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SOCIAL MEDIA ENGAGEMENT ON MSMEs' BUSINESS PERFORMANCE: A SYSTEMATIC REVIEW OF ALMOST A DECADE

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Abstract: Social media has become an important part of marketing strategy for micro, small, and medium enterprises (MSMEs) as it offers a cost-effective way to reach a larger audience base besides allowing engagement with customers in such a brief period of time. Social media can significantly influence the performance of MSMEs in terms of brand awareness, customer satisfaction, sales, and many more. Nevertheless, more systematic studies should be done to uncover the elements contributing towards business performance in the social media scenario. This article aims to systematically review past literatures that have been done in the social media engagement towards business performance scene. The ROSES review protocol serves as a guide for this systematic review. From the initial results of 252 records, only 22 relevant articles in line with the study's objective were selected. The majority of the studies were done in developing countries, ranging from the year 2015 to 2023. Elements under the engagement variable include sales/promotion, user-generated content, firm-generated content, comments, likes, shares, customer relationships, and communication, while for the performance variable, keywords were grouped into elements of financial and non-financial performance. These findings are anticipated to serve as a foundation for future research and contribute to the enhancement of MSMEs' performance.

Keywords: Business performance; micro, small and medium enterprises; social media engagement; systematic review

1. Introduction

Social media has had a substantial impact on businesses, as numerous organisations utilise it to interact with and attract their intended audiences. Previous research has demonstrated that micro, small, and medium enterprises (MSMEs) can derive numerous advantages from implementing social media in their operations. As suggested by Wee et al. (2020), businesses utilise social media due to its cost-effective and highly effective marketing tool. Moreover, Madila et al. (2022) emphasised that MSMEs should grow in terms of using social media platforms to engage with clients, in line with the growing number of social media users. Furthermore, Munawar et al. (2023) mentioned that companies which utilise effective marketing strategies constantly motivate clients to engage with their brand, resulting in sustained utilisation of products and services over time, hence enhancing corporate performance.

Meanwhile, Dewey and Drahota (2016) mentioned that a systematic literature review (SLR) involves identifying, selecting, and critically appraising research to answer a formulated question. According to Yunus et al. (2023), for the purpose of replication by future researchers, search strategy covering several databases is used in the SLR process, and the protocol or plan is set before the review process starts. Despite the fact that there is quite a number of existing past research on the influence of social media

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engagement towards business performance, there has not been enough done to thoroughly review the findings. Hence, the goal of this review study is to identify the patterns and trends from earlier research on social media, consumer engagement, and business performance.

2. Methodology

The ROSES (Reporting standards for Systematic Evidence Syntheses) review protocol serves as the study's guide, seeking to increase transparency in order to set higher standards for the conduct of systematic reviews and maps.

2.1. Research Question Formulation

The researcher adopted the PICO (Population OR Problem; Interest; Context) method as the Research Questions Development Tool (RQDT). The population is micro, small, and medium enterprises (MSMEs) owners, the interest is social media content, and the context is increased business performance. The research questions are: 1. What are the most prominent elements of social media engagement that influence MSMEs' business performance? and 2. What are the possible dimensions of MSMEs' business performance?

2.2. Systematic searching strategies

McGowan and Sampson (2005) stated that systematic searching is a crucial step in SLR as mistakes could lead to bias and incomplete evidence, besides minimising errors.

2.2.1. Identification

The identification process in the systematic searching strategy is to find all results possible from multiple databases according to the research question formulated earlier. Table 1 shows the research question used, plus the main and enriched keywords identified as string search.

Table 1: Results of identification process

| Research Question | Main Keywords | Enriched Keywords |
|---|---|--|
| What are the most prominent elements of social media engagement that influence MSMEs' business performance? | micro small medium enterprises social media engagement performance | MSME, SME, micro businesses social network sites, social media platforms interaction profitability, sales |

The identification process was made through two leading databases, Scopus and Web of Science, and Google Scholar as a supporting database. Table 2 simplifies the search strings used.

Table 2: Full search string used in leading databases (Scopus, Web of Science) and supporting database (Google Scholar)

| Section | Scopus | Web of Science (WoS) | Google Scholar |
|---|---|--|---|
| Research Question What are the most prominent elements of social media engagement that influence MSMEs' business performance? | TITLE-ABS-KEY (("micro small medium enterprise*" OR "msme*" OR "sme*" OR "micro business*") AND ("social media" OR "social network site*" OR "social media platform*") AND ("interact*" OR "engage" OR "engagement*") AND ("performance" OR "profit*" OR "sale*")) | TS=(("micro small medium enterprise*" OR "msme*" OR "sme*" OR "micro business*") AND ("social media" OR "social network site*" OR "social media platform*") AND ("interact*" OR "engage" OR "engagement*") AND ("performance" OR "profit*" OR "sale*")) | "micro small medium enterprises" "msmes" "smes" "social media" "social media platforms" "engagement*" "performance" "profitability" "sales" Wild card character (*) in the word engagement |
| Initial search | = 94 document results | = 128 document results | = 30 document results |
| Filtered/Edited search | TITLE-ABS-KEY (("micro small medium enterprise*" OR "msme*" OR "sme*" OR "micro business*") AND ("social media" OR "social network site*" OR "social media platform*") AND ("interact*" OR | TS=(("micro small medium enterprise*" OR "msme*" OR "sme*" OR "micro business*") AND ("social media" OR "social network site*" OR "social media platform*") AND ("interact*" OR | "micro small medium enterprises" "msmes" "smes" "social media" "social media platforms" "engagements" "performance" "profitability" "sales" |

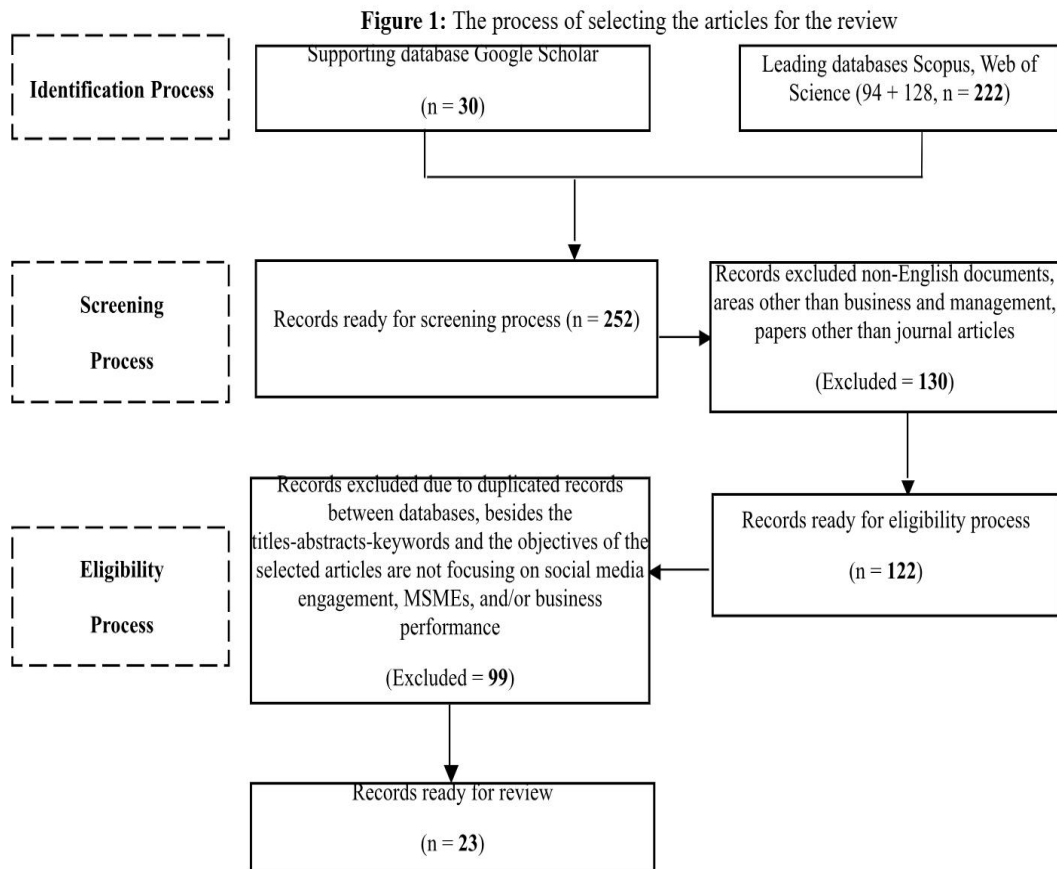
| Section | Scopus | Web of Science (WoS) | Google Scholar |
|---------|---|--|---|
| | "engage" OR "engagement*") AND ("performance" OR " profit*" OR "sale*")) AND (LIMIT-TO (SUBJAREA , "BUSI")) AND (LIMIT-TO (DOCTYPE , "ar")) AND (LIMIT-TO (LANGUAGE , "English")) = 42 document results | OR "engage" OR "engagement*") AND ("performance" OR " profit*" OR "sale*")) Refined by: Document Types: Article Research Areas: Business Economics Language: English = 76 document results | Plural set for the word engagement = 4 document results |

2.2.2. Screening

Mengist, Soromessa, and Legese (2020) confirmed that the act of screening is to select works of literature and identify relevant papers for review work. The researcher limits the document type to articles only, areas to business and/or management only, and language to English only (as in Table 2).

2.2.3. Eligibility

A total of 67 remaining articles from the screening process were scanned and duplicated records between all three databases were identified. Titles, abstracts, and keywords as well as the objectives that are not related to social media engagement, MSMEs and/or business performance were skimmed, and all unrelated papers were excluded. The initial 252 records reached the final records for review of only 23 articles (Figure 1).



2.3. Article quality appraisal

Based on the AXIS appraisal form developed by Downes et al. (2016), the qualitative

approach for the article quality appraisal process was adopted. A total of 23 papers were appraised according to 20 components listed; introduction, methods, results, discussion, and other related matters such as funding and ethics. As a result, 21 articles resulted in high quality, one moderate, and another low. Only 22 articles of high and moderate categories were chosen.

3. Abstraction and Data Analysis

A total of 12 keywords were identified under the engagement variable. The keywords were grouped into smaller themes, with similar and synonymous keywords themed together. The initial 12 keywords were 'sales/promotion, User-Generated Content (UGC), Firm Generated Content (FGC), e-Word of Mouth (e-WOM), photos, videos, comments, likes, shares, customer relationship, communication, and information sharing'. Apart from that, eight keywords were also identified under the performance variable, which are 'reduced costs, increased sales, growth, profitability, customer satisfaction, brand equity, sustainability, and loyalty'. Multiple keywords that are synonymous in nature were themed together to simplify the thematic analysis. Photos and videos were included under FGC, while e-WOM and information sharing was placed under shares. Items under the performance variable were divided into two main themes: financial and non-financial. Profitability, increased sales, and decreased costs were classified under financial, while growth, customer satisfaction, brand equity, sustainability, and loyalty were under non-financial.

4. Findings and Discussion

There is a grey area when it comes to the context and definition of engagement. Rahmawati et al. (2023), Bruce et al. (2023), Shandy et al. (2023), and Senanu et al. (2023) concurred that firms mostly deploy social media marketing and information sharing activities to induce sales and facilitate transactions, where purchase is a form of positive engagement behaviour within their perspective. Other scholars such as Rahayu et al. (2023), Rozak et al. (2021), Amoah et al. (2021) and Musa et al. (2016) defined purchasing behaviour or performing transactions as the direct impact of the engagement behaviour itself, which is part of business performance. The proven business performance that could be increased with the help of social media engagement include reduced costs, increased sales, growth, profitability, customer satisfaction, brand equity, sustainability, and loyalty. Nevertheless, some MSMEs have difficulties in managing social media with multiple limitations, such as owner or staff having low information and communications technology (ICT) and technical knowledge (Wibawa et al. 2022).

5. Recommendations, Limitations, and Future Studies

The researcher saw that there is lack of emphasis on variables that could mediate or moderate the relationship between social media engagement and business performance. Future studies should fill in the gap by investigating the additional elements that may or may not affect the direct relationship. From the variables identified through thematic analysis, there are still many unidentified and unexplored variables of social media, calling for more studies to be done in the social media game to uncover latest factors and trends that may affect the interaction and engagement between firms and consumers. Additionally, Bruce et al. (2023) suggested that future studies uncover the drawbacks and negative effects of social media on organisations. Firms may learn to stay alert and not be involved in concerns like negative e-WOM, security and privacy risks, fake paid online reviews, the spread of misinformation, and many more (Rozak et al., 2021).

6. Conclusion

This study examined the key factors of social media engagement that impacts business performance of MSMEs using the SLR technique. Thematic analysis of chosen publications has found factors that have been commonly used in previous investigations. However, there may be additional components that have not been examined in this study. Business owners may gain from this

systematic review that social media is something to focus on, with opportunities and possibilities to learn more about social media involvement and how it affects business success. The expectation is that the discoveries presented in this article will facilitate the initiation and advancement of future research aimed at enhancing the performance of MSMEs.

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