

Impact of Social Media Use on Customer Relationship Management

Case Study Of A Group Of Microenterprises In Algeria

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Abstract: This study explores the impact of social media use on customer relationship management (CRM) practices, particularly in microenterprises and small businesses in Algeria. Data was gathered through a 217 confirmed questionnaire from 262 distributed for small shops and stores owners in Algiers (the capital city of Algeria). The partial least square regression analysis revealed that business owners who extensively used social media for customer relationship management (CRM) were more likely to express greater satisfaction with their business performance. Additionally, analyses of moderating effects confirmed a positive relationship between the intensity of social media use for CRM and business performance.

Keywords : Social Media Platforms; CRM; Microenterprises; Social competency.

JEL Classification Codes : M1, M31, D12.

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1. Introduction

In today's business environment, companies encounter significant challenges, including intense competition, fluctuating consumer trends, and increasingly sophisticated customer expectations. A firm's ability to generate and maintain customer satisfaction is a critical determinant of its success. To enhance competitiveness and surpass rivals, companies must focus on delivering exceptional service to elevate customer satisfaction. Achieving this goal requires a deep understanding of customers and clients' needs and wants, all that we allow and guide businesses to personalise their products and services according to those preferences. CRM practices are vital in this process, with traditional CRM systems often utilized by large corporations. However, emerging evidence suggests that social media platforms, such as Facebook and Instagram, are becoming popular tools for small businesses to implement CRM strategies. While the use of social media for CRM has been discussed in existing literature, its application within microenterprises remains underexplored. Given the distinct characteristics of microenterprises compared to larger firms, their approach to social media CRM may differ from established models. Additionally, the relationship between social media CRM adoption and improved company performance has not been thoroughly explored. And that's what this study seeks to explore.

This study test how social media can function as a CRM tool for microenterprises, specifically it will examine the relationship between the intensity of social media usage for CRM and business performance satisfaction in a sample of Algerian microenterprises. Algeria is an appropriate context for this study, as many small firms in the country have effectively leveraged social media as a primary channel for marketing and selling their products. While previous studies have explored the benefits of social media in business, they often overlooked the influence of entrepreneurs and firm characteristics on the extent of these benefits. Addressing this gap, the authors pose an important question: can the advantages derived from social media use vary among firms? The suggest is that, when using social media for CRM as a tool in general may enhance the performance satisfaction, its benefits could be particularly significant for entrepreneurs who struggle with face-to-face interactions and for firms that depend heavily on social media for sales. The subsequent section will provide a discussion on the supportive evidence for the moderating effects of entrepreneurs' attributes and firm characteristics.

This study will review in the next section the existing literature on Customer Relationship Management (CRM), the characteristics of microenterprises, and the ways in which social media can be utilized for CRM activities to improve business performance. Subsequently, the authors will formulate hypotheses based on relevant literature. After that it will be the demonstration of the used methods in that study to test the presented hypotheses in a detailed way. After that the authors will present the results of the analysed data and discuss the findings, from that authors will provide a conclusion of the study.

2. Literature review and hypotheses

2.1. CRM as a tool through Social Media Platforms for microenterprises

In General, Customer Relationship Management abbreviated as (CRM) broadly encompasses the use of customer-related information to provide pertinent products or services, thereby enhancing customer retention through effective relationship management. (Baron &

Markman, 2011, p. 45) It has been contended that, although "Customer Relationship Management (CRM)" and "relationship marketing" are frequently used synonymously, a significant difference lies in the fact that CRM incorporates information technology—such as software applications and database systems—to streamline and support the relationship marketing process. This technological aspect differentiates CRM from conventional relationship marketing approaches. (Payne & Frow, 2016, p. 167)

The existing literature predominantly focuses on CRM implementation in large and medium-sized companies, with relatively fewer studies examining its application within microenterprises. Some research suggests that small and large companies emphasize different uses of social media, (Valkenburg, Schouten, & Peter, 2012, p. 387) detect that both microenterprises and large companies and firms are increasingly using social media platforms to add value to their operations. However, when comparing social media usage in four key areas of value creation (internal communication, external communication, knowledge sharing, and hiring), found that microenterprises primarily employed social media for external communication, while larger corporations focused more on internal communication. (Verheyden & Goeman, 2013, p. 08).

As organizational theories and practices used by large organizations may not accurately represent the structure and management principles of small organizations, they may not be directly applicable or effective in smaller business contexts. (Harrigan, Ramsey, & Ibbotson, 2019, p. 452), It is essential to examine the CRM practices of microenterprises, as these businesses often face challenges due to their distinct characteristics. Microenterprises are typically small-scale operations with fewer than ten employees, and in some cases, the business is run solely by the owner. One major limitation they frequently encounter is a lack of financial resources, which can hinder their operational capabilities. (Kamal, Andre, & Augustyn, 2017) In contrast to medium-sized and large companies, which typically have dedicated management teams to handle functions such as marketing and technology management, microenterprise owners generally manage these tasks on their own. Consequently, the adoption of CRM systems, which demands substantial investments in information technology, human resources, and expertise, is often more feasible for larger firms and poses a significant challenge for microenterprises to implement. (Garcia, Pacheco, & Martinez, 2014, p. 6) Consequently, CRM implementations in microenterprises often differ from those in large and medium-sized enterprises. For instance, researchers have noted that while large corporations typically employ sophisticated computerized systems for their CRM functions, microenterprises generally use more basic and simple tools and technologies, such as free nonprofessional email and simple accounting software, to do their daily tasks and missions. (Bharati & Chaudhury, 2013, p. 89)

Recent studies suggest that social media technology offers microenterprises a valuable opportunity to implement customer relationship management (CRM) activities. However, the documentation on how microenterprises can effectively utilize social media for CRM remains limited. This study adopts a conceptual framework for CRM activities, which classifies them into four distinct processes: identification, differentiation, interaction, and customization.

The first process, identification, focuses on gathering customer data, including demographic details, purchasing history, and personal preferences. The second process, differentiation, involves segmenting customers into groups based on shared needs and values. The third process, interaction, emphasizes the importance of engaging with customers to ensure

their expectations are understood, facilitating the development of products and services that foster long-term satisfaction. Lastly, the fourth process, customization, pertains to tailoring marketing offers to meet the specific needs and preferences of individual customers. (Peerayuth & Pakamon, 2017, p. 27)

Microenterprises in the National Capital Region (NCR) of India employ social media to facilitate all four processes of customer relationship management (CRM). In the identification process, actions such as liking a company's Facebook page or commenting on posts allow the business to access user profiles and the information shared publicly. A similar mechanism operates on Instagram, where companies can view profiles after a user follows them. The information gathered from social media encompasses not only basic demographic data but also insights into customers' lifestyles and preferences, inferred from their status updates and shared content. This comprehensive data collection aids in constructing a customer database and is vital for the differentiation process, enabling companies to segment customers based on common characteristics. For the interaction process, social media provides a platform for effective communication through status updates and personalized messages. It also facilitates customer feedback through comments on the company's posts, enhancing customer engagement and interaction. (Goyal, 2017, p. 2422)

Finally, social media serves as a valuable tool for facilitating the customization process within CRM. Social media platforms often allow users to be grouped into different categories, enabling companies to tailor marketing offers for specific member groups and post these offers accordingly to harmonize with the preferences and characteristic of each group. Also, using hashtags and keywords when posting on social media platforms help to classify products in a simple and clear category and that will make the access to the products much easier and based on their interests. (Peerayuth & Pakamon, 2017, p. 27).

2.2. Social media use for CRM and business performance

Previous studies indicate that leveraging social media for customer relationship management (CRM) can significantly enhance the business performance of microenterprises across different dimensions. Significantly, the ability to engage with customers and personalized marketing communications on an individual level enhances customer satisfaction and promotes long-term loyalty. Beyond the advantages offered by traditional CRM, utilizing social media provides additional benefits due to the capability for real-time communication, enabling companies to interact with and respond to customers immediately. Furthermore, since content shared on social media goes viral and can be viewed by a wide audience, social media marketing allows microenterprises to promote their products or services and join other markets also to reach more swiftly and cost-effectively compared to traditional marketing. Adding to that, employing social media as a marketing tool helps companies to lower their operational costs typically associated with conventional marketing channels. In recent studies, the good contributions of social media have been observed by research conducted by (Trainor, Andzulis, Rapp, & Agnihotri, 2018, p. 1206) which found that the extent of social media application in business is positively and significantly associated with improved financial and non-financial performance. Based on this evidence supporting the advantages of social media utilization, the following hypothesis is proposed:

Hypothesis 1

Business owners who extensively engage with social media for customer relationship management (CRM) are likely to experience greater satisfaction in their business performance.

2.3. Social media and social competency as moderators for sales intensity

The usage of social media platforms as a CRM tool offers advantages for improving business performance, its effectiveness depends on two key factors. First, the entrepreneur's level of social competency plays a pivotal role in leveraging these tools effectively. Second, the impact also hinges on whether the company derives a significant portion of its sales through social media platforms. These moderating factors shape the extent to which social media contributes to business performance satisfaction.

The significance of these two factors will be analyzed in the following discussion.

Firstly, social competency is defined as the capacity to engage effectively with others, relying on specific social skills. (Baron & Markman, 2011, p. 41) In retail businesses, this competency involves several elements, including the ability to establish strong interpersonal relationships with customers, present products in an engaging and trustworthy way, communicate with honesty, and demonstrate enthusiasm in assisting customers by sharing valuable information. Studies indicate that individuals with high social competency generally achieve superior performance across different domains. (Hochwarter, Witt, Treadway, & Ferris, 2010, p. 485) In fact, social competency is regarded as a vital skill that significantly influences entrepreneurial success. (Baron & Markman, 2011, p. 42) Having the cited elements above enables business owners to build strong relationships with their customers and clients, leading to enhanced customer satisfaction and, ultimately, improved business performance. (Cheung & Tsang, 2011, p. 270).

While strong social competency is essential for entrepreneurs to enhance positive customer relationships and improve business performance, a unique scenario arises in the context of social media marketing. Business owners with lower social competency may have greater opportunities to enhance business performance through intensive use of social media for CRM, compared to those with higher social competency. This idea aligns with the social compensation hypothesis, which suggests that individuals with weaker social skills can benefit from social media to overcome interpersonal challenges and achieve comparable or superior goals. (Valkenburg, Schouten, & Peter, 2005, p. 386), The social compensation hypothesis, widely discussed in the literature, provides insight into some motivations behind social media use. It thinks that individuals who struggle to form meaningful friendships in real-life settings are more inclined to engage with social media, as it offers a way to replace or compensate for their limited offline social networks by building connections online. (Zywica & Danowski, 2008, p. 21). Specifically, this feature of social media communication agrees with the media naturalness theory. (Kock & Lynn, 2012, p. 556), which proposes that computer-mediated communication (CMC) lacks essential elements of face-to-face interaction—such as facial expressions, emotional cues, and body language—which hinders the ability to accurately assess the interpersonal skills of others. This reduction in non-verbal cues can level the playing field, allowing individuals with lower social competency to engage more effectively in online interactions than they might in traditional, in-person settings. (Peerayuth & Pakamon, 2017, p. 27)

Additionally, studies suggest that the absence of nonverbal cues in computer-mediated communication (CMC), such as on social media, can improve communication effectiveness, particularly by facilitating better impression management. (Walther J. B., 2006, p. 462) This benefit of CMC can be explained by social information processing theory (WALTHER, 2007, p. 73). Firstly, the social information processing theory suggests that in the absence of nonverbal signs, communicators adapt by using available signs in computer-mediated communication (CMC)(WALTHER, 2007, p. 74). Secondly, the social identification/de-individuation model suggests that in online interactions, the absence of nonverbal signs leads users to base their impressions on social categories rather than individual interpersonal cues. (WALTHER, 2007, p. 78) Some studies also suggest that the lack of nonverbal sights also increases individuals' willingness to disclose personal information compared to face-to-face interactions.(Joinson, 2001, p. 180).

Generally, having a good communication skill is an important factor for individuals for professional relationship building, in the same time the lack of those skills will affect business owners in their relationships building especially with their customers. In the absence of nonverbal cues or signs, customers cannot accurately perceive the seller's personality, style, or intentions. Therefore, leveraging social media more intensively for CRM becomes essential for business owners to create stronger impressions with their customers, ultimately enhancing business performance. (Peerayuth & Pakamon, 2017, p. 28)

According to what we concluded above. And according to the benefits of social media and what it can bring to business owners. We anticipate that the social competency of business-owners will Influence the business's performance and sales intensity, and this take us to the following hypotheses:

Hypothesis 2

Business Owners' social competency will have a positive connection with business performance and customers satisfaction.

Hypothesis 3

Business Owners' social competency will negatively moderate the relationship between the intensity of social media use for CRM and business performance satisfaction.

2.4. The Role of Social Media Sales Intensity in enhancing CRM and Business Performance

The study concludes by suggesting that the positive relationship between social media use for CRM and business performance satisfaction is contingent upon the extent to which companies derive their sales volume from social media platforms. Specifically, the authors assert that the advantages of using social media for CRM are more pronounced for firms that generate a higher proportion of their sales through social media, compared to those relying primarily on physical retail channels. Companies with a heavy reliance on social media sales must prioritize engaging social media users as their primary customer base. However, this focus also exposes these companies to heightened competition, as other vendors on these platforms often offer similar products. In this context, leveraging social media for CRM becomes a strategic tool for differentiation, enabling companies to deliver an effective clear marketing message directly to targeted customer group. This focused strategy leads to enhance customer satisfaction compared

to competitors who do not actively engage in social media-based customer relationship management (CRM). The contribution of social media to business performance among these companies can be interpreted through the lens of the resource-based view, which highlights the importance of valuable resources and capabilities in achieving a competitive advantage and superior performance.(Barney, Wright, & Ketchen, 2007, p. 629).

Specifically, for companies heavily dependent on social media sales, utilizing social media as a tool for relationship marketing is regarded as a distinctive capability that empowers them to deliver exceptional customer service.(Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015, p. 573). Since the performance of businesses that rely heavily on social media sales is closely bind to the satisfaction of their social media customers, improving customer satisfaction through social media-based CRM emerges as a critical marketing strategy for improving business performance satisfaction. This expectation aligns with previous studies, which found that the impact of information technology (IT) potential on business performance is more significant for companies with high IT intensity compared to those with lower IT reliance.(Ravichandran, Lertwongsatien, & Lertwongsatien, 2005, p. 240). In light of thisrelationship, the following hypothesis is proposed:

Hypothesis 4

The intensity of social media sales will positively influence the relationship between the extent of social media use for CRM and business performance satisfaction.

3. Methods

3.1. Sample and data collection

The sample we are using for our study collected from small shops owners located in the city of Algiers, and to confirm that our sample correspond to the targeted study we confirmed that all the respondents are using or already used social media to sell their products or services. For that a designed survey was used for data collection.

The surveys were distributed accompanied by a cover letter in two methods (online and by paper).

A total of 262 survey were distributed, and 228 were returned, resulting in a response rate of approximately 87%. However, eleven of the returned questionnaires were excluded due to incomplete responses or dishonesty.

Table 1: This section presents the descriptive statistics of the sample's characteristics. Most of the professionals in the sample were identified as microenterprises with 2 to 8 employees including the owners. On average, over half of their sales volume originated from social media platforms. The majority reported Facebook (78%) as their primary sales channel, followed closely by Instagram (75%). Additionally, nearly half of the sample (49%) indicated that they used or still using both Facebook and Instagram to sell their products.

Table 1. Sample's demographic and characteristics details

Variables	Statistics
Microenterprisesage (by years)	Mean: 2.86 SD.: 1.56 Maximum: 1 Minimum: 7
Micro enterprises size (number of full-time employees including the owner)	Mean: 1.90 SD.: 0.78 Maximum: 5 Minimum: 1
Social media experience (by years)	Mean: 2.16 SD.: 0.93 Maximum: 5 Minimum: 1
Social media sales (% Comparing to normal sales)	Mean: 72.26% SD.: 16.29% Maximum: 100% Minimum: 20%
Primary platform of social media	Facebook: 139 (64%) Instagram: 78 (36%)
Number of Social Media platforms used in business	One SM Platform: 50 (23%) More than one SM Platform: 167 (77%)
MicroenterprisesSpecialty	Clothing and accessories: 168 (77%) Mobile phones and phone accessories: 21 (10%) Grocery: 12 (6%) Cosmetics and Hygiene: 10 (5%) Home decorations: 6 (3%)

Source: Prepared by researchers based on WarpPLS 7.0 program

3.2. Measures

The scaling method used in this study followed a series of steps recommended by previous researchers. (Goyal, 2017, p. 2425). We designed our survey for this study by collecting many expressive elements from the literature review and also some references that has relation with the study topic, adding to that we proceed some professional interviews with some entrepreneurs and business owners experienced in social media marketing. The preliminary set of questions was shared with two marketing academics and seven entrepreneurs actively using social media in their businesses to evaluate their clarity and validity.

Based on their feedback, the questions were refined accordingly. Subsequently, a preliminary survey draft was developed and pre-tested with 20 shop owners to evaluate the reliability and validity of the measurement scales. The initial analysis indicated satisfactory outcomes.

The intensity of social media usage for customer relationship management (CRM) was measured using eight items, addressing four core dimensions of CRM activities via social media: identification (two items), differentiation (two items), interaction (two items), and customization (two items).

Responses were recorded using a five-point Likert scale, ranging from 1 (very little) to 5 (very extensive). Social competency was evaluated through six items developed based on a review of previous studies. (Peerayuth & Pakamon, 2017, p. 29)all of which were rated using the same five-point Likert scale. Social media sales intensity was assessed by asking respondents to specify the percentage of their store's total sales attributed to social media.

Using a comparison of sales generated through social media platforms with both regular sales and sales prior to adopting social media in business. This approach provided added value to our research compared to previous studies. However, it is important to know the challenges of obtaining accurate financial performance data from businesses and especially microenterprises in developing countries, such as Algeria.(Hasha, 2011). Respondents were asked to evaluate their satisfaction with their businesses' performance across eight items. Each item was assessed using a five-point Likert scale, ranging from 1 (very dissatisfied) to 5 (very satisfied).

In addition to the primary independent variables specified in the hypotheses, The authors have not overlooked some factors that may affect business performance. To control for these variables, Microenterprises were evaluated based on their size, determined by the number of employees (including business owners), and their age, measured by the year of establishment. Additionally, the analysis incorporated the intensity of business competition, assessed subjectively. Respondents were asked to rate the level of competition they experienced across three dimensions using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

3.3. Collected Data Analysis

We used the WarpPLS 7.0 version of the program released in 2020 in our study.

Partial least squares (PLS) regression was used for the data analysis. A key advantage of PLS regression is its flexibility as it does not assume that the data follows a normal distribution, making it particularly suitable for datasets with non-normal distributions alsoits suitable for smaller sample sizes. (Hair, Ringle, & Sarstedt, 2011, p. 141). PLS regression was deemed suitable for this study because the Jarque-Bera normality test, conducted prior to data analysis, revealed that the key variables in the hypotheses did not follow a normal distribution. As a result, PLS offered more reliable outcomes compared to other covariance-based structural equation modelling techniques. (Peerayuth & Pakamon, 2017, p. 29)

4. Results

Since the primary constructs were conceptualized as reflective latent variables, it was essential to evaluate their reliability and validity. To establish convergent validity, the factor loadings were evaluated. All factor loadings exceeded the minimum threshold of 0.5 as recommended by (Hair, Black, Babin, & Anderson, 2010). Discriminant validity was assessed by verifying whether the average variance extracted (AVE) for each construct exceeded the corresponding squared correlation coefficient. (Peerayuth & Pakamon, 2017, p. 29)The results, as showed in Table 2, indicate that all indicators met the discriminant validity criteria. Construct reliability was evaluated using Cronbach's alpha coefficient, with all latent variables exhibiting reliability values above the recommended threshold of "0.7". (Goyal, 2017, p. 2425)

Table 2. Variables correlation matrix

Variables	BFS	SCRM	SC	SSI	SIZE	AGE	BCI
BFS	(0.544)	0.367**	0.238**	-0.096	0.011	0.033	-0.196**
SCRM		(0.528)	0.118	-0.019	0.060	-0.009	-0.234**
SC			(0.573)	0.063	-0.058	-0.030	-0.085
SSI				(1)	-0.469**	-0.660	-0.116
SIZE					(1)	0.444**	0.081
AGE						(1)	2**
BCI							(0.692)

Source : Prepared by researchers based on WarpPLS 7.0 program

Notes: ** $p < 0.01$, * $p < 0.05$.

Square roots of average variance extracted of latent variables are shown in the parentheses.

BFS = Business Performance Satisfaction, SMCRM = SocialMedia use intensity for CRM.

SC = social competency, SMSI = social media sales intensity, SIZE = microenterprise size, AGE = microenterprise age.

BCI = business competition intensity.

Authors used full collinearity Variance Inflation Factor “VIF” statistics to evaluate the degree of multicollinearity among the indicators. According to (Kock & Lynn, 2012) The full collinearity “VIF” test offers greater robustness than the traditional “VIF” test, as it simultaneously evaluates both vertical and lateral collinearity. Additionally, both (Kock & Lynn, 2012) researchers contended that the full collinearity VIF test can function as an indicator for identifying the potential presence of common method variance. (Peerayuth & Pakamon, 2017, p. 29) In the PLS model, the maximum full collinearity VIF stated in the data analysis is below the critical threshold of 3.3, as recommended by (Kock N. , 2015) This indicates that multicollinearity is not a concern in the model, as the relationships between the indicators are sufficiently independent to ensure reliable parameter estimation. However, to further address potential concerns regarding CMB, Harman’s one-factor test, as recommended by (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003), was also performed. The results demonstrated that the one-factor confirmatory factor analysis model did not adequately fit the data ($\chi^2 = 1865.582$; d.f. = 209; $p < 0.001$). Consequently, these findings help alleviate concerns regarding common method bias (CMB) in the analysis.

Table 3: presents the results of the PLS analysis, offering valuable insights into the relationship between social media use intensity for (CRM) and business performance satisfaction. The table also explores the moderating effects of social competency and social media sales intensity, highlighting how these factors influence the primary relationship between social media usage and business outcomes.

The analysis presents three key models, each building on the previous one. In the “**base model**” presented in the first column, a significant positive relationship is observed between social media use intensity for CRM and business performance satisfaction ($\beta = 0.355$; $p < 0.001$), supporting the hypothesis that increased social media use for CRM enhances business performance satisfaction. In the second column, when social competency is introduced as a

moderating variable, a negative interaction effect is found ($\beta = -0.406$; $p < 0.001$). This suggests that higher social competency diminishes the direct positive impact of social media use intensity on business performance. This moderation explains an additional 13.1% of the variance in the outcome, as reflected by the increase in R^2 . In the third column, the “**moderating effect of social media sales intensity**” is shown to significantly amplify the positive relationship between social media use intensity for CRM and business performance satisfaction ($\beta = 0.244$; $p < 0.001$). This moderation accounts for an additional 4.2% of the variance in the model, further highlighting the importance of social media sales intensity in driving business outcomes. Finally, the fourth column of the analysis presented “**the combined moderating effects**” examines both moderators together and show that the results remain consistent: social competency continues to have a negative moderation effect ($\beta = -0.388$; $p < 0.001$), and social media sales intensity retains a positive moderation effect ($\beta = 0.151$; $p = 0.004$). The combined effect explains an additional 15.9% of the variance in business performance satisfaction.

- **Support for Hypotheses:** Overall, the final model confirms “Hypothesis 1”, which suggest a positive relationship between the intensity of usage of social media for CRM and business performance satisfaction ($\beta = 0.185$; $p < 0.001$). Similarly, “Hypothesis 2”, which suggests a positive association between social competency and business performance satisfaction, is also supported ($\beta = 0.142$; $p = 0.006$). Furthermore, the moderating effects of social competency (Hypothesis 3) and social media sales intensity “Hypothesis 4” both supported, as demonstrated by the significant interaction terms.

Table 3. Results from PLS regression.

Variables	M1	M2	M3	M4
SMCRM	0.355***	0.204***	0.314***	0.185***
SC	0.172**	0.124*	0.197***	0.142**
SMSI	-0.104*	-0.124*	-0.075	-0.098*
SMCRM $\times$ SC	n/a	-0.406***	n/a	-0.388***
SMCRM SMSI	n/a	n/a	0.244***	0.151**
Control variables				
Size	-0.076	-0.043	-0.031	-0.02
Age	0.061	0.03	0.049	0.024
BCI	-0.145**	-0.086	-0.097*	-0.054
R-square	0.223	0.354	0.265	0.382
Δ R-square	n/a	0.131	0.042	0.159
Maximum full VIF	1.919	1.93	1.97	1.978

Source: Prepared by researchers based on WarpPLS 7.0 program

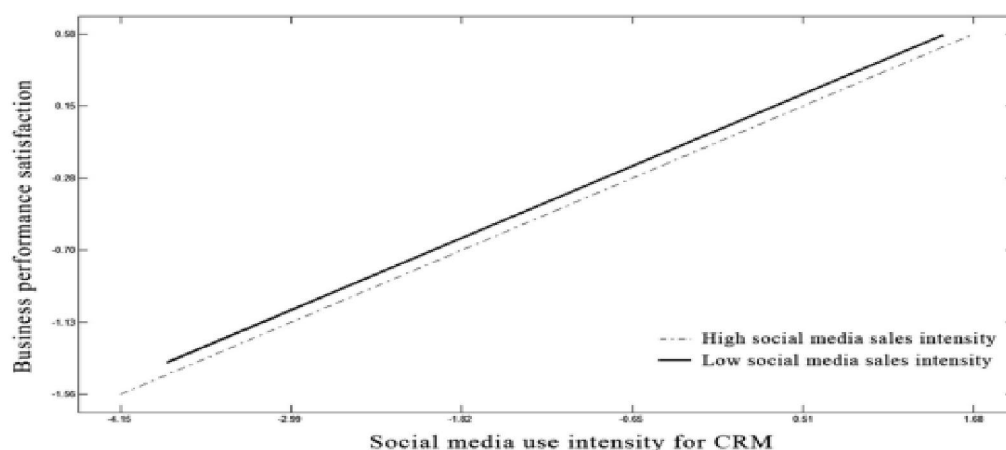
Notes: *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

Standardized coefficients are reported.

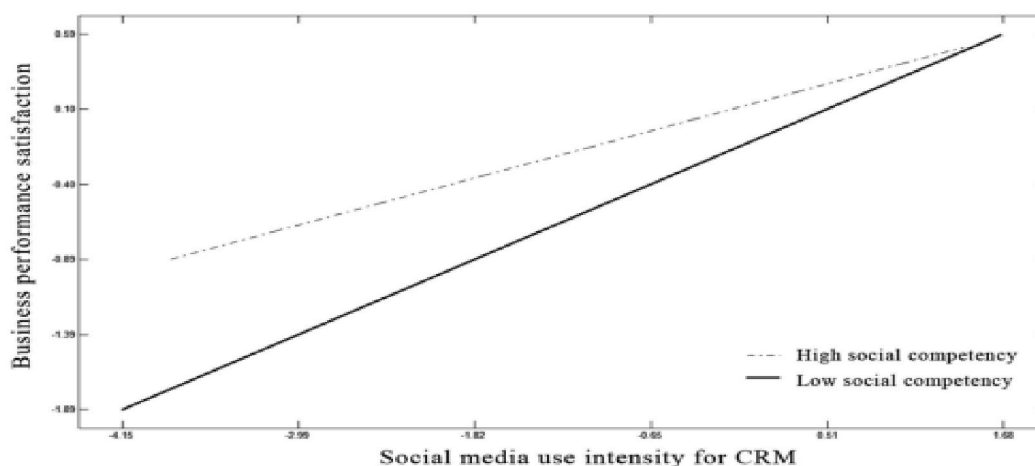
BFS = Business Performance Satisfaction, SMCRM = Social Media use intensity for CRM.

SC = social competency, SMSI = social media sales intensity, SIZE = microenterprise size, AGE = microenterprise age.

BCI = business competition intensity.

Figure 01: Social competency and Social Media sales intensity effects

Source: Prepared by researchers using WarpPLS 7.0 program

Figure 02: Interaction affects.

Source: Prepared by researchers using WarpPLS 7.0 program

5. Discussion

The research above conducted in the Algerian market, especially for some Algerian Microenterprises based in Algiers the capital of Algeria, tested the relationship between the intensity of social media usage in businesses for CRM and also the effect of that on the business performance satisfaction. Adding to the evaluation and the rating of the impact of social media use for CRM, the survey also tested business owner's social competency and its influence on sales coming from social media platforms and activities.

The obtained results using PLS data analysis reinforce all the proposed hypotheses. Notably, the findings revealed that entrepreneurs who engaged in intensive social media use for CRM were more likely to report greater satisfaction with their business performance. Specifically, the finding regarding the positive impact of social media use for CRM reinforces prior published studies, which highlighted the fact that social media can function as a valuable channel for companies to implement "CRM" strategies and improve business performance. (Baird & Parasnis, 2011).

This finding aligns with the results of a recent empirical study by (Trainor K. , Andzulis, Rapp, & Agnihotri, 2018), which also highlighted the role of social media as an effective tool for implementing CRM strategies to enhance business performance.

Adding to all what we mentioned before, the findings from the analyses of moderating effect enhance the results of the previous studies. Notably, we can see a positive relationship between the usage of social media as a CRM tool and also the business performance satisfaction, also we can confirm the role of social competency of business-owners in the integration of CRM in their businesses using a free simple tool as Social Media platforms. Specifically, the finding that social media usage has a more significant positive impact on this group of entrepreneurs is consistent with the social compensation hypothesis, which suggests that individuals with lower social competency may benefit more from using social media to enhance their business performance. (Valkenburg, Schouten, & Peter, 2005). The results also confirm a positive impact of social media platforms usage for business owners aligns with the guess of social compensation hypothesis and the media naturalness theory. (Kock N. , 2004) mentioned before. Studying social competency demonstrate that individuals with difficulties in real-world communication derive from social media interactions, this study demonstrates its applicability in understanding the benefits business owners with low social competency can gain from intensive social media use for engaging with customers. This finding suggests that social media serves as an effective channel for business owners who struggle to build face-to-face relationships, helping them compensate for their interpersonal limitations. Since social media interactions generally involve fewer direct interpersonal exchanges than face-to-face communication, leveraging social media for CRM activities becomes particularly valuable for such entrepreneurs, enabling them to engage with customers more effectively. The analysis showed that, in addition to the influence of business owners' social competency, the positive impact of social media use for Customer Relationship Management (CRM) was notably stronger for companies that generate higher sales through social media. This suggests that utilizing social media for CRM is particularly critical for businesses that primarily target customers and clients who are daily active on social media platforms. This finding highlights the importance of including and integrating social media platforms as a tool in "CRM" activities, as it allows businesses in general and microenterprises specifically to target social media users to enhance their business performance.

8. Conclusion

In conclusion, the authors provide according to this research empirical evidence that confirm the necessity of using social media as a tool for CRM practices and activities for an effective marketing strategy and that will help business owners to enhance the business performance for Algerian microenterprises.

This study according to the findings enhance the body of scientific research on the benefits of social media use in businesses, especially the related ones with the topic of CRM.

Additionally, the study treats an important research gap by demonstrating that the benefits using social media platforms as a CRM tool are influenced by specific features of both business owners and microenterprises. Finally, the authors emphasize that as businesses increasingly adopt social media to capitalize on the growing number of social media users, it is crucial for companies, especially microenterprises, to integrate social media platforms in their marketing and promotional strategies to stay competitive in the evolving business landscape.

Declaration of generative AI-assisted technologies in the writing process

During the preparation of this work, the author(s) utilized ChatGPT to enhance the clarity and readability of the writing. Following the use of this tool, the author(s) thoroughly reviewed and revised the content to ensure its accuracy as needed.

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