



The Impact of Social Media on SMEs Growth in Rathnapura District

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This study examines the impact of social media on the growth of small and medium-sized enterprises (SMEs) in Rathnapura District that operate in the manufacturing, retail, service, and other sectors. Accordingly, this research focuses on three key dimensions: mindful adoption, community building, and absorptive capacity. Adopting a deductive, quantitative research approach with a cross-sectional survey design, this study employed snowball sampling to identify 110 SMEs actively using social media for business activities in Rathnapura District. Primary data were collected using a structured questionnaire to ensure consistent responses. Social media measurement used five-point Likert-scale questions, and the target population comprised small and medium-sized enterprises operating in the Rathnapura District. Multiple regression analysis was conducted using SPSS to test four hypotheses examining the relationships between social media and SMEs' growth. The regression model accounted for 85.26% of the variance in SMEs' growth ($R^2 = 0.8526$, $F = 204.482$, $p < 0.000$), indicating a significant relationship between social media and SME growth. Three dimensions significantly predicted growth: Mindful Adoption ($\beta = 0.368$, $p = 0.000$), Community Building ($\beta = 0.262$, $p = 0.003$), and Absorption Capacity ($\beta = 0.326$, $p = 0.000$). Notably, this research emphasizes that the data and dimensions provide valuable empirical evidence of the critical role of social media in influencing the development and success of SMEs in this region. Moreover, this research confirms that effective use of social media can significantly improve the growth prospects of small and medium-sized businesses in Rathnapura. It is also essential for SMEs to increase their competitiveness in the digital economy by strategically engaging with customers, investing in targeted advertising, and maintaining high-quality content. The findings of this study are expected to provide valuable insights into how SMEs can effectively use social media to accelerate growth, enhance customer engagement, and improve business performance. The study also offers practical implications for policymakers and business owners in developing strategies to maximize the benefits of social media use.

Keywords: Absorptive capacity, Community building, Mindful adoption, Rathnapura District, SMEs growth, Social media