

The Influence of Social Media Usage on Business Performance among Entrepreneurs in Bukit Ibam

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ABSTRACT

This qualitative study explores the influence of social media usage on business performance among entrepreneurs in Bukit Ibam, a rural community in Rompin, Pahang, Malaysia. Adopting an interpretivist philosophy and a case study design, the research employed semi-structured interviews and a focus group discussion with five micro-entrepreneurs who participated in digital training programs offered by the National Information Dissemination Centre (NADI). Thematic analysis revealed five critical themes shaping business performance: Competitors, Target Sales, Trends, Customer Feedback for Improvement, and Capital. Findings indicate that entrepreneurs demonstrate significant adaptability, leveraging social media platforms for competitor intelligence, sales growth, trend monitoring, and direct customer engagement. This digital integration is supported by NADI's provision of free 5G internet and certified training. However, business growth is substantially constrained by limited access to capital and intense market competition, which are exacerbated by rising operational costs. The study concludes that while social media enhances market responsiveness and operational capabilities, its impact on long-term business sustainability is mediated by structural financial challenges and local market saturation. The research offers context-specific insights for policymakers and support institutions aiming to design targeted digital entrepreneurship initiatives for rural communities, emphasising the need for integrated strategies that combine digital tool adoption with financial literacy and capital access support.

1. INTRODUCTION

In recent years, social media has evolved from a simple communication medium into a significant catalyst for business innovation and growth (Appel et al., 2020). Emerging developments such as short-form video content, influencer marketing, and the incorporation of artificial intelligence (AI) have reshaped the ways businesses interact with consumers and establish their brand presence in the digital marketplace (Appel et al., 2020). As social media platforms continue to change rapidly, aligning with these trends has become essential for businesses aiming to remain relevant and competitive (Ngai et al., 2022). Empirical evidence indicates that social media substantially enhances organisational visibility and reach, with 73% of marketers

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reporting their social media marketing efforts as either “somewhat effective” or “very effective” (Boshnjakoska, 2024).

The rapid advancement of social media has significantly altered business operations, particularly in marketing and customer engagement practices. Among digital innovations, social media has become a crucial driver of business growth by enabling organisations to reach large audiences, build stronger customer relationships, and improve brand awareness (Dwivedi et al., 2021). With billions of active users across platforms such as Facebook, Instagram, LinkedIn, Twitter, and TikTok, businesses increasingly rely on social media strategies to strengthen market positioning and enhance financial performance (Alalwan et al., 2020). Compared to traditional marketing channels, social media facilitates real-time communication, provides data-driven insights, and enables personalised content delivery, making it a vital element of contemporary business strategy (Ngai et al., 2022).

Despite growing scholarly interest, the influence of social media on business performance remains insufficiently understood. While existing studies highlight the role of social media strategies in improving brand visibility, customer loyalty, and online sales, there is limited agreement regarding how these strategies contribute to long-term business sustainability (Buhalis & Volchek, 2022). Although social media adoption is widespread, predicting its influence on business performance remains challenging (Chatterjee & Kar, 2020). Furthermore, financial investment in social media does not necessarily ensure a positive return on investment (ROI). These challenges are intensified by the dynamic nature of social media platforms, where frequent algorithm updates, evolving consumer behaviour, and the emergence of technologies such as AI and big data analytics continually reshape the digital marketing environment (Khan et al., 2021).

SMEs in Malaysia are monitored and registered under the Malaysian Communication and Multimedia Commission (MCMC), which delegates the task to the National Information Dissemination Centres (NADI). NADI's key functions can be divided into several pillars: Lifelong Learning, Entrepreneurship, Wellbeing, Government Initiatives, and Advocacy. Based on these five pillars, entrepreneurship has been the most emphasised in recent years, as the government of Malaysia shifts toward a digital economy. With the current 1.3 million members of NADI all around Malaysia NADI is expected to add another 1 million alone for the year 2025 (MCMC, 2024). With programs such as entrepreneurship skills training, digital marketing, e-commerce platform training, and more, NADI seeks to address the knowledge gap so that rural SMEs can integrate social media usage into their businesses (Business Today, 2024). NADI works in these areas to help rural SMEs, who traditionally encounter a multitude of barriers, such as a lack of access to wider markets, limited digital infrastructure, and the need to enhance their entrepreneurial skills.

Despite the growing literature on social media and business performance, empirical evidence remains limited in rural and community-based entrepreneurial contexts, particularly within Malaysia. Existing studies largely emphasise urban, technology-intensive settings, leaving a significant gap in understanding how entrepreneurs in localised areas such as Bukit Ibam, Rompin, Pahang experience and utilise social media in their business operations. Given the contextual differences in digital access, market reach, and entrepreneurial capabilities, a qualitative, interview-based exploratory approach is necessary to observe business performance outcomes and to explore how social media is used by entrepreneurs in Bukit Ibam. Therefore, the research question of this study is to explore the influence of social media usage among entrepreneurs in Bukit Ibam in order to capture in-depth, context-specific insights into entrepreneurs' lived experiences, usage practices and perceived performance impacts. The findings are expected to provide foundational insights that can inform future empirical research, policy formulation, and targeted digital entrepreneurship initiatives in similar rural settings.

2. LITERATURE REVIEW

Social media has evolved into a critical strategic resource influencing business performance across industries. Initially designed for communication, social media now plays a central role in marketing, customer relationship management, and organisational visibility (Appel et al., 2020). Platforms such as

Facebook, Instagram, TikTok, and LinkedIn enable businesses to reach wider audiences, engage customers in real time, and build brand awareness at relatively low cost (Dwivedi et al., 2021). Prior research consistently reports a positive association between social media usage and business performance indicators such as sales growth, market reach, and customer engagement (Alalwan et al., 2020; Ngai et al., 2022). These benefits are particularly evident among small and medium-sized enterprises (SMEs), which often rely on social media to compensate for limited marketing resources. However, empirical findings also indicate that business performance outcomes vary significantly across contexts, suggesting that social media does not automatically translate into improved performance (Chatterjee & Kar, 2020).

This inconsistency highlights the importance of observing business performance from the perspective of entrepreneurs themselves. Rather than focusing solely on financial metrics, exploratory research allows for the examination of perceived performance outcomes, including customer response, operational efficiency, and business sustainability. Such an approach is especially relevant in localised entrepreneurial settings where formal performance measurement may be limited. A substantial body of literature examines social media usage through the lens of marketing activities. Social media marketing strategies—such as content creation, influencer engagement, paid advertising, and interactive campaigns—have been shown to positively influence customer engagement, brand equity, and revenue performance (Halawani et al., 2019; Syaifullah et al., 2021). These strategies allow entrepreneurs to communicate directly with customers, personalise offerings, and build trust through continuous interaction.

Studies in emerging markets demonstrate that social media marketing is particularly effective for small businesses seeking to expand market reach beyond geographical constraints (Yasa et al., 2020). Through features such as live streaming, short-form videos, and user-generated content, entrepreneurs can showcase products and services in more engaging ways. However, the effectiveness of these practices depends heavily on consistency, creativity, and platform knowledge. Despite these advantages, challenges persist. High competition for audience attention, frequent algorithm changes, and the need for continuous content production often limit marketing effectiveness (Obermayer et al., 2021). Moreover, financial investment in social media advertising does not guarantee positive returns, particularly when entrepreneurs lack strategic planning or performance evaluation mechanisms (Khan et al., 2021). These findings suggest that understanding how entrepreneurs use social media marketing, rather than merely whether they use it, is essential, thus reinforcing the need to explore social media usage qualitatively.

Beyond marketing, social media adoption influences broader entrepreneurial and organisational capabilities. Research indicates that social media facilitates knowledge sharing, communication, and decision-making, thereby contributing to improved operational efficiency and learning capability (Garg et al., 2020; Oyewobi et al., 2021). From this perspective, social media is not merely a promotional tool but also a resource that supports daily business operations. The Technology–Organisation–Environment (TOE) framework is frequently used to explain social media adoption, highlighting factors such as technological readiness, organisational resources, and external market pressures (Dharmawan et al., 2024). Market orientation and competitive intensity further encourage entrepreneurs to adopt social media to remain relevant and responsive to customer demands (Alhamami et al., 2024).

However, several studies identify barriers to effective adoption, including limited digital skills, resistance to change, and lack of training (Jayashree et al., 2019). These constraints are often more pronounced among micro-entrepreneurs and those operating in rural or community-based contexts, where access to digital support systems may be limited. As a result, social media adoption may be uneven, informal, and driven by trial-and-error learning rather than strategic planning. Exploring these adoption experiences through interviews can provide deeper insight into how entrepreneurs actually use social media in practice. The integration of social media with e-commerce platforms represents an increasingly important dimension of business performance. Social commerce enables businesses to sell products directly through social media features such as shoppable posts, live-streaming sales, and chatbot-assisted transactions (Wang & Kim, 2022). This integration reduces transaction friction and enhances customer convenience, thereby supporting revenue growth.

Empirical evidence suggests that social media-enabled e-commerce positively affects sales performance and market expansion, particularly in emerging economies (Yacob et al., 2023; Alam et al., 2024). For small businesses, social commerce offers opportunities to overcome physical location constraints and operate beyond traditional retail models. Observing how entrepreneurs perceive these performance outcomes provides valuable insights into the real-world impact of social media integration. Nevertheless, challenges remain. Data security concerns, platform compatibility issues, and trust-related risks can undermine long-term performance benefits (Mahrinasari et al., 2022). Moreover, while short-term gains are frequently reported, the sustainability of growth achieved through social commerce remains unclear (Kapoor et al., 2021). These uncertainties further justify the need to observe business performance holistically rather than relying solely on financial indicators.

Despite extensive research on social media and business performance, notable gaps persist. Most existing studies employ quantitative designs and focus on urban, industry-specific, or technologically advanced contexts, offering limited insight into rural and community-based entrepreneurship (Dwivedi et al., 2021). Additionally, there is insufficient exploration of entrepreneurs' perceptions, experiences, and contextual challenges related to social media usage. Predicting business performance outcomes remains difficult due to the dynamic nature of social media platforms, changing algorithms, and evolving consumer behaviour (Chatterjee & Kar, 2020; Khan et al., 2021). These complexities suggest that performance cannot be fully understood through numerical measures alone. Instead, qualitative approaches are needed to capture how entrepreneurs interpret social media's role in their business success or limitations. In response to these gaps, this exploratory study adopts a qualitative, interview-based approach to explore the influence of social media usage among entrepreneurs in Bukit Ibam.

3. METHOD

3.1 Research Design and Philosophy

This study adopted a qualitative research approach grounded in an interpretivist research philosophy to explore how social media usage influences entrepreneurial activities among entrepreneurs in Bukit Ibam. Interpretivism assumes that reality is socially constructed and best understood through individuals' lived experiences and contextual interpretations. This philosophical stance aligns with the study's objective to explore the influence of social media usage among entrepreneurs in Bukit Ibam.

A qualitative case study design was employed to enable an in-depth examination of the phenomenon within its real-life context. The case comprised entrepreneurs in Bukit Ibam who had participated in training programmes conducted by the National Information Dissemination Centre (NADI). This bounded case approach supported the research objective of generating contextualised insights into social media influence within a specific institutional and geographical setting.

3.2 Participants and Sampling

Purposive sampling was used to select participants who could provide information-rich data relevant to the research objectives. The target population consisted of entrepreneurs operating in Bukit Ibam who had completed NADI training programmes. From a sampling frame of 12 registered entrepreneurs, five participants were selected. In line with qualitative research principles, the sample size was guided by data saturation, whereby no new themes emerged from additional data collection. This sampling strategy ensured depth of understanding rather than breadth, consistent with the exploratory nature of the study.

3.3 Data Collection

Data were collected through semi-structured, face-to-face interviews, which allowed flexibility to probe participants' experiences while maintaining focus on the research objectives. Each interview lasted between 30 and 60 minutes and was guided by an interview protocol addressing key areas such as social media platforms used, perceived benefits, challenges encountered, and the influence of social media on business practices. All interviews were audio-recorded with informed consent and supplemented with field notes.

To enhance data richness and support triangulation, a single focus group discussion involving the five interview participants was conducted. The focus group enabled interaction among participants and facilitated the exploration of shared and divergent perspectives regarding social media usage in entrepreneurship, thereby strengthening the credibility of the findings.

3.4 Data Analysis

Data were analysed using thematic analysis following the six-phase framework proposed by Braun and Clarke (2006). Interview and focus group recordings were transcribed verbatim, and the researcher engaged in repeated familiarisation with the data. Initial codes were generated systematically and subsequently organised into themes that reflected patterns relevant to the research objectives. Themes were reviewed, refined, and clearly defined before being integrated into an interpretive narrative supported by representative data excerpts.

3.5 Trustworthiness

To ensure rigour, this study applied Lincoln and Guba's (1985) criteria for trustworthiness. Credibility was established through data triangulation (individual interviews and a focus group discussion) and peer debriefing, where the researcher independently reviewed initial themes. Dependability was addressed by maintaining an audit trail of interview transcripts, field notes, and coding decisions. Confirmability was ensured by reflexivity memos documenting the researcher's assumptions and by using verbatim excerpts to ground findings in participant voices. Transferability is supported by a thick description of the context (Bukit Ibam, NADI training programmes) and participant characteristics, allowing readers to assess applicability to similar settings.

3.6 Ethical

All participants provided written informed consent after receiving a participant information sheet explaining the study's purpose, voluntary nature, and right to withdraw without consequence within two weeks of data collection. Confidentiality was guaranteed by anonymising names and business identifiers; pseudonyms (e.g., Type of Business) are used in reporting. Participants were assured that no individual business data would be shared with NADI or external parties.

4. FINDING & DISCUSSION

4.1 Methodological Limitations

This study is subject to several limitations. The qualitative case study design and small purposive sample limit the generalisability of the findings beyond the specific context of NADI-trained entrepreneurs in Bukit Ibam. Additionally, reliance on self-reported data may introduce social desirability bias. To mitigate this, reflexivity was maintained throughout the research process, and data triangulation through interviews and a focus group was employed.

The demographic composition of the interviewed entrepreneurs reveals noteworthy heterogeneity in age, gender, education, and business type, as summarised in Table 1.

Table 1. Demographic Characteristics of Respondents

No	Gender	Age	Education Level	Type of Business	Annual Income (RM)	Social Media Usage to Promote Business
1	Female	47	SPM	Tailor	28,800	Facebook & WhatsappBiz
2	Male	44	SPM	Car Workshop	66,400	WhatsappBiz
3	Male	38	SPM	Bundle	66,400	Facebook & WhatsappBiz
4	Female	23	PMR	F&B	93,600	Instagram & Facebook & WhatsappBiz
5	Male	40	No Education	Motorcycle Workshop	187,200	WhatsappBiz

Source: Authors' interview data analysis

Based on the interview data analysis from five micro-entrepreneurs, the findings illustrate a diverse yet digitally engaged segment of small business owners. The sample includes both male and female entrepreneurs, ranging in age from 23 to 47 years, with varied educational backgrounds spanning from no formal education to a high school (SPM) level. Their businesses are predominantly traditional, service-oriented ventures such as tailoring, automotive repair, second-hand goods ("bundle"), food and beverage. Notably, the annual income reported shows significant disparity, from RM28,800 to RM187,200, indicating that factors beyond formal education—such as industry type, skill demand, and business model play a critical role in financial outcomes within the micro-enterprise sector.

Located in a rural area in Rompin, Pahang, Bukit Ibam stands as a testament to the quiet yet determined spirit of local entrepreneurship. Through a series of semi-structured interviews with micro and small business owners in the area, clear patterns emerge regarding how social media usage influences business performance. What makes this case particularly compelling is the supportive infrastructure provided by the National Information Dissemination Centre (NADI) Bukit Ibam, which offers free 5G internet access and certified training programmes to local entrepreneurs, all of which are free. This exploratory article examines the intersection of digital opportunity and traditional business acumen, focusing on five critical themes: competitors, target sales, trends, customer feedback for improvement, and capital.

Before delving into entrepreneurial behaviours, it is essential to acknowledge the enabling environment created by NADI Bukit Ibam. The centre provides free 5G internet connectivity and runs complimentary training sessions led by certified trainers. These programmes equip local business owners with digital literacy, social media marketing skills, and e-commerce know-how. This infrastructure lowers the barrier to digital adoption and empowers entrepreneurs—from tailors to mechanics—to compete in an increasingly connected marketplace.

4.2 Entrepreneurs' Practice and Business Performance

There are five themes that have come out from the interview, which are:

Table 2. Five Themes

Type Of Business	Five Themes				
	Competitors	Target Sales	Trends	Customers Feedback for Improvement	Capital
Tailor	/	/	/	/	/
Car Workshop	/	/	/	/	/
Bundle	/	/	/	/	/
F&B	/	/	/	/	/
Motorcycle Workshop	/	/	/	/	/

Source: Authors' interview data analysis

4.2.1 Competitors

The entrepreneurs of Bukit Ibam demonstrate a keen, though often informal, understanding of their competitive landscape, with strategies and concerns voiced directly from their experiences. A common thread is the proactive monitoring of rivals. As the motorcycle workshop owner explained, a key method is to "look at how other workshops price their services and what promotions they give", ensuring his own pricing remains competitive while emphasising honest service. Similarly, the food and beverage vendor engages in constant comparative analysis, stating she checks "what other sellers offer at the market and on social media, then I try to offer something more attractive," often by creating new menus or ensuring her prices are affordable.

This competitor intelligence is increasingly gathered through digital platforms, facilitated by the availability of 5G connectivity. The bundle clothes seller is particularly adept at this, noting he monitors competitors "by looking at their social media such as TikTok," and finds "Facebook effective because there are a lot of groups and I can reach wider audiences." This real-time digital reconnaissance allows for swift strategic adjustments. The car workshop owner also ties his business decisions to trend awareness, noting market research "influences by looking at what's trending," a task made more efficient by fast internet.

However, this very digital landscape also amplifies their central challenge: an increasingly saturated and competitive market. The bundle seller identified this as a primary pressure, citing "the increasing number of competitors, especially from social media." This sentiment is echoed by the F&B vendor, who simply stated "competition from other sellers" as a main challenge, and the tailor, who faces "low demand during certain months" amidst a crowded local market. Their words reveal a competitive environment where the opportunity of social media and digital access also lowers barriers to entry, creating a persistent challenge to sustain and grow their businesses.

4.2.2 Target Sales

Entrepreneurs believe that the pulse of their business is measured most concretely through sales volume, a universal and immediate metric of success. They meticulously track daily sales, calculate monthly income, and value the steady patronage of returning customers as a key indicator of health. As the tailor assesses performance simply by "the number of sewing orders" and the motorcycle workshop owner reviews his "monthly income," this focus on revenue is fundamental. Growth is consistently attributed to two interconnected drivers: strategic social media adoption and responsive product or service innovation. A clear example is the food vendor, who launched an online initiative during Ramadan and reported, "tried selling food online during Ramadan. It turned out very successful, and sales increased."

Similarly, the bundle clothes business underwent a significant transformation, expanding from a home-based operation to a physical shop. The owner credits this growth to "the increase in the number of customers and followers" and identifies the contributing factors as "direct selling and social media use." This evolution from informal to formal commercial presence underscores a critical growth trajectory.

4.2.3 Trends

For the entrepreneurs of Bukit Ibam, maintaining relevance is an active and continuous pursuit rooted in the vigilant tracking of market trends. This agility is a common strength across diverse sectors, manifesting in the tailor who designs clothes with "unique patterns and sometimes mix[es] modern and traditional," the food vendor who "creates new menus based on current trends," and the motorcycle mechanic who ensures he stocks parts for popular models by "knowing what type of motorcycles are popular." Their approach to market research is often intuitive yet astute, as summarised by one entrepreneur who stated decisions are "influenced by looking at what's trending." The primary tool for this environmental scanning is social media, with platforms like TikTok and Facebook serving as a live feed of consumer preferences and competitor activities; the bundle seller, for instance, explicitly monitors competitors "by looking at their social media, such as TikTok."

4.2.4 *Customer Feedback for Improvement*

Within the entrepreneurial ecosystem of Bukit Ibam, a deep-seated commitment to direct customer interaction forms the bedrock of business development and service refinement. These entrepreneurs place immense value on the voice of the customer, cultivating an open and responsive dialogue that transcends transactional relationships. Feedback is gathered through a multi-channel, high-touch approach: via the immediacy of WhatsApp for Business, where orders and queries flow; through deliberate, face-to-face conversations at the point of sale or service completion; and via informal post-service follow-ups. This practice is vividly illustrated by the food vendor who proactively “tells customers directly what they like or don’t like,” and the motorcycle mechanic who actively “listens to what customers complain about and tries to solve their problems.” For the tailor, satisfaction is personally verified, as she “always asks customers if they are satisfied with the clothes.”

4.2.5 *Capital*

Based on the interview data, the findings regarding capital among the entrepreneurs in Bukit Ibam reveal a critical tension between strategic ambition and financial constraint. Capital is universally recognised as a fundamental enabler for growth and performance, yet access to it remains a primary challenge. Entrepreneurs primarily rely on personal savings and reinvested profits, as seen with the motorcycle workshop owner who invested in “expensive repairing machines” and the bundle seller who put capital into “buying higher grade of bundle clothes”. These decisions highlight a calculated, often high-risk approach to capital allocation, where limited funds are directed toward assets intended to differentiate their service or product quality. However, this reinvestment cycle is precarious. Significant operational headwinds, such as the “rising cost of spare parts,” “rising cost of ingredients,” and “rising cost of fabric,” continuously erode working capital and squeeze profitability, making it difficult to accumulate reserves for future investment.

4.3 *TOE Framework Perspectives*

The findings of this study can also be interpreted through the Technology-Organisation-Environment (TOE) Framework, which highlights the interaction between technological access, organisational capability, and environmental pressures in shaping micro-entrepreneur performance. Within the technological context, the presence of NADI Bukit Ibam significantly reduces barriers to digital adoption by providing free 5G internet and training, enabling entrepreneurs to utilise social media platforms such as Facebook, WhatsApp Business, and TikTok for marketing, customer engagement, and competitor monitoring; however, technology primarily facilitates market participation rather than sustained competitive advantage, as it is equally accessible to competitors. From the environmental perspective, digitalisation has intensified competition by lowering entry barriers and increasing market saturation, requiring entrepreneurs to continuously monitor rivals, adapt to trends, and respond to evolving customer expectations in real time.

Nevertheless, the ability to respond effectively is largely determined by the organisational context, where capabilities such as digital skills, experiential learning, and adaptability differentiate performance outcomes, with more proactive entrepreneurs successfully integrating online and offline strategies to drive growth. At the same time, decision-making remains largely intuitive, reflecting limited strategic formalisation. A key constraint within this dimension is capital, as reliance on personal savings and reinvested income, coupled with rising operational costs, restricts scalability and weakens the long-term impact of digital adoption. Despite these limitations, strong relational practices, particularly direct customer engagement and responsiveness to feedback, function as important compensatory mechanisms that support customer retention and satisfaction. Overall, the findings suggest that business performance is not driven by social media usage alone but by the dynamic alignment of technological opportunities, organisational capabilities, and environmental demands, where digital inclusion initiatives such as NADI are necessary but insufficient without corresponding improvements in internal capacity and resource availability.

5. CONCLUSION

Based on the analysis of entrepreneurial experience in Bukit Ibam, the conclusion can be effectively synthesised by examining five themes. These areas collectively define the business environment, highlighting both the adaptive strengths and systemic challenges faced by local entrepreneurs. The table below summarises the core findings within this framework:

Table 3. Key Findings from Bukit Ibam Entrepreneurs

Topic	Key Findings from Bukit Ibam Entrepreneurs
Competitors	Entrepreneurs demonstrate acute awareness, conducting informal competitor intelligence via social media (e.g., Facebook, TikTok) and direct market observation. While this informs reactive strategies like price adjustments, it also underscores a persistent challenge from an increasingly saturated market, especially from online sellers.
Target Sales	Sales volume is the universal primary metric. Growth is achieved through social media adoption and product innovation (e.g., online Ramadan sales, new menus). Success is measured concretely through daily/monthly revenue and customer retention, with physical expansion (home-based to shop) being a key milestone.
Trend	Agility in following trends is a common strength. Entrepreneurs use social media as a real-time "trend radar" to inform decisions—from tailoring designs and F&B menus to stocking specific motorcycle parts. This responsiveness is crucial for maintaining market relevance.
Customer Feedback	Direct, high-touch feedback loops are highly valued. Entrepreneurs gather insights through WhatsApp, face-to-face conversations, and post-service follow-ups. This input drives incremental improvements in quality and service, fostering loyalty and personalising offerings in a competitive landscape.
Business Capital (Costly)	Access to and management of capital is a fundamental constraint. While profits are reinvested in strategic assets (e.g., diagnostic machines, better inventory), rising input costs (fabric, ingredients, spare parts) severely erode working capital. This creates a cycle where costly capital limitations hinder scalability and sustainability.

Source: Authors' interview data analysis

5.1 Competitor Monitoring and Market Saturation

The proactive use of social media for competitor intelligence corroborates prior research showing that SMEs employ platforms like Facebook and TikTok to observe rivals' pricing, promotions, and customer engagement (Chatterjee & Kar, 2020; Ngai et al., 2022). However, while urban studies often report that such intelligence leads to strategic differentiation (Alalwan et al., 2020), Bukit Ibam entrepreneurs primarily used it for reactive price adjustments rather than long term positioning. This divergence likely stems from limited formal business training and the homogeneous nature of micro enterprises in rural areas. Furthermore, the finding that digital access lowers entry barriers and intensifies competition aligns with Obermayer et al. (2021), who noted that social media saturation can diminish individual firm visibility. Unlike larger firms that invest in paid advertising to stand out (Dwivedi et al., 2021), Bukit Ibam entrepreneurs lacked the capital to do so, making them more vulnerable to competitive pressure. Thus, while social media enhances market awareness, its equalising effect may paradoxically undermine sustainable advantage in low resource settings — an observation that extends the Technology–Organisation–Environment (TOE) framework by highlighting how environmental pressures can neutralise technological gains.

5.2 Sales Growth through Social Media Adoption

The strong association between social media usage and perceived sales growth echoes empirical evidence from emerging economies, where platforms such as WhatsApp Business and Facebook Shops enable micro enterprises to reach customers beyond geographic constraints (Yacob et al., 2023; Alam et al., 2024). The F&B vendor's successful Ramadan online sales and the bundle seller's transition from home based to physical retail mirror the findings of Syaifullah et al. (2021), who documented that social media driven customer acquisition often precedes business formalisation. However, unlike prior studies that emphasise financial metrics such as return on investment (ROI) (Khan et al., 2021), Bukit Ibam entrepreneurs

measured success through daily sales counts and returning customers — a more immediate, operationally grounded form of performance assessment. This suggests that in rural micro enterprises, perceived performance may prioritise liquidity and customer retention over profitability ratios, a nuance rarely captured in quantitative surveys. The finding supports the need for qualitative approaches to capture entrepreneurs' own definitions of success, as argued by Buhalis and Volchek (2022).

5.3 Trend Responsiveness as a Dynamic Capability

Entrepreneurs' ability to track and act on trends using social media aligns with conceptualisations of social media as a real time environmental scanning tool (Garg et al., 2020; Oyewobi et al., 2021). The tailor mixing modern and traditional patterns, the food vendor creating trend based menus, and the mechanic stocking popular motorcycle parts all exemplify what Yasa et al. (2020) termed "market orientation at the micro level". Critically, this trend responsiveness was enabled by free 5G internet provided by NADI, reducing the technological barrier that often hinders rural entrepreneurs (Jayashree et al., 2019). Nevertheless, unlike larger firms that use analytics dashboards and predictive algorithms (Kapoor et al., 2021), Bukit Ibam entrepreneurs relied on manual, intuition driven scanning of TikTok and Facebook feeds. This finding suggests that while infrastructure access is necessary, advanced digital literacy — such as interpreting engagement metrics or using social listening tools — remains a missing organisational capability. Therefore, digital inclusion programmes should move beyond connectivity to include training on data driven trend analysis.

5.4 Customer Feedback as a Relational Resource

The emphasis on direct, high touch feedback loops through WhatsApp and face to face interactions strongly corroborates the literature on social media's role in building customer relationships and trust (Halawani et al., 2019; Wang & Kim, 2022). Unlike automated feedback systems common in urban e commerce, Bukit Ibam entrepreneurs personalised their responses, which aligns with the finding that relational capital compensates for limited financial capital in micro enterprises (Mahrinasari et al., 2022). The motorcycle mechanic's practice of "listen[ing] to what customers complain about and try[ing] to solve their problems" exemplifies co creation, where customer input directly drives incremental service improvements — a process that Garg et al. (2020) identified as key to fostering loyalty. However, the absence of structured feedback analysis (e.g., categorising complaints or tracking resolution times) highlights a missed opportunity. While the literature advocates for systematic use of customer data to drive innovation (Ngai et al., 2022), Bukit Ibam entrepreneurs' informal approach may be a rational adaptation to their low volume, high trust market environment. Thus, the study extends existing theory by showing that relational feedback practices can be highly effective even without formalisation, provided that entrepreneurs maintain direct accessibility.

5.5 Capital Constraints as a Mediating Factor

The most striking finding is the tension between digital capabilities and financial limitations. Although entrepreneurs reinvest profits into strategic assets (diagnostic machines, better inventory), rising input costs erode working capital, preventing scalability. This pattern confirms the TOE framework's organisational dimension: technology adoption alone cannot drive performance when internal resource constraints are severe (Dharmawan et al., 2024). Prior studies on social media and SME performance often assume that digital marketing yields positive ROI (Alam et al., 2024), but they rarely account for the compounding effect of cost inflation on micro enterprises. The Bukit Ibam case reveals that even when social media generates additional sales, the margin may be absorbed by higher material costs, leaving little for reinvestment. This finding challenges the optimistic narrative of social media as a low cost solution for rural entrepreneurs (cf. Dwivedi et al., 2021) and instead suggests that digital strategies must be paired with financial literacy and micro credit access to be sustainable. As noted by Jayashree et al. (2019), capital constraints remain the most frequently cited barrier to SME growth, and our results indicate that this barrier is not alleviated by digital adoption alone.

5.6 Synthesis and Theoretical Implications

Viewed through the TOE framework, the Bukit Ibam findings illustrate that business performance is shaped by the dynamic interplay of technological (free 5G, social media platforms), organisational (digital skills, customer responsiveness, capital availability), and environmental (competition intensity, market trends) factors. The study makes three theoretical contributions:

- i. Social media as a competitive equaliser, not a differentiator. While prior research emphasises social media's role in creating competitive advantage (Appel et al., 2020), our findings show that when technology is equally accessible to all competitors, it may intensify rivalry without conferring sustainable benefits. Advantage shifts to organisational factors such as customer relationship quality and adaptive pricing.
- ii. Context specific performance metrics. Rural micro entrepreneurs prioritise liquidity and customer retention over profitability ratios. Quantitative studies that rely on standardised financial indicators may therefore underestimate the perceived value of social media in such settings. Qualitative exploration of entrepreneurs' own success criteria is essential (Buhalis & Volchek, 2022).
- iii. The mediating role of capital constraints. Even when digital adoption enhances market reach and trend responsiveness, its impact on long term sustainability is contingent on the entrepreneur's ability to manage rising costs and access investment capital. Policies that focus solely on digital infrastructure without addressing financial inclusion will have limited impact.

5.7 Comparison with Prior Rural Studies

Our findings both align with and diverge from existing rural entrepreneurship literature. Similar to studies in rural Indonesia (Yacob et al., 2023) and India (Chatterjee & Kar, 2020), Bukit Ibam entrepreneurs use social media to overcome geographic isolation. However, those studies reported stronger positive effects on profitability, possibly due to lower market saturation or better access to microloans. In contrast, the high number of NADI trained entrepreneurs in Bukit Ibam has created a crowded digital marketplace, reducing the marginal benefit of social media adoption. This suggests that digital inclusion programmes should be accompanied by market diversification strategies - such as helping entrepreneurs sell beyond their immediate locality - to avoid localised oversupply.

5.8 Methodological Limitations in Light of Literature

The qualitative design and small sample limit generalisability, a common constraint in exploratory rural studies (Dwivedi et al., 2021). Self-reported data may be subject to social desirability bias, though triangulation with focus group discussions mitigated this risk. Future research should adopt mixed methods, combining qualitative insights with longitudinal sales data to quantify the actual ROI of social media adoption in rural settings. Additionally, comparative studies across multiple NADI centres would help disentangle location specific factors from broader patterns.

In conclusion, the entrepreneurial landscape in Bukit Ibam is characterised by a high degree of market awareness and adaptability, as evidenced by proactive competitor monitoring, trend responsiveness, and direct customer engagement. However, this operational agility exists within a context of significant financial and competitive pressures. The core challenge lies in the tension between their demonstrated competencies in sales growth and market orientation, and the stringent limitations imposed by costly capital and intense competition. The institutional support provided through NADI Bukit Ibam, specifically 5G internet and certified entrepreneurial training, acts as a critical mitigator within this ecosystem. It enhances their capacity in the first four domains (monitoring competitors, driving sales, tracking trends, and leveraging feedback) while providing essential knowledge to better navigate the fifth: the strategic management of constrained and costly capital. Ultimately, the sustainability and growth of these enterprises

depend on their continued ability to leverage these external supports to convert their informal, intuitive strengths into more structured, resilient business practices.

6. RECOMMENDATION

Based on the interview findings and the identified operational landscape, the following recommendations are proposed to address key challenges and leverage opportunities within the local context of Bukit Ibam. These suggestions are structured around the critical areas of location, customer demographics, and service expansion.

6.1 Addressing Unstrategic Location and Maximising Its Potential

The semi-rural location presents a challenge in terms of foot traffic and visibility compared to urban centres, but it can be reframed as a niche advantage.

- i. **Target Sales:** Entrepreneurs should be trained to develop hyper-localised and digital sales targets. Instead of competing on pure volume with urban businesses, goals should emphasise customer retention rates, average transaction value, and community market share. The NADI training can include modules on setting SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals tailored to a smaller, loyal customer base.
- ii. **Competitors in Urban Area:** To counter competition from urban businesses, Bukit Ibam entrepreneurs must double down on their community embeddedness and convenience. Recommendations include formalising a "Support Local Bukit Ibam" digital campaign across their collective social media to highlight personal service, local knowledge, and reliability— factors urban distance sellers cannot replicate. Additionally, training on basic search engine optimisation (SEO) for local services can help them capture nearby residents searching online.
- iii. **Facility to Increase Sales:** The NADI centre itself should be leveraged as a strategic sales facility. It can host monthly "Pasar Entrepreneur NADI" events where businesses collectively market their products and services, creating a destination that draws community traffic. Furthermore, NADI can provide a professional space for entrepreneurs to conduct client meetings or showcase products, enhancing their professional image without the overhead of a prime commercial lot.

6.2 Deepening Understanding of Customer Demographics

A more nuanced understanding of the local customer base will allow for better targeting and service design.

- i. **People Income Level:** Services and pricing tiers must align with the predominantly moderate local income levels. Entrepreneurs should be guided to develop good-better-best service or product packages. For example, the workshop can offer basic, standard, and premium service packages; the tailor can work with a range of fabrics. This ensures accessibility while creating avenues for upselling.
- ii. **Educational Level:** Marketing and communication should be clear, visual, and straightforward. Investing in high-quality visual content (photos, short videos) on social media, as the tailor identified as a challenge, is crucial. NADI training should include basic digital content creation workshops to help entrepreneurs effectively showcase their work in an accessible way that resonates across education levels.
- iii. **Primary Sector:** Business offerings should cater to the needs of the local primary industries (e.g., agriculture, manual labour). The workshops could offer vehicle maintenance packages for motorcycles and cars used in farming or transport. The F&B vendor could create high- energy, affordable meal packs tailored to shift workers. Understanding this sector allows for targeted product development.

- iv. **Online Business:** To complement physical operations, each business should be encouraged to develop a minimal but functional online business front. This goes beyond social media chats to include a simple catalogue on Facebook/Instagram Shop, a WhatsApp Business catalogue, or a listing on local platforms. Training should cover how to manage orders, payments, and logistics for a hybrid online-offline model.

6.3 Expanding Reach through Door-to-Door and Delivery Services

Given the geographic spread of the community, enhancing convenience through mobility is a significant opportunity.

- i. **Delivery Services:** This should be formalised as a key growth strategy. A coordinated local delivery network could be established. Entrepreneurs could pool resources to share delivery costs for customers in similar areas. For instance, the F&B, tailor, and bundle seller could collaborate on designated "delivery days" to specific neighbourhoods. NADI could facilitate partnerships with local motorcycle riders for affordable delivery solutions. Training should cover delivery logistics, cost calculation, and packaging.
- ii. **Door-to-Door Services:** For service-based businesses like workshops and tailoring, mobile service units could be piloted. The motorcycle workshop could offer scheduled "maintenance check-up" days in the surrounding villages. The tailor could offer measuring and consultation visits for special occasions like weddings. This transforms a location constraint into a proactive customer service strength, directly addressing the challenge of reaching a dispersed population and competing with static urban shops.

6.3 Theoretical Contribution

The literature on digital adoption among micro-enterprises demonstrates that social media should be understood not merely as a technological tool, but as a context-dependent organisational capability that can both enable and constrain business performance

- i. The finding indicates that while initiatives such as NADI successfully reduce barriers to digital participation, technological access alone does not guarantee a competitive advantage. Instead, social media operates as a baseline capability that enhances visibility and market access but simultaneously intensifies competition in digitally saturated environments. This dual role extends theoretical understanding by positioning social media as both a performance enabler and a competitive equaliser, thereby shifting the source of advantage towards organisational factors such as adaptability, customer responsiveness, and the strategic use of digital tools. As such, business performance is shaped by the dynamic interaction between technological opportunities, organisational capabilities, and environmental pressures rather than by technology adoption in isolation.
- ii. From a policy perspective, the findings offer important implications for Malaysia's digital economy agenda, particularly in supporting rural micro, small, and medium enterprises (MSMEs). While agencies such as Malaysia Digital Economy Corporation have made significant progress in expanding digital access and literacy, this study suggests that access-driven interventions must be complemented by capability-focused support. This includes strengthening advanced digital skills, promoting data-driven decision-making, and improving access to micro-financing to address persistent capital constraints that limit scalability. Although the study is grounded in Bukit Ibam, its insights are applicable to similar rural and semi-rural contexts where entrepreneurs face comparable structural challenges. Therefore, digital inclusion strategies should move beyond infrastructure provision towards enabling entrepreneurs to translate digital access into sustainable

competitive advantage, ensuring that technological empowerment leads to meaningful and scalable business performance outcomes.

These recommendations should be integrated into the advanced curriculum of the free NADI entrepreneurial classes. Moving beyond foundational business skills, the centre can offer specialised workshops on "Digital Marketing for Local Businesses," "Managing Delivery & Mobile Services," and "Financial Planning for Growth." By providing these targeted strategies, NADI can empower Bukit Ibam's entrepreneurs to systematically overcome the limitations of their context and build more resilient, growing enterprises.

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8. CONFLICT OF INTEREST STATEMENT

The authors agree that this research was conducted in the absence of any self-benefits as well as commercial or financial conflicts and declare the absence of conflicting interests with the funders.

9. AUTHORS' CONTRIBUTIONS

Amizatul Adawiah Mohd Khasimu: Conceptualisation, Methodology, Formal Analysis, Writing – Original Draft, Project Administration. She initiated the research idea, designed the study framework, and led the development of the methodology, conducted the data analysis, drafted the original manuscript, coordinated project activities, and ensured the timely completion of the review. **Akmal Aini Othman:** Supervision, Validation, Resources, Writing – Review & Editing. She provided expert supervision throughout the research process, validated the thematic findings, ensured methodological rigour, offered critical revisions that improved the intellectual content of the final manuscript, and facilitated access to institutional support and resources. **Juliana Mohamed Abdul Kadir:** Investigation, Data Curation, Visualisation, Writing – Review & Editing. She conducted extensive literature searches, contributed to data collection and synthesis, constructed tables and figures, and contributed to the critical review and refinement of the manuscript drafts.

10. DECLARATION OF GENERATIVE AI AND AI-ASSISTED TECHNOLOGIES

This manuscript was developed with the assistance of Gemini for the purpose of language editing. The tool/service supported the author(s) in reviewing and refining the content, and the authors assume full responsibility for the final version submitted for publication.

11. DATA AVAILABILITY/SUPPLEMENTARY MATERIALS

The datasets used and/or analysed during the current study are available from the corresponding author on reasonable request.

12. ETHICS STATEMENT

Informed consent was obtained from all participants, and data anonymity was strictly maintained throughout the study.

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