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Research article

Exploring the Challenges and Opportunities of Social Media Marketing among Small and Medium-Sized Enterprises (SMEs) in Oman

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Abstract

This study examines the adoption patterns, challenges, and opportunities associated with social media marketing among Small and Medium-Sized Enterprises (SMEs) in Oman. Employing a mixed-methods research design, data were collected from 210 SME representatives across diverse industry sectors. Findings indicate that younger entrepreneurs (aged 18–35) constitute the primary drivers of social media adoption, with Instagram (42.93%) and TikTok (20.98%) emerging as predominant platforms. Key challenges include financial constraints (24.29%), inadequate digital marketing expertise (30.95%), and sustained demands of content creation (29.65%). Despite these barriers, SMEs primarily utilize social media for customer acquisition (35.24%) and recognize its potential as a cost-effective brand development tool. However, only 18.64% of respondents rated their social media initiatives as "very effective," indicating a significant effectiveness gap. The study offers practical recommendations including implementation of digital literacy programs, strategic investment in analytics and artificial intelligence tools, and development of localized, influencer-driven content strategies to enhance engagement and foster sustainable competitive advantage.

Keywords: Social Media Marketing, SMEs, Oman, Digital Transformation, Challenges & Opportunities

1. Introduction

Small and medium-sized enterprises (SMEs) are key drivers of economic development in Oman, contributing significantly to job creation, innovation, and overall economic growth. As digital technologies

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continue to evolve, social media has emerged as an essential marketing tool that allows businesses to reach wider audiences, engage with customers, and build brand awareness at a relatively low cost. The widespread adoption of social media platforms such as Facebook, Instagram, TikTok, and LinkedIn has transformed the marketing landscape, offering SMEs numerous opportunities to enhance their market presence.

Despite these advantages, SMEs in Oman face considerable challenges in leveraging social media effectively. Many lack the necessary financial resources, digital literacy, and strategic knowledge to optimize their online marketing efforts. Additionally, the rapid pace of change in social media algorithms and trends makes it difficult for SMEs to keep up with best practices. Understanding how SMEs in Oman utilize social media, the barriers they face, and the opportunities available can provide valuable insights into optimizing digital marketing strategies for sustainable business growth.

This study aims to explore these dynamics by analyzing the current state of social media marketing among SMEs, identifying key obstacles, and offering recommendations to enhance their online presence. The findings will help SMEs, policymakers, and marketers develop more effective digital strategies that align with the unique business environment in Oman.

1.1 Problem Statement

While social media presents a cost-effective marketing solution for SMEs, many struggle with its effective implementation. Several challenges hinder SMEs from fully leveraging digital marketing, including limited budgets, lack of expertise, difficulty in measuring return on investment (ROI), and an inability to keep up with evolving platform algorithms.

Furthermore, many SMEs operate with limited human resources, meaning that business owners or small teams must manage multiple aspects of operations, including marketing. This often results in inconsistent content creation, weak audience engagement, and ineffective advertising strategies. Unlike large corporations that have dedicated marketing teams, SMEs frequently lack specialized personnel, making it difficult to optimize social media efforts.

Additionally, cultural factors and industry-specific challenges play a role in shaping how SMEs in Oman approach social media marketing. Some industries rely more on traditional word-of-mouth marketing, while others have successfully transitioned to digital platforms. Understanding these sectoral differences is crucial in developing targeted strategies that cater to the specific needs of SMEs.

1.2 The primary objectives of this study are:

1. To identify the key challenges SMEs in Oman face when using social media for marketing.
2. To explore the opportunities social media offers for SMEs to enhance their market presence.
3. To evaluate the effectiveness of current social media strategies used by SMEs in Oman.
4. To provide practical recommendations for optimizing social media marketing for SMEs, considering the local business environment and constraints.

These objectives are designed to bridge the existing knowledge gap regarding the digital marketing challenges of SMEs and to provide a actionable roadmap for improving their social media engagement and performance.

1.3 Limitations of the Study

While this study aims to deliver valuable insights, it is important to acknowledge its limitations:

1. Sectoral Differences: The findings may not fully capture the diverse experiences of SMEs across all industries in Oman, as the effectiveness of digital marketing can vary significantly by sector.
2. Self-Reported Data: The reliance on survey responses means the data is subject to participants' perceptions, which may introduce biases and affect the accuracy of the findings.
3. Rapidly Changing Social Media Trends: The dynamic nature of social media platforms means that

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strategies effective today may become outdated quickly, posing a challenge for long-term applicability.

4. Limited Geographic Scope: The study focuses on SMEs in select governorates of Oman (AL Batinah, AL Sharqiyah, Muscat, and AL Dakhiliya). Consequently, the findings may not be fully generalizable to SMEs in other regions with different economic conditions.

Despite these limitations, the research will offer valuable insights for SMEs and policymakers to enhance social media marketing strategies.

1.4 Significance of the Study

SMEs in Oman face significant challenges in adopting and optimizing social media marketing, including financial constraints, a lack of expertise, and the evolving dynamics of digital platforms. However, social media also presents substantial opportunities for business growth when utilized effectively.

This study aims to equip SMEs with actionable insights by analyzing their current social media strategies, identifying key challenges, and recommending best practices. The findings will provide a comprehensive understanding of SMEs' engagement with social media marketing, ultimately supporting improved digital marketing efforts and business outcomes.

2. Literature Review

2.1 Consumer Behavior in the Digital Context

Consumer behavior encompasses the processes through which individuals and groups search for, evaluate, purchase, use, and dispose of products and services (Vanacker et al., 2021). In the digital era, social media platforms have become integral to this decision-making process, reshaping how consumers obtain information, interact with brands, and assess alternatives. With the rapid penetration of digital technologies, consumers increasingly expect seamless online experiences, personalized recommendations, and credible peer-based information.

In Oman, cultural norms significantly influence digital engagement patterns. Hossain (2019) notes that linguistic preferences, religious values, and socially embedded norms shape how consumers interpret and respond to online marketing content. Trust continues to be a central element of Omani consumer culture, requiring SMEs to build credibility through both online authenticity and strong offline reputations. Word-of-mouth remains influential, and social media has amplified this effect—peer reviews, customer testimonials, and community-driven recommendations now play a critical role in shaping purchase decisions.

Globally, consumers have evolved from passive information receivers to active participants in brand conversations. Platforms such as Instagram, TikTok, and Facebook enable real-time interaction, allowing users to comment, share experiences, and rely on influencer recommendations (Rayat & Rayat, 2022). This shift underscores the growing importance of visually engaging, interactive, and culturally relevant content.

For SMEs in Oman often constrained by limited budgets and human resources—understanding these behavioral dynamics is vital. Targeted, cost-effective digital strategies are essential for attracting and retaining customers. Insights into consumer motivations, trust-building mechanisms, local cultural expectations, and engagement patterns can help SMEs design more relevant, resonant, and efficient social media campaigns (Ahmed et al., 2017).

Key factors influencing consumer behavior on social media include:

- **Personalization:** Consumers respond more positively to localized, tailored, and culturally aligned messages.
- **Trust and Credibility:** Transparency, responsiveness, and authenticity enhance customer confidence and loyalty.

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- **Peer Influence:** User-generated content, including reviews and comments, significantly affects decision-making.
- **Visual Engagement:** High-quality visuals and videos increase recall and stimulate online interaction.

As these platforms continue to evolve, SMEs must remain agile and adaptable—continuously aligning their social media strategies with shifts in consumer expectations and digital behavior trends to maintain competitiveness.

2.2 Theoretical Framework

Understanding how SMEs adopt and utilize social media marketing can be interpreted through several established theoretical models.

2.2.1 Technology Acceptance Model (TAM)

Proposed by Davis (1989), TAM posits that perceived usefulness (PU) and perceived ease of use (PEOU) determine the acceptance and adoption of new technologies. Among Omani SMEs, limited digital skills, low awareness of platform features, and resistance to technological change often hinder adoption. Improving digital literacy and providing simplified, user-friendly tools can enhance SMEs' confidence and encourage more effective social media use.

2.2.2 Resource-Based View (RBV)

The RBV emphasizes the importance of internal organizational resources—such as financial capital, digital marketing capabilities, human talent, and technological expertise—in building sustainable competitive advantage (Barney, 1991). SMEs with strong content creation skills, analytics capabilities, and strategic social media management can leverage these internal resources to differentiate themselves, engage customers more effectively, and achieve superior performance.

2.2.3 Diffusion of Innovation (DOI)

Rogers' (2003) DOI theory explains how innovations spread within groups over time. Omani SMEs vary widely in their adoption readiness—from early adopters who experiment with digital marketing tools to laggards who remain reliant on traditional methods. Adoption is influenced by perceived risks, cultural attitudes, competitive pressures, and perceived returns. SMEs that perceive social media as beneficial, easy to use, and aligned with their market needs adopt it more rapidly and effectively.

Collectively, these frameworks highlight that social media adoption among SMEs is shaped by technological perceptions, internal resource capabilities, and external environmental pressures. Understanding these dynamics is essential for analyzing the challenges and opportunities facing Omani SMEs in the social media landscape.

2.3 Empirical Evidence

Empirical studies consistently demonstrate the growing importance of social media in enhancing SME performance, customer engagement, and market competitiveness. Ahmad et al. (2022) found that SMEs incorporating social media into branding activities reported a 20% increase in customer interaction compared to those relying solely on traditional marketing channels. Similarly, Al-Busaidi (2021) highlighted that 65% of Omani SMEs identify limited digital skills as a major constraint, pointing to a clear need for structured training and digital capacity-building.

Given that social media penetration in Oman has reached an estimated 98% (Hootsuite & We Are Social, 2023), the digital environment presents substantial opportunities for SMEs seeking to expand visibility, attract new audiences, and strengthen customer relationships. However, success requires strategic planning, well-defined audience segmentation, and consistent content creation. Chen and Lin (2020) found that SMEs employing targeted segmentation and clear posting strategies achieved significantly higher returns on investment (ROI) than those using generic, non-strategic content.

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These studies underscore the significance of digital literacy, analytics-driven decision-making, and strategic content development in maximizing the value of social media marketing. For SMEs in Oman, leveraging these opportunities while addressing capability gaps remains central to achieving digital marketing effectiveness.

2.4 Gaps in the Literature

Despite the growing body of research on social media marketing among SMEs, several notable gaps remain particularly within the Omani context:

1. **Sector-Specific Differences**: Most studies generalize SMEs as a single category, though industries such as tourism, retail, education, and food services face distinct digital marketing challenges and opportunities (Öztamur & Karakadılar, 2016). More nuanced, sector-level analysis is needed.
2. **Cultural and Linguistic influences in Oman:** The unique cultural norms, language preferences, and social expectations that shape online brand engagement in Oman remain underexplored (Abu Muna Aldawoudi, 2021). Understanding these factors is essential for designing locally relevant and culturally sensitive digital strategies.
3. **Lack of Longitudinal Research** Most empirical studies focus on short-term outcomes; long-term impacts on sales growth, brand loyalty, and customer retention remain insufficiently examined (McCann & Barlow, 2019).
4. **Limited Examination of Emerging Technologies**
   Technological advancements such as AI-powered advertisements, predictive analytics, automated chatbots, and influencer marketing have not been extensively studied in the Omani SME context (Boateng & Kosiba, 2024).

Addressing these gaps is essential for expanding the understanding of social media marketing in Oman and supporting SMEs in developing more effective, evidence-based digital strategies.

3. Methodology

This study employed a mixed-methods approach to ensure a comprehensive and nuanced understanding of the challenges and opportunities in social media marketing for SMEs in Oman. This design was chosen to capture both the breadth of trends (quantitative) and the depth of contextual experiences (qualitative).

3.1 Research Design: A cross-sectional research design was adopted, facilitating the collection of both quantitative and qualitative data concurrently from a representative sample of Omani SMEs.

***3.2 Population and Sampling*:** The target population comprised owners and managers of SMEs operating in Oman. To ensure a representative sample across key sectors, a combination of purposive and stratified sampling techniques was used. The final sample consisted of 210 respondents from diverse industries, including retail, technology, hospitality, and manufacturing. The resulting demographic profile, which showed a high concentration of young entrepreneurs (68.09% aged 18-35), confirms the sample's relevance to the study's focus on digital adoption.

3.3 Data Collection: Primary data were gathered through two main instruments:

3.3.1 A Structured Questionnaire: A detailed survey was administered to all 210 participants, both online and in-person. The questionnaire was designed to collect data on social media platform usage, perceived effectiveness, allocated resources, and key challenges.

3.3.2 In-depth Interviews: To supplement the quantitative data, a subset of participants was engaged in semi-structured interviews. These interviews provided rich, qualitative insights into the

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strategic reasoning behind platform choices, the practical difficulties faced in content creation, and future intentions.

3.4 Data Analysis: The data analysis followed a sequential explanatory strategy. The quantitative data from the questionnaires were processed using descriptive statistical techniques (frequencies, percentages) to identify dominant trends, such as platform preferences (e.g., Instagram at 42.93%) and primary challenges (e.g., lack of expertise at 30.95%). Subsequently, the qualitative data from the interviews were transcribed and subjected to a thematic analysis. This process helped to contextualize and explain the statistical findings, providing a deeper understanding of the "why" behind the numbers.

4 Results and Discussion

4.1 Demographic and Business Profile

The majority of respondents were young entrepreneurs, with 68.09% falling between the ages of 18-35. Gender distribution was 48% male and 36% female, indicating growing female participation in entrepreneurship. Most respondents (74.76%) managed small businesses (1-49 employees), and over half (53.33%) were business owners, underscoring that social media decisions are often made at the top level.

4.2 Social Media Adoption and Usage

4.2.1 Platform Preference: Instagram (42.93%) and TikTok (20.98%) are the dominant platforms, reflecting a preference for visual and short-form content. Facebook (12.68%) and YouTube (5.37%) have lower adoption rates.

4.2.2 Management: A significant 34.76% of business owners manage their social media marketing personally, indicating a lack of dedicated marketing teams.

4.2.3 Purpose: The primary goal is customer acquisition (35.24%), followed by increasing sales (5.24%) and communicating with existing customers (15.24%).

4.2.4 Key Challenges

SMEs face multiple barriers to effective social media marketing:

4.2.5 Content Creation: The most cited challenge was the "innovation and continuous effort to create attractive content" (29.65%).

4.2.6 Lack of Expertise: 30.95% of respondents identified "providing sufficient experience" as the most critical success factor, highlighting a significant skills gap.

4.2.7 Financial Constraints: Limited budget was a major obstacle for 24.29% of SMEs.

4.2.8 Measuring ROI: Difficulty in measuring return on investment was a challenge for 9.73% of businesses.

4.3 Perceived Effectiveness and Future Intentions

Only 18.64% of SMEs rated their social media efforts as "very effective," while 30.91% described them as "inactive." Despite this, there is optimism for the future; 58.09% of respondents indicated they are "somewhat" or "highly" likely to increase their investment in social media marketing in the next year. The most popular future strategies are influencer marketing (35.24%) and video marketing (31.90%).

5. Conclusion And Recommendation

This study confirms that while Omani SMEs recognize the immense potential of social media marketing, their efforts are hampered by strategic and operational challenges. The reliance on owner-managed accounts, coupled with constraints in budget and expertise, leads to inconsistent and often ineffective marketing outcomes.

Based on the findings, the following recommendations are proposed:

1. Enhance Digital Literacy: Policymakers and industry associations should subsidize training programs focused on social media strategy, content creation, and data analytics for SME

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employees and owners.

2. Adopt Cost-Effective Tools: SMEs should leverage free or low-cost tools (e.g., Canva for design, Hootsuite for scheduling, Google Analytics for insights) to improve efficiency and measure performance.
3. Develop Localized Strategies: Content should be tailored to Omani cultural norms and language preferences to build trust and improve engagement.
4. Embrace Influencer and Video Marketing: Collaborations with micro-influencers and a focus on short-form video content (e.g., Reels, TikTok) can maximize reach and credibility.
5. Invest in Data-Driven Planning: SMEs must define clear Key Performance Indicators (KPIs) and use analytics to move from sporadic posting to a consistent, strategic content calendar.

By implementing these recommendations, Omani SMEs can better navigate the digital landscape, transforming social media from a challenge into a significant opportunity for sustainable growth and competitiveness.

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Conflict of Interest Statement

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No conflict of interest has been declared by the authors.

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