

# Exploring the Opportunities and Challenges on practicing Social Media Marketing - An analytical study among Small and Medium Enterprises with reference to Kannur.

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**Abstract:** Social Media, the wonder of modern era, expedite an abundant opportunities to modern business community. Social media such as Facebook, Twitter, and YouTube are consistently evolving and playing an increasingly significant role in today's marketing communications. This study entails to determine how and to what extent the scope of social media marketing is utilized by Small and Medium Enterprises (SMEs). 85 Small and Medium Enterprises were taken as samples from the Kannur city of Kerala state for the study. Percentage Analysis along with diagrammatic presentation of the data has been used for analysis. The researcher on analysis finds that Social Media Marketing facilitates an ocean of opportunities to business ventures as it drastically expands the reach. Facebook is most popular and preferred medium for communication and exploiting marketing opportunities with the benefit of increased sales volume and high reputation ignoring the technical barriers in operation.

**Key Words:** Social Media Marketing, Small and Medium Enterprises

## 1.1 Introduction

Today's business environment is largely influenced by consumer's individualized demand patterns. People prefer seeing referrals and reviews over Google search results, or a website before purchasing a product. To stand by the flow, businesses need to learn what people say about them. Social media has become a boon for such firms by playing a crucial role in business communications. Business firms have to actively participate in relevant social media to interact and influence masses and also need to engage with social communities to manage their online reputation. Social media marketing has become necessary for firms to target a wider customer base and to expand business. Many enterprises are investing in social channels to rapidly create or propagate their brand through viral content, social media contests and other consumer engagement efforts. Social media affords Social media marketing with a variety of marketing opportunities for little to no monetary cost.

The role of social media in marketing is to use it as a communication tool that makes the companies accessible to those interested in their product and makes them visible to those that don't know their product. It should be used as a tool that creates a personality behind their brand and creates relationships that they otherwise may never gain. This creates not only repeat-buyers, but customer loyalty. Fact is social media is so diversified that it can be used in whatever way best suits the interest and the needs of the business. The importance of social media is unbelievable. It is a powerful channel of marketing and a game changer for any business.

## 1.2 Statement of the problem

Marketing from a Social media marketing point of view is a way to inform the customer about the firm, its products, and services; and to create and maintain customer relationships. Social media marketing is a phenomenon where businesses are seeking new ways to create value. Social media is undoubtedly a newer tool and strategy for developing a new or growing business. Even the small enterprises are changing their marketing rapport for adapting to social media platform. This study aims at studying social media marketing practices undertaken by the small and medium enterprises in Kannur.

## 1.3 Objectives of the study

- To identify the most preferred social media by the Small and Medium Enterprises and to find out why they prefer that media.
- To study the new trends and methods used for marketing via social media.
- To study the problems faced by Small and Medium Enterprises while adopting to Social Media Marketing.
- To study the effectiveness of Social Media Marketing among Small and Medium Enterprises in Kannur in relation with competitive advantage.

## 2. Research methodology

The research design used in this study is Descriptive research design. The sampling technique used in this study is Convenient sampling method which is a Non-Probability Sampling method. For the research work the Small and Medium Enterprises in Kannur is considered as the target population.

### 2.1 Population and Sample

Out of 450 Small and Medium Enterprises operating in the city of Kannur 85 SMEs are selected as samples for the study.

### 2.2 Data and source of data

The study used both Primary and Secondary data for data collection. The primary data is collected through questionnaire and direct interviews. The secondary data includes information from various records, websites, journals, periodicals, magazines etc.

### 2.3 Theoretical framework

Social media marketing has been facilitating business organizations in a number of ways such as increased exposure, increased traffic towards their business and its website, providing customers with marketplace insight, developing loyal fans being converted to loyal customers, improving search rankings, generating leads and so on. Social media has changed the way how business is carried out.

Until the last decade, businesses had to use direct communication for most businesses and marketing activities, but the emergence of social media brought tremendous changes in business and marketing communication. It has not only brought greater opportunities for many businesses, but also posed bigger challenges for many to survive in competing with others. They do not influence human life and business practices, but also began to dominate all different functional areas of businesses such as advertising, relationship marketing communication, knowledge management, public relation and so on.

Social media marketing consists of the attempt to use social media to persuade consumers that makes a company's, products and services worthwhile. It is concerned with the application of marketing knowledge, concepts, and techniques to enhance social as well as economic ends. Not only big businesses are marketing their products or services and brands on social media, but it has become an essential part of online marketing strategy among small businesses because of its cost-effectiveness and ability to reach targeted audiences quickly. Currently more and more companies using social networks to promote their marketing activities, that indicates they are beginning to

realize the potential of these channels. This study entails to determine how and to what extent the scope of social media marketing is utilized by Small and Medium Enterprises.

## 2.4 Statistical tool for analysis

The collected data were analysed using percentage analysis.

### Percentage analysis

Percentage is obtained when ratios are multiplied by 100.

$$\text{Percentage (\%)} = \frac{\text{Number of Respondents}}{\text{Total number of respondents}} \times 100$$

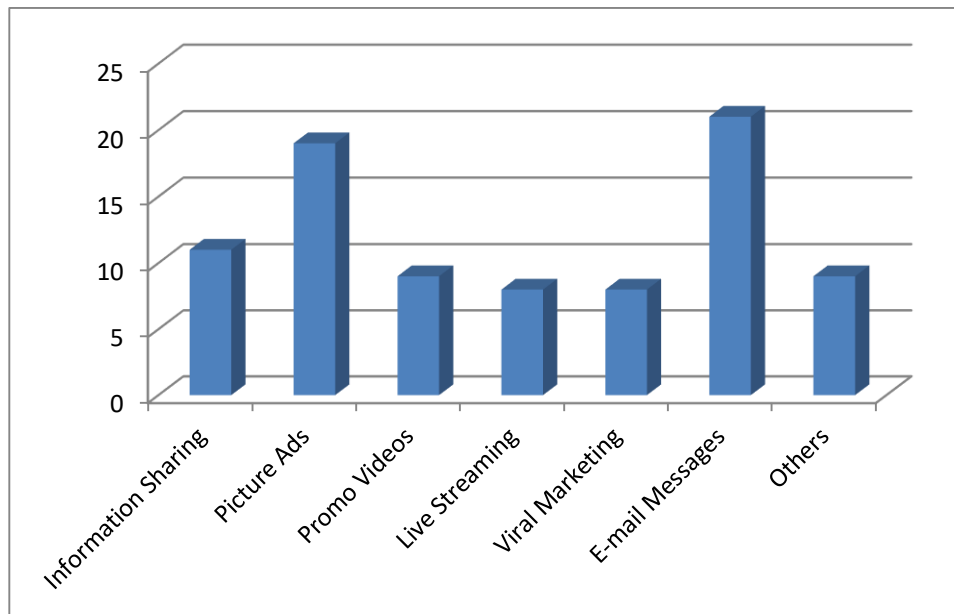
## 3. Results and Discussions

**Figure 3.1 Ranking of social media on their usage by SMEs**

Social media used	Number of SMEs	Percentage
Face book	32	37.5%
Whats up	28	32
You tube	5	6
Instagram	14	17
Twitter	4	5
Others	2	2.5
Total	85	100

*Source: data from survey- social media usage wise classification*

Figure 3.1 elicits that majority of the small and medium enterprises are using Facebook and whats up for social media marketing. Operating convenience and the popularity of the respective medium are the main reason behind the adoption of these Medias. The twitter and YouTube seems to be better choices rather than depending on a single medium.

**Figure 3.2 Trends and methods followed**

*Source: data from survey- Trends and methods*

From figure 3.2 it is seen that the Small & medium enterprises are using E-mail to convey their messages. It is mainly used, as it provides with the firms to get back the responses and feedbacks from the customers in detail. This trend is followed by picture ads posted in social media surely of the reason of its wide reach.

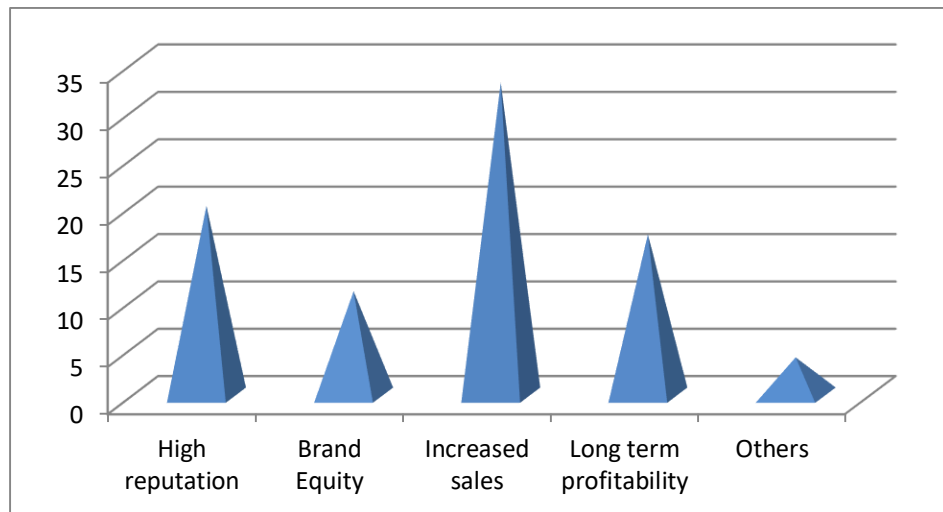
**Figure 3.3 Problems faced by SMEs while using social media marketing**

Problems & difficulties	Number of SMEs faced	Percentage
Technical difficulty	14	16.5
No responses from customers	27	32
Requirement of specialist	3	3.5
Handling cost	9	10.5
Spams and virus threats	14	16.5
others	18	21
total	85	100

*Source: data from survey- Problems while adopting social media marketing*

Figure 3.3 reveals that lack of responses from customers is the major issue faced by Small and Medium Enterprises rather than technical and managerial problems. Efforts should be taken to make the customers respond for.

### Figure3. 4 Competitive advantages of using social media marketing



*Source: data from survey*

Figure3.4 depicts that SMEs enjoys the advantage of increased sales volume besides brand equity, reputation and long-term profitability over their rivals while adapting to Social Media Marketing.

### Suggestions

- ❖ The small and medium enterprises should give more importance on providing customer services and after sale services to its customers through social media marketing technique.
- ❖ All the SMEs should try to overcome the difficulties and problems while handling with social media. They have to make action plans, and take necessary precautions to tackle the problems and difficulties. They are also needed to make up-gradations quickly as the trends and methods changes quickly.
- ❖ SMEs have to develop a strategy to make their customers responding through social media not only to get the feedbacks from the customers, but also to get recommendations and product idea from customers.
- ❖ SMEs should also make use of various social media for social media marketing instead of hanging with only one or two social media.
- ❖ SMEs should focus on building relationship instead of focusing on sales. Sales will increase subsequently. To engage with customers SMEs can show interest by responding to posts and asking questions through social media. This exposes the business to customers and followers which increases the reach of the business.

### Conclusion

Social media marketing is seems to be a new star of today's business world. Firms can rely on social media activities in order to build good relationship with their loyal customers and influence their personal perception toward their products or services and also learn from them about their needs. Each SME uses social media marketing differently which is exclusively depending on the necessity of the enterprises. Most of the concerns use social media marketing as just an advertising tool, whereas only a few SMEs use social media marketing at its maximum. The result indicates that effective social media marketing would lay a significant role in helping firms to develop perceived favorable image that will resultantly lead to perceived customer value.

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