

A STUDY ON IMPACT OF SOCIAL MEDIA USING IN SMALL BUSINESS FOR CUSTOMER TAKEOVER AND RETENTION OF CUSTOMER

R. Shanmugam¹ & J. Manoj Chlarence²

¹Professor & Head of the Department, Department of Management Studies, Bharat Institute of Engineering and Technology, Hyderabad, Telangana, India

²Assistant Professor, Bharat Institute of Engineering and Technology, Department of Management Studies, Hyderabad, Telangana, India

ABSTRACT

The speedy adoption of social media is growing nowadays more noticeable day by day and changing the ways of doing business. Social media is a broad term used to describe all the different online technology tools that enable people to communicate easily via the Internet through sharing information and resources. Methods used include posts on blogs or forums, sharing of photos, audio clips, videos and links, creating profiles on social networking sites, and posting status updates—usually with a feedback mechanism. Although social media started out as a medium for friends and family to share information, smart marketers quickly caught on to how they could leverage it. So social media plays a vital role in small business marketing strategy for takeover customer and retention of the customer.

KEYWORDS: Social Media, Strategies, Customer Retention, Customer Acquisition, Content

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INTRODUCTION

The small businesses are doing well. It is making more profitable than the big business when compared in all aspects, moreover it increases the growth of GDP and increases more self employed people. People and create more employment opportunities. The standard of living condition in semi urban and rural areas is totally changed at par with urban people.

Social media can make a big difference for small businesses at a low marketing cost. According to Social Media Examiner's seventh annual Social Media Marketing Industry Report, 92 percent of marketers working with small businesses (between two and 10 employees) agree or strongly agree that social media is crucial to their marketing efforts. Within two years, more than 50 percent of small businesses agree social media helps them increase sales; within five years, 70 percent of small businesses see ROI from a social media presence.

Rhett Rowe, President of the capital of merchants said that a small-business lender says small businesses fail when they try to beat big companies at their own game. Most small companies can't match the sheer volume of content corporations can create with their seemingly unlimited resources or the glitz of campaigns created by the world's top marketing agencies. "Small companies don't have that kind of money, time, or stamina," he says.

“Instead, they should focus on expanding brand awareness, increasing website traffic, and building a community of loyal followers (1).

HOW SOCIAL MEDIA USES SMALL BUSINESS?

While social media came, small business has a broad range of platforms such as Facebook, twitter, tumbler, LinkedIn, Pinterest, Instagram etc. How a small business seeking social media and the platforms certain will depend mainly on goals and the amount of money available.

Before deciding which tools to use, small businesses need a firm considerate of what they want from a social media marketing campaign. For example, business owners who are interested primarily in finding new customers will often run contests or post coupons on sites such as Facebook or Twitter. On the other hand, small businesses that want to promote specific products are more likely to upload photos on image sharing sites such as Pinterest and Instagram

Three in five business owners expect to spend the same or more time on social advertising in the coming year. However, only 8.7 percent plan to use more paid tools such as promoted Facebook posts and sponsored tweets.

Facebook: According to Facebook, the most successful posts — measured by the number of “Likes” and comments they get — contain 100 to 250 characters. Users also respond to posts that include visual elements such as photos and videos. Businesses with money to spend on the platform can buy ads, which appear in the news feeds of Facebook users who fall within targeted demographics (2)

Twitter: Twitter followers are an especially loyal bunch, eagerly spreading the word about the businesses they follow in the form of “retweets” and “replies.” Seventy percent of Twitter users say they have retweeted a small business’s post because they “liked the content,” and 64 percent have mentioned a small business when sharing a positive experience online. (3)

LinkedIn: Business owners interested in courting a professional demographic almost universally turn to LinkedIn. Since its debut in 2003, LinkedIn has amassed a network of more than 238 million members in 200 countries. Thirty percent of U.S. business owners report using LinkedIn regularly, and 41 percent say the network is the “most valuable agent for growth” among social media platforms. 17 One in five online adults is on the platform, 18 and students and recent college graduates make up LinkedIn’s fastest growing demographic(4). LinkedIn visitors skew heavily male, 61 percent to 39 percent female (5).

Pinterest: Since Pinterest debuted in March 2010; the pinboard-style discovery platform has grown to become a leading referral traffic generator for retailers and brands. More than 70 million users worldwide (6).

Instagram: Its stylized images and quirky filters let business owners put a human face on their companies. More than 150 million active monthly users congregate on the network to share photos and videos from mobile devices. The network is most popular among people ages 18 to 29 (7).

OBJECTIVES OF THE STUDY

- To study social media marketing and identify the impact on small business
- To find out the relationship between the sales and time spent on social media.
- To determine the factors that influence on takeover and retention of customer

HYPOTHESIS OF THE STUDY

- There is no significant difference in Social media marketing and impact on small business.
- There is no significant relationship between the sales and time spent on social media
- There are no significant factors that influence on takeover and retention of the customer.

REVIEW OF LITERATURE

A reliable relationship between the organization and the customer starts with the way the organization approaches the customer acquisition process. The acquisition process is particularly important for firms competing in growth markets (Villanueva et al., 2008) (8). ‘‘For such firms, acquisition spending is the most important expense in the marketing budget’’ (Villanueva et al., 2008, p. 48) Thomas (2001), ‘‘the customer acquisition process is part of the customer-firm relationship that begins with the consumers' first interaction with the firm and proceeds through the first purchase until the first repeat purchase’’ (p. 262). For instance, firms active in the digital marketing industry can be considered as ‘‘fastgrowing firms’’ (Fanning, 2013) (9)

Retention marketing, also known as loyalty marketing, is the foundation of the growth of every B2B brand. A successful company is focused on providing flawless customer service in order to keep its clients in the long term. It would be easier if you were working with usual customers – you would quickly gain new ones if you lost some of the loyal users. When other businesses are your target audience, you have to maintain long-term relationships. Thus, you should focus on retention just as much as you care about an acquisition of new clients (10).

RESEARCH METHODOLOGY

Research Design: Exploratory design was adapted to study in depth of knowledge about customer and impact of social media marketing in small business.

Sample Size: 50 number of the entrepreneur was chosen for the study.

Sampling Method: Convenience sampling was adopted.

Pilot Study: The pilot survey was carried out with 50 self -employed and reliability was checked by using Cronbach’s alpha for different segments of the questionnaire. The statements which seem to be not useful for study, overlapping are removed without any significant reduction in Cronbach’s alpha.

Reliability and Validity: The reliability test for various features of small business was measured using a five point scale. From the results, it is clear that the Cronbach’s alpha of the scale for the overall questionnaire is 0.82 indicating an acceptable level of internal consistency

Period of study: JUNE 2017 to NOV 2017

Sample area: Chittoor

DATA COLLECTION

- **Primary Data:** Primary data had been collected through structured questionnaire
- On interview basis of self employed persons.

- **Secondary Data:** These data had been collected from journals, blogs, newspaper, articles
- **Independent Variable:** Social media involvement
- **Dependent Variables:** Customer achievement, customer retention, increased market carve up sales and prosperity
- Analysis of framework of statistical tool used:
- Karl Pearson's correlation coefficient is used to find the extent of the relationship between sales returns and time spent on social media marketing.
- Average ratings are found to know how social media marketing is related to brand knowledge and takeover and retention of customers.
- Regression is used to show the influence of social media involvement, brand knowledge and brand confidence on customer achievement, customer retention and increased market share.

LIMITATIONS

- The present research is carried out for self-employed person
- The study area is restricted to Chittoor (Royal seema) only.
- The present study is based on the primary data collected from self-employed person.
- Hence, the drawbacks and limitations of the field level survey are very much applicable to the present research.
- The data and information collected from the self-employed are subjected to recall bias.

SUMMARY OF FINDINGS

- There will be a significance difference in Social media involvement has a positive influence on brand knowledge. The social media has a positive influence on brand involvement the calculated value is 0.016 at 5 percent level of significance. So it is accepted.
- There will be a significance difference in Brand knowledge has a positive influence on customer Takeover. The calculated value is 0.002 at 5 percent level of significance. So it is accepted.
- There will be a significance difference in Brand confidence has a positive influence on customer retention. The social media has a positive influence on confidence of brand. The calculated value is 0.001 at 5 percent level of significance. So it is accepted.
- There will be a significance difference Customer achievement and retention has a positive influence on market share. The social media has a positive influence on customer achievement. The calculated value is 0.011 at 5 percent level of significance. So it is accepted.
- There will be a positive correlation between sales returns and time spent on social media marketing. The calculated value is 0.013 at 5 percent level of significance. So it is accepted.

- There will be a significance difference Social media marketing is positively related to takeover of customers. The calculated value is 1.06 at 5 percent level of significance. So it is accepted
- There will be a significance difference Market share depends on the use of social media marketing. The calculated value is 0.01 at 5 percent level of significance. So it is accepted.
- There will be a significance difference Social media marketing is positively related to retention of customers. The calculated value is 0.04 at 5 percent level of significance. So it is accepted.
- There will be a significance difference Social media marketing is related to creation of brand knowledge in Social media marketing. The calculated value is 1.7 at 5 percent level of significance. So it is accepted
- There is a positively related to Market share depends on the use of social media marketing strategy. The calculated value is 1.67 at 5 percent level of significance. So it is accepted.
- There is a positively related to Social media marketing and retention of customers to Social media marketing is positively related. The calculated value is 1.6 at 5 percent level of significance. So it is accepted

OUTCOMES

- Based on analysis the results shows facebook is play a major role and well -liked powerful platform in social media, followed by Instagram had 79 percent of respondent are there. An application like photo sharing has attracted more and started using advertising, followed by Twitter had 47 percent of the respondent, further 25 percent of respondent by YouTube and 22 percent has respondent by LinkedIn.
- Social media platforms are in the sequence of facebook, Instagram, google+, snapchat, Pinterest.
- 3.6 % of the customer has brand knowledge in social media marketing.
- Majority of the small business concerns are spend maximum 7 hours in a week for their analyzing trends, business and perception of customers.
- Facebook and Instagram are grabbed more attention related such as user updated and posted content. The average frequency of 1-4post a week that recommends for YouTube and Pinterest.
- Facebook and Instagram their media traffic time and reach between 12pm to 4pm. As well as Twitter hit in the evening.
- Majority of the business witnessed that as a minimum 12 percent of the sales revenues through the use of social media.
- Promotional strategies such as contest, discount, coupons are plays a major role in attainment and retention of customers. Visuals had more impact and social media campaign interactive is beneficial for business promoters and customers.

CONCLUSIONS

Social media is a low-cost, high-value choice for small business entrepreneur platform to boost their publicity to breathing and potential customers within the targeted customer. Rather than remain for customers to come to them,

small business self-employed people can use social media to achieve customers who are also on the networks and form a strong connection with people in their own communities. Social media plays a vital role in the globe of small business marketing. While some social sites are enhanced option for small business self-employed people focusing to accomplish specific customer segments, other networks provide a more general platform for reaching large groups of potential customers on their own territory.

Scope for Further Research: There is scope for further research in the area of social media marketing using of large businesses and MNC's. Research can also be conducted on social media marketing using in other sectors such as Healthcare, Aviation, and Educational Like Universities etc.

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