

From Tradition to Transformation: Exploring Factors Influencing Social Media Advertising Adoption by Small and Medium Enterprises (SMEs) in Sri Lanka

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Abstract

Purpose of the study: This study aims to investigate the factors influencing the adoption of social media advertising over traditional advertising methods and their impact on brand awareness among SMEs.

Methodology: The study adopted an interpretive qualitative research approach, and data were collected from SME owners and marketing managers through in-depth, semi-structured personal interviews. Thematic analysis was used to analyze the data.

Findings: The study reveals that platform selection, metrics and analytics tools, real-time interaction, and cost-effectiveness drive the shift to social media advertising, while advertising reach and targeting capabilities, customer engagement, immediacy, and influencer partnerships enhance brand awareness compared to traditional methods.

Applications: The study offers valuable implications for SME owners and marketing managers to develop appropriate marketing strategies to enhance competitive advantage and facilitate the successful implementation of social media advertising in their businesses.

Novelty: This study provides a novel contribution to the literature by addressing an empirical gap in understanding the role of social media advertising in the SME sector in Sri Lanka and the wider region.

INTRODUCTION

In today's competitive world, advertising is essential. It makes it easier for businesses to interact with both present and future customers. Advertising on social media has a significant impact since it lets businesses reach ideal customers at every stage of the buying process. Internet users are moving away from traditional communication media and increasingly use social media to seek opinions and brand-related information, regardless of geographic and demographic limitations (Duffett, 2017; Nofal et al., 2022). Moreover, social media advertising reaches the target audience across multiple platforms such as Facebook, Instagram, TikTok, LinkedIn, YouTube, and X (Koay, Ong, Khoo & Yeoh, 2021). As such, consumers have prompt access to the information they need whenever it is convenient for them.

Social media is becoming a powerful tool that helps companies, especially Small and Medium-Sized Enterprises (SMEs), achieve a range of marketing goals, such as building positive customer attitudes, increasing sales prospects, strengthening brand affinity, and improving customer service (Misirlis & Vlachopoulou, 2018; Wood & Khan, 2016). Although large organizations are the main users of social media, empirical evidence highlights the importance of social media for SMEs as a means of customer interaction and feedback, which helps close the gap between these businesses and potential clients (Meske & Stieglitz, 2013; Rahmawati et al., 2020).

The conflict between Sri Lankan SMEs' continued reliance on traditional advertising strategies and consumers' growing preference for social network advertising, especially among younger consumers, has been explored only to a limited extent. Traditional advertising methods, such as print, broadcasting, direct mail, and other outward lead-generation strategies, are essential for establishing a human connection with customers and reaching local audiences. These traditional strategies took off during the Enlightenment and Industrial Revolution periods, when the world became aware of product differentiation, product demos, and celebrity endorsements (Baker & Hart, 2016).

However, amid the digital evolution, SMEs in Sri Lanka continue to rely on traditional advertising methods, posing a unique and significant dilemma. For instance, although younger generations increasingly prefer social network advertising (Hajli, 2014), SMEs rely on traditional advertising methods (Setkute, Madurapperuma, & Colombage, 2022). This reliance could hinder SMEs' ability to achieve higher brand awareness and strengthen their competitive edge in the market. Despite that, few companies have successfully adopted social media advertising for their businesses, and it is worthwhile to explore their experiences with traditional advertising to provide valuable insights that motivate other SMEs and deepen understanding of the digital advertising landscape.

Accordingly, this study seeks to identify the factors affecting the adoption of social media advertising among SMEs and to examine how they influence brand awareness relative to traditional advertising methods. The goal is to provide an overview of the factors influencing social media advertising strategies and to enhance SMEs' competitive standing in the digital marketplace. The study provides several insights for SMEs, practitioners, and policymakers by collecting data from SME owners and marketing managers, which can help them move towards digital adoption and improve their competitive advantage.

The remainder of this paper is structured as follows. The next section will review SMEs in Sri Lanka, the advertising methods they adopt, and the impact of social media advertising on them, followed by a discussion of the methodology. The subsequent section summarizes the key findings and concludes with implications for the SME sector, followed by a discussion of limitations and directions for future research.

LITERATURE REVIEW

SMEs in Sri Lanka

Small and medium enterprises (SMEs) remain a crucial driver of economic growth in both developing and developed economies. SMEs play a vital role in Sri Lanka's economy, accounting for over 75% of all businesses, contributing over half (52%) of the GDP, and employing 45% of the workforce ([Rathnasinghe, 2024](#)). This highlights the significance of SMEs, as they play a key role in driving innovation, strengthening the regional economy, and enhancing social stability in Sri Lanka ([Asian Development Bank, 2023](#)). SMEs are usually characterized by the number of employees and their annual revenue. In Sri Lanka, the Ministry of Industry and Commerce defines small enterprises as those employing between 11 and 50 people, with an annual turnover ranging from LKR 15 million to LKR 250 million, while medium enterprises are defined as those with 51 to 300 employees and a turnover ranging from LKR 251 million to LKR 750 million ([Ministry of Industry & commerce, 2022](#)). These criteria are essential for customizing government policies and supporting programs to meet SME requirements, and they are generally similar worldwide, with slight differences depending on circumstances in individual countries ([World Bank 2021](#)).

Advertising methods adopted by SMEs

When it comes to the firm's expansion and prosperity, marketing is the backbone. Traditional advertising refers to promoting goods and services through traditional media such as radio, television, newspapers, magazines, and street signs ([Santiago, 2024](#)). TV advertising is the practice of creating ads shown solely on television channels to promote products or services. Many large businesses choose this strategy because it is the fastest and easiest way to reach consumers. Prime-time commercials, infomercials, TV show sponsorships, and product placements are examples of TV advertising ([Tellis & Ambler, 2007](#)). Print advertising is another traditional method, which refers to placing advertisements in newspapers, magazines, or outdoor formats such as brochures and billboards. Radio advertising uses sound broadcasts to sell products or services through radio commercials, sponsored radio shows, live-read ads, and jingles ([Hendricks & Nacion, 2007](#)). This method is ideal for reaching local people and certain groups who often listen to specific radio stations or shows.

Instead of traditional advertising, many SMEs use social media advertising. Social media advertising is a form of digital marketing that reaches the target audience through sponsored ads on social networks such as Facebook, Instagram, TikTok, LinkedIn, YouTube, and X. Marketers and advertisers can use social media to raise awareness of their products and encourage purchases. Compared to traditional marketing methods, social media is more widespread because it can reach a larger audience regardless of location or age ([Nofal et al., 2022](#)). In addition, internet users are abandoning traditional communication media and increasingly rely on social media for opinion gathering and other brand-related information ([Duffett, 2017](#)). The internet's expansion and social media's interactive nature have made it easier to build strong emotional bonds in long-term relationships between consumers and sellers, thereby strengthening customer loyalty ([Duffett, 2017](#)). Moreover, the goal of social media advertising is to create content that social media users will share with their friends to raise brand awareness and grow the customer base ([Sprout Social, 2021](#); [Buffer, 2020](#)).

Content marketing, influencer marketing, and paid advertising are popular advertising methods conducted through social media websites. Content marketing is defined as the creation and distribution of valuable, relevant, and consistent content to attract and retain a clearly defined audience ([Content Marketing Institute, 2023](#)). Content marketing aims to stimulate favourable customer activity by providing content that addresses their needs and interests. Examples include blog posts, videos, infographics, eBooks, whitepapers, case studies, and how-to guides ([Holliman & Rowley, 2014](#)). Influencer marketing uses people with large social media followings to promote products or services. These influencers can influence others' buying decisions because they are trusted, knowledgeable, or have strong relationships with their audiences. For example, this includes sponsored posts, product reviews, brand mentions, collaborations, and takeovers ([De Veirman et al., 2017](#)). Paid advertising on social media means creating and sharing ads to reach a larger, more specific audience. Websites like Facebook and Instagram offer a range of ad formats (e.g., image ads, video ads, carousel ads, story ads, and sponsored posts) and audience-targeting options to help businesses achieve their marketing goals ([Tucker, 2014](#)).

Impact of Social Media Advertising on SMEs

Researchers have investigated social media advertising and SMEs in a variety of settings. Interestingly, [Patma et al. \(2021\)](#) examined how social media marketing affects the survival of Indonesian SMEs. The effects of the COVID-19 pandemic are the specific subject of the investigation, and results revealed that social media marketing functions as a mediator in the interaction between internet/e-business technology and the sustainability of SMEs. Similarly, [Qalati et al. \(2020\)](#) examined

how social media usage is mediated by technology, organizations, and the environment and how it affects business performance in SMEs. The results indicate that the relationship among technology, organizations, and the environment in shaping company performance is favorably mediated by social media usage. Another study by [Eid et al. \(2020\)](#) investigated the antecedents and consequences of social media use among international B-to-B SMEs and its impact on their export performance. Researchers have also investigated the factors affecting SMEs' adoption of social media marketing activities to improve business performance. For example, a study by [Chatterjee and Kar \(2020\)](#) showed that perceived usefulness, perceived ease of use, and compatibility significantly affect SMEs in India after adopting social media for their businesses.

Notably, social media advertising affects a company's performance, which is determined by the prices at which its goods and services are sold ([Jinfeng & Zhilong, 2009](#)). Different marketing objectives are achieved through social media, including building brand affinity, increasing sales prospects, improving customer service, and driving favorable customer attitudes ([Misirlis & Vlachopoulou, 2018](#); [Wood & Khan, 2016](#)). With social media, businesses can use rich, dynamic, and interactive content to create advertising materials at low cost ([Singh & Sonnenburg, 2012](#)). It also enables SME customers to provide feedback, as companies increasingly create social media accounts to interact with customers and obtain valuable insights. Thus, social media has built a bridge connecting SMEs and potential customers and serves as a vital platform for marketing initiatives. It is quick, inexpensive, and can reach a larger audience ([Taneja & Toombs, 2014](#); [Michaelidou et al., 2011](#)), combining verbal communication with social interaction through technology ([Braojos-Gomes et al., 2015](#)).

Brand awareness in SMEs

Brand awareness refers to the extent to which consumers can recognize or recall a brand, and it plays a vital role in shaping purchase decisions and customer loyalty ([Keller, 2003](#)). For SMEs, strong brand awareness is crucial since it helps overcome limited market visibility, builds credibility, and supports competitive positioning ([Nguyen et al., 2015](#)).

Traditional advertising methods like newspapers, magazines, radio, and television have helped SMEs gain recognition in the past, but these options are often expensive and lack precise targeting ([Santiago, 2024](#)). In comparison, digital platforms, particularly social media, offer SMEs more affordable and flexible ways to reach wider audiences, interact with customers, and build stronger brand recall ([Duffett, 2017](#); [Rugova & Prenaj, 2016](#)). Approaches such as brand storytelling, collaborations with influencers, and encouraging user-generated content allow SMEs to increase visibility, build trust, and connect with customers in more meaningful ways ([DeVeirman et al., 2017](#)). Recent studies confirm that social media adoption improves SMEs' brand awareness and customer engagement, thereby supporting sales and loyalty ([Alkhasoneh et al., 2025](#)).

Push & Pull marketing theory

Push and pull tactics are the two basic categories of advertising. To increase sales right away, push advertising involves offering products directly to certain consumers, often at the point of purchase. Traditional advertising methods, such as television, radio, and print media, are examples of push advertising. The main goal of this strategy is to increase sales volume and enhance brand loyalty through rapid and focused promotions. However, some strategies also aim to build long-term partnerships with intermediaries and customers ([Waida, 2021](#)). Pull advertising, on the other hand, focuses on generating demand by motivating customers to seek out things. To help match production with consumer demand, this method often involves direct marketing efforts that generate interest before the product is available. Social media, which facilitates two-way communication and personalized interactions with consumers, is a classic pull marketing tool. Pull marketing, unlike typical advertising, emphasizes long-term interest and demand generation by first assessing the company's objectives and market potential ([Waida, 2021](#)).

Since digital marketing is still in its infancy, researchers are seeking to determine how the push-and-pull theory of traditional marketing might apply. For example, [Au and Tucker \(2016\)](#) examine how microenterprises employ push and pull marketing strategies in their social media marketing. According to [Valos et al. \(2017\)](#), it is crucial to incorporate digital communications into marketing strategies, especially by effectively utilizing social media. They emphasize how seamless integration can increase customer engagement and brand loyalty. Furthermore, to improve overall marketing effectiveness, [Felix et al. \(2017\)](#) provide a comprehensive framework for strategic social media marketing that considers culture, governance, communication, and structure.

[Unni and Harmon's \(2007\)](#) study examines how mobile networks use location-tracking technology to profile consumers for marketing purposes. According to their research, sending customized advertisements and adjusting promotional tactics based on user preferences increases user engagement and conversion rates. This demonstrates how push and pull marketing strategies have been enhanced by digital tools and platforms to meet the evolving demands of the digital age. According to [Tafesse and Wien \(2018\)](#), companies can enhance customer engagement by carefully developing and continuously reevaluating their social media strategies, as a well-executed plan enables firms to reach a wider audience.

METHODOLOGY

Research approach

This study aims to explore the factors influencing social media advertising relative to traditional methods and its impact on brand awareness among SMEs in Sri Lanka. A qualitative approach was adopted to gain in-depth insights from the SMEs and marketing managers ([Creswell, 2013](#)). Moreover, a qualitative research approach was adopted, as it effectively

explores complex issues in which the subject matter plays a significant role (Denzin & Lincoln, 2017). It also provides rich, descriptive data by focusing on the lived experiences and subjective perspectives of SMEs and marketing managers.

Data collection process

Semi-structured interviews are used as the study's primary data collection method to strike a balance between the flexibility of unstructured interviews and the comparability of structured interviews (Gill et al., 2008). The Purposive sampling method was used to recruit participants who are SME owners and marketing managers in Sri Lanka. These individuals are selected for their direct involvement in advertising decision-making processes and their ability to provide insights into the challenges and benefits of various advertising strategies. An interview guide was prepared considering advertising strategies, perceived benefits, challenges, impact on brand awareness, and customer engagement. All participants were selected voluntarily, and informed consent was obtained before the interviews were conducted. The sample size of 10 was considered, where data saturation was reached. To minimize participant fatigue, interviews have been scheduled for a maximum duration of 45 minutes to one hour (Bloom & Crabtree, 2006). After each interview, the transcript was prepared, and necessary actions were taken to protect confidentiality. At the next stage, transcripts were prepared for review and analysis. Table 1 presents a summary of the participant details.

Table 1: Profile of the participants

Participant	Gender	Experience in the SME sector (Years)	Industry	Interview duration (minutes)
P_01	Male	5	Retail	25min
P_02	Female	5	Craft	20min
P_03	Male	7	Wood art	30min
P_04	Female	8	Services	23min
P_05	Male	3	Retail	27min
P_06	Female	9	Clothing	33min
P_07	Male	6	Craft	22min
P_08	Female	8	Services	22min
P_09	Male	5	Retail	35min
P_10	Female	1	Clothing	26min

Data Analysis

Using an inductive and deductive research approach, thematic analysis was conducted, following Braun and Clarke's (2006) six-step method, which identified, analyzed, and reported patterns and themes within the data. At the first stage, open coding was applied, i.e., textual data were analysed line-by-line to identify related concepts. At the second stage, axial codes were developed incorporating literature with open codes. Finally, selective codes were developed, grouping axial codes into themes.

FINDINGS

The study's findings are presented as follows. First, we present factors influencing SMEs' social media adoption, followed by the impact of social media advertising on brand awareness compared to traditional advertising methods.

Factors influencing the adoption of social media advertising over traditional methods

The shift from traditional to digital advertising is a critical decision for many SMEs. The traditional means of advertising, newspaper ads and flyers, have long been the marketing staple. The adoption of social media among SMEs in Sri Lanka is a process permeated by influences, challenges, and benefits that differ in type and scope. The theme explores platform selection and the eventual adoption of digital platforms over traditional advertising methods.

Platform selection

Key aspects of social media adoption among SMEs include platform choice. Indeed, decisions to adopt certain platforms are most often influenced by external factors such as peer advice, market trends, or competitors.

Participant_3 says, "Started using Facebook on the recommendation of my friends." It evidences the strong role of word-of-mouth and informal networks in the early diffusion process of social media.

Similarly, participant_5 also mentioned, "My motivation is based on the need to catch up to competitors who are already using social media to their advantage." Typical competitive pressure is acting on SMEs, especially in sectors where a digital presence is becoming indispensable.

However, there is not always a smooth journey towards adopting social media. One of the emerging themes across the interviews was the initial resistance many SMEs faced. In most cases, this resistance is driven by unfamiliarity with digital marketing, perceived salience, a lack of skills, or the perceived complexity of managing online platforms.

For instance, Participant_1 stated, "The technical skills required to function effectively in social media are at risk of receiving negative feedback or public scrutiny".

This reluctance became particularly acute in businesses that had traditionally relied solely on conventional advertising, such as print media or direct mail.

Metrics and analytics tools

SMEs use social media because it enables them to measure performance using appropriate metrics and analytics tools. Such metrics provide quantitative data that can be very useful in business when evaluating whether certain social media campaigns are working and helping make decisions about strategies going forward. Common metrics mentioned by the participant include engagement rates, conversion rates, and return-on-investment calculations.

For many, it is the engagement rate that is the extent to which audiences interact with the content, which serves as a significant indicator of success.

For example, according to Respondent_6, *"This allows me to know if the content is working or not by tracking likes, shares, and comments."* High engagement rates usually mean that content is relevant to the target audience, so that it will receive more visibility and more conversions are likely to occur. The success of the campaign cannot, however, always be determined by the engagement rate alone.

On the other hand, conversion rates, which measure the percentage of users who take a desired action, such as making a purchase or signing up for a newsletter, are very important to SMEs.

As noted by participant_3, *"while engagement metrics give very good insights into how an audience interacts with the brand, conversion rates often get much more directly to the business objectives"*.

For example, if a high-engagement social media campaign does not convert users into customers, it would not be deemed successful from a business point of view. Many SMEs, therefore, track both engagement and conversion metrics to get an overall view of their social media performance.

The other key measure of success is return on investment (ROI). Using ROI, a business can determine the financial return on its social media investment by comparing the money earned from social media efforts to the money spent. As such, this metric is important to SMEs with constrained marketing budgets, as it allows them to determine whether a campaign has been cost-effective.

Participant_6 mentioned, *"I am using Facebook Insights as an important analytical tool to trace customer interaction and measure the return on investment"*.

The tools provide SMEs with detailed reports on a range of metrics, enabling them to monitor their performance and adjust their strategies as needed.

In addition, SMEs have access to numerous analytics tools provided by social media, which are valuable for monitoring and evaluating their campaign performance.

Participant_6 stated, *"Social media provides access to many analytics tools that provide great value for monitoring and evaluating the performance of businesses."* Participant_8 also stated, *"Through this data-driven approach, businesses can make informed decisions about where to allocate marketing resources, which is quite difficult to achieve with traditional advertising methods."*

Real-time interaction

Real-time interaction is one of social media's standout features, with several advantages accruing to SMEs. Social media enables two-way interactions between businesses and customers, unlike most conventional marketing channels, which typically use one-way communication.

According to participant_3, *"this real-time communication with customers through live chats, comments, and direct messages has completely revolutionized how customer service and marketing are carried out."*

Real-time interaction allows SMEs to pay more attention to customers' details, better serving their needs or fulfilling their desires.

Participant_3 indicated *"an instance of using Instagram Stories for a time-bound promotion; it created immediate sales and, at the same time, a buzz and level of engagement among the follower base. Through this immediacy, businesses can take advantage of opportunities when they arise, whether they relate to trending topics, flash sales, or customers' inquiries."*

Furthermore, SMEs gain real-time insights into customer preferences and behaviors. Businesses can learn from these conversations and engagement patterns to understand what really resonates with their audiences and help tailor content and marketing strategies accordingly. Such continued interaction between the business and the customer fosters a sense of community and loyalty, which is especially vital for SMEs in highly competitive markets.

Flexibility and adaptability

Another area is flexibility, where social media wins over traditional advertising. Traditional media campaigns, such as television commercials or print advertisements, require a long lead time for production, placement, and distribution. Once

the ad is placed, changes can be costly and labor-intensive. This rigidity of traditional advertising models can be a major weakness in fast-moving markets where consumer preferences and trends may change rapidly.

In comparison, social media campaigns can be launched, refined, and even stopped almost in real time.

Respondent_7 emphasized, *“that changes can be made without starting over the social media campaigns.”*

For example, if an advertisement does not perform as expected, one can quickly modify its content, change the audience, or even adjust the budget. Real-time adjustability ensures that marketing campaigns never go off-track from current trends and audience behaviors, making them as effective as possible. These social media platforms also have strong built-in analytics tools to help business people track performance and make data-driven decisions to improve strategies.

Cost-Effectiveness and Budget Management

Cost is of the essence to SMEs, since most have lower budgets. Traditional advertising methods, especially television and print advertisements, are usually very expensive, requiring substantial investment in production and placement. These costs can be prohibitive for SMEs, making it difficult for them to compete with larger companies that have more substantial marketing budgets.

In comparison, social media is generally less expensive and offers greater budgetary control.

As mentioned by participant_1, *“the social media platform could return quite effective marketing results while keeping a reasonably low budget. Ranging from free organic posts to highly customizable paid advertisements, we can use marketing money more efficiently. Setting daily or campaign-wide budgets using a social media platform is also possible, ensuring that the costs incurred stay within manageable limits”*.

This level of budgetary control is highly valuable, especially when SMEs aim to maximize ROI while minimizing financial risk.

Social media advertising supports enhancing brand awareness compared to traditional advertising methods.

Audience Reach and Targeting Capabilities

One of the most fundamental and noticeable differences between social media advertising and traditional advertising is the focus on a mass audience rather than on targeted audiences. Traditional advertising methods, such as television, radio, and print media, are designed to reach a broad audience. This is extremely useful for brand awareness campaigns or any other campaign that needs to reach a large population segment. However, social media provides incomparable precision in targeting audience segments. For instance, companies could use Facebook, Instagram, and LinkedIn to get very granular demographic information, interests, behaviors, and even past interactions when creating ad customization. This, in turn, helps SMEs focus their marketing efforts on niche markets that are more likely to convert into customers.

Respondent_2 noted, *“that while traditional media is good in terms of creating awareness at a larger scale, the targeting aspect of social media becomes a huge plus”*.

For instance, if one has business selling eco-friendly products, one can target environmentally conscious people. Such targeting usually raises response rates and improves brand awareness.

Customer engagement

SMEs use social media advertising to drive customer engagement through content strategy. The content strategy refers to planning, developing, and governing digital content to achieve business objectives, particularly in marketing and customer engagement (Plessis, 2017). It examines SMEs regarding the types of content they share and how they interact with their audiences or adjust their content strategies around specific platforms.

The choice of content type lies at the core of the SME content strategy, and it has to speak to their target audiences. The interviews elicited the use of various types of content for different purposes.

Participant_2 states that *“Focusing on visual content is better, as visuals are very effective in attracting the attention of potential customers, whether it is an image or a video”*. Additionally, participant_4 states that *“visual content that only works on Instagram has been a great tool for engagement.”*

He emphasized that high-quality pictures or short videos can significantly increase the chances of likes, shares, and comments, making posts powerful tools for promoting a brand. Moreover, SMEs, uniquely on TikTok, can engage with young, technology-savvy consumers. With its short-form video content and viral trends, TikTok is fast becoming a single destination for entertainment and brand discovery among young people. This ability to diversify content would help hold the audience and provide multiple touchpoints for brand awareness and engagement.

Besides the visual content, product updates and User Generated Content (UGC) were found to be important for brand awareness. Product updates, such as new releases, special offers, and behind-the-scenes insights, were common to keep followers informed and engaged. On the other hand, UGC means customer-created content, including reviews, testimonials, and product photos in action.

Participant_7 continued that “UGC is very important, it not only increases credibility but also creates a sense of belonging”.

Therefore, SMEs can ask their customers to share their experiences and mention or tag the business in the post. In this way, they create online word-of-mouth marketing.

Engagement tips are also vital in a content strategy. Discussions with the SMEs revealed that they use various approaches to engage their audience and keep them interested in what they are doing. One approach that consistently receives praise is the timely response to customer engagement.

Participant_8 responded, “The issue of responding quickly to comments and messages with a Facebook business page cannot be overemphasized.”

This responsiveness ultimately enhances customer satisfaction and, in turn, increases the visibility of the posts by placing them higher on platforms such as Facebook, where the rhyme goes, higher engagement means a higher chance of being seen.

Another popular form of engagement is interactive content, such as quizzes, polls, and live sessions. Interactive posts invite direct audience participation, making them more likely to engage with the content. For example, making them take a quiz on the business's products or services makes it an enjoyable yet edifying activity. On the other hand, a live question-and-answer session helps the customer to learn more about the brand through real-time questions.

Participant_8 expressed, “It undertakes opinion polls through its Instagram Stories for customer feedback or opinions. This keeps them involved and is useful in planning content for the future.”

Immediacy

Another difference in the impact of social media versus traditional advertising concerns immediacy and longevity. Social media is often seen as a tool for quick results.

As participant_6 mentioned, “social media campaigns seem to have the tendency to create user engagement almost instantly, where they react, comment, and share content on walls in real-time.”

This immediacy is invaluable for promotions, product launches, or time-sensitive offers where quick customer response is crucial. As a result, it directly helps enhance brand awareness by ensuring the audience frequently sees related brand posts.

Influencer partnerships

Another area where potential is huge for SMEs is in influencer partnerships. Businesses can leverage the trust and credibility established by such influencers, who have a strong following within their niche, to enhance brand awareness.

For example, participant_10 expressed “Influencer partnerships may be an indicator of the power of social proof and word-of-mouth marketing in driving consumer decisions.”

With this approach, SMEs can now reach new consumers, increase brand awareness, and build authentic relationships.

DISCUSSION AND IMPLICATIONS

This paper explores how Sri Lankan SMEs use social media advertising for their business and how it enhances brand awareness compared to traditional advertising methods. By adopting an exploratory qualitative research approach, the study reveals that Platform selection, metrics, and analytics tools (Rugova & Prenaj, 2016), customer engagement (Mohamed & Weber, 2020), and real-time interaction (Amegebe et al., 2023) impact moving towards social media advertising over traditional advertising methods in SMEs. Findings also reveal that Audience Reach and Targeting Capabilities (Mohamed & Weber, 2020), Flexibility and adaptability, Cost-Effectiveness and budget management (Rugova & Prenaj, 2016), Immediacy, and Customer engagement (Alkhasoneh et al., 2025) directly impact brand awareness.

Most noteworthy findings reveal that although traditional push strategies remain relevant for brand awareness, they may be losing their effectiveness in the digital age. According to participant 6, “Traditional advertising makes one aware of the product, but now people feel such strategies may not be so effective in actually creating customer engagement or loyalty”. Furthermore, the use of social media such as TikTok, which focuses on young, creative, and entertaining audiences, is inherently viral and helps create brand awareness by attracting consumers rather than simply pushing products to them. The findings also showed that while social media offers many advantages, such as effective reach to target audiences and real-time communication with customers, SMEs remain skeptical due to the perceived complexities of the medium, inadequate digital literacy (Athapaththu & Nishantha, 2018), and the unpredictable nature of social media algorithms.

This study provides valuable contributions to multiple literature streams, including SMEs, Information Communication Technology (ICT), Social media advertising, branding, and push and pull theory. Firstly, this study improves our understanding of how social media advertising helps SMEs bridge the gap between digital technology use and business growth. The study contributes to the growing literature on digital marketing and SME competitiveness by illustrating how social media can enhance sales performance, customer engagement, and brand visibility. By adopting the push-and-pull theory, the study examines SMEs' experiences with social media adoption and traditional advertising, offering valuable

insights into how these businesses navigate between push and pull strategies. Finally, this study provides context-specific evidence on how local factors influence decision-making, particularly in developing economies such as Sri Lanka.

The study also provides a valuable contribution for SME owners and other practitioners. First, it is crucial to select the right platform and analytical tools to enhance and measure marketing campaign performance, as they are essential for identifying and monitoring performance. Cost-effectiveness, flexibility, and customer interaction are significant factors in moving towards social media marketing. SMEs should consider these factors and adopt digital marketing campaigns to gain a competitive advantage. The study also provides important insights for policymakers. For example, government institutions such as the Ministry of Industries or ICTA (Information and Communication Technology Agency) can refer to the study's findings when preparing policies, grants, or training programs to encourage SMEs to adopt digital technologies in their business operations.

RESEARCH LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

Despite the valuable theoretical and managerial implications, this study has several limitations. Firstly, this study adopted a qualitative research design and focused on a limited number of interviews with SMEs in Sri Lanka; the findings may not generalize to SMEs in other cultural or economic contexts. The sample size can be increased for further research, given the greater variation in SMEs across sectors and countries.

Future researchers can also conduct a comparative analysis across regions to gain a broader understanding of the impact of social media advertising on SMEs. Finally, the current study adopts push and pulls theory; future researchers can adopt other possible theories, such as Integrated Marketing Communications (IMC) Theory and Consumer Engagement Theory, to expand and explore the study objectives.

CRedit Contribution Statement

Author 1: Conceptualization, methodology, analysis, writing – original draft.
Author 2: Conceptualization, review and editing, supervision.

CONFLICTS OF INTEREST DECLARATION

All authors declare that they have no conflicts of interest.

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