An Innovation Diffusion approach to examining the Adoption of Social Media by Small Businesses: an Australian case study

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Abstract
Whilst many studies have examined social media use from a consumer perspective, relatively few have examined its use by small and medium sized enterprises (SMEs), a group for whom it is becoming increasingly important. This study aims to provide a deeper understanding of an under-researched area, the experience of SMEs during the process of adopting social media, by identifying the factors that influence SMEs to either adopt social media or not and, if they adopt it, how they use it and evaluate its usefulness. The study involves analysis of in-depth interviews with 42 Australian businesses. Roger’s innovation decision process is used in an innovative manner to classify SMEs into five key stages of adoption of social media and identify the factors that influence the progression of SMEs across the various stages of adoption. The results show that the story of social media use is richer than just whether SMEs adopt it or not. Most participants used Facebook, suggesting it has become the de facto platform of choice to engage with social media. However, opinions of its perceived usefulness for SMEs varied widely across users. There was confusion surrounding the role of Twitter, its value, and concern about the amount of time needed to use it. YouTube was used by some SMEs to showcase their products or services. The study contributes to the literature by identifying key facilitators which appear critical to the decision by SMEs to continue use of social media – namely increased sales; brand development and a feeling of pressure that they ‘have to be there’. It also identifies some inhibitors to sustained use by SMEs, typically a lack of compatibility to industry sector; insufficient followership; and limited return on investment compared to effort required. Finally, the study shows how SMEs differentiate between social media platforms.

Keywords
Social media; small and medium enterprise (SME); adoption; diffusion of innovation; Australia.
Introduction

Social media is the highest growth area on the Internet and it is expected to continue to grow in importance (Coleman et al., 2013; Xiang & Gretzel, 2010). Social media refers to a range of online technologies including social networking websites such as Facebook; photo websites such as FlickR and Instagram; blogging websites such as Wordpress; and other sites such as YouTube, Twitter and TripAdvisor (Cheek et al., 2013). It is known to influence consumer purchasing patterns and has caused a shift in power towards the consumer (Kaplan & Haenlein, 2010). Consequently, social media has impacted the operations and profitability of business as consumers engage with them online, contribute feedback, and react to online content (Coleman et al., 2013).

In Australia, a small business is classified as an actively trading business ranging in size from 1 to 19 employees, whilst a medium sized business has 20-199 employees (Department of Industry, Innovation, Science, Research and Tertiary Education, 2012). Small and medium businesses are collectively known as SMEs. Whilst many studies examine consumer perspectives of social media, there has been little investigation of its use by small and medium sized enterprises (SMEs) (Durkin et al., 2013). This is surprising, given the massive contribution that SMEs make to the economy. For instance, in Australia, 95% of businesses are small, accounting for half of private sector employment and one third of GDP (Department of Industry, Innovation, Science, Research and Tertiary Education, 2012). Despite the rapid growth of social media, the rate of adoption by SMEs in Australia is noticeably lower than some countries with Sensis reporting that just 48% of SMEs have a social media presence (Sensis, 2016). Aside from such reports on broad indicators of the level of adoption of social media by Australian SMEs, there is a lack of academic research exploring the experiences of SMEs at various stages of adoption of social media.

Social media is now considered core to e-commerce for small business as it provides easy access to a global market at minimal cost (Taneja & Toombs, 2014). It is important that small businesses are able to engage effectively with social media so they can capitalise on the opportunities it presents whilst also avoiding its pitfalls (Boyles, 2011; Stockdale et al., 2012). Customer engagement is one of the most significant shifts in marketing which has been enabled by social media. Effective engagement with social media requires a business to not only adopt relevant social media platforms but also to sustain active participation within their chosen online communities (Harrigan and Miles, 2014). SMEs can use social media to be proactive in order to reach more customers and increase their sales, as well as being reactive to social media content created by consumers in order to manage their reputation (Neti, 2011). Choosing to ignore social media can put a small business at risk (Coleman et al., 2013; Kreitzberg, 2009). As such research which aims to better understand SMEs’ attitudes towards social media and their adoption behaviour is required.

As mentioned, within the literature on the adoption of social media in business, the majority of studies focus on large organisations (Schaupp & Belanger, 2014). Consequently, there is limited understanding of the critical factors which are specifically linked to the adoption, usage and evaluation of social media by SMEs (Atanassova & Clark, 2015; Barnes & Jacobsen, 2013; Harrigan & Miles, 2014; He & Chen, 2014). This is a critical shortcoming which needs to be addressed and is the main aim of this study.

Within the literature on the adoption of technological innovations, Rogers (2003) notes that most organisations pass through a series of stages of adoption before eventually deciding to integrate a technology fully into their business. The Diffusion of Innovation (DOI) approach can be used in multiple contexts to classify organisations into various stages along the adoption spectrum. It can also be used to identify the factors that
influence the adoption decision as well as the challenges that may prevent an organisation from adopting technology (Rogers, 2003). As part of the DOI approach, the innovation-decision process can be used to classify the different stages of adoption – from initially finding out about an innovation to evaluating its use within the business. To date, the DOI model has not yet been applied to in-depth studies of the social media adoption by small business, despite it being a potentially useful tool to understand the extent of adoption of this growing phenomenon. Its usage in this study provides an opportunity to examine the adoption (or non-adoption) of different social media platforms by SMEs and identify the factors that influence their adoption, usage and evaluation across all of Rogers’ adoption stages.

This study aims to identify how Australian SMEs engage with social media by identifying what stages of adoption they are at and examining what influences the adoption, or non-adoption, of social media in their businesses. As such, the aim of the study is to apply Rogers’ (2003) Innovation-Decision framework to identify the critical factors which are specifically linked to the adoption, usage and evaluation of social media by SMEs. The study relies on a case study approach, identifying these factors through semi-structured interviews with owners, managers and/or other key employees of 42 SMEs in Australia. Rogers’ (2003) innovation-decision process is applied within the analysis to reveal a deeper understanding of the various stages of adoption of social media, along with identifying the key facilitators and inhibitors of adoption for Australian SMEs. At the conclusion of the analysis, the factors that influence decision making by SMEs at each stage of the innovation-decision process are identified. As such, the study builds theory (an aim of qualitative research) by providing further insight into the experiences of SMEs at various stages of adoption of social media and enables insights beyond those which explain why adoption occurs or does not occur. The results provide not only a means by which SMEs can approach the use of social media, but also a tool of analysis for researchers to investigate the processes by which SMEs adopt, use and evaluate social media within their businesses.

**Literature Review**

Social Media Adoption in SMEs

‘Social media’ is a term used to highlight the pivotal role that consumers play in submitting, reviewing and responding to online content. Cheek et al. (2013) suggest there are five categories of websites that reflect the ‘social media tool chest’, being social networking websites such as Facebook; photo websites; ‘blogging’ websites; search engine optimization (SEO) websites such as Google; and other sites such as YouTube and Twitter. Different platforms present specific opportunities for small business. For example, LinkedIn is typically used for business networking and building special interest groups (Aaltonen et al., 2013; Kietzmann et al., 2011). Facebook can be used to engage with customers, develop relationships and gain followers (Kietzmann et al., 2011) while Twitter should be used to provide timely industry updates and information (Aaltonen et al., 2013). YouTube primarily emphasises sharing, conversations and business reputation (Kietzmann et al., 2011).

As social media is just one of many forms of technology available to business, it is important to briefly consider the broader field of technology adoption by small business. Small businesses adopt information and communications technologies (ICT) at a slower rate than large businesses (Stockdale et al. 2012). Eze, Duan & Chen (2014, p.78) suggest that the adoption of ICT by SMEs “is not constant, straightforward and certain; instead it is a dynamic, interactive; and an ongoing process”. Many of the challenges facing small business’ ICT use relate to resource poverty. Resource poverty refers to a range of factors including a lack of knowledge of how to use ICT effectively; not having the time to devote to effective ICT use; and not having access to finances to explore ICT adequately (Boyles, 2011). Small businesses often rely on
their owner/ managers to develop and implement their ICT strategies including adoption decisions (Burgess et al., 2009). Carson (2013) reported that SMEs typically underestimate the complexity of the technology they use.

While such barriers may prevent SMEs from adopting a number of traditional ICTs, social media is claimed to be a readily accessible; easy to use; low cost; and more ‘fluid’ form of technology than many traditional ICTs (Taneja & Toombs, 2014). Whilst social media has the potential to offer small businesses a number of opportunities not available prior to its introduction, many small operators are struggling to develop strategies that take advantage of this potential (Boyles, 2011; Carson, 2013; Durkin et al, 2013). Webb & Roberts (2016) report the results of perhaps one of the most extensive studies of small business approaches towards social media, based on approximately 500 surveys of SMEs in the USA. They note that while approximately 80% of small businesses use social media, less than 40% undertake the required updating of social media sites for them to be effective.

In the Australian context, large businesses are more likely to adopt social media than small businesses with only 48% of small firms in Australia having a presence on social media, compared to 54% of medium-sized businesses and 79% of large businesses (Sensis, 2016). SMEs appear to face greater constraints than larger business in terms of their capacity to use social media effectively. Time pressures appears to be a significant inhibitor to social media use for SMEs, as while 65% of large businesses report making daily updates to their social media, only 23% of small businesses did so (Sensis, 2016). Not only does the rate of Australian small business engagement with social media lag behind that of larger business, but it also appears to fall behind that of other countries. The rate of social media adoption by European SMEs is reported at 61% (Aaltonen et al., 2013), while in the USA the rate of adoption by SMEs is approximately 81% according to a survey conducted by LinkedIn (Weiss, 2014). Bughin, Chui & Manyika (2012) also note that different industry sectors have different rates of participation in social media. The Sensis (2016) study showed that 60% of accommodation, café and restaurant businesses used social media whilst only 32% of building and construction businesses did so. While these key statistics about social media use signal a relatively low rate of uptake of social media by Australian based SMEs, studies to date have not yet explored the experiences of SMEs at the various stages of adoption of social media.

**Benefits of Social Media for SMEs**

Before adopting any innovation a business must consider that benefits exist to warrant adoption. The literature to date suggests that identifying and measuring the benefits of social media is a complex task. Considerable ambiguity exists regarding how businesses can measure the impact of social media (Atanassova & Clark, 2015; Durkin et al, 2013). McCann & Barlow (2015) note there is no single way to measure the financial impact of social media. In the Australian context, Sensis (2016) report that only 21% of small businesses reported measuring any form of return on investment for their social media use, compared to 27% for medium business and 61% for large businesses.

Reporting on an IBM Institute for Business Value study of 1,000 worldwide consumers, Baird & Parasnis (2011) found that there was a disconnect between what businesses thought customers wanted from social media and what they actually wanted. To this end, a number of metrics can potentially be used to evaluate social media success, including measuring website traffic; the number of positive comments, the number of ‘page views’; the number of ‘posts’; and conversion into sales (Cheek et al., 2013). In a study of business-to-business SMEs in the UK, Michaelidou, et al. (2011) identified a similar list to measure the benefits of social media.
The acquisition of information and customer intelligence is perhaps one of the most commonly cited benefits gained by business through social media. He & Chen (2014) adopted an innovative approach to the study of social media use by SMEs, using blog mining as a tool to gain insight into how businesses can use information gained through social media. They note that many businesses, both small and large, are unsure of how to use social media data to inform future business decisions (He & Chen, 2014).

While a financial return on investment in social media would theoretically imply conversion of social media ‘followers’ into customer sales and increased revenue, existing studies of SMEs suggest that this is hard to demonstrate. He & Chen (2014) note that many SMEs have difficulty assessing the return on investment of their social media activity as they struggle to convert social media followers to sales outcomes and thus many SME owners struggle to find any real benefits from their use of social media. In subsequent research, however, He et al. (2015) reported that the majority of small business participants in their study had gained more customers and grown revenue which they attributed to adoption of social media.

**Challenges of adopting Social Media for SMEs**

Within the literature on SME social media adoption, much of the research focuses on the challenges that deter SMEs from using social media. Studies from the USA and UK suggest that whilst accessibility to social media is equal for all businesses irrespective of size, many small businesses are not capitalising on social media due to a lack of knowledge about how to use it (Boyles, 2011; Carson, 2013; Jones et al., 2015; Taneja & Toombs, 2014). This finding is supported in a study of SME attitudes towards social media in regional areas of Australia (Bosua et al., 2013). Additionally, time and resource poverty are also noted as reasons for the lower levels of adoption by small businesses (Harrigan & Miles, 2014, Jones et al., 2015) along with fear of reputational damage due to disparaging content or misinformation propagated by social media channels (Bosua et al., 2013). Making the transition from talking ‘to’ customers to actually ‘interacting’ with the client base along with security concerns are other challenges found to deter some SMEs from adopting social media (Taneja & Toombs, 2014).

Through a series of interviews with SMEs in the USA, He et al. (2015) found that non-adopters of social media expressed their disinterest in social media as it may not cover their target customers. Some SMEs also stated that their business focus was not on gaining new customers; hence social media was not adopted (He et al., 2015). While an understanding of the issues that deter small business from adopting social media is useful, there is also a need to better understand the reasons for adoption and the experiences of those who do use it. A review of the literature on the social media adoption behaviour of SMEs is now provided.

**Factors Influencing Social Media Adoption by SMEs**

A number of researchers have noted a lack of research about the critical factors linked to the adoption of social media by SMEs (Atanassova & Clark, 2016; Barnes & Jacobsen, 2013; Harrigan & Miles, 2014; He & Chen, 2014; He et al., 2015). To address this gap in the literature, a number of studies have emerged highlighting a range of factors that lead to SME adoption of social media. In a study involving interviews with eight SMEs in Ireland, one of the primary drivers found to lead to social media adoption by SMEs was a fear that if they did not adopt this growing trend their businesses would not grow (Durkin et al., 2013). The authors concluded that SMEs appeared to be seduced by the social media trend rather than using it for any planned or strategic purpose. Similarly, in another study conducted in the US, some SMEs were also found to be adopting social media for no particular reason other than their peers were using it (He et al., 2015). This finding was supported by the results of a survey.
conducted in Scotland which found that most SMEs lacked any strategic plan related to social media (McCann & Barlow, 2015).

Amongst SMEs who have a more strategic approach towards social media, four key drivers of its use are reported by He et al (2015). These include the adopter’s perceptions of social media; the adopter’s characteristics in terms of age and education; the SMEs current business performance; and the purpose of their business. Another strategic factor linked to the adoption of social media by SMEs is its ability to enhance customer relationship management (CRM) practices (Harrigan & Miles, 2014). The results of an online survey of 156 London based SMEs lead to the conclusion that social media supports the dynamic capability of SMEs as it enables a sustained relationship with customers to be achieved.

**Theoretical frameworks and the social media adoption process**

The literature reviewed so far provides insight into the reasons why SMEs adopt or do not adopt social media. The literature on technology adoption suggests that the uptake of technology in business should be viewed as a process involving many stages rather than a simple ‘use’ or ‘not use’ decision. McCann & Barlow (2015) support this by suggesting that a number of stages exist within a company’s social media life cycle. Consequently, they propose a three-stage approach towards the study of social media adoption, involving planning; implementation; and evaluation phases. They note, however, that research regarding the stages of adoption of social media is currently limited to a focus on large organisations (McCann & Barlow, 2015).

A number of different approaches have been used to describe the adoption of technological innovations by business, with some of these already applied to the adoption of social media. For instance, the Technology-Organisation-Environment (TOE) framework (Tornatzky & Fleischer, 1990) combines the characteristics of innovations with other elements to explain the adoption process. The TOE framework was combined with Resource-Based View Theory to develop a model of social media use by small business (Schaupp & Belanger, 2014). The framework revealed three key determinants of social media usage – namely technology competence; customer pressure; and the mobile environment. The authors further concluded that adopting social media could have four key types of impact for SMEs, namely on their internal operations; perceived marketing impact; impact on customer service and impact on sales. While the TOE is a useful framework for describing the antecedents of social media usage from an individual’s perspective, it does not adequately describe a number of external factors or value considerations for organisations (Schaupp & Belanger, 2014).

Another theoretical approach towards the study of social media adoption is the Unified Theory of Acceptance and Use of Technology (Venkatesh et al., 2003). Adam, et al. (2016) explore the factors that influence acceptance and use of social commerce by Malaysian SMEs. They apply the Unified Theory of Acceptance and Use of Technology to develop a model which explains the intention and use of social media by SMEs. Their model was developed, however, based purely on a review of existing literature, with no primary research undertaken to empirically test it. In the conclusion to their work, they recommend that a future research direction warrants use of Diffusion of Innovation theory to further explore the use of social media by SMEs (Adam et al., 2016). The use of the DOI theoretical approach is recommended as it is one of the most extensively tested and robust approaches towards the study of innovation adoption across a multitude of contexts.

**A Diffusion-of-Innovation approach to investigating social media adoption**

Rogers’ (2003) Diffusion of Innovations theory is well-recognised, with the Innovation-Decision (I-D) process providing a way to explain the various stages of adoption. The
The I-D process focusses on the stages that occur when “an individual passes from gaining initial knowledge of an innovation, to form an attitude towards the innovation, to making a decision to adopt or reject, to implementation of the new idea, and to confirmation of this decision” (Rogers, 2003, p.168). Innovation adoption decisions occur over time, involving a series of stages which Rogers (2003) describes as follows:

1. **Knowledge** – when a decision maker is made aware of an innovation.
2. **Persuasion** – when a decision maker develops an attitude towards an innovation. The perceived features of the innovation may be seen as either favourable or unfavourable and influence the decision. Persuasion is a very important phase as it is when the owner/manager forms an attitude towards the technology leading to the decision to ‘adopt’ or ‘not adopt’. Influential factors during this phase are the relative advantage of adopting a technology over existing practices; the complexity of using it; its compatibility with existing systems; and opportunities to trial it and observing its benefits.
3. **Decision** – when a decision maker engages in activities that lead to either adopting or rejecting the innovation. This stage refers to when the adoption decision is made.
4. **Implementation** – when a decision maker puts in place the new innovation. This may include how it is implemented, who implements it and what barriers are faced.
5. **Confirmation** – when a decision maker wants reinforcement about the decision made to use the innovation and reflects on the decision to continue/ discontinue use. The benefits gained shape continued use, whilst any problems encountered can potentially lead to discontinuance.

The I-D process is a well-researched paradigm which has been applied in many fields, such as Twitter adoption by non-profit organisations (Chang, 2010) and the adoption of ICT by Australian home-based businesses (HBB) (Burgess & Paguio, 2016). In the context of fast growing companies in the US, Roger’s theory of Diffusion of Innovations has also been used to examine the attitudes towards, and adoption of, social media (Barnes & Jacobson, 2013). The authors of the study conclude that adoption of social media is based on at least three of Rogers’ innovation attributes – trialability; compatibility; and lack of complexity (Barnes and Jacobson, 2013). It is important to note, however, that the study was not specifically focussed on SMEs with much of the data relating to large organisations.

Whilst Dahnil et al. (2014) mentioned the potential use of adoption stages such as the I-D process to examine the adoption of social media marketing by SMEs, studies using the I-D process for such a purpose are rare as an analysis. The Burgess and Paguio (2016) HBB study examined the adoption of Facebook and Twitter through themes identified in each of the five stages in the process. Exploring the adoption of social media using the I-D process will enable insights to be provided on the issues that SMEs consider across all stages of the adoption process, rather than confining the focus solely to the decision phase. This can enable greater understanding of issues important to SMEs at other stages such as the Implementation and Confirmation phases. The only study to date which has explored the reasons why small businesses who have adopted social media report discontinuing usage is He et al. (2015) who found that SMEs stop using social media due to frustration with the time and effort required to manage it and a lack of perceived benefits from doing so. Establishing what stage of the adoption decision making process they are at with regards to social media can provide insight on the issues faced by SMEs through the adoption life cycle. As such the aim of the current study is to apply Rogers’ (2003) Innovation-Decision framework to identify the critical factors which are specifically linked to the adoption, usage and evaluation of social media by SMEs.
Research Method

Given the aims of this study and the research questions posed, an inductive, interpretive approach was adopted given the exploratory nature of the research. Previous studies have concluded that given the infancy of research regarding social media use by SMEs, an inductive, exploratory approach using methods such as interviews and case studies is warranted to enable thematic analysis of participants’ views about, and experience of, social media (Atanassova & Clark, 2015; Harrigan & Miles, 2014). As such, a case study approach involving in-depth interviews was used to understand this complex, social phenomena and help to address the ‘how’ and ‘why’ relating to contemporary events (Yin, 2003). The research used a predominantly qualitative approach to identify any patterns, categories and themes from the bottom up as part of inductive data analysis (Cresswell, 2009). Semi-structured interviews with small business owner/ managers enabled the researchers “to elicit views and opinions from the participants” (Cresswell, 2009, p.181).

A purposive sampling approach was used to identify SME participants who had some form of interest in social media. Although all participants needed to express an interest in social media, this did not guarantee that all of the participating businesses actually used social media. A generic business database, Yell123 (refer http://Yell123.com.au) was used to identify potential SMEs for inclusion in the research. The database enabled businesses to be identified by both regional location and industry sector. Criteria for inclusion in the study were businesses that employed between 1 and 200 employees; were located in Melbourne (metropolitan capital city of Victoria), Gold Coast (a regional tourist city in Queensland) or the North Coast region of New South Wales (NSW); and represented a cross section of different industry sectors. Once the list of relevant SMEs was compiled, phone calls were made to invite them to participate in an interview. The calls were also used to screen out participants who had no interest in social media at all given that the study aimed to understand the process of adoption rather than focussing on the reasons why adoption did not occur. As this was a purposive sample to specifically identify small businesses who indicated they had an interest in social media, no specific response rate was required as the sample was not representative. The approximate rate of participation in the study, however, was one successful participant per seven calls (14%).

Interviews were conducted with the SME’s owner or key manager at a location and time of their choice. While most were conducted in person, some telephone interviews were also conducted when a participant requested this option. Interviews were recorded with the participant’s permission. In some situations where the session was not recorded the interviewers took detailed notes. Interviews took 30 minutes on average to conduct and followed a semi-structured format. Apart from demographic questions, each participant was asked to comment on their attitudes towards and experiences with Facebook, Twitter, YouTube and other sites (such as LinkedIn and TripAdvisor). For each of these, they were asked about their use of the social media tools; perceptions of how useful each tool was for their business (if used); the reasons why each form of social media was considered useful or not useful and their experience of dealing with positive and/or negative feedback on various social media platforms.

Overall, 42 SMEs were interviewed. Nineteen interviews were conducted in North Coast, New South Wales, fourteen interviews were conducted in Melbourne and nine interviews were completed on the Gold Coast. Most interviews (90%) were conducted with small businesses with medium sized operators making up the balance. Table 1 provides an overview of participants by industry sector.
Table 1: Breakdown of small businesses in study

<table>
<thead>
<tr>
<th>Industry sector</th>
<th>#</th>
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<tbody>
<tr>
<td>Hospitality</td>
<td>7</td>
</tr>
<tr>
<td>Tourism</td>
<td>6</td>
</tr>
<tr>
<td>Accommodation</td>
<td>6</td>
</tr>
<tr>
<td>Business services</td>
<td>6</td>
</tr>
<tr>
<td>Health</td>
<td>6</td>
</tr>
<tr>
<td>Building/ construction</td>
<td>5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42</td>
</tr>
</tbody>
</table>

All recorded interviews were transcribed word for word verbatim and the other interviews were 'written up' soon after the interview by interviewers. Transcripts were all entered into a separate MS Word document. Each business response was analysed, coded into themes and then entered into MS Excel, with a ‘row’ representing a business. Simple themes, related to whether a business used a particular tool, were coded into ‘Y’ or ‘N’. More complex themes in the responses (around the research questions) were converted into codes and relevant comments from each interview were categorised under each code for subsequent analysis. For instance, the stages in the I-D process and the level of usefulness in the confirmation stage were themes that were easily coded. The database (filter) tool of MS Excel was then used to identify particular businesses that matched different groupings according to the themes. This allowed the researchers to refer directly back to the relevant interview documents when discussing different social media tools.

During the interviews participants were specifically asked about three social media tools – Facebook, Twitter and YouTube. These social media platforms were chosen as they are three of the most commonly used social media tools by SMEs in Australia (Sensis, 2016). Participants were also asked if they used any other social media websites. Participants’ responses to questions regarding Facebook, Twitter and YouTube were analysed and used to classify SMEs into the different stages of Rogers’ (2003) Innovation-Decision process. The definition of each stage as it applied to the study of social media adoption as follows:

1. **Knowledge** – the business had some level of awareness about a social media tool. This category includes both users of social media and non-users. The aim is to determine when the business *was made aware of the innovation* (in order to be consistent with the definition of this stage in the literature review).

2. **Persuasion** – the business indicated they were aware of the social media tool but had not yet decided whether or not they would adopt it. This stage indicates when the business *develops an attitude towards the innovation* (prior to the adoption or non-adoption decision).

3. **Decision** – the business had *made their decision* about whether to adopt a social media tool or not. Businesses in this category could be classified as having ‘adopted’ or ‘not adopted’ the social media tool. Businesses that had adopted the tool were subsequently classified into one of the last two of Rogers’ stages – implementation or confirmation.

4. **Implementation** – the business had adopted a social media tool (or puts *in place* the innovation) but had not yet used it enough to form an opinion about whether or not it was useful.

5. **Confirmation** – the business had not only adopted social media but had also reached the stage of reflecting on how useful it was and made a decision on whether they would continue or discontinue its use. This is where the business
wants reinforcement about the decision made to use the innovation and reflects on the decision to continue/ discontinue use. Businesses were asked to respond to the question ‘how useful is [stated social media tool] in your business? The interview conversation that resulted was used to classify participant responses under ‘confirmation’.

Results

Overall, 83 percent of participant SMEs used social media. This is a notably higher rate of adoption than the national average indicated by Sensis (2016) because of the study requirement that interviewees expressed some form of interest in discussing social media. Of the seven businesses that did not use social media, five of these subscribed to various business directories which allowed customers to post reviews about their offerings. Only one of these businesses indicated that customers posted any reviews about them on these websites. The results presented in the following sections classify SME participants into the various stages of Rogers’ (2003) adoption process across three discrete types of social media – Facebook; Twitter; and YouTube. Critical insights gained through the analysis of interviews for each of the key social media platforms plus two other key social media platforms mentioned during interviews are also provided.

Facebook

Table 2 shows the number of businesses classified at different stages of adoption of Facebook. The five stages of Roger’s process are categorised as either still in the decision-making process (i.e. at the Knowledge or Persuasion stage) or having made a decision about adoption (i.e. at the Decision, Implementation or Confirmation stages). The majority of SMEs interviewed were classified as being at the ‘Decision’ stage regarding Facebook, with 34 (81%) having adopted it and seven deciding not to adopt it. This rate of adoption is consistent with the Sensis (2016) study which reported that 88 percent of Australian SMEs who used social media had a Facebook presence. This suggests that Facebook has likely become the de facto social media platform for Australian SMEs.

<table>
<thead>
<tr>
<th>No decision made (1)</th>
<th>Made a decision about adoption (41)</th>
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<tbody>
<tr>
<td>Knowledge</td>
<td>Persuasion</td>
</tr>
<tr>
<td>Unsure (1)</td>
<td>Thinking about it (-)</td>
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Only one of the 42 SMEs was classified at the ‘knowledge’ stage, in that they were aware of Facebook but had little idea of what it could offer for their business. Of the seven businesses who had made a clear decision not to adopt Facebook, they had done so for a number of reasons including:

- A belief that Facebook did not suit their business and/or industry sector. For instance, an electrical contractor in Melbourne indicated that a Facebook presence would only attract small jobs – “I don’t spend energy on it, as little jobs are a waste of time”;
- The use of Facebook needed to be approved elsewhere (e.g. a seller of food equipment in Melbourne indicated that such use needed to be approved by their franchise head office);
- Facebook was not really suited to businesses that sold to other businesses; or
Innovation Diffusion approach to social media adoption by small businesses/ Burgess et al.

- The business was not trying to grow. As an example, the owner of a small business that managed tourism events on the North Coast of NSW indicated that:

  *I’m not necessarily looking to grow my business too much. Most of my business comes through word-of-mouth and I don’t physically have the time to maintain social media accounts*

A small number of adopters (3) were considered to be at the ‘Implementation’ stage, indicating that they had decided to adopt Facebook but were unsure about how useful it was for their businesses. For instance, a catering business in Melbourne had set up a Facebook page for his business after his daughter “nagged him about it for months”. However, he was not sure what to do after that.

The majority of Facebook adopters were classified as being at the ‘Confirmation’ phase of adoption having used this type of social media enough to have a considered opinion on its usefulness. Overall, there were just over twice as many businesses that indicated that their Facebook usage was moderately (9) or very useful (12) compared to those that indicated it was not useful (4) or only a little useful (6). Further analysis of the interviews revealed various reasons for SMEs views on how useful Facebook was. A real estate operator in Melbourne, for instance, suggested that Facebook was aptly suited to that sector. However, another Melbourne real estate business suggested that it was “not really for his type of business” but they were listed on it more as a matter of “being everywhere”. A marketing business in Coffs Harbour saw that there was potential for its use, but considered that its customer’ engagement levels were low as the following quote illustrates:

  *The number of people actually seeing anything you put on Facebook is such a small percentage it’s just an awful lot of effort for not a lot of return.*

However, the same interviewee conceded: “…but you have to be there”. A small Coffs Harbour dental service business indicated that Facebook was currently of little use as they had only started to use it.

At the other extreme, a fashion operator located on Queensland’s Gold Coast found Facebook to be very useful as it assisted with brand development and exposure which eventually converted to increased sales. This business only advertised on Facebook. A cosmetic eye surgery business in Coffs Harbour found an interesting use for Facebook. The business had recruited a new clinician who already had a broad base of clients that used Facebook, which was then used to contact them to let them know where she was now located. A small accommodation business in Melbourne suggested that Facebook was very useful for offering special promotions.

**Twitter**

Twitter was found to be far less popular than Facebook amongst the SMEs interviewed, with only twelve businesses (29%) being classified as ‘adopters’ of Twitter. This rate of adoption is consistent with the 26% rate of adoption of Twitter by SMEs who use social media in Australia (Sensis, 2016). Table 3 shows the number of businesses classified at the different adoption stages for Twitter.
Table 3 - SME’s Stages of Adoption of Twitter

<table>
<thead>
<tr>
<th>Knowledge</th>
<th>Persuasion</th>
<th>Decision</th>
<th>Implementation</th>
<th>Confirmation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsure (7)</td>
<td>Thinking about it (1)</td>
<td>Adopted (12)</td>
<td>Unsure of effectiveness (1)</td>
<td>Not useful (3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not adopted (22)</td>
<td></td>
<td>A little useful (2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Moderately useful (4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Very useful (2)</td>
</tr>
</tbody>
</table>

When compared with Facebook, there was a higher degree of confusion surrounding the nature and role of Twitter, with one in every five participant SMEs not yet having made a decision about whether or not they should use Twitter. The majority of these SMEs were classed as being at the ‘Knowledge’ stage of the adoption process, stating that they had heard of Twitter but did not know enough about it to yet be persuaded of its relevance to them. Several SMEs commented that they were not quite sure about how it could be used and were concerned about the amount of time that its use would involve. For instance, an accommodation provider located on the Gold Coast indicated that he would possibly like to use Twitter “but I really don’t know how to until my daughter shows me”. A catering business in Melbourne indicated that they did “not know much about it”. There was some confusion even amongst adopters, with a Melbourne supplier of security equipment indicating that the business had a Twitter account, but that they needed to be better educated about how to use it more effectively. Twitter was probably the social media platform that caused most confusion for SMEs. There was enough feedback by participants throughout the interviews to suggest that this is consistent with the notion of resource poverty, especially lack of skills, in this area. A resort that had recently attracted a group of ‘Masters’ golfers on the Gold Coast thought that they might like to adopt Twitter:

Yes, I think it would be good as all of the golfers have really big followings. We could tweet at them and retweet their tweets and hopefully get a bit of a following. . . .

Over half of the interviewees (n=22) indicated they had made a clear decision not to adopt Twitter. Some negative views about Twitter were expressed when explaining this decision. A small accommodation provider in Melbourne, for example, indicated that it had “no time for it”, a sentiment echoed by a car maintenance business in Melbourne. A Melbourne small business owner that supplied catering equipment indicated that “I don’t personally see it useful for us”. A small construction business owner located on the Gold Coast indicated that although he had a personal Twitter account that its use was not really “big” in that industry. An electrical contractor in Melbourne “didn’t see the need” to use Twitter. A Melbourne entertainment business suggested that it was “really for businesses to brag about what they are doing”. Comments like this supported the argument raised in the literature review of different usage levels of social media across industry sectors and the pressures that its usage could place on time-poor businesses.

Amongst the SMEs that were classified as being at the ‘Confirmation’ stage of adoption, views were split fairly evenly about the usefulness of Twitter. The general feeling of those that did not find it to be useful was that the relatively small number of followers they had did not justify the effort needed to maintain the account. For instance, a Gold Coast health services centre indicated that “…we used to tweet all the time but now I just share our Facebook as I feel people don’t follow us as they want to remain private and they can’t on Twitter”.

However, some small businesses felt that Twitter was moderately useful or very useful. A small real estate business in Melbourne used it for brand awareness – “It is great for letting journalists and the media know about new projects”. However, the interviewee
admitted that he needed to manage it better – “there’s not enough time”. A business consultancy in Lennox Head found Twitter to be very useful because it allowed the firm to “build community” and “you can communicate with anyone”. One particular issue that was noted was how Twitter allowed people to discuss particular topics of interest, leading to the comment that “you’re building a crowd around the topic”. A Melbourne entertainment business liked Twitter because the business was able to send out short messages that informed customers about relevant news stories or articles. A Gold Coast marketing business commented that Twitter provided “more traction” than Facebook, noting that “...by using more relevant hashtags we’re accessing more relevant people”. Some tourism businesses indicated the usefulness of being able to retweet messages that highlighted events or activities in the local area.

**YouTube**

Table 4 presents the classification of SMEs across the various stages of adoption of YouTube. Seventeen SMEs (40%) had already adopted YouTube. Interestingly, this level of usage was much higher than the level of YouTube adoption by Australian SMEs reported by Sensis (2016) as only 5 percent. In responses to questions about YouTube, some participants also noted that they also used other video websites such as Vimeo and Travelreel.

<table>
<thead>
<tr>
<th>Table 4 - SME’s Stages of Adoption of YouTube</th>
</tr>
</thead>
<tbody>
<tr>
<td>No decision made (8)</td>
</tr>
<tr>
<td>Knowledge</td>
</tr>
<tr>
<td>Uncertain (5)</td>
</tr>
<tr>
<td></td>
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</table>

As with Twitter, some businesses (n=5) were classified as only being at the ‘knowledge’ stage of adoption indicating that they were unsure about the use of YouTube as a video site, as they did not know much about it. For example, a fishing tour business on the NSW’s North Coast indicated:

*I haven’t looked into it enough to be able to evaluate it yet … I can see that some of our members would probably like to see videos and different things…*

Three businesses were in the ‘persuasion’ stage and were considering the use of video websites in the future. The majority of businesses (81%) had made a decision about the use of YouTube – and the split was even between those businesses that used YouTube and those that did not see any use and had therefore decided not to adopt it. The main reasons provided for not using YouTube was that it did not suit the business (indicated, for instance, by a construction business in Melbourne) or that they did not have the time to use it (which was, for instance, the case with a small hotel in Melbourne). A medical business located on the Gold Coast indicated that although they did not use YouTube themselves they did look at the video websites of competitors to see what they were doing. An electrical contractor in Melbourne indicated that he “did not see the need for it”.

Four businesses that used video websites had not used them long enough to evaluate their usefulness, and as such were classified as being at the ‘implementation’ stage of adoption. An accommodation business on the Gold Coast knew that they had videos of their rooms and their pool online, but were not sure if this was on YouTube: “I looked at it a hundred times when we made it but haven’t looked again since”.

For those in the ‘confirmation’ stage, having formed a clear opinion about its use, comments on effectiveness ranged between video websites being a little useful to them being very useful. For the most part, they provided an opportunity for businesses to
showcase their products or services. However, there were some other uses. A Melbourne property services business posted videos of interviews with property experts as part of a monthly newsletter for clients. Another business suggested that it was useful to inform people of what was happening without them having to read lots of text.

**Other social media websites**
In addition to the three key social media tools already mentioned, participants were also asked if they used any other tools that involved consumer generated or social media. Most businesses were aware of other websites, with only five participants indicating that they were unaware of any. Half of the businesses used a diverse range of other social media websites, but the usage of two key types of social media was noted, namely LinkedIn and product/service review websites.

**LinkedIn**
Almost one quarter of the businesses (10) used LinkedIn. This is on par with the rate of use reported by Sensis (2016) which showed 21% of Australian SMEs used the tool. Two of these businesses found it difficult to determine its usefulness. For instance, a jewellery manufacturer in the North Coast of NSW indicated that it was “...moderately useful. I don’t have a lot of direct sales from it. It’s really hard to gauge”. There was again a contrast in the types of responses that were received in regards to LinkedIn’s usefulness. Whilst the results for other social media tools suggested that they were not suited to businesses that mainly dealt with other businesses, a business that sold locks and safes in Melbourne indicated that LinkedIn was “used to build professional networks, particularly in their line of work which is generally B2B”. An adult education provider located in Coffs Harbour had set up a LinkedIn account, but found that it was too challenging to make it operational:

> I have a LinkedIn account, but I’ve never had the time to sort of get into it and do anything with it because I only have short bursts of time, and when I look in there and I think….. Oh this is all too hard and I have to work through it and I just can’t be bothered.

An electrical business in Melbourne had set up LinkedIn for the business “a while ago”. This was done to “put us on a professional website. However, nothing has come of it”. A corporate entertainment business in the Gold Coast had been on LinkedIn for some time, but was still trying to leverage its usefulness:

> Yes, I need to develop it a bit more, I’ve been on there for ever. My hubby [husband] asked me, what’s this thing I keep getting emails about? And I let him know that I put him on there. And because he’s in entertainment and he’s always on stage a thousand people know him, so I guess people see his name in recommendations and always add him.

Some businesses had found LinkedIn to be very useful. Some interviewees were pleased that their profile had been ‘endorsed’ by a number of people. A small business consultancy located in Lennox Head was quite enthusiastic about LinkedIn as a tool for professionals:

> Well it’s a great networking tool, it allows you to connect over topics, people that you would have no reach to previously, you know, you’ve got – you’ve got that reach. Because of the way that it’s set up it allows you to see people that are doing similar, complementary things as you do. It’s a great sharing tool. It – it eliminates – how do I say that – it doesn’t have all that, it doesn’t have as much noise as other mediums – given that it’s business specific. It allows you to connect with other professionals and experts in particular fields. I love LinkedIn, I think it’s one of the best social media tools out of everything.
A chef and author of cooking books used LinkedIn to “photo stalk” other chefs to see what kind of food they were creating. Interestingly, this was done without logging on to LinkedIn so that the person would not receive a message telling them that their profile has been looked at.

**Review websites**

Burgess and Bingley (2014) suggested that when small firms do use social media it is most likely to be through third-party sites, as distinct from using their own website. Twelve SMEs had subscribed to review sites that allowed consumers to post comments about products, services and businesses. These businesses were predominantly in the tourism and hospitality sector, which previous studies have noted are well developed sectors with regards to social media including review sites (Burgess et al., 2015). The most common review site mentioned was TripAdvisor. Some businesses subscribed to more than one of review site. SMEs ratings of review sites ranged, although most indicated that the sites were *moderately* or *very useful*. For instance, the assessments of the usefulness of TripAdvisor varied from it being of little use to it being very useful. The main complaint of the one business that indicated it was of little use was that there were only a small number of reviews of the business on the site.

*I think we’ve got 13 reviews on there. So, that’s probably been sent [to] us for the last six months and I really think it could be utilised more.*

On the other hand, four operators found TripAdvisor to be very useful. An accommodation business located on the Gold Coast suggested that it was a “*great*” tool because it allowed them to gain a high rating, resulting in a lot of bookings with little effort. Another accommodation business located on the Gold Coast suggested that they had to use TripAdvisor because everybody else did. On the one hand this business said that it was “*extremely useful*”. However, there were concerns about the authenticity of reviews:

*I believe…… companies pay people to do their reviews, and then say that they don’t as that’s illegal. But they do. And it happens all over the world. And it sort of makes me not feel that it is authentic and useful to promote my business.*

Having presented the results based on the interviews conducted in this study, the following section will discuss these findings according to the research questions framed for this study.

**Discussion and Implications**

The approach used to study SMEs’ experiences of social media adoption revealed that businesses could be clearly classified into one of five of Rogers’ (2003) stages. For the most part, the levels of adoption of the different social media tools in this study of SMEs were similar to the levels reported in the Sensis (2016) study of Australian SMEs. Table 5 summarises the different stages of adoption for participants for Facebook, Twitter and YouTube. Facebook was the social media used by most participants. This was sometimes supplemented by the use of one or two other social media tools. The findings suggest that SMEs typically fall in the ‘decision’ stage of adoption with regards to Facebook with the majority indicating they had adopted this social networking tool in their business. Furthermore, the majority of Facebook adopters had clearly moved through to the ‘confirmation’ stage of Roger’s classification.
Table 5 - SME’s Stages of Adoption of Social media tools

<table>
<thead>
<tr>
<th>Tool</th>
<th>Knowledge</th>
<th>Persuasion</th>
<th>Decision</th>
<th>Implementation</th>
<th>Confirmation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>2%</td>
<td>0%</td>
<td>Adopted (81%) → Not adopted (17%)</td>
<td>7%</td>
<td>74%</td>
</tr>
<tr>
<td>Twitter</td>
<td>17%</td>
<td>2%</td>
<td>Adopted (29%) → Not adopted (52%)</td>
<td>2%</td>
<td>27%</td>
</tr>
<tr>
<td>YouTube</td>
<td>12%</td>
<td>7%</td>
<td>Adopted (40%) → Not adopted (40%)</td>
<td>10%</td>
<td>30%</td>
</tr>
</tbody>
</table>

When it came to Twitter and YouTube, however, while the majority of SMEs interviewed had clearly reached the ‘decision’ stage, the majority indicated that they were non-adopters of these types of social media. Furthermore, compared to Facebook, there was a much higher proportion of SMEs who remained at the very early ‘Knowledge’ phase, indicating a clear lack of knowledge or uncertainty with regards to adopting Twitter or YouTube. As expected from the Sensis (2016) study a higher proportion of SMEs were in the ‘confirmation’ stage for Facebook than with the other tools. As this study sought to understand the issues which appear to influence SMEs’ adoption behaviour, the first research question is now revisited.

Analysis of the key themes emerging from the interviews revealed a number of factors reported by SMEs as being influential on their progression across the adoption stages for social media. Figure 1 provides a visual depiction of these factors as they align to Rogers’ (2003) innovation-decision process and summarises the findings with regards to the main research aim of the study.

Themes related to the knowledge; persuasion; decision; and confirmation phases are further categorised as ‘inhibitors’ or ‘facilitators’ which appear to be instrumental in moving (or preventing movement) along the social media adoption process. Themes associated with the ‘implementation’ phase are reported as key benefits or uses of social media by SMEs.

The results of this study suggest that by far the majority of SMEs pass from the ‘knowledge’ phase to the ‘persuasion’ stage based solely on a feeling of peer pressure that others are using it. This finding suggests that Australian SMEs are no different in this regard to SMEs in other countries where studies have found the main reason for adopting social media is to join the trend without any strategic purpose (Durkin et al., 2013; He et al., 2015). As the results show that a number of social media adopters later discontinue its use because they can see no real value of it, an implication of this study’s findings is that SMEs should not adopt social media unless they have a clear purpose in mind and can establish what outcomes they desire from it.
Innovation Diffusion approach to social media adoption by small businesses/ Burgess et al.

Figure 1 – Factors influencing SME decisions during the social media adoption process
For SMEs at the ‘persuasion’ stage of adoption, the most common inhibitors of social media adoption were a lack of time and a general lack of knowledge of how to use particular tools. This supports the findings of previous studies which note resource poverty typically affect small business’ use of ICT including social media (Boyles, 2011). In regards to lack of time, this was mainly mentioned by participants with regards to the use of Twitter, with both non-adopters and adopters noting this as a challenge associated with this form of social media. Lack of time was also mentioned by participants as a barrier which prohibited or restricted the effectiveness of their use of both YouTube and LinkedIn. Despite social media tools being relatively less complex to use than many forms of ICT, the study findings suggest that many Australian SMEs still feel challenged in using them. A potential solution noted by some SMES at the ‘persuasion’ stage was to take the opportunity shared by youth such as their children or younger employees to upskill themselves, hence enabling them to progress to the decision to adopt.

SMEs who were persuaded to adopt social media at the ‘decision’ phase, did so due to a mix of ‘bandwagon’ type effect (as they felt compelled to follow others who had adopted it) or because they identified some relative advantage (Rogers, 2003) over previous business processes. Bandwagon diffusion has also been found to affect the social media adoption behaviour of large organisations (Sinclaire & Vogus, 2011) and, as such, the results of this study suggest that SMEs are not alone in their less than strategic rationale for adoption. The reasons that SMEs identified to improve their business processes (relative advantage) are listed subsequently in discussion of the implementation stage. At the other end of the spectrum, non-adopters reported a number of inhibiting factors that lead to their decision not to use social media. One of the reasons for not using Facebook and Twitter was that it did not suit a particular industry sector. Other issues ranged from not enough time to use it; requiring permission from higher authorities to do so; a belief that it was not relevant for business-to-business relationships; and that it was only useful for businesses who aimed for growth.

A range of factors, referred to as benefits/uses in Figure 1, were associated with the implementation phase of social media. Many of these uses, such as the formation of special interest groups; brand awareness activities; and building community suggest that the use of social media tools by Australian SMEs reflects that reported in studies from other countries (e.g. Harrigan and Miles, 2014). A few notable factors were reported as being integral to the decision to sustain its use, reaching the confirmation stage. The use of Facebook to connect an SME with a wider network of followers by interacting with the personal networks of employees in the business is one example. Using social media sites such as YouTube to gain important information about competitor activities also appears of value to SMEs who may not otherwise have the time to undertake the type of competitor analysis undertaken by larger business. The use of Twitter as a tool to capture the attention of media about new business initiatives or key events was also a novel use.

Where particular social media tools had been adopted, it was possible to ascertain their level of perceived usefulness. The number of SMEs who rated Facebook as being moderately useful or very useful doubled those who indicated that it was not useful or just a little useful. These results were split evenly for Twitter and YouTube use. This suggests that not only is Facebook used more widely by SMEs than other social media tools; it is also regarded as more useful.

SMEs’ perceptions of the usefulness of social media were clearly reflected upon by those who were classified into the ‘confirmation’ stage of adoption. Whether or not SMEs at this stage decided to continue or discontinue use of social media was influenced by six key factors. Continued use was again driven by a sense of ‘having to be there’ along with a belief that it was useful to develop brand awareness for the SME.
Continuing users also reported a belief that it would, eventually, lead to increased sales. Factors linked to an SME’s decision to discontinue use included a sense that despite attempting use, social media was incompatible with the needs of the industry sector; an insufficient number of followers/members of community had been gained; and an overall sense that there was limited benefit to the SME in contrast to the amount of time and effort required. This implies that SMEs considering future adoption of social media must first determine what benefits they expect to gain from its use before investing their energy into it. It also suggests that they should also think carefully about how they will create sufficient followership or scale of online community before embarking on social media activities. These factors align to several of the requirements of successful diffusion of an innovation which Rogers (2003) referred to as relative advantage; compatibility with existing practices of the business or industry; and the degree to which the results of the innovation are clearly visible. The alignment of the findings of this study to Roger’s innovation characteristics reinforces the relevance of applying the innovation-decision process to the study of social media adoption by SMEs.

When it came to formal measures of success for social media tools, participants were not as direct. Of all of the positive mentions about social media that were received, only one SME mentioned specifically that the use of Facebook had already lead to increased sales. Other benefits of Facebook were improved brand awareness, increased client base and the ability to offer promotions. The main benefits of Twitter were improved communications and the opportunity to build an online community. Video websites were mainly used to showcase SMEs products or services. Overall, the results of this research are consistent with those of Aaltonen et al. (2013), who found that in the European context different social media platforms were used by businesses for different purposes.

**Conclusion**

This study has contributed to the existing literature on social media adoption by SMEs by providing a classification of businesses across the various stages of innovation adoption using Rogers’ (2003) Innovation Decision process. It has extended upon the work of previous studies conducted primarily in the USA or UK, by providing greater insight into the experiences of SMEs at various stages of adoption of social media, enabling insights beyond those which explain why adoption occurs or does not occur. Furthermore, it adds a perspective from a different geographical context as it has examined social media adoption experiences of more than 40 SMEs from Australia. The results support existing literature which highlights issues of resource poverty exist for SMEs, specifically in relation to available knowledge and skills related to understanding and using social media effectively. A perception that social media may not be compatible with the needs of several key industry sectors appears to partially explain the relatively lower rate of adoption of social media by Australian SMEs. For other SMEs, however, the study suggests that provided that clear reasons for using social media are established before adoption occurs, social media has many potential uses. A number of implementation strategies were reported by participants in this study which may provide insights on issues and tactics for other SMEs to adopt to ensure an effective and sustainable social media presence.

The study provides a rich theoretical contribution through its innovative approach to identifying the factors that influence decision-making in SMEs throughout each of Rogers’ (2003) stages of the innovation-decision process and highlighting the different approaches taken by SMEs to different social media platforms. The results suggest that considering social media as a single research agenda, without consideration of these different social platforms, may be doing SME practitioners a disservice.
Despite the benefits gained from exploring the social media adoption experience and process through a qualitative study of SMEs, some limitations of the study must be acknowledged. Firstly, the study did not consider the views of SMEs who had no interest in social media at all. While this was a deliberate sampling strategy to ensure a focus on adoption rather than non-adoption, it does result in not providing specific views of SMEs who have no interest in considering social media for their businesses. It should also be noted that the study was conducted by focusing on the experience of SMEs located in three specific regions in Australia. It cannot claim to represent all Australian SMEs, or those in other countries. Whilst the inductive nature of the study allows the authors to build a rich story of social media use by the SMEs who participated in the study, caution has to be taken in generalising the results. One aspect of the study that provides some confidence, however, about the generalisability of the results is the similarity in adoption levels for Facebook, Twitter and LinkedIn between the businesses interviewed in this study and those who participated in the Sensis (2016) research.

This study has established that the social media adoption picture for SMEs is much more complex than that of a simple ‘adopted’ or ‘not adopted’ situation. To properly understand social media adoption and usage in SMEs it is necessary to go beyond merely assessing whether or not adoption occurred amongst SMEs. Gaining deeper insight into their adoption requires further exploration of the reasons that adopters report a positive (moderately useful/very useful) or negative (a little useful/not useful) confirmation of their decision to engage with social media. In particular understanding strategies that result in a positive confirmation may assist a wider and more effective level of engagement with social media across the SME sector. On the other hand, understanding the reasons why those businesses with negative opinions during the ‘confirmation’ do not consider their social media engagement efforts to be of use to their business is equally valuable. The authors encourage further studies that examine these areas. For example, researchers may choose to conduct quantitative studies with a larger sample size to test the generalisability of this studies’ results.

References


**About the authors**

**Stephen Burgess** has research interests that include the use of ICTs in small businesses and the web presence of community organisations (including local sporting clubs). He has received a number of competitive research grants in these areas and published in journals such as the European Journal of Information Systems, International Journal of Information Management, Journal of Information Science and Information Systems Frontiers.

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