

Usage of Social Media Marketing for Small Business: A comparative analysis of various actions on Social Media

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Abstract

Social Media is an amalgamation of Web based software applications that resides on the technological and ideological foundation of Web 2.0. Web 2.0 allows to create and share content on the web. Social Networks are gaining a lot of importance in marketing of the company's products and services. Social Media is one of the best ways to connect with people, share your content, manage your feedback and reviews and create long term Brand Loyalty.

MNC's have bigger budgets for marketing and advertising on offline and online marketing. When it comes to small businesses, they have a very restricted budget for the advertisement. Small and Medium Enterprises (SME's) are said to be the major contributor of the Indian Economy. The Indian Government's is coming up with initiative like 'Make in India' and 'Digital India' are aimed at facilitating the growth of small scale industry in the country. Social Media will play a crucial role in overall growth of small and medium enterprises.

This research paper provides insight into social media literature and online consumer behavior with respect to the use of social media in small businesses. Also the paper tries to identify and analyze the reasons or actions that prompt consumers to follow or unfollow a particular Brand on social media.

Key Words: Social Media Marketing, SME, Web 2.0

Introduction

A social media is a virtual social structure made up of a combination of social entities involving individuals and organizations. It defines dyadic ties between these entities. The social network platform provides multiple methods for analyzing and studying the structure of all social actors.

Social media websites allow organizations and individuals to communicate with each other and build relationships. When a company have a presence on these social media platforms, consumers can directly interact with them regarding a specific question or a problem. This interaction can be more personal to users than already existing traditional methods of offline promotions and marketing. This personal communication can instill a loyalty feeling into potential consumers and followers. Also, by selecting an option of whom to follow on social media sites, services or products can reach to a dedicated focused target base and at the same time reach to follower's multiple connections.

Due to rapid changed in marketing strategies, Social Media Marketing is becoming an important aspect of promoting businesses through online media. Research has shown that potential web users are indecisive and doubtful to use social media marketing for long term purpose. Therefore, there is a need to identify some of the reasons that consumers follow/ unfollow certain Brand on Social Media.

As internet penetration is increasing globally, the use of social networks has also increased in a rapid manner. Due to cheaper data rate, urban and rural population is becoming part of social networks. Major social media platform includes Facebook, Twitter, LinkedIn, Instagram and so on. Marketers have to focus on promoting their brands and products through some tools on social media. These tools include sharing Photo gallery, wall postings, blogs, tweets, videos etc.

There are fascinating tools on Social Network Marketing as follows:

- | | |
|---------------------------|---|
| 1. Sharing of Information | 6. Sharing of Video or Image |
| 2. Discussion Forums | 7. Wall-Postings |
| 3. Weblogs | 8. Wikis |
| 4. podcasts | 9. E-mailing |
| 5. Instant Messaging | 10. Voice Over Internet Protocol (VOIP) |

Multi-National Companies have already adopted the model of promoting their products/ services through social networks. Small businesses are yet to start considering marketing through social networks in a larger perspective. They still are doubtful about the feasibility of using social networks, the expenditure that businesses are going to incur, the returns that they are going to get after use of social media marketing. These are some of the research questions that a normal researcher will have.

The ardent of WEB 2.0 technologies has opened up so many methods and tools of connecting, communicating and marketing online through use of social network sites. Social media marketing has influenced to lower operational costs of small businesses, increase in efficient in workforce

and improvement in number of units produced. It has also improved quality and support function of the organization by breaking geographical boundaries for organizations and consumers.

Literature Review

Social network marketing has been found as one of the most effective tools used in businesses today. The enormous growth of Internet and its reach has drawn the attention of many researchers to the concept of marketing on social media. There is an existing literature available on usage of social media for large organizations. There is very limited literature on use of social media as a marketing tool for smaller organizations.

Peter Drucker (1991) described the future economy (new economy) as “network society” which states that main social elements and activities are going to be revolving around information processing.

Boyd and Ellison (2007) described social media sites as a web-based service which allows organizations and individuals to “1) construct a public or semi-public profile within a bounded system, 2) articulate a list of other users that share and connect together, and 3) view and traverse their list of connections and those made by others within the system.”

Glen (2010) advises that before a company opens an account and becomes active on the website, it is important to consider what each site offers and how the company can benefit.

Some research had been carried out in Pharmaceutical, restaurant and construction companies on the use of social network marketing as a way of integrating business to consumers (Kevin, 2009, Gupta and Udupa, 2011).

One of the first pharmaceutical companies to adopt social network marketing in the United States, in 2008, was Merck. Merck created a page on Facebook for promoting a vaccine named Gardasil followed by GlaxoSmithKline, which also made use of YouTube, a prominent video sharing site to start a promotional campaign for their products and services (Gupta and Udupa, 2011).

According to Nickson (2009), social networks started from a Bulletin Board System (BBS) at Friendster. A BBS is an online meeting place for people of the same interest.

Six Degrees was the first web-based social network site, and it was launched in 1997 (Dick Stroud, 2008). It allows users to create profiles, invite friends, organize groups and search for other users (Boyd and Ellison, 2007).

LinkedIn, introduced in 2003, is a networking platform for business community for connecting different professional across globe (Nickson, 2009).

Facebook began in 2004 as Harvard-only SNS's (Cassidy, 2006), became a world's leading social network site. It has the ability of developers to build "Applications", which allow users to personalize their profile and perform other tasks.

Internet advertising is of 2 types, namely, intrusive advertisement and non-intrusive advertisement (Winer, 2009). Intrusive advertisement is where consumers are interrupted like pop-ups, banners and spam emails or messages. In a non-intrusive advertisement, a consumer has to activate his/her account before participating in such communication. It includes internet presence sites, e-mail, and social network applications.

Online advertising avoidance can be classified as all those actions by online users which differentially avoids their exposure to advertisement (Speck and Elliott, 1997).

It normally occurs by mechanical, cognitive and behavioral means. Many studies have reported consumer mistrust of online advertisement and strong preferences toward online advertisement avoidance (Shavitt et al., 1998).

Some consumers presume that advertisement contributes to the cost of purchases, and believe that products that are not advertised are of better value. They also believe that most of the advertised products are more captivating than being informative (Homer, 2006).

Research findings by McNamara (2007) showed that almost 30 percent of regular online social media users trust on their peers' opinions dealing with a major transaction decision online, at the same time only 10 percent social media users trust advertisements.

Another research conducted by Fors (2008) on an Information Technology company, revealed that the company encouraged its employees to use Facebook, as one of the social networks applications, to enhance communication within the company, and to attract more customers. To ensure adequate compliance with this, the CEO of the company declared every Friday as a Facebook day. CEO went further by creating a blog that makes conversations among the employees of the companies more interesting. All the steps taken by the CEO proved fruitful because the company recorded more sales.

Objective of the Research:

The study of Social Media Marketing is important because the outcome will help small businesses to formulate their marketing strategies to improve their operations and sales inturn at present and in the future.

To understand and study reasons for usage of social network marketing, this paper tries to address the following research problem and research question:

Research Problem: What factors/ reasons contribute to creating a brand image for smaller businesses using social media platforms.

Research Objective: What factors determine the user's willingness to follow and unfollow the company's social media page? To solve this question, the research objectives to be investigated are as follows:

- 1) To check the feasibility of the use of Social Media Marketing.
- 2) To study various factors contributing to consumers' purchases on the social media platform.
- 3) To explore and study various reasons for unfollowing a particular brand on social network platform.
- 4) Will the cost incurred for promoting and branding their products & services on social network marketing be recovered?

Some of the Major used Social Media platforms are as follows:

1. Facebook: Companies have to create their own Facebook Page. They can post on their walls on a regular basis. They can share product/ service photographs and reviews on Facebook wall page to keep in touch with their regular followers.

2. Twitter: Twitter helps to create and share small piece of information called tweets with company's regular followers.

3. LinkedIn: LinkedIn is basically for corporate use where most of the corporate people are interconnected for a business purpose and not for personal sharing purpose. Companies are using it for talent acquisition at top level.

4. Instagram: After Facebook, Instagram has largest follower on its platform. Companies can create their Instagram profile and post updates about their product or service. Instagram is also popular for sharing photos.

5. Google+: Due to Google product, Google+ has given preferences in google searches and Finding. So companies need to create Google+ page.

6. YouTube: YouTube is world's largest video repository. It has got billions of users who create, share videos online. Youtube is also called as the 'Second TV of reality'. There is a heavy advertisement while a person is playing a video. Sidebars on YouTube page also display advertisements. So companies need to create their YouTube Channel. Besides these platforms like WhatsApp, Snapchat, WeChat are also widely used for marketing purposes due to increasing subscribers.

Major Social Media Tools used: When using a social media platform, different tools are provided by these platforms for users to make maximum use and create sustainable content on social platform. This content is shared with users on social media to influence customers and to advertise it to maximum people. Widely used tools on social media are given below.

- a. Photo Gallery
- b. Wall Postings
- c. Video's
- d. Blogs
- e. Pop-ups, Social Bookmarking, etc.



Figure: Statistics showing active Internet and Social Media users

Looking at the statistics above, it can be stated that social media has a wider reach and is increasing every passing day in an exponential manner. 52.6% of the world population now is connected to

the internet of which 80% are active social media users. This indicates that social media is a large platform for all companies big or small to cater to a wider consumer base at a much lesser cost.

Social Media Marketing Strategy Can be utilized properly using the following Metrics:

Sr. No.	Factors to achieve	Measurement of the Factor
1	Building Awareness	Web Traffic Number of searches and no. of followers Social Media mentions Blogs and Micro tweets
2	Increase in Sales	Time spent of the site Bounce Rate and Acceptance rate Repeat visits Customer Engagement through engaging customers
3	Build Loyalty and Trust	Content Acceptance rate Repeat social mentions No. of recommendations and Reviews Social connectivity among regular customers

According to an article in Wildfire, the results for using social media for 700 small companies shows the following data:

1. 88% of companies: Boosting your brand
2. 85 % of companies: Encourage dialogue
3. 58% companies: Increase sales and Alliances
4. 41% of companies: Reduce costs

Top reasons as to why consumers reach out to Brands on Social Media:

1. They have a particular query or question about the product or service.
2. They have any issue with the product or service offered
3. When they have to praise a product or a service
4. Commenting about the online experience of buying it which includes design, time and payment options provided.
5. Commenting about the offline experience relating to after-sales service or support function.

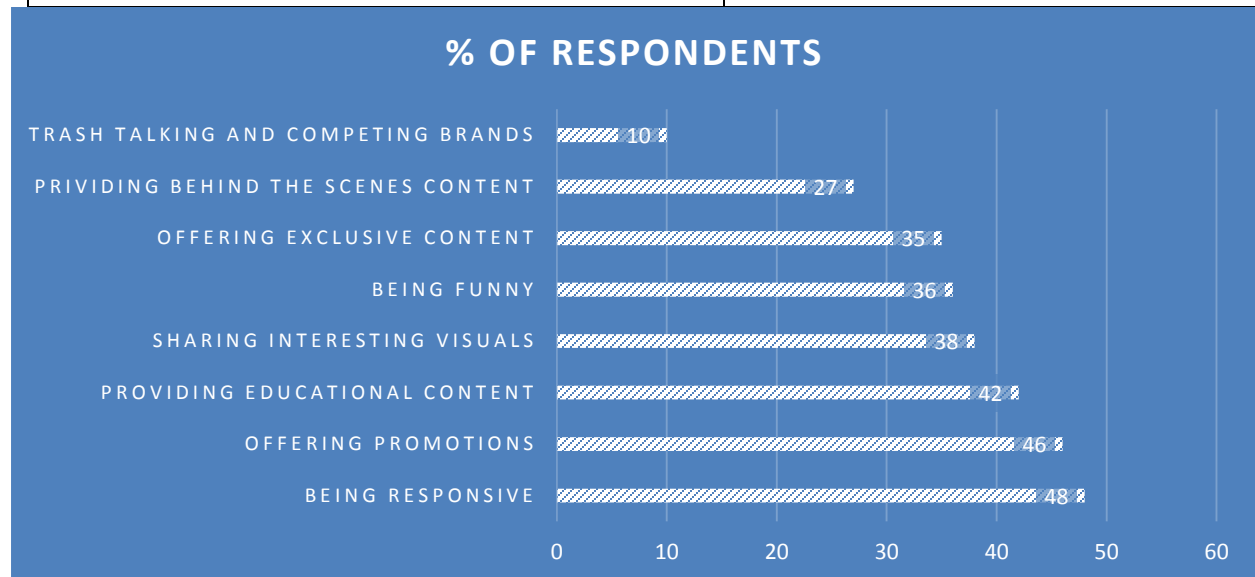
Some of the Do's for smaller companies to increase purchasing on Social Media:

Actions that Brands do on Social Media prompting consumer purchase

Table: Details of actions on social media that prompts consumers to purchase

Actions that Brands do on Social Media prompting consumer purchase	% of Respondents prompting consumers to purchase
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Being Alert and Responsive	48
Offering Product Promotions	46
Offer Educational Content	42
Share Interesting Visuals	38
Being Funny	36
To offer Exclusive Content	35
To provide behind the scenes content	27
To talk trash about Competing Brands	10



Graph 1: Details of actions on social media prompting consumer purchase

Source: Authors own

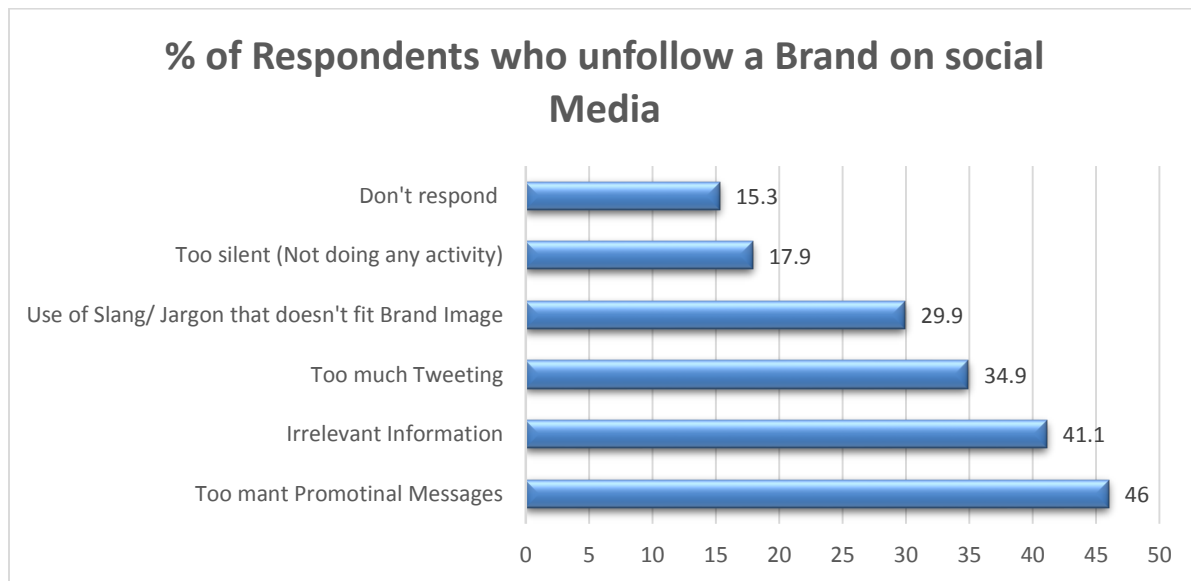
It can be observed from the above study that If as a company you are alert and responsive to customer queries and problems, there is a high chance that consumers will purchase the company product or service. Offering discounts is also a major contributor in deciding consumers purchase intentions. Sharing educational content which educate them and at the same time provides utility is also highly ranked for purchase intentions. When company shares interesting visuals, it can create a impact on consumers mine to purchase.

Some of the Don'ts for smaller companies to increase purchasing on Social Media:

Table: Actions that Brands do to make people unfollow a brand on Social Media

Action/ Reasons for Unfollowing on Social Media	% of Respondents who unfollow a Brand on Social Media
Too many Promotional Messages	46
Irrelevant Information	41.1
Too much Tweeting	34.9
Use of Slang/ Jargon that doesn't fit Brand Image	29.9

Too silent (Not doing any activity)	17.9
Don't respond	15.3



Graph 2: Actions that Brands do to make people unfollow a brand on Social Media

Source: Authors own

From the above study, it can be clearly stated that if company is going to promote too many marketing messages, consumers will feel irritated and will try to unfollow you. So there should be a limit on number of promotional messages. If companies profile is going to showcase irrelevant information, customer might feel unhappy and unfollow your brand. Companies should not use Jargons or Slang which doesn't fit company's Brand image. It will affect negatively on consumer's mind and he will try to unfollow your brand on social media.

Smaller businesses need to be careful in using social media for marketing and promotions. It might get the required result but if used wrongly, it might lead to disastrous results.

Using Social Media some of the biggest goals can be achieved by small enterprises as:

1. Increase Brand Awareness
2. Increase Community Engagement
3. Increase Website clicks by increasing Traffic
4. Generate Sale/ Leads
5. Share and Distribute content
6. Increase Brand Advocacy from customers
7. Customer support
8. Grow their own Influencer Marketing Program

Advice for Smaller Businesses:

Subscriber to any of the services of Social media expert like Hubspot to keep track of up to date happening on the social media. They provide required social media analytics for better marketing decisions. They provide details like click through rate, conversion rate, retention rate and so on. Even company can download software applications like Facebook Page Manager, Ad Manager on Twitter and Instagram on their mobile phone to keep themselves updated. Facebook Ad management program allots a Facebook representative for 30 days at a nominal budget of Rs.500 on a daily basis. Company will understand customers visiting and shopping pattern.

Recommendations from The Study

- With the growing trend of women business entrepreneurs, governments need to promote their businesses by giving subsidies and creating awareness about digital technology. Government to focus on providing training to women entrepreneurs on social media trends involving analytics and big data.
- Most small business owners consider investment in digitization including presence on social media is large. But they need to be convinced that it requires a lesser cost on having a presence on social media with larger benefits in the long run
- Irrespective of a smaller or bigger business, companies need to promote wider use of social networks among their employees. Though it can be misused by employees, a quality check through computer networking devices like firewalls can be implemented to avoid its misuse.
- Companies need to have a proper balance between costs on traditional marketing and social network marketing. So they need to combine the usage of online and offline marketing for long term strategic use.
- Business enterprises can highlight some of the prominent features on digital platforms which include information about their products and services, customers' feedback and testimonials, product pricing and facilities to provide online purchasing. Various secure payment options including debit cards, credit cards, digital wallets, IMPS, and UPI can be allowed to customers using digital cryptography.
- Most business owners are not aware of various features offered by Facebook, LinkedIn, WhatsApp, Instagram, and YouTube. These companies offer paid services to manage businesses online. It may include Digital Manager, Digital Account Tracker, Digital virtual consultant or Advisor to manage digital profile.

Conclusion

In rapid advances in marketing strategies, Social Media Marketing is becoming an important aspect of promoting businesses. Social Network provides wider customer reach at a lesser cost. Hence companies will have to search for tools to cater and satisfy customer needs in whichever platform they operate in. Also, businesses need to be careful of the content displayed on social media without getting preachy which might lead to customer frustration.

Social Media Analytics can be adopted by businesses to see the quantitative specifications of customers. Accordingly, companies can design their product promotion strategies to acquire new customers and maintain a relationship with existing customers. In the end, it can be concluded that smaller business enterprises will have to accept and adapt to new technologies coming into the market for their survival.

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