

THE IMPACT OF SOCIAL MEDIA ON SMALL ENTERPRISES IN INDIA

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ABSTRACT-For the economic enhancement of any country small and medium enterprises considered as a main contributors. Nowadays social media become a new tool for communication, interaction not only for the peoples but for the businesses as well. This research shows the effect of social media networking sites on small businesses in and social media penetration in India. Now the companies take the social media as a marketing tool to reach the target customer and in India Social media is flourishing at very rapidly. People are related on a worldwide scale and usually contribute in each other's lives with the online system. For example "Liking" a product on Facebook can reach virally very quickly in the whole web social media channels. It is not very usual that people rely on the opinions of their acquaintance far more than a glossy magazine advertisement. Many people think products and services directly via social media channels using video through YouTube, which numerous cases is then spread and information is taken via many other social media websites. However, on the basis of review of literature its find there is a positive impact of social media networking sites on small business entrepreneurs and they are self motivated to use this platform.

KEYWORDS: social media, small business enterprises, social media marketing, impacts and benefits

INTRODUCTION

Till 1990's the television, radio, newspapers were only the channel used by businesses and then in 2000's social media was started in whole world. LinkedIn website in 2003, Facebook media in 2004, YouTube channels in 2005, twitter in 2006, whatsapp mobile app in 2009. People worldwide uses these social media platform for communication, sharing picture, videos, and when android is launched in 2011 worldwide people able to use these entire social networking site on their mobile phone. According to Kaplan and Haenlein (2010), "Social web Media is an assortment of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content". Social media can take various forms like social networking sites, blogs, wikis, micro blogging sites etc.

The use of social media has fully grown considerably among customers. Today, we are in twenty first century and folks don't notice time to return with one another. Social media helps in connecting themselves with social networking sites through that currently individuals will keep way and nonetheless stay connected.

In line with a report an Indian pay average time on net is seven hours minutes daily and out of them they pay two hours minutes on social media. And firms get to have interaction with their audience via the net platforms. on-line presence could be beneficial for businesses these days. on-line presence is obligation for businesses these days. with the exception of a basic website; customers appearance for a web log, a Facebook page, go-cart, e-brochures, etc. ninety two of small and little businesses agree that social media is a good promoting technology tool. They're equally split on the effectiveness of social media for attracting new customers and fascinating existing customers.

With the Indian economy expected to emerge collectively of the leading economies within the world and certain to become a \$5 trillion economy by 2025, major impetus is being given to strengthen the backbone of our economy - the SME sector. Comprehending the implication of the SME sector vis-a-vis disposition numbers to the work market contribution. There are around fifty one million tiny and medium businesses in Asian nation, however solely thirty second have an internet presence.

Implementation of social media promoting by tiny and medium enterprises may begin not solely a great deal of chance however will modification the methodology of its business in whole world therefore, it's essential to grasp the factors that contribute the adoption of social media promoting among SMEs in conducting promoting activities at intervals business enterprises. During this paper with the assistance of existing literature we tend to perceive the impact of social media and its impact on the performance and growth of the little business.

Definition of Small Medium Enterprises in India

The Government of India has made the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 in terms of which the definition of micro, small and medium enterprises is as under:

Table 1. Production & Service Sector

Enterprises	Producing plant & machinery
Micro Enterprises	Less than Rs. 25,00000
Small Enterprises	Rs. 25,00000 > 50000000
Medium Enterprises	Rs. 50000000 > 10,0000000
Service sector	
Enterprises	Investment in equipments
Micro Enterprises	RS. > 10,00000
Small Enterprises	RS. 10,00000 > 2,0000000
Medium Enterprises	Rs. 20000000 > 5,0000000

LITERATURE REVIEW

W. Glynn common beet and David J. Faulds in “Social media” indicate that social Media is that the trendy part of the promotion combines as a result of with the assistance of these customers ready to speak with one another on social networking sites. However the content, frequency and temporal order of the conversations coincide between the purchasers aren't within the management of the organization

Andreas M. Kaplan and archangel Haenlein conclude that Social Media helps businesses to directly communicate with the end-consumers, with nice ability and additionally low in price if comparison to the opposite ancient. firms ought to develop their own Social Media ways so as to be a vicinity of this new trend and gain a lot of profits.

Tom Smith in “The social media revolution” state that on-line engagement with the buyer helps in building sensible and semi permanent relationship with the purchasers, United Nations agency purchase and advocate their product on-line and offline.

Saint Andrew concludes that social selling can facilitate enterprises particularly for the tiny firms throughout a amount of name construction win quicker low-priced advertisement and higher sales performance.

Chesbrough, H. indicates that Social media selling supply larger market coverage that have a right away impact within the success of SMEs. With the usage of social media tiny businesses will reach intent on customers that helps in increasing their wealth.

Ambrose Jagongo, Catherine Kinyua in “The Social Media and Entrepreneurship Growth” state that people who formulating policies ought to step to the fore with favorable web browsing rates and e-business policies to spice up the technological receiving that might enhance the SME business.

Vivin. Richard, Ms. Sri. Jothi conclude that Social networking sites play a big role in communication and interaction. except for this it keeps the client update concerning the market additionally. however there's a requirement to investigate the necessity of the purchasers United Nations agency return on-line to satisfy their desires. Social media advertising is one in every of the simplest on-line promotion ways that has been utilized by the E-Entrepreneurs.

Merrill, T., Latham, K., Santalesa, R., Navetta, D. indicate that tiny businesses are currently ready to reach an enormous market on the web. Social media helps businesses to spice up the growth in their variety of consumers. Malik Shahzad Shabbir and Muhammad Saarim Ghazi state that Presence on Social media have direct and positive impact on small business entrepreneurs which keep them motivated to use social networking sites.

Gümüş & Kütahyalı conclude that Social media provides an opportunities for Small enterprises in terms of sales, cost advantages, communication and sharing advantages.

Anas A. Al Bakri indicate that There is not any significant relationships between social media use and competitive advantage. Only 10 percent of the small medium enterprises were using social media. Of these, 72 percent used Facebook, 27 percent Twitter and 1 percent YouTube. Social media helps in improving services provided to the customer and maintain good relationship with them, and 80percent said it helps in improving products and service. How to apply social media, measure the ROI of social media is the main challenges.

Shilpa Balan, Janhavi Rege in Mining for Social Media: Usage Patterns of Small Businesses state that Customers don't want to follow a company that only posts about their products and services without any interaction with the customers. Pictures and videos of the product should be posted instead of just posting information about their business. Asking the customers for their feedback about the products is the best way to engage with the customer.

Fluss (2013) states that social media is going to change the business setting for many organizations within the next few years. This is because the volume of comments and posts on social media sites is expected to grow rapidly. Further, Fluss (2013) mentioned that those organizations that will invest in incorporating social media will have a major advantage over their competitors.

Barnes et al state that social media has been extremely more important for small businesses because these businesses lack the resources to market their products or services.

Germán Aníbal Narváez Vásquez*, Edgar Montalvo Escamilla in his research paper “Best practice in the use of social networks marketing strategy as in SMEs” conclude that Small medium enterprises is not aware about the various benefits while using social networks. There are ample opportunities to teach small businesses about the potential that a good social media marketing strategy for your business can be produced. They are unaware that the existence of social media tools could be

beneficial to promote their products, customer approach, monitoring and calculating the effectiveness of its strategy, brand positioning, etc.

GAP ANALYSIS

A lot of study is done worldwide to understand the significance of social media and why it is necessary for businesses to get connected with social media, but in India there are not much more study has been conducted in this area, this study to understand the impact of social media and its effect on the performance and growth of the small business.

SIGNIFICANCE OF THE STUDY

Expansive organizations have incredible openings and huge promoting spending plans and they can without much of a stretch pick up perceivability through multi channel showcasing exertion though SME's are constantly compelled with the decisions and alternatives to advertise themselves and pick up perceivability because of restricted spending plans nearby. For the most part SME's are very subject to the informal exchange of the glad clients and keep their exertion rotating around couple of least channels which they can bear the cost of along these lines constraining their development potential. This study helps the small enterprises to understand the impact and benefits of using Social media.

OBJECTIVES OF THE STUDY

1. To study the impact of Social Media on small business entrepreneurs
2. To analyze the social media users penetration in India

RESEARCH METHODOLOGY

A secondary study has been done to understand Social media and its importance. Data were collected and analyses from various research papers, articles, reviewed books, and social media reports.

IMPORTANCE OF SOCIAL MEDIA

1. Higher client insights

Small enterprises gets an improved understanding of their finish clients and also the customer continually share their views and feedback concerning the merchandise and services as a result of they're aware that the corporate is taking note of them. Social media permits them to examine what potential customer opinion area unit and network with them furthers.

2. Higher client service

Social media helps businesses to reply and sought-after out their grievances, question and concern that helps to satisfy their client at some level. Customer's area unit assured that, if any drawback occurs at any level they're going to receive resolution at the earliest. Consistent with Forbes, seventy one of shoppers UN agency receive a fast response on social media say they're additional probably to advocate that whole to others.

3. Price Economy

When businesses in running on a set selling budget, social media is that the most efficient thanks to market and promote the business. Facebook, twitter, pintrest, etc, permit business to share their content for no price or at minimum price. Therefore Social media is a reasonable advertising platform for little business UN agency cannot afford abundant to advertise their product.

4. Property

The business should be connected with their customers. With the Day-by-day ever-changing preferences, lifestyles etc. and requirement of client, Social media helps the enterprises to perceive demands and requirement of client. Corporations will be able to cater to the dynamic interests and initiate their selling campaign consequently

5. Establishing whole Awareness

Social media helps in increase awareness concerning the whole among customers. With the presence on social media businesses will produce awareness by building company image.

6. Sales

Through the raised exposure on social media, it drives traffic into the corporate. This successively converts the potential customers to actual customers and helps in increasing sales.

Table 2. A snapshot of number of internet and social media users in India in Jan 2018.

1	Total Population : 1,347 million	34% urbanization
2	Internet users: 462 million	34%
3	Active Social Media User : 250 million	19%
4	Active Mobile Social User: 230 million	17%

Source: Wearesocial.sg Sources: US Central Bureau, ITU, Facebook for Jan' 2018

The above table shows that 34% of the total population in India use internet out of them 19% is active on social media.

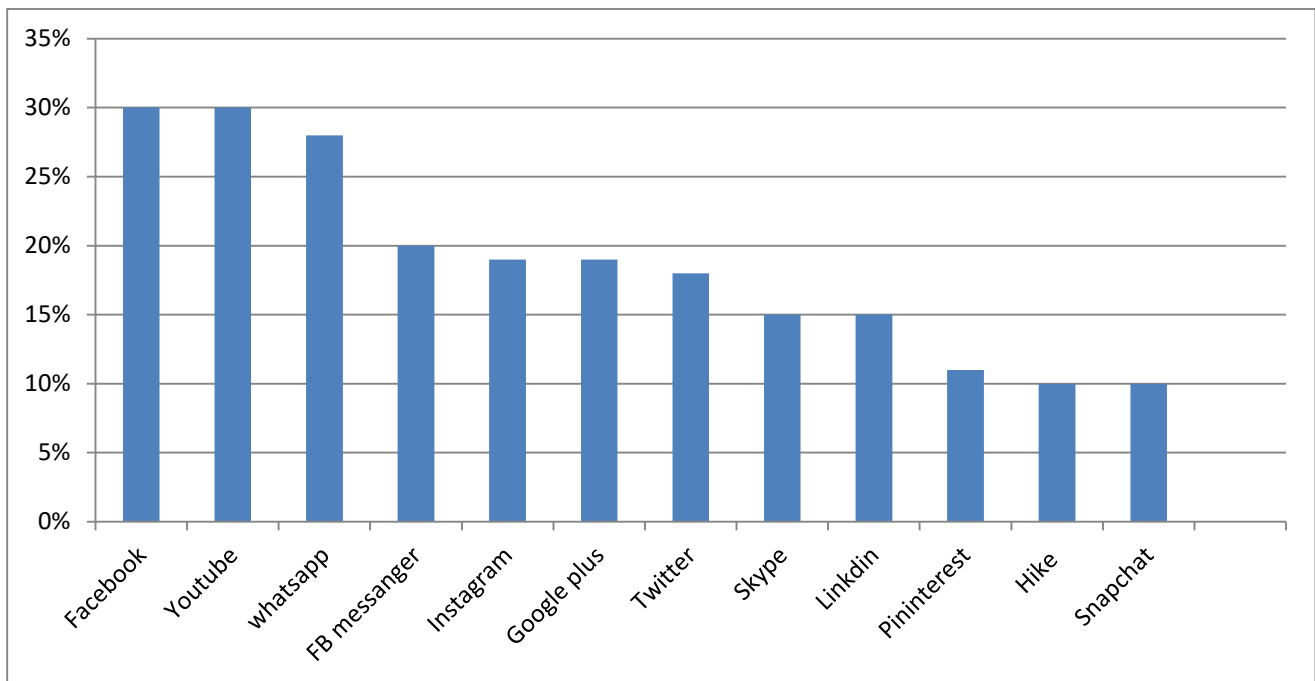


Figure 1. Penetration of leading social networks in India Jan 2018

Source: Wearesocial.sg Sources: US Central Bureau, ITU, Facebook for Jan' 2018

The above table indicate that the social network penetration in India. As per report, the most popular social network is facebook and youtube with a 30 percent penetration rate each. WhatsApp was ranked third with 28 percent reach. India is top among countries with the Facebook users, accounting for 12 percent of global Facebook audiences in Jan 2018. Social networking penetration in India at only 19 percent of the penetration one of the lowest rates worldwide.

Table 3. Number of social media users in India from 2015 to 2022 (in millions).

Years	No of users in millions
2015	147.23
2016	188.1
2017	186.02
2018	227.06
2019	259.27
2020	293.43
2021	366.18

Source: www.statista.com

The above table shows that number of social network users in India from 2015 to 2022. In 2019, it is predictable that there will be around 259.27 million social network users in India, up from close to 188.1 million in 2016. Facebook is predictable to reach close to 366.18 million users in India by 2021.

DISCUSSION

Web based mostly life stages alter shoppers to possess discussions, share knowledge and create online page. There are varied varieties of net based mostly life, together with sites, smaller scale on-line journals, wikis, social interaction destinations, photograph sharing locales, texting, video-sharing destinations, digital recordings, gadgets, virtual universes, and that is simply the start. Net based mostly life is employed all round the globe to form associations and supply knowledge. Net based mostly life in addition provides shoppers an opportunity to require into consideration shopper desires and criticism at the foremost on time. on-line networking has opened roads for advertisers that failed to exist antecedently or were to a fault confused.

Net based mostly life could be a nice equipment at the fingertips of advertisers and that they will impart a small amount of substance to the globe during a flash. Net based life is essential for the business because it helps Showcase the organization's image and create a complete image by taking care of solid net based life closeness. By habitually refreshing insights concerning the organization and its social happenings, planned shoppers are greatly watchful for the organization. Insights have incontestable that communication in net based mostly life organizes even 2-3 times weekly will basically increment on-line closeness in each the customary and computerized advertise house, whereas organizations are fabricating new connections outside the four dividers of your workplace.

Web-based social networking allows organization to urge customize their things to their shoppers. With swollen reaction to shopper criticism forthcoming shoppers can most likely find their potential shoppers because the organization is accessible to cook and react to their explicit stipulations and wishes. Lastly net based mostly life is that the most value effective approach to

plug and complete any business. Advancing any business through on-line networking can simply expand quantitative profit. It in addition permits creative business enterprise openings and fortifying advertising while not a big cash connected duty.

IMPACT OF SOCIAL MEDIA

Business visionary can utilize the face book to interface with its ineffective binds or endeavor to expand contact with existing solid ties. Personal venture utilize net primarily based life additional since it's tied in with mingling and transmission insights. These conclusions may be communicated as composed passages as web log entries or remarks, video introductions and votes via web-based networking media destinations. Business individuals utilize internet primarily based life as a promoting device in lightweight of the actual fact that through this device they'll fabricate chop-chop a system of supporters that is important for business development. Since these supporters continue bring a customer's/business for freelance company business visionaries by alluding it to others. Internet primarily based life makes an extended haul association amongst organizations and purchasers.

However, there are a number of problems known with internet-based system .Many organization face problems to counter this problem. Usually business utilizes their own method to manage superior outcome. Second is Social Media is not good for health .World Health Organization is concerned about this problem.. Within the event that a business has to get advantage from on-line networking showcasing, the initial innovate the method got to be to line goals for the battle, as setting objective may be a basic task of the companies. As indicated by them, any promoting effort while not a goal cannot be calculable and assessed and except if we will quantify the execution it may be viewed as a misuse of many things.

CONCLUSION AND FURTHER RESEARCH

Internet based life applications turn out to be most proficient instrument for little and medium business visionaries and typically all independent venture utilize web based life stage for the publicizing and promotion of their item and they make lover pages for the adherents and they warmly welcome the proposals and assessments which help in humanizing the business. In light of hypotheses plainly if private ventures online life instruments with right approach and evident objectives they can without much of a stretch reach to their objective clients and by utilizing as a part of right approach web based life constructs a long haul association with business and client. Online life gives an event to the two buyers and business visionaries to impart adequately. Web based life can assist private ventures with spreading out their organizations by utilizing substantial scope of feeble ties yet there is a few issues with internet based life which is looked by the independent venture, for example, advancements are so vivacious and has not been a reasonable rule for organizations concerning how to abuse them and they dispatch online networking effort without clear key objectives. So according to my perception by perusing the writing survey, web based life applications has positive effect on little and medium business people are amazingly spurred to utilize this stage since it requires least spending plan or even free in most web based life sites to publicize their items and internet based life makes a communication and client discernment is comprehensive and participatory and online life gives true time criticism taking care of chances. A lot of study done on small enterprises worldwide, but India is lacking these kinds of ground level study, so more study is required for micro and small businesses and all the tools of social media engagement should be explored.

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