

## The Impact of Social Media in Small Business

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### Abstract

Today in the Rapidly moving world scenario, we can see 'change' in every moment. With the upgradation of new technologies, use of android phone, I-phone, I-pad, etc., people's life style have been changed, Digital marketing is the one of the best ways where marketers can improve their business through social media, this paper is an attempt to study the impact of social media in the small-scale industry. This study also examined how small business owners are motivated use social media applications.

In the present study, the researchers have done the research in single area in the field of social media, i.e., facebook.com An attempt has been made to analyse customer perceptions, their preference factors that increase the adoption rate of FB users, changing their buying pattern from traditional to online through social media, facebook.com and lastly finding the most important factors which influences more, that helps the entrepreneur to set their decision support systems as well as to improve the obtainable business (Hyde et al., 2017).

For the analysis, Factor Analysis is applied to identify the factors that influenced Facebook users for Buying the product through Facebook, Also the same analysis is used to find out the maximum and minimum variance of the factors which helps the researchers to reach their destination and examined how small Business owners are motivated to use social media applications to improve their business. For this study, researchers have collected 100 samples and given a help full conclusion from the consumer view regarding demographics factors.

**Keywords:** *Demographic profiles, social media Applications, customer preferences, psychological factors, small business*

### Introduction

The goal of this essay is to assess how social media apps affect small businesses and how social media can aid in the expansion of small enterprises through the use of social media applications. Nowadays, using the internet for everything from shopping to sending emails to getting an education has become a necessity. When it comes to social media networks, the internet is a really wonderful advancement in technology. It has become very popular and widely used over the past few years, and it is highly advantageous for all types of businesses and entrepreneurs. Most businesses in today's world use social media to improve their interactions with customers. . Businesses that are engaging with their customers can now do it in a new way thanks to social media, which is completely changing how businesses are conducted. It is an internet programme that lets users to communicate with one another. It entails producing and disseminating material related to their company. Social media encourages active user interaction as opposed to traditional media, which just offer material. There are many different types of social media, including public social networks like Facebook and LinkedIn, private networks like Yammer, Social Cast, and Jive, content-sharing websites like YouTube and Flickr, wikis like Wikipedia, blogs like

Blogger and Wordpress, and microblogs (twitter). Social media platforms are doors to industry growth and profitability for businesses. More businesses are eager to use social media for business objectives, especially as part of. Along with providing numerous opportunities, it also poses considerable obstacles for organisations. Small company owners use social media applications to disseminate their brands utilising a wide variety of weak ties. Granovetter [1] and Burt [2] have identified the importance of weak ties in the network of small business owners. Weak Ties is designed to gather data on the operations of small business owners. Additionally, the goal of using social media tools is to keep strong links alive. It will assist in establishing a positive business reputation. In terms of feedback, product definition and development, customer service, and support, it facilitates communication between customers (current and potential). Social networking has emerged as one of the most convenient

## **Literature Review**

### ***Social Media Marketing***

Since the launch of web 2.0 services like blogging and posting, sometimes known as web 2.0, in 1997, there have been six digress. Com. This website's primary goal was to make it easier for users to communicate with one another on social media platforms including LinkedIn, Myspace, Facebook's advanced mode, and other programmes like Orkut, Google Talk, Skype, Hangout, and WhatUp. Online shoppers are interacting with social media. Wikipedia defines social media as internet-based platforms for information sharing and discussion among people. The main purpose of social media is networking, namely networking that promotes trust between the parties and communities engaged. Any website that stimulates interaction and community development, allows users to exchange their information, opinions, and viewpoints, can be categorised as a social media. Facebook, YouTube, Twitter, Dig, Myspace, StumbleUpon, Delicious, Scribe, Flickr, and other well-known social networking platforms are only a few examples. The methods and methods that businesses use to communicate with their clients have undergone a considerable transformation as a result of social media. Social media marketing enables businesses to better understand client demands in order to forge strong connections with them (Cox, 2012). Social media marketing includes advertising on blogs, social networks, online forums, and other platforms. It's the newest marketing "buzz." Global businesses have acknowledged

**Instagram** is a social media platform that lets users share photos that are relevant to photography (Linashke, 2011). Since a picture really is worth a thousand words, Instagram marketing is a potent tool for brand promotion. Silva and others (2013). Brands embrace social media marketing as part of their marketing mix because of the comparatively low cost, connection, global reach, and availability of data and analytics (Pinto and Yagnik, 2017). One company profile is viewed daily by 200 million of Instagram's 1 billion monthly active users. 2019 (Newberry). One of the social networking sites with a significant user base, high levels of interaction, and ease of use is Instagram.

**Facebook** is a social networking site that enables users to exchange photographs and videos as well as communicate with friends, family, and associates. (1909 Holzer). Individual Facebook users who also purchase goods and services advertised and offered by merchants have accounts there. Facebook enables two-way communication between marketers and consumers and may hasten the dissemination of information about a company, improving performance. 2016 (Fulgoni). As a result, Facebook is a highly significant and large platform where marketing activities can be carried out.

**Applied to small Business** Social media marketing enables businesses to better understand customer demands in order to forge strong connections. The customer is the foundation of any business. Small businesses have many potentials to create deeper and more lucrative relationships with their clients

thanks to social networking. But not all social media are created equal, and some are more appropriate for a certain marketing strategy than others.

### **Theoretical Literature Review**

Opportunities created by social, technological, and cultural development are constantly being sought after and taken advantage of by opportunity-based SMEs and entrepreneurs. For instance, an entrepreneur may recognise that there is a demand for a restaurant in his or her social environment. If the entrepreneur seizes the chance to make money, opportunity-based theory is applied. Theoretically, technological innovation is constantly present during the development process. Technology advancements usually strive to make work easier, lower operating costs, boost revenue, and boost productivity. At the moment, telecommunications technology is developing throughout the world. The number of communication platforms, like social media, has increased. The telecommunication advancement has highly facilitated communication. However, the theory is silent about how far such technological change in telecom industry has facilitated development of SMEs in different parts of the world. It has been witnessed that social media utilisation has highly increased as most of firms have been using. Social media for marketing their brands. Therefore, arguments in this study were drawn from this theory by looking how far catering service providers have utilised social media in marketing their products or services hence improve their businesses.

### **Evaluation Theory**

The evaluation philosophy is founded on the idea that unconventional methods must be used to guide decisions. To ensure that the interests of all performers within the sector are taken into account, assessment techniques must take into account all possible scenarios. I predict that planned consumer purchases will be a factor in the growth rates of SMEs in the future. He thinks that social media will continue to have an impact on SMEs' growth in the future. In order to prevent the sector from becoming monopolised by certain groups defending vested interests, decisions on SMEs must be inclusive. . Indeed, the social media platforms have changed the SMEs in a way that allows them to forego the conventional marketing tasks. Social media has shown to be efficient in enabling clients of SMEs to access and make decisions about items and services without being physically present. In conclusion, the comparative strategy and assessment theory aids in creating equilibrium inside small enterprises so that participants can effectively utilise digital advertising tools. 2016 For instance, social media sites can help marketers get around market restrictions that force them to contrast their prices with those of competitors. This hypothesis aided in comprehending how social media affects the expansion of SMEs.

### **Need for the Study**

1. Better customer insights Small businesses gain a better understanding of their end customers, and customers frequently offer their opinions and criticism on the goods and services since they know that the company is paying attention to them. Social media enables them to assess potential customers' opinions and connect with them more effectively.
2. Improved customer service social media enables businesses to address customer complaints, queries, and concerns, which helps to partially please their customers. Customers are guaranteed that, if a problem arises at any level, it will be resolved as soon as possible. According to Forbes, 71% of customers who receive a quick response on social media think they are more likely to recommend that product to others.
3. Price Economy social media is the most effective way to market and promote a business when it is operating on a defined sales budget. Businesses can publish their content on Facebook, Twitter, Pinterest,

and other platforms for free or at a minimal cost. Social media is a suitable medium for small businesses who cannot afford to spend a lot of money advertising their product.

4. Actuality Customers should be able to contact the company. Social media enables businesses to understand customer expectations and requirements due to the always changing preferences, lifestyles, etc. of their customers. Corporations will be able to respond to changing consumer demands and launch a marketing campaign as a result.

5. Creating a complete social media helps clients become more aware of the whole situation. Businesses will increase awareness with their social media presence by enhancing their brand image. 6. Sales The increased exposure on social media increases business at the corporation. This helps to increase revenue by gradually turning potential clients into paying customers.

### **Scop of Study**

Business visionaries can use Facebook to connect with its weak relationships or try to increase communication with already-existing strong ties. Personal businesses use the internet more since it is connected to networking and information sharing. These findings may be disseminated via web-based networking media platforms as written passages as web log entries or remarks, video introductions, and votes. Because they may create and cultivate a network of supporters through online life, businesspeople use it as a marketing tool. This network of supporters is crucial for the growth of their company. . Since these supporters keep referring to others, they help freelance firm business visionaries gain clients and business. Internet-based interactions allow for long-term relationships to develop between businesses and customers. There are a few acknowledged issues with internet-based systems, though. To address this issue, many organisations encounter difficulties. Businesses typically use their own techniques to manage better results. Social media is bad for your health, to start. Organization for World Health and Welfare is concerned about this issue. Setting goals for the fight must be the first innovative step in the process if a firm is to benefit from online networking promoting, as this is a common duty for businesses.

### **7 Objectives of the Study**

- 1) To study the impact of social media on small business entrepreneurs
- 2) To analyze the social media user's penetration in India
- 3) To explore the factors which influences the customers to buy products through Facebook Platform.
- 4) To find out to what extent the descriptive factors are influencing and motivating the users more for buying products through Facebook portal.

### **Descriptions of 7 Factor**

1) Customer-centric web design: This component was introduced by online portals, which produced websites based on user requirements. Depending on the preferences of the customer, the items and services are shown.

2) **Start-up Platform.** Social media occasionally can give entrepreneurs and company owners a platform for their businesses. They can reach millions of customers owing to this with no financial commitment. So, social media gives emerging businesses a platform.

3) Brand Cognizance Social media usage has ingrained itself into everyday life. As a result, it is now a place where brand recognition can be raised. As a result, it aids in raising brand awareness. Brand recall and recognition will eventually result from the growing brand awareness.

4) Product Adoption Social media networks aid in boosting the rate of product acceptance. Long-term browsing and the use of social media platforms raise client awareness of the product. This aids the small and medium-sized business sector in boosting product uptake and accelerating growth.

5) Dependency-Based Buying Social media sites have become much more popular among their users. Its users have developed a habitual dependence as a result. Users not only rely on but also have faith in Facebook. Because of this, customers frequently make purchases through links to commercial websites that are posted on Facebook.

6) Value-Based Post There are instances when advertisements are produced in a way that specifically targets the morals and values of the viewer. It shifts the focus from being product-focused to being customer-focused. It aids in conveying trustworthy advertising that promotes client loyalty.

7) User-Friendly: The social media platforms are created in a technically friendly manner, making it very simple to use and manage them. The web interface is created in a way that makes it very simple to access numerous social activities as well as commercial links without running into any technological difficulties. Objective 2 Sample Design and Analysis to determine the extent to which the descriptive criteria are affecting and encouraging users to purchase more things through the Facebook platform.

## Methodology

Research Framework: The small business is the dependent variable in the conceptual model suggested for this study, which examines the interaction between social media and small businesses. While social media is the independent variable, some of its components include the following: Strategy and Impact as they relate to small businesses. One-to-one marketing, often known as relationship marketing Available at: [www.noveltyjournals.com](http://www.noveltyjournals.com) International Journal of Novel Research in Marketing Management and Economics Vol. 5, Issue 1, Month: January - April 2018 Page Page | 145 Novelty Journals prioritises building a relationship of mutual learning with each customer over a predominate focus on sales (Peppers et al., 1999). It is focused on delivering value to the clientele as well as the company. Small businesses frequently benefit from getting to know their clients on a more personal level. Higher levels of customer satisfaction and customer loyalty are the results of these interactions. Small businesses can also respond to client needs swiftly. But studies have shown that small businesses tend to have a short-term focus, and long-term market planning is unlikely. Small business owner-managers can initially develop ties with customers via social media.

## Conclusions

How a small firm engages customers through social media was the central query of this study. The study's data were provided. The study shows that the participant understood the significance of social media from the start and made the most of it. The participant initially found it difficult to use social media, despite having taken a marketing course that included social media marketing tactics. The report presents the options available to businesses when determining how to engage customers and presents a case for each approach. According to the literature, small firms frequently start using social media without a strategy. This can result in a time and effort waste. It's critical for businesses to understand what they hope to accomplish using social media. Making a Facebook or Twitter account, then posting or checking it once a week, is no longer sufficient. Businesses must actively participate on these platforms, and in order to do so, they need to know how to use them, including audience engagement tactics.

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