

# A STUDY ON SOCIAL MEDIA MARKETING WITH REFERENCE TO SME

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## **ABSTRACT**

Small and medium-sized enterprises are now considered as one of the keys to the progress and improvement of any society. Gradually, more and more SMEs are becoming aware of the importance of social networks in the day, but still have doubts as to whether they provide benefits or not. Marketing these days is different when compared to what it was a few decades back. The biggest difference that has happened is due the Internet, which has revolutionized the traditional ways of doing business or marketing. Traditional media, like newspapers, radio, and television, are effective ways to reach out to large audiences. However, traditional media is broadcast-messages go out, but there is little interaction with the target audience or customers. The information cannot be easily personalized nor is it quick in nature, besides real-time responsiveness is difficult or impossible in most traditional media marketing strategies. Our primary objective is to analyze the ways SMEs have used social media in their businesses and how much that has benefitted them. Our secondary objective is to list out the importance of social media in SMEs. Our last objective is to gather innovative methods of using social media in SMEs. The study used both primary and secondary methods of data collection. Further the primary data was simplified and the SPSS tool was used. Secondary data was collected through the internet and magazines. Social networks can be an essential element in the marketing strategy and play a very important role, as long as we take good management and professionals, helping the brand positioning and differentiation.

**Key words** – Small and medium Enterprise, social media and social network.

## **INTRODUCTION**

Throughout the world, Small and Medium Enterprises (SMEs) play a crucial role in addressing the impediments of poverty, inequality and job creation in rural areas. They are an important source of employment, particularly for women, low skill workers and the youth. Out of the SMEs contribution, there is a significant growth in GDP and proper money flow across the economy is noticed. SME charges lower rates to their clients by providing a quality business. When the state economy is in better condition, the SMEs will flourish. One of the key areas where SMEs lack is marketing, they don't have enough budget to use the conventional methods. Hence one of the most cost-effective marketing techniques is using social media. We

currently live in a world in which traditional advertising strategies aren't enough. Social media not only allows for tremendous outreach and networking, but also allows for interactivity that can be very beneficial to businesses for a variety of reasons. Social media regarded as a medium of marketing by many businesses. Social media have changed the ways in which businesses communicate with their customers and vice-versa. It allows businesses to customize messages and make them interactive by involving the user in the construction of the message. Surely you have noticed the shift from traditional advertising that has occurred with the increased use of the Internet over time. Now, people consume more advertising online than in print media, radio or television. Social media enhances this entire experience, and makes it vastly more visible. The idea is not only to use social media for engagement, but also to drive users to your company's business page, which will further educate users about your work and your services. Perhaps the most important thing social media can do for a business is to give business owners a way to engage customers in a whole new way. Social media allows you to get personal with your customers, and form a bond of trust with them. By replying to the concerns of your customers and asking for their opinions, you can enhance customer satisfaction while getting more traffic for your site, which further promotes your business.

## **OBJECTIVES**

- The primary objective is to analyse the ways SMEs have used social media in their businesses and how much that has benefitted them.
- The secondary objective is to list out the importance of social media in SMEs.
- The last objective is to gather innovative methods of using social media in SMEs.

## **REVIEW OF LITERATURE**

**Roberts (2012)** "SMEs with profiles on the social networking site have experienced an increase in traffic to their main site. He found that 47 percent of the SME managers that he polled noticed that a "significant" amount of traffic to their business website came from their Facebook page."

**Fausser et al (2011)** "Even why the social media is known to be the most important part of marketing not all the social media networks will suit the objectives of the marketing."

**Peres and Mesquita (2015)** "Social media and internet have proven to be the most powerful tools in directing the mindsets of customers. There is a large number of social media platforms that SMEs can use to interact with their customers. The most popular social media platforms are Facebook, Twitter, LinkedIn, YouTube and Blogging"

**Blerta Rugova and Burim Prenaj (2016)** “One of the main risks for SMEs using Social Media Marketing is potential damage their reputation by using their Social Media sites in effectively. Overuse of advertising, presenting products and services in a commercial way and trying too hard for sales o" is seen very badly the audience, which might get annoyed and unfollow the business on Social Media.”

## IMPORTANCE OF SOCIAL MEDIA IN SMEs

- **Easy Business Visibility**

Social media is enabling Businesses to become more accessible and easier to reach. Social Media provides a great deal of visibility to SMEs. It also provides new ideas to SMEs to showcase their business, business contacts and contents related to it.

- **More and Higher rate of Conversions**

Social media helps to connect with the customers on a more personal level. The "Humanization Effect" of social media makes a business appear more like a person rather than a business proposal.

- **Lower Cost of Marketing of Products and Services**

Being cost-effective is important as it helps in attaining a greater return on investment and holds a bigger budget for other marketing and business payments. Just by investing a little money and time, one can significantly increase the conversion rates and ultimately get a return on investment on the money that you primarily invested.

- **Marketplace awareness**

One of the best ways to find the needs and wants of your customers instead of directly communicating with them is Marketplace awareness. It is also considered as the most valuable advantage of social media.

## INNOVATIVE WAYS OF USING SOCIAL MEDIA IN SMEs

- **Run a contest or a give away**

Running the occasional contest is one of the most impactful social media ideas when it comes to potential engagement from potential customers. Ideally, the prize for the contest should something related to the brand like free products, membership or some kind of coupon and discount. Big-ticket, unrelated items tend to attract freebie-seekers that won't translate into long-term followers.

- **Social media Exclusive deals**

Although brands shouldn't push their followers too hard with offers and deals, social media ideas such as Facebook carousel ads can help in scoring an excellent return on investment from social media presence.

- **Inspirational quotes or company goals**

Most feeds have a lot of these type of posts – as much as 10-20%. These kinds of posts help in creating an ethical image in the minds of potential customers.

- **Reach out to third party**

One of the best ways to share a high-value piece of content with the world is to reach out to influencers who follow you (or share content like yours) and ask them to give yours a share.

- **Unofficial content**

Businesses should post behind the scenes content or stories about their staff or customers to connect with them on a personal level. Regular live videos from an event also has an impact.

- **Run Polls**

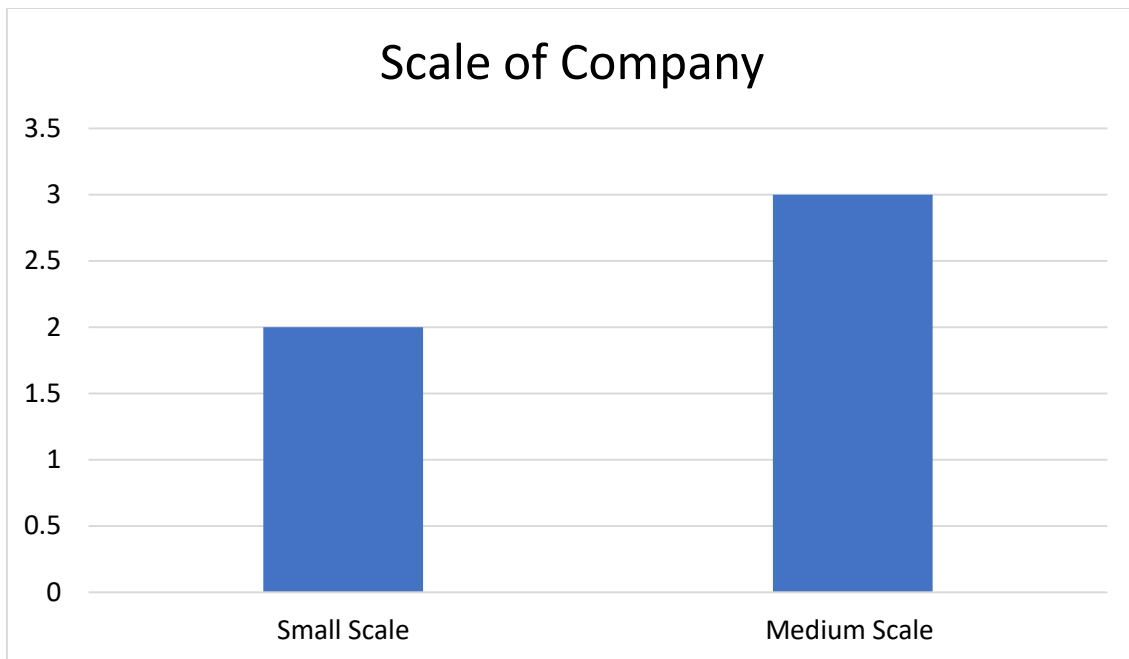
If social media has taught us anything, it's that people love to share their opinions. Interactive content like polls and quizzes are very popular right now. It gets great engagement and lots of shares. Social media ideas such as Twitter polls are a one-click way to get the customers involved.

## METHODOLOGY

1. Sample Size	-	5.
2. Sample Unit	-	Owners.
3. Sampling Technique	-	Convince Sampling.
4. Sampling Frame	-	Different parts of Bangalore.
5. Collection of Data	-	Scheduled Interview.
6. Analysis of Data	-	Pie-charts, Area Chart, Bar Graph, Line graphs Cramer's V and Phi.

## ANALYSIS AND INTERPRTATIONS

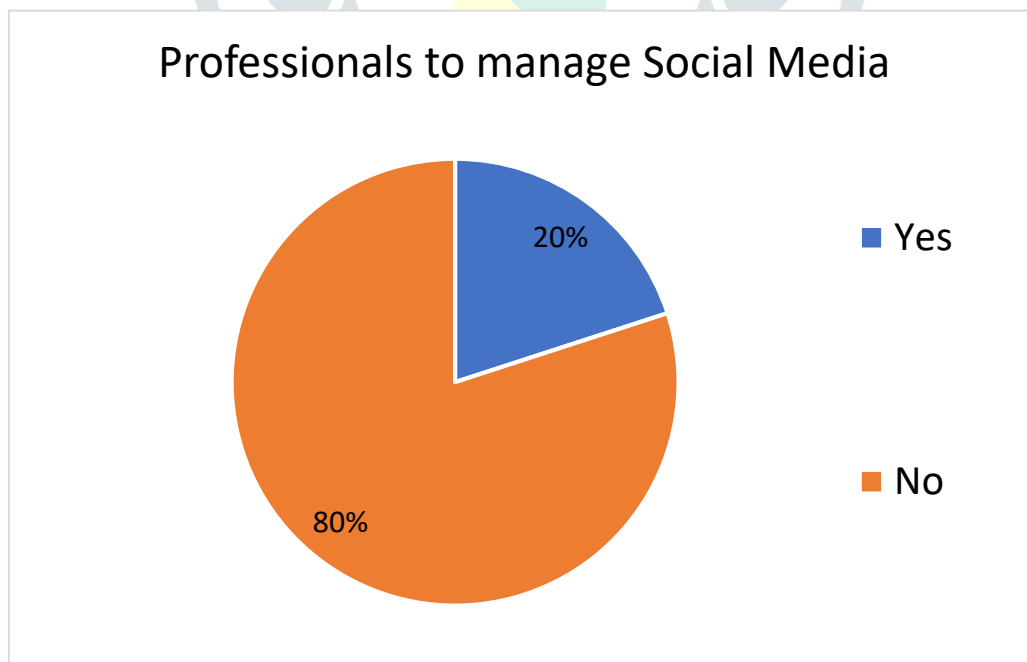
Chart 1. Showing the scale of the company



**Inference**

The above graph shows the scale of the companies we used for our research. The scale of the company has a direct impact on the usage and accessibility of social media. Therefore, we took 2 small scale companies and 3 medium scale companies.

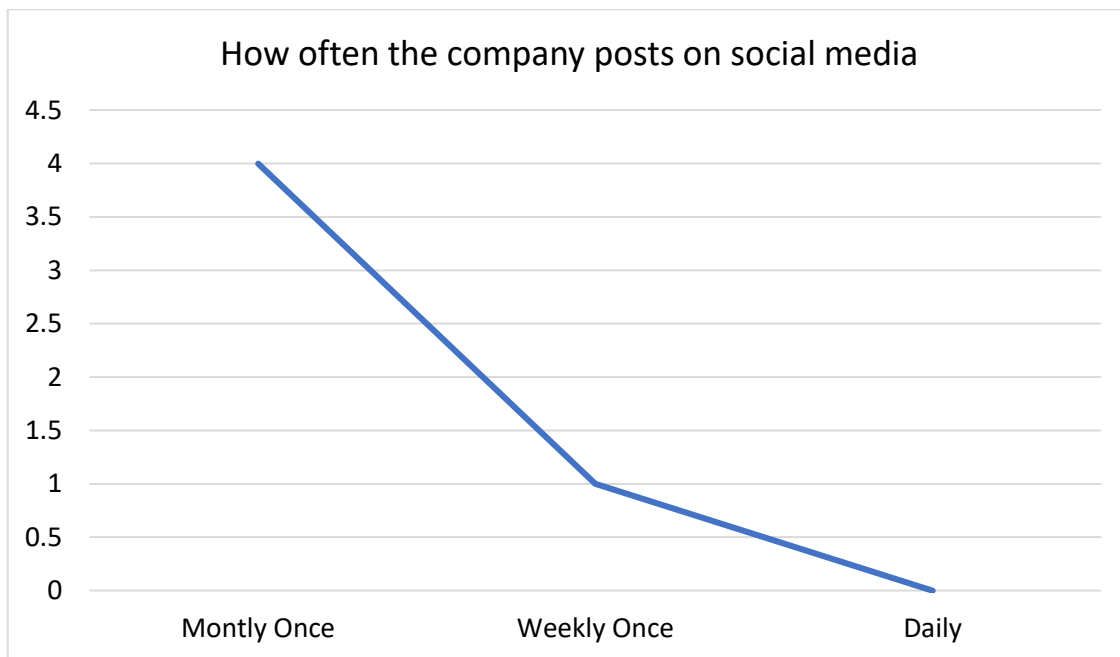
Chart 1.2 Showing whether professional help is taken to manage social media



**Inference**

The above graph shows whether the SMEs have taken a professional help to guide them in Social media marketing or not. Only 20% of the companies that is 1 out of 5 of them have taken professional help. Rest 80% that is 4 out of 5 companies have not taken any professional help.

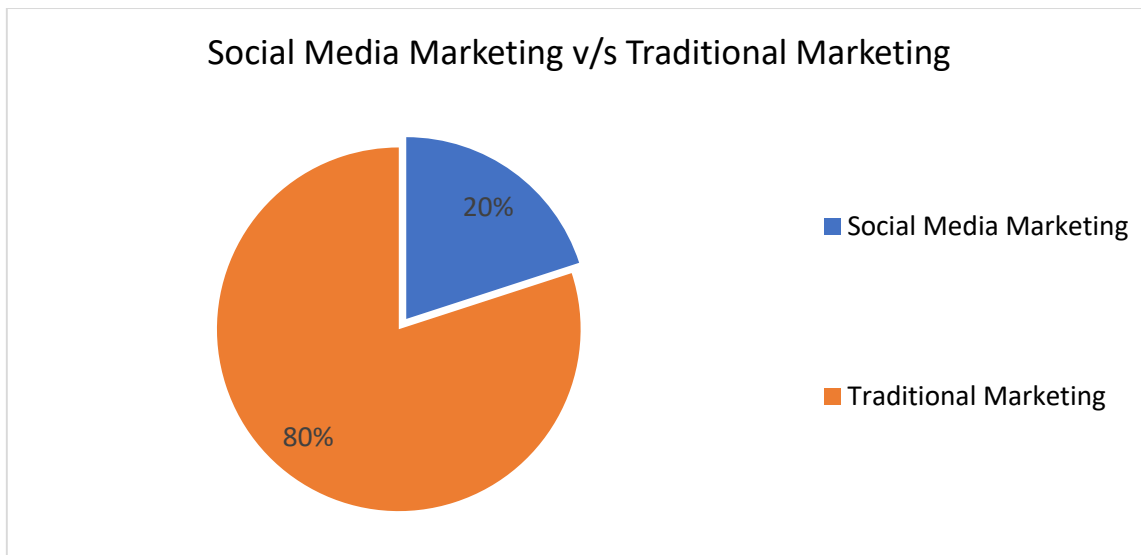
Chart 1.3 Showing the frequency of posts on social media by the SMEs



**Inference**

The above graph shows how often the SMEs post on social media. The higher the frequency the easier and faster it is to get more visibility and to convert potential customers into clients. 4 out of 5 companies have said that they post only once a month and the rest 1 company posts weekly once.

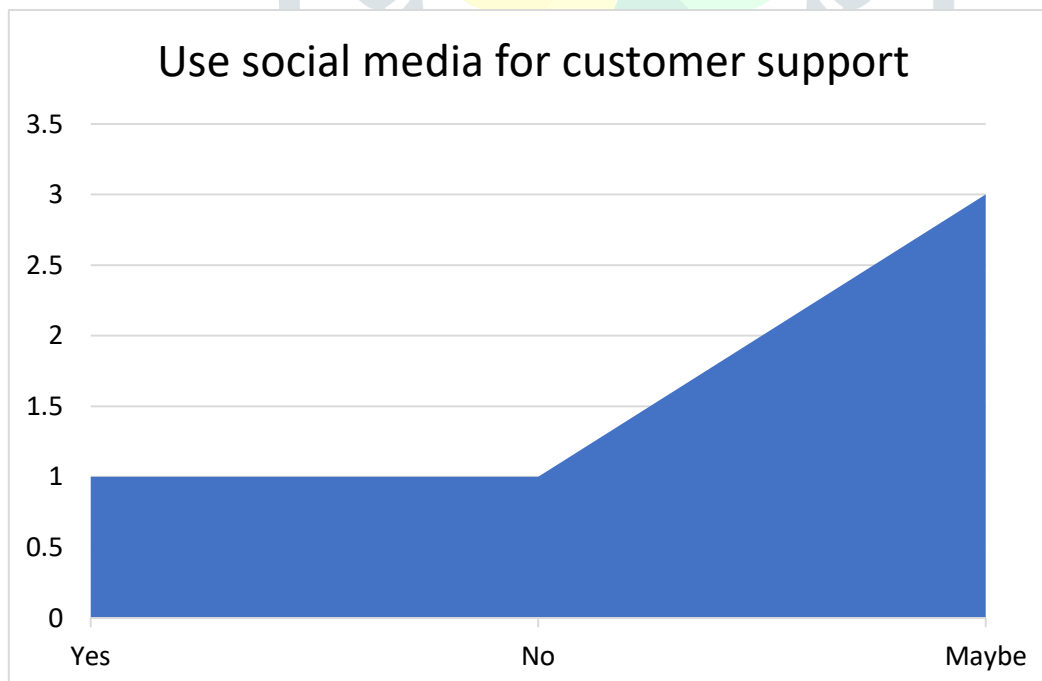
Chart 1.4 Showing the preference between Traditional Marketing and Social Media Marketing



**Inference**

The above graph shows whether the SMEs prefer social media marketing or Traditional Marketing. The traditional marketing includes word of mouth, Newspaper ads and pamphlets etc. Only 20% of the enterprises i.e 1 out of 5 of them have said that they prefer Social media Marketing over traditional marketing. Rest 4 out of 5 enterprises chose the traditional marketing.

Chart 1.5 Showing whether the SMEs would use social media as a medium to handle customer support issues or not



## Inference

The above graph shows whether the SMEs prefer to use social media as medium to manage customer support issues or not. Only 1 out of 5 enterprises have said that they would use social media to manage customer support, 1 out of 5 enterprises have said that they would not use and the rest 3 have said that they are not sure.

## CRAMER'S V & PHI

Cramer's V corrects for the problem that measures of association for tables of different dimension may be difficult to compare directly. Cramer's V equals 0 when there is no relationship between the two variables, and generally has a maximum value of 1, regardless of the dimension of the table or the sample size. This makes it possible to use Cramer's V to compare the strength of association between any two cross classification tables. Tables which have a larger value for Cramer's V can be considered to have a strong relationship between the variables, with a smaller value for V indicating a weaker relationship. The measure of association, phi, is a measure which adjusts the chi square statistic by the sample size. The symbol for phi is the Greek letter phi, written  $\phi$ , and usually pronounced 'fye' when used in statistics.

**H<sub>0</sub>:** There is no significant association between the number of social media platforms they are available at and lead creation for sales.

**H<sub>1</sub>:** There is significant association between the number of social media platforms they are available at and lead creation for sales.

### Symmetric Measures SPSS Output

		Value	Approx. Sig.
<b>Nominal by Nominal</b>	<b>Phi</b>	.652	.073
	<b>Cramer's V</b>	.620	.073
<b>N of Valid Cases</b>		5	

The above mentioned table indicates the value of V and Phi obtained after the analysis with 5 samples. The value obtained (**0.652**) states that there is a strong relationship between the number of social media platforms they are available at and lead creation for sales.



## **FINDINGS**

- Only 20% of the companies have taken a professional help to guide them in Social media marketing. Rest 80% of the companies have not taken any professional help.
- There is a strong relationship between the number of social media platforms they are available at and lead creation for sales.
- Only 1 out of 5 companies have said that they post on social media once a week and the rest 4 companies post only once a month.
- Only 20% of the companies have said that they prefer Social media Marketing over traditional marketing. Rest 80% companies chose the traditional marketing.
- Social media marketing is important for the business to have easy visibility and promote the business.
- Only 1 out of 5 companies have said that they would use social media for customer support, 3 of the companies are not sure and rest 1 company wouldn't use social media for customer support.

## **SUGGESTIONS**

- We suggest that the company must start setting social media goals to generate more referrals to the company's profiles on social media.
- We suggest the company to open social media accounts on multiple platforms and not be restricted to few.
- The company must know the demographic data from social media, surveys, focus groups and customer surveys.
- The company must post good quality promotional content weekly once rather than posting low quality content every day.
- The company must consider on hiring professionals to handle their social media accounts to reap a good response rate from the promotions done online.

- The company may also consider solving some serious customer problems through the help of social media.
- The company can upload promotional videos and pictures about their products to attract the customers.
- The company can also try and promote their company by giving special discounts for special occasions.

## **CONCLUSION**

Business Environment is dynamic, it keeps changing and evolving. All types of businesses have to cope-up with the changes to survive and succeed in the market in the longer run. One such change is the evolution of social media marketing and it might be the new face of marketing. Social Media Marketing is also an extremely cost-effective solution, it mostly depends on which type of Social Media channels is used. Social Networks, Social Media Sharing sites, Forums, and Social Events sites are all considered as Social Media channels, and can all be significantly beneficial for businesses in their own way. Social Media online advertising is highly effective. Through our research we found out that SMEs have the basic knowledge about Social media marketing but they have not been able to use it to the best of their abilities. They lack the professional guidance and a more realistic and optimistic approach. They are not aware of the innovative ways to attract potential customers through social media. Most of them still prefer the conventional methods of marketing like word of mouth, newspapers, posters etc. We also found out that there is a direct relationship between sales lead generation and number of social platforms the SMEs are available on. The more active and a greater number of social platforms they use, the easier it is to spread awareness and gain visibility. This is one of the main areas where the SMEs lack. Therefore, with proper guidance and some more knowledge SMEs can utilize the social media to enhance their business. They need to be ready to experiment and take risks.

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