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Analysis of Impact of Social Media on Business Growth

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Abstract

Social media is proving to be an excellent tool for any business to grow because it connects with people, sets up brand awareness, and increases sales. The purpose of this research is to explore how effectively businesses make use of the social media websites/apps, such as Facebook, Instagram, or YouTube, to achieve success. The Power of social media cannot be ignored. This study explores how brands such as Nykaa and Netflix have utilized social media platforms to engage with their audience, leading to growth. Nykaa has used specific platforms to not only promote its products but also run targeted campaigns to build a loyal customer base. Similarly, Netflix uses social media creatively to engage users with trending content and personalized recommendations. This research makes use of both primary and secondary data with quantitative analysis based on a survey of 51 people. The author has found the importance of attractive content, advertisements, as well as interaction with customers to build customer loyalty which in turn builds a brand and therefore leads to business growth. The findings indicate how social media can help businesses when applied in a channelised manner. This paper is simple and applicable to businesses that wish to achieve better through social media use.

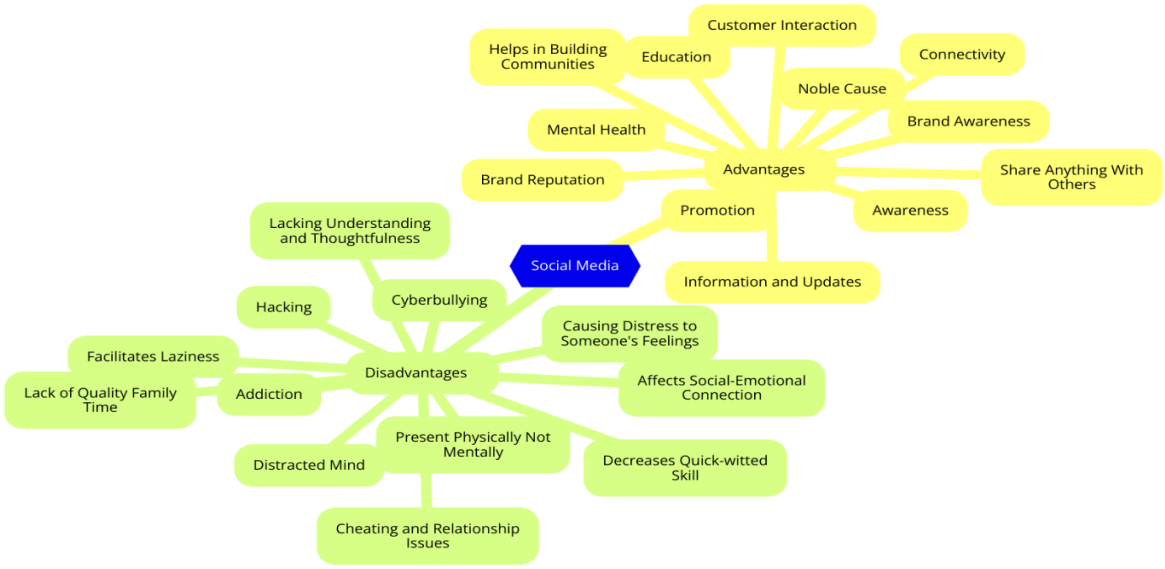
Keywords

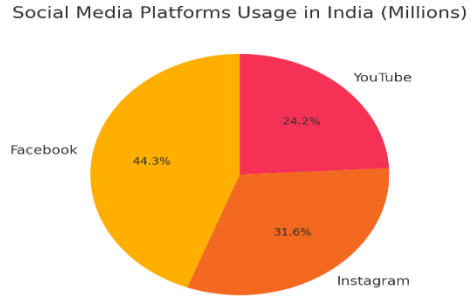
Social media, Brand Awareness, Facebook, Instagram, YouTube, advertisement, Customer's Feedback, Business Growth.

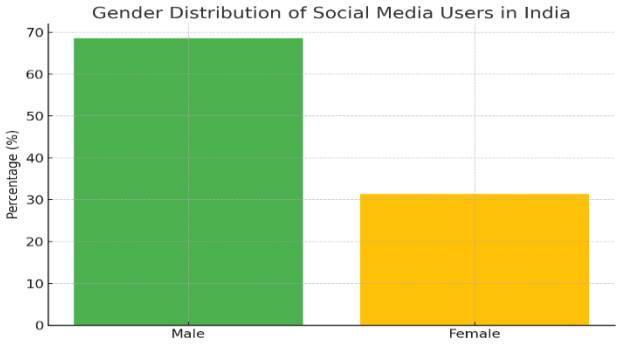
Introduction

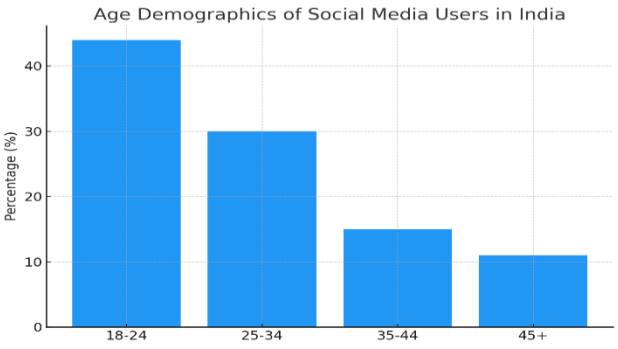
The Internet is the best thing that has happened to the world. The Internet has simplified human life. The information of the whole world is available in one click. Social media platforms is one of the best outcomes of the internet where people can come and meet virtually to share information. Anyone willing to connect can easily register on the app of their choice and create a profile. Facebook, WhatsApp, Instagram, and Twitter are examples of social media apps. Initially, such apps aimed to facilitate communication with people who live far away and therefore communicate with them virtually. Now, times have changed as such apps are not restricted to only communicating and sharing their photos or memories. Social media has taken form of useful medium for transfer of information between businesses and people. The engagement rate of the majority of population is quite high on social media. Any simple information can also be passed on at a rapidly. Such a good platform

needs to be used wisely by the users as well as businesses to build online reputation and customer loyalty. Online statistics show that the users on these platforms are both literate and illiterate which means the general awareness levels vary from one customer segment to another. It is important to have judgment on which information to share or forward. It has been observed that social media has its advantages as well as disadvantages.









Source:

https://www.bing.com/search?pc=OA1&q=statistics%20of%20social%20media%20users%20in%20India%202024

Today's generation is so equipped with social media, that it has become an integral part of almost every individual's life. Each coin has a flip side so does social media. Even after knowing the disadvantages of social media, one still can use it in a better way to educate society.

There is an increasing popularity of E-Commerce and shopping apps. Majority of population is engaged in social media in one way or another which is why it is important to grab the attention of maximum number of

individuals for promotion of brand by social media only. As this generation is not who reads hoardings and boards located in streets and highways.

This generation is particular about reading news and important events through the social media apps. So why not use such apps to promote brands and grow the business? Many brands follow this strategy. So, if any shopping apps want online traffic in their apps, they need to first promote themselves on social media where people can then divert to the other apps.

Social media is a boon if we use it in a good manner to promote our business. It can help to increase your brand visibility, improve audience engagement, and can also generate leads for more sales. Sometimes it happens that you google some product and then you open Facebook or Instagram, the item you searched in Google may appear in your social media apps also.

The integration of Search Engine Optimization and social media is one of the most effective tools to reach the target audience. So, this is how the internet is helping brand promotion based on the preferences of people. Today social media influencers are being used to promote brands who have more followers in social media apps.

Objectives

1. To study the concept of social media.
2. To study the impact of social media on growing business.
3. To study the cases on social media which helps grow business.
4. To recommend the use of social media to grow business.

Hypotheses

H_0: There is no relationship between a business's presence on social media and its customer acquisition rates.
H_1: A strong social media presence positively influences customer acquisition rates.

Review of Literature

Harshith S. (2024)

This research paper focuses on how businesses use social media platforms like Instagram and Facebook to expand into global markets. It explores the strategies they employ, such as content creation, posting frequency, and engagement tactics, to overcome geographical barriers. Through surveys and case studies, the paper examines both the opportunities, like direct communication and content localization, and the challenges, including cultural and regulatory issues, that businesses face in the digital space. The study offers insights into how social media is transforming the internationalization process for Indian small businesses to grow exponentially within a short time frame and in the most cost-effective manner.

Nurul Ain Abdullah, Mohd Khata Bin Jabor, Mohamad Alif Ismail, Ahmad Shobah Mohd Isa1, Hanim Zainal (2019)

This research paper focuses on the role of social media platforms like Facebook, Twitter, Instagram, and others in promoting businesses, particularly in the context of online shopping. It reviews existing literature to identify the key platforms used for business promotion, assess the relevance of social media in marketing, and explore the factors that attract customers to make online purchases. The study finds that Facebook is the dominant platform for promotion and highlights the effectiveness of social media in engaging customers interactively. The insights offer valuable guidance for businesses to better promote their products and services through social media.

Lui Hilong (2023)

This paper focuses on examining how social media marketing strategies influence brand awareness, customer loyalty, and perception across businesses with varying levels of participation. It proposes a conceptual framework to analyse the impact of social media marketing on customer engagement, specifically for start-up businesses. The study also explores the growth of various social platforms, the evolving demands of consumers, and how social media marketing affects customer decision-making. The research aims to provide insights into how businesses can effectively utilize social media to enhance their brand presence and influence customer choices.

Research Methodology

The research is based on Primary and Secondary Information.

NYKAA

NYKAA was established in the year 2012. It offers a variety of Fashion, Intimate Apparel, and Beauty & Cosmetic products. This was first created by using online platform only through which product got immense success that they switched to an omnichannel approach. This brand caters to consumers need and their preference which makes it customized service provider. The success of this brand goes to the social media platform as they branded themselves by using this platform to attract suitable age group of people.

NETFLIX

Netflix is an established brand overseas but in India, it was introduced in the year 2016 with a strategy of expansion overseas market. The reach of Netflix among users in such a short time is a classic example of growth in business with the help of social media. Netflix had the strategy to capture the largest audience which was possible through social media as a number of users are more in it. It also constantly connects with users by providing all language movies, web series, and documentaries, etc., Netflix also shares behind-the-scenes videos which again connect it with a greater number of users. Netflix's annual Playback campaign reimagines iconic scenes from pop culture and memorable scenes from their films and series. The 2023 campaign garnered over 27 million views across social media platforms.

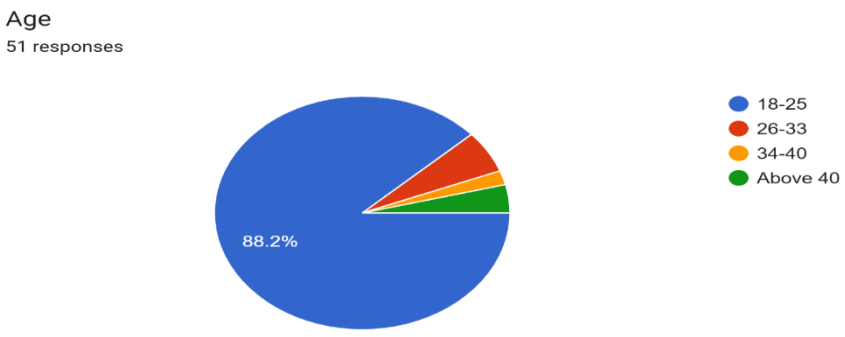
AMUL

The use of social media for promotion of brand, Amul has made it one of its number one tactics. Despite being a massive and iconic brand, Amul stays closely connected with its audience through social media in a fun and relatable way. Its unique cartoon mascot appears on all its social media platforms with a unique twist to deliver the latest news about which people care. For example, when the Supreme Court partially banned firecrackers on Diwali, Amul didn't just report the news; they shared it with a creative and humorous twist that got people across platforms engaged. It helps the brand stay familiar and connected with people across generations. Amul proves that no matter how big a brand is, staying connected with your audience in an engaging and human way is the key to lasting success. Social media helps Amul become a part of conversation in their everyday lives and thus breaking the barrier of brand and customer.

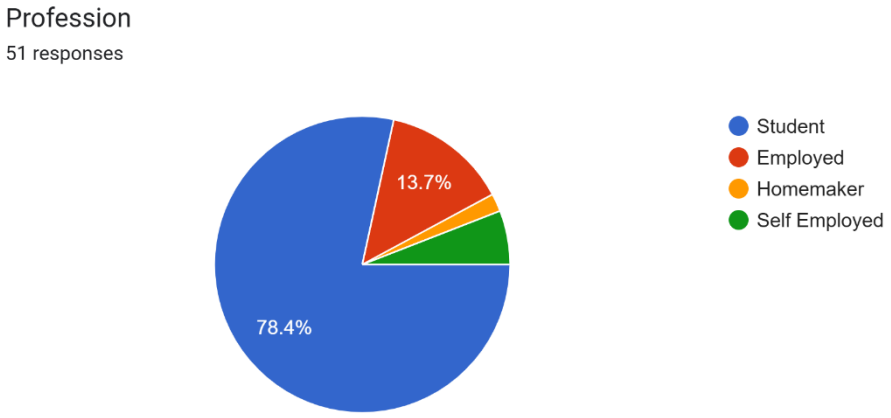
CHUMBAK

Chumbak has a wide range of products from magnets to modern Indian trinkets. While their products are quite unique and attractive, the main reason for their widening customer base is the use of social media to increase the brand recognition and engagement. Their Instagram account isn't just showcase of their products, it's a channel of communication with their loyal fan base. The brand has taken care of understanding and implementing the importance of the power of user-generated content. In a recent campaign, they turned to their fans for creativity by asking them to design a unique coffee cup. This idea hit a chord with their followers and went viral and therefore making the campaign a massive hit. Their main tactic was to make their customers a part of their ad campaign by making them co-creators which facilitated the ad campaign via social media to be a soaring success. Chumbak's approach to blending creativity, fan engagement, and smart social media strategies truly sets them apart.

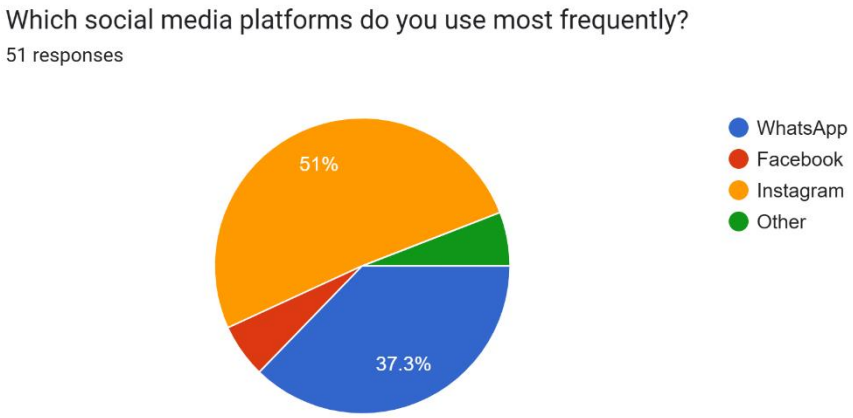
Data Analysis and Interpretation



Here, majority of respondents are in age group 18-25 years old who have participated in the survey. Therefore, this study majorly shows the consumer behaviour pattern of social media of the young adults. The percentage of total respondents in age range 34-40 is quite less but it is observed that the research does cover people above 40 years of age to see their social media consumption pattern.

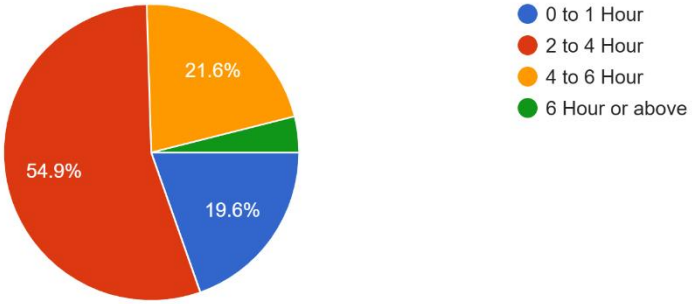


More than 75% of respondents are observed to be students. In this study we see how students i.e., younger generation are influenced by social media in their consumption pattern and how businesses can tap into the requirements of this section of people to increase their business. Our employed respondents are also up to 13.7% people whose social media usage has been studied in this research.

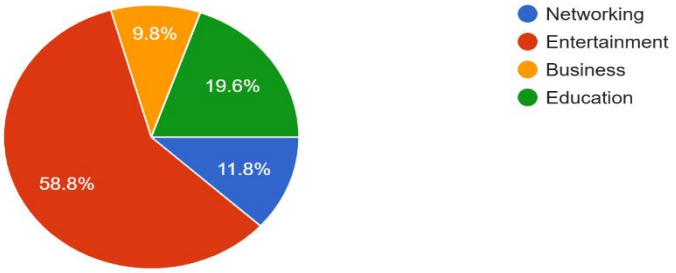


The Top-most used social media platform is Instagram as well as Facebook. These platforms are popular among people of different age groups and therefore can be tapped to reach the desired audience based on their activity on these apps. This study shows how people are spending many hours of their day on these apps. It gives the wide window of opportunity to tap into their minds and thus effect their consumption patterns by creating content which promotes in brand in an engaging way.

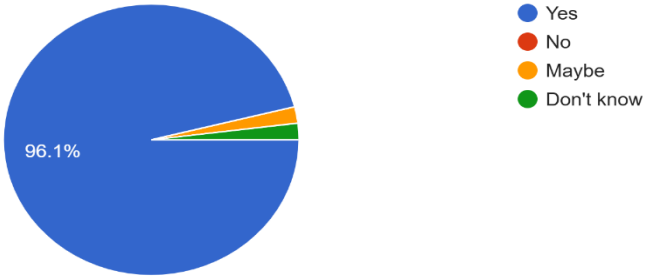
How many hours per day do you spend on social media?
51 responses



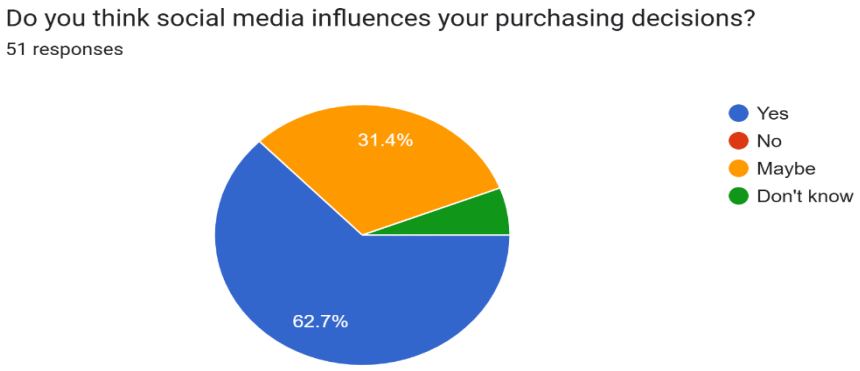
What is your primary purpose for using social media?
51 responses

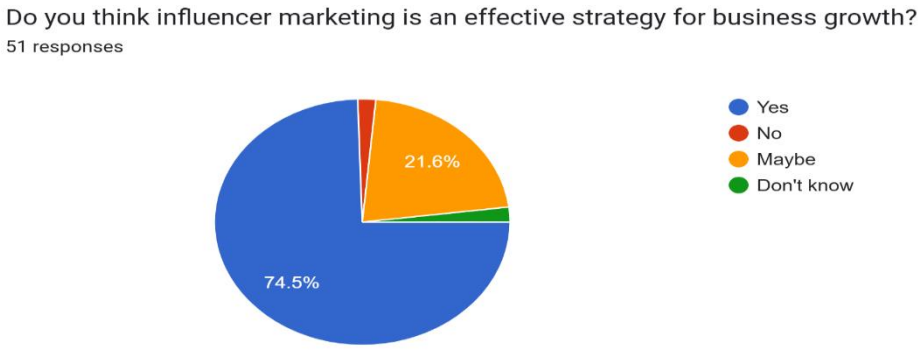


Do you think social media helps business connect with their audiences?
51 responses

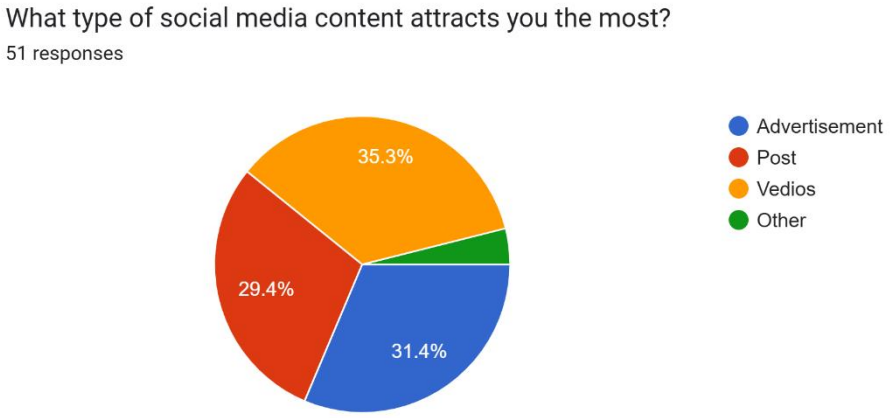


As the primary purpose of using social media is to get entertainment among respondents, it is evident that when the content is entertaining people will engage with the content and it can be used to gain customer attention for business products. People also find social media to be effective when it comes to connecting with business. If people find social media page which caters to their interest, needs and wants, then they will follow such pages and also buy product/services from them.



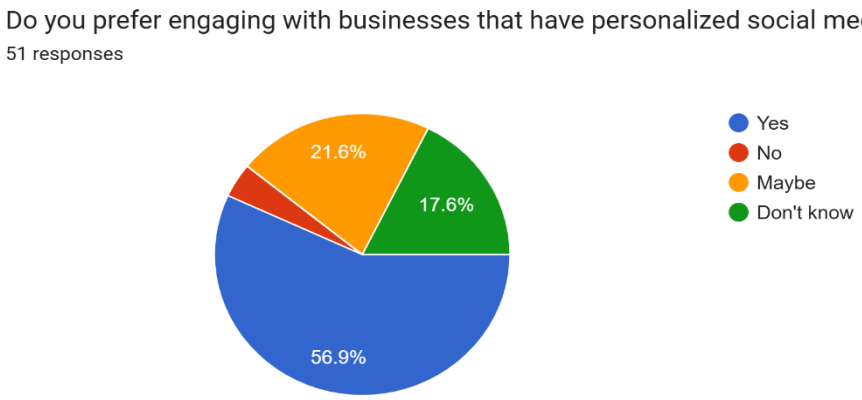


The level of influencer marketing prevalent in today's time is a proof in itself of how it is possible to create a persona on social media platforms which will feel familiar to people and therefore they will relate to them and try to imitate their lifestyle and choices. Businesses must use this information to increase the human touch in their brand campaigns to increase their sales.

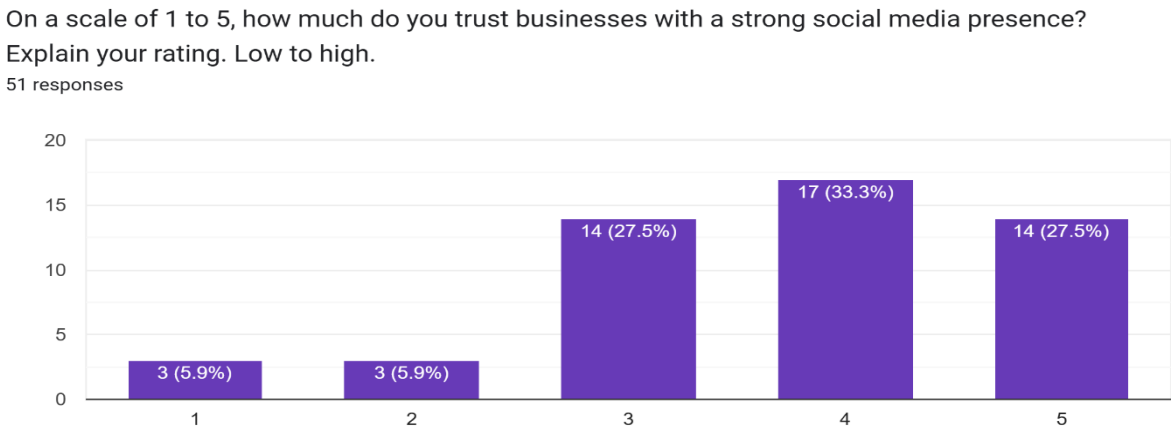


The increasing popularity of video-format of content is visible in this study. People prefer having to use less time in reading and more in getting information/entertainment quickly. The attention span is also decreasing. The brand campaign has to garner attention of its audience to customer conversion in the least amount of time possible. While posts are also popular, it depends on the type of audience. If people are looking for valuable

information, they will give time to read captions and links on social media apps which lead to a blog or website.



The collected Data shows that a maximum number of people want their content to be personalised. If they are nowhere near interested in a product or service, an ad of the same will feel like a waste of time. Also, it will not lead to sales conversion. Therefore, it is important target customer based on information which shows they are a niche market. Social media algorithms help in doing the same effectively. Respondents tend to trust brands which have strong social media presence. It gives them an impression of the brand to be trust-worthy. They find it easier to click on links given on such pages. It is therefore clear that social media presence should be taken care of if the aim is to get sales.



What improvements would you suggest for businesses to better utilize social media?

Branding	**2**
Social	**4**
Audience	**7**
Consistent	**6**
Communication	**4**
Engaging	**7**
Active	**3**
Products	**3**
Creative	**5**
Customer	**7**
Concern	**3**

How do you define social media in your own words?

Entertainment	**10**
Knowledge	**6**
Fun	**10**
Networking	**9**
Content	**8**
Platform	**3**
Bad	**3**
Good	**5**
People	**6**
Impressive	**4**
Growth	**3**
Users	**5**
Post	**5**
Videos	**4**
learning	**7**

What is the most creative social media marketing strategy you've seen, and why do you think it worked?

Dressing	**6**
OTT Apps	**11**
Creativity	**6**
Shopping Apps	**23**
Cosmetics	**15**
Food apps	**17**

Growth of online shoppers in India (Estimation)

Source: https://www.statista.com/statistics/1191958/india-number-of-annual-online-shoppers/

Following are the steps for online branding on Instagram or Facebook

1. Develop your brand like brand mission and value or target audience

2. Craft a strong visual identity like a logo, design templates or colour palette

3. Optimize your Instagram profile like profile picture, bio, contact information

4. develop a content strategy

5. Use effective hashtags like branded hashtags or relevant hashtags

6. Engage with your audience's example likes and comments on other people's post or polls and questions etc

7. Leverage Instagram stories and reels like using interactive features on stories

8. Collaborate with influencers and brand

9. Monitor performance analytics

10. Run Instagram ads (optional) like targeted ads or key content

Limitation of study

The study is based upon Primary and Secondary data. Sample size is very less. For study purpose only few brands are taken into consideration.

Findings and Conclusions

Social media has transformed the business environment in how to reach people in ways that are hard to fathom. It is low-cost and creative so that it is affordable to even the smallest of businesses. Instagram and Facebook give businesses the platform to show products and strong brand presence while having a 'direct' interaction with customers to create loyal communities. Campaigns that use customers to express their experiences with a product make the brand look realistic and actual.

Firms can reach their targets and achieve greater returns with lesser investments through targeted advertisement features compared to traditional advertisement. The cost-effectiveness of reaching a wider audience, instant feedback, and customer relationships all make social media an indispensable aid to growth in the digital era.

Recommendation

1. It is highly recommended for those businesses who aim for the youngster crowd to opt for online branding of their products. Most of the youngsters are engaged with social media so it becomes the right place for product promotion.
2. Choose a platform that aligns with your goal. For example, if you are a teacher you can opt for YouTube and if you want to promote a clothing brand Facebook, or Instagram becomes helpful.
3. Even if a small business can attract with the right amount of advertisement through the use of social media. It is highly recommended to have products advertised in online mode also rather than offline only.
4. It is also recommended to develop more such apps which only help to build and promote small brands and businesses to make them grow.

Scope for Further Research

Researchers can increase the sample size to gather more information based on the title and can analyse the same. Researchers can use other brands for case studies and use more social media tools to promote businesses and brands.

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