

USE OF SOCIAL MEDIA MARKETING (SMM) BY INDIAN SMES: AN INSIGHT INTO CHALLENGES AND BENEFITS

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ABSTRACT

Marketing is an activity that is the lifeline for any growing firm. When done right, it can reap multiple benefits for the firm in terms of attracting potential customers, sustaining the current ones, introducing new products and services as well as enhancing brand image. The benefits of good marketing become more significant when the firms in question are SMEs. SMEs all over the globe require a good marketing strategy to ensure the success and stability of their venture. In the absence of a good marketing strategy, these firms lose their important customers to larger firms with good financial and technical resources, Indian SMEs are also facing similar struggles of not being able to compete successfully due to poor marketing planning and strategy.

INTRODUCTION

Marketing for the businesses from last few decades has witnessed a paradigm shift with the advent of SMM. Social media has been considered very significant for the success and stability of SMEs (Stockdale, Ahmed, & Scheepers, 2012). This becomes more evident in the face of difficult times like COVID-19 when SMEs lack good technological resources to engage their customers (Effendi, Sugandini, & Istanto, 2020). It was a time when traditional ways of connecting their customers were failing and they had to quickly adopt new technological innovations (Salam, Imtiaz, & Burhan, 2021). Indian SMEs face similar challenges in terms of adopting new technologies (Pandey, Kumar, Pujari, & Arora, 2023). SMM is a powerful tool that may support firms in linking with and engaging with their target customers.

Indian SMEs

The total number of MSMEs registered in India as on May 2023 is 1,65,20,390 as per data from the Ministry of Micro, Small & Medium Enterprises' Udyam Registration portal (MSME, 2020). SMEs perform a crucial part in the balanced socio-economic development of the country. They contribute approx. 30% of the economy's GDP and approx. 48% of exports. They also contribute to the generation of employment along with balanced regional development, particularly in rural areas. The growth of SMEs is, hence, critical to the economy's long-term sustainable growth and stability. The most coveted goals for the economy namely stable balance of payment position, development, and growth, can be accomplished by supporting SMEs (Kapurubandara & Lawson, 2006). The improved export position is an aim for most of the

developing economies with better and advanced product and service components (Pujari, Kumar, Sagi, & Napate, 2021). SMEs can play in achieving this vital objective for any economy.

Challenges for Indian SMEs

Indian SMEs face a lack of resources in terms of finances, infrastructure, and technology. Most of the SMEs are unaware of the potential benefits that might accrue to them as a result of adoption of innovative technologies (Gilmore, Gallagher, & Henry, 2007). There are various internal and external technological barriers that have been researched upon all around the world. One thing is common to all research that technological adoption is beneficial for SMEs. It helps in their survival and growth (Juniarti & Omar, 2021).

Financial Resources

The financial resource crunch usually doesn't allow them to acquire new innovative technologies (Kumar & Pandey, 2018). The time and affordability of the formal loans is critical to any SME's survival. The Indian banking system though has taken major leaps in terms of the provision of loans to small entrepreneurs, these SME owners many a time face issues to get access to cheap and quick loans for their technical requirements. The cost of adopting SMM is a challenge for SMEs (Chatterjee & Kar, 2020). Traditional Banks are usually risk-averse; hence, it is usually difficult for SMEs to acquire loans with favorable conditions. They often don't have the flexibility and swiftness desired by SMEs.

Digital Infrastructure & Technical Competence

Most of the Indian SMEs are based in rural locations where there is an acute shortage of good digital infrastructure. This causes a hindrance to adopting the latest technology. The semi-urban and rural SMEs lack the technical competence to face stiff competition posed by MNCs (Chatterjee & Kar, 2020). The internet bandwidth, poor hardware and high cost of technology are the usual hurdles in the acquisition of SMM (Dahnil, Langgat, & Fabeil, 2014).

Skilled Human Resource

The unavailability of skilled staff is one more hurdle faced by these SMEs (Pandey, Kumar, Pujari, & Arora, 2023). The cost and efforts required in training the staff and opposition of staff to adapt to new technologies, bring forth additional hurdles for SME owners (Kumar & Ayedee, 2018). The humongous task of upskilling their staff is one of the biggest challenges for the owners.

Constructs Impacting Adoption of SMM by SMEs

1. Perceived Usefulness (PU) -The PU is the assumption on behalf of adopters of technology regarding the value provided by it (Venkatesh, Morris, M. G., & Davis, 2003). The strong level of perception by the SME owners regarding the utility of adoption of any technology has a significant impact on its probability of getting adopted.
2. Perceived Ease of Use (PEOU)- The PEOU denotes the comfort which the user expects while adopting and using any innovative technology (Venkatesh, Morris, M. G., & Davis, 2003). The ease of adoption or user-friendliness of the innovation is also a major significant factor in the chances of the technology getting adopted.
3. Compatibility- This feature of any technology can be described as the technology fit with the employee skill set and other internal factors of any organization. The compatibility of the SMM with the firm has a substantial parameter in the adoption of the technology (Chatterjee & Kar, 2020).

4. Facilitating Conditions (FC)- These are the other conditions like the support of the top management, the attitude of the staff, the innovativeness of the entrepreneur, and Government support and policies. These also have an impact on the adoption of SMM by SMEs. The availability of all these facilitating conditions creates a viable environment for the survival and growth of SMEs (Juniarti & Omar, 2021).
5. Cost- The cost of adoption negatively influences the adoption of SMM. In the majority of growing countries, the semi-urban and rural entrepreneurs struggle for bearing the cost of any new technology adoption (Dahnil, Langgat, & Fabeil, 2014).

Benefits of SMM Adoption

1. Business Performance – The adoption of SMM by SMEs has shown a substantially positive impact on the business performance. The SME owners have witnessed a remarkable improvement in overall productivity and performance with the aid of SMM (Ali Qalati, Li, Ali Mirani, & Khan, 2020).
2. Enhanced Customer Engagement- SMM allows SMEs to have better customer management. It enables them to connect with potential and existing customers. SMM provides them with a faster and more cost-effective way of engaging their customers. In today's digital world, customers prefer firms to be accessible and responsive online. SMM offers businesses possibility to interact with their customers in real time through social media. It also enables two-way communication, facilitating SMEs to recognize their customers in detail and generate tailored innovative products and services, hence ensuring customer loyalty and improved customer retention.
3. Data-driven Marketing Strategies- SMM offers firms with crucial information and insights regarding their customers' demand choices, buying patterns, attitudes, and preferences. This method of analyzing data provides firms to create business strategies regarding product and service innovations. SMM allows SMEs to personalize their promotional campaigns and reap benefits like improved marketing efficiency, and the firm's success. powered with data derived from SMM aids SMEs to make informed decisions about their innovative market offerings and promotional strategies.
4. Enhanced conversion rates- SMM enables SMEs to analyze the efficiency of their promotional campaigns and create personalized customer experiences. Compared to older ways of marketing SMM ensures data-driven accuracy in identifying, understanding, and analyzing their consumer's end-to-end shopping experience. It allows them to optimize their efforts in targeting and converting the target customers into final consumers. Business performance can be improved with this valuable tool empowering SMEs to curate their product offers, be leveraging the online interactions with their customers.
5. Identify Customer' Needs – After analyzing customer interests and queries, SMEs can understand their customer needs and demand patterns. SMM provides an efficient way of accurate demand forecasting by leveraging data-driven customer preferences and demand analysis.
6. Innovativeness of the Business- SMM provided an opportunity for the firm to have more creativity and innovativeness in designing their marketing strategy. Understanding the persona of the customers with the aid of SMM, allows SMM to curate their product and service offerings as per the behaviour patterns and preferences of the customers.
7. Better Brand awareness- Better visibility and brand awareness are benefits that SMEs can get with the adoption of SMM. It allows the SMEs to reach out to more customers with lesser costs. In the digital landscape, a continuous online occurrence is identical to customer trust. SMM assists SMEs create their brand credibility by improving online prominence and offering personalized offers. It also permits SMEs to put forth customer feedback and positive interactions, enhancing the target customers' trust and credibility.
8. Broad and targeted reach- Unlike traditional marketing channels, SMM creates an opportunity for SMEs to broaden their search for the target and potential customers. It helps them to reach out to their customer in a method that is one of the most preferred methods of customer interaction. It aids SMEs to progress by interacting with a broader target market, enhancing brand awareness, curating website traffic, creating leads, and improving sales via personalized marketing strategies and improved results.
9. Cost-efficiency and high ROI- SMM offers cost-effective solutions for businesses, especially SMEs with less funding. In the long-term SMM comes out to be comparatively much cheaper than other traditional marketing methods. It permits firms to track and measure customer buying journeys, create data-driven marketing efforts in real time with a better ROI than traditional marketing.

Policy Interventions for Boosting SMEs' Growth and Success through SMM

1. Entrepreneurial Education- Indoctrinating entrepreneurial skills via proper instruction can be one method of bringing entrepreneurial culture in any country. For e.g., Countries like Poland and USA have been very successful in embedding entrepreneurship in their educational syllabus at a very early level of education.
2. Incubation Cells for Start-ups- The special incubation programs for handholding vulnerable start-ups facing tough competition is an important policy measure ensuring the success and stability of entrepreneurs. The SMEs need technical and financial resources to adopt SMM. The policy maker should ensure that the funds are available at low cost.
3. Digital marketing mentors- The Government should create a program for the SMEs to get mentoring for the adoption of SMM. Especially the SMEs in rural and urban areas need support while venturing into this uncharted path. Limited awareness of SMM, limited access to skilled staff, and unavailability of funds to acquire the latest technology might be an obstacle in the uptake of these technologies by SMEs.
4. Workshops for SMEs- There is a need for workshops and forums for entrepreneurs to understand the nuances of SMM. The steps include training workshops to motivate entrepreneurs and build SMEs' positive perception towards digital technologies like SMMs.

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