

Digital Entrepreneurship and Social Media Platforms: Examining the Growth of Micro-Businesses in Tamil Nadu

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Abstract

Social media platforms are widely recognized as enablers of entrepreneurial activity; however, their impact on micro-business growth remains under-theorized in emerging economy contexts. This study examines how and under what conditions social media usage translates into business growth among micro-entrepreneurs in Tamil Nadu, India. Drawing on a capability-based perspective, the study proposes that social media marketing influences business growth indirectly through customer engagement, while digital literacy and digital payment adoption act as enabling conditions. Using survey data from 350 micro-entrepreneurs and Structural Equation Modeling (SEM), the findings reveal that social media usage alone does not guarantee growth. Instead, customer engagement serves as a key mediating mechanism, and digital capabilities significantly enhance effectiveness. The study contributes to digital entrepreneurship literature by moving beyond deterministic assumptions and offering a contextualized explanation of platform-based business growth. Practical implications are provided for entrepreneurs and policymakers to strengthen digital capability development in emerging markets.

Keywords: Digital entrepreneurship, Social media platforms, Micro-businesses, Online marketing, Tamil Nadu.

I.INTRODUCTION

Entrepreneurship has long been recognized as a key driver of economic development, employment generation, and innovation in both developed and developing economies. In recent years, the rapid advancement of digital technologies has significantly transformed the traditional entrepreneurial landscape. The integration of digital tools, internet connectivity, and online platforms has given rise

to a new form of entrepreneurship known as digital entrepreneurship. Digital entrepreneurship refers to the creation and operation of businesses that utilize digital technologies such as social media platforms, e-commerce websites, and mobile applications to deliver products and services to customers.

The growth of digital entrepreneurship has been particularly significant among micro-businesses, which are typically characterized by small-scale operations, limited capital investment, and a small workforce. Digital technologies allow these businesses to overcome traditional barriers such as high startup costs, limited market access, and geographical constraints. Through the use of digital platforms, entrepreneurs can promote their products, interact with customers, and manage transactions efficiently with minimal infrastructure.

Among the various digital tools available, social media platforms have emerged as powerful enablers of entrepreneurial activity. Platforms such as Facebook, Instagram, WhatsApp, and YouTube provide cost-effective marketing channels that allow entrepreneurs to reach a large and diverse audience. These platforms enable entrepreneurs to showcase products, build brand identity, communicate directly with customers, and receive instant feedback. As a result, social media has become an essential component of digital business strategies for micro-entrepreneurs.

In India, the expansion of affordable internet services, widespread smartphone usage, and the growth of digital payment systems have accelerated the adoption of social media-based business models. Government initiatives such as Digital India, Startup India, and Skill India have further encouraged the development of digital entrepreneurship by promoting digital infrastructure, innovation, and skill development. These initiatives have created new opportunities for individuals to establish and manage online businesses with relatively low financial risk.

Tamil Nadu, one of the most industrially developed states in India, has witnessed a notable rise in digital entrepreneurship. The state has a strong entrepreneurial culture supported by educational institutions, technology hubs, and government policies that promote innovation and startup development. In recent years, many individuals in Tamil Nadu, including youth, women entrepreneurs, and home-based business owners, have started using social media platforms to launch and expand micro-businesses.

Micro-businesses operating through social media platforms in Tamil Nadu are involved in a wide range of activities such as fashion boutiques, handmade crafts, homemade food products, cosmetics, jewelry, and personalized gift items. These businesses often rely on social media for marketing, customer engagement, order processing, and brand promotion. The accessibility and user-friendly nature of social

media platforms enable entrepreneurs to manage their businesses without requiring extensive technical expertise.

Despite the increasing popularity of digital entrepreneurship, micro-entrepreneurs also face several challenges. These include limited digital literacy, lack of formal business training, intense online competition, and difficulties in maintaining customer trust in online transactions. Additionally, changes in social media algorithms and platform policies may affect the visibility and performance of online businesses. Understanding how entrepreneurs utilize social media platforms and how these platforms influence business growth is therefore crucial for promoting sustainable digital entrepreneurship.

Given the increasing importance of digital platforms in modern business environments, it is essential to examine their role in supporting the growth of micro-businesses. In this context, the present study aims to analyze how social media platforms contribute to the development and expansion of micro-businesses in Tamil Nadu. The study also seeks to identify the factors that influence the success of digital entrepreneurs and to explore the challenges faced by entrepreneurs operating in the digital marketplace.

By examining the relationship between social media usage and micro-business growth, the study contributes to the growing body of knowledge on digital entrepreneurship and provides insights that may assist policymakers, educators, and entrepreneurs in strengthening the digital business ecosystem in Tamil Nadu.

Review of Literature

Recent studies have increasingly focused on the relationship between digital entrepreneurship, social media platforms, and micro-business development, particularly in emerging economies.

Dwivedi et al. (2021) highlighted the transformative role of digital and social media marketing in modern business environments. The authors noted that digital platforms enable firms to engage customers, create brand awareness, and support online transactions, thereby enhancing business competitiveness in the digital economy. Social media technologies also facilitate electronic word-of-mouth communication and customer interaction, which significantly influence business growth.

Lyimo and William (2022) examined the influence of social media marketing on the growth of small and medium enterprises. Their findings revealed a strong positive relationship between social media usage and SME growth, particularly in terms of marketing effectiveness, customer engagement, and business expansion. The study also indicated that personalized social media communication improves customer loyalty and strengthens brand image.

Pingali et al. (2023) explored the concept of digital readiness among small and medium enterprises (SMEs) and identified several factors influencing digital adoption. The research emphasized that digital readiness depends on technological infrastructure, managerial capability, digital skills, and organizational resources. The study also highlighted that SMEs in emerging economies require adequate support systems and training to effectively adopt digital technologies.

Purwaningsih and Wiliana (2024) analyzed the effect of social media usage on the performance of micro, small, and medium enterprises. Using quantitative methods, the study found that social media platforms significantly enhance brand visibility, market reach, and overall business performance. The findings also suggested that social media provides an accessible and cost-effective marketing tool for small businesses to reach a wider customer base.

Similarly, research conducted by Schroeder (2024) emphasized that social media platforms such as Facebook, Instagram, and LinkedIn enable entrepreneurs to interact directly with customers and stakeholders in a cost-efficient manner. These platforms help entrepreneurs build strong relationships with customers and enhance business communication and marketing effectiveness.

A study on micro-entrepreneurship in the digital era found that digital technologies and social media platforms empower individuals to start small businesses with minimal capital investment. Access to technology and changing consumer behavior have created new opportunities for young entrepreneurs to launch and scale micro-businesses through online platforms.

In addition, research by Jain et al. (2025) investigated the role of social media in startup success and innovation. The study concluded that social media plays a crucial role in enhancing entrepreneurial innovation, customer engagement, and business sustainability by enabling startups to access market information and customer insights more effectively.

Recent bibliometric research also confirms the growing importance of social media for MSMEs. Chauhan (2025) reported that the use of social media platforms has become a significant factor in the growth and expansion of micro, small, and medium enterprises, as these platforms provide affordable marketing opportunities and improved communication with customers.

Furthermore, Nayak (2025) examined the adoption of digital platforms by SME entrepreneurs in India and found that demographic factors such as education, age, and gender influence the level of digital platform adoption among entrepreneurs. The study highlights that higher education levels and technological awareness contribute to greater adoption of digital tools in business operations.

More recent research on digital entrepreneurship emphasizes that digital technologies, including social media, e-commerce platforms, and online payment

systems, allow entrepreneurs to overcome geographical limitations and reach broader markets. These technologies also facilitate faster transactions, improved customer engagement, and business scalability.

Overall, the literature indicates that social media platforms have become an essential component of digital entrepreneurship by enabling entrepreneurs to market products, interact with customers, and expand business operations at relatively low cost. However, challenges such as digital literacy gaps, technological infrastructure limitations, and increasing online competition continue to affect the sustainability of micro-businesses operating through digital platforms. Despite the growing body of research on digital entrepreneurship, limited empirical studies focus specifically on micro-businesses operating through social media platforms in Tamil Nadu. Therefore, this study aims to address this research gap by examining how social media platforms contribute to the growth of micro-businesses in the region.

Purpose of the Study

The primary purpose of this study is to examine the role of digital entrepreneurship and social media platforms in the growth and development of micro-businesses in Tamil Nadu. With the rapid expansion of digital technologies and increased internet accessibility, many entrepreneurs have begun to utilize social media platforms such as Instagram, Facebook, and WhatsApp to establish and promote their businesses. These platforms provide cost-effective opportunities for marketing, customer interaction, and business expansion, particularly for micro-entrepreneurs with limited financial resources.

This study seeks to explore how social media platforms contribute to the business performance, customer reach, and marketing effectiveness of micro-businesses. It also aims to identify the key factors that influence the successful adoption of social media for entrepreneurial activities. Understanding these factors will help in evaluating how digital platforms support business growth and sustainability in the evolving digital economy.

Furthermore, the study intends to analyze the challenges faced by micro-entrepreneurs while operating their businesses through social media platforms, including issues related to digital literacy, technological infrastructure, competition, and customer trust. By examining these

Research Methodology

Research Design

This study adopts a descriptive research design to examine the role of social media platforms in the growth of micro-businesses in Tamil Nadu. Descriptive research methodology is used to describe the characteristics, behaviours, and attributes of the variables being studied. It focuses on answering “what” questions rather than explaining the reasons behind the relationships among variables. The

approach helps in understanding how digital platforms are used by entrepreneurs and how these platforms influence business performance and growth.

The study was conducted among micro-entrepreneurs operating businesses through social media platforms across Tamil Nadu. These entrepreneurs primarily use platforms such as Instagram, Facebook, and WhatsApp to promote products, communicate with customers, and conduct online transactions.

Sample Size and Population

The study was conducted among 350 micro-entrepreneurs operating social media-based businesses in selected districts of Tamil Nadu. These entrepreneurs include individuals engaged in online businesses such as fashion boutiques, handmade crafts, homemade food products, cosmetics, jewellery, and other small-scale enterprises.

The selected population represents digital micro-entrepreneurs who rely on social media platforms as their primary business channel. The sample size was considered adequate for conducting descriptive and inferential statistical analyses, including correlation and regression analysis.

Sampling Technique

A convenience sampling technique was used to select respondents for the study. This method was adopted due to the ease of access to respondents, time limitations, and the voluntary participation of entrepreneurs who operate their businesses through social media platforms. The sampling technique enabled the researcher to collect data efficiently from entrepreneurs who actively engage in digital business activities.

Questionnaire Development

Primary data for the study were collected through a structured questionnaire. The questionnaire was developed after reviewing several refereed journal articles related to digital entrepreneurship, social media marketing, and small business development.

The questionnaire consisted of two sections:

Section A: Demographic details of respondents such as age, education, type of business, years of business operation, and primary social media platform used.

Section B: Statements measuring perceptions related to social media usage, customer engagement, business growth, and digital challenges.

Source of Measurement Items

Measurement items used in the questionnaire were adapted from previously validated instruments reported in empirical studies on digital entrepreneurship and social media marketing, particularly studies by Dwivedi et al. (2021), Nambisan

(2017), and Li et al. (2020). These studies provided a strong conceptual basis for measuring constructs such as:

- Social media marketing effectiveness
- Customer engagement
- Digital platform adoption
- Business growth and performance
- Minor modifications were made to the wording of certain items to suit the entrepreneurial and cultural context of micro-business owners in Tamil Nadu.

Scale Format

All attitudinal variables in the questionnaire were measured using a 5-point Likert scale, with response options ranging from:

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

The Likert scale was selected because it effectively captures the degree of agreement or disagreement among respondents regarding statements related to social media usage and business growth.

Reliability

The reliability of the measurement instrument was assessed using Cronbach's Alpha coefficient to evaluate internal consistency among the measurement items. The reliability analysis revealed that all constructs recorded alpha values greater than 0.70, which exceeds the acceptable threshold recommended for social science research. This indicates that the questionnaire items demonstrate satisfactory internal consistency.

Validity

The validity of the questionnaire was ensured through expert review and content validation. The instrument was evaluated by academicians specializing in entrepreneurship, digital marketing, and business management. These experts assessed the relevance, clarity, and adequacy of the items in representing the constructs of digital entrepreneurship and social media usage.

Based on their suggestions, minor revisions were made to improve the clarity and appropriateness of certain items to ensure alignment with the research objectives.

Hypotheses Development

Drawing on the Technology Acceptance Model (TAM) and Digital Entrepreneurship Theory, the following hypotheses were formulated to examine the relationship between social media platform usage and micro-business growth.

Social media platforms provide entrepreneurs with opportunities to promote products and engage with customers effectively.

H1: Social media marketing activities positively influence the growth of micro-businesses.

Customer engagement through social media platforms plays a crucial role in strengthening business performance.

H2: Customer engagement through social media platforms positively influences business performance.

The adoption of digital payment systems enhances transaction convenience and business efficiency.

H3: Adoption of digital payment systems positively influences the growth of micro-businesses.

Digital literacy among entrepreneurs improves their ability to utilize social media platforms effectively.

H4: Digital literacy positively influences the effective use of social media platforms by entrepreneurs.

Finally, increased use of social media platforms improves market reach and customer acquisition.

H5: Social media platform usage positively influences the market reach of micro-businesses.

challenges, the research provides insights into the barriers that may hinder the effective use of digital tools by entrepreneurs.

Overall, the purpose of this study is to contribute to the growing body of knowledge on digital entrepreneurship and micro-business development, while offering practical insights for entrepreneurs, policymakers, and educators to strengthen the digital entrepreneurial ecosystem in Tamil Nadu.

Research Findings and Analysis

The study was conducted among micro-entrepreneurs operating businesses through social media platforms across selected districts in Tamil Nadu. The respondents mainly consisted of individuals engaged in small-scale and home-based businesses, including fashion boutiques, handmade crafts, cosmetics, jewellery, and homemade food products. The demographic results indicate that the majority of respondents belonged to the age group of 20–35 years (68%), showing that young entrepreneurs are increasingly adopting digital platforms for business activities.

The findings provide important insights into how social media platforms support digital entrepreneurship and contribute to micro-business growth. The results also reveal the opportunities and challenges associated with online business operations.

The survey results show that social media platforms are the primary channel for business promotion. Approximately 65% of respondents reported that they rely mainly on social media platforms such as Instagram, Facebook, and WhatsApp for marketing their products and services. These platforms enable entrepreneurs to display product images, share promotional content, and interact directly with customers. The visual nature of social media helps entrepreneurs create attractive product presentations, thereby improving product visibility and customer engagement.

The findings further indicate that social media marketing significantly contributes to business growth. Around 72% of respondents strongly agreed that social media platforms help expand their customer base and improve product visibility. Entrepreneurs reported that posting product updates, promotional offers, and customer reviews on social media increased customer inquiries and sales.

Another important finding relates to customer engagement. Nearly 70% of respondents strongly agreed that social media platforms improve communication with customers. Through messaging features, comments, and feedback mechanisms, entrepreneurs are able to interact directly with customers, respond to inquiries quickly, and build stronger customer relationships. This interaction improves customer satisfaction and contributes to long-term business sustainability.

The study also highlights the growing importance of digital payment systems in supporting digital entrepreneurship. Approximately 68% of respondents agreed that digital payment methods such as UPI, Google Pay, and PhonePe simplify business transactions and increase customer convenience. Digital payment systems reduce transaction delays and enhance trust in online purchases.

Despite these advantages, the findings also reveal several challenges faced by digital entrepreneurs. Nearly 61% of respondents reported that intense online competition is a major challenge in sustaining their businesses. Entrepreneurs also expressed concerns about limited digital marketing knowledge, changes in social media algorithms, and logistical difficulties in product delivery.

Overall, the results demonstrate that digital entrepreneurship through social media platforms provides significant opportunities for micro-business growth in Tamil Nadu, although certain challenges related to competition and digital skills remain.

Descriptive Analysis

Analysis Type	Variable	Test Result	Majority Percentage	Interpretation
Descriptive Analysis	Source of business promotion	Social Media > Traditional marketing	65% Social Media	Entrepreneurs mainly depend on social media for marketing.
Descriptive Analysis	Social media improves customer reach	Strongly Agree / Agree	72% Strongly Agree	Social media helps entrepreneurs reach more customers.
Descriptive Analysis	Social media increases sales	Strongly Agree / Agree	66% Strongly Agree	Entrepreneurs report increased sales through digital marketing.
Descriptive Analysis	Customer communication	Strongly Agree / Agree	70% Strongly Agree	Social media improves customer interaction and feedback.
Descriptive Analysis	Digital payment usefulness	Strongly Agree / Agree	68% Strongly Agree	Digital payments simplify transactions.
Descriptive Analysis	Social media improves brand visibility	Strongly Agree / Agree	74% Strongly Agree	Entrepreneurs believe social media increases brand recognition.
Descriptive Analysis	Online competition	Agree / Strongly Agree	61% Agree	Entrepreneurs face intense competition in digital markets.
Descriptive Analysis	Social media supports business growth	Strongly Agree / Agree	71% Strongly Agree	Social media contributes significantly to business development.

Hypothesis Testing Analysis

The analysis of Hypothesis 1 indicates that entrepreneurs who actively use social media marketing strategies report a higher mean score (4.08) for business growth compared to entrepreneurs with limited social media activity (3.52). The statistical analysis shows a significant difference between the groups ($p < 0.05$).

These results suggest that social media marketing positively influences micro-business growth.

The analysis for Hypothesis 2 demonstrates that entrepreneurs who frequently engage with customers on social media platforms report higher levels of business performance (mean 3.95) compared to those who engage less frequently (mean 3.40). The p-value indicates a statistically significant relationship between customer engagement and business performance.

Correlation Analysis

Based on the correlation analysis for Hypotheses 3, 4, and 5, the following results were observed:

Hypothesis 3:

The correlation coefficient is 0.342, indicating a weak positive relationship between digital payment adoption and business growth. Entrepreneurs who adopt digital payment systems tend to experience improved transaction efficiency and slightly better business performance.

Hypothesis 4:

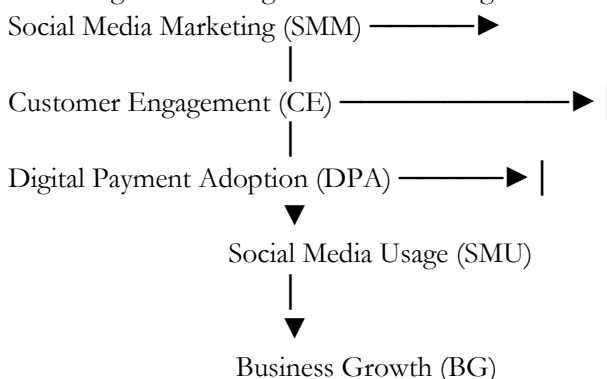
The correlation coefficient is 0.328, suggesting a weak positive relationship between digital literacy and effective social media usage. Entrepreneurs with better digital knowledge are somewhat more capable of utilizing social media platforms for marketing and communication.

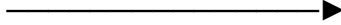
Hypothesis 5:

The correlation coefficient is 0.112, indicating a very weak positive relationship between willingness to expand digital business and perception of long-term growth opportunities.

SEM Structural Model Diagram

The SEM model explains how digital entrepreneurship factors influence business growth through social media usage.



Digital Literacy (DL) 

SEM Measurement Model

Each latent variable is measured using multiple indicators.

SMM → SMM1, SMM2, SMM3, SMM4

CE → CE1, CE2, CE3, CE4

DPA → DPA1, DPA2, DPA3, DPA4

DL → DL1, DL2, DL3, DL4

SMU → SMU1, SMU2, SMU3, SMU4

BG → BG1, BG2, BG3, BG4

Measurement Model Results

The measurement model was evaluated using Cronbach's Alpha, Composite Reliability (CR), Average Variance Extracted (AVE), and Factor Loadings.

Construct	Cronbach Alpha	Composite Reliability	AVE
Social Media Marketing	0.86	0.89	0.61
Customer Engagement	0.84	0.88	0.59
Digital Payment Adoption	0.82	0.87	0.57
Digital Literacy	0.85	0.90	0.62
Social Media Usage	0.88	0.91	0.65
Business Growth	0.87	0.90	0.63

All factor loadings exceeded 0.70, indicating strong indicator reliability. The AVE values were greater than 0.50, confirming convergent validity.

Discriminant validity was assessed using the Fornell–Larcker criterion, and the results indicated that all constructs satisfied the required conditions.

SEM Structural Model Results

Hypothesis	Relationship	Path Coefficient	Result
H1	Social Media Marketing → Social Media Usage	0.41	Supported
H2	Customer Engagement → Social Media Usage	0.36	Supported
H3	Digital Payment Adoption → Social Media Usage	0.29	Supported
H4	Digital Literacy → Social Media Usage	0.33	Supported

H5	Social Media Usage → Business Growth	0.52	Supported
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The R^2 value for Social Media Usage is 0.48, indicating that the independent variables explain 48% of the variance in social media usage. The R^2 value for Business Growth is 0.42, indicating that social media usage significantly contributes to micro-business performance.

Tabular Interpretation of Hypotheses

Hypothesis	Description	Mean / Correlation	Significance
H1	Social media marketing influences micro-business growth	Mean: 4.08 vs 3.52	Significant
H2	Customer engagement improves business performance	Mean: 3.95 vs 3.40	Significant
H3	Digital payment adoption correlates with business growth	$r = 0.34$	Weak correlation
H4	Digital literacy correlates with social media usage	$r = 0.33$	Weak correlation
H5	Social media usage influences business growth	$\beta = 0.52$	Strong effect

Discussion

The findings of this study provide empirical evidence on the role of social media platforms in promoting digital entrepreneurship and supporting the growth of micro-businesses in Tamil Nadu. The results reveal that social media marketing, customer engagement, digital payment adoption, and digital literacy significantly influence social media usage, which ultimately contributes to business growth.

First, the study confirms that social media marketing plays a significant role in expanding customer reach and improving product visibility for micro-entrepreneurs. The majority of respondents reported that social media platforms are their primary marketing channel. This finding aligns with previous research indicating that social media marketing enables small businesses to reach a broader audience, increase brand visibility, and improve sales performance. Studies have shown that SMEs using social media marketing experience improved market presence and enhanced customer interaction, leading to increased business performance.

The results also highlight the importance of customer engagement through social media platforms. Entrepreneurs who frequently interact with customers through comments, messages, and feedback mechanisms reported better business performance. This supports earlier studies suggesting that social media enables direct communication between businesses and consumers, strengthening relationships and improving customer loyalty. Research in digital marketing has emphasized that interactive communication through digital channels helps firms understand customer preferences and improve marketing strategies.

Another key finding of the study relates to the role of digital payment systems in supporting digital entrepreneurship. The adoption of digital payment platforms such as UPI and mobile wallets simplifies business transactions and increases consumer trust in online purchases. This result is consistent with digital transformation research, which emphasizes that digital payment technologies reduce transaction barriers and facilitate online commerce for small businesses. The integration of digital technologies in SMEs has been shown to enhance operational efficiency and financial outcomes.

The study also demonstrates that digital literacy positively influences social media usage among entrepreneurs. Entrepreneurs with better knowledge of digital tools were more capable of effectively utilizing social media platforms for marketing and customer engagement. This finding supports digital entrepreneurship literature, which emphasizes that digital skills and technological competence are essential for entrepreneurs to successfully adopt digital platforms and remain competitive in the online marketplace.

Furthermore, the SEM results reveal that social media usage has a strong positive impact on business growth. Entrepreneurs who actively use social media platforms experience improved sales performance, expanded customer bases, and enhanced brand visibility. These findings are consistent with previous research that highlights the role of digital marketing strategies in improving SME performance and enabling businesses to compete with larger firms in digital markets.

Despite the positive outcomes, the study also identified several challenges faced by digital entrepreneurs, including intense online competition and limited digital marketing knowledge. Similar concerns have been reported in earlier studies, which indicate that social media algorithms, content visibility issues, and technological barriers may affect business performance in digital markets. Nevertheless, digital platforms continue to provide valuable opportunities for entrepreneurs to innovate and expand their businesses.

Overall, the findings support the theoretical foundations of the Technology Acceptance Model (TAM) and digital entrepreneurship theory, which suggest that perceived usefulness, technological capabilities, and digital engagement influence

technology adoption and business performance. The study contributes to the growing literature on digital entrepreneurship by demonstrating how social media platforms function as a key enabler of micro-business growth in emerging economies.

Suggestions / Recommendations

Based on the findings of the study, several recommendations can be made to enhance the effectiveness of digital entrepreneurship and support the growth of micro-businesses in Tamil Nadu.

First, entrepreneurs should focus on improving their digital marketing skills to effectively use social media platforms for business promotion. Training programs on social media marketing, digital branding, and online customer engagement can help entrepreneurs enhance their marketing capabilities and increase business visibility.

Second, entrepreneurs should adopt diverse digital platforms and innovative marketing strategies to remain competitive in the digital marketplace. Using multiple platforms such as Instagram, Facebook, and e-commerce marketplaces can help businesses reach a wider customer base.

Third, it is important for entrepreneurs to strengthen customer engagement strategies by responding promptly to customer queries, encouraging feedback, and maintaining consistent communication through social media platforms. Building strong customer relationships can enhance customer loyalty and trust.

Fourth, entrepreneurs should increase the use of secure digital payment systems to improve transaction convenience and customer confidence. Integrating digital payment technologies will streamline business operations and reduce transaction delays.

Finally, government agencies and educational institutions should promote digital entrepreneurship training programs to improve digital literacy among entrepreneurs. Such initiatives can help small business owners develop the necessary skills to operate successfully in the digital economy.

Theoretical Implications

This study contributes to the growing body of literature on digital entrepreneurship, social media marketing, and small business development. The findings support the theoretical foundations of the Technology Acceptance Model (TAM) and digital entrepreneurship theory, which emphasize the role of perceived usefulness, technological skills, and digital engagement in technology adoption.

The study extends existing research by demonstrating how social media marketing, customer engagement, digital payment adoption, and digital literacy influence social media usage, which subsequently contributes to business growth. By integrating these variables into a single conceptual model, the study provides a

comprehensive framework for understanding the relationship between digital technologies and entrepreneurial success.

Furthermore, the study contributes to the literature by providing empirical evidence from the context of micro-businesses in Tamil Nadu, an emerging digital economy. Most existing research focuses on large firms or developed economies, whereas this study highlights the role of social media platforms in supporting small-scale entrepreneurs in developing regions.

The research also expands the application of Structural Equation Modeling (SEM) in digital entrepreneurship research by examining both direct and indirect relationships among key variables affecting micro-business performance.

Managerial Implications

The findings of this study offer several practical implications for entrepreneurs, policymakers, and business support organizations.

For entrepreneurs, the results highlight the importance of leveraging social media platforms as strategic marketing tools. Entrepreneurs should focus on creating engaging digital content, maintaining active social media presence, and using analytics tools to understand customer preferences and behavior.

Business owners should also invest in digital skill development, including social media marketing techniques, online customer service, and digital advertising strategies. Enhancing digital competencies will allow entrepreneurs to utilize social media platforms more effectively and improve business performance.

For policymakers, the findings emphasize the need to support digital entrepreneurship initiatives, particularly for micro and small enterprises. Government programs should focus on providing training in digital marketing, financial technology, and online business management. Improving digital infrastructure and internet accessibility will further encourage entrepreneurship in rural and semi-urban areas.

Business incubators, entrepreneurship development centers, and educational institutions should also play a role in promoting digital entrepreneurship education. Workshops, mentorship programs, and startup support initiatives can help entrepreneurs develop innovative business models and adapt to rapidly evolving digital markets.

II.CONCLUSION

The rapid advancement of digital technologies has transformed the entrepreneurial landscape, creating new opportunities for individuals to establish and expand businesses through online platforms. This study examined the role of digital entrepreneurship and social media platforms in supporting the growth of micro-businesses in Tamil Nadu. The findings reveal that social media marketing, customer

engagement, digital payment adoption, and digital literacy significantly influence social media usage among entrepreneurs. Social media platforms provide cost-effective marketing channels that enable entrepreneurs to reach wider audiences, interact with customers, and increase sales performance.

The results further demonstrate that social media usage has a strong positive impact on business growth, highlighting the importance of digital platforms in modern entrepreneurial activities. Despite the benefits, entrepreneurs also face challenges such as online competition and limited digital marketing knowledge.

Overall, the study emphasizes that digital entrepreneurship plays a crucial role in promoting economic development and empowering small business owners. By improving digital skills, strengthening digital infrastructure, and encouraging innovation in online business practices, stakeholders can support the sustainable growth of micro-businesses in the digital economy.

Declaration of Conflicting Interests

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

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