

The Effect of Social Media Effectiveness on MSMEs Marketing

Birendra Kumar Mistry¹, Siddharth Jain¹ and Dinesh Kumar Pandey²

¹Institute of Business Management, Mangalayatan University, Aligarh, UP

²Faculty of Business Management & Commerce, Usha Martin University, Ranchi, Jharkhand

Email: sidharth.jain@mangalayatan.edu.in

ABSTRACT

The purpose of this paper is to study the The Effect of Social Media Effectiveness on MSMEs Marketing in India on advertising services on you tube, Facebook, and Instagram. This assessment and comparison is carried out to determine the extent of the effectiveness of advertising promotions and to find out which social media has the highest level of effectiveness in advertising services. Using random sampling, it was found that 50 research samples looked at Micro Small Medium Enterprises (MSMEs) promotional advertising services on You tube, Facebook, and Instagram. The research stages started from testing the reliability and validity of the questionnaire, determining the scale range of the study in assessing the effectiveness, tabulating the data by looking for the average value of each dimension in the empathy, persuasion, interest, and communication (EPIC) model, then calculating the EPIC rate to determine the effectiveness value of advertisements promoted on social media. The result is that advertisements on the three social media are very effective, seen from the EPIC rate which is on a very effective scale range. EPIC rate for Instagram is 3.3, Facebook is 3.26, and You tube is 3.28. The highest EPIC rate of 3.3 on Instagram means that Instagram is more effective than You tube, which is in second place, and the last is Facebook. MSMEs in Palembang are right to choose these three social media as promotional media.

Keywords: Social media, Social networks, MSMEs, Competitive value

I. Introduction

Social media has changed the way companies are shaping their marketing strategy and communicating with customers. Nowadays firms are able to target specific customers delivering messages that address customers' interest and needs, thus making the overall promotion more effective. Understanding social media and virtual communities is highly necessary to manage current changes in the business environment. Numerous opportunities created by social media lead community and businesses to create content more efficiently and allow faster communication across global markets (Kalpic and Bernus 2006). Formation and usage of strong social media and social networks can increase the competitiveness of firms and maximize the number of their customers by letting them reach new customers without spending much money (Garrigos et al. 2011). The recent advent of internet and development in information technology, telecommunications and multimedia resulted in a higher number of knowledge and information intensive organizations (Garrigos 2010). Partnerships between firms and other social media agents are helping to create and strengthen the competitive advantages of firms, especially for micro, small, medium enterprises (MSMEs).

At the beginning of 2020 the world was faced with the Covid-19 pandemic which changed all trading systems, in which the use of internet-based information technology was indispensable. This has made human-computer interaction even more important in recent years. Because computers and their devices have become commonplace in almost all aspects of our lives [1]. Including the use of social media in trading activities. Based on Statista the 3rd quarter of 2019 shows the use of social media in Indonesia. Youtube is in first place with a usage rate of 88%, Facebook 82%, and Instagram 79%. The high use of these three social media is used as a business opportunity for Micro Small Medium Enterprises (MSMEs) who not only promote and sell their goods directly, but use social media. You tube, Facebook, and Instagram already have advertising services that their users can use. Like the Instagram Ads service. The Instagram ads service is an advertising service feature that can advertise directly by businessman. The system used in the Instagram ads service is a self-serve system .

2. REVIEW OF LITERATURE

Silva et.al. (2017) conducted a survey on “Advertising on social networking sites” with the objective of ascertaining the effectiveness of users towards advertisement messages. It also aimed at assessing the influence of social networking sites on the consumer buying behaviour. An amount of 39% increase in advertising spends on Social networking sites have been forecasted for 2016. Results from the analysis indicated that social media is a very important tool for networking among youngsters.

Hindshaw, (2016) has studied on “Effectiveness of advertisement in social networking sites” with aim to measure both the positive and negative aspects of advertisements. He concluded that the advertisement creators must concentrate more on the information and social aspects in any advertising and must avoid for harm products. A questionnaire measuring motivation, knowledge and effectiveness of advertisements

Bashar et.al., (2016) have done an empirical research to understand the effectiveness of social networking sites as a marketing tool and an effort has been made to analyze the extent social networking sites helps consumers in buying decision making. Results of paper suggested that the medium is growing very fast and holds huge potential but is still in its nascent stage in India. Therefore, it is time for the companies to make effective strategies and execute them to win larger share of business through this revolutionary medium and become the innovative firm of coming future.

Vijai, and Sharma, (2015) have done a study on social networking sites experience of consumers and marketers in the State of Punjab. Based on the results of the study and reviewed literature, the paper suggested the measures for effective of advertising on Social networking sites (SNS) strategies that Above all, social networking sites marketing content should be “interesting”, “informative”, “interactive” and “reliable”. Marketers should align their social marketing effort with the changing tastes and preferences of customers. They suggested that the advertisement promotes competition in the market which leads to supply better quality products for consumers.

Yadav, (2015) has made an attempt to set up the significance of social networks as an advertising medium and evaluated the existing advertising methods that are in trend via certain case studies and concluded that social websites are not just a tool to interact with the different people but also medium to reach the prospective customers.

3.METHODOLOGY

This study majorly focused on micro, small and medium enterprises located in industrial areas and prominent markets of New Delhi. Various manufacturers, service providers, start-ups from the food industry, IT industry and textile manufacturing industry were interviewed as a part of the study. The research began by gathering background information i.e. history, present condition and significance of micro, small and medium enterprises and basic study of the sector which was followed by deciding the research question and hypothesis. Two types of research methods most commonly used for data collection are as follows: quantitative and qualitative methods (Ghauri et al., 1995). Quantitative analysis uses data which is then converted into numbers, graphs; tables and statistics to come to a conclusion whereas qualitative methods often refer to case studies where the collection of information can be received from a few studying objects (Bryman and Bell, 2007). Qualitative methods emphasize on understanding, interpretation, observations in natural settings and closeness to data with a sort of insider view (Ghauri et al., 1995). This paper uses the qualitative approach as it is more suitable for a research like this in which the firms' internal behaviour, peoples' perceptions, beliefs, ideas and opinions need to be taken into account which are difficult to quantify (Grimsholm & Poblete, 2010). Both primary and secondary data was collected for the study. Secondary data was collected from specific reports, articles and other internet sources. Primary data was collected by personally interviewing people or sending them questionnaires. To capture a wide spectrum of problems different kinds of MSMEs were interviewed including manufacturing sector enterprises, services sector enterprises, food industry, start ups and enterprises registered as Small Scale Industry (SSI). The sample is not representative of the Indian population; it constitutes of enterprises chosen randomly from Delhi Markets and available contacts. The questionnaires were prepared by appropriate secondary data collection and analysis. Collected data was then compiled, critically analyzed and the research was concluded with policy recommendations.

4.RESULTS AND DISCUSSIONS

Regarding social media usage, Facebook is the most popular social media when it comes to presence. A higher majority of the respondents were present on this platform followed by Instagram which had 81% of the respondents present. A photo sharing social application has gained popularity and has also started advertising.

45% of the respondents were present on twitter which is on the third position in terms of usage by marketers and companies followed by Blogs 26%, Youtube and LinkedIn at 21%.

2. Regarding social media platforms by ranks, Facebook received most important status followed by Instagram

and twitter. The data follows the usage pattern shown by previous table. Least important players turned out to be google+ and snapchat. Pinterest received least important hits as awareness indicates lack of awareness and acceptance.

3. 60% of the respondents had creating brand awareness as the most important objective to be engaged in social media marketing. Recruitment was the least preferred objective for social media marketing.

4. More than 75% companies spend upto 5 hours every week on social media marketing.

5. Facebook users updated and posted content more often than all the other platform users, Instagram follows the lead of facebook in content posting frequency. Youtube and pinterest see an average

frequency of 1-2 posts a week that suggests the time and cost for content creation which leads to lesser frequency of updates. Pinterest is used to update one board once a week.

6. Majority of the users on Facebook and Instagram have an average response time of 1-6 hours after receiving feedback in forms of comments, replies and likes. Twitter has seen a faster response time by the companies to their followers on social media.

7. Afternoon 12-4 pm is the most popular time to post messages on social media platforms like facebook and Instagram to ensure maximum reach. Evening 4-8 pm received highest number of responses for twitter.

8. With respect to Social media marketing budgets, more than 50% companies feel that at least 10% of overall

9. With respect to Social media revenues, more than 50% companies feel that at least 10% of overall sales revenue is obtained from social media.

10. Share on social media, contests and discount on next purchase/ coupons are the most popular customer

acquisition and engagement strategies.

11. All the respondents used images as content for social media marketing followed by videos and blog posts.

Visual stimulus is better received.

12. Majority of the respondents used external agencies for social media marketing. Social media marketing is seen as a specialist activity.

13. According to our findings, approximately a week's time is spent on creating social media marketing campaigns. Due to the dynamic and interactive nature of social media it is important to stay up to date with current happenings and be quick to respond with social media campaign.

14. Most of the companies have organized weekly deals/promotions for online users. Only 28% companies have not done so.

15. Qualitative metrics like expert opinion, general estimations are mostly used by companies in order to understand social media marketing efforts.

5. Conclusion

The social media provides new opportunities, paving way for enhancing brand image's firms that need to put it in their top priority. Also the new and old brands would use the social media to improve their competitiveness in the market and to gain momentum with their consumers in order to achieve customer satisfaction. Through the use of social media would easily reach the user-friendly interactive system, understanding customers' special and unique needs in a way that clients themselves are can adapt and

understand well. In the course of data analysis many consumers turned to doing word of mouth for brands, making them a brand's indirect advertisement force. Even so some firms believe that using social media extensively would cheapen the way of enhancing brand image businesses because evidences as available by checking out social media pages, blogs, forums and such we can understand that customer satisfaction has been increased in a way that while these networks are not the backbone of service providers, they got better feedback regarding the use of these networks and media.

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