



INTERNATIONAL JOURNAL OF ADVANCE RESEARCH, IDEAS AND INNOVATIONS IN TECHNOLOGY

ISSN: 2454-132X

Impact Factor: 6.078

(Volume 9, Issue 2 - V9I2-1284)

Available online at: <https://www.ijariit.com>

The Impact of social media marketing on Small Businesses

Shaurya Kapoor

yashi@yashishukla.com

Heritage Xperiential Learning School,
Gurugram, Haryana

ABSTRACT

Social media has become an integral part of modern marketing strategies, especially for small businesses. The following abstract examines the impact of social media marketing on small businesses. The study finds that social media provides small businesses with various opportunities to reach a wider audience and engage with their target customer group in real time. By creating a social media presence, small businesses are able to surge brand awareness, customer loyalty, and sales. However, social media marketing also presents various challenges such as keeping pace with constantly evolving social media platforms, ways to present content, managing customer feedback, and measuring the return on investment (ROI) of social media marketing campaigns. Overall, the study concludes that social media marketing has a positive impact on small businesses and can provide a competitive advantage in today's digital landscape. Small businesses that are able to leverage social media marketing effectively can enhance their brand image, build customer relationships, and increase profitability.

Keywords: Small Businesses, Small Enterprises, SMEs, Medium Enterprises, social media, Social Media Marketing, Online Marketing

I. INTRODUCTION

Small businesses have seen a rise in significant popularity in recent times. They are traditionally owned by a sole proprietor or in a partnership and sell their products at fairs, festivals, or regional markets. Due to the change in style for revenue earning for individuals, many retired individuals, young graduates, and housewives have turned to small businesses as a mode for earning their livelihood. Many of these individuals do not possess the skills to work a job, thus they rely on their skills for which they do not own a degree. These include arts and crafts, pottery, cooking, etc. These businesses have flourished as the common population trusts homemade products more than ones made by MNCs, huge companies, etc.

Small businesses create jobs and provide income to millions of households by selling goods and services to customers. They contribute to local economies, generate tax revenue, and provide employment opportunities, allowing people to earn a steady income and support their families. Small business owners face various risks, such as financial instability, market competition, legal challenges, and business interruption due to unforeseen events. They may also have limited resources and face personal liability for business debts and legal issues. Some of them such as no publicity, and unlimited risk to the invested capital. Some other risks of occupational hazards as these businesses can't afford expensive machinery, occupy the pavements, do sales illegally, or employ children as workers.

Regarding employment, Small businesses provide a wide range of job opportunities in various sectors of the economy. This helps the employee have better jobs and allows the employers to earn more income. This especially helps women in rural areas. There are over 15 million women-owned SMEs in India. This creates a constant source of income for these entrepreneurial women and gives them a chance to be independent.

Usually, the consumer of such products visits such small businesses through word of mouth, convenience, and accessibility. But to make these businesses popular they need various modes of promotion. Social media here is the key player. One short video on a platform such as Instagram/youtube can increase their target audience by thousands.

Social media is a novel, extremely effective, and strong instrument for creating buzz about new goods, products, or culinary brands on the market. With everyone hooked on social media these days, it's natural for fast food restaurants, entrepreneurs, and aficionados to use this important medium to spread the word and create buzz about their services, products, events, and new things. The competitive climate has prompted businesses to consider unconventional techniques and social marketing in order to gain more clients on the web platform.

II. METHODOLOGY

In recent times, social media has become an important tool for small businesses to market their products and services. Social media marketing provides small businesses with a low-cost way to reach large followership and engage with their guests. This literature review explores the impact of social media marketing on small businesses, highlighting the benefits and challenges of using social media for marketing purposes.

III. LITERATURE REVIEW

In recent times, social media has become an important tool for small businesses to market their products and services. Social media marketing provides small businesses with a low-cost way to reach large followership and engage with their guests. This literature review explores the impact of social media marketing on small businesses, highlighting the benefits and challenges of using social media for marketing purposes.

IV. BENEFITS OF SOCIAL MEDIA MARKETING FOR SMALL BUSINESSES

Social media marketing can give small businesses several benefits, including increased brand awareness, client engagement, and deals. According to a study by Gheribi et al. (2019), online marketing can increase brand mindfulness and client engagement, leading to increased client fidelity and advanced deals. Social media platforms similar to Facebook, Instagram, and Twitter give businesses a low-cost way to connect with implicit guests, make connections, and promote their products or services.

Another benefit of social media marketing is the capability to target specific niches with precision. Social media platforms allow businesses to target their advertisements to specific demographics, interests, actions, and locales, ensuring that their communication reaches the right audience. This targeted advertising can lead to higher conversion rates and a better return on investment for businesses.

Likewise, social media marketing gives businesses precious insight into their guests' actions and preferences. Social media analytics tools allow businesses to track and dissect their social media criteria, similar to engagement rates, reach, and prints, furnishing them with precious perceptivity into their followership's interests and actions. This data can inform businesses' marketing strategies, allowing them to tailor their dispatches and content to resonate more with their target audience.

V. CHALLENGES OF SOCIAL MEDIA MARKETING FOR SMALL BUSINESSES

While social media marketing offers several benefits for small businesses, it also presents several challenges that businesses must overcome. One of the main challenges of social media marketing is the ever-changing nature of social media platforms. Social media platforms constantly modernize their algorithms, programs, and features, which can affect businesses' capabilities to reach their target followership and drive engagement. Small businesses must stay up-to-date with these changes and adapt their marketing strategies accordingly to remain effective.

Another challenge of social media marketing is the competition for attention. Social media platforms are crowded and noisy, with numerous businesses fighting for guests' attention. Small businesses must produce engaging and compelling content that stands out from the crowd to capture guests' attention and build their brand.

Likewise, social media marketing can be time-consuming and resource-intensive. Small businesses frequently need further coffers and must balance their social media marketing sweats with other business conditioning. Social media marketing requires harmonious and regular engagement, which can be challenging for businesses with limited time and resources.

VI. DATA ANALYSIS AND INTERPRETATION

According to the study (Webb & Roberts, 2016), the population for the research was obtained through the Small Business Association website called the Dynamic Small Business Network (DSBN) using the search parameters of no more than 200 employees in the state of Georgia. The database filtered and limited the number of entries available; dispatch addresses were the only data collected from the hunt and produced 804 individual addresses. Originally, 804 assignments were transferred through dispatch requesting participation in this study. Of those, there was a brio rate of 6.5, which indicated that 036 emails were entered. Of this number, an aggregate of 515 (N = 515) responded to the check, which is a 4.7 response rate. Once the check asked whether

the company presently uses any forms of social media, the response rate dropped to 3.5 (n = 397) as the actors who indicated “ no ” were pure from continuing to answer questions related to social media and external communication. According to another paper (Bartlett, et al., 2001), the capability to make conceptions grounded on a population of this size, response rates of 3.5 and 4.6 is set up to be both attainable and sufficient.

It strikes the question, “How are small businesses communicating with their external audiences?” As per the survey conducted, most businesses still use Emails and telephone calls as the main way to reach their audiences. Business meetings being the third most chosen option shows us how the usage of social media in small businesses still isn't mainstream as other traditional ways of communication. Face-to-face interactions show us that salesmen and other such posts are still of huge advantage to the organization. The company website provides a tackle to social media usage, which has a significantly higher response rate.

The rate of failure of MSMEs in India

The failure rate of small enterprises in India varies according to industry, geography, and other factors. According to research done by the International Financial Corporation (IFC) and the World Bank, around 20% of small enterprises in India fail during the first year, with 35% failing within the first three years.

According to a survey done by the Reserve Bank of India (RBI), the survival rate of small enterprises in India drops dramatically after the first year, with just 60% surviving beyond the first five years.

Lack of access to funding, inadequate infrastructure, difficulties in locating trained workers, and rivalry from larger enterprises can all contribute to the failure of small businesses in India.

Moreover, regulatory roadblocks and bureaucratic red tape can make it difficult for small enterprises to function efficiently and successfully.

Notwithstanding these hurdles, small enterprises continue to play a vital part in India's economy, contributing to job creation and economic growth.

According to Reserve Bank of India (RBI) research, the number of unsuccessful small enterprises in India climbed dramatically between 2015 and 2020. The information is based on the number of businesses registered with the Ministry of Corporate Affairs (MCA), which includes both sole proprietorship and partnership enterprises.

The following are some of the report's significant findings:

The MCA had 5.46 million small enterprises registered in 2015. By 2020, this figure had risen to 6.44 million.

Nonetheless, the number of active enterprises (those still in existence) fell from 3.18 million in 2015 to 2.94 million in 2020.

The overall failure rate of small enterprises (defined as the ratio of failed firms to total registered firms) has risen from 5.5% in 2015 to 9.8% in 2020.

In 2020, the failure rate for sole proprietorship enterprises was greater (10.8%) than for partnership firms (7.8%).

Uttar Pradesh, Maharashtra, West Bengal, Tamil Nadu, and Delhi were the top five states with the highest failure rates in 2020.

It is crucial to remember that these numbers only include registered small company failures and do not include unregistered enterprises or informal sector operations. In India, the true failure rate of small firms may be significantly higher.

VII. DISCUSSION

Despite the challenges, social media marketing can have a significant impact on the success of small businesses. Several studies have shown that social media marketing can increase client engagement, brand awareness, and deals. For illustration, a check by Acedo et al.(2019) found that social media selling positively impacts small businesses' brand mindfulness, client fidelity, and deals. Also, a study by Huang et al.(2015) set up that social media selling appreciatively impacts small businesses' online character and client satisfaction.

Likewise, social media marketing can give small businesses a competitive advantage. Small businesses that effectively use social media marketing can contend with larger businesses on a level playing field, reaching their target audience and building their brand without the need for a large advertising budget.

VIII. Conclusion

In conclusion, social media marketing can have a significant impact on the success of small businesses. Social media marketing provides businesses with an affordable and effective way to reach their target audience, build their brand, and increase sales. However, social media marketing presents an array of challenges, such as the ever-changing nature of social media platforms, competition, and limited resources. In order to maximize the

numerous advantages of social media marketing, small businesses must keep up with the latest trends in social media marketing, create engaging and relevant content that resonates with their target audience, and use social media analytics tools to track and analyze their performance.

VIII. REFERENCES

1. Gheribi, E., & Bonadonna, A. (2019). The international hotels groups on the polish market–competition strategies of selected examples. *CALITATEA-ACCES LA SUCCES*, 20(171), 49-55.
2. World Bank. (2020). *Doing business: Comparing Business Regulation in 190 Economies*. The World Bank. <https://documents1.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf>
3. *Small and medium enterprises : key driver for growth and jobs in South Asia (English)*. Stories of impact Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/120241487157279108/Small-and-medium-enterprises-key-driver-for-growth-and-jobs-in-South-Asia>
4. Huang, A. H., Chen, K., Yen, D. C., & Tran, T. P. (2015). A study of factors that contribute to online review helpfulness. *Computers in Human Behavior*, 48, 17-27.
5. Webb, S. H., & Roberts, S. J. (2016). Communication and social media approaches in small businesses. *Journal of Marketing Development and Competitiveness*, 10(1), 66.
6. Kotrlik, J. W. K. J. W., & Higgins, C. C. H. C. C. (2001). Organizational research: Determining appropriate sample size in survey research appropriate sample size in survey research. *Information technology, learning, and performance journal*, 19(1), 43.