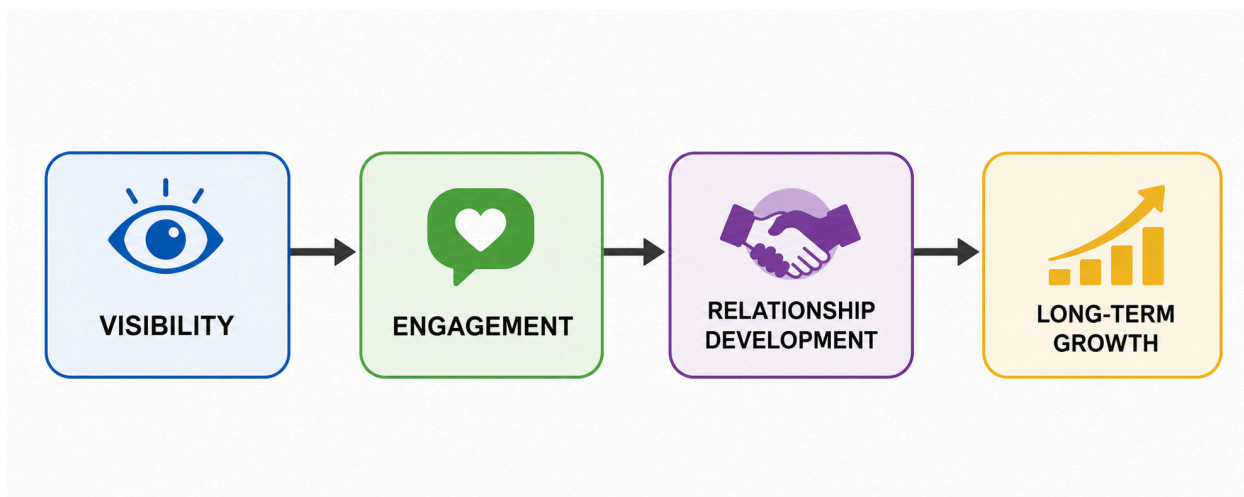


Figure 6: Social Media Marketing Process Leading to Long-Term Business Growth, Adapted from Kotler & Armstrong (2021).

An important insight from the research data is that the marketing process on social media keeps building one thing upon another: First, make the brand visible; then, interact with the audience; afterwards, through this interaction, build a level relationship with the customer; and finally, after a prolonged period of continued relationship, the brand reaps the benefits of growth. In other words, this chain of events implies that the value of social media marketing is more about relationships and accumulations over time than one-off transactions.

Small and medium-sized enterprises expressed that it was quite challenging to develop a method that would enable them to consistently assess the outcomes of their social media efforts, particularly in terms of establishing a direct connection between online engagement metrics and business performance. Research results indicate that small and medium-sized enterprises encounter difficulties in directly connecting online engagement with business outcomes. The entire evidence implies that growth of SMEs in digital environments should be measured by behavioral and relational indicators. The relevance of factors like long-term engagement, brand visibility and customer interaction is critical for the generation of sustainable business growth.

5.7.6 Challenges of Social Media Marketing

Nevertheless, social media marketing presents many challenges for small and medium-sized enterprises (SMEs). A common challenge across various cases is the consistency in content creation over time, especially for SMEs with limited time and human resources while also running other priority operations. Indeed, the situation is grimmer for businesses that are required to engage with social media while also providing their regular service delivery.

(P2) mentioned the challenge, saying, "I rarely find time for regular posting because of the constant work with clients".

That is an indication that operational pressures and short-term availability are the main reasons behind the lack of regularity of social media marketing engagements in SMEs.

Another frequently mentioned challenge is the uncertainty of social media algorithms, which has an impact on the visibility and audience of the published content. (P1) pointed out that the strength of content changes enormously depending on the platform algorithms as well as the content quality:

"Posts can get good or bad results sometimes, depending on platform algorithms."

It suggests that the visibility controlled by algorithms has a great impact on engagement results, and only partly is content performance predictable.

Moreover, small and medium-sized enterprises discover major issues in the form of extremely fierce competition on digital platforms. On these platforms, there are lots of businesses competing for the user's limited attention. For this reason, it is getting very hard to keep one's visibility without continuously engaging or promoting through paid means. Besides, a problem that came out through all the interviews is that it is hard to

establish the impact of social media marketing on sales. At the same time, small and medium-sized enterprises always regard social media as a tool that helps them in gaining visibility and engagement; still, linking these successes and actual sales performance is quite complicated, which leads to the lack of a regular way of measuring achievement. What is more, the research shows that problems discussed here mostly happen to small and medium-sized enterprises in digital adoption stages of operations and growth, when social media management systems and routines are being developed. On the other hand, a more mature social media user like (P4) will have fewer operational problems because their social media activities will be more organised and integrated into the already established business processes.

5.7.7 Revised Theoretical Framework

This research has established that social media marketing is a powerful strategic tool that significantly contributes to the growth of SMEs and their development as a whole. According to the results, there are four main targets for the use of social and digital media by businesses: making themselves more known to the public, deepening their communication with the clients, building strong relationships with the clients, and raising the level of their engagement with them.

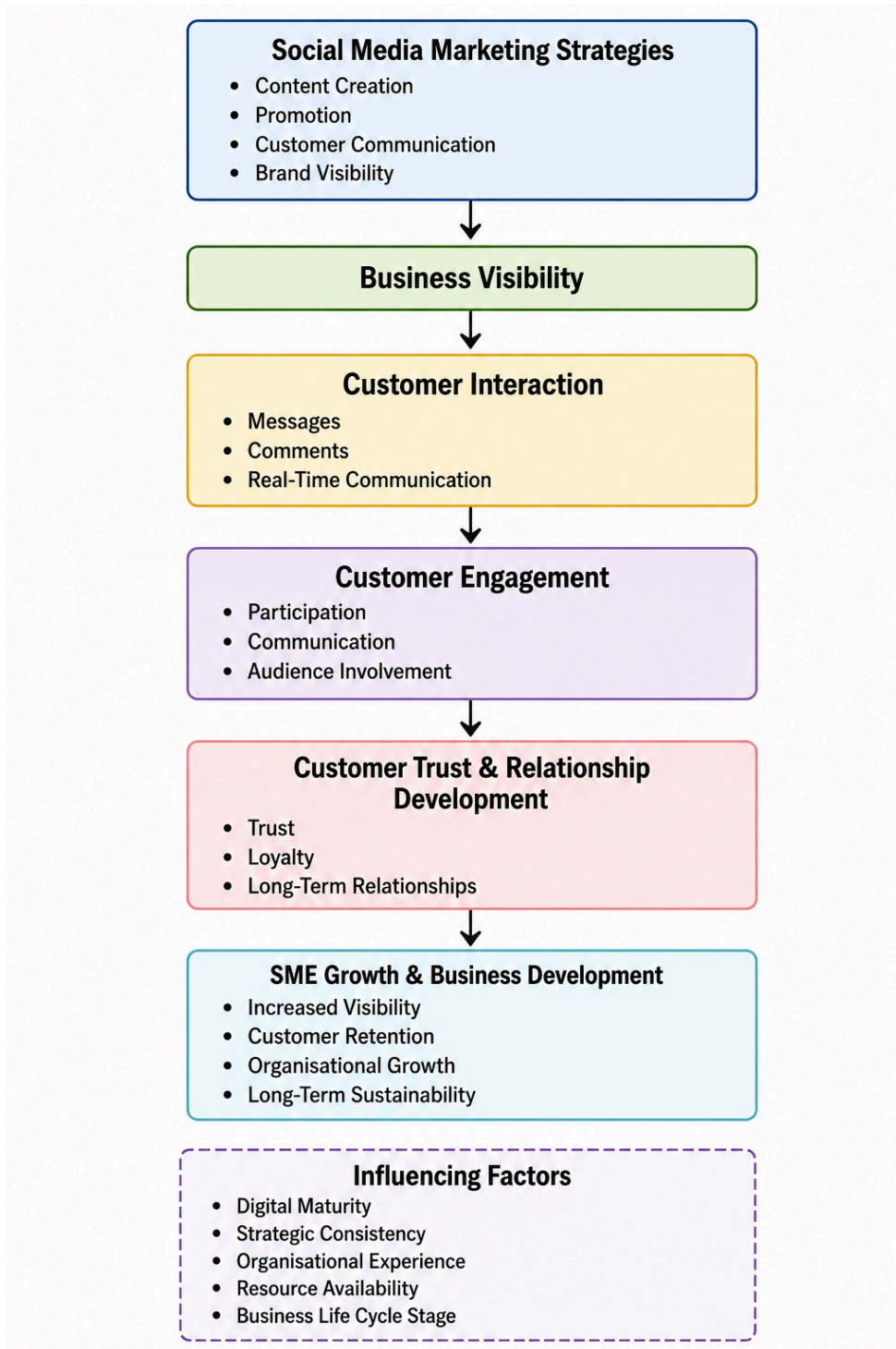


Figure-7: Illustrated Revised Theoretical Framework of Social Media Marketing and SME Growth (Based on Empirical Findings).

The updated theoretical model shows how social media marketing leads to the growth of SMEs by means of a gradual and closely linked process. The model indicates that social media marketing initially increases business visibility and improves customer communication, which supports customer engagement and the subsequent development of customer relationships. The continuous interaction and bonding with customers have a positive impact on the long-run growth of the SME, customer loyalty, and gaining a competitive edge.

The data findings were used to enhance the initial theory by adding communication consistency, digital maturity and strategic adaptation as new factors influencing SME growth through social media marketing. The revised theoretical framework underlines that the growth of SMEs through social media marketing is a result of a series of activities such as continuous visibility creation, customer interaction, engagement and relationship development at different stages over time.

6. Discussion and Implications

The empirical findings of the research are reported in this chapter and placed within the context of established theories. The findings of the research are discussed in terms of entrepreneurial marketing theory, customer engagement theory, and the business life cycle perspective. Besides discussing the theoretical and practical implications of the study, the chapter closes with a summary, recommendations, limitations, and future research directions (Denzin & Lincoln, 2018; Saunders et al., 2019). The study is conducted using four examples of small and medium-sized enterprises (SMEs) as the focus: Nordic Pizza, Hietalahden Pizzeria, Herr Klipper Man, and Apsara by Antara. These examples reflect different approaches to social media marketing from various business angles and digital maturity levels, which allow for a comparative insight into how SMEs take up and carry out digital marketing.

6.1 Theoretical Contribution

There are three major things about this research: it contributes to the development of entrepreneurship marketing theory, one of which is that the study reveals SMEs that are financially and operationally marred mostly resort to marketing methods that are flexible and responsive to opportunities, and at the same time, they are efficient in the use of resources. The results show that social media channels significantly help in the implementation of such tactics as they mainly eliminate the expenses connected with conventional marketing methods while at the same time providing user-friendly-to-use customer communication, engagement, and promotion media (Hills & Hultman, 2013; Morrish et al., 2010). So these results are in line with the previous studies that emphasize the role of entrepreneurial and flexible marketing in resource-limited SMEs.

Secondly, the present research aids Customer Engagement Theory by illustrating that customer engagement is a multidimensional concept that transcends merely transactional outcomes that are immediate. The results disclose that engagement is a

combination of communication, interaction, trust-building, and emotional bonding between SMEs and their customers. Besides, the findings show that engagement is a development that is happening with the involvement of users in digital environments, which is in line with the previous works which have designed customer engagement as a relationship process that is continual and not a single moment of interaction (Brodie et al., 2011; Vivek et al., 2012; Dessart et al., 2015).

Thirdly, this exploration helps the Business Life Cycle view with facts as it shows how the planned use of social media changes with the level of organisational maturity and digital experience. The results disclose that the newly established SMEs mostly rely on social media for increasing exposure and getting customers, while the ones that are more established in the market have gone on to use more planned, regular and relationship-centred digital marketing strategies rather than just using social media to help bring awareness or acquire customers. Also, social media is seen by mature SMEs as a tool that can serve medium to long-term branding, customer retention, and strategic communication activities (Greiner, 1972; Churchill & Lewis, 1983).

As a result, this study contributes more to the literature review by proving that social media should not be considered only as a simple promotion tool but as an ever-changing strategic resource whose use and development are tightly bound to SME growth, the enhancement of digital skills, and customer relationship processes. The findings also align with the previous research stressing the increasing strategic role of digital technologies and social media in SME development and the long-term sustainability of businesses (Kaplan & Haenlein, 2010; OECD, 2021).

6.2 Practical Implications

The findings provide several actionable pieces of advice for the owners and managers of SMEs about the efficient ways of social media marketing. To begin with, SMEs ought to focus on designing well-planned and coherent content marketing strategies since

frequent posts and synchronised communication methods lead to continued openness and better customer interaction that strengthen the relationship with customer(s) over time (Kaplan & Haenlein, 2010).

Secondly, one should view social media as a long-term tool for relationship building rather than just a short-term sales channel. Study results indicate that ongoing interaction, communication, and trust-building with customers create more value, which also aligns with the broader goal of relationship development (Vivek et al., 2012; Dessart et al., 2015).

Thirdly, small and medium enterprises are advised to develop platform-specific strategies to maximize their efforts. Different platforms are meant to fulfill different strategic goals; for instance, Instagram is primarily used for visual branding and Facebook for customer communication and sharing updates, while TikTok is mainly for generating a wider reach and creating awareness (Chaffey & Ellis-Chadwick, 2019).

Fourthly, performance measurement for social media should not only be about basic, superficial metrics like number of likes or number of views. Instead, small and medium companies should also consider measures such as customer queries, quality of interaction, and customer retention, which represents the success of social media in a profound manner (Trainor et al., 2014).

Small and medium enterprises should increase their digital maturity level over time by moving away from simple, experimental, and casual social media use to more formal, strategic, and integrated digital marketing activities. This step-by-step development is in line with general perspectives on organizational learning and capability development within digital business environments (Greiner, 1972; Churchill & Lewis, 1983).

6.3 Limitations of the Study

Firstly, the study only involved four SMEs, which, combined with its qualitative nature, does not allow for the findings to be generalized to a larger population. Since only a few cases have been examined, the results should be seen as reflecting the situation, not as statistically generalizable outcomes (Saunders et al., 2019; Yin, 2018).

Secondly, the results were based on participants' perspectives as they recalled or experienced events; therefore, they have some risk of interpretative bias. In addition, each participant's personal memory, reasoning, and understanding of the overall performance and business implications of social media could bias their answers.

However, by taking a qualitative approach, it can capture the complexity, depth, richness, and individuality of SME social media marketing practices, thus providing a clearer insight into the ways in which digital platforms were used for operational purposes by SMEs, as regards customer interaction, communication, and measured growth.

6.4 Suggestions for Future Research

To expand this research, it may be beneficial to include more companies and different types of SMEs in terms of country, industry, level of digital progression, and other criteria. That will not only allow for conducting more generalized comparisons but also arrive at conclusions regarding the SMEs' social media marketing more reliably and uniformly (Saunders et al., 2019).

Further, it is worthwhile to conduct an experiment involving numerical data in order to examine the relationship between social media marketing and business performance parameters. These methods can demonstrate extremely precise and measurable results in terms of how marketing campaigns launched online are impacting the business growth of SMEs and also overcoming some of the limitations generally accompanying qualitative research.

Moreover, research could outline the implications of novel digital platforms such as TikTok and similar short-form video-based applications in shaping customer interaction and brand visibility. The constantly changing nature of social media systems may result in significant implications for the marketing activities of SMEs in the future.

Finally, a study may also be conducted to identify the increasing relevance of AI and automated tools in SMEs' marketing activities, mostly in content development, interaction with clients, and analytics, and how they may impact the marketing possibilities of the SMEs.

6.5 Conclusion

The analysis concluded that it is crucial to develop SMEs through social media marketing. The research shows that social media marketing has the responsibility to increase awareness, to win and maintain customers, to provide communications, and to build relationships. In all of the cases, social media was recognized as the main strategic instrument not only to carry out marketing activities but also to achieve wider business development goals (OECD, 2021; Kaplan & Haenlein, 2010). Besides, the evidence supports the idea that there is a pattern of SME growth through social media, starting with greater visibility, leading to the ability to attract and retain customers, then to the establishment of relationships and finally to long-term business growth. This is consistent with the literature on customer engagement and e-marketing, which sees value creation as a continuous and social process within internet settings (Vivek et al., 2012; Dessart et al., 2015).

(P4) indicates that frequent and consistent social media use enhances the brand identity and customer loyalty, leading to a sustainable and stable business. These are indicative of a high digital maturity level. Conversely, newer SMEs are developing their strategies and structures for social media marketing, thereby proving that digital capabilities vary

along the lifecycle stages of the SME. Thus, overall, this research suggests that social media is a marketing tool that acts as a strategic resource for the business and improves as SME maturity increases. In a digital business world, social media evolves from a promotional tool to the creation of customer relationship management, engagement, and finally value creation.

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8. Appendices

Appendix-1: SMEs Semi-Structured Interview Guide

Semi-Structured Interview Guide



Section A: Background Information

Can you briefly describe your business and the products/services you provide?

How long has your business been operating?

Section B: Customer Interaction and Engagement

How do customers usually interact with your business through social media?

Have you noticed any changes in customer communication since using social media?

How do you respond to customer messages, comments, or feedback online?

Section C: Customer Relationship Development

Do you believe social media helps build long-term relationships with customers? Why or why not?

Have repeat customers increased due to your social media presence?

Section E: SME Growth and Business Performance

In what ways has social media contributed to your business growth?

Do you think social media has improved your business visibility and brand awareness?

How do you measure the success of your social media activities?

Section F: Challenges and Future Development

What challenges do you face when using social media for marketing?

Do limited time or resources affect your social media activities?

What improvements would you like to make in your future social media strategy?

Appendix-2: Sample Coding Table for Thematic Analysis

Participant & Example Quote	Initial Code	Sub Theme/ Category	Main Theme
"We use facebook advertisements regularly to attract Customer".(P1)	Paid Social media advertising	Brand Visibility and Promotion	Social media marketing strategies
"Tiktok videos help us reach more customers and increase interactions".(P2)	Video-based engagement	Customer communication and interaction	Customer interaction and Engagement
"Customers message us directly for orders and information".(P3)	Direct customer communication	Two-way customer communication	Customer interaction and Engagement
"We have maintained customer relationships through social media since 2014". (P4)	Long-term relationship maintenance	Customer loyalty and trust building	Customer relationship development
"Consistent posting is difficult because of limited time". (P2)	Limited time resources	Content management difficulties	Challenges associated with Social Media Marketing
"Paid promotions increase our visibility in the local market". (P1)	Increased Market visibility	Customer attraction and visibility	SME growth outcomes and performance indicators
"Social media has become part of our business identity". (P4)	Strategic integration of social media	Digital business integration	Business life cycle and digital maturity
"Customer engagement does not always lead to immediate sales". (P3)	Indirect business growth	Long-term relationship based growth	SME growth outcomes and performance indicators
"Influencer collaborations helped us reach more customers". (P4)	Influencer marketing	Customer reach expansion	Social media marketing strategies
"Posts can get good or bad results depending on platform algorithms". (P1)	Algorithm uncertainty	Platform visibility challenges	Challenges associated with Social Media Marketing

Appendix-3: Consent Form



Participants Information Sheet & Consent Form

Title of the Study: The Impact of Social Media Marketing Strategies on the Growth of Small and Medium Enterprises (SMEs).

Researcher Information

Name: Samsun Nahar Popy

Programme: Master's Programme in Strategic Business Development

University: University of Vaasa

Supervisor: Jukka Partanen

Participant Information Sheet

Introduction

You have been asked to join this research study as part of a Master's thesis/research project. Please be sure to read the information below carefully before making your decision whether or not to take part. This document is intended to provide information about the study, about you as a participant, and your rights.

Purpose of the Study:

The purpose of this research is to examine how Social Media Marketing Strategies impact the development of SME. This research will explore the experiences, processes, and perceptions of SME Owner/Managers in their use of social media for business.

Why Have I Been Invited?

You've received an invitation to come join us because your company is a small or medium-sized enterprise that employs social media marketing tactics in your business. Your experiences and insights are important when it comes to the importance of social media in SME growth.



What will participation involve?

The students who take part in this study will have the opportunity to:

- Taking part in an interview related to your company's social media marketing practices.
- This interview will last about 30-45 minutes.
- You can interview via the internet or in person.
- The interview will be audio recorded, if this is okay with you, for research.
- You can decline to answer any question or terminate the interview at any point.

Voluntary Participations

Your participation is entirely your decision; if you choose to withdraw from the study, there will be no repercussions.

Confidentiality and Data Protection

Confidentiality will be maintained for all information gathered in this study.

- Personal data will be stored securely.
- Data collected from interviews will only be used for academic purposes. Audio recording and interview notes will be kept securely.
- Collected data will be available only for the researcher and the supervisor.
- The data will be removed after the completion of the research in accordance with the university guidelines.

Risks and Benefits

No adverse risk to participation in this study. While there might not be any direct benefits to you, your work could be useful in raising awareness among SMEs about social media marketing techniques and for future research in this area.

**Contract Information**

Study Researcher email: samsunpopynahar@outlook.com

Study Supervisor's email: Jukka.Partanen@uwasa.fi

Participant Consent Statement

I affirm that:

- I have read and understood the material above.
- I willingly permit myself to participate in this research study.
- I am aware I may withdraw from this study at any time.
- I grant authorization to process my private information for the purposes of conducting this research.
- I approve of audio and/or video recording of the interview.

Participant Name:

Signature: _____

Date: 03.04.2025

Researcher Name: Samsun Nahar Popy

Signature: _____

Date: 03.04.2025

Appendix-4: Participant Information

Participant Code	Business Name	Industry	Position
P1	Nordic Pizza	Restaurant	Owner
P2	Herr Klipper Man	Barber Shop	Owner
P3	Hietalahden Pizzeria	Restaurant	Owner
P4	Apsara By Antara	Clothing Brand	Manager

Appendix- 5: List of Social Media Platforms Mentioned in the Study

- 1. Facebook**
- 2. Instagram**
- 3. TikTok**
- 4. LinkedIn**
- 5. Youtube**

Appendix- 6: Abbreviations

Abbreviations	Meaning
SME	Small and Medium Enterprises
SMM	Social Media Marketing
ROI	Return on Investment
CRM	Customer Relationship Management
EM	Entrepreneurial Marketing

Appendix- 7: Examples of Social Media Presence



Offer

Dubai Borkha & Abaya
Bangladeshi Instant Hijabs
Orna Hijabs &
Many More Items

Offer validity 15, 16, 17 & 18 March 2026

Apsara by Antara 

628K followers • 247 following

If you are looking to bring out your most beautiful self, you've found the right place

 Clothing (brand) @ [apsara_by_Antara](#)  100% recommend (582 reviews) £

+880 1533-668317





Maanantaista perfontaihin

Eriytyinen
Pakistanilainen
Ruoka

Herkullista Pizzaa


Nordic pizza   


214 followers • 2 following

Nordic pizza is all about a unique taste for Nordic Suomi people.

 Food and drink







HIETALAHDEN
PIZZERIA

Hietalahden Pizzeria

Call Now

Message

Follow

43 followers • 15 following

"Herkullista pizzaa Hietalahdessa, Vaasassa — tilaa Woltin, Foodoran tai oman kotiinkuljetuksemme kautta. Aina tuoretta, aina nopeaa!"

Restaurant

< **herr_klipper_man** ...



Herr klipper man

77 posts **97** followers **34** following

Umeås senaste barberare med namnet framröstat av er!

 Adress Kungsgatan 54 Umeå i (MVG mitt emot apoteket) more

See translation

 cliento.com/business/herr... and 1 more