



Understanding Factors That Affect Social Media Advertisement Adoption for Small Medium Enterprises in Indonesia the Case of Facebook Advertisement

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ABSTRACT: Advancement of technology in the field of marketing has been one significant factor in assisting Small Medium Enterprises (SMEs) to increase their competitiveness. Meta, as a technological company, provide Facebook advertisement as a mean of digital social media advertising. One of the challenges that Meta faced is to attract more Facebook ads adoption especially in the Small Medium Enterprise sector. This research objective is to understand the factors that affect social media advertisement adoption, in this case Facebook advertisement, for small medium enterprises in Indonesia. There are eight variables that are believed to influence customer intention to adopt Facebook advertisement which are performance expectancy, effort expectancy, social influence, facilitating condition, hedonic motivation, price value, perceived technology security and self-efficacy.

The main data was collected by an online survey and 350 SMEs participated in it. The respondents are SMEs that operate in Indonesia and either have not use Facebook advertisement service or do not use the service anymore. The sample was gathered using non-probability convenience sampling and the data was analysed using structural equation model technique. The research found that Self-efficacy is the highest influencing variable that are statistically significant to influence SMEs intention to adopt Facebook advertisement. Effort expectancy and social influence are found to be statistically significant to influence SMEs intention to adopt Facebook advertisement. Hedonic motivation and price value factor are found to be statistically significant to influence intention to adopt Facebook ads for SMEs that have use the service but choose not to use it anymore. In the contrary, the factor of performance expectancy, facilitating condition and perceived technology security are found to be not statistically significant to influence intention to adopt Facebook ads among Indonesia SMEs.

The research suggests Meta to prioritize an effort to increase SMEs self-efficacy in using Facebook advertisement by giving free training and certification. Other suggestions are to partner with relevant key opinion leaders (KOL)/communities, creating engagement with SMEs through events and giving monetary incentives such as discount coupons. For future research, researcher suggest different/smaller respondent demography and/or different social media advertising platform. Research with respondent that are actively using Facebook advertising service could also give additional insight to the study.

KEYWORDS: Digital Marketing, Social Media Advertising, SMEs, Technology Adoption, UTAUT2

I. INTRODUCTION

In this modern era, businesses must admit that there is an increasing influence and dependency of society at large with the digital world. With the development of technology, the digital world is conveniently accessible to massive number of people ranging from wide spectrum of demography, social economic, domicile, and many more. Therefore, whether it is in social relationship or business-related activities, utilizing digital platforms are essential to stay relevant with the modern society. Digital platform utilization has been done for quite a while, but the impact of covid- 19 pandemic has undeniably influenced the advancement of the digital world (Lee et al., 2022). Digital media arguably become one of the main choices to do business and commerce activity. This condition gives huge traffic to digital platforms such as social media and e-commerce which bring business the need to be present in these digital platforms. The digital platforms enable business to reach prospective consumers at massive scale in an effective and efficient way without overly large capital investment.

Digital Marketing is the utilization of digital technology most notably the internet, but also mobile phones, display advertising, and any other digital medium to do marketing function of a business (Smith et al., 2012). One of the commonly used digital marketing service comes within the social media platform advertisement. Considering limited resources that SMEs likely to have, social media could be the answer for SMEs to rapidly adapt new challenges and avoid competitive disadvantages (Meirer & Peters,



2023). According to Hassan et al. (2015) & Wardati and Er (2019) with the presence of social media, SMEs are enabled to carry out advertising activities in an efficient manner due to its wide range of reach which enable them to compete with larger corporation. However, evidence has been provided that this technology on average is harnessed by only one out of three small and medium-sized Firms (Beirer & Wagner, 2016). Considering the contribution that SMEs have on the national economy create the necessities to help them develop their business, and one of the ways is to utilize Facebook advertisement service. It is quite unfortunate that social media advertisement has not yet effectively utilized by SMEs.

Meta is a technological company that was established in 2004 with the name of Facebook and its mission is giving people the power to build community and bringing the world closer together (about.meta.com., 2023). One of the most used social media that run under Meta is Facebook. With almost 20-years of running, Facebook has become a giant in the social media industry. In its platform, Facebook provide advertising service that could be accessed by anyone that have an account. The technology that is required to use Facebook ads is very standard, SMEs just need to have a computer or a phone which can connect to the internet. The minimum budget that is required to use Facebook advertising is also very low which is only \$1 a day. Hence this service is quite helpful for SMEs.

Most of the digital marketing literature only focus on large corporate rather than small businesses (Ullah et al., 2023), whereas small medium enterprises, or usually called SMEs, hold a huge opportunity as potential users of digital marketing. Facebook advertisement users are dominated by huge corporates which mean very small proportion of it are used by small medium enterprises. The researcher conducted an online survey with 505 SMEs across Indonesia and found only 28.1% of the respondents uses Facebook advertisement service. With the Significant role that SMEs have in Indonesia, it is such a wasted opportunity that Meta should embrace which likely to bring significant growth Meta business as the and SMEs consequently. This research aims to understand the factors that hinder SMEs to adopt and utilize social media advertising service, especially Facebook advertising.

II. LITERATURE REVIEW

Researcher conducted discussions with several small and medium enterprises owner to have initial understanding on their hindrance to use social media advertisements. In summary the results of the discussions are:

- Do not have the knowledge and human resources to do Facebook ads properly.
- The need of with mature strategy and high competence.
- The benefit is not convincing compared to the cost to use it.
- Organic (free) post already brings benefit.
- More compatible with awareness objective whereas they keener to aim for more sales.
- Already comfortable with their current advertising activities.
- Big companies with big budget are more effective rather than small firms with limited budget.

In alignment with the discussions result and other secondary literature reviews, researcher formulate a conceptual framework that consists of seven variables from Unified theory of acceptance and use of technology 2 (UTAUT2) with additional two variables which later will be shown in the conceptual framework.

A. Unified theory of acceptance and use of technology 2 (UTAUT2)

Unified theory of acceptance and use of technology (UTAUT) was originally introduced by Venkatesh et al. in 2003. In this model, Venkatesh predicts the acceptance and use of technology is affected by performance expectancy, effort expectancy, social influence, and facilitating condition which will lead to behavioural intention to adopt the technology (Venkatesh et al., 2003). In 2012, Venkatesh et al updated the model and introduce UTAUT2 model which add three new constructs: Hedonic motivation, price value and habit. With the addition of the new constructs in UTAUT2 model, Venkatesh et al enabled a new theoretical focus on consumer context (Kilani et al., 2023). However, in this research context, we omit the variable habit, as our respondents are people who do not use Facebook advertising hence it is impossible for them to build a habit to using it. The UTAUT2 model is widely used to examine the adoption of technology with regards to several key factors that are quite convenience to give managerial implication hence the researcher adopts this model.

1) Performance Expectancy: Performance expectancy show the user expectation that the technology would assist them in doing certain task and increase their performance in doing it (Kilani et al., 2023). Venkatesh et al. (2012) hypothesize that performance expectancy significantly affects the willingness of customer to adopt the technology as users that believe the technology



would be useful have more positive attitude towards it and will have greater experience in using the technology. One research suggests that traveller's intention to use mobile technologies is significantly influenced by their perceived effort and performance expectancy (Kilani et al., 2023). Higher performance expectancy also believed to led to long term customer usage of the technology. In the research of Al-Debei et al. (2013) found that performance expectancy significantly impacts the continuation of people to use social media network such as Facebook. For SMEs to adopt social media advertisement, the expectation that it will perform according to their expectation is very important. Researcher predicts that SMEs are more likely to adopt Facebook advertising if they believe that it will perform to effectively bring the objective that they wanted. Hence this research suggests that:

H1: Performance expectancy positively influence the behavioral intention to adopt Facebook Advertisement

2) **Effort Expectancy:** Effort expectancy refer to customers perception on how easy or difficult it is for them to use the technology (Venkatesh et al., 2012). There are reluctancy to adopt a technology when people feel it is difficult to be used. Especially in SMEs context where the probability of low education workers is high, it might be one of the main concerns that the technology is difficult and need a lot of effort to be adopted. Interestingly, research conducted by Hsiao and Yang (2011) found that perceived ease of use is a more powerful factor in building positive attitude toward a technology adoption than perceived usefulness. An Indonesian based technology adoption research conducted by Irawan & Lubis (2019) also found that effort expectancy is one of the most significant determinants in technology adoption. researcher predicts that SMEs are more likely to adopt Facebook advertisement if they can be convinced that it is easy to use and learn for even people with low technological savviness. Hence this research suggests that:

H2: Effort expectancy positively influence behavioral intention to adopt Facebook Advertisement

3) **Social Influence:** Social influence refers to how much the customers let people around them to influence them in using the technology (Venkatesh et al., 2012). As a social being, it is widely believed that we are influenced by the word or action of those around us. The psychological tendency makes human being to have reference groups that affect them in making decisions. Influences from other people could even change perception and decision of an individual (Christino et al., 2019). Researcher predicts that if there are more social stimulus to use Facebook advertising, they are more likely to adopt the technology. Hence this research suggests that:

H3: Social influence positively influences the behavioral intention to adopt Facebook Advertisement

4) **Facilitating Condition:** Facilitating condition refer to the availability of the necessary resources and technology for the user to use the technology (Kilani et al., 2023). In the utilization of technology product such as social media advertising, of course there need to be basic equipment and software that user needs to have to use the technology. Internet connection and gadget such as mobile phone are necessary to be provided. The user also needs to download the necessary application or open the designated platform to use the technology. The availability of the necessary tools and platforms are important for user that would like to adopt a certain technology (Irawan & Lubis, 2019). Researcher predicts that SMEs are more likely to adopt Facebook advertisement when the resources needed, including human resources, are satisfied. Hence this research suggests that:

H4: Facilitating conditions positively influence the behavioral intention to adopt Facebook Advertisement

5) **Hedonic Motivation:** Hedonic Motivation refers to the positive feeling of joy, fun and pleasure in using a new technology (Kilani et al., 2023). User with the feeling of excitement to use a new technology would be more likely to adopt new technology. Research conducted in online sports streaming shows that perceived enjoyment is an important factor to enhance adoption and usage of these services (Zhang, 2021). Researcher predicts that SMEs are more likely to adopt Facebook advertising when they expect fun and excitement in using it. Hence this research suggests that:

H5: Hedonic motivation positively influences the behavioral intention to adopt Facebook Advertisement

6) **Price Value:** Price value refer to the perception of cost-effectiveness in using a technology (Venkatesh et al., 2012). Especially in the context of SMEs, as one of the main objectives of a business is to get profit, the cost benefit consideration would affect the business decision making process significantly. The main reason for a business to adopt marketing technology is to increase profitability, hence if the cost of using the technology exceed the benefit that the technology usage brings then the business would likely to cease that technology usage (Kilani et al., 2023). In Indonesia digital commerce context, price value found to be a significant factor influencing consumers' adoption behavior (Chresentia & Suharto, 2020). Researcher predicts if SMEs believe that

the value of Facebook advertising benefit exceed its fee price, they will be more likely to adopt the technology. Hence this research suggests that:

H6: Price value positively influence the behavioral intention to adopt Facebook Advertisement

B. Perceived Technology Security

Several studies concluded that alongside with innovation, user trust is one of the significant factors on attitudes toward mobile banking services adoption (Kilani et al., 2023). One of the most frequently asked questions on technological innovation is about security. The inability of technology provider to gain user trust is one of the significant challenges for technology adoption such as mobile payment (Oliveira et al., 2016). Irawan & Lubis (2019) found that perceived technological security does significantly affect user intention to adopt technology in the case of electronic money and the study suggest for businesses to make sure the customer feel safe in terms of privacy information and transactional execution. Researcher predicts that SMEs are more likely to adopt Facebook advertising if they feel that it is a secure place to run their marketing activity. Hence the research suggests that:

H7: Perceived technology security positively influences behavioral intention to adopt Facebook Advertisement

C. Self-Efficacy

Self-Efficacy describes people assessment on their capability to perform a specific task properly (Bandura, 1986). In most cases of technology adoption issues, the potential users are reluctant to try a new technology due to lack of confidence in utilizing the technology. Moreover, in the context of SMEs, there are many workers that do not have high education background hence the lack of confidence in trying the new technology. Research conducted by Huang (2023) on older adults’ adoption of smartphones suggest that Self-efficacy was one of the effective predictors. People with higher self-efficacy is more likely to adopt new technology. Researcher predicts that when SMEs managers believe that they can use Facebook advertisement, they are more likely to adopt the technology. Therefore, the research suggests that:

H8: Self-efficacy positively influences behavioral intention to adopt Facebook Advertisement

D. Conceptual Framework

Based on the conceptual framework above this research has in total nine variables which divided into eight exogenous variable and one endogenous variable. Exogenous variable is multi-item equivalent of an independent variable (Malhotra, 2010).

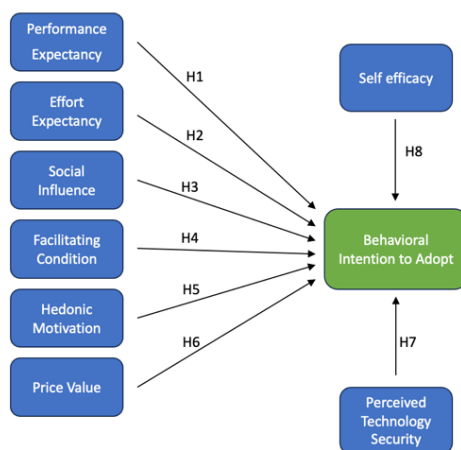


Figure 2.1 Conceptual Framework

Exogenous variables are variables that could not be explained by the model which mean they are affected by factors outside of the model (Malhotra, 2010). In the case of this research, the exogenous variables are performance expectancy, effort expectancy, social influence, facilitating condition, hedonic motivation, price value, perceived technology security and self-efficacy. Endogenous variables are latent multi-item equivalent of a dependent variables (Malhotra, 2010). Endogenous variables are variables that are affected by other variables in the model (Malhotra, 2010). In the case of this research, the endogenous variable is the behavioral intention to adopt. Looking at the conceptual framework figure there are eight variables that directly affect the behavioral intention to adopt variable. Hence from the variable’s relationship, this research formulated eight hypotheses.



III. RESEARCH METHODOLOGY

This research collects primary data as its main data source through online questionnaire. Non-probability convenience sampling is used in this research and the data is analysed using structural equation modelling technique. Structural equation modeling (SEM) is a procedure for estimating a series of dependence relationships among a set of concepts or constructs represented by multiple measured variables and incorporated into an integrated model (Malhotra, 2010). The primary data was gathered from 350 respondents with the criterion of being small medium enterprise owners that do not use Facebook advertisement service. For this research we focus only on small medium enterprises that operates in Indonesia. Smart PLS application was used to analyse the primary data. In addition to the primary data, the discussion of the research is also enriched with secondary data from relevant articles and previous research.

IV. RESULTS AND DISCUSSION

A. Respondent Profile

Table 4.1 shows the demographic profile of the respondents. The profile covers Facebook ads usage, gender, age, type of enterprise, education background and business age.

Table IV.I Respondents Profile

Variables	Number	Percentage
Facebook Ads Usage		
Never use the service at all	152	43%
Do not use the service anymore	198	57%
Gender		
Male	115	33%
Female	235	67%
Age		
18-24	112	32%
25-30	98	28%
31-15	62	18%
36-40	37	11%
41-15	21	6%
46-50	10	3%
51-55	8	2%
>55	2	1%
Type of Enterprise		
Medium Enterprise	31	9%
Small Enterprise	319	91%
Education Background		
Elementary School or equivalent	2	1%
Junior High School or equivalent	6	2%
Senior High School or equivalent	190	54%
Bachelor's Degree or equivalent	147	42%
Master's Degree or equivalent	5	1%



Business Age

0-1 Year	40	11%
2-5 years	250	71%
6-10 Years	40	11%
11-20 years	12	3%
>20 Years	5	1%

B. Descriptive Analysis

Descriptive analysis consists of average and standard deviation score of each indicator and latent variables of the research model. There are nine latent variables each with several indicators.

Table IV.II Descriptive Analysis

Latent Variables	Indicator	Average	St. Dev
Performance Expectancy	PE1	5,414	1,473
	PE2	5,417	1,469
	PE3	5,420	1,455
	PE4	5,469	1,463
		5,430	
Effort Expectancy	EE1	5,577	1,358
	EE2	5,523	1,385
	EE3	5,654	1,374
	EE4	5,660	1,325
		5,604	
Social Influence	SI1	5,309	1,474
	SI2	5,300	1,567
	SI3	5,414	1,505
		5,341	
Facilitating Condition	FC1	5,414	1,479
	FC2	5,497	1,418
	FC3	5,743	1,323
		5,551	
Hedonic Motivation	HM1	5,509	1,416
	HM2	5,571	1,406
	HM3	5,520	1,479
		5,533	
Price Value	PV1	5,237	1,498
	PV2	5,317	1,504
	PV3	5,417	1,492
		5,324	
Perceived Technology Security	PTS1	5,277	1,544
	PTS2	5,583	1,378
	PTS3	5,346	1,483
	PTS4	5,409	1,509
		5,404	
Self-efficacy	SE1	5,763	1,332
	SE2	5,460	1,433
		5,672	



	SE3	5,743		1,303
	SE4	5,723		1,371
Behavioural Intention to Adopt	BIA1	5,431	5,431	1,575
	BIA2	5,437		1,588
	BIA3	5,411		1,624
	BIA4	5,603		1,485
	BIA5	5,491		1,523
	BIA6	5,211		1,690

As seen in the table above, the average score of all indicators and variables are at the number five. Considering the survey was filled with seven-point likert scales then all variables average in the middle up of the scale. All indicators in each latent variable also shows the average of five which indicate small standard deviation across the questions. Self-efficacy with the average score of 5.672 is the highest among all latent variable and price value with the average score of 5.324 is the lowest.

C. Hypothesis Testing

There are eight hypothesis that are tested in this study. The study employed a two-tailed t test with 95% confidence level. In this test, to be considered statistically significant the t-stat score of the variable relationship need to >1.96 and the p-value need to be <0.05 (Fraenkel et al., 2013). When the hypothesis does not fulfil the criteria then it is considered not statistically significant hence the hypothesis is rejected. To enrich the discussion of the study, the survey results is divided into three categories: overall result, never use category & do not use anymore category. Overall result means to look at the results of all 350 respondents. Never use category only looks at the results of the 152 respondents that has never use Facebook ads service. Do not use anymore category only looks at the results of the 198 respondents that have tried Facebook ads service but choose not to use it again. Table IV.III is the summary of the hypothesis testing results of the three categories.

Table IV.III Hypothesis Testing Results

Hypothesis	Overall		Never use		Not anymore	
	t-stat	P Value	t-stat	P Value	t-stat	P Value
H1: PE -> BIA	0.736	0.462	0.695	0.487	0.163	0.87
H2: EE -> BIA	2.512	0.012	1.355	0.176	1.852	0.065
H3: SI -> BIA	2.259	0.024	1.547	0.122	3.094	0.002
H4: FC -> BIA	0.661	0.509	0.215	0.83	1.167	0.244
H5: HM -> BIA	1.661	0.097	0.376	0.707	3.003	0.003
H6: PV -> BIA	1.144	0.253	0.377	0.706	2.518	0.012
H7: PTS -> BIA	1.283	0.2	1.735	0.083	0.001	0.999
H8: SE -> BIA	6.692	0	7.408	0	3.258	0.001

One variable that resulted as statistically significant in all three categories is self-efficacy and it always get the highest t-stat score along with lowest p-value score. The variable social influence is only statistically significant in overall category and do not use anymore category. Effort expectancy variable is only statistically significant in the overall category however in the do not use anymore category both t-stat and p-value score is very close to the cut-off point to be regard as statistically significant. Hedonic motivation and price value only statistically significant in the do not use anymore category. Performance expectancy, facilitating condition and perceived technology security are not statistically significant in any category despite perceived technology security score in never use category is nearing significant.



D. Discussion

To create a structured discussion in achieving the research objective, the discussion is divided into four categories. The first category is the priority factor. This category consists of the variable self-efficacy which is statistically significant in all respondent category and always get highest significancy on the test. The second category is the important factor. This category consists of effort expectancy and social influence which are statistically significant in the overall category. Social influence is statistically significant in the do not use anymore category and even though it is considered not statistically significant, effort expectancy almost reaches the cut off score hence it can still put in the important factor category. The third category is the retention factor. This category cover hedonic motivation and price value factor that are statistically significant only for respondents that have use Facebook ads service but are not using it anymore. The last category is the minor factor. This category consists of performance expectancy, facilitating condition and perceived technology security which are not statistically significant in all respondent category.

1) Priority Factor – Self Efficacy: Self-efficacy turns out to be the most significant factor that affect SMEs adoption of Facebook ads. Going back to its definition, self-efficacy describes people assessment on their capability to perform a specific task properly (Bandura, 1986). This infer that to adopt a certain technology people need to be confidence in their capability to use the technology properly. Align with the reasons that was given in the problem exploration FGD, several interviewee mention that the reason they are not using Facebook ads is that they feel they are not capable to use the service properly. Similar result was shown by Huang (2023) research in smartphone use behaviour. The research found that self-efficacy is a significant factor to overcome technology anxiety which likely to be a barrier in technology adoption (Huang, 2023). People with high level of self-efficacy will likely be less anxious and more open to adopt a new technology hence increasing the intention to adopt the technology.

2) Important Factor – Effort Expectancy and Social Influence: Effort expectancy refer to customers perception on how easy or difficult it is for them to use the technology (Venkatesh et al., 2012). This also indicate how much effort and sacrifices that user need to give to use the technology. One of the interviewees of the FGD also mention that she feels operating Facebook ads is complicated, especially for her employees that are from older generation, hence she does not adopt the technology. Similar research done by Irawan & Lubis (2019) in e-money adoption and Macedo (2017) in information and communication technology acceptance also concluded that effort expectancy positively influence intention to adopt a technology. Hence effort expectancy could be considered as an important factor in technology adoption context.

Social influence refers to how much the customers let people around them to influence them in using the technology (Venkatesh et al., 2012). It is widely accepted that as a social being humans are affected by the other people especially whose they have a relationship or connection with. As businesses are run by humans, the social factor of society often plays a significant role in business decision making. One of the interviewees in the problem exploration FGD stated that he does not feel the urgency to use Facebook ads because other direct competitors are not using the service also. This indicate that how other significant people action or recommendation could affect an individual decision making. Similar research that was conducted by Oliveria et al. (2016) in Mobile payment adoption and Macedo (2017) in information and communication technology supported the notion that social influence has positive influence on intention to adopt a technology. So, SMEs owner are more likely to adopt Facebook ads when the important/significant people surround them recommend or taking action that gives incentive for the SMEs owner to adopt Facebook ads.

3) Retention Factor – Hedonic Motivation and Price Value: The retention factor that is meant in this study is a factor that is only statistically significant for respondents that have use Facebook ads service but not use it anymore. These factors could be considered by Facebook ads provider to increase their customer retention level. That way people that have use Facebook ads will be more likely to keep on using it in a longer time span.

Hedonic Motivation refers to the positive feeling of joy, fun and pleasure in using a new technology (Kilani et al., 2023). Sometime using a technology create excitement and sense of achievement for the user. In the problem exploration interview, a few interviewees did mention that they believe that if they can use Facebook ads and create a successful promotional campaign with it, they would like to feel happy and proud of themselves. Studies conducted by Christino et al. (2019) on cashback program and Macedo (2017) in information and communication technology shows significant positive influence of hedonic motivation to intention to adopt technology. These findings could indicate that whether the users enjoy using Facebook ads service or not will influence their retention to use the service. People that have never use the Facebook ads service might find it difficult to decide



whether the service usage is enjoyable or not as they have not experience it yet. Hence hedonic motivation might be more relevant for user that already tried Facebook ads service.

Price value refer to the perception of cost-effectiveness in using a technology (Venkatesh et al., 2012). As a promotional mean, SMEs owner certainly expect certain economical return that they would receive for investing their money in paying for Facebook ads service fee. In the problem exploration FGD, a few interviewees mention that one of the reasons they did not use Facebook ads is that they feel the economical return is not worth the budget that they need to spend on the advertisement. Of course, in the context of SMEs, as a for profit organization, whether an investment gives enough positive return will affect the decision to do the investment or not. The result of the do not use anymore group shows statistically significant positive influence between price value and intention to adopt Facebook ads. This fact indicates that to retain user that have use the service, Facebook ads need to provide better/higher economic return for the user business.

4) Minor Factor – Performance expectancy, Facilitating Condition and Perceived Technology Security: Minor factor is the factor that is not statistically significant to have a positive influence on SMEs intention to adopt Facebook ads. The factors that fall into this category are Performance expectancy, Facilitating Condition and Perceived Technology Security.

Performance expectancy show the user expectation that the technology would assist them in doing certain task and increase their performance in doing it (Kilani et al., 2023). This factor shows user believe of how a technology will be useful them. The average score of the performance expectancy variable is quite satisfactory with the score of 5.4 out of 7. This indicates that SMEs owners do believe the usefulness of Facebook ads for their business, but it is not significant enough for them to make them adopt the service. Research conducted by Irawan & Lubis (2019) also found performance expectancy is not statistically significant to positively influence adoption of e-money adoption.

Facilitating condition refer to the availability of the necessary resources and technology for the user to use the technology (Kilani et al., 2023). In terms of Facebook advertisement service, the facility required to use the service is quite simple. A gadget/phone and internet connection are already sufficient to use the service. The average score of facilitating condition variable is also quite satisfactory with 5.55 out of 7. This indicates that SMEs owners do believe that they have the facility to use the service, but it is not significant enough for them to influence their adoption decision. Research conducted by Oliveira et al. (2016) on mobile payment adoption and Chistino et al. (2019) on cashback program also resulted in facilitating condition to not be a statistically significant factor to influence adoption of the technology. These results could infer that the availability of the facilitating condition to use Facebook ads is too simple to influence willingness to adopt. When using a technology, security is likely to be one of the considerations for its users. User trust is one of the significant factors on attitudes toward technology adoption (Kilani et al., 2023). Perceived technology security depicts SMEs owner trust to use Facebook advertisement service. Its average score shows satisfactory result for perceived technology security with the score of 5.4 out of 7. This indicates that SMEs owners do believe in the security of Facebook ads service however it is not significant enough for them to convince them to adopt the service. This might be affected by the fact that modern society is used to using technology hence it is natural for them to expect the security of the service.

E. Business Solution

The aim of the study is to understand factors that affect Facebook ads adoption for Indonesia SMEs. After understanding the factors, the study gives perspective and recommendation to Meta, the provider of Facebook advertisement service, to address their business issue in acquiring more SMEs user in Indonesia. Considering the factors that considered to be statistically significant to positively influence intention to adopt Facebook ads based on this research, researcher would like to recommend three business solution ideas to address the business issue.

1) Educating SMEs How to Use Facebook Ads Successfully: Self-efficacy as the most dominant factor in Facebook ads adoption need to be increased. Meta, as Facebook ads provider, need to educate SMEs on how to use the service effectively. Consequently, by educating them, we expect their self- efficacy in using the advertisement service will significantly increases. The effort to educate SMEs need to be convenience and it is highly recommended to be free of charge. As SMEs might not have the leisure to spend significant amount of time and fund to upgrade their advertising skill, free and convenience program might interest them. Certification might also help SMEs to increase their confidence in using Facebook ads. When they pass the certification, they will have a real proof of their capability to advertise with Facebook ads hence it will significantly boost their self-efficacy. Educating the SMEs ought to also create better effort expectancy simultaneously for the SMEs. When the SMEs have higher understanding of



the advertising mechanism, then they would also be likely to perceive the effort to use the service as easier. Hence by educating SMEs in using Facebook ads would address two significant factors in the service adoption.

Meta has actually created a platform called Meta Blueprint which address the recommendation stated above. However, looking at the low level of SMEs that use Facebook ads service, the program might need to be promoted more thoroughly. SMEs might not have the proactivity to look for program such as Meta Blueprint on their own. Meta needs to be the one that is actively promote the program to increase the awareness and interest of SMEs to join the program. There might need to be a distinctive effort to reach SMEs and the promotion need to convince SMEs that the program is suitable to meet their condition and interest.

2) Partnership With Relevant Key Opinion Leader and SMEs Community: Based on the research, social influence is one of the significant factors that positively influence intention to adopt Facebook ads. Although Meta might not be able to reach all SMEs peers and family, another side of social influence that are Key Opinion Leaders (KOL), also known as influencer, and community might be utilize by Meta to influence SMEs. By partnering with KOLs that are relevant to SMEs and involved with SMEs community, Meta could create a social influence that helped to promote Facebook ads. If done successfully, the social influence will have multiplier effect as SMEs that are influenced by the promotion will also influence other SMEs to increase awareness, interest and ultimately adoption of Facebook ads service.

3) Advertiser Event and Economic Incentive for SMEs: Hedonic motivation and price value indicate sense of joy and economic value that SMEs receive from Facebook ads. One way that could create joy and fun in the use of Facebook advertisement is making a special event. Creating interesting event that Facebook advertiser could look forward to is one way to engage with advertiser and creating the sense of fun in being part of the service users. On top of that, the event could give economic incentive such as prizes, special coupons, etc that will raise the excitement of the event even more. A special event for SMEs advertiser could be done by Meta to address the specific interest of SMEs as it might be differed than big corporate advertiser. The event could also support the prior two ideas that was mentioned above. In the event, Meta could create a special talk show of some SMEs that use Facebook ads successfully to bring significant impact for their business. Training workshops could also be done to develop SMEs competency in advertising skill or even overall business management skill. This way the event could help to educate SMEs in using Facebook advertising service. The event would also create social influences between the participants and the publication of it could even reach other SMEs that do not participate in the event.

F. Implementation Plan and Justification

The implementation plans are based on the business solutions that were mentioned in the previous section.

1) Promotional Campaign for Meta Blueprint Program: Meta should create a promotional campaign of Meta Blueprint program specifically for SMEs. The campaign should utilize both online and offline activities in various channel. The online campaign activities could be run throughout the year with higher intensity in certain period. Big event such as Idul Fitri or Christmas are very important for SMEs as it have huge economic potential hence prior to those big events Meta could push the promotion more to create sense of urgency for SMEs to learn Meta Blueprint program. Offline activities could be done by visiting SMEs community to promote the program. Give incentive for the SMEs to join the program and convince them of the benefit in joining the program. The offline promotional is ideally start from big cities which have more dense population while the online could be run across all Indonesia. Of course, specific targeting and personalization is needed to ensure the promotion is delivered to the right audience with the right message.

2) KOL and Community Partnership: Meta should have an endorsement partnership with Key opinion leaders (KOL) that is related to SME and have followers base that interested in business and technology. KOL with entrepreneurial and marketing persona might be the ideal choice in selecting the KOLs. Make sure the believability of the KOL endorsement is good and have a good relationship with the KOLs to build long term relationship. Meta should also be present in SMEs community and help them in growing their business not solely by promoting its service. Build relationship and show caring attitude to the SMEs in order to gain their trust. Giving them sponsorship would also help to get strong engagement with the SMEs withing the community.

3) SME's Advertiser Event: Meta should organize a regular event to celebrate SMEs business development especially in the advertising point of view. Filled the event with talk shows, workshops, games, and prizes to not only give participant valuable insight but also a great time during the event. The event could be done online and/or offline, although offline event might have higher engagement with the SMEs. Meta should also give prizes and rewards that are valuable to the SMEs economically to help



them improving their business. Create virality and social media competition so the publication of the event reach SMEs that have not join the event yet. Ideally the venue of the event will be on big cities as the facility will likely be more adequate.

V. CONCLUSION AND RECOMMENDATION

A. Conclusion

The objective of this research is to understand factors that affect social media adoption by small medium enterprises in Indonesia especially for Facebook advertisement. The research was done to address Meta business issue on the difficulties to get SMEs to use their service. The answers to each research questions that are stated in chapter one is as follow:

- Performance expectancy does not positively influence behavioural intention to adopt Facebook Advertisement.
- Effort expectancy does positively influence behavioural intention to adopt Facebook Advertisement.
- Social influence does positively influence the behavioural intention to adopt Facebook Advertisement.
- Facilitating conditions does not positively influence the behavioural intention to adopt Facebook Advertisement.
- Hedonic motivation does positively influence the behavioural intention to adopt Facebook Advertisement only for respondents that has use Facebook Advertisement.
- Price value does positively influence the behavioural intention to adopt Facebook Advertisement only for respondents that has use Facebook Advertisement.
- Perceived technology security does not positively influence behavioural intention to adopt Facebook Advertisement.
- Self-efficacy does positively influence behavioural intention to adopt Facebook Advertisement.

In summary, the factor of Self efficacy, effort expectancy and social influence are statistically significant to influence SMEs intention to adopt Facebook ads. Additionally, hedonic motivation and price value factor are statistically significant to influence intention to adopt Facebook ads for SMEs that have use the service but choose not to use it anymore. On the other hand, the factor of performance expectancy, facilitating condition and perceived technology security are found to be not statistically significant to influence intention to adopt Facebook ads among Indonesia SMEs.

B. Recommendation

1) Managerial Recommendations: This research recommends Meta to consider the factors that are discussed in this research and divide it into four categories which are priority factor, important factor, retention factor and minor factor. Meta should give priority effort to increase SMEs self-efficacy as it is the most significant factor that influence SMEs intention to adopt Facebook ads. Researchers suggest Meta to educate SMEs on their capability to use the service. As Meta already have related program, which is Meta Blueprint, researcher suggest Meta to push more effort in promoting Meta Blueprint program and get as many SMEs as possible to join the program. Researcher also suggest Meta to create partnership and build relationship with relevant Key Opinion Leaders and SMEs communities to create positive social influence in using Facebook ads service. Lastly, researcher recommend Meta to create a regular advertiser event for SMEs to participate in. This event could be the mean of Meta to engage with SMEs and have long term valuable relationship with them.

2) Future Research Recommendations: This research is conducted in the context of Indonesia SMEs and specifically for Facebook ads service. It might be insightful to conduct further research in other demography context outside Indonesia or maybe be more specific to a certain demography in Indonesia. It might also give additional learning to conduct similar research with different social media advertising service as its object. Lastly, as there are several options that business owner has to promote their business in social media or even other digital platforms, it might be interesting to see whether alternative advertising options have significant impact to consumer adoption of a certain service considering the high level of competition in the digital advertising industry.

The respondents of this research are limited to SMEs owner that are not using Facebook advertisement service. Researchers recommend that it might give additional insight to conduct similar research with SMEs that are actively using Facebook advertisement as its respondents. Comparison of significant variables between respondents that uses the service and respondents that do not use the service would likely give new insight to the study.



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