



Impact of social media applications on small and medium business entrepreneurs in India

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Abstract

The main objective of this paper is to examine the impact of social media applications on small and medium business entrepreneurs in India. It is also examined how small and medium business owners are motivated to use social media applications. Social media completely transformed the way of businesses. Social media platforms provide the perfect opportunity to take advantage of word of mouth and to see it spread. Social media is growing at its fastest rate in developing countries like India. People are connected on a global scale and casually participate in each other's lives through online observation. Something as simple as "Liking" a brand on Facebook can spread virally very quickly throughout the various social media channels. It is worth noting that individuals trust the opinions of their peers far more than a glossy magazine advert. Millions of people review products and services directly via social media sites using video through YouTube, which in many cases is then shared and disseminated via various other social media websites. However, based on literature review concluded that there is a positive impact of social media applications on small and medium business entrepreneurs as well as they are self motivated to use this platform.

Keywords: social media, small and medium business entrepreneur, motivation and publicity, impacts and benefits

Introduction

Social media marketing is the latest "buzz" in marketing. India is most likely among the first proponents of social media marketing. These days, the organizational cause has replaced the social cause as companies seek to connect with their audience via the online platforms. Online presence is an obligation for businesses today. Apart from a basic website; consumers look for a blog, a Facebook page, shopping cart, e-brochures, etc. 92% of micro and small businesses agree that social media is an effective marketing technology tool. They are evenly split on the effectiveness of social media for attracting new customers and engaging existing customers.

There are around 40 million small business owners in India, out of which, around 500,000 have their presence online while there are 23 million micro and small businesses in the US.

Prosperous amidst a challenging environment, the Small and Medium Enterprises (SMEs) of India experienced several highs and lows in the past few years. With the Indian economy expected to emerge as one of the leading economies in the world and likely 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 lending numbers to the job market contribution

Review of Literature

Gümüş & Kütahyalı (2017) ^[2] indicate that social media provide serious opportunities for SMEs in terms of sales and cost advantages, as well as communication and sharing advantages.

Anas A. Al Bakri (2017) ^[1] indicated that there are no significant relationships between social media use and competitive advantage. Only 10% of the SMEs were using

social media. Of these, 72% used Facebook, 27% Twitter and 1% YouTube. All said social media had improved customer service and relationships, and 80% said it had improved products and service. Uncertainty in how to apply social media, measure the return on investment and persuade employees to embrace social media was the main challenges. Malik Shahzad Shabbir and Muhammad Saarim Ghazi etc., (2016) ^[3] concluded that there is a positive impact of social media applications on small business entrepreneurs as well as they are highly motivated to use this platform.

Wael Basri (2016) ^[4] according to the review, there is unique relationship between the social media and the Arab world, in social, political, religious or cultural and economic spheres. This relationship has enabled the social media to uniquely impact on the Arabian market in such areas as offering (a) a marketing platform for the Information Age, (b) an avenue and forum for increased sales, (c) an innovative edge for SMEs to reduce expenditure/cost and enhance profitability, and (d) a benchmark of direct client communication of modern PR. In sales and marketing, social media is now employed to attract new clientele, and increase sales within the current market base. Further, in marketing and public relations, social media has enabled and maintained direct and personalized business-to-client communication in ways previously unfeasible and absent.

Muhammad Salman Bin Saad (2015) ^[5] concluded that it was found that social media exposure and customer engagement that has strong ties to the brand awareness, while, influence does not reach enough relationship to brand awareness. In addition, the result shows that there is no significant relationship between firm's demographics factor and brand awareness.

Research Methodology

Data were collected from various magazines, articles, reviewed books, newspapers, and social media reports.

Objectives of the Study

- To study the impact of Social Media on small and medium business entrepreneurs
- To analyze the social media users penetration in India

Impact of Social Media

Social Media has a majorly impacted the world and business. There is a revolutionary change in the way people connect and communicate, Ali Kinston Mwila, Mining Information Technology at Barrick Gold Corporation says Social networks help the businesses in a variety of ways. Traditional marketing mediums such as the radio, TV commercials and print ads are completely obsolete now and demand for thousands of dollars. However, with social media the businesses can connect with their targeted customers for free, the only cost is energy and time. Through Facebook, Twitter, LinkedIn or any other social site you can lower your marketing cost to a significant level. He also mentioned in his article 'Positive and Negative Effects of Social Media on Society', Oct 2015 that social networking sites are to unite people on a huge platform for the achievement of some specific objective. This is very important to bring the positive change in society.

Now a days, small businesses use assortment of applications in social media to enhance their business growth as well as for publicity. As, large number of related field join their pages that's why they earn more and share knowledge with each other's, results in expansion of their businesses. With the passage of time, no doubt in it that technology is becoming faster and faster as well as making lives of individuals easier, on the other hand the opportunists taking advantage of this facility and brining new ideas on the facets. Entrepreneur will use the face book to connect to its weak ties or try to increase contact with existing strong ties. Small business use social media more because it is all about socializing and sharing opinions. These opinions can be expressed as written entries in the form of blog posts or comments, video presentations and votes on social media sites. These opinions are direct and unfiltered Shabbir. The openness of these opinions is one of the main changes social media introduced to the relationship between business and customers.

Entrepreneurs use social media as a marketing tool because through this tool they can build quickly a network of supporters which is vital for business growth. Because these supporters keep bring a customer's/ business for small business entrepreneurs by referring it to others. Social media helps to create a long term relationship between businesses and customers. But there is some issues related to social media in first is that worries businesses concerning the implementation of social media is the lack of consensus on how to implement different activities as the platforms and the technologies are so dynamic and there has not been a clear guideline for businesses as to how to utilize them. Mostly business use their own experimental approach to achieve a better result and this has somehow made the task more challenging. Second is implementing Social Media is the task of setting a clear objective and large number of businesses

join the social media every year but those who maintain their online presence effectively are relatively low, this is because many of those businesses launch the social media campaign without clear strategic goal. Gillin explains probably most businesses want to experiment the technology or maybe they are attracted by the low cost of entry and he suggests experimenting is better than inaction, but better to have a plan. Tuten suggests if a business is to benefit from social media marketing, the first step in the process should be to set objectives for the campaign, as setting objective is a critical step in any communication and marketing planning process. According to him, any marketing campaign without an objective cannot be measured and evaluated and unless we are able to measure the performance it can be considered a waste of an effort.

Social Media and Small Businesses

Social Media Is Changing the Traditional methods of Presence.

The traditional techniques of marketing using print and electronic media along with Internet marketing and lead generation were used to drive traffic to a business and its website. As search engine algorithms evolve, website owners have to stay on their toes to make sure their website is constantly updated with relevant and current information to prevent being devalued in search results. Today, social media like, Facebook pages, Twitter accounts, and YouTube channels are being seen as sites in their own right to mark the presence.

Social Media Allows Businesses to Crowd-source Ideas

Before you launch a new product or service, one would like to have some ideas about what people think about it. So by engaging with prospects and customers via social media, one can actually ask the fans and followers what colors they prefer or what types of features they want. Thus one can involve consumers in valuable free market research, by asking their opinions and can help establish credibility by showing that their opinions matter. After seeing their ideas becoming a reality, business has more than likely just increased their customer base.

Social Media Allows Keeping an Eye on Competition

Businesses are changing marketing strategies based on information they find in social media feeds from their competitors. By keeping an eye on competitors, their strengths and weaknesses can determine their marketing efforts. This gathered information helps to implement things that might be needed to improve such as social media campaigns, contests, giveaways or types of content the followers may be responding to the most. Social Media Allows Business to Be More Transparent.

The process of taking a prospect to the point of becoming a customer has slowed down somewhat due to consumers' awareness. People want to buy from those companies who have established credibility and who seem to be totally transparent in their advertising campaigns. Social media is changing peoples' opinions of businesses. By providing messages that are open, transparent and helpful, social audiences will learn that your business cares about its

customers and potential customers. One can position their company as a valuable resource by simply sharing information like advice, tips, or just answering questions about the industry.

Table 1: Number of social media users in India from 2015 to 2022 (in millions).

Years	No of users in millions
2015	142.23
2016	168.1
2017	196.02
2018	226.06
2019	258.27
2020	292.43
2021	336.18
2022	370.77

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 258.27 million social network users in India, up from close to 168 million in 2016. The most fashionable social networks in India were You Tube and Facebook, followed by social app WhatsApp. Facebook is predictable to reach close to 319 million users in India by 2021.

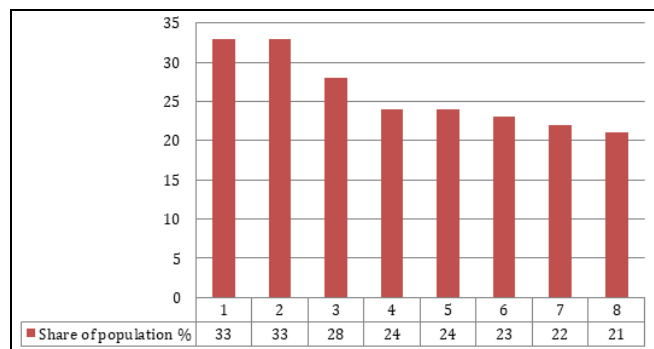


Fig 1

Table 2: Penetration of leading social networks in India as of 4th quarter 2016.

Social medias	Share of population %
You Tube	33
Facebook	33
WhatsApp	28
Google Plus	24
Twitter	24
Face book Messenger	23
Instagram	22
LinkedIn	21
Pinterest	15
WeChat	13
Snap chat	12

Source: www.statista.com

The above table indicate that the social network penetration in India. As of the fourth quarter of 2016, the most popular social network was You Tube and Facebook with a 33 percent penetration rate each. WhatsApp was ranked third with 28 percent reach. India ranks second among countries with the

Facebook users, accounting for 11 percent of global Facebook audiences in April 2017. January 2017 data puts the active social networking penetration in India at only 14 percent of the penetration one of the lowest rates worldwide.

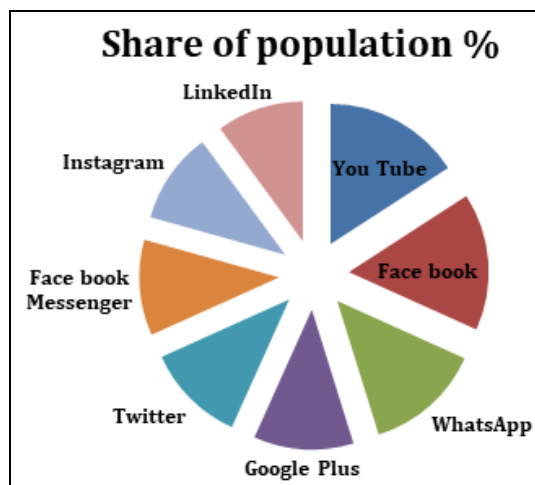


Fig 2

Conclusion

In recent era world Social media applications become most resourceful efficient tool for small and medium business entrepreneurs and normally all small business use social media platform for the advertising and hype of their product and they make enthusiast pages for the followers and they warmly welcome the suggestions and opinions which help in civilizing the business. Based on theories it is clear that if small businesses social media tools with right approach and obvious goals they can easily reach to their target customers and by using in right approach social media helps to build a long term relationship with business and customer. Social media provides an occasion to both consumers and business entrepreneurs to communicate effectively. Social media can help small businesses to spread out their businesses by using large range of weak ties but there is some issues with social media which is faced by the small business such as technologies are so energetic and has not been a clear guideline for businesses as to how to exploit them and they launch social media campaign without clear strategic goals. So as per my observation by reading the literature review, social media applications has positive impact on small and medium business entrepreneurs are extremely motivated to use this platform because it requires minimum budget or even free in most social media websites to advertise their products and social media creates an interaction and customer perception is inclusive and participatory and social media provides factual time feedback handling opportunities.

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