# A Study On Assessing The Effectiveness Of Social Media On Businesses.

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*Abstract:* Hundreds of users have combined social network sites (SNSs) like MySpace, Facebook, and YouTube into their normal lives, resulting in attracting millions of users to the social media platforms. There are hundreds of networking sites which have varied practises and interests and offer a variation of technological features. However, the influence of social networking sites is expanding, affecting everything from social and educational to commercial and economic activity. Aside from its many other positive effects, social networking sites are reportedly playing a bigger role in today's enterprises. In order to clarify how SNSs affect enterprises, the goal of this study is to give a literature evaluation and classification scheme for research works in this area. Businesses have learned that internet marketing is a potential advertising strategy that may, give that there are over 4.5 billion internet users worldwide, they may find it easier to reach their target audience. People use the internet to find solutions to problems ranging from restaurant recommendations to grammar lessons. E-commerce has taken over the retail industry. According to Statistics, e-commerce will account for nearly 20% of global retail sales in 2021. According to projections, by 2025, these online stores will account for nearly a quarter of total retail sales worldwide. The COVID-19 pandemic was a significant factor in the growth of this online shopping mode. While people stayed at home to avoid the virus, they turned to online shopping. According to the Census Bureau, "e-commerce sales increased by $244.2 billion, or 43%, in 2020, the first year of the pandemic" (Brewster, 2022). 'From $571.2 billion in 2019 to $815.4 billion in 2020,' the economy's GDP will rise. As the number of online stores has grown, so is the requirement to distinguish oneself from other competitors. As known that the e-commerce experience is simulated, the way to distinguish one from the other is by optimally utilizing social media and developing digital marketing strategies.

*Index Terms* - **Internet, Marketing, Digital Marketing, social media, Businesses**

## I. INTRODUCTION

For Social media sites have become a vital part of modern-day communication and business. Entrepreneurship is no exception to this trend. Social media has provided entrepreneurs with a platform to connect with their target audience and establish their brand. In this context, a study assessing the effectiveness of social media on entrepreneurship would focus on how social media helps entrepreneurs build and grow their businesses.

Methodology: To evaluate the effectiveness of social media on entrepreneurship, the study may adopt a mixed-method approach. The study could use both quantitative and qualitative data collection methods. The study may collect data from entrepreneurs who use social media to promote their businesses. The study could also collect data from social media networks, such as Facebook, Twitter, and LinkedIn, to assess how entrepreneurs use social media to market their businesses.

Data Collection: The study could collect data from surveys, interviews, and social media analytics. The survey could be administered to a sample of entrepreneurs who use social media to promote their businesses. The survey could ask questions about the entrepreneurs' use of social media, their business goals, their target audience, and the effectiveness of their social media campaigns. The study could also conduct interviews with entrepreneurs who use social media to promote their businesses. The interviews could provide more in-depth information about the entrepreneurs' experiences using social media.

Social media analytics could also provide valuable data for the study. The study could collect data from social media platforms to evaluate the effectiveness of social media on entrepreneurship. The study could analyze metrics such as engagement rate, reach, and conversion rates to determine the efficiency of social media campaigns.

Analysis: The study could use descriptive and inferential statistics to analyze the data. The descriptive statistics could help identify the top social media platforms used by entrepreneurs, the variety of content posted on social media, and the regularity of social media posting. The inferential statistics could help test hypotheses related to the efficiency of social media on entrepreneurship.

Results: The results of the study would show how social media helps entrepreneurs build and grow their businesses. The study could reveal the most operative social media platforms for entrepreneurs, the types of content that resonate with the target audience, and the regularity of these social media postings. The study could also show the influence of social media on sales, brand recognition, and client engagement.

Conclusion: In conclusion, a study assessing the effectiveness of social media on entrepreneurship would provide valuable insights into how entrepreneurs use social media to promote their businesses. The study could help entrepreneurs identify the most effective social media platforms and strategies for marketing their businesses. The study could also provide guidance for social media platforms to enhance their features for entrepreneurs to promote their businesses.

## II. RESEARCH METHODOLOGY

The data collection for our research paper was done through a questionnaire in the form of google forms, content analysis, and secondary data analysis. The data collected is done in the following three ways-
Questionnaire:
The questionnaire prepared had questions in relation to each other and to the topic of the study. It was asked to a group of people falling into the category of business owners.
More frequently, standardized questionnaires are used to gather data on different media elements, personal interests, etc. The internet enables researchers to quickly, cheaply, and easily investigate various individuals in various parts of the globe. The questionnaire is carried out by sharing questionnaires in the form of google forms with people to be completed and data to be collected.
The questionnaire has been used as the first step of data collection. We created a single questionnaire that unmistakably represents the significance of the social media platforms used for business purposes by various companies. We use the questionnaire to interact with the business owners on how they utilize social media in their businesses, what are the benefits, effects, and so on.

Below are the steps taken to design the questionnaire -

1. Objectives: The objective was to ascertain in detail the utilization of social media by businesses. It was to collect first-hand data on the benefits experienced, the effects of social media on these businesses and why and how have they employed it efficiently.

2. Sample group: The sample group for the questionnaire is business owners, ranging from small to big businesses and also e-commerce and traditional offline businesses.

3. Preparation of the questionnaire: The questionnaire was made in the form of google forms for the following reasons- easy accessibility, appropriate data collection, efficiently distributed among the sample group, and data charts generated.

4. Analyze responses: The analysis of the responses is a critical part of this research as it gives insights and in-depth knowledge of how businesses utilize social media.

5. Interpreting responses: Interpreting the data collected and studying the analysis to come to a conclusion on the research topic.

Content Analysis:

Text analysis is the withdrawal of applicable data from research papers, browsing the internet, journals, books, articles etc. Itis a research technique used to inspect and interpret the content of different types of communication, such as written texts, audio recordings, videos, or images.

The main idea behind content analysis is to identify patterns, themes, and trends in the data by systematically analysing and categorizing it based on predetermined criteria or codes. This method would help us to gain a better understanding of the underlying meanings, values, and attitudes conveyed through communication.

• The research question for the content analysis was taken - "How effective is social media in achieving marketing goals for businesses?" The basis for this was to ascertain how social media impacts the business and what goals are achieved.

• The data sources include social media posts, advertisements, customer reviews, and other relevant content related to the research question. The data was composed of different social media networks like Facebook, YouTube, Instagram, etc.

• Various businesses ranging from big to small were studied on their social media success stories and failures, and conclusions were drawn from them.

Secondary data:

Secondary data is information that has already been collected and analysed by someone else for a different purpose but can be used for new research or analysis. This type of data can come from various sources, such as government agencies, research institutions, companies, or individuals. Secondary data can be a valuable resource for researchers and analysts, as it can save time and resources compared to collecting primary data. It can also provide insights and context for the research question, especially if it covers a wide geographic or temporal scope.

The secondary sources utilized in this research paper are -

• Market research reports: Market research companies like Statista, Forrester, and Nielsen provide reports on social media practices and trends, and also the study of the impact of social media on different industries and consumer behaviour. These reports provide a broader context for the study of social media effectiveness in businesses.

• Academic research papers: There are numerous academic documents on the subject of social media and commercial effectiveness. These papers provide theoretical frameworks, case studies, and empirical evidence on the impact of social media on different aspects of business, such as advertising, sales, customer engagement, and brand reputation.

• Company reports: Publicly traded companies often provide financial and operational reports that include information on their social media performance and strategies. These reports provide insights into how businesses measure the efficiency of social media and how they integrate social media into their overall business strategy.

• Online reviews and ratings: Websites like Yelp, TripAdvisor, and Google Reviews provide user-generated reviews and ratings of businesses, which were used to assess the impact of social media on customer satisfaction, loyalty, and reputation.

By utilizing these secondary data sources, we can gain a deeper knowledge of the effectiveness of social media on businesses, identify best practices, and develop new strategies to optimize social media usage for their business goals.

Brands that have successfully benefitted from social media-

There are many success stories of brands that have effectively utilized social media to grow their business.

Here are a few examples:

Nike: Nike is one of the most successful brands on social media. They have over 110 million followers on Instagram and use the platform to showcase their products, highlight their athletes, and promote their campaigns. Nike also uses social media to involve their customers and create a sense of community.

Wendy's: Wendy's is recognized for their clever and amusing social media occurrence. They have used Twitter to involve their clients, respond to customer complaints, and even challenge their competitors. This approach has aided Wendy's to shape a faithful following and upsurging brand awareness.

Airbnb: Airbnb has used social media to showcase its unique accommodations and provide travel inspiration to its customers. They have a strong presence on Instagram, where they share user-generated content and highlight their most interesting properties. This approach has helped Airbnb to attract new customers and increase bookings.

Overall, these brands have effectively utilized social media to grow their business by building a strong online presence, engaging with the audience, and creating a sense of community about their brand.

Brands that faced failure in social media implementation-

While social media can be a powerful tool for businesses, there have been several examples of social media implementation failures. Here are a few examples:

Pepsi: In 2017, Pepsi released an ad that was widely criticized for being tone-deaf and insensitive. The ad featured Kendall Jenner, who appeared to resolve a protest by offering a can of Pepsi to a police officer. Many people felt that the ad trivialized important social justice issues and Pepsi was forced to pull the ad and issue an apology.

McDonald's: In 2012, McDonald's launched a Twitter campaign using the hashtag #McDStories. The idea was for customers to share positive stories about their experiences at McDonald's. However, the hashtag was quickly hijacked by customers who shared negative stories and complaints about the fast-food chain.

American Apparel: In 2014, American Apparel posted a picture of the Space Shuttle Challenger exploding on their Tumblr page. The post was intended to be a tribute to the anniversary of the disaster, but it was widely criticized for being insensitive and inappropriate.

Overall, these examples show that social media implementation failures can have serious consequences for businesses. It's important for businesses to carefully consider their social media strategy and ensure that their content is appropriate, relevant, and engaging.

## III.        RESULTS AND DISCUSSION

Data analysis is the process of examining and interpreting data to derive useful insights, draw conclusions, and support decision-making. Data analysis involves various methods, techniques, and tools to organize, clean, transform, and model data. The primary goal of data analysis is to make sense of the data and uncover patterns, trends, and relationships that are not immediately apparent. This involves both descriptive analysis, which seeks to summarize and describe the characteristics of the data, and inferential analysis, which involves making predictions or drawing conclusions about a larger based on a sample of the statistics and the population.

As we have mentioned, the approach taken by us is qualitative in nature. For analysis of the data that had been attained by the questionnaire, we would be looking at the replies and studying them. From the content analysis and secondary data, the significant points collected or collected in theoretic and experiential conclusions have been analyzed and equated.

Analysis of the Questionnaire –

From the data collected, the following were observed

The businesses that had been operating ranged from 25 years to even 2 years. It included family-run businesses, startups, and small businesses from industries – Jewelry, clothing, textiles, Malls, etc.
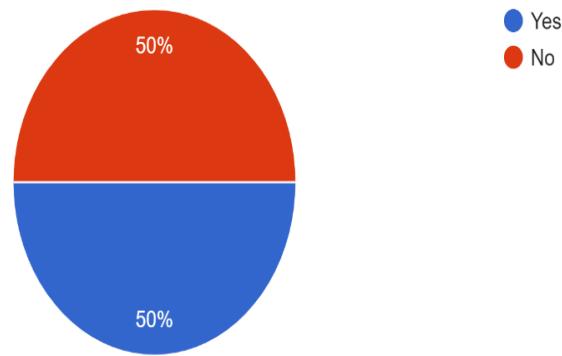
Figure 1

It can be observed in Fig. 1 that out of these businesses, 50% utilized social media and the other half didn't. It was observed that traditional businesses and family businesses that have been established for 30 years or more did not see the requirement of utilizing social media, this may be because of the following reasons-

Traditional marketing methods: These businesses may have relied on traditional marketing methods, such as print ads, television commercials, and word-of-mouth, which have been successful in the past. They may not see the need to change their marketing strategy to include social media.

Lack of understanding: social media can be complex and ever-changing, and some businesses may not fully understand how to use it effectively. They may not see the value of investing time and resources into social media when they don't fully understand it.

Industry norms: Some industries may not place a high value on social media. For example, businesses that primarily sell to other businesses (B2B) may not see the need for a strong social media presence since their customers are less likely to be active on social media.

Cost considerations: Establishing a social media presence can require time and resources, which some businesses may not be willing or able to invest. They may view social media as an unnecessary expense.

Perception of audience: Some businesses may perceive their target audience as being less active on social media, and therefore do not see the need to use social media to gain reach.

Whereas the other 50% of businesses that utilized social media included startups and small businesses. This may be due to the following reasons-

Booming digitalization: Booming digitalization has had a profound impact on many aspects of our lives, from the way we communicate and consume information to the way we work and do business. It has enabled the development of novel products and services, novel business representations, and novel ways of collaborating and sharing information. Most of the population now communicates through social media, hence businesses utilize this opportunity to reach and engage with them.

Cost-effective: social media is often free to use, or at a low cost in comparison to outdated promotion approaches. This makes it an attainable option for businesses with inadequate finances.

Wide reach: social media permits businesses to influence a large audience rapidly and effortlessly, regardless of their location. This is especially important for businesses that are just starting out and may not have an established customer base.

Targeted advertising: Social media platforms provide advanced options that permit businesses to reach precise demographics, interests, and behaviors. This can assist businesses to reach their model customer more efficiently.

Client engagement: social media permits businesses to engross their customers unswervingly, replying to their questions and comments, and building relationships with them. This can aid businesses to develop a loyal customer base and upsurging customer satisfaction.

Brand building: social media can be used to build brand awareness and establish a brand identity. This is especially important for startups and small businesses that may not have an established brand presence in their industry.

Real-time feedback: social media provides businesses with real-time feedback on their marketing efforts, allowing them to make adjustments and improvements quickly based on customer feedback.
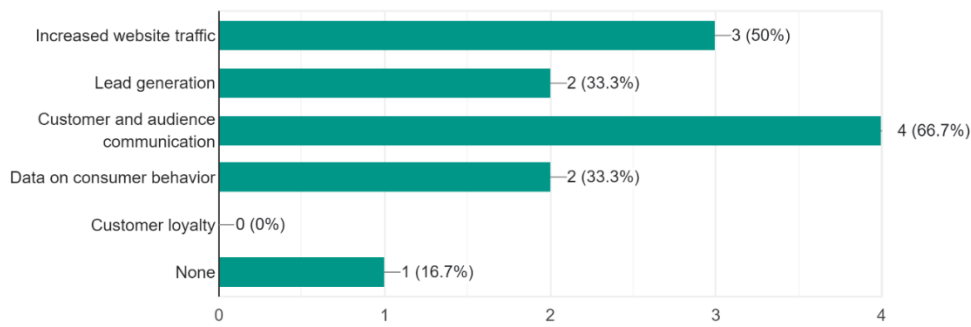
**Figure 2**

It can be observed in Fig. 2, the percentage of positive impacts these businesses have experienced by using social media as a fragment of their business's marketing strategy. The most positive impacts experienced by most businesses are increased website traffic and customer and audience communication. Some have also experienced lead generation and data collection on consumer behavior. The least is customer loyalty. This observation gives us an analysis that social media has positively impacted these businesses in different ways and the common one would be customer communication. Social media has significantly increased the reach of businesses, allowing them to connect with customers from all over the world. This has made it easier for businesses to communicate with customers and respond to their queries and concerns. It also lets businesses communicate with their customers in present. This has made it easier for businesses to address customer concerns and provide quick responses to their questions. Social media has made it possible for businesses to engage in two-way communication with their customers. Customers can provide feedback, ask questions, and share their experiences with businesses, and businesses can respond to this feedback in real time. Social media has made it easier for businesses to personalize their communication with customers. By analyzing customer data, businesses can adapt their communication to the requirements and preferences of individual customers.

Overall, social media has had a noteworthy influence on customer communication, allowing businesses to reach more customers, communicate in real time, engage in two-way communication, personalize their communication, and build their brand image and reputation.

It has also been observed that customer loyalty has not been gained through social media, as it is difficult to gain the trust and loyalty of customers online in the presence of various other competitors. Social Media is a platform where is it easier for customers to compare brands and make their choice, which makes it difficult for brands online to build customer loyalty.
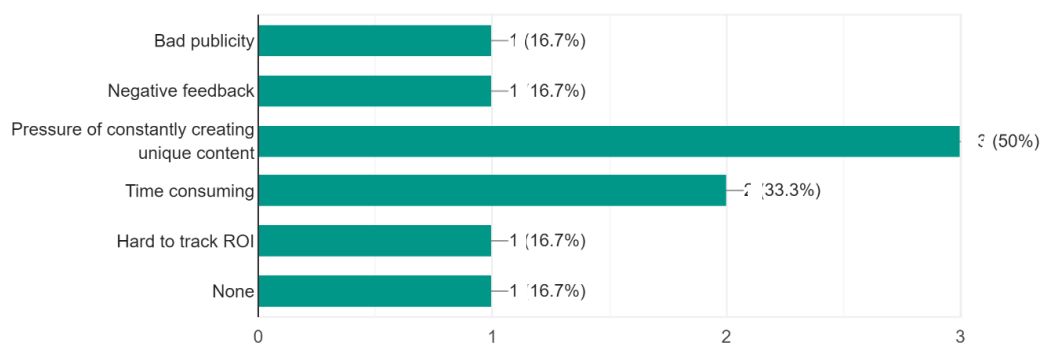


**Figure 3**

It is observed in Fig. 3, the percentage of negative impacts these businesses have experienced by using social media as a share of their business's marketing plan. Most of them have experienced the pressure of creative content creation, as social media is a highly competitive space, and brands are constantly vying for attention from users. In order to stand out, brands need to create content that is eye-catching, engaging, and unique. Social media algorithms are constantly changing, which can impact the visibility of a brand's content. In order to maintain visibility and reach, brands need to create content that is relevant and timely. With so much content available on social media, users have a short attention span. Brands need to create content that is interesting and engaging enough to capture the attention of users and hold it long enough to communicate their message. Brands also need to keep up with the latest trends and seasonal events to remain relevant and engage with their audience. Brands need to create content that aligns with their brand identity and values, which can be challenging and require creative thinking to come up with unique and innovative content ideas that align with the brand's messaging. All this can also be time-consuming for businesses, and 33.3% have

experienced it as well. There are other negative impacts as well which are bad publicity and negative feedback, both at 16.7% which suggests that businesses must be aware of the shortcomings of social media and must learn how to deal with it. Customer feedbacks and opinions are inevitable and hence businesses must be answerable to them and have a good PR. It is also observed that it was hard to track ROI from social media campaigns by these businesses.



**Figure 4**

It is observed in Fig. 4 what stage the businesses' current marketing strategy is at and the highest was the Publisher stage, which involves advanced marketing. The focus is on putting up target-oriented and thoughtful content and forming strategies to reap social media benefits. The messenger stage is not opted for by the businesses as it may suggest that they're already at the publisher stage. There are very few businesses at the expert stage, this may be due to the less time span, cost of professionals, etc.
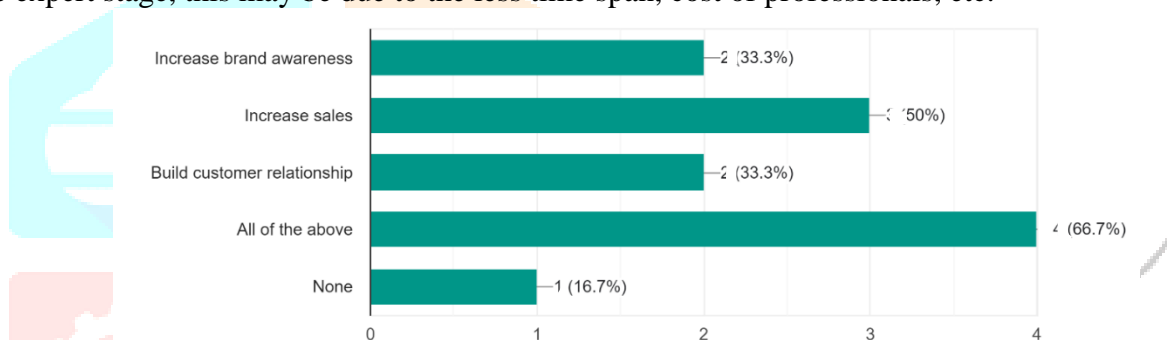


**Figure 5**

It is observed in Fig.5 that the goals of these businesses for using social media include all of the above points. The primary goal would be increasing sales and increasing customer relationships as through these the business would benefit the most. There are also other goals of increasing brand awareness and goodwill which are crucial for businesses in the long run.
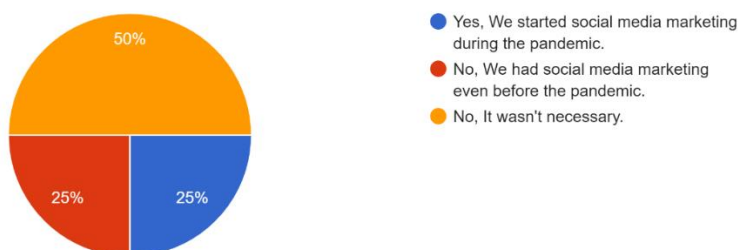


**Figure 6**

It is observed in Fig. 6 that 50% of these businesses were not pressurized to utilize social media during the pandemic and could suffice by traditional methods, these businesses were mostly the well-established ones that have been established for years. The other half 50% included those who had to opt for social media during the pandemic in order to reach customers online. These businesses mostly included small businesses that have come up in recent years and some start-ups that are into B2C and B2B.

Do you think having social media presence during the covid-19 pandemic has benefitted your business?
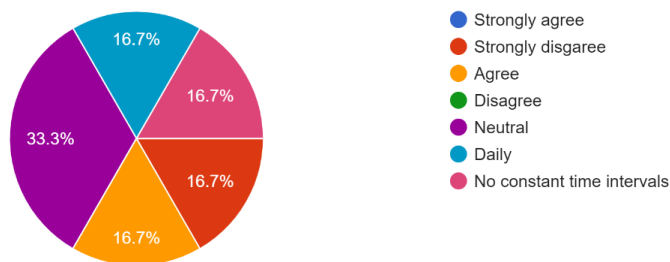


Figure 7

It is observed in Fig. 7 that most businesses have experienced both the advantages of social media and its limitations of it during the pandemic. There are equal opinions on how social media has benefitted and not benefitted these businesses during the pandemic. Hence it can be said that it would vary from the type of business and the target market.
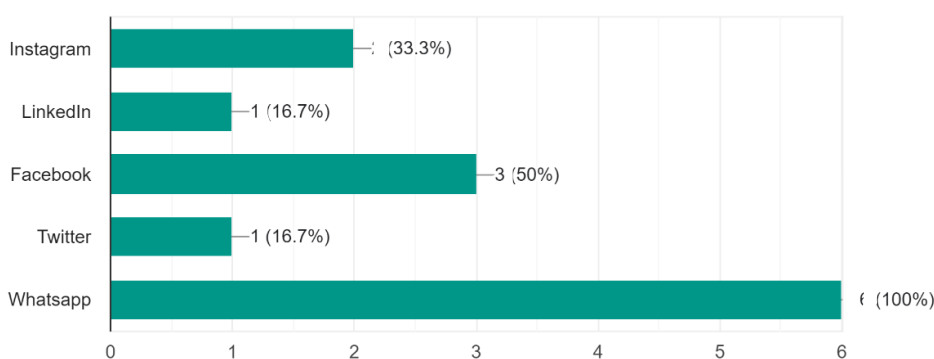


Figure 8

It is observed in Fig. 8 that most of these businesses utilize WhatsApp and Facebook platforms for marketing purposes. Both WhatsApp and Facebook offer several benefits for businesses, including Customer Communication: WhatsApp and Facebook provide businesses with a direct communication channel to reach their customers. Businesses can use these platforms to answer customer queries, provide customer support, and offer personalized recommendations. Increased Reach: With billions of users, WhatsApp and Facebook provide businesses with an opportunity to reach a large audience. This can help businesses to increase brand awareness, attract new customers, and drive sales. Cost-Effective Marketing: WhatsApp and Facebook provide businesses with a cost-effective way to promote their products or services. Businesses can use these platforms to create targeted advertisements and reach specific customer segments. Customer Insights: Both WhatsApp and Facebook provide businesses with valuable insights into their customers' behavior, preferences, and interests. Business Tools: WhatsApp and Facebook offer several business tools, such as business profiles, messaging automation, and customer feedback features. These tools can help businesses to streamline their operations and improve their customer experience.

Overall, WhatsApp and Facebook provide businesses with powerful tools to reach and engage with their customers, promote their products or services, and gain valuable insights into their customer base.
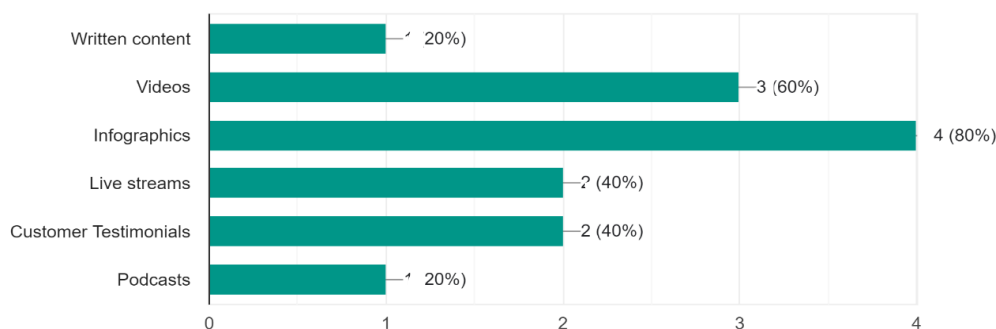


Figure 9

It is observed in Fig. 9 that most of these businesses post infographics and videos on their social media platforms to gain the attention of customers. infographics have become a popular way for businesses to communicate complex information in a visually engaging way. Infographics are appealing to the eye and can serve to capture viewers' interest. This can lead to increased engagement and more shares on social media. It can help to simplify complex information and make it easier for viewers to understand. This can be particularly useful when trying to convey statistics or data. Infographics are often more memorable than text-based information. This is because the combination of text and visuals helps to create a more lasting impression on viewers. It can be shared on social media, websites, and blogs, which can lead to increased web traffic and backlinks. This can be particularly beneficial for businesses looking to improve their search engine optimization (SEO). Other kinds of content, such as text or images, are less engaging than video content. Videos can capture the attention of viewers and hold it for a longer period of time, increasing the chances of viewers taking action, such as liking, sharing, or commenting on the video. It is more likely to be shared on social media than other types of content. This can aid in raising awareness of the business and reaching a larger audience. Video content allows businesses to communicate their message more effectively than other types of content. Videos can convey emotions, showcase products or services, and demonstrate how to use them, making it easier for viewers to understand and connect with the brand. It can lead to higher conversion rates as it can be utilized to showcase product features and benefits, highpoint customer testimonials, and generate a sense of urgency that urges viewers to take action, such as purchasing something. The written content and podcasts cater to a smaller group of people as the larger audience has a lower attention span and would get bored with the long content.
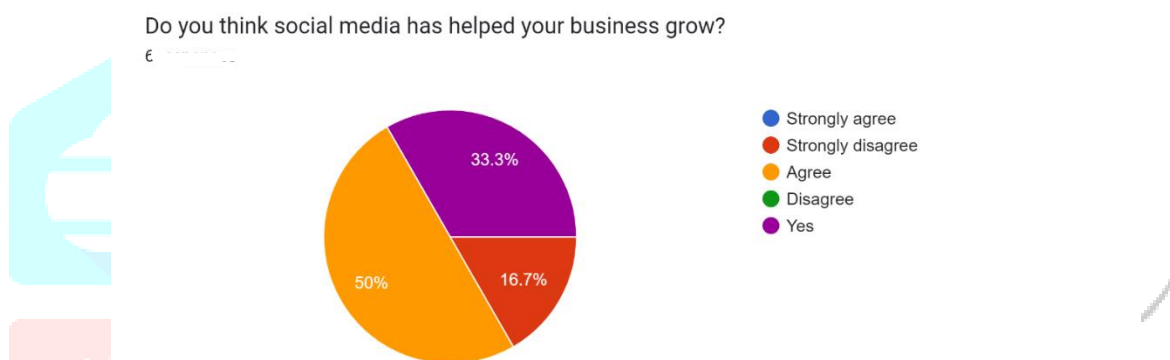


Figure 10

It is observed in Fig.10 that 50% of these businesses agree that social media has helped them grow and only some percent disagree with it. Increased Perceptibility: By creating a social media profile and regularly sharing relevant content, businesses can attract new customers and increase their brand recognition. Social media platforms offer businesses powerful marketing tools that enable them to target specific audiences based on demographics, interests, behaviors, and more. This lets businesses create extremely personalized and targeted marketing campaigns that are more likely to convert. By replying to comments and messages, businesses can shape relations with their customers, address any concerns or issues, and foster customer loyalty. By listening to customer feedback and engaging with customers on social media, businesses can advance valuable understandings of their customers' wants and likings and modify their products or services to provide those requirements. This makes it a perfect choice for small businesses or startups with inadequate advertising finances.

Overall, social media can help businesses grow by increasing their visibility, providing targeted marketing opportunities, improving customer engagement and experience, and offering cost-effective marketing options.

## Suggestions and Scope of the Study

Based on the research in the subject of social media and its impact on companies and the analysis done, the following is concluded, which could serve as a basis for future experimental work. Social media is an influential instrument for communicating with customers. Social media, on the other hand, can be used to gain consumer and industry insights. As a result, the following inferences can be drawn: The efficiency of social media on businesses can be both positive and negative, depending on various factors. On one hand, social media platforms deliver businesses with a chance to influence a vast audience, involve with customers, and shape brand awareness. They can also be an effective tool for customer service and support, allowing

businesses to respond to queries and complaints in a timely manner. This can be observed through the research that the new upcoming businesses have benefitted from the usage of social media and many big brands have had success in implementing them and gaining sales. On the other hand, social media also has negative effects on businesses, such as damaging feedback or bad reviews that can damage a business's reputation. Social media can also be slow and expensive, and it may not be the most effective marketing channel for every type of business.

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