SOCIAL MEDIA MARKETING: PROSPECTS FOR NEW BUSINESS

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ABSTRACT

With the rampant upscaling of technology and the entire world becoming a digital global village, marketers and entrepreneurs have been making consistent efforts to be at par with the rapid advancements. Nowadays, the base of pure-brick business models is flickering in the light of the evolution of social media marketing as there is a dire need to have marketing strategies that not only ensure social media presence but also, engagement of the businesses on the digital platforms. Social media marketing (SMM) is particularly advantageous for small and medium-sized enterprises (SMEs) due to its variability and affordability. The present paper deals with analyzing the prospects of social media marketing in the context of SMEs. It explores the relationship behind the various variables of brand building and social media marketing that ultimately result in sales generation by carrying out empirical research to understand the effectiveness of the same. Moreover, the study also employs various statistical tests for backing the research hypothesis.

Keywords: Social Media Marketing, Brand Building, Sales Generation, Consumer Attitude.

INTRODUCTION

The American Business Magnate, Bill Gates once said, *"The internet is becoming the town square for the global village of tomorrow."* (Wikipedia) One of the major aspects of the internet is Social Media. Social media is an online platform that is used by people to build social connections, networks, and relations with a lot of people who share similar interests, activities, backgrounds, or real-life connections.

A space that harbours almost 60% of the world's population, social media has proven to be a platform that is changing the face of public discourse in society and setting trends and agendas in topics that range from the environment and politics to technology and the

business. As we shift towards the digital era, a radical shift has been observed in the general conduct of businesses. The introduction of social media has had an indelible impact on the operation and marketing of businesses and continues to do the same. Social Media Marketing has been making a mark in the business world and every business owner wants to capitalize on this opportunity to maximize the value for their business. It involves understanding the ease of making social connections and how businesses can profit from making those networks. More and more consumers are using social media in almost every aspect of their daily life whether for personal use, business-to-consumer or business-to-business reasons which encourage involvement thereby increasing the visibility of the business. Therefore, in developed countries, social media marketing is gaining popularity and is increasingly used especially by start-ups, small, and medium-sized organizations.

Social Media Marketing (SMM) appears to be beneficial for small and medium-sized enterprises (SMEs) due to their greater flexibility and higher need to contain marketing communications costs. This trend opens many prospects for new businesses as there is no barrier of location. New businesses can promote their products on various blogging, micro-blogging, image sharing, or short video platforms through interactive, visual, and user-generated content to facilitate sales through online mediums. The purpose of this paper is to analyze various variables that can open scales of opportunities for new and upcoming businesses.

Research Methodology

The present paper is an empirical study conducted with the help of a primary questionnaire that was circulated online because of the pandemic. The sample size of the present paper is 57 responses. To employ various statistical analysis, MS Excel had been used by the team.

Literature Review

Social media marketing involves publishing engaging content on social media platforms, engaging with followers, analysing social media results and prospects, and running advertisement campaigns which, nowadays, businesses use in innumerable ways as there exists a spectrum of social media management tools that help businesses to get the most out of these platforms. Since small business owners have limited capital, the ability of small businesses to engage with their target audience, harp on personalization, and collaborate to use marketing strategies are just some of the reasons that stand as a testimony to the fact that social media marketing can be a great catalyst to drive the business of SMEs by amplifying brand awareness, loyalty, trust, etc.

The present study limits itself to the following variables:

Brand Awareness

Brand awareness is a marketing term that refers to how easily potential customers recognize and recall products or services. Brand awareness is a key marketing concept and a primary goal of brand marketing. Marketers often use brand awareness and brand recognition interchangeably. However, Brand awareness is important so that buyers can

make the right decision and make the right choice. Consumers have the right to information, the right to choose, and the right to safety. Brand awareness is critical to the success of the business. When people are aware of the brand and its logo and other marketing aspects, the business will likely sell more. People are more likely to buy from a brand they know or click a website from a brand they are aware of. In fact, brand awareness and brand affinity increase click-through and conversion rates in online advertising by as much as three times. It takes time to build brand awareness, but once people know the brand well, it increases their trust, and that will lead to increased sales and loyalty from the customers.

Targeted ads on Facebook and Instagram account for a large majority of brand awareness tactics used, especially among Millennial and Gen Z audiences. Inevitably, consumers also share unfavourable experiences, and marketers are adapting to that reality. It has become crucial for a company to respond to negative reviews and offer a solution to the customer's problem, in real-time. But as consumers view and interact with social media posts and updates, brand awareness will increase. For brand awareness to be most productive, consumers should be able to connect to the company's website seamlessly from the social media platform.

Based on the above literature, it is imperative to hypothesize that:

H_1:   *Social media marketing significantly influences brand awareness of the existing and potential consumers.*

Brand Loyalty

Building and maintaining brand loyalty are one of the central themes of research for marketers for a very long time (Oliver, 1997; Chaudhuri & Halbrook, 2001; Bennett and Rundle-Thiele, 2002). As brands gain exclusive, positive, and prominent meaning in the minds of a large number of consumers, they become irresistible and irreplaceable and win the loyalty of the consumers. Brand loyalty, in return, brings sales revenues, market share, profitability to the firms, and helps them grow or at least maintain themselves in the marketplace (Keller, 2008; Aaker, 1991, Kapferer, 1997). Social media marketing is the most important tool in building brand loyalty. The relationship between social media marketing and brand loyalty according to Kotler and Keller (2008) can be conceptualized as the final dimension of consumer brand resonance symbolizing the customer's ultimate relationship and level of identification with the brand. This is evidenced by empirical studies conducted by Erdogmus & Cicek (2012); Mehrabi et al. (2014); Bagaturia and Johson (2014); Khoa, (2020) that social media marketing influences brand loyalty. As an effective use of time and resources, social media marketing gives companies better communication grounds with the consumers to build brand loyalty beyond traditional methods (Jackson, 2011; Akhtar, 2011). Businesses can promote products and services, provide instant support, and/or create an online community of brand enthusiasts through all forms of social media such as social networking sites, content communities, virtual worlds, blogs, microblogging sites, online gaming sites, social bookmarking, news sites, forums and more (Zarella, 2010; Kaplan &Haenlein, 2009; Weinberg, 2009). Thus, it can be said that social media helps firms to build brand loyalty through networking,

conversation, and community building (McKee, 2010) and hence leads to business development.
Based on the above literature it is hypothesized that -

      H₂: *Social media marketing exerts a significant impact on brand loyalty.*

Trust

Social media provides an excellent platform for companies of all sizes to reach out to their target audience, establish direct contact with them, and build trust by listening to their opinions. "*When the trust account is high, communication is easy, instant, and effective.*" --*Stephen M.R. Covey*. Trust is always an important issue in online transactions such as e-marketing, e-commerce, or other buying and selling activities. Trust in e-marketing is an important factor to consider and can also serve as a platform for risk assessment in transactions. *"78% of consumers trust each other more than they trust advertising – which is why they read blogs and go to chat rooms etc." -New England Direct Marketing Association* conference, *Paul Gillin*, author of The New Influencers. In an eMarketer's report, 77% of shoppers said that they are more likely to buy from a company if the CEO uses social media, and 82% of shoppers trust the company more. It is impressive and shows how consumers want to interact with brands and senior management. It gives the companies a great opportunity to provide quality services to a large audience when they make an effort to encourage consumers to interact with them through social media. Entertainment is another way brands gain and maintain trust by delivering value in a fun and creative way through daily content, apps, videos, competitions, gifts, and infographics. The possibilities are endless. Socially responsible brands usually become more and more important because their customers know that it is not just about profit, but also to donate to your community. Social media channels are the ideal platform to convey this information. To make online marketing successful, marketers and managers need to build relationships with consumers. In addition, trust and benevolence are the foundation of social media, and marketing in the social media arena must adhere to these basic ideas.

The present study is designed to assess the hypothesis -

      H₃: *Social media marketing significantly influences brand trust.*

Consumer Attitude

Consumer attitudes are a composite of a consumer's beliefs and feelings about, and behavioral intentions towards some object, a brand, or a retail store. These elements are considered as a unit since they are highly interrelated and represent influences that influence how the consumer reacts to the brand or product (Perner, 1999).
Social media has been credited as having a significant impact on every stage of the consumer decision-making process, as well as affecting public opinion and attitude formation (Mangold & Faulds, 2009). When social media users find services on social networking sites that are both valuable and simple to use, they shop through them (Cha, 2009). Because of the Internet and social media, the way people react to marketing has changed tremendously (Marken, 2007). It has a positive impact on cognitive, affective,

and behavioral attitude components among young customers, but only on a decreasing scale, which is consistent with the purchasing funnel model (Duffett, 2017). Duffett (2017) found out that teenagers from the Colored and Black population groups that utilized social media for a long time updated their profiles often, and they had the most positive attitudes toward social media marketing communications. Because social networking sites influence the purchasing decisions of a huge portion of Internet users, using social media as a marketing medium has become a successful marketing technique (Miller & Lammas, 2010). Consumers are transformed into marketers and advertisers on social media, who might have a favourable or negative impact on the company's products and services (Roberts & Kraynak, 2008). Dwivedi, et al. (2021) found that perceived ease of use, adoption of social media, attitude toward social media, and the salesperson's age all influence social media usage. Through the use of permission-based communications or subscription-only content, consumer acceptance and attitudes regarding receiving communications from brands via social media could be significantly improved (Bond et al, 2010).

The research work proposes the following hypothesis-

H₄: *Social Media Marketing largely affects sales generation by impacting consumers' attitudes towards brands.*

E-WOM

Electronic word of mouth is a form of influential communication that influences individual customer's and organizations' perspectives. EWOM strongly impacts consumers' behavior positively or negatively, because online reviews enhance the awareness, attitude, and consideration of products and services. Aggarwal et al. (2012) revealed that negative EWOM influences more significantly on consumers' attitudes than compared to positive EWOM, especially when all the reviews are negative; however, more positive EWOM pays more attention to purchase intention.

It is well known that EWOM affects the sales of brands (Gods and Mayzlin, 2004; Duan et al., 2008; Liu, 2006) and its impact is greater than that generated by the brand (López Pérez, 2014). As expected, EWOM has a lower cost than traditional digital marketing campaigns based on the production of product content and sponsored ads, because the content is made by the brand itself, and WOM has shown a significant impact on consumer decision making and greater value for post-purchase product visibility (Bone, 1995; Max; JG, 2001). EWOM behaviour within social network sites may be initiated because of the users' desire to establish and maintain social relationships within their personal networks. By sharing useful product information and experience, social network site users can help their social connections (e.g., friends) with purchase-related decisions. On the whole, social media associates EWOM with online consumer-to-consumer interactions about brands.

Based on the present study, the following hypothesis has been developed:

H₅: *Social media marketing significantly influences EWOM and EWOM has a significant impact on the purchase intention of consumers.*

Social Media Marketing (SMM)

Chi (2011) defines social media marketing as a "connection between brands and consumers, offering a personal channel and currency for user-centered networking and social interaction". "*While social media provides never-ending avenues for communicating, it is the individuals who serve as the influencers, not the technology*" (Gonzalez 2012). An individual's connections can potentially aid in developing brands into an essential part of customers' social interactions via social networking. When a brand becomes integrated into a consumer's daily life, it enables consumers to connect, interact, and benefit from like-minded brand users, and thus, the likelihood of consumer-generated advertising for a brand increases (Zinnbauer & Honer 2011).

On the basis of above-mentioned literature, it is possible to hypothesize that -

H_6:   *Social Media Marketing has been an effective and efficient tool for several businesses to convert subscribers to consumers.*

Sales Generation

Business leaders use the Internet as a marketing tool for financial success and to aid in fostering communication with the visibility and channels of online sales and social media advertising becoming robust ways to reach various markets for business expansion (Banica, Brinzea, & Radulescu, 2015). A group of studies investigated the effect of social media on the level of sales and consumer purchase intention (Ancillai et al., 2019; Itani et al., 2017; Salo 2017; Hsiao et al., 2020; Mahrous 2013). Itani et al. (2017) found that attitude towards social media usefulness did not affect the use of social media. It was also found that social media use positively affects competitive intelligence collection, adaptive selling behavior, which in turn influenced sales performance. Another study by Ancillai et al. (2019) used in-depth interviews with social selling professionals Gleeson (2012). The findings suggest that the use of social media improves not only the level of sales but also affects the relationship and customer performance (trust, customer satisfaction, customer referrals); and organizational performance (organizational selling performance and brand performance) Figures 1 & 2.

According to Nunan et al., (2018), the impact of social media marketing influences customer satisfaction and is notable for identifying diverse opportunities to increase sales Table 1.

Based on the above literature, it is imperative to hypothesize that:

H_7:   *Use of Social media marketing has a significant impact on sales generation and may drastically increase sales of a product or service due to the various methods used by users of social media marketing.*

Proposed Research Model

FIGURE 1
PROPOSED RESEARCH MODEL

Sample Statistics

Demographic profiling

<table>
<tr><td colspan="4">Table 1
SAMPLE PROFILE OF RESPONDENTS (N=57)</td></tr>
<tr><td>Demographic Factor</td><td>Factor Groupings</td><td>No. of Respondents</td><td>Percentage</td></tr>
<tr><td rowspan="3">Business Existence in SMEs</td><td>Less than 1 year</td><td>27</td><td>47.36</td></tr>
<tr><td>1 year – 5 years</td><td>21</td><td>36.84</td></tr>
<tr><td>More than 5 years</td><td>9</td><td>15.78</td></tr>
<tr><td rowspan="3">Number of Employees</td><td>Less than 5</td><td>41</td><td>71.92</td></tr>
<tr><td>5 – 20</td><td>11</td><td>19.29</td></tr>
<tr><td>More than 20</td><td>5</td><td>8.77</td></tr>
<tr><td rowspan="2">Structure</td><td>Centralized</td><td>42</td><td>73.68</td></tr>
<tr><td>Decentralized</td><td>15</td><td>26.31</td></tr>
<tr><td>Company's take on the dynamism</td><td>Very Fast</td><td>8</td><td>14.03</td></tr>
</table>

	Fast	31	54.38
	Slow	18	31.57
Type of ownership	Sole Proprietorship	40	70.17
	Partnership	9	15.78
	Limited Liability Partnership	0	0
	Company	8	14.03
Type of sector	Manufacturing	7	12.28
	Retail	19	33.33
	Services	17	29.82
	Others	14	24.56
Number of platforms Used (WhatsApp, Facebook, Twitter, Instagram, Telegram)	Instagram	34	59.64
	WhatsApp	10	17.54
	Others	7	12.28
	Facebook	6	10.52
Turnover(Monthly)	Less than 50,000	31	54.38
	50,000 - 1,00,000	9	15.78
	1,00,000 - 2,00,000	5	8.77
	2,00,000 and above	12	21.05

Reliability of Constructs

Table 2 RELIABILITY OF CONSTRUCTS			
S.No.	**Constructs**	**Cronbach's Alpha**	**No. of Items**
1	Brand Awareness	0.933	7
2	Brand Loyalty	0.484	3
3	Trust	0.591	3
4	Consumer Attitude	0.417	4
5	E-WoM	0.453	4
6	Sales Generation	0.838	5

T-TEST

H_0:   There is no significant contribution of social media marketing in brand building and brand awareness.

H_1:   There is a significant contribution of social media marketing in brand building and brand awareness.

Brand Building is the sum of Electronic word of mouth, Trust, Brand Awareness, Brand Loyalty, and Consumer attitude Tables 2 & 3.

Table 3 CONTRIBUTION OF SOCIAL MEDIA MARKETING IN BRAND BUILDING					
Construct					**H_1**
	F value	**Sig.**	**t**	**df**	Accepted
Brand Building	3.945	0.05	1.672	56	

Correlation

Table 4 CORRELATION BETWEEN THE DEPENDENT AND INDEPENDENT VARIABLES						
	Brand Awareness	**Brand Loyalty**	**Trust**	**E-WOM**	**Consumer Attitude**	**Sales Generation**
Brand Awareness	1	0.382	0.564	0.291	0.395	0.550
Brand Loyalty	0.382	1	0.404	0.411	0.471	0.465
Trust	0.564	0.404	1	0.417	0.446	0.521
e-WOM	0.291	0.411	0.417	1	0.326	0.137
Consumer Attitude	0.395	0.471	0.326	0.326	1	0.566
Sales Generation	0.550	0.465	0.137	0.137	0.566	1

Interpretation

1. Brand awareness is positively correlated with Brand loyalty (.382), Trust (.564), E-Wom (.291), Consumer attitude (.395), and brand awareness is highly correlated with Sales generation (.550) than the other variables.
2. Brand loyalty is positively correlated with Brand awareness (.382), Trust (.404), E-Wom (.411), consumer attitude (.471), and Sales generation (.465).

3. Trust is positively correlated with Brand awareness (.564), Brand loyalty (.404), E-Wom (.417), Consumer attitude (.446), and Sales generation (.521).
4. E-Wom is positively correlated with Brand awareness (.291), Brand loyalty (.411), Trust (.417), Consumer attitude (.326), and Sales generation (.137).
5. Consumer attitude is positively correlated with Brand awareness (.395), Brand loyalty (.471), Trust (.446), E-Wom (.326), and Sales generation (.566).
6. Sales generation is positively correlated with Brand awareness (.550), Brand loyalty (.465), Trust (.521), E-Wom (.137), and Consumer attitude (.566) I Tables 4 & 5.

Regression Analysis

Table 5 REGRESSION ANALYSIS				
Brand Building (Independent Variables)	**Dependent Variable**	**R**	**R Square**	**Beta value**
Brand Awareness	Sales Generation	0.724	0.524	0.345
Brand Loyalty				0.226
Trust				0.254
Consumer Attitude				0.484
E-WOM				0-.324

Note- Sig level: 0.005
A (Constant)=0.037

Normal P-P Plot of Regression Standardized Residual
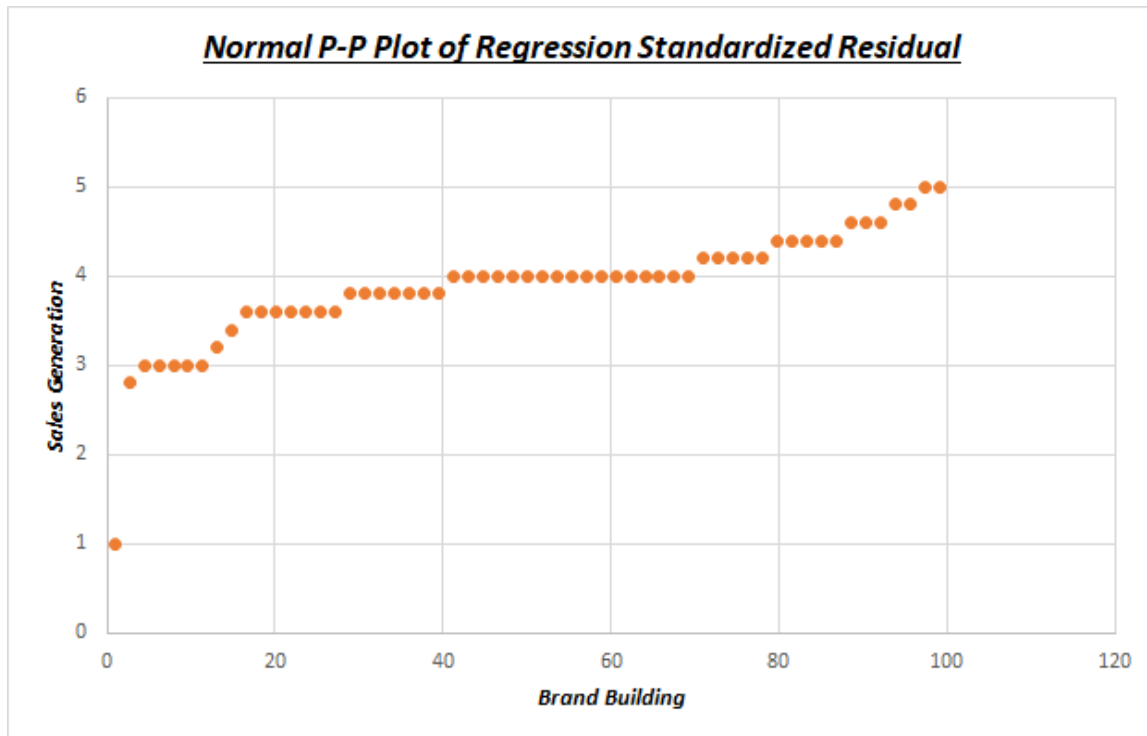
FIGURE 2
REGRESSION ANALYSIS

Interpretation

$y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + b_5 x_5$
y= Sales generation
b_1, b_2, b_3=the coefficient value obtained from the test for the following constructs respectively

x_1=Brand Awareness
x_2= Brand Loyalty
x_3= Trust
x_4= Consumer Attitude
x_5= E-WOM

The regression equation for this model is
$y = 0.037 + 0.345\, x_1 + 0.226\, x_2 + 0.254\, x_3 + 0.484\, x_4 - 0.324\, x_5$
Thus, it can be concluded that:

1. The independent variables such as together influence the dependent variable by 52.4%.
2. Brand Awareness positively influences Sales Generation by 34.5%.
3. Brand Loyalty positively influences Sales Generation by 22.6%.
4. Trust positively influences Sales Generation by 25.4%.
5. Consumer Attitude positively influences Sales Generation by 48.4%.
6. E-WoM negatively influences Sales Generation by 32.4%.

RESULTS

Social Media Marketing is acting as a catalyst for furthering sales generation. The independent variables in this research such as Brand Awareness, Brand Loyalty, Trust, Consumer Attitude, and E-WOM together influence the dependent variable Sales Generation by 52.4%. Social media marketing can boost visibility among potential customers, provide support for grievances and, provide features like user-generated content (Comments, Reviews, and Likes.

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