Navigating the Challenges of Social Media Marketing for Small and Medium Enterprises (SMEs) in Pakistan: A Qualitative Study

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Abstract

This paper discusses the challenges and prospects of social media marketing, and strategies for Small and Medium Enterprises (SMEs) in Pakistan. Social media platforms have developed into vital resources for companies all over the world, providing SMEs with reasonably priced ways to connect with a larger audience. Nevertheless, SMEs in Pakistan have numerous impediments to harnessing these platforms successfully; specifically, financial constraints, absence of digital marketing abilities, and problems of content creation and engagement.

The opportunities described by the research that can be used by Pakistan SMEs include the relatively low cost of digital marketing tools, the possibility of cooperation with micro-influencers, and the adaptability of the content to regional cultures and languages. These strategies therefore provide SMEs with a chance to improve their social media marketing campaigns and at the same time enhance their relationship with their communities.

The study provides a comprehensive perspective of the unique issues faced in the Pakistani environment by identifying important hurdles and opportunities through semi-structured interviews with 12 SME owners, managers, and employees across a variety of industries. Thematic analysis of interview results suggests that increasing the training of SMEs, using cheap social media marketing tools and cooperating with influencers would lead to enhanced outcomes for these companies' social media marketing strategies.

Policy-level recommendations for using financial incentives and digital literacy initiatives to support SMEs are made as well as actionable advice to SMEs such as the need to work with micro-influencers and digital marketing courses. These findings add to a growing research body on digital marketing for SMEs in developing countries.

Keywords*:* Social media marketing, SMEs, Pakistan, digital marketing tools, micro-influencers

Introduction

Social media has changed the way businesses engage with audiences (Mahoney & Tang, 2024). Facebook, Instagram, LinkedIn, TikTok, and Twitter are a few of the major platforms globally that have become the most basic and crucial tools for brand promotion, customer engagement, as well as sales training (Celestin et al., 2024). These platforms enable businesses to reach audiences and determine whether their strategies are working or falling short, thanks to real-time analytic measures that can be altered according to feedback from their targeted demographics. There are billions of active users worldwide and social media presents an unprecedented chance for big and small businesses to prosper (Gawer, 2022).

On the other side, usage of social media in Pakistan has also been on parallel lines with rest of the world, where Facebook, Instagram, and TikTok are most involved. Pakistan has well above 76 million internet users and a large share of them is using social media daily (Ali et al., 2023). With this fast digital adoption, consumers have raised their behavior, and their preference to buy via internet and interact with brands digitally (Abrar, 2018). Companies now understand how social media offers low-cost means of reaching clients, increasing brand awareness, and gaining an advantage online in a competitive environment (Son & Niehm, 2021).

Pakistan's economy is centered on Small and Medium Enterprises (SMEs) as they create a vast amount of employment as well as add to GDP (Nazir et al., 2024). They cover various types of industries; retail, service, and manufacturing among others; these businesses are often the source of innovation and local development. However, most SMEs, despite being of economic importance, still struggle to apply digital transformation, mainly in how they adopt the best social media marketing practices. Social media marketing has opened various doors for businesses but, the SMEs in Pakistan face peculiarities that prevent them from maximizing their full worth (Anim et al., 2024). If compared to large corporations that have specialized marketing departments and massive funds, SMEs work with very little or low budget and human resources. The reason that they are put at a disadvantage when competing in the digital marketplace is this disparity.

Already, SMEs face key challenges: digital illiteracy of SME owners and employees; financial constraints preventing access to professional tools and services; and balancing quality and consistency of content (Ayandibu & Ayandibu, 2024). Furthermore, SMEs are often constrained by not being able to understand the platform dynamics, e.g. algorithm changes and targeting strategies (Xie et al., 2022). Language diversity and consumer preference along with regional differences in Pakistan make these barriers even more confusing.

Recent studies highlight the growing role of digital platforms in bridging economic disparities for SMEs, especially in emerging markets, yet the unique challenges faced in the developing countries context remain underexplored (Kedi et al., 2024). Further, the absence of

previous studies in incorporating socio-cultural factors in the context of a developing country like Pakistan and social media marketing adoption by SMEs presents a critical theoretical and practical gap (Jin et al., 2024). This study aims to investigate the barriers that SMEs experience in Pakistan concerning the use of social media marketing. Through awareness and analysis of these challenges, the research uncovers the generative causes that are fueling the struggles of SMEs on their way to embracing the digital landscape. The study moreover attempts to identify opportunities available to Pakistani SMEs in the social media marketing space beyond challenges. They include how to leverage digital tools that are affordable to everyone, how to collaborate with local influencers, and how to tap into the growing consumer base that lives on social platforms. Further goals of the research include providing strategic solutions according to Pakistani context for overcoming identified barriers in digital marketing and improving the efforts of SMEs in the digital domain.

To accomplish these stated objectives, the study has employed a qualitative research methodology with semi-structured interviews. This approach enables in-depth exploration of many dimensions of the experiences and perspectives of SME owners, managers, and employees. The interviews have taken the form of semi-structured, open-ended questions to better capture the nuance of the barriers faced by SMEs and strategies employed to overcome these barriers. Through these insights, the study attempts to offer a complete view of social media marketing industry in Pakistan for SMEs. These findings can be used to assist in the creation of practical recommendations for SMEs to use when facing digital marketing challenges and seizing emerging opportunities. The results of this research will not only benefit SME stakeholders; however, but it will also help policymakers and researchers identify how to strengthen the digital ecosystem in Pakistan.

Literature Review

Social Media as a Marketing Tool for SMEs

Social media has evolved into being a dominant force in marketing within the past two decades (Malesev & Cherry, 2021). Originally, Facebook and Twitter, among other websites, were only means of communication, but today they are very efficient comprehensive systems for brand advertising, working with purchasers, and selling (Celestin et al., 2024). Social media now provides a unique opportunity for SMEs to compete against the larger players at a fraction of the cost, as they can engage directly with their customers.

Being resource-constrained and budget-constrained, social media is an important channel for SMEs to reach target audiences (Kedi et al., 2024). Social media, unlike many other conventional forms of marketing, can be quite cheap and can expand and communicate the intended message to the target market. With Facebook Ads, Instagram Stories and TikTok campaigns, SMEs can create targeted advertising strategies that can target the most relevant

audiences (Wahid et al., 2023). In addition, each platform has integral analytics built into it that gives an insight into the behavior of the customer and the business makes changes to it in real time depending upon the customer's activity.

SMEs globally leverage social media to build their brands, improve customer service and even make sales. Pakistan has shifted into a phase of growth very quickly where mobile phones, specifically smartphones, and internet usage has grown significantly to make social media a worthwhile medium for business owners to reach out to local consumers (Khan et al., 2022). The personal communication platforms –WhatsApp and Instagram, among others, are some of the most embraced business solution tools. Social media marketing holds immense potential, though in developing economies such as Pakistan, there are challenges to overcome to utilize this potential (Nadeem et al., 2024).

Barriers to Social Media Adoption in SMEs

Financial constraints are one of the main barriers SMEs have faced. Large organizations of course can afford professional campaigns; however, SMEs would generally not be able to do so, because they operate under tighter budgets (Chaudhary et al., 2023). This includes the cost of hiring the best social media experts, the cost of running paid ads, or the cost of investing in top-quality content creation. Moreover, there is a limitation of resources in human capital where many SMEs do not have dedicated marketing teams as well as proficient individuals for digital marketing tools in place (Mer & Virdi, 2024). Another major block that hinders the use of social media among SMEs is the lack of technical expertise. Current studies highlight that quite often both SME owners and employees are not familiar with the platform algorithms, ad targeting, and analytics tools (Brandy, 2023). As a result, this digital literacy gap often leads to poor campaigns that don't do what they should be able to do. In addition, the speed at which social media can change, with its fast updates and continuous modifications to the platform, will slow down day-to-day changes in SMEs (Denga & Rakshit, 2023).

Socio-cultural and contextual factors are the major guidelines for social media adoption in Pakistan (Jin et al., 2024). We have a wide range of language diversity because of Urdu, regional languages and English spoken to create content that resonates with them. Besides that, the perception of consumers toward online shopping and digital transactions varies from one region to another specifically, where urban consumers shop digitally more than rural ones (Fernandes & Shailashree, 2023). Furthermore, the trust issues are also the same here because the customers are not ready to do business with the company online due to doubts about fraud and quality of product (Khan et al., 2023). These barriers make it difficult to incorporate social media into the marketing mix a challenge for SMEs which require special solutions to address the challenges they face.

Benefits of Social Media for SMEs

Though social media represents a challenge, it also provides SMEs with an opportunity to compete in the marketplace and use the affordable tools available (Brandy, 2023). The use of free basic accounts on social networks such as Facebook and Instagram is a favorable proposition for SMEs which creates the opportunity to present their products and services leading to no high costs (Fraccastoro et al., 2021). Paid advertisements are, however, quite cheap compared to traditional media and SMEs can launch a campaign for pittance. Also, there are tools like Canva, Buffer, and Hootsuite that allow SMEs to design somewhat good-looking content and manage their social accounts on their own. These professional tools help democratize marketing by allowing even SMEs to gain access to professional-grade resources at the same time (Ajiva et al., 2024).

SMEs can connect with markets in both their geographical local area and niche markets through social media (Son & Niehm, 2021). With the help of geo-targeting and community pages, businesses can reach out to customers in a specific place and give what they want as per their demand (Joshi, 2023). This is especially useful for SMEs in Pakistan involved in activities spread out across many localities and cultures. Along with that, the arrival of influencer marketing has exposed new horizons for SMEs to advertise their products through trusted identities within their target group audience (Agustian et al., 2023). Leveraging local and micro-influencers for collaborations builds trust and credibility, especially in markets where word of mouth still fuels consumers' decisions.

Gaps in Existing Research

Research on the role of social media in marketing is plentiful, but most of it is about developed economies and big firms (Afren, 2024). There are still considerable unexplored grounds concerning specific challenges and opportunities for SMEs, particularly in developing country context such as Pakistan. Current studies tend to be based on quantitative data, which though helpful, misses out on the nuance of the experience of the SME owners and their employees. For example, the adoption of social media in Pakistan has not been thoroughly studied in light of the interaction between cultural factors and its adoption (Jin et al., 2024). Likewise, little is known about the effectiveness of localized strategies, such as using regional languages or enlisting the help of community influencers (Agustian et al., 2023). Depth into such issues can be obtained by a qualitative approach that includes the lived experiences of SMEs, which can be used to develop tailored solutions. However, little is known about the role of policy interventions in enabling SMEs to use social media marketing. These gaps in government and the private sector could be the cause for efforts that enhance digital literacy, offer financial support and ensure that a conducive environment exists to enable SMEs to prosper in the digital age.

Methodology

Research Design

In this regard, this study considered a qualitative research design to demystify challenges and opportunities faced by small and medium enterprises (SMEs) in Pakistan in terms of social media marketing adoption. Given that there is a lack of depth and context specific data on the challenges that SMEs of Pakistan face, qualitative approach was adopted to address this gap as quantitative methods may not analyze critical nuances. Moreover, qualitative research approach was chosen because it provides a deeper understanding of the complex, context-specific owners, managers and employees' experiences of SMEs (Teherani et al., 2015). Semi-structured interviews were used to collect rich and descriptive data so that respondents could provide in-depth insight into their experience using social media marketing. This method was flexible as it provided key themes and freedom to participants to discuss their challenges, strategies, and opportunities without restrictions (Clarke & Braun, 2017). The semi-structured format of interviews also allowed for spontaneous discussions and an ability to follow up with unexpected insights that surfaced in the interviews. Moreover, the subjective experiences of participants and micro factors influencing the adoption of social media marketing were deemed salient through the qualitative approach. The study engaged directly with actors (relevant stakeholders) who use digital marketing strategies in SMEs to capture a detailed picture of the realities of SMEs in leveraging social media for business growth.

Sampling Strategy

For this study, the sample was 12 SME owners, managers, and their employees from the retail, service and manufacturing sectors of Pakistan. The participants were selected using a purposive sampling technique who had firsthand experience in integrating social media into marketing in SMEs (Rai & Thapa, 2015). It made sure that the participants knew what they were doing and were involved in social media marketing in their organizations. 12 was the sample size chosen because of the principle of data saturation where no new information appears in the interviews (Guest et al., 2006). Data saturation was reached after conducting 12 interviews, in that no new themes or insights emerged from the final interviews. The participants were chosen because they are in top social media marketing roles in companies where they deal with challenges confronting SMEs in using digital marketing tools. The purposive selection guaranteed that the data collected was rich and pertinent to research goals, giving a broad view of barriers and opportunities for social media marketing of SMEs in Pakistan.

Data Collection

The data was collected through semi-structured interviews virtually or in person, based on participants' preferences and availability. Prior to the interviews participants were told of the purpose of the study, the nature of the questions, and the voluntary nature of their participation. With participants' consent, all the interviews were audio recorded and transcribed verbatim for

analysis. Seven open-ended questions in the interview guide were used to explore the challenges that SMEs are faced with in adopting social media marketing, the perceived benefits and the strategies they utilized to overcome impediments. These questions aimed to gain a full picture of the core SME issues, limited resources, digital literacy, competition, and the ability to communicate effectively with the target audience. The open-ended nature enabled participants to talk about their experience freely, beyond just tapping on the questions (Taskern & Cisneroz, 2019). Interviews were conversational, allowing participants to elaborate on and explain their answers and discuss other relevant elements of social media marketing that they felt were important. This approach guaranteed that the study enquires into a wider spectrum of opinions regarding social media adoption and marketing strategies in SMEs in Pakistan.

Data Analysis

Thematic analysis, a widely used qualitative research methodology for identifying patterns (or themes) within data, was used to analyze the data (Clarke & Braun, 2017). The flexibility of thematic analysis, allowing the extraction of underlying patterns from participants' responses central to the research questions, was what gave the choice criteria for this method.

Thematic analysis followed six key steps:

1. **Familiarization with the Data**: The first part involved transcribing the interviews and getting familiar with the data. What it provided initially was a way of identifying major concerns/issues and the reoccurring themes drawn from the interviews.
2. **Generating Initial Codes**: The data was thoroughly coded, with relevant parts of the text highlighted regarding the research questions. The most important concepts were defined, and the corresponding sections were labeled with the appropriate code.
3. **Searching for Themes**: Initial codes were created and then grouped under broader themes. This helped to highlight the key themes of barriers to adoption, opportunities and the strategies used by SMEs to take these steps.
4. **Reviewing Themes**: After probable themes are generated, these themes were reviewed to check the validity of the themes to data and goals of the study. This stage involved refining the themes and ensuring they were distinct and meaningful.
5. **Defining and Naming Themes**: For each of the themes, a definition was developed to ensure they had good coverage of the relevant codes. Each theme represented the central theme and was appropriately named.
6. **Writing the Report**: The findings were synthesized into a report with a connection made between the themes of literature review and existing literature. The subsequent sections elucidated the implications of the study and provided an analysis of the difficulties and strategies being used by SMEs while trying to adopt social media marketing in Pakistan.

With these steps, key patterns inside the dataset have been identified and the role of factors that affect social media marketing in SMEs have been deeply understood.

Ethical Considerations

During the research process, ethical considerations were deemed paramount, leading to the implementation of ethical guidelines concerning the protection of participants' rights (Ross, Iguchi, & Panicker, 2018). Every participant acknowledged that the study's goal was to be achieved, and they all willingly took part in it. All participants gave written consent and agreed they had the right to withdraw from the study at any time without any consequence. Participants' identities were anonymized, and pseudonyms were used for real names in the findings of the study. The transcripts were made without removing all personal information, but leaving the personal information kept confidential. The raw data was stored securely and was accessible only for analysis. The study and its results conformed to ethical guidelines about transparency, confidentiality, and informed consent. Their contributions were handled ethically and responsibly, and participants were treated with respect. To meet all requirements of ethical standards, the relevant institutional review board approved the ethical approval for the study.

Table 1: Respondents Profile

Respondent ID	Industry	Role	Location	Years in Business	Social Media Platforms Used
R1	Retail	Owner	Karachi	8	Facebook, Instagram
R2	Services	Manager	Lahore	5	Facebook, LinkedIn
R3	Manufacturing	Owner	Faisalabad	10	Instagram, TikTok
R4	Retail	Employee	Islamabad	6	Facebook, Instagram
R5	Services	Owner	Rawalpindi	4	LinkedIn, Instagram
R6	Retail	Manager	Karachi	7	Facebook, TikTok
R7	Manufacturing	Owner	Multan	9	Facebook, Instagram
R8	Services	Employee	Lahore	3	LinkedIn, Twitter
R9	Retail	Owner	Hyderabad	6	Instagram, TikTok
R10	Services	Manager	Karachi	5	Facebook, LinkedIn
R11	Manufacturing	Owner	Peshawar	12	Instagram, Facebook
R12	Retail	Employee	Quetta	4	TikTok, Instagram

Findings and Discussion

Specific challenges, opportunities and strategic management decisions about social media marketing for SMEs are analyzed from the qualitative data that was collected from interviewing

12 SME owners, managers and employees in Pakistan. These themes are elaborated in the sections that follow with direct insights from respondents and their quotes and a refined thematic analysis table.

Key Themes from Interviews

Through thematic analysis of the interview responses, six core themes emerged, each with distinct subthemes. These themes highlight the particular opportunities and challenges Pakistani SMEs encounter when implementing social media marketing tactics.

Challenges

The main issues raised in the interviews point to particular obstacles to Pakistani SMEs' successful social media marketing. These challenges are not only financial but also operational, technical, and cultural.

1. *Limited Budget Allocation for Digital Marketing Campaigns*

   The limited funding available for social media marketing campaigns was cited by numerous respondents as a major obstacle. When it comes to running paid advertisements on social media platforms, digital media is undoubtedly free but running paid advertisements on platforms like Facebook and Instagram which can be targeted to specific consumer segments, is an expensive affair, in the words of respondents like R1 (a retail business owner from Karachi) and R3 (a manufacturing business owner from Faisalabad). R1 shared, "We cannot afford to run ads consistently. Sometimes, the budget is used for daily operational costs rather than marketing." This budgetary constraint prevents many SMEs from levering the targeting and reach of social media advertising.

2. *Lack of In-House Expertise in Social Media Marketing*

   A second major barrier highlighted during the interviews was a lack of expertise in digital marketing. R5 (a services business owner in Rawalpindi) and R6 (a retail business manager in Karachi) also pointed out that social media marketing had become too complex for many small business owners and their staff to employ sophisticated campaigns that focus on specific demographics or analytics to achieve optimum returns on their efforts or produce high-quality content. As R6 stated, "We know that social media is important, but we don't have the know-how to manage it professionally. Sometimes, the content is not good enough to engage people."

3. *Difficulty in Creating Consistent and High-Quality Content*

Another major obstacle was keeping up a consistent flow of excellent, captivating content. Some of the respondents, such as R4 (retail employee from Islamabad) and R9 (retail business owner from Hyderabad) are frustrated with the unreliable content creation. Most SMEs are without sufficient staff specific to marketing, this therefore inhibits their regular content and a season of inactivity for these social media pages is often a result. R9 remarked, "There is never enough time or manpower to keep posting. Our social media pages often remain inactive for weeks."

4. *Cultural Sensitivities and Receptivity to Marketing Content*

One significant obstacle that SMEs in Pakistan face when producing content for social media is a cultural barrier. These are the traditions that are depicted as one of the major factors that affect the choice of content appropriate for the local culture and religion. R7 (a manufacturing business owner from Multan) explained, "Content needs to be respectful of our culture. We can't just post anything. It must reflect the values of the local community." This cultural awareness limits the kinds of content that can be shared and limits businesses' social media marketing techniques.

Opportunities

Nevertheless, a number of opportunities to leverage social media platforms for SMEs' digital marketing were also identified based on the interviews conducted.

1. *Access to Cost-Effective Marketing Tools and Platforms*

The increasing availability of affordable, user-friendly digital marketing tools was one of the prime opportunities identified by respondents. Respondents like R6 (retail manager) and R10 (services manager) highlighted platforms such as Canva for designing content, Buffer for scheduling posts, and Google Analytics for tracking engagement. These tools allow SMEs to create professional-looking content at a fraction of the cost of hiring graphic designers or digital marketing agencies. R6 mentioned, "Canva has been a game changer for us. It's a simple tool that allows us to design ads ourselves without needing a designer."

2. *Potential of Micro-Influencer Marketing*

Another advantageous opportunity that emerged from the interviews was collaborating with micro-influencers, or individuals who have small but extremely active local followings. SMEs in Pakistan are increasingly using micro-influencers to promote their products, as these influencers often have more genuine connections with their audience. R9 (retail owner) explained, "Micro-influencers are much more affordable than big

names, and their audience trusts them more. We have had great results partnering with local influencers for product promotions." The trend of local influencer partnerships allows SMEs to get involved in a specific and selective market without having to overspend on traditional advertising methods.

3. *Community-Based Marketing and Localized Content*

Respondents were also quick to recognize the importance of localized marketing. SMEs can produce more genuine and compelling marketing messages by modifying their content to take into account regional preferences, local languages, and dialects. Respondents like R3 (manufacturing owner) and R7 (manufacturing owner) noted that using Urdu or regional languages, such as Punjabi or Sindhi, helps businesses establish deeper connections with their target audience. R7 pointed out, "We see better engagement when we use Punjabi in our posts. People relate to it more because it feels closer to home."

Strategic Solutions

The responses offered a number of answers to deal with the issues that were found and make use of the opportunities that were presented.

1. *Investing in Digital Marketing Training for Employees*

One of the common suggestions to cope with an absence of expertise in digital marketing by SMEs was investing in training programs for its employees. R2 (services manager) and R4 (retail employee) stated that formal training regarding social media tools and strategies was an area of much-needed grasp. If we had the right training, we could do much better, explained R2. "We could realize a small investment in training and achieve better quality our posts and campaigns…" Workshops, online classes, and certifications could all be included in a training program to provide staff members with the skills they need to manage social media and produce interesting content.

2. *Collaborating with Government and Private Sector for Support*

Several respondents spoke about vital role government and private sector played in helping to overcome digital marketing barriers for SMEs. According to R5 (services owner) government initiatives supporting SMEs in leveraging the benefit of digital marketing using subsidies or grants of digital marketing campaigns would help to alleviate the financial burden on SMEs. Another option would be the use of private sector partnerships with digital marketing agencies or service providers, that make these tools and consultations available to SMEs at low prices. However, R5 added, "Government

support, particularly in terms of digitalization using financial aid can help SMEs to embrace this digitalization a little bit more confidently."

3. *Developing a Localized Digital Marketing Framework*

Respondents such as R6 (retail manager) and R8 (services employee) talked about the importance of creating a digital marketing framework that could be geared to fit the Pakistani market. Strategies for engaging with local audiences, building trust, and using culturally appropriate messaging would be included in this framework. SMEs can focus on local customs and preferences of their target market by creating marketing campaigns that impact on the target market and respect their cultural norms.

Insights on the Pakistani Context

The way SMEs approach social media marketing is significantly shaped by Pakistan's cultural, social, and economic background. The following observations demonstrate how these factors have an impact.

1. *The Influence of Local Culture and Values*

Considering Pakistan's diverse and traditional cultural landscape, businesses can post only relevant content on social media. Some respondents discussed at length that businesses have to make sure that their marketing materials take into account local cultural sensitivities when dealing with religion, family values, and social norms. For instance, R9 (retail owner) spoke about how the content should always show respect for religious practices and traditions because Pakistan is a predominantly Muslim country. He added that "anything that could be seen as culturally insensitive or inappropriate has the potential to damage our reputation in the market."

2. *Trust and Consumer Behavior*

In Pakistan, trust is a key factor in customer behavior. According to respondents, customers are more likely to trust companies that interact with them honestly and openly on social media. This trust-building aspect can be leveraged by SMEs by being more transparent in their communications and showcasing customer reviews and testimonials. R10 (services manager) stated, "Consumers in Pakistan are very skeptical, but once they see honest reviews and responses from a business, they are more likely to trust and engage with it."

3. *Language Preferences and Regional Differences*

Several respondents pointed out that the secret to connecting with local audiences is to use regional languages. Regional dialects or Urdu-language content can greatly boost interaction and promote a feeling of community. R7 (manufacturing business owner) emphasized that businesses should tailor their language to their target region. "Using the local dialect is crucial, especially in rural areas. It helps to establish a personal connection with the audience," he stated.

Implications for SMEs

The findings from this study provide several actionable implications for SMEs in Pakistan looking to enhance their social media marketing strategies.

1. *Maximizing Resource Utilization*

   Forecasting future demand is easier in mature markets because of the established footprint, whereas in emerging markets new competitors can easily enter and provide traditional low-value services, making prediction of demand uncertain. Businesses may be able to create engaging campaigns that appeal to their target audience by collaborating with micro-influencers or using content creation services.

2. *Investing in Employee Training*

   Considering the identified gap in digital marketing skills SMEs should allocate their scarce resources for investment in the digital literacy of their employees. These could include affordable online courses, house training, partnership with educational organizations for improving content creation, social media strategy and interpretation of analytics skills.

3. *Tailoring Marketing to Cultural and Regional Preferences*

   In order to make marketing material more authentic and interesting, SMEs might modify it to fit the language and cultural preferences of various Pakistani regions. Social media campaigns should be tailored to local values and dialects and can optimize engagement and build trust with target audiences.

Table 2:

Thematic Analysis of Findings

Theme	Subtheme	Codes	Description
Financial	Budget	Budget,	SMEs struggle with high costs

Theme	Subtheme	Codes	Description
Constraints	Limitations, High Ad Costs	Advertising Expense	associated with paid advertising on social media platforms like Facebook, Instagram, and TikTok, limiting their ability to run regular ads.
Lack of Digital Expertise	Technical Knowledge, Skill Gap	Lack of Expertise, Digital Tools	Many SME owners and employees lack essential digital marketing skills, hindering their ability to effectively engage with social media platforms for marketing purposes.
Content Creation Challenges	Inconsistent Posting, Content Gaps	Content Creation, Scheduling	SMEs face difficulties in creating and maintaining a consistent content strategy due to limited resources, time, and manpower.
Cultural Sensitivity	Respecting Traditions, Religious Content	Cultural Sensitivity, Tradition	Marketing content needs to reflect local cultural values, respecting religious and societal norms to avoid alienating potential customers.
Opportunities with Micro-Influencers	Affordable, High Engagement	Influencer Marketing, Community Engagement	SMEs can utilize micro-influencers to reach specific, engaged audiences in a cost-effective way, fostering stronger connections and trust within communities.
Localized Marketing Framework	Regional Adaptation, Language Use	Language, Localization	SMEs can benefit from tailoring content to local languages (such as Urdu and Punjabi) and regional preferences, increasing audience engagement and relevance.

The findings of this study provide valuable insights into the challenges and opportunities that SMEs in Pakistan face with social media marketing. Small businesses can more effectively use social media to market their goods and interact with consumers by resolving budgetary limitations, bridging knowledge gaps in digital marketing, and embracing local and culturally relevant content.

Summary of Findings

This study identified the challenges, opportunities and strategic solutions for Small and Medium Enterprises (SMEs) in Pakistan for use of social media marketing. A qualitative

approach was adopted where in-depth interviews were conducted with SME owners, managers and employees that revealed some key themes around the barriers and potential strategies for overcoming them.

The research found four main challenges faced by Pakistani SMEs in leveraging social media marketing. Among the first major sticking points, however, was finance, as many SMEs lack budget to fully take advantage of paid advertising options available on platforms such as Facebook and Instagram. Most respondents said that while organic reach is possible, it's usually out of their price range to make an impact with paid campaigns. The second challenge here was that SMEs do not have in-house expertise in digital marketing. SME owners and employees who don't necessarily have the skills to run an efficient social media campaign are unable to produce high-quality content and measure how effective they are in marketing. Thirdly, SMEs have the challenge posed by limited manpower or resources, which makes it hard to create consistent content. Respondents shared that most of the time content creation was neglected in place of other operational priorities. Lastly, cultural sensitivity was an important point in what content should be created. Thus, SMEs are required to adapt their marketing strategies to meet the community's values and traditions to avoid losing any potential customers.

However, the study also discovered some opportunities for SMEs to improve their social media marketing. A clear opportunity is an ability to leverage low-cost digital tools like Canva to create content, and Buffer to schedule posts across multiple platforms. With these tools, SMEs can make professional marketing material without having to hire expensive external agencies. It also revealed an opportunity in micro-influencer marketing. Local influencers with smaller but engaged audiences provide SMEs with great means to reach niche markets at a considerably lower advertising cost. Also, SMEs can access community-based marketing by using local languages and cultural subtleties to earn the trust of the audiences in the region.

The respondents proposed several strategic solutions to the challenges identified. SMEs should invest in employee training for digital marketing (for SMEs to embrace employee training and have this trained to manage social media campaigns effectively). A proposed solution was to offer support from both government and private sectors for SMEs. These could be subsidies to pay for digital marketing expenses or workshops to increase digital literacy. Lastly, creating a localized marketing framework that is adapted to Pakistan's culture and language diversity was identified as a necessary strategy to increase levels of engagement and sense of authenticity in social media campaigns.

The findings are compared with previous studies on how social media marketing adoption is being shaped in SMEs of emerging markets e.g India, Bangladesh to articulate the unique socio economical and cultural factors that define the adoption of social media marketing in Pakistan. For instance, studies on micro-influencer collaborations in India (Agustian et al.,

2023) and digital literacy initiatives in Bangladesh (Nadeem et al., 2024) provide valuable benchmarks for contextualizing the challenges and opportunities identified in this research.

Practical Recommendations

The wide range of free or low-cost digital marketing tools available offers SMEs the perfect opportunity to make the most out of their social media presence. Businesses leverage tools such as Canva, Hootsuite and Buffer as they create appealing content, schedule posts, and manage diversified social media accounts using half the conventionally available resources. Without the need for expensive software or agency, these tools give SMEs a cost-effective way to keep up a constant presence on different social media channels. Similarly, SME owners and employees need to invest in their digital marketing training, to boost their social media marketing results. SMEs can equip their team with the skills needed to handle their marketing by participating in online courses, and local workshops or hiring short-term consultants to teach content creation, social media strategy and analytics.

In addition, SMEs should also consider micro-influencer marketing as the most potent means to reach niche markets. Partnerships with influencers who truly connect with their followers can result in more authentic and engaging advertising campaigns. To have a valuable resonance with the target audience, SMEs should choose influencers whose values are shared by the brand. A localized marketing strategy is another key strategy, that is tailoring social media content for localized languages and cultural customs. Building stronger relationships with local communities and improving engagement can be done using languages such as Urdu or Punjabi and culturally sensitive content. It is important to consider the fact that social media is not a one-time hit. Even if SMEs are limited in resources, they should create a content calendar and devote resources to post accordingly. Being able to outsource content creation to affordable freelancers or leveraging automated scheduling tools will help SMEs maintain that steady stream of posts so that the brand remains present and in contact with its audience.

Financial support and incentives can help policymakers play a significant role in supporting the growth of SMEs' social media marketing efforts. Support through subsidies, grants or tax incentives for SMEs to invest in digital marketing would offset the cost of a paid campaign and allow SMEs to experiment with several strategies. Facilitating digital literacy programs is a must in this context alongside financial support to empower SME owners and employees to tap into the entire digital marketing landscape that is at play. Government partnerships with the private sector and education institutions should come up with courses meant to train SME staff on how they can handle and enhance their social media campaigns.

One other important step to create an ecosystem where SMEs thrive in the digital space is encouraging public-private partnerships. Thus, policymakers should stimulate collaborations among SMEs, private sector organizations and government agencies to develop affordable

marketing platforms or tools that suit small businesses' needs. A partnership with an online digital marketing agency that provides SMEs with affordable access to a range of resources is one example. It can also help with research and the creation of digital tools that benefit SMEs in developing nations like Pakistan. This will facilitate policymakers in promoting the creation of cost-effective, user-friendly marketing tools that support the SME content creation and audience engagement challenges thereby allowing the SMEs to participate in the digital marketplace.

Future Research Directions

This study has brought out some of the essential challenges and opportunities for social media marketing among SMEs in Pakistan, however, there are areas for further inspection. One avenue for future research is exploring how government interventions and private-sector cooperation play a role. This should specifically investigate the effectiveness of government programs like subsidies, digital marketing grants, tax incentives, and others that may span financial and resource gaps for SMEs. Also, knowledge about how government, private sector and SME correlations can enhance the ability of small businesses to use social media marketing will be of great use to policymakers as well as small business owners.

Another promising area for further research is, comparing the situation of SMEs in China with SMEs in other developing countries. It would also enable a keener insight into whether the challenges Pakistani SMEs face are particular or to certain types of businesses in other emerging economies as well. Research on the digital marketing environment in Pakistan for SMEs would benefit from the accrual of knowledge on best practices from similar markets to identify strategies that can be adapted and applied in the Pakistani context for better practices. Moreover, in addition to the issues examined in this study, future research can investigate the long-term effect of social media marketing on SMEs from the perspective of their growth and sustainability. For instance, looking at how social media strategies help in building brand loyalty, customer retention, and revenue growth over time will offer useful insights concerning the long-run benefits of digital marketing to small businesses.

At last, it is important to investigate another possible area for research which is the integration of e-commerce platforms with social media marketing, as e-commerce continues to grow in Pakistan. Thus, future studies can explore how this integration could potentially increase sales, increase customer engagement and overall improve marketing strategy for SMEs. Exploring this synergy between social media platforms, online stores and digital payment services could offer SMEs a more holistic digital marketing approach, where they can expand their reach while increasing their profitability.

Conclusion

This study has discussed in detail the challenges, opportunities, and strategies for social media marketing for SMEs in Pakistan. Even with the numerous barriers to entry SMEs face (limited availability of financial resources and digital marketing know-how, inconsistent ability to create content), they have access to several opportunities to leverage and maximize their marketing efforts. There are affordable digital marketing tools such as Canva, Buffer and Hootsuite for SMEs to create and schedule content at an affordable rate without paying outrageous fees. Moreover, there is a chance for SMEs to collaborate with micro-influencers to create meaningful and genuine bonds with their audiences in their particular niche markets. Additionally, localizing information to include regional languages and cultural sensitivity facilitates communication between local communities and enterprises. If these opportunities are properly seized and present challenges are resolved, SMEs may enhance their social media presence and overall marketing efficacy more than they otherwise might, providing them with a competitive edge in the digital marketplace.

Moreover, policymakers need to create an enabling environment for digital marketing, and further support SMEs. Sometimes, financial incentives can help by having governments offer subsidies or grants for SME's paid campaigns, to ease some of their financial burden. Furthermore, SMEs may narrow the knowledge gap and improve their use of social media platforms by implementing digital literacy programs and collaborating with the public and private sectors. Policymakers can create greater support for SMEs in digital marketing paradigms. Future research could proceed to examine the effectiveness of government interventions, compare challenges experienced by SMEs in other developing countries and assess how the combination of e-commerce with social media marketing can propel the growth and sustainability of SMEs in Pakistan.

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