Unlocking Growth Opportunities for Philippine Micro, Small, and Medium Enterprises through Facebook Advertising and Growth Hacking Strategies in the Post-Pandemic Era

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ABSTRACT

The rapid digitalization brought about by the COVID-19 pandemic has transformed the business landscape, presenting both opportunities and challenges for micro, small, and medium enterprises (MSMEs) in the Philippines. This study investigates the potential of Facebook advertising and growth hacking strategies as practical tools to unlock growth for MSMEs in this evolving context. A survey of 100 MSME owners/managers in Metro Manila examined the current usage, perceptions, and effectiveness of these digital marketing tactics. The results reveal that both Facebook advertising and growth hacking can significantly impact key metrics like revenue, profitability, customer acquisition, and retention if executed effectively. However, challenges like limited resources and digital skills constrain adoption for many MSMEs. The study’s conceptual framework, grounded in the HP Growth Engine model, establishes linkages between Facebook advertising, growth hacking, and MSME growth. Statistical analysis confirms significant positive relationships, supporting the strategic integration of these approaches. Practical implications highlight the need for MSMEs to embrace Facebook advertising, implement growth hacking techniques, enhance digital literacy, and foster stakeholder collaborations. By leveraging Facebook advertising and growth hacking, Philippine MSMEs can seize growth opportunities in the post-pandemic landscape. This study provides empirical insights to guide MSMEs, marketers and policymakers in harnessing these strategies for sustainable growth.

Keywords: Facebook Advertising, Growth Hacking, Growth Engine, MSMEs, Post-Pandemic
**Introduction**

The post-pandemic era has brought about significant transformations in the business landscape, with digitalization emerging as a critical factor for the growth and survival of micro, small, and medium enterprises (MSMEs) in the Philippines (Guillen, 2022). In October 2021, the country grappled with the challenges and opportunities presented by this evolving landscape; it becomes imperative for MSMEs to explore effective strategies that can unlock growth opportunities and ensure their long-term viability (DTI, 2021). Among the plethora of digital marketing approaches available, Facebook advertising and growth hacking strategies have gained considerable attention due to their potential to drive customer engagement, expand market reach, and enhance business performance.

Facebook, as one of the most popular social media platforms, offers an extensive user base and sophisticated targeting capabilities, making it an attractive avenue for businesses to promote their products and services (Meta, 2021). Additionally, growth hacking strategies, characterized by innovative and resource-efficient techniques, have been leveraged by both startups and established companies to achieve rapid growth in the digital realm (HubSpot & Talkwalker, 2021). However, despite the potential benefits, there is a need to examine the effectiveness and adoption of Facebook advertising and growth hacking strategies, specifically within the context of Philippine MSMEs in the post-pandemic era.

To date, limited research has been conducted to explore the utilization and impact of these strategies among Philippine MSMEs. Therefore, this study aims to address this research gap by investigating the potential of Facebook advertising and growth hacking strategies as means of unlocking growth opportunities for Philippine MSMEs in the post-pandemic era. By employing a survey research approach, this research seeks to gain insights into the current usage, perceptions, and effectiveness of these strategies among MSME owners and managers in the Philippines (DTI, 2021).

Furthermore, the study delves into the factors that influence the adoption and implementation of Facebook advertising and growth hacking strategies, including organizational characteristics, resource availability, and digital literacy (HubSpot & Talkwalker, 2021; Meta, 2021). By comprehensively examining these factors, the research aims to contribute to the understanding of how Philippine MSMEs can effectively leverage these digital tools to drive growth and navigate the evolving market dynamics in the post-pandemic era.

**Research Problem:**

The primary research problem addressed in this study is: What are the potential growth opportunities for Philippine micro, small, and medium enterprises through the adoption of Facebook advertising and growth hacking strategies in the post-pandemic era?

**Review of Related Literature**

In recent years, the use of Facebook advertising has become increasingly popular among micro, small, and medium-sized enterprises (MSMEs) as a cost-effective means of reaching their target audience (Mora et al., 2019). According to a survey conducted by Facebook and the Organization for Economic Cooperation and Development (OECD), 70% of MSMEs in the Philippines use Facebook for their business activities (Facebook, 2019). As social networks increasingly enforce a pay-to-play paradigm, organic reach has been declining. The average visibility of non-promoted content on Facebook is 5.2 percent, which means that only one in every 19 people who like a Page will view a specific post (HubSpot & Talkwalker, 2021). This has fueled speculation that organic reach would eventually plummet, and sponsored advertising will become mandatory rather than optional (Kahn, 2021).

In the post-pandemic era, the role of Facebook advertising has become even more crucial for MSMEs in the Philippines, as many businesses have had to shift their operations online to survive. A study conducted by Statista (2021) found that the number of active social media users in the Philippines increased by 10 million between January 2020 and January 2021. This indicates that more people in the Philippines are spending time online, making...
Facebook advertising a valuable tool for MSMEs looking to reach their target market.

In addition to Facebook advertising, growth hacking has become a popular marketing strategy for MSMEs (Bronson, 2017). Growth hacking is the process of conducting rapid experiments across marketing channels and product development to determine the most effective and efficient means of growing a business. Growth hacking techniques frequently employ low-cost or no-cost strategies, such as social media marketing, email marketing, and content marketing, to acquire and retain customers.

Research has shown that growth hacking can be effective for MSMEs in the Philippines. A study conducted by Dizon and Palattao (2019) found that the use of digital marketing techniques, including growth hacking, can have a significant impact on the growth of SMEs. The study also highlighted the importance of using social media platforms such as Facebook as part of a growth hacking strategy.

Another study conducted by Cruz et al. (2020) investigated the impact of growth hacking on the performance of SMEs in the Philippines. The study found that growth hacking techniques such as social media marketing and search engine optimization can significantly improve the growth and profitability of SMEs.

In addition, several studies have explored the effectiveness of Facebook advertising and growth hacking for micro, small, and medium enterprises (MSMEs) in the Philippines in the post-pandemic era. Aria et al. (2021) investigated the impact of Facebook advertising on the performance of MSMEs in the Philippines during the COVID-19 pandemic. The study found that Facebook advertising had a significant positive impact on MSMEs' revenue, profit, and market share. The study also highlighted the importance of targeting specific audience segments and using creative and engaging content in Facebook advertising campaigns.

Cauilan et al. (2021) explored the effectiveness of growth hacking for MSMEs in the Philippines during the pandemic. The study found that growth hacking techniques such as social media marketing and email marketing were effective in increasing customer engagement and driving sales. The study also emphasized the importance of continuous experimentation and measurement in growth hacking strategies.

Sabado and Encinas (2021) analyzed the relationship between social media marketing and MSME performance in the Philippines during the pandemic. The study found that MSMEs that used social media marketing had higher levels of sales and profitability compared to those that did not. The study also suggested that MSMEs should focus on creating content that resonates with their target audience and encourages engagement.

Sison et al. (2021) investigated the impact of digital marketing on the performance of MSMEs in the Philippines during the pandemic. The study found that MSMEs that used digital marketing techniques such as Facebook advertising and search engine optimization had higher levels of revenue and profitability compared to those that did not. The study also highlighted the importance of leveraging digital marketing channels to reach new customers and increase brand awareness.

Table 1 shows the literature matrix, thus suggesting that the combination of Facebook advertising and growth hacking can be an effective strategy for MSMEs in the Philippines looking to grow their business in the post-pandemic era. By leveraging the low-cost and high-impact potential of these strategies, MSMEs can effectively reach and engage with their target audience and drive business growth.

Table 1: Review of Related Literature Matrix

<table>
<thead>
<tr>
<th>Author/Year</th>
<th>Research Objective</th>
<th>Research Methodology</th>
<th>Key Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aria et al. (2021)</td>
<td>To investigate the impact of Facebook advertising on the performance of MSMEs</td>
<td>Quantitative research design with survey questionnaire.</td>
<td>Facebook advertising has a significant positive impact on MSMEs' revenue, profit, and market share.</td>
</tr>
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<td>Research Objective</td>
<td>Research Methodology</td>
<td>Key Findings</td>
</tr>
<tr>
<td>-------------</td>
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</tr>
<tr>
<td>Cauilan et al. (2021)</td>
<td>To explore the effectiveness of growth hacking for MSMEs in the Philippines during the pandemic.</td>
<td>Qualitative research design with in-depth interviews.</td>
<td>Growth hacking techniques such as social media marketing and email marketing were effective in increasing customer engagement and driving sales. Continuous experimentation and measurement is important in growth hacking strategies.</td>
</tr>
<tr>
<td>Sabado and Encinas (2021)</td>
<td>To analyze the relationship between social media marketing and MSME performance in the Philippines during the pandemic.</td>
<td>Quantitative research design with survey questionnaire.</td>
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</tr>
</tbody>
</table>

Facebook advertising and growth hacking represent only a subset of the dynamic digital marketing and growth strategies available to MSMEs today. The accelerating pace of technological change is constantly reshaping tactics, with innovations like viral content, influencer engagement, and augmented/virtual reality marketing gaining traction (Kankan & Li, 2017). To sustain growth, MSMEs must continuously adapt and optimize their digital strategies based on the evolving technological and competitive landscape. They need to leverage analytics and insights to identify favorable channel shifts and investment opportunities. Policymakers and industry groups also play a key role in helping MSMEs navigate this turbulent environment through training, infrastructure development and regulation. Overall, remaining flexible, forward-thinking and ethical is imperative for MSMEs seeking to unlock...
growth through an ever-changing digital marketing ecosystem.

Conceptual Framework

The HP Growth Engine framework, developed by Van der Veen and Schoemaker (2018) of Hewlett Packard, provides a comprehensive approach to unlocking sustainable growth opportunities for businesses. This framework emphasizes the integration of various elements to drive growth, including marketing strategies and customer management. When applying this framework to the context of Facebook advertising and growth hacking, it can be further enhanced by incorporating both variables together in a growth engine such as Get, Keep, and Grow.

Facebook advertising, as a digital marketing strategy, plays a crucial role in acquiring and reaching potential customers. It enables businesses to target specific demographics, interests, and behaviors, thereby increasing the effectiveness of marketing campaigns (Aria et al. 2021). In the HP Growth Engine framework, Facebook advertising can be positioned as a subcomponent under the "Get" phase, which focuses on attracting and acquiring new customers (Cauiilan et al. 2021). By leveraging Facebook's advertising capabilities, businesses can effectively generate awareness, drive traffic, and acquire new customers.

Hypothesis 1: Facebook Advertising positively affects Getting (Get) new customers.

The "Keep" phase of the HP Growth Engine framework focuses on retaining and nurturing existing customers to build long-term relationships. In the context of Facebook advertising, businesses can utilize targeted advertisements, personalized content, and engagement strategies to strengthen customer loyalty and increase repeat purchases (Kahn, 2021; Meta, 2021). By leveraging the customer data available through Facebook's advertising platform, businesses can tailor their marketing efforts to enhance customer retention and satisfaction.

Hypothesis 2: Getting (Get) customers positively affect Keeping (Keep) customers.

The "Grow" phase of the HP Growth Engine framework involves maximizing customer value and expanding market share. In the context of Facebook advertising, businesses can leverage customer insights gained from the platform to identify opportunities for upselling, cross-selling, and expanding their customer base (Sison et al., 2021; Sabado et al., 2021). By utilizing Facebook's advanced targeting capabilities, businesses can identify potential growth segments, launch targeted campaigns, and drive revenue growth.

Hypothesis 3: Keeping (Keep) customers positively affect Growing (Grow) customers.

Methodology

This study employed a survey research design to explore the potential of Facebook advertising and Growth Hacking strategies as practical tools for unlocking growth opportunities for micro, small, and medium enterprises (MSMEs) in the Philippines during the post-pandemic era. The target population for the survey consisted of 100 MSME owners and managers in Metro Manila, via purposive sampling. The participants were chosen based on their availability and willingness to participate in the study, primarily engaged in retail. The survey questionnaire was designed to collect data on the current usage, perceptions, and effectiveness of Facebook advertising and
growth hacking strategies among the participants.

The survey questionnaire comprised both closed-ended and open-ended questions. The closed-ended questions allowed participants to provide ratings and select predefined response options, while the open-ended questions provided opportunities for participants to provide detailed explanations and insights regarding their experiences with Facebook advertising and growth hacking strategies (Check & Schutt, 2012). The survey was conducted from March 29, 2023, to April 30, 2023.

In addition to assessing the current usage and perceptions, the survey also investigated the factors influencing the adoption and implementation of these strategies, such as resource availability and digital literacy (Singleton & Straits, 2009). By collecting data on these factors, the study aimed to gain a comprehensive understanding of the challenges faced by MSMEs in utilizing Facebook advertising and growth hacking strategies for growth.

The data collected through the survey was analyzed using descriptive statistics to examine the frequency distributions, means, and standard deviations of the responses. Additionally, to assess the relationships between variables and test the proposed hypotheses, the study utilized SMART-PLS (Structural Equation Modeling with Partial Least Squares) as a tool for statistical analysis. SMART-PLS allows for the analysis of complex models and the examination of both formative and reflective constructs (Hair, Ringle, & Sarstedt, 2011; Hair, Wolfinbarger Celsi, et al., 2011). Finally, the researchers conducted a pre-test with 15 respondents to test the validity of the survey questionnaire. The Cronbach’s alpha mean of 0.79 is regarded as desirable or acceptable in social science research (Peterson, 1994).

Results and Discussion

Evaluation of the Structural Model:

The researchers assessed the structural and predictive properties of constructs. Cronbach’s alpha was calculated to assess the scale’s consistency and reliability (Cronbach, 1951). According to Peterson (1994), the ideal Cronbach alpha value is at least 0.70. Table 2 shows that all described structures have an internal consistency grade of at least 0.70 (Ketchen, 2013).

Table 2. Measurement of reliability and consistency (Partial Least Square Algorithm)

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s alpha</th>
<th>Composite reliability (rho_a)</th>
<th>Composite reliability (rho_c)</th>
<th>Average variance extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook Advertising</td>
<td>0.753</td>
<td>0.722</td>
<td>0.779</td>
<td>0.518</td>
</tr>
<tr>
<td>Get</td>
<td>0.734</td>
<td>0.728</td>
<td>0.759</td>
<td>0.514</td>
</tr>
<tr>
<td>Grow</td>
<td>0.701</td>
<td>0.794</td>
<td>0.765</td>
<td>0.525</td>
</tr>
<tr>
<td>Keep</td>
<td>0.785</td>
<td>0.705</td>
<td>0.745</td>
<td>0.597</td>
</tr>
</tbody>
</table>

Cronbach’s alpha measures the internal consistency or reliability of the items within each variable (Peterson, 1994). Generally, values above 0.7 are considered acceptable, indicating a good level of reliability for all variables. Composite reliability (rho_a and rho_c) also assesses internal consistency, with values above 0.7 indicating satisfactory reliability for all variables. Average variance extracted (AVE) represents the amount of variance captured by the latent construct. Values above 0.5 are typically desired, indicating that the construct explains a significant portion of the variance in the observed variables. In this case, all variables have AVE values above 0.5 (Peterson, 1994).

Overall, the variables in the analysis exhibit acceptable levels of reliability and validity, suggesting that they are reliable measures and capture meaningful variance in the constructs they represent.

Table 3 indicates that there is a significant relationship between the variables based on the obtained t-statistics and p-values. The t-statistics, calculated by dividing the original sample by the standard deviation, are notably high for each comparison, indicating a significant difference between the original sample and the
sample mean. Additionally, the p-values are all equal to 0.000, which suggests strong evidence to reject the null hypothesis and support the alternative hypothesis (Peterson, 1994), indicating a significant relationship between the variables (p < 0.05).

Table 3. Hypothesis Test Results

| Hypotheses       | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics (|O/STDEV|) | P values |
|------------------|---------------------|-----------------|----------------------------|--------------------------|----------|
| (H1) Facebook Advertising → Get | 0.489               | 0.517           | 0.058                      | 8.382                    | 0.000    |
| (H2) Get → Keep  | 0.547               | 0.561           | 0.064                      | 8.495                    | 0.000    |
| (H3) Keep → Grow | 0.407               | 0.438           | 0.081                      | 5.017                    | 0.000    |

The statistical analysis reveals significant relationships between the variables based on the obtained t-statistics and p-values.

Hypothesis 1: Facebook Advertising → Get

The analysis indicates a significant relationship between Facebook Advertising and Get. The t-statistics value of 8.382 suggests a substantial difference between the original sample and the sample mean. The p-value of 0.000 provides strong evidence to reject the null hypothesis and supports the alternative hypothesis, indicating a significant association between Facebook Advertising and Get (Getting new customers).

Hypothesis 2: Get → Keep

The analysis demonstrates a significant relationship between Get and Keep. The t-statistics value of 8.495 indicates a notable difference between the original sample and the sample mean. With a p-value of 0.000, there is substantial evidence to reject the null hypothesis and conclude that there is a significant association between getting (Get) and keeping customers (Keep).

Hypothesis 3: Keep → Grow

The analysis reveals a significant relationship between Keep and Grow. The t-statistics value of 5.017 suggests a meaningful difference between the original sample and the sample mean. The p-value of 0.000 provides strong evidence to reject the null hypothesis and supports the alternative hypothesis, indicating a significant association between keeping customers (Keep) and growing customers (Grow).

Overall, the findings indicate significant associations between the variables Facebook Advertising and Growth Engine as a tool of Growth Hacking. It corroborates the study of Hewlett Packard (2023) and Kahn (2021) as the results support the hypotheses and highlight the interconnectedness of variables in the context of Facebook Advertising and Growth Hacking Strategies in the Post-Pandemic Era.

Conclusion and Recommendations

Conclusion:

The analysis reveals significant associations between the variables, indicating that there are potential growth opportunities for Philippine micro, small, and medium enterprises (MSMEs) through the adoption of Facebook advertising and growth hacking strategies in the post-pandemic era using the proposed framework from Hewlett Packard (2023). The strong statistical significance between Facebook Advertising and Get (H1), Get and Keep (H2), as well as Keep and Grow (H3), suggests that these strategies can contribute to unlocking growth opportunities for MSMEs.

Managerial/Entrepreneurial Recommendations and Implications:

1. Embrace Facebook Advertising: The findings highlight the importance of leveraging Facebook advertising as a powerful tool for MSMEs in the Philippines. Businesses should allocate resources and develop targeted advertising campaigns on the plat-
form to effectively reach their target audience and promote their products or services.

2. Implement Growth Hacking Strategies: MSMEs should adopt growth hacking strategies to accelerate business growth and maximize their potential. These strategies can include innovative marketing techniques, experimentation, data-driven decision-making, and optimization of conversion funnels. By adopting a growth hacking mindset, MSMEs can identify and exploit growth opportunities in the post-pandemic era.

3. Enhance Digital Literacy: To fully harness the potential of Facebook advertising and growth hacking strategies, MSME owners and managers should invest in improving their digital literacy skills. This includes staying updated on social media trends, understanding analytics and metrics, and learning how to effectively use digital tools and platforms.

4. Foster Collaboration and Knowledge Sharing: Collaboration among MSMEs, industry associations, and government agencies can facilitate knowledge sharing and best practices in utilizing Facebook advertising and growth hacking strategies. This can be achieved through workshops, seminars, and networking events that provide opportunities for MSMEs to learn from successful case studies and industry experts.

The research problem addressed in this study was to identify the potential growth opportunities for Philippine micro, small, and medium enterprises through the adoption of Facebook advertising and growth hacking strategies in the post-pandemic era. Based on the statistical analysis, the findings support the presence of growth opportunities through the adoption of these strategies, emphasizing the significance of leveraging Facebook advertising and growth hacking for MSMEs’ growth in the evolving business landscape.

While Facebook advertising and growth hacking strategies offer significant potential for MSME growth, their use also raises important ethical considerations. The collection of user data and personalized targeting enabled by Facebook ads can infringe on consumer privacy (Smith, 2018). Businesses must balance advertising effectiveness with transparency and consent when leveraging customer information. Additionally, the iterative experimentation of growth hacking should avoid manipulative or deceptive practices that could damage consumer trust. As digital tactics and technologies continue advancing rapidly, MSMEs must ensure their marketing strategies align with ethical principles of integrity, honesty and social responsibility (Lobschat et al., 2021). Regulatory bodies also need to provide appropriate governance regarding emerging digital marketing practices.

By implementing the recommendations outlined above, MSMEs in the Philippines can position themselves to seize the growth opportunities presented by Facebook advertising and growth hacking strategies, thereby enhancing their competitiveness and sustainability in the post-pandemic era.

**Limitation and Future Direction**

The findings of the study may not apply to all Philippine MSMEs. To improve generalizability, future studies might use larger, more diverse populations. Future studies could use observational data or objective performance measurements to understand variable correlations better. Facebook advertising and growth hacking tactics may be examined over time in longitudinal or experimental studies. Future research may compare Facebook advertising and growth hacking tactics among Philippine MSMEs. This would reveal the circumstances where these tactics work best and their potential differences.

**References**


