

Impact of Social Media Marketing on Small Business Growth

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Abstract— *Social media marketing affected small business growth in this study. The researchers employed a quantitative-descriptive survey to examine variable relationships. The quantitative design qualified and generalized table data, whereas the descriptive design detailed respondents' situations. This study relied on a modified questionnaire checklist. Researcher-extracted data informed the questions and choices. The average weighted mean or range of scale treated data. The researchers observed that 31 of the 31 individuals were small business owners, with one exception. 38.7% stated less than a year, 45.2% said 1-3 years, while the rest said more than 5. Since 96.8% promoted their small business on social media, it must have worked well. We gave our respondents four social media networks to determine which they used most. Most respondents always utilized Facebook for social media marketing, while Twitter was the most rarely used. We got the same results when asked to rate social media platforms' impact on social media marketing. Again, Facebook had the largest impact (26 votes) whereas Twitter had no impact. Instagram and TikTok are popular, but our respondents prefer Facebook. The researchers found that small entrepreneurs benefit from social media marketing. Small businesses may enhance brand visibility, reach a wider audience, and communicate with potential customers cost-effectively by using social media. Social media lets small businesses compete with big ones. To leverage social media marketing's benefits, small entrepreneurs must negotiate its hurdles and hazards.*

Indexed Terms— *Social Media, Small Business, Marketing, Impact, Challenges*

I. INTRODUCTION

According to McCay-Peet and Quan-Haase (2017), social media platforms enable individuals, groups, and organizations to collaborate, connect, interact, and form communities. This is made possible through the ability to generate, co-create, modify, share, and engage with user-generated content. The advent of social media has leveled the playing field for small businesses, enabling them to effectively compete with established big brands. According to recent research findings, a significant majority of small-to-mid-sized firms, approximately 71%, have embraced social media as a marketing tool. Furthermore, a substantial proportion of these firms, specifically 52%, engage in daily posting activities on social media platforms. According to Baird and Parasnis (2011), businesses utilize social media platforms as a means to facilitate sales and assist customers in making informed product choices. According to Kaplan and Haenlein (2010), a growing number of small and medium-sized enterprises (SMEs) are adopting social media marketing strategies as a means to effectively connect with their clientele. This approach is favored due to its simplicity and cost-effectiveness. According to Yasa et al. (2020), the significance of social media marketing cannot be overstated in relation to corporate performance. Multiple studies have indicated that the effectiveness of social media marketing is contingent upon the active engagement and participation of both businesses and customers. According to Wang and Kim (2017), the utilization of social media platforms enables companies to effectively reach out to clients across various market sectors. According to Wang et al. (2016), an active presence on social media platforms can contribute to the acquisition of client

data and enhance marketing operations for organizations.

Digitalization's social media megatrend affects worldwide commerce. Social media links enterprises' internationalization process and international business in terms of timing, tempo, rhythm, location and entrance mode selections, foreign market learning, and knowledge recombination (Glavas et al., 2019; Hurmelinna - Laukkanen et al., 2020). Globalization is shrinking the world. Social media marketing and the global economy are increasingly well-known. Small firms using social media are more customer-friendly and accessible. Twitter, Facebook, Instagram, YouTube, and LinkedIn are social media (Walsh, 2009). Social media is free and easy to use, thus many small and medium firms are using it for marketing (Qualman, 2010). Social networking doesn't boost exports. Instead, consumer feedback, brand awareness, foreign business contacts, and competitiveness affect export performance (Eid et al., 2019). Multinational companies study international markets faster as they use social media more (Rialp-Criado, 2020).

Filipino marketers use social media since the Philippines is known as "the Social Networking Capital of the World." According to StatCounter (2019), as of September 91.58% of Filipino social media users use Facebook as their primary platform, making it one of the most popular and beginner-friendly platforms for small businesses to advertise their products and services. As of 2020, Facebook holds 93% of the country's social media market share. Social networking can boost local business visibility at little expense. In the Cordillera Region, the Department of Trade and Industries (DTI) and some government agencies helped Micro-Small and Medium Enterprises (MSME's) adopt online business systems. More than 80% of the 20,000 micro, small, and medium enterprises in the region are online. Local entrepreneurs post their products, contact details, addresses, and promotions on social media. Lawyer Sam Gallardo said Baguio and Benguet have at least 17,000 MSMEs. Trade name registration and local government business permissions determined the number (PNA, 2022). Unfortunately, many small businesses fail to use social media and lack a strategy, missing many chances. This study will learn how

small firms use social media to grow. It explicitly addressed these questions:

1. What is the impact of social media marketing on small entrepreneurs?
2. What are the challenges face by small entrepreneurs in marketing?

II. THEORETICAL FRAMEWORK

A. Chaffey's theory

According to Chaffey (2012), social media marketing is informal (Gonzalez-Lafaysse and Lapassouse-Madrid, 2016). Human behavior—especially customer behavior—is centered on communication and networking, according to the notion. Customer behavior is influenced by company-customer interaction. Thus, firms use social media to increase client purchasing alternatives, encourage purchases, and retain brand loyalty (Wang and Kim 2017).

According to the notion, business-customer interactions affect human behavior, with social media as a relationship-building instrument. Chaffey (2016) states that social media strategies aim to establish and retain an engaged online community of followers and supporters. This technique will raise product awareness and encourage consumers to buy, use, and repurchase online products, building brand loyalty. According to this notion, social media is crucial to online marketing. Business is competitive today. Social media helped small businesses compete with larger corporations by helping them stand out. By leveraging social media to create content, communicate with customers, and advertise their products. Ashley and Tuten (2015) agreed with Chaffey (2012) that one-on-one social media interactions between companies and customers develop long-term relationships that benefit the firm financially.

Chaffey (2012) postulations expanded. Ashley and Tuten (2015) stressed that communication is essential to marketing. Rafiee & Sarabdeen (2013) propose that social media can achieve this strategy by actively engaging consumers on numerous platforms. This pleases them and boosts customer satisfaction and corporate performance. Social media marketing allows small business owners to save and manage critical consumer data from contact details to customer

wants and customize interactions. They may tailor marketing strategies, give great customer service by responding quickly and personally to client enquiries, complaints, and requests, and satisfy customers. Satisfied customers are more likely to become loyal advocates, which can boost word-of-mouth referrals, client retention, and business growth.

B. Marketing Mix theory

Jerome McCarthy expanded Harvard University marketing professor James Culliton's 1948 marketing mix. "Basic Marketing: A Managerial Approach" by Jerome E. McCarthy introduced this approach. The marketing mix theory describes how to meet client wants and properly position our offering. Product, Price, Placement, and Promotion (McCarthy, 1960). People, Process, and Physical Evidence were added to the 4 Ps of marketing to assist us advertise services (Booms & Bitner, 1982). Many companies base their marketing approach on this premise. Marketing, branding, and web design firms worldwide use it.

The 4 Ps make up the Marketing Mix. These helped the company develop a marketing framework by offering high-quality products at low prices in the proper place (Ho and Hung, 2008). According to H.R. Ganesha (2020), several academics have criticized the Marketing mix approach, arguing it is flawed and only suitable for Traditional Marketing. Studies reveal that the Marketing Mix approach is still successful and used by most management practitioners today. However, the digital revolution has transformed practically every business, including marketing. Small businesses now need social media marketing. Social media alone cannot develop small businesses. Social media may help small businesses interact with clients, raise exposure, and enhance revenue. The marketing mix helps business owners choose Price, Product, Place, and Promotion.

III. METHODOLOGY

The interrelationships between the variables were examined using a quantitative descriptive design by the researchers. The descriptive design will be used to describe the conditions of the respondents, while the quantitative design will be used to qualify data and generalize findings from data collected in the form of a table. According to Aliaga and Gunderson (2002),

the quantitative research method is acquiring data in numerical form and evaluating it using mathematical techniques, particularly statistics, to understand a problem or phenomena. According to McCombes (2020), a descriptive research design tries to precisely and methodically characterize a condition or phenomena. It can reveal what questions are being asked and can lead to the investigation of one or more variables using a wide range of research approaches. The study, which concentrated on the effect of social media marketing on small business growth, was carried out in Baguio City. The internet vendors in Baguio, notably those who are situated in Lower P. Burgos Baguio City, were picked by the researchers as their responders. 31 people in total responded to the survey, which was administered via Google Form.

IV. STATISTICAL TREATMENT

The researchers used a descriptive survey, especially a modified questionnaire checklist type, to collect their data. The survey was developed using individually crafted questions and adjusted prior related studies. For easier accessibility and lower costs, it was delivered and completed online using a Google form. There were two unique sections of the questionnaire. The first section of the survey asked questions regarding how social media is used by small businesses, including how frequently respondents utilize these platforms and their results. The second section of the survey inquires about the difficulties small business owners have with marketing. According to the frequency of items checked by the participants, the instrument's results were totaled and tabulated for interpretation.

In this study the data gathered was classified, analyzed and interpreted using the frequency counts and weighted mean.

For the mean:

$$(\bar{x} = \sum x) / N$$

Where: \bar{x} - is the mean

$\sum x$ - is the sum of the actual responses

N – is the total number of items

For the general weighted mean:

$$GWM = (\sum wx) / N$$

Where: $\sum wx$ = the summation of all the men score, and

N= the total number of items

V. RESULTS

A. *Social Media Marketing for Online Sellers*

31 business owners, mostly online sellers, who use Social Media Marketing were surveyed by the researchers. Only 1 of 31 participants is not a small company owner. 38.7% of businesses have used social media marketing for less than a year, 45.2% for 1-3 years, and the rest for more than 5 years. Since 96.8% used Social Media Marketing to advertise their small businesses, it must have worked.

To determine which social networking platform the respondents utilize more, the researchers provided four options. Facebook was the most often used social media platform, while Twitter was the least. When asked how much the social media platform affected their social media marketing, it was found the same results. Facebook again received 26 votes for having the most impact, while Twitter received primarily negative ratings. Few uses Instagram and TikTok. The respondents still choose Facebook over these social media channels.

Table II of the survey covers daily Social Media Marketing problems and variables. 16 highly agreed, 13 agreed, and 2 disagreed on internet connection. Most agreed that social media marketing rivalry is a major influence. 24 percent highly agreed and agreed that social media identity verification is a concern. Most respondents firmly agreed that customer loyalty is a vital aspect in their daily lives. 15 strongly agreed, 9 agreed, and the remainder strongly objected or disagreed on product return or refund policy.

VI. DISCUSSION

A. *Effectiveness of Social Media Marketing and Social Media Platforms*

Small business owners struggle to brand and market their products. Where could a small business owner go to easily attract more clients without having to spend all day looking for them? You can locate many potential customers on social media. Social media has long connected individuals. Six Degrees, the first popular social media network, established in 1997, according to successful journalist and "Small Business Trends" staff writer Samantha Lile. Users could upload profiles and establish friends. User-

generated material made blogging sites popular in 1999, starting a social media trend that continues today. Social Media Marketing became popular in 2006. The first formal social media site was launched in 1997, according to Payments Association's History of Social Media Marketing. Early internet forms date back to the 1940s.

When Facebook expanded in 2006, marketers switched to social media marketing. "New online advertising. Marketers will join the media debate after 100 years of pushing it to consumers. Mark Zuckerberg, 2006.

Survey participants who voted 1-3 years used Social Media Marketing the most. Most of them are still using social media marketing after a year, and many new small business owners, such as the 38.7% who voted for less than a year, were encouraged to join. Most use it well. Social media has become the most prominent and vital virtual place for social networking and digital advertising.

Facebook was the most popular social media network offered. As of the first quarter of 2023, Statista reported that Facebook had 2.98 billion monthly active users. Groups, Pages, and Marketplace can assist internet businesses market on social media. Once you learn what Groups, Pages, and Marketplace posts to make, your Social Media Marketing plan will change. Facebook helped online businesses more than Twitter, Instagram, and TikTok. Instagram doesn't have social media marketing, and Twitter and TikTok aren't as popular as Facebook.

B. *Challenges face by small entrepreneurs in marketing*

Social Media Marketing is effective, but tiny internet business owners still face everyday hurdles. Social Media Marketing only works with social media sites. However, social media requires a stable internet connection. This survey found many online vendors having connection issues. They may have a weak signal, or their Internet Service Provider may be poor. Unstable internet connections can cost online businesses customers. Execulink Telecom says customers expect a lot from your business. They demand instant page loads and customer service.

Delays may cause customers to switch to competitors, costing you revenue. A one-second delay in response time can reduce conversions by 7%, and over 50% of consumers will quit a page if it doesn't load within three seconds.

Online businesses increasingly struggle with social media marketing competition. Social media platforms are free, but the number of online businesses using them for Social Media Marketing is growing everyday. The harmful trait and practice of decreasing prices till competitors cannot compete has long been around. Thus, competition can hurt online businesses the most. Brent Barnhart said in Sprout Social that social media competition is fiercer than ever. New social networks change content creation. Additionally, expectations rise daily. Building a memorable brand presence online can be intimidating.

Social media privacy and security are poor since anyone can use them. Online identity verification is difficult when anyone can create several accounts or fraudulent ones. Identification theft also complicates online identification verification. Most online vendors avoid this issue by verifying customer profiles. According to the survey, they're still having trouble identifying fake accounts. The University of Southern California and Indiana University found that 15% of Twitter users are bots, and Facebook has more than 60 million artificial accounts.

Customer loyalty negatively influences Social Media Marketing for 19 respondents and 9 strongly agreed. What happens when Social Media Marketing users increase? Customers prefer to buy from other online retailers, especially if they may customize the goods. John Gattorna found that 68% of buyers leave a brand due to "perceived indifference" in 2008. A brand's capacity to consistently and well-personalize the customer experience is the customer loyalty problem. Personalization was unscalable, making this difficult.

According to legal and data protection researcher William Blesch, a Return and Refund Policy describes your business's return process, policies, and criteria. Most of our participants may consider this because clients were dissatisfied with the product. Shopify, a famous e-commerce website builder for small businesses, says clients may be dissatisfied with their

order if it arrived broken, they got the wrong size, or it didn't fulfill their expectations. Online business owners have issues when buyers don't know about their product return and refund policies.

VII. CONCLUSION AND RECOMMENDATIONS

In conclusion, small entrepreneurs benefit from social media marketing. Small businesses may boost brand awareness, reach more customers, and save money by using social media. Social media lets small businesses compete with big ones. To leverage social media marketing benefits, small entrepreneurs must negotiate its hurdles and hazards.

Based on the conclusion, the following recommendations have been put forward.

1. Create a social media strategy: small businesses need a social media marketing strategy. This involves choosing channels, identifying their target audience, and developing engaging content that matches their brand values and goals. A plan maximizes social media influence.
2. Respond to comments, messages, and reviews: Small entrepreneurs should interact with their social media audience. This shows client satisfaction and fosters trust and loyalty. Regularly posting relevant and valuable material keeps the audience engaged and active online.
3. Use social media advertising wisely for small businesses with limited funds. They can maximize their ad expenditure and reach the correct people by targeting and analyzing their adverts.
4. Monitor and evaluate: Small entrepreneurs must monitor and analyze social media indicators. Engagement rates, website traffic, and dialogues assist evaluate social media activities. This data aids decision-making and improvement.
5. Follow trends: Social media platforms and algorithms change. Small entrepreneurs must keep up with social media marketing trends, features, and updates. Industry experts, webinars, and online groups can help you remain ahead of the competition.

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