Social Media Adoption and its Impact on SMEs Performance A Case Study of Palestine

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ABSTRACT

Many small-medium size enterprises (SMEs) are adopting social media platforms to contact their potential customers and provide their services. The impact of this adoption on the SME's performance has been roughly examined by researchers in the Middle East region particularly Palestine. Constructs and variables of three models (TOE, TAM, TPB) were used as potential predictors of social media adoption including technological, organizational, environmental context, perceived ease of use, perceived usefulness, attitude toward technology, and capability to control technology. Furthermore, the influence of this adoption on SMEs performance was also tested. A closed question questionnaire was used to gather the data, and simple regression analysis was used to examine the hypotheses. Findings revealed that all of the seven independent construct/variables except the technological context positively influence SME's adoption of social media, and social media adoption in turn positively influence SME's performance. The findings may be beneficial to SMEs's managers and the authorities as well to facilitate the use of social media by SMEs.

Keywords: Social Media adoption, SME's, SME's Performance, Palestine.

JEL Classification: L25, L81, M54, O32

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Adopción de los Medios Sociales y su Impacto en el Rendimiento de las PYME Un Estudio de Caso de Palestina

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RESUMEN

Muchas pequeñas y medianas empresas (PYMES) están adoptando las plataformas de los medios sociales para contactar con sus clientes potenciales y ofrecer sus servicios. Los investigadores de la región de Oriente Medio, en particular de Palestina, han examinado a grandes rasgos el impacto de esta adopción en el rendimiento de las PYME. Se utilizaron constructos y variables de tres modelos (TOE, TAM, TPB) como predictores potenciales de la adopción de los medios sociales, incluyendo el contexto tecnológico, organizativo y ambiental, la facilidad de uso percibida, la utilidad percibida, la actitud hacia la tecnología y la capacidad de control de la tecnología. Además, se comprobó la influencia de esta adopción en el rendimiento de las PYMES. Se utilizó un cuestionario de preguntas cerradas para recopilar los datos, y un análisis de regresión simple para examinar las hipótesis. Los resultados revelaron que los siete constructos/variables independientes, excepto el contexto tecnológico, influyen positivamente en la adopción de medios sociales por parte de las PYME, y que la adopción de medios sociales influye a su vez positivamente en el rendimiento de las PYME. Los resultados pueden ser beneficiosos para los gestores de las PYME y las autoridades para facilitar el uso de los medios sociales por parte de las PYME.

Palabras claves: Adopción de los medios sociales, PYME, Rendimiento de las PYME, Palestina.

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1. Introduction

The nature of business and the environment in which small-medium enterprises work is changing dramatically, thus requiring the need for conducting updated research to help them to response effectively to these changes (Namankani, Moxham, & Tickle, 2016). One of the most important challenges is to use the social media to maintain high level of productivity and improve performance.

Today, small and medium enterprises (SMEs) are acknowledged as the main driver for economic growth worldwide (Salam &Hoque, 2019). SMEs play a vital role in creating job opportunities and provide production and supporting base for large firms (Namankani, Moxham, & Tickle, 2016). Additionally, innovation and social cohesion are another significant features of SMEs (Salam Hoque, 2019). Subsequently, they enable them to compete rivals domestically and in the international markets. In Palestinian context, SMEs are considered as the engine of socio-economic development through creating jobs, decreasing poverty, and increasing production capacity (Alfoqahaa, 2018). According to Palestinian central bureau of statistics 2015, the total number of SMEs in West Bank and Gaza strip was 135,880 presenting 96% of total businesses and employing 416,077 workers. These SMEs are working in different sectors such as industrial, agricultural, services and constructions. However, SMEs contribute less than 20% of the GDP. This might be attributed to the lack of adequate resources, inappropriate marketing strategy and poor communication with stakeholders (Hoque, Awang, &Gwadabe, 2018). Yasa, Dnyani, &Rahmayanti (2020) classified the reasons responsible for the fall of SMEs performance into two categories (internal and external). External factors are out of the control, while internal factors are under the control of businesses. One of the most important internal factors that has prevailed in the last two decades is the way the business communicate with stakeholders and in particular clients. In recent years more and more companies use social media in conducting their business activities. Information technology(IT) and the use of social media in particular may enables businesses to perform better in the market place (AlSharji, Ahmad, & Bakar, 2018). It provides several benefits to SMEs such as penetrating new markets, promoting new products, building relationships with new partners (Talukder, Quazi, &Djatikusumo, 2013). There is more evidence that small-medium enterprises must use social media to gain competitive advantage (Dahnil, Marzuki, Langgat, &Fabeil, 2014). Social media has become a great platform for firms to manage the relational activities (Kaplan and Haenlein, 2010) and have changed the modes of all aspects of business including operations, marketing, human resource management and finance (Guha, Harrigan&Soutar, 2018). Because of the opportunities that social media provides to business such as cost effectiveness, time saving, low level of IT skills required to use it, and the high level of engagement with customers, SMEs began to take advantage of it as a marketing tool (Abed, 2020; Öztamur&Karakadılar, 2014). In addition, research suggests that social media creates benefits to customers (Hansson, Wrangmo&Sjøilen, 2013). Thus, it is clear that SMEs could gain from social media to improve business performance. Although, several studies investigated social media use in business context, very few studies examined the impact of adoption of social media on the performance of SMEs in the Middle East (Ahmad, Bakar & Ahmad, 2019) and specially in Palestine. Using social media by SMEs in Palestine has become a must with 2.7 Million Internet users in Jan 2020 as published by datareportal website (w1) Unfortunately, the number of SMEs that are using social media in their business in Palestine are not available; therefore, it is important to understand how social media adversely affects the performance of SMEs. there is a research gap in explaining the relationship between the use of social media and business performance.

The aim of this article is to explore those factors that might influence the adoption of social media by SMEs and its influence on performance. The article will address this issue by conducting a survey on the observed variables that reflect the attitudes of managers of SMEs. The results are expected to contribute in our understanding of how the use of social media may improve the performance of SMEs in Palestine context.

2. Literature review and hypothesis development

With the short period since the social media has been started to be used by SMEs in their various activities, it has become a strategic tool for survival (Öztamur&Karakadılar ,2014). Reviewing the literature, shows that many studies used technology adoption theories and frameworks to assess various effects on businesses with more focus on internal factors as main contributors that affect the adoption of social media. Dahnil, Marzuki, Langgat, &Fabeil (2014) argued that it is vital for SMEs to include both internal and external factors as antecedents of social media adoption. Ordanini (2006) indicated that three basic models were used to examine the antecedents of IT adoption in large and small businesses. The first model is the Technology-Organization Environment (TOE). This model contains three main predictors of IT adoption (the technology context, the organizational context, the environmental context). The second model is the Technology Acceptance Model (TAM). This model concentrated on three elements of IT adoption (ease of use, the usefulness, and the attitudes of decisions maker). The third model is the Theory of Planned Behavior (TPB). The model contains three predictors (attitude toward change, social pressure, and the capability to control technology). Although these models are widely used by researcher, it is worth noting that these model were developed to investigate the IT adoption preceding those related to internet. Thus, it is preferable to use a hybrid model that captures different parameters of the various models. This study combined different elements of each of the previous models (Abdullatif et al 2017).

2.1 Antecedents of social media adoption

2.1.1 The technological context

The technological context is considered to have a great influence on SMEs adoption of IT including social media (Ramdani, Chevers, & Williams, 2013). The technological context includes, the relative advantage, complexity, and compatibility (AlBar&Hoque, 2019). Relative advantage is defined as "the degree to which an innovation is perceived as being better than the idea it supersedes" (Rogers, 2010, p. 42). It reveals the benefits or losses a firm will achieve when it accepts or rejects a technology (AlBar&Hoque, 2019). Several studies found a positive impact of relative advantage on SMEs adoption of social media. Using an extended model of TOE to examine the impact of the model dimensions on the adoption of ICTs among SMEs in rural areas of Saudi Arabia AlBar&Hoque (2019) found that relative advantages had a significant relationship with ICT adoption among SMEs. Similarly, Ahani, Rahim, &Nilashi (2017) supported these findings. the results of their study revealed that relative advantage is the most important factor influencing social IT adoption. Utilizing social media enables SMEs to respond to customers anytime and anywhere. Thus, the relative advantage is a critical factor for SMEs to make a decision regarding social IT adoption. Social media technology is a cost-effective tool that can be used by SMEs to manage their activities at a low cost (Ainin et al., 2015). In contrast to these findings and in one of the very few studies that have been conducted in the Middle East countries Ahmad, Bakar, & Ahmad (2019) noted that relative advantage had no significant relationship with social media adoption. Compatibility is defined as "the degree to which an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopters" (Rogers, 2010, p. 42). Premkumar (2003) claimed that compatibility is one of the most important factor that impacts the adoption of ICT by SMEs. Ramdani, Chevers, & Williams (2013) found a significant positive impact of compatibility on ICT adoption in SMEs context. The same results were found by (Ahani, Rahim, &Nilashi ,2017). Conversely, AlBar&Hoque (2019) did not find any significant relationship between compatibility and ICT adoption by SMEs.

Complexity is defined as "the degree to which an innovation is perceived as relatively difficult to understand and to use" (Rogers, 2010, p. 42). It is believed that complexity of innovation is negatively related to ICT adoption. Low, Chen, & Wu (2011) argued that the complexity of new technology reduces the opportunity to adopt it. The concept of complexity is a crucial technological factor that must not be neglected in technology and innovation adoption. Using social media technology enables SMEs to manage their activities. Therefore, it is interesting to identify how the complexity of social

media, as an example of a new IT-based strategy, can be critical in SMEs' adoption decision (Ahani, Rahim, & Nilashi, 2017).

Based on the above discussion the first suggested hypothesis is:

H1: Technological context has a high impact on SMEs' adoption of social media.

2.1.2 The organizational context

Like technological context, the organizational context is claimed to have a positive influence on SMEs' adoption of ICT (Ramadi, Chevers, & Williams, 2013). Previous studies identified a set of organizational factors that have an impact on the adoption of social media by organizations. Among these factors are top management support (Ramadi et al, 2013; Ahani et al, 2017; AlBar, & Hoque, 2019). Firm size (Wamba & Carter, 2016; Ramadi et al, 2013; Ahmad, et al., 2019), and organizational readiness (Ramadi et al, 2013). AlSharji Ahmad, & Bakar (2018) defined organizational characteristics as all feature of the organization including managerial structure, level of centralization, number of employees, turnover, and its resources. However, they claimed that the only salient factor is top management support. In this study, only this factor will be taken to represent the organizational context. Several studies have confirmed the positive impact of management support on organizations' intention to adopt new technology (Ahmad, et al, 2019; AlBar, & Hoque 2019; Ahani, Rahim, & Nilashi, 2017; Ramadi et al, 2013). AlBar & Hoque (2019) claimed that top management support, especially in SMEs is crucial in the Arab World, where the roles of top manager are more important. Consequently, the second hypothesis is:

H2: Organizational context has a high impact on SMEs' adoption of social media.

2.1.3 The environmental context

According to the TOE model the environmental context refers to the conditions in which the organization conducts its business (Ahani et al., 2017). Factors that are mostly considered in previous studies include regularity system and competitive pressure (AlBar & Hoque 2019; Ahmad et al., 2019; Ahani et al., 2017; Ramadi et al., 2013). Ahani et al. (2017) confirmed that competitive pressure had a significant influence on the decision to adopt social media, and that competitors use social media to improve their competitive advantage, to enhance the level of satisfaction of their costumers and achieve financial benefits. Lin (2014) emphasized the positive relationship between competitive pressure and intention to adopt social media, and that competition leads to high level of environmental uncertainty which in turn increases the need to adopt of IT innovation and the speed of adoption. Unlikely, Ahmad, & Bakar (2018) found no significant influence of competitive pressure on adoption of social media. Regarding regularity system, AlBar & Hoque (2019) argued that the government regulation provides sufficient protection for the use of ICT by SMEs, and it facilitates or hinders the enterprises to adopt new technology. Dahnail, Marzuki, Langgat, & Fabeil (2014) indicated that government influence, policy and initiatives influence the ICT adoption. Thus, it is obvious that the legislative environment can either support technology innovation by introducing regulations that encourage firms to adopt new technology or adversely restrict the using of new technology by passing constraining regulations (Borgman, Bahli, Heier, & Schewski (2013). Two factors will be adopted to present the environmental context including competitive pressures and governmental legislations. Consequently, the third hypothesis is:

H3: Environmental context has a high impact on SMEs' adoption of social media.

2.1.4 Perceived usefulness and perceived ease of use

The TAM conceptualizes that perceived ease of use of technology and perceived usefulness predict the attention and the adoption of new technology (Siamagka, Christodoulides, Michaelidou & Valvi, 2015). Ease of use is defined as "as the degree to which a person believes that using the system will be free of mental effort" While perceived usefulness is defined as "the degree to which a person believes

that using a particular system would enhance his or her job performance” Davis (1989, p. 320). Venkatesh, Morris, Davis, and Davis (2003) argued that perceived usefulness and perceived ease of use are the most significant predictors of technology adoption. Awa, Ojiabo&Emecheta, (2015) Concluded that the individual’s intention to use new application is most likely to be explained and predicted by his perception of the usefulness and the simplicity of using this new technology. Ease of use was found to be one of the main determinants of ICT adoption at all stages of adoption (Eze, Chinedu-Eze, & Bello, 2019). The influence of both perceived of usefulness and perceived ease of use can be extended to include social media adoption. Thus the following hypotheses are formulated:

H4: Perceived usefulness has a high impact on SMEs’ adoption of social media.

H5: Perceived ease of use has a high impact on SMEs’ adoption of social media.

2.1.5 Attitude toward technology adoption and capability to control technology

The theory of planned behaviour (TPB), extended from the theory of reasoned action (TRA) (Fishbein&Ajzen, 1975) was used to predict the behavior in general. Based on this theory the individuals' intention is the most important predictor of behavior and the intention is predicted by the attitude towards the behavior, subjective norm, and perceived behavioral control. Prior research did not support the influence of subjective norm (social pressure) on the behavioral intention, therefore this variable was excluded in this study. Attitude toward IT adoption refers to a person’s beliefs towards the expectations of outcomes regarding the IT used, while perceived behavioral control refers to ones belief on the degree of usage capability of the technology (Ooi, Sim, Yew, & Lin, 2011).

In IT context the theory was utilized to predict the determinants of IT adoption. For instance, Baker & White (2010) used these factors to predict the intention to use the social networking sites. The results showed the positive influence of the standard TPB variables on the intention to use social networking sites. Li, Troutt, Brandyberry, & Wang (2011) indicated that the SME owners’ intention to adopt IT is determined by the attitude of the owner. It seems that people are unlikely to have intention to perform a specific behavior if they do not have the resources and the ability to do so, even if they have the positive attitudes toward that behavior (Qureshi, & York, 2008).

Based on the above arguments the following hypotheses are formulated:

H6: The positive attitudes of the owner of SMEs towards social media is positively influencing the adoption of social media by SMEs.

H7: The ability of the owner of SMEs to control social media application is positively influencing the adoption of social media by SMEs.

2.2 Social media adoption and business performance

Business performance refers to the benefits that business might receive as a result of using social media in terms of both financial and non-financial performance (Delone, & McLean, 2003).

Previous studies have investigated the antecedents of social media adoption, but few studies investigated the impact of social media adoption on business performance (Ainin et al, 2015). For instance, Yasa, Adnyani, & Rahmayanti, (2020) provided evidence that the usage of social media by SMEs has a significant and positive influence on business performance. Ainin et al. (2015) demonstrated that the use of social media positively impacts both the financial and non-financial of SMEs performance. Similarly (Qalati, Yuan, Khan, & Anwar, 2021) confirmed the positive relationship between the usage of social media and the performance of SMEs. Consequently, the following hypotheses are formulated:

H8: Social media adoption will have positive impact on the performance of SMEs.

Figure 1 illustrates the proposed research model.

Figure 1. Research Model

Source Prepared by the researchers

3. Materials and Methods

The current study aims to examine the influence of seven independent constructs/variables on social media adoption, and the impact of this adoption on SME's performance. The included constructs/variables were suggested based on the conducted literature review. The study is of an explanatory nature, thus, the researcher adopted the questionnaire approach to gather the required data from the study population.

3.1 Study population and sample

For the purpose of this study, enterprises that employ less than 25 workers are included in the study sample. This definition is adopted by local banks and Palestinian Monetary Authority. The study population is the SME's in Tulkarm district. According to the general census of population, housing and establishments report issued by The Palestinian Central Bureau of Statistics (2018), the number of the working SME's in Tulkarm district is 7407 enterprises. The sample size that be drawn from the population is 365 (Daneil & Cross, 2013) at a significance level of 5%.

Online survey of 500 were sent to the potential participants of SMEs operating in Tulkarm district. The e-mail of each participant was extracted from the website of chamber of commerce of each district. The targeted participants are mainly the owners or the CEOs since they are the most knowledgeable about their firms. In total 332 of completed questionnaires were received with a response rate of 66.4%. This response rate is considered acceptable compared to the standard rate suggested by Curran and Blackburn (2001).

3.2 Measurements

All of the measure items used in this study were borrowed from previously validated scales and modified to fit the current study. All variables representing the latent variables are shown in Table 1. Each variable is measured on a five-point Likert scale ranging from 5 (strongly agree) to 1 (strongly disagree).

Table 1: Measurement Items

Variable	Items	Source
Relative advantage	<ul style="list-style-type: none"> • Using social media provides accurate information for decision making in timely manner • Using social media offers efficient way for managing product and services. • Using social media helps quick data capture and analysis. • Using social media helps reduce inventory costs 	Chong & Chan (2012)
Complexity	<ul style="list-style-type: none"> • Using social media takes too much time from my normal duties. • Working with social media is so complicated, it is difficult to understand what is going on • Using social media involves too much time doing mechanical operation (i.e data input). • It takes too long to learn how to use social media to make it worth the effort 	Venkatesh et al., (2003)
Compatibility	<ul style="list-style-type: none"> • Using social media is compatible with existing IT infrastructure • Using social media is compatible with our business processes and • Operations • It is easy to integrate social media use with our existing systems 	Chong & Chan (2012)
Top management support	<ul style="list-style-type: none"> • Top management in my organization is interested in adopting social media • Top management in my organization considers social media adoption important • Top management in my organization has shown support for social media adoption 	Ahmad et al. (2019)
Competitive pressures	<ul style="list-style-type: none"> • Social media use allows stronger competitive advantage • Social media would increase ability to outperform competition • Social media would allow generation of higher profits 	Oliveira et al. (2014); Alshamaila et al. (2013); Low et al. (2011)
Governmental legislations	<ul style="list-style-type: none"> • I know that the government has policies and initiatives encouraging companies to adopt social media technologies • I am aware of the existence of governmental agencies providing services toward social media adoption 	Sophonthummapharn (2009)
Perceived ease of use	<ul style="list-style-type: none"> • It is easy to access social media platforms to do what I want • Interacting with social media platforms is easy • It's easy for me to remember how to do the tasks using social media platforms • Overall, I find social media platforms easy to use 	Davis (1989)

Perceived usefulness	<ul style="list-style-type: none"> • Using social media platforms gives me more control over my work • Social media platforms allow me to get things done more quickly • Social media platforms support critical aspects of my work, such as crisis • Overall, I find social media platforms helpful in my work 	Davis (1989)
Attitude towards technology	<ul style="list-style-type: none"> • Using social media is a bad/good idea • Social media use makes work more interesting • Working with social media is fun • I like working with social media 	Venkatesh et al. (2003)
Ability to control technology	<ul style="list-style-type: none"> • I have the power to control the use of social media platforms • I have the resources to use social media platforms • I have the knowledge to use social media platforms effectively 	Venkatesh et al., (2003)
Adoption of social media	<ul style="list-style-type: none"> • Assuming I had access to the internet, I would have already used social media • I am likely to use social media • Overall, I intend to continue using social media in the future 	Zhu, Sangwan, & Lu (2010)
Performance	<ul style="list-style-type: none"> • The use of social media platforms increased the company's market share • The use of social media platforms increased the sales process • The use of social media platforms increased the sales volume • The use of social media platforms led to an increase in audience inquiries • The use of social media platforms increased the number of customers • The use of social media platforms helped achieve the goals of the organization • The use of social media platforms helped increase your total income 	Kim, Li and Brymer (2016); Watson (2012) ; Yu, Ramanathan & Nath (2014)

Source: Prepared by the researchers based on literatura review

3.3 Reliability

The reliability of the study items was tested using Cronbach Alpha Coefficient as shown in Table 2. All values were above the cutoff value of 0.7 determined by (Nunnaly, 1978) as the acceptance measure for reliability.

Table 2: Cronbach Alpha Coefficients

Variable	Mean	Standard Deviation	Cronbach Alpha Coefficient
Relative Advantage	3.84	0.598	0.765
Complexity	3.71	0.887	0.909
Compatibility	3.97	0.528	0.856
Top Management Support	3.97	0.493	0.862
Competitive Pressures	3.98	0.492	0.873
Governmental Legislations	3.89	0.572	0.817
Perceived Usefulness	3.94	0.488	0.885
Perceived Ease of Use	4.05	0.497	0.861
Attitude towards Technology	3.96	0.498	0.778
Ability to Control Technology	4.07	0.543	0.879
Social Media Adoption	4.02	0.523	0.876
SMEs Performance	4.04	0.414	0.881
Total			0.94

Source: developed by the researchers based on statistical analysis

As for hypothesis testing, linear regression was used to examine the proposed hypotheses.

4. Results

4.1 Demographic profile

The demographic profile of the participants of the study is presented in Table 3. The majority of the population sample was males forming 75.9% against 24.1% females. Regarding age, 67.1% of the respondents were under 40 year old, followed by 22.6% between 40 to 49 years, and only 10.2% were above or equal 50 years, this reflect that the majority are relatively young. Concerning educational level, about 64.4% were Diploma and Bachelor degree holders, High school degree holders formed 27.4%, Postgraduate degree holders were only 4.5%, and only 3.3% held less than high school certificate. Relating to business age, about 34.9% of the surveyed businesses were relatively new businesses as their age was 1-3 years old, followed by 30.1% in the age group of 4-6 years old, older businesses with an age of 6 years or more formed 28.6%, and last came the fresh businesses with less than one year with a percentage of 6.3%.

As for the total employee number, the majority of the businesses (47.6%) employed less than five employees, and only 7.8% employed between 21-25 employees. Wholesale and retail trade formed 28.9% of the study sample, next were the Technical services businesses with 24.1%, Entertainment services 17.2%, Transport 6%, Manufacturing industries 4.8%, Restaurants 4.2%, Constructions 1.8% and other industries 13%. The duration of use of social media varied among the surveyed businesses. About 40.7% of the businesses have been using it for 4-6 years, followed by 30% of the businesses with 1-3 years of usage, next came those businesses that have been using it for more than six years forming 16.6%, and last came the new users of social media with less than one year of usage forming 4.8%. The last demographic variable was the used social platforms. Facebook dominated the scene with 41.3%, Twitter and Insagram had almost equal values with 10.8% and 10.2% respectively. 13.3% of the businesses used other platforms, and 24.4% used more than one platform.

Table 3: Participants' demographic profile

Demographic Category	Classification	Frequency	Percent %
Gender	Male	252	75.9
	Female	80	24.1
	Total	332	100
Age	20-29 Years	105	31.6
	30-39 Years	118	35.5
	40-49 Years	75	22.6
	>=50 Years	34	10.2
	Total	332	100
Educational Level	Less than high school	11	3.3
	High School	92	27.7
	Diploma	108	32.5
	Bachelor	106	31.9
	Post Graduate Studies	15	4.5
	Total	332	100
Business Age	Less than one year	21	6.3
	1-3 Years	116	34.9
	4-6 Years	100	30.1
	More than 6 Years	95	28.6
	Total	332	100
Total Employee Number	Less than 5 employees	158	47.6
	5-10 employees	61	18.4
	11-15 employees	67	20.2
	16-20 employees	20	6.0
	21-25 employees	26	7.8
	Total	332	100
Sector	Manufacturing industries	16	4.8
	Constructions	6	1.8
	Wholesale and retail trade	96	28.9
	Transport	20	6.0
	Technical services	80	24.1
	Restaurants	14	4.2
	Entertainment services	57	17.2
	Others	43	13.0
	Total	332	100
Duration of Use	Less than one year	16	4.8
	1-3 Years	126	38.0
	4-6 Years	135	40.7
	More than 6 years	55	16.6
	Total	332	100
Social Platforms	Facebook	137	41.3
	Twitter	36	10.8
	Instagram	34	10.2
	Others	44	13.3
	More than one platform	81	24.4
	Total	332	100

Source: developed by the researchers based on data analysis

4.1 Hypotheses Testing

Simple linear regression was used to test the proposed eight hypotheses.

4.1.1 First Hypothesis (H1)

The first hypothesis suggests that Technological context has a high impact on SMEs' adoption of social media. The model summary is illustrated in Table 4.

Table 4: Model summary of H1

Independent Variable	r	R ²	Adjusted R ²	Std. Error of the Estimate
Technological Context	0.104	.011	.008	.520
Dependent Variable is Social media Adoption				

Source: developed by the researchers based on regression analysis

As shown in Table 4, Pearson correlation coefficient (r) between the technological context and social media adoption is positive but very weak ($r = 0.104$), and the determination factor R^2 is 0.011 indicating that technological context is responsible for 1.1% of the variation in social media adoption. The coefficients of simple linear regression are illustrated in Table 5 below.

Table 5: Simple linear regression coefficients of H1

Independent Variable	Unstandardized Coefficients B		Standardized Coefficients Beta	t-value	P-value	Decision
Technological Context	Constant	3.551	0.104	14.218	.000	H1 Not Supported
	TechVar	.122		1.895	.059	
*significant at $\alpha < 0.05$; Dependent Variable is Social media Adoption						

Source: developed by the researchers based on regression analysis

Table 5 shows that the technological context is insignificant since the p-value = 0.059 which is greater than ($\alpha = 0.05$). Therefore, H1 is not supported by the data.

4.1.2 Hypotheses (H2..H7)

Hypotheses H2..H7 assume that the other six dependent constructs/variables have high impact on SMEs' adoption of social media. Table 6 presents the models' summaries of these hypotheses.

Table 6: Models' summaries of H2..H7

Hypothesis	Independent Variable	r	R ²	Adjusted R ²	Std. Error of Estimate
H2	Organizational Context	0.269	.073	.070	.504
H3	Environmental Context	0.283	.080	.077	.502
H4	Perceived Usefulness	0.350	.122	.120	.489
H5	Perceived Ease of Use	0.306	.093	.091	.498
H6	Attitude toward Technology	0.207	.043	.040	.512
H7	Ability to Control Technology	0.363	.132	.129	.487
Dependent Variable is Social media Adoption					

Source: developed by the researchers based on regression analysis

Pearson correlation coefficients (r) of the other six independent variables are listed in Table 6; all of these values are positive reflecting a positive correlation between the examined variables and the dependent variable social media adoption. The values ranged from 0.207 for Attitude toward Technology to 0.363 for Ability to Control Technology. The coefficient of determination R^2 of each of these constructs points that Organizational Context, Environmental Context, Perceived Usefulness,

Perceived Ease of Use, Attitude toward Technology, Ability to Control Technology are responsible for the variation in social media adoption by 7.3%, 8%, 12.2 %, 9.3%, 4.3% and 13.2% respectively.

The results of the simple linear regression analysis of these independent constructs/variables and social media adoption as dependent variable are presented in Table 7.

As shown in Table 7, all of hypotheses H2..H7 are supported by the data as the p-value of each of the regression models is less than the significance level ($\alpha=0.05$).

Table 7: Simple linear regression coefficients of H2..H7.

Independent Variable	Unstandardized Coefficients B		Standardized Coefficients Beta	t-value	P-value	Decision
Organizational Context	Constant	2.887	.269	12.846	.000	H2 Supported
	OrgVar	.286		5.082	.000*	
Environmental Context	Constant	2.550	.283	9.226	.000	H3 Supported
	EnviVar	.374		5.352	.000*	
Perceived Usefulness	Constant	2.551	.350	11.639	.000	H4 Supported
	PuseVar	.374		6.771	.000*	
Perceived Ease of Use	Constant	2.720	.306	12.111	.000	H5 Supported
	PeaseVar	.322		5.834	.000*	
Attitude toward Technology	Constant	3.161	.207	13.990	.000	H6 Supported
	AttiTechVar	.217		3.839	.000*	
Ability to Control Technology	Constant	2.597	.363	12.810	.000	H7 Supported
	ContTechVar	.350		7.086	.000*	
*significant at $\alpha<0.05$; Dependent Variable is Social media Adoption						

Source: developed by the researchers based on regression analysis

4.1.3 Hypothesis H8

The eighth hypothesis (H8) suggests that social media adoption by SME's has a positive impact on their performance. The model summary of this hypothesis is presented in Table 8.

Table 8: Model summary of H8

Variable	r	R ²	Adjusted R ²	Std. Error of the Estimate
Social media Adoption	0.303	.092	.089	.39484
Dependent Variable is SME's Performance				

Source: developed by the researchers based on regression analysis

Pearson correlation coefficient (r) between social media adoption and SME's performance is positive (r = 0.303), and the determination factor R² is 0.092 indicating that social media adoption is responsible for 9.2% of the variation in SME's.

The coefficients of simple linear regression are illustrated in Table 9 below.

Table 9: Simple linear regression coefficients of H8

Variable	Unstandardized Coefficients B		Standardized Coefficients Beta	t	P-value	Decision
Social media Adoption	Constant	3.073	.303	18.260	.000	H8 Supported
	SocAdpVar	.240		5.771	.000*	
*significant at α <0.05; Dependent Variable is SME's Performance						

Source: developed by the researchers based on regression analysis

Table 9 shows that social media adoption is significant since the p-value = 0.000 which is less than ($\alpha=0.05$). Therefore, H8 is supported by the data.

5. Discussion

The aim of this study is to explore those factors that might influence the adoption of social media by SMEs and its influence on performance. Seven constructs/variables of social media adoption were tested (technological context, organizational context, environmental context, perceived usefulness, perceived ease of use, attitude toward technology, and ability to control technology) to measure their influence on performance.

To reach this goal eight hypotheses were proposed. The first hypothesis was to study the influence of technological context on SMEs' adoption of social media. The results of statistical analysis showed no significant influence of this construct on social media adoption. Although this result contradicted the majority of previous studies, however it goes in line with the study of (Ahmad, Bakar, & Ahmad, 2019) which has been conducted in a similar context of the current study. The appropriate explanation for this result is that the decision to adopt social media in SMEs is more influenced by internal factors than technological ones. Another possible reason is that the majority of the participant in this study are young people who are familiar with using social media, therefore the influence of technological factors are not significant. The second hypothesis examined the impact of the organizational context on SMEs' adoption of social media. The result indicated a significant impact of this construct on social media adoption. This is consistent with other studies (Ramdani et al, 2013; Ahani et al, 2017; AlBar, & Hoque, 2019). The findings suggest that managers support appears to be a crucial factor in adopting social media in SMEs. IT adoption literature provided sufficient evidence that managers' support significantly influence adoption of social media and other ICT tools in SMEs (Hoque, Saif, AlBar, & Bao, 2015). The third hypothesis studied the influence of environmental context on SMEs' adoption of social media. The result supported the claims that environmental factors are positively and significantly influencing social media adoption. These findings are in agreement with AlBar & Hoque (2019) and Lin (2014). This implies that both competitive advantages and governmental legislations are important factors for SMEs to adopt social media in their business as it might help or hinder the adoption process (AlBar & Hoque, 2019). For both hypotheses four and five that examined the impact of perceived usefulness and ease of use on SMEs' adoption of social media, the findings showed a positive and a significant influence of these two factors on the adoption of social media among SMEs in Palestine. These results are supported by previous studies (Venkatesh, et al, 2003; Awa, et al, 2015; Eze, et al, 2019). The findings is also consistent with TAM (Davis, 1989). Investigating the influence of attitude toward technology and the ability to control technology on SMEs' adoption of social media, the findings of hypotheses six and seven indicated the positive influence of the two factors on the adoption of social media by SMEs, the results are in line with existed studies (Kanchanatanee, Suwanno & Jerernvongrayab, 2014). In Palestine, the managers of small businesses are usually the owners of the businesses, therefore their attitudes and their technological skills are very important in adopting of new technology.

Finally, the main objective of this study was to investigate the effect of social media adoption on SMEs performance. Consisting with most of the existing studies (Ainin et al, 2015; Yasa, et al, 2020:

Qalati et al., 2021) the findings of hypothesis eight showed a significant positive impact of social media adoption by SMEs in Palestine on business performance.

The findings of this study can be utilized to by SMEs managers and the authorities to take the necessary procedures to facilitate the use of social media by SMEs. Initiatives by the government such as arrangement of regular meetings or conferences through the ministry of technology and communication to enhance the ICT knowledge among the owners and managers of SMEs could increase the adoption rate of ICT. In addition, SMEs should have clear strategy regarding the adoption of social media to improve their firms' performance (Alsulami et al 2016).

6. Conclusion

The study intended to identify those factors that are responsible for the adoption of social media at the small and medium enterprises in Palestine and to examine the potential effect of social media adoption on business performance. A combination of three models (TOE, TAM, TPB) was used for the proposed conceptual model. Online survey was used to collect the data from participants. A total of 332 valid questionnaires were analyzed using the simple regression analysis. The findings of hypotheses testing indicated that six of the seven hypotheses that examined the impact of independent constructs\variables on social media adoption were significant. Namely the variables were organizational context, environmental context, perceived usefulness, ease of use, attitude towards technology, and ability to control technology. For the seven hypothesis the result showed no significant impact of technological context on social media adoption. Regarding hypothesis eight the result revealed a significant influence of social media adoption on SMEs performance.

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