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## Social media as a strategic marketing tool An empirical study with special reference to Small and Medium enterprises in Kannur district of Kerala

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**Abstract:** The MSMEs are facing stiff competition from large industries and even from multinationals which adversely affect their performance. In order to compete with these industries, adopting innovative and cost effective methods of marketing strategies are the only option. Social media is a newer tool and strategy for developing a new marketing communications. It is new business practice that deals with the marketing of goods, services, ideas and information through the various social media platforms such as Face book, Twitter, Instagram, LinkedIn, WhatsApp, YouTube etc. The present study provides a clear insight into the usage of social media marketing and the challenges encountered by SME entrepreneurs in Kannur District of Kerala. Most of them are using Whatsapp for marketing followed by Facebook, Instagram and Youtube. They have the advantages of easy payment, cost effective updating of product information, increased sales, rapid feedback and so on from the use of Social media marketing. They are mainly using picture ads and email messages for marketing the products and to face cut throat competition, to attract new customers and to explore new market opportunities. Lack of technical expertise, no response from the customers, Lack of appropriate equipment and high installation cost are some of the problems faced by them.

**Key words:** Social Media Marketing, Small and Medium enterprises, SME, Digital marketing, Recent trends in marketing

### INTRODUCTION

Micro, small and medium enterprises play crucial role in the industrialization of the country as it eliminates the economic backwardness of rural areas and provides large amount of employment opportunities directly and indirectly. They constitute majority of the business enterprises in Kerala and form the back bone of industrial development. They are an inevitable element in the development of Kerala economy where there is large number of unemployed people and which lack necessary capital for establishing large enterprises. Realising the importance of MSMEs, the Government of India and Kerala are making seamless efforts for their development. But majority of such support services addresses the financial and infrastructural problems of MSMEs. These MSMEs are also facing stiff competition from large industries and even from multinationals which adversely affect their performance. In order to compete with these industries, adopting innovative and cost effective methods of marketing strategies are the only option. There are significant improvements in the marketing methods for the promotion of goods and services and are mainly influenced by the demand patterns of the customers. Social media is one of the innovative tools for developing a new marketing communications. It is a powerful way for business of all sizes to reach prospective customers. The small and medium entrepreneurs can also create competitive advantage by utilising the opportunities presented by social media marketing. It provides them with multiple opportunities to build closer and more profitable relationships with customers.

### CONCEPT OF SOCIAL MEDIA MARKETING

Social media marketing is a new business practice that deals with the marketing of goods, services, ideas and information through the various social media platforms such as Face book, Twitter, Instagram, LinkedIn, WhatsApp, YouTube etc. Lazer and Kelly (1973)

defined social media marketing as “the application of marketing knowledge, concepts, and techniques to enhance social as well as economic ends. It is also concerned with the analysis of the social consequences of marketing policies, decisions and activities.” Social media is a place where brands can act like people do, and this is important because people like doing business with other people and not with the companies. Social media marketing platforms generally provide the business firms with the opportunities to reach the existing as well as new customers by devoting less financial investment in comparison to other means of promotion and marketing (Lindqvist and Michaela 2017)

## LITERATURE REVIEW

Michaelidou, Siamagka and Christodoulides (2011) studied the adoption of social media marketing among the MSMEs and concluded that there is a high perception of the importance of social media in the marketing of the enterprises. The main obstacle in the usage of social media marketing to MSMEs is the lack of training to the employees and the lack of required infrastructure. The study conducted by Ernst and Young (2013) found that 95.7% of business organizations are using social media marketing for building communities and to enhance brand equity. An important finding of Ernst and Young was that almost half of the social media marketers in India conducted research to get customer feedback and to understand more about customers buying behaviour.

Mokhtar, Fadhiha, Zuha, Abu Hasan, Masa Halim and Abdul Halim (2017) evaluated the impact of adopting social media strategies on the performance of small and medium sized enterprises and reported that Facebook and Instagram are the popular social media platforms among the SMEs enterprises and they adopt different marketing strategies for different social media platforms. Joachim (2017) studied the effectiveness of social media marketing in small and medium enterprises by selecting 100 sample MSMEs. The study uncovered that the use of social media, especially Facebook has a positive impact on the business performance as it increases the brand awareness and loyalty among the customers.

Lakshmi, Mahboob and Choudhry (2017) analysed the influence of social media marketing on the performances of MSMEs and reported the positive as well as the negative impacts of such usage. Such marketing strategies improve customer relationships with the brand, and helps in better outreach to potential new customers. Accidental data breaches or unauthorized image building by employees on social media are the negative impacts of using the social media. Lin, Li and Lai (2017) revealed that Facebook, Twitter, WhatsApp, LinkedIn, Instagram and YouTube are the most widely used social media platforms by the technology oriented individuals in the current scenario

Wardati and ER (2019) reviewed various literatures to evaluate the impact of using social media on the sales in small and medium enterprises. The study focuses on the different uses of social networking sites and how it influenced the relationships with customers, enhance company performance, and create better feedback systems. Based on the review of 24 journals relevant to these topics, it was found that the effect of these factors varied according to the industry type and kind of social media used for the marketing purposes.

Ancillai, Terho, Cardinali and Pascucci, (2019) evaluated the challenges and opportunities of using social media for increasing the sales volume. The study result showed that the knowledge of the customers, their sale behavior and the selling performance are the important factors which influence the sale volume. The enterprises can make use of these factors through the social media. Handayani and ER (2019) studied the factors which influence the MSMEs for implementing the social media for marketing the products and services and reported that the benefits in terms of increased productivity, supporting the performance, increased sales and improving the sustainability etc. push them to use the social media as a marketing channel.

Chatterjee and Kar (2020) analysed the reasons for the use of social media marketing and its impact on the business ventures. A theoretical model has been developed based on Technology Adoption Model (TAM) and found that social media marketing by SMEs is heavily influenced by factors such as perceived usefulness of the marketing platforms, the ease of use as perceived by the enterprise owners, and the compatibility of platforms. Cost of social media marketing was found to have a negative influence on their adoption among these enterprises.

## STATEMENT OF THE PROBLEM AND SIGNIFICANCE OF THE STUDY

Social media can be used as a tool for marketing the products or services to large number of people easily and effectively at faster rate than the traditional media with a lower cost. It also enables the manufacturers and distributors to understand the buying behavior of the customers which helps them in attracting new customers and in retaining the existing customers. They can also interact with multiple parties and develop stronger customer relationships through the social media. It also provides a number of competitive advantages such as increase in customer retention, high level of customer loyalty, easier brand extension, low entry barriers, effective marketing communication, higher market share, and customers' acceptance of new products or service, etc. All these result in increased sales and revenue to the producers. As such Marketers are actively participating in social media marketing and they make use of consumer-reviews as well as user-generated contents for highly customizable marketing communications. It allows businesses to target users by things like location, education level and even purchase history and the pages they have liked. The more the people are talking about a brand on social media, the more valuable and authoritative that brand will seem to new users. Therefore the present study attempts to have a deep insight to the concept of social media marketing and the challenges encountered by the SME entrepreneurs in Kannur district of Kerala.

## OBJECTIVES OF THE STUDY

- To identify the most commonly used social media for marketing products by the small and medium enterprises in Kannur.
- To know the various factors which affect the SME entrepreneurs in Kannur for adopting the social media marketing.
- To explore the problems faced by SME entrepreneurs while adopting social media as a marketing tool.

## METHODOLOGY

The present study is descriptive and analytical in nature. The small and medium enterprises in Kannur district and who are registered with DIC constitute the population of the study. From the population, 50 respondents who are using social media as a marketing tool are selected by using snowball sampling method and a structured questionnaire was used for collecting the primary data from them. The collected data were analysed using percentage, mean, weighted average, ranking etc.

## DISCUSSION

The details of small and medium entrepreneurs are given in table 1

**Table No. 1**  
**Profile of SME entrepreneurs**

Variables	Group	Number	Percentage
Age	Less Than 30	14	28
	30-40	17	34
	40-50	11	22
	More Than 50	8	16
Gender	Male	46	92
	Female	4	8
Educational Qualification	SSLC	5	10
	Pre- Degree/ Plus Two	12	24
	Graduation	21	42
	Post Graduation	9	18
	Others	3	6
Type of business	Soaps and detergents	3	6
	Electronic shops	6	12
	Textiles and Garments	7	14
	Food based industry	9	18
	Rubber and plastic	3	6
	Steel based industry	4	8
	Service industry	12	24
Digital marketing experience	Below 1 year	9	18
	1-2	10	20
	2-3	18	36
	3-4	8	16
	4-5	3	6
	Morethan 5	2	4

Source: Field survey

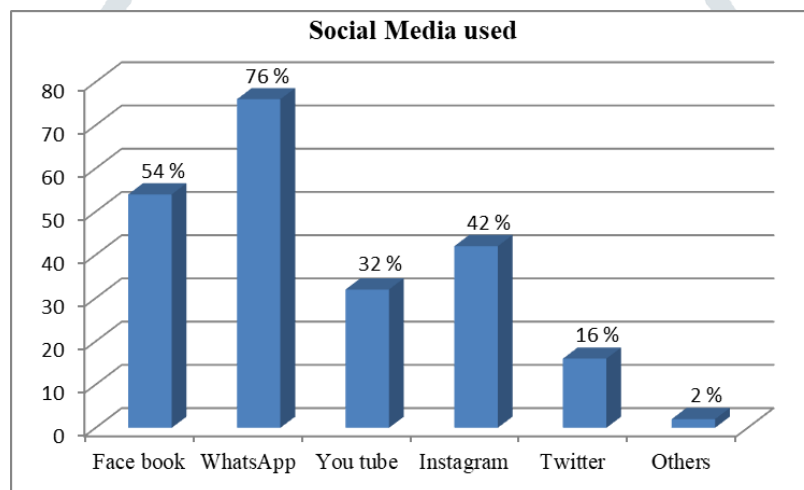
92 percent of the small and medium entrepreneurs are male in the age group of 30- 40 years (34%). 60 percent of them have qualification of degree and above and 62 percent of entrepreneurs are using social media as platform for marketing for more than 2 years.

**Table 2**  
**Popular Social Media for Marketing**

Social media used	Number of respondents	Percentage
Face book	27	54
WhatsApp	38	76
You tube	16	32
Instagram	21	42
Twitter	8	16
Others	1	2

Source: Field survey

Entrepreneurs are using more than one social media for marketing their products and are shown in Table 2. As such their frequency indicate that 76percent of them are using Whatsapp for marketing followed by Facebook ( 54 % ) , Instagram ( 42% ) and Youtube (32 % ).Twitter are not much popular among them and only 16 percent of the respondents are making use of this facility. It is clearly depicted in Figure1.



**Figure1**  
**Social media used by MSE entrepreneurs**

The popularity of social media marketing has been increased due to the impact of the Covid 19 pandemic. Table 3 indicates the reasons which motivated the entrepreneurs to adopt social media as a marketing tool.

**Table 3**  
**Motives behind the adoption**

Motives	Number of respondents	Percentage
Cut throat competition	50	100
Other similar industries are following	24	48
Feedback from the customer.	18	36
To explore new marketing opportunities.	31	62
To improve efficiency	12	24
To attract new customers	42	84
support from technology vendors	26	52

Source: Field survey

All the entrepreneurs are making use of various social media mainly to face the cut throat competition in the field. 84 percent of them are using social media in order to attract new customers and to explore new market opportunities (62 %). 52 percent of them using social media as a marketing tool because of the support from the technology vendors.

**Table 4**  
**Methods followed in social media marketing**

Methods	Number of SMEs	Percentage
Picture ads	47	94
Promo videos	33	66
Live streaming	16	32
Advertising banners	12	24
E-mail messages	38	76
Youtube links	27	54
Others	3	6

Source: Field survey

In order to reach the marketing practices to the targeted customers, various forms of marketing strategies are used such as picture ads, promo videos, live streaming, email etc. Table 4 clearly indicates that, most popular among them are picture ads (94 %) followed by email messages (76%). Some of them use promo videos (66%) and you tube links (54%) to attract the customers.

Table 5 shows the opinion of entrepreneurs about the various statements relating to the Social media marketing. They are asked to provide their opinion in a 5 point scale and weights are assigned in the reverse order of their response. The mean of the weighted score are found out and which indicates most of the respondents Agree with theses statement as they got a mean score of 3.5 and above.

**Table 5**  
**Attitude of SME entrepreneurs towards social media marketing**

Statements	Weighted average mean
Social media are flexible to interact with the customers	4.2
Simple to manage social media activity according to the requirements of business	3
Use prevailing infrastructure like mobile phones or laptop etc. For social media marketing	4
Easy to find the most appropriate social media network for promotion	2.8
Use same content/promotion strategy on different social media Networks	4.6
Enables to attract new customers and retaining the existing customers	4.6
Customer complaints are easier to handle on social media	4.2
Help in spreading awareness about launch of a product or service	4.8
Cheaper to promote individual or specific products on social media networks	4
Offers wide variety of feedback measures like polls, comments	3.2
Easier to understand what customers want	3.6
feedback on social media platforms amplifies business failures more than its achievements	2.6
Special discounts or coupons are easy to give through social media	3.8

Source: Field survey

The entrepreneurs are strongly agreed with the statements, 'Use same content/promotion strategy on different social media Networks' and 'Enables to attract new customers and retaining the existing customers' and they got a mean score of more than 4. To all the other statements ,except 'Offers wide variety of feedback measures like polls, comments', 'feedback on social media platforms amplifies business failures more than its achievements' and 'Easy to find the most appropriate social media network for promotion' assigned a score around 4 which indicates most of them Agree with the statements

**Table 6**  
**Benefits of social media marketing**

Benefits	Number of respondents	Percentage
High Reach	36	72
Ease of use	24	48
Comparatively Low marketing cost	20	40
More customers attracted	28	56
Improve brand image and brand equity	18	36
Rapid customer feedback	32	64
Improve customer service	26	52
Payment process is easy	46	92
Increase sales	32	64
Update product information instantly and cost effectively	35	70
Enhancing customer relationship	23	46
Exploring new market segments	17	34
Useful in differentiating products from others.	13	26
Others	6	12

Source: Field survey

Table 6 shows that majority of small and medium enterprises have the advantage of easy payment, high reach of publicity, cost effective updating of product information, increased sales, rapid feedback and so on. It also helps to attract new customers and to provide the services to the customers easily.

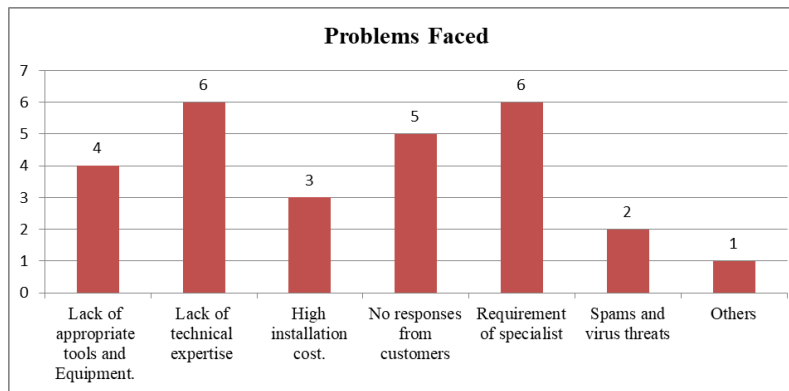
**Table 7**  
**Problems faced while using social media marketing**

Problems	Weighted Mean	Rank
Lack of appropriate tools and Equipment.	4	3
Lack of technical expertise	4.4	1
High installation cost.	3.8	4
No responses from customers	4.2	2
Requirement of specialist	4.4	1
Spams and virus threats	3.2	5
Others	1.2	6

Source: Field survey

The table 7 reveals the various problems faced by small and medium enterprises. Lack of technical expertise and the Requirement of specialist are the main problems faced by the SME entrepreneurs. They are also having the problem of no response from the customers. Lack of appropriate equipment sand high installation cost also adversely affects the respondents. Some of them faced the problem of spams and virus threats. The details are illustrated in Figure 2





**Figure 2**  
**Problems faced while using social media marketing**

After analyzing and interpreting the collected data, the findings of the study, suggestions for improvement and conclusions are given.

## MAJOR FINDINGS

- Majority of the small and medium entrepreneurs are male in the age group of 30- 40 years. Many of them have qualification of degree and above and are using social media as platform for marketing for more than 2 years.
- Most of the them are using Whatsapp as the medium for social media marketing followed by Facebook, Instagram and Youtube . Twitter is not much popular among them.
- The entrepreneurs are making use of various social media mainly to face the cut throat competition in the field. Many of them are using social media in order to attract new customers and to explore new market opportunities. Some of them using social media as a marketing tool because of the support from the technology vendors.
- Most popular method adopted in social media marketing are picture ads followed by email messages. Some of them use promo videos and you tube links to attract the customers.
- The entrepreneurs are strongly agree with the statements, ‘ Use same content/promotion strategy on different social media Networks’ and Enables to attract new customers and retaining the existing customers’. To all the other statements ,except ‘Offers wide variety of feedback measures like polls, comments’, ‘feedback on social media platforms amplifies business failures more than its achievements’ and ‘Easy to find the most appropriate social media network for promotion’, most of them Agree with the statements
- Majority of small and medium enterprises have the advantage of easy payment, high reach of publicity, cost effective updating of product information, increased sales, rapid feedback and so on. It also helps to attract new customers and to provide the services to the customers easily.
- Lack of technical expertise and the Requirement of specialist are the main problems faced by the SME entrepreneurs. They are also having the problem of no response from the customers. Lack of appropriate equipment sand high installation cost also adversely affects the respondents. Some of them faced the problem of spams and virus threats

## SUGGESTIONS

- In order to make effective utilization of social media as a medium of marketing the small and medium entrepreneurs should try to explore new and newer method of social media marketing
- Social media marketing vendors should provide awareness campaigns for the small and medium entrepreneurs which will help to make more and more use of social media for their business growth.
- All the SMEs should try to make up dated technology for social media marketing as the trends and methods changes rapidly.
- SMEs should try to make use of different types of social media for marketing instead of sticking on with one or two social media.

## CONCLUSION

Social media marketing can play a crucial role in today’s competitive business environment, as there is tremendous increase in the users of social media all over world. Today, people are spending most of their time in social media by sharing posts and comments,

and therefore, such media can also be used as a medium to attract them by offering various products and services which they are in need. Firms can also rely on social media in order to build good relationship with their customers. Hence a study is conducted with special reference to Kannur district to reveal the practice of social media marketing by the SMEs. The research pictures that each SMEs uses social media marketing differently and is mainly dependent on the necessity of the enterprises. Most of the concerns use it just as an advertising tool, whereas only a few SMEs use it at its maximum. It enables the enterprises to network with customers and provides multiple opportunities for small businesses in the marketing and in building closer and more profitable relationships.

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