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Exploring the Role of Digital Marketing in Small Business Growth: A Literature Review Using the Technology Acceptance Model (TAM)

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ARTICLE INFO	ABSTRACT
<i>Article history:</i> Received 14 March 2025 Accepted 10 May 2025 Published 31 May 2025 <i>Keywords:</i> Digital Marketing, Technology Acceptance Model (TAM), SMEs, Entrepreneurship <i>DOI:</i> 10.24191/abrij.v11i1.7074	Small and medium-sized enterprises (SMEs) are crucial to Malaysia's economic resilience yet may struggle to compete in an increasingly digital environment. This literature review explores how digital marketing contributes to SME growth through the lens of the Technology Acceptance Model (TAM). Drawing on studies from 2020 to 2025, particularly during and after the COVID-19 pandemic, this paper discusses the factors that influence digital adoption including perceived usefulness, ease of use, social influence, and contextual moderators. Findings suggest that while digital marketing offers significant potential for SMEs, adoption remains inconsistent due to various internal and external barriers. Practical implications highlight the importance of government support, training programs, and SME support organizations in enhancing adoption. This review contributes to a clearer understanding of how digital tools can empower small businesses, enhance long-term sustainability, and shape policy development.

1. Introduction and Theoretical Background

Small businesses (SMEs) play a significant role in Malaysia's economic development. However, many SMEs face challenges in staying competitive, especially in the digital age. With the increasing relevance of online platforms, digital marketing has emerged as an affordable and impactful tool for small business growth. This literature review aims to explore previous studies on digital marketing adoption among SMEs, focusing on the Technology Acceptance Model (TAM) as the theoretical lens.

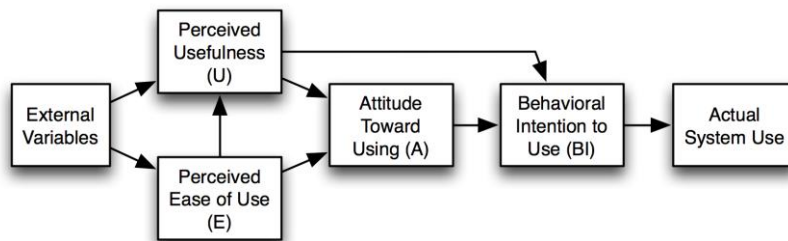
Globally, SMEs are widely acknowledged as engines of economic growth and innovation (OECD, 2020). Studies from Europe and the United States highlight how SMEs that adopt digital marketing can expand internationally and improve efficiency (Chaffey & Ellis-Chadwick, 2019). Similarly, research in Asia—including China, India, and Thailand—demonstrates that SMEs benefit from digital platforms through market expansion, cost efficiency, and stronger customer relationships (Fan et al., 2021; Puriwat

& Tripopsakul, 2021). Despite these benefits, adoption remains uneven, with challenges relating to digital literacy, cost, and organizational culture. This global perspective underscores the relevance of investigating the Malaysian context, where SMEs are equally crucial but often constrained by limited resources.

Digital marketing includes the use of tools such as social media, email, websites and search engines to promote products and services. According to Ahamat et al., 2017; Ahmad et al., 2018), the digital marketing helps SMEs improve customer engagement and reach wider markets at lower costs. The COVID-19 pandemic further accelerated the shift towards online business, forcing many SMEs to reconsider their marketing strategies (Lina Nadia et al., 2022)

Despite its benefits, the adoption of digital marketing remains inconsistent. The COVID-19 pandemic significantly accelerated the need for SMEs to shift to digital platforms. However, several issues hinder this transition. These include lack of digital skills, financial constraints, limited perceived value, and resistance to change (Nguyen & Luu, 2020; Dekker et al., 2018). Many business owners are still hesitant due to unfamiliarity with the technology or doubts about its effectiveness.

Figure 1. Technology Acceptance Model (TAM), (Davis, 1989)



To understand these behavioural factors, this study applies the Technology Acceptance Model (TAM) by Davis (1989), which identifies two core constructs: Perceived Usefulness (PU) and Perceived Ease of Use (PEOU). PU is defined as the degree to which a person believes that using a particular system will improve performance, while PEOU is the belief that using the system would be free of effort. These factors influence user attitude and intention to adopt technology. In the context of SMEs, if business owners perceive digital marketing as both useful and easy to adopt, they are more likely to embrace it.

In many recent studies involving SMEs, TAM has been instrumental in explaining the slow adoption of digital technologies. For instance, SMEs may avoid implementing digital marketing tools such as e-commerce platforms or social media ads if they do not perceive them as beneficial to their business (low PU), or if they feel the tools are complicated and difficult to use (low PEOU) (Basit et al., 2020; Trawnih et al., 2021). On the contrary, when SME owners understand the strategic value of these tools and are confident in their ability to operate them, they demonstrate stronger intention to adopt (Effendi et al., 2020).

The application of TAM in this study is therefore appropriate to assess how SME owners' perceptions towards digital marketing influence their adoption behaviour. By identifying the cognitive and environmental factors that shape PU and PEOU, stakeholders such as policymakers and training providers can develop more targeted initiatives to encourage digital transformation among local SMEs.

2. Literature Insights and Comparative Analysis

The comparison has been made to study the differences between perceived usefulness and perceived ease of use related to digital marketing adoption among SMEs by using TAM or related framework.

Table 1. The Summary of Key Literature from 2020 to 2025 related to digital marketing adoption among SMEs using TAM or Related Framework.

Author(s)	Year	Country	Method	Model Used	Key Findings
Basit et al.	2020	Malaysia	Quantitative	TAM (PU, PEOU, SN)	PU & PEOU significantly influenced digital tool adoption.
Effendi et al.	2020	Indonesia	Survey	TOE Framework	Environment & tech readiness vital during COVID-19.
Lina Nadia et al.	2022	Malaysia	Systematic Review	Integrated Factors	Skills gap & support from authorities impacted social media adoption.
Trawnih et al.	2021	Jordan	Quantitative	TAM (PU, PEOU, Enjoyment)	Enjoyment & PEOU boosted social media marketing adoption.
Puriwat & Tripopsakul	2021	Thailand	Quantitative	UTAUT + TAM	Social influence & facilitating conditions increased adoption.
Qalati et al.	2021	Pakistan	Survey	TAM + Performance Expectancy	Innovation & performance orientation enhanced adoption.
Samsudeen et al.	2021	Sri Lanka	Quantitative	TOE + TAM	Top management support & training were critical enablers.
Fan et al.	2021	China	SEM	Entrepreneurial Orientation + TAM	Proactive mindset correlated with higher tech adoption.
Ismail et al.	2022	Malaysia	Interview	TAM	Trust & perceived credibility key to online marketing use.
Zainal et al.	2023	Malaysia	Survey	TAM + Social Media Marketing	Brand awareness linked to intention to adopt.
Rahman & Ali	2020	Bangladesh	Survey	TAM	Cost concerns affected PU perception in micro-enterprises.
Chen et al.	2021	Taiwan	Quantitative	TAM + Trust	Trust influenced behavioural intention more than PU.
Mohd Noor et al.	2024	Malaysia	Case Study	TAM + Digital Skills	Digital literacy directly impacted PEOU.
Munir et al.	2022	India	Survey	UTAUT + Innovation Diffusion	Observability & trialability enhanced intention to adopt.

Existing studies consistently validate the importance of the Technology Acceptance Model (TAM) in understanding SME adoption of digital marketing. In particular, perceived usefulness (PU) and perceived ease of use (PEOU) have been repeatedly shown to be significant determinants of adoption (Basit et al., 2020; Qalati et al., 2021). For instance, Malaysian studies emphasize that SMEs struggle due to limited skills, inadequate training, and financial constraints (Basit et al., 2020; Lina Nadia et al., 2022). These findings align with regional challenges but highlight that barriers often relate more to internal capacities than to the perceived benefits of digital tools.

When compared across regions, however, adoption drivers and barriers are not uniform. In Thailand and Sri Lanka, for example, studies found that top management support and environmental readiness were more influential than technological perceptions alone (Puriwat & Tripopsakul, 2021; Samsudeen et al., 2021). Meanwhile, in Pakistan and Bangladesh, cost perception and financial burden significantly affected adoption (Rahman & Ali, 2020; Qalati et al., 2021). This comparison illustrates that adoption is context-dependent, shaped by institutional, cultural, and economic factors.

A notable development in the literature is the extension of TAM into hybrid models. Several studies integrate additional constructs such as perceived enjoyment (Trawnih et al., 2021), entrepreneurial orientation (Fan et al., 2021), and social influence (Puriwat & Tripopsakul, 2021). Others highlight trust and credibility as key determinants, sometimes outweighing perceived usefulness in influencing behaviour (Chen et al., 2021; Ismail et al., 2022). These hybrid models demonstrate that while PU and PEOU remain central, digital adoption in SMEs cannot be fully explained without considering behavioural, organizational, and contextual variables.

Despite these contributions, gaps remain in the literature. Much of the research is cross-sectional, limiting understanding of long-term adoption trends, particularly post-pandemic. Sector-specific investigations are rare, even though micro-enterprises in industries such as food, fashion, and informal business are vital contributors to national economies. Moreover, although government and institutional support are frequently acknowledged, their role as moderating factors has not been rigorously tested.

In summary, the literature demonstrates that TAM continues to provide a strong foundation for studying SME adoption of digital marketing. However, critical comparison of studies suggests that adoption is shaped by a complex interplay of technological, organizational, and environmental factors. The emerging trend toward hybrid models underscores the need for integrated frameworks and more context-sensitive research to capture the realities of SME digital transformation.

3. Gaps and Future Research Directions

Despite the extensive use of TAM in digital marketing literature, several research gaps remain. Few studies incorporate situational elements such as post-pandemic behaviour or long-term digital readiness. There is also limited focus on the moderating effects of government initiatives, institutional support, and training programs. Moreover, sector-specific studies are underrepresented, especially for micro-enterprises in food, fashion, and informal sectors. Future research should therefore consider hybrid frameworks such as combining TAM with TOE or UTAUT for deeper insights into behavioural, organizational, and environmental influences.

From a practical perspective, these gaps also highlight opportunities for policymakers and SME support organizations. For example, government agencies could design training programs and digital literacy initiatives that directly target barriers such as skills and cost. SME support organizations like SME Corp Malaysia may provide tailored mentoring, workshops, and funding assistance to strengthen SMEs' confidence in digital adoption. Industry associations could also facilitate peer-to-peer learning platforms, allowing SMEs to share experiences and reduce uncertainty. Addressing these issues would not only advance academic research but also support real-world SME resilience and growth.

Conclusion

This review has examined how small and medium-sized enterprises (SMEs) adopt digital marketing through the Technology Acceptance Model (TAM). The analysis confirms that two central constructs—perceived usefulness (PU) and perceived ease of use (PEOU)—remain critical in shaping adoption decisions. At the same time, studies show that contextual factors such as social influence, trust,

entrepreneurial orientation, and management support are increasingly important, indicating a shift toward hybrid frameworks that extend TAM.

The COVID-19 pandemic accelerated the move toward digital platforms, but barriers such as limited digital skills, financial constraints, and resistance to change continue to persist, particularly in SMEs with fewer resources. Comparative insights across countries highlight that adoption challenges are not universal but shaped by specific institutional and cultural contexts.

Theoretically, this review reinforces the value of TAM as a foundation while showing the need to integrate it with broader organizational and environmental perspectives. Practically, the findings suggest clear implications for policymakers, SME support organizations, and industry associations. Training programs, targeted financial support, and peer-learning initiatives can help SMEs overcome barriers and strengthen their readiness for digital transformation.

Future research should go beyond cross-sectional approaches to explore post-pandemic digital resilience and long-term adoption readiness. Sector-specific studies, especially in micro-enterprises such as food and fashion, would also provide more nuanced insights. In addition, government support and policy interventions should be examined more explicitly as moderating factors to understand how external support influences adoption behaviour.

By addressing these gaps, SMEs will be better positioned to leverage digital marketing for competitiveness, resilience, and long-term sustainability in an increasingly digital economy.

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Conflict of interest statement

The authors declare that this research was conducted in the absence of any commercial, financial, or personal relationships that could be construed as potential conflicts of interest. No external funding was received for the development of this paper, and the authors confirm that there are no known competing interests that could have influenced the outcomes of this literature review.

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