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## **A Study on Role of Social Media Marketing in SME'S with Special Reference to Prayagraj**

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### **Abstract**

The study focus on review the previous studies related to the Small and medium enterprises in India. Present study is descriptive in nature. Data have been collected only from secondary sources including in different databases. The literature review shows consensus among the authors and researchers that there were many problems and lack of awareness of digital marketing in small and medium enterprises. There were many gaps in the literature regarding variables and challenging affecting marketing strategies in SME's. The study conclude that there are need for some large scale uniform studies in the area to find out the way of social media marketing in SME's and these study can be concluded at the level of each state or at the level of the country as a whole. This research intended to assess the role of social media marketing in terms of building in SME's and extending to strength and weakness of it. This study is based on earlier data yet conducted to beneficiaries view point in the city of Prayagraj.

**Keywords:** Social media, small medium enterprises, challenges, marketing strategies.

### **Introduction**

The last half a century has seen rapid developments in the industrial field. It is the small-scale sector which plays a key role in the industrialization, especially in a developing country. This is because they provide immediate large-scale employment. It plays a significant role in the elimination of the economic backwardness of the rural and the underdeveloped regions of the country, in the attainment of self reliance and in the reduction of regional imbalances. They also play an important role by assisting bigger industries and projects so that the planned activity of the developmental work is timely attended to. These industries also develop lots of entrepreneurs who, in future, may play bigger roles in the development

activities. By playing a supportive role for big industries and agriculture industries, the small industries are able to make the best use of the resources to improve the output of the agriculture industry and services for the ultimate raising up of the Gross National Product (GNP). Hence the growth of any industry is synonymous with the growth of the civilization concerned. In the developing countries, small scale industries can play a key role in the achievement of national economic objectives that include an increase in the supply of manufactured goods, the promotion of capital formation, the development of indigenous enterprises and skills and the creation of employment opportunities. Their main socio-economic goals include remedial measures in order to reduce the regional imbalances within the country.

Their major socio political aims include wider distribution of socio-economic and political power, creation of opportunities for people with initiative to rise by their own ability and hard work. The Small Scale Industries form a significant segment of the Indian Industrial Sector. Indian entrepreneurs, with their inherent intelligence, drive and hard work are making the best use of the opportunities that are made available with the sweeping changes that are taking place in the growth of business and globalization. A rewarding feature of the economic development in India has been the impressive growth of modern small scale industries. The small scale sector has by now established its competence to manufacture a wide variety of sophisticated goods in different product lines, requiring a high degree of skill. They have made a notable contribution in realizing the principal objectives of the expanded employment opportunities, the adoption of modern techniques and the dispersal of the industries in small towns and rural areas. This has been possible as a result of the successful implementation of the programme for the assistance of small scale industries.

As per the data of the Ministry of Micro, Small, and Medium Enterprises, May 16, 2021, India has approximately 6.3 crores of enterprises, the majority of which belong to rural areas rather than the urban parts of the country. According to the Micro, Small, and Medium Enterprises Development (MSMED) Act 2006, the Micro, Small, and Medium Enterprises (MSMEs) are classified into two-sector that is, manufacturing and services (IBEF, 2021). Out of the two, the service sector has a dominant hand (higher contribution towards GDP growth), which has an employment figure of 50 million (approximately) while its counterpart has just half of it.

A large chunk of employment comes from unregistered enterprises, with hesitation and avoidance of the difficult registration process being quite evident. With over two trillion Indian rupees as fixed value assets for small enterprises, the saying “small things create large impact” truly holds

for SMEs in India With the introduction of the Digital India movement by the Indian government and with an ever-increasing internet penetration over the years, the number of active internet users in the country has amounted to million and the internet penetration rate stood around 45% in 2021. From this large number of users, a majority of the population accesses the internet through their mobile phones. The availability of cheap data plans and further incentives by the government through the Digital India campaign is aimed at making mobile phones primary access to the internet. All of these factors have led to the Indian population taking social media like a duck to water. On average, Indians are spending 2.5 hours daily on the Internet, and out of 572 million mobile Internet users, 444 million are accessing social media like Facebook, Instagram, Youtube, etc. through phones only.

In India, Youtube is the most used social media platform with 85.80% of users, followed by 75%, 74%, and 70% of users using Facebook, WhatsApp, and Instagram respectively. Facebook is the most popular, most favoured, and dominant social media platform among commercial entities as well as the masses of India. It also faces tough competition from Instagram whose users mainly comprise millennials and teens In Prayagraj, small and medium enterprises (SMEs) play a crucial role in the local economy, contributing significantly to employment and economic growth.

*Some notable SMEs in the region include:*

**Textile and Garment Manufacturing:** Prayagraj has a vibrant textile industry, with numerous small-scale units producing garments and textiles, including traditional Indian wear.

*Food Processing:*

Several SMEs in Prayagraj are involved in the processing and packaging of food products, such as dairy products, snacks, and ready-to-eat meals.

*Handicrafts and Handloom:*

The city is known for its rich tradition of handicrafts and handloom products. Many small enterprises focus on producing and selling these items, contributing to the preservation of local arts and crafts.

**Metal and Engineering Works:** There are numerous small engineering units engaged in metal works, fabrication, and manufacturing of machinery parts.

In Prayagraj, the Micro, Small, and Medium Enterprises (MSME) sector is vital for economic growth, providing substantial employment and contributing significantly to local development. Various schemes and initiatives by the government support these enterprises, including financial aid, skill development, and technological upgrades. The Ministry of MSME in India offers multiple schemes to assist small businesses, such as the Micro & Small Enterprises Cluster Development Programme (MSE-CDP), the Credit Linked Capital Subsidy Scheme (CLCSS), and the Prime

Minister's Employment Generation Programme (PMEGP). These programs are designed to enhance competitiveness, promote employment, and facilitate the modernization of small enterprises.

### **Social media role in SME's**

Social media plays a crucial role in the growth and success of small and medium enterprises (SMEs) by providing them with a platform to engage with customers, build brand awareness, and drive sales. Here are several ways social media impacts SMEs:

1. **Enhanced Visibility and Brand Awareness** Social media platforms such as Facebook, Instagram, Twitter, and LinkedIn allow SMEs to reach a broader audience without the need for substantial marketing budgets. By creating engaging content and leveraging hashtags, SMEs can increase their visibility and attract potential customers.
2. **Customer Engagement and Relationship Building** Social media enables SMEs to interact directly with customers gather feedback, and address concerns in real-time. This direct engagement helps in building a loyal customer base and improving customer satisfaction.
3. **Cost-Effective Marketing** Compared to traditional advertising, social media marketing is more affordable and offers better targeting options. SMEs can run tailored ads to specific demographics, locations, and interests, maximizing their return on investment (ROI).
4. **Market Insights and Analytics** Social media platforms provide analytics tools that help SMEs understand customer behavior, preferences, and trends. These insights can inform business strategies and product development, ensuring that SMEs meet market demands effectively.
5. **Lead Generation and Sales** Social media is a powerful tool for generating leads and driving sales. Features like shoppable posts on Instagram and Facebook Shops allow SMEs to sell products directly through social media platforms, making it easier for customers to make purchases.
6. **Networking and Partnerships** Social media platforms also offer networking opportunities with other businesses, influencers, and industry experts. Collaborations and partnerships can help SMEs expand their reach and credibility within their industry.
7. **Content Marketing** By sharing valuable and relevant content, SMEs can establish themselves as industry leaders and build trust with their audience. Blogs, videos, info graphics, and other content types can be disseminated through social media to educate and engage followers. Examples and Case Studies Many SMEs have successfully leveraged social media to grow their business. For instance, Warby Parker, a small eyewear company, used social media to launch its brand and connect with customers, leading to significant growth and recognition.

The availability of multiple platforms like Facebook, Twitter, Instagram, Whatsapp, and LinkedIn allows businesses to market their products in multifaceted ways and achieve the attraction of consumers of all kinds. Below mentioned are the marketing models of certain platforms that can be adopted by SMEs:

*Facebook:*

Marketing through Facebook builds trust and motivates users to sign up instead of selling directly. Facebook's marketing model includes sharing videos, posts, stories, and demographics-based targeting and paid models for boosting pages and ads in Prayagraj.

*Instagram:*

With multiple features like stories, IGTV, posts, reels, insights, and many more that Instagram launches. It serves as a great platform for local businesses, B2C businesses, lifestyle brands, etc. to maximize their reach, keeping in mind the target audience is millennials and teens in Prayagraj.

*Whatsapp:*

It serves as an amazing platform for e-commerce, travel & tourism, individual service provider businesses to connect with their customers. With the rollout of payment options alongside Paytm, Google Pay, etc. it has served to be a very efficient and accessible platform to conduct business. In research from Nayar, it was stated that 'Whatsapp maps user's behavioural data by using it as a data repository by Facebook which is then used to focus on relevant products to leads'.

*Youtube:*

The best video sharing platform for local and B2C businesses. Through the use of videos, gives credibility to the product with honest reviews and customers get the benefit of availing themselves of this opportunity for cross verification before purchasing. The marketing model includes sharing of content through transitional videos to increase engagement and views in Prayagraj.

**Review literature**

Anas A. Al Bakri (2017) has stated that there are no significant relationships between the use of social media and its competitive advantages. So far, it is reported that only 10% of the SMEs were using social media. Of these, 72% used Facebook, 27% Twitter and 1% YouTube. It is claimed by many researchers that the social media have improved customer service and relationships, and 80% of the improvement are in terms of products and services. Uncertainty in the method of applying social media, measuring the return on investment and persuading employees to embrace social media were the main challenges.<sup>6</sup> Fosso and Carter in the work "Social media tools adoption and use by SMEs: An empirical study" indicates that firms' innovativeness, their size, the manager's age and

economy sector constitute the factors that impact significantly on the adoption of social media tools within organizations<sup>7</sup>.

Bala Devi (2018) investigated the effectiveness of social media as a marketing tool with specific focus on the district

Pathanamthitta. The findings revealed that most of the respondents acknowledged the lower prices compared to direct marketing when using social media as a buying tool. Gil, Lauren, Rhonda and Andrew (2019) high-lighted two aspect of the current social media land-scape. First they discussed the platforms that provide the business models and technologies comprising the industry and ecosystem. Second they explored how various organizations and individuals use these technologies for different purposes. The paper presented nine themes related to the future of social media, incorporating their own insights, views from current research and opinions from industry experts regarding the future of social media marketing.

Wardati and Er (2019) In the context of the ability of SMEs to compete and respond actively to the pressure of today's market, social media stand out as the best technological option of SMEs management technique to effectively and efficiently carry out advertising activities.

Sokolova and Kefi (2020), free flow of information and communication between consumers, partners, and SME management through social media have proven to be more effective and efficient. Effective and efficient use of social media enable quick responses to questions raised by consumers during the communication process through various social media platforms such as Facebook, Twitter, or YouTube.

Ghezzi and Cavallo (2020)The existence of social media has helped the management of SMEs to increase their market base through the increasing customer satisfaction, consistent flow of products and services, and improved availability of products and services in the market.

Muslim (2020) state that the adoption of social media by SME management enabled customers who find it difficult to evaluate the product of a particular company due to long physical distance between them and the company to do so through the awareness of the brand and thus contribute to the market and the flexibility of SME development.

Acquisti and Fong (2020) and Tripopsakul (2018) found that social media networks have improved SME management. This is because it has created a channel facilitating and improving firms' market development.

Kalpana and Ranjeeta (2022) assert that social media platform create opportunities for existing and upcoming business ventures. These platforms serves as a podium for potential entrepreneurs to establish their business and develop their skills. Nilsson (2023) aimed to establish a theoretical perspective on the development of components and vital elements aligned with the need of customers. It utilized key elements of marketing models to clarify decisions made in the marketing process. One of the critical

functions of marketing management is to enhance the marketing activities of a company/ business, encompassing performance, planning, organizing, directing, controlling and facilitating the entire process of buying and selling.

Yatish, Weng, Khyati and Satish (2023) provided insights on social media influencer marketing in their article. With the growing dominance of social media influencers in consumer decision-making, the study tried to provide a comprehensive overview of methods, theories and themes through a structured review of articles.

### **Objectives**

1. To identify that Social media marketing plays an important role in SME'S.
2. To analyses the benefit of social media marketing.
3. To identifies the factors that influence social media marketing in SME'S.
4. To find out the strength and weakness of SME'S through social media marketing.
5. To identify the major benefits and challenges for entrepreneurs/managers as posed by social media marketing of their respective small business

### **Matrials and methods**

#### ***Study Area***

Prayagraj's blend of historical richness, cultural heritage, religious significance, and modern development makes it a unique and important city in India. In recent years, Prayagraj has seen substantial industrial and economic growth. The development of industrial corridors and the establishment of various small and medium enterprises (SMEs) have contributed to the city's economic landscape.

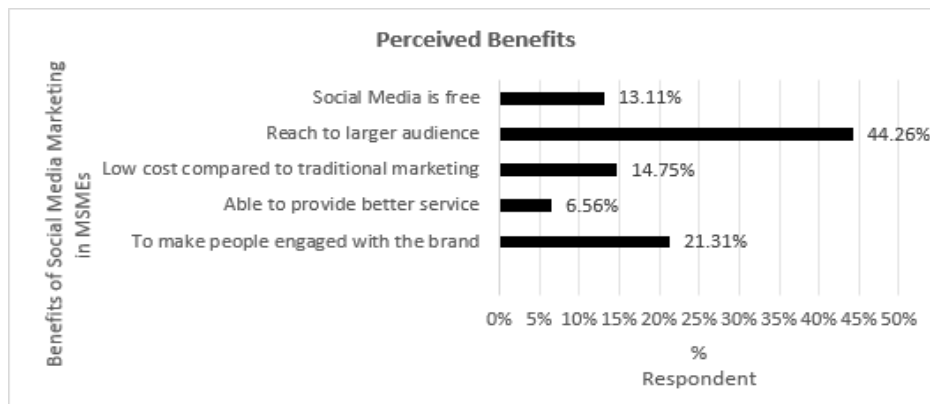
The research paper is an attempt of descriptive research, based on the secondary data sourced from journals, magazines, articles and media reports. Looking into requirements of the objectives of the study the research design employed for the study is of descriptive type. Keeping in view of the set objectives, this research design was adopted to have greater accuracy and in depth analysis of the research study. Available secondary data was extensively used for the study. The investigator procures the required data through secondary survey method. Different news articles, Books and Web were used which were enumerated and recorded.

### **Results and Discussion**

Preliminary results indicate that Facebook, Instagram and WhatsApp are the most commonly used platforms by SME's in Prayagraj. These platforms are used for promotions, customer communication and creating brand awareness in the city of Prayagraj. Prayagraj is one of the growing

SME's in Uttar Pradesh. Despite of this it faces challenges towards awareness over public. Technology plays an important role now days as SME's fails due to financial condition and marketing strategies for promotion. There is huge potential amongst SME's that still remain untapped. SME's need to focus on creating and capturing value through social media managing online features and increasing awareness of enterprises, communicating with customers and other methods. SME'S affected the perceived benefits and challenges related to social media by the owners of SME'S. Nature of the SME's number of hours put in business, target market for the business number of employees in the SME's, age of SME's and the business experience of the owners of the SME's were found to have significant impact on the perceived impacts of social media on business growth by the owner of SME's.

SMEs have huge potential to grow and make their market bigger with accurate utilization of social media marketing techniques and below are some suggestions as to how social media marketing can be made more accessible and user-friendly for SMEs owners: More emphasis should be made on investing in social media marketing as an alternative to traditional marketing methods. Workshops or training programs can be inducted by the SMEs to educate the workers about social media marketing to promote business locally as well as grow enough to build it up on an international scale too. Managers/entrepreneurs should give more focus to SMM for the promotion of products or services as many SMEs are yet not aware of its usage for effective and cheap marketing and to build long-lasting connections with customers, SMM needs to be frequently used to draw attention and at the same time develop brand awareness for new customers. Separate groups/communities can be made on social media sites to establish two-way communication with the customers, communities, dealers, and other stakeholders. SMM can be used for all promotion activities thus minimizing the use of papers or traditional marketing.





Moreover, social media provides industrial SMEs with opportunities for networking, collaboration, and industry partnerships. By connecting with other businesses, suppliers, and potential clients, SMEs can explore new markets, access resources, and forge mutually beneficial relationships that contribute to their growth and success. Overall, while the industrial sector may have traditionally been seen as less reliant on social media compared to consumer-focused industries, there is undeniable potential for growth and innovation when SMEs in this sector embrace and leverage social media effectively.

**Case of research Studies:** A local restaurant in Prayagraj that significantly increased its customer base through Instagram and Facebook marketing, offering discounts promotions tailored to online customers. A small clothing retailer that used whatsapp business to connect with local customers, showcase products and increase sales

### **Conclusions**

The study conclude that social media marketing plays important role in the growth of SME's in Prayagraj by improving visibility, driving customer engagement and increasing sales. However, challenges such as limited resources, expertise and completion remain prevalent. SMEs are a major contributor to the economy of India and these small units serve as a backbone for the economy and therefore their businesses need to grow. In addition, a billion users on social media platforms are greatly influenced by the content specifically designed to attract customers. Social media marketing holds a gateway of opportunities for small businesses to generate leads, make huge profits, and even reach for an international platform for their products in Prayagraj. While there are multiple strengths and opportunities of social media marketing (SMM) to the SMEs, it was found that they possess some weaknesses and threats as well, and hence while some SMEs can perform better, some cannot.

Because of the lack of knowledge on the functioning, utilization of social media marketing and lack of innovative management and knowledge, not all SMEs could adapt to these platforms and for some who had very basic knowledge about social media marketing but lacked in a professional sense and as a result, could not live up to their full potential. There is a need for SMEs to explore Social media marketing as a tool for greater benefits. Workshops or training programs can be inducted by the SMEs to educate the workers about social media marketing to promote business locally as well as grow enough to build it up on an international scale too.

However, through SWOT analysis and case study conducted, it can be concluded that with several SMEs operating in India and a great number of social media users, the positive impact of social media marketing weighs over the negative ones. However, Social media provides SMEs with numerous opportunities to enhance their marketing efforts, engage with customers, and grow their businesses in a cost-effective manner in Prayagraj. By strategically using social media platforms, SMEs can compete with larger corporations and achieve substantial growth.

**Recommendations of the study:**

SME'S should invest in social media training for improving their marketing strategies and collaboration with local influencers, community leaders can help SME's gain on these platforms and also Government and local business associations could provide business support in the form of workshops or grants to help SME's strengthen their digital presence.

**Limitations of the study:** The study is limited to a specific geographic location (Prayagraj) and findings may not be generalizable to all SME's in India. The study also focuses on a limited sample size due to time and resource constraints.

**Future Scope of the study:** Future scope of the studies could expand to other regions and explore the long term impact of social media marketing on SME growth and sustainability in other cities in India and across the nation. Further research could also explore the role of emerging platforms such as TikTok and You Tube for SME's

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