

AN ANALYSIS OF FACTORS MOTIVATING SMALL BUSINESS OWNERS TO ADOPT SOCIAL MEDIA MARKETING

V.ARUNA GOMATHI

Reg.No: 20211291012001

Research Scholar

PG & Research Department of Commerce

TDMNS College, T.Kallikulam - 627113

Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli

Tamil Nadu, India – 627012

Dr.N.HARI PRAKASH

Research Supervisor

PG & Research Department of Commerce

TDMNS College, T.Kallikulam - 627113

Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli

Tamil Nadu, India – 627012

ABSTRACT

This study explores the factors motivating small business owners to adopt social media marketing, focusing on key drivers such as cost-effectiveness, customer engagement, and brand visibility. A quantitative research approach was used, collecting data from 100 small business owners through a structured questionnaire. The findings reveal that cost-effectiveness is the primary motivation, cited by 78% of respondents, followed by enhanced customer interaction and increased brand visibility. Platforms like WhatsApp, Instagram, and Facebook are preferred for their unique strengths in communication and marketing. However, challenges such as limited technical skills, time constraints, and difficulties in measuring return on investment (ROI) were significant barriers to effective adoption. The study provides insights that can help small businesses better leverage social media platforms for sustained growth and competitiveness in the digital marketplace.

Keywords: Social Media Marketing, Small Businesses, Cost-effectiveness, Customer Engagement, Digital Marketing, WhatsApp, Instagram, Facebook, Adoption Challenges, ROI Measurement

1. INTRODUCTION

The advent of the internet has transformed how businesses operate, opening up new opportunities for different economic actors that were previously unavailable (Srinivasan, 2004). With the emergence of Web 2.0 technologies in the early 2000s, platforms like social media have redefined the way businesses engage with customers (Wang & Zhang, 2012). Social media, encompassing platforms such as Facebook, Instagram, and WhatsApp, have become powerful tools for businesses to reach out to customers and create a digital presence. These platforms allow businesses to connect directly with their target audiences, promote products, and build brand identities (Busalim & Hussin, 2016).

Unlike conventional marketing approaches, social media offers real-time interaction, enabling businesses to respond quickly to customer feedback and adjust their strategies (Chen & Huang, 2020). This adaptability is particularly crucial for small businesses that need to remain flexible in a highly competitive market (Ellis, 2019). Studies have shown that more than 90% of small businesses use social media platforms to enhance their market reach and customer engagement (Jackson, 2020).

However, the adoption of social media by small businesses is not without challenges. Limited technical skills, time constraints, and the complexity of managing multiple platforms often hinder small business owners from fully leveraging the potential of social media (Jackson, 2020; Almahdi, 2021). Moreover, many small business owners struggle to measure the effectiveness and return on investment (ROI) of their social media campaigns, which can result in underutilized platforms (Hassan, 2022). Despite these challenges, social media remains an attractive option due to its cost-effectiveness and ability to reach a larger audience without substantial financial investment (Huang et al., 2022).

Small businesses particularly benefit from platforms like WhatsApp, Instagram, and Facebook. WhatsApp facilitates instant communication, making it an effective tool for customer service and relationship-building (Chen & Huang, 2020).

The purpose of this study is to analyze the factors that motivate small business owners to adopt social media marketing, such as its ability to reduce marketing costs, enhance customer interaction, and increase brand visibility. By addressing these factors, this research aims to provide insights into how small businesses can effectively utilize social media platforms to achieve sustainable growth and maintain a competitive edge in the digital marketplace.

2. REVIEW OF LITERATURE

The use of social media by small businesses has become essential for enhancing visibility and engagement. This review highlights key motivations, benefits, and challenges identified in existing research.

2.1 Social Media as a Marketing Tool for Small Businesses

Social media platforms like Facebook, WhatsApp, and Instagram enable small businesses to interact directly with customers and increase their market reach. Chen and Huang (2020) found that social media helps businesses enhance customer relationships and build brand visibility through cost-effective strategies.

2.2 Key Motivations for Adoption

Cost-effectiveness and customer engagement are major motivations for social media adoption. Jackson (2020) highlighted that small businesses are drawn to social media for its low-cost nature, allowing for wider reach without heavy investment(out). Similarly, Busalim and Hussin (2016) emphasized that social media offers a platform for direct interaction, fostering customer loyalty and community building.

2.3 Benefits of Social Media Marketing

The ability to reach a wider audience and build brand awareness are significant benefits. Hassan (2022) found that platforms like WhatsApp and Instagram are particularly effective for maintaining direct communication with customers, leading to improved customer service.

2.4 Barriers to Adoption

Challenges such as time constraints, limited skills, and difficulties in measuring ROI remain significant barriers. Chen and Huang (2020) identified that many small business owners struggle to evaluate the impact of social media on their sales. Jackson (2020) also noted that the complexity of managing multiple platforms can hinder consistent engagement.

2.5 Competitive Edge Through Social Media

Adopting social media can provide a competitive advantage by offering personalized customer experiences. Ellis (2019) similarly found that small businesses can differentiate themselves through personalized interactions on social media, creating stronger customer loyalty.

3. RESEARCH GAP

Despite extensive studies on social media adoption, limited research focuses specifically on the unique challenges and motivations faced by small businesses. This study

aims to fill this gap by exploring the specific factors influencing social media adoption among small businesses, including cost, perceived ease of use, and the potential for customer engagement.

4. OBJECTIVES OF THE RESEARCH

The main objective of the research is to analysis of factors motivation small business owners to adopt social media marketing. The following are the specific objectives:

- To identify the primary motivations for small business owners to adopt social media marketing.
- To assess the perceived benefits of using social media platforms like WhatsApp, Instagram, and Facebook.
- To analyze the challenges faced by small business owners in the adoption process.

5. METHODOLOGY OF THE STUDY

This is a quantitative study conducted based on primary and secondary data. The primary data were collected from a sample group of small business owners who actively use social media for marketing. The sample size was determined as 100 respondents, selected using a purposive sampling method to ensure relevance to the study's objectives. The respondents were chosen from small businesses operating within a specified region, ensuring consistency in socio-economic conditions. The selected group of respondents was administered a pre-structured questionnaire to collect data on factors motivating social media adoption, perceived benefits, and challenges. Data collection was carried out online over a two-month period, enabling respondents to participate conveniently. Secondary data were gathered from various sources including books, academic journals, institutional reports, unpublished theses, and credible websites. These sources provided a comprehensive understanding of existing research on social media use by small businesses, helping to identify research gaps and refine the focus of the study. The collected data were analyzed and interpreted using statistical tools such as Mean Score Interpretation, Standard Deviation, and Regression Analysis. Cronbach's Alpha was used to assess the reliability of the survey instrument. The results provide valuable insights into the motivations, benefits, and challenges associated with social media adoption among small business owners.

6. RESULTS AND DISCUSSIONS

The study's findings reveal key motivations, benefits, and challenges that small business owners face in adopting social media marketing:

Table 1: Summary of Results Based on Research Objectives

Objective	Findings	Statistical Interpretation
1. Identify the primary motivations for small business owners to adopt social media marketing.	Top Motivation: Cost-effectiveness (78% of respondents) Other Motivations: Enhanced customer interaction (65%), brand visibility (60%)	Mean score for cost-effectiveness: 4.58 Standard Deviation: 0.62, indicating a strong consensus among respondents.
2. Assess the perceived benefits of using social media platforms like WhatsApp, Instagram, and Facebook.	Most Preferred Platforms: WhatsApp (72%) for direct communication Instagram (65%) for visual marketing Facebook (58%) for broad reach	Garrett ranking: WhatsApp (1st) with a mean score of 63.98 Instagram (2nd) with 59.36 Facebook (3rd) with 58.28
3. Analyze the challenges faced by small business owners in the adoption	Key Challenges: Limited technical skills (64%), time constraints (59%), difficulty	Mean score for limited skills: 4.15 -Standard Deviation: 0.78,

process.	measuring ROI (55%)	showing variability in perceived difficulty levels.
----------	---------------------	---

Source: Primary Data Analysis

1. Motivations for Adoption:

Cost-effectiveness is the primary motivation, cited by 78% of respondents, with a mean score of 4.58. The low standard deviation (0.62) indicates strong agreement among respondents. Other motivations include enhanced customer interaction (65%) and brand visibility (60%), highlighting the value placed on building customer relationships and digital presence.

2. Perceived Benefits of Platforms:

WhatsApp is preferred by 72% for direct communication, ranking highest with a Garrett mean score of 63.98. Instagram follows with 65%, valued for visual marketing (mean score: 59.36). Facebook remains relevant for 58%, offering a broad reach (mean score: 58.28). These preferences reflect each platform's suitability for different marketing needs.

3. Challenges in Adoption:

The main challenges are limited technical skills (64%) and time constraints (59%), with difficulty in measuring ROI (55%) also notable. The mean score of 4.15 for technical skills indicates that this is a significant barrier, while variability in responses suggests differing levels of digital expertise among owners.

7. CONCLUSION

This study reveals that small businesses are primarily motivated to adopt social media marketing due to its cost-effectiveness and potential for enhanced customer engagement and brand visibility. Platforms like WhatsApp, Instagram, and Facebook each offer unique advantages, with WhatsApp leading for direct communication, Instagram for visual marketing, and Facebook for broad user reach. However, the adoption process is not without challenges; limited technical skills, time constraints, and difficulty in measuring ROI hinder many small business owners from fully leveraging these platforms.

Addressing these challenges through targeted training and user-friendly analytical tools can help small businesses better utilize social media for sustained growth and a stronger competitive position in the digital marketplace. This study provides valuable insights for policymakers, digital marketing professionals, and small business owners aiming to optimize their use of social media as a strategic marketing tool.

REFERENCES

1. Srinivasan, R. (2004). Services Marketing: The Indian Context. PHI Learning Pvt. Ltd.
2. Kotler, P., & Keller, K. L. (2006). Marketing Management. Prentice Hall.
3. Almahdi, M. H. (2021). Social Commerce: A Concept Explication. Lecture Notes in Networks and Systems.
4. Busalim, A. H., & Hussin, A. R. C. (2016). Understanding Social Commerce: A Systematic Literature Review and Directions for Further Research. International Journal of Information Management.
5. Chen, L.-C., & Huang, L.-C. (2020). The Motivation, Strategies, and Barriers for Adopting Social Media Marketing in the Flower Retailing Business. Horticulturae, 6(4).
6. Ellis, H. (2019). Exploring Social Media Use Decision-Making by Small Businesses. West Texas A&M University.

7. Hassan, S. (2022). The impact of social media usage on small and micro social commerce enterprises in Malaysia.
8. Huang, X., Chau, K. Y., Iqbal, W., Irfan, M., & Dagar, V. (2022). Determinants of Social Commerce Usage and Online Impulse Purchase: Implications for Business and Digital Revolution. *Frontiers in Psychology*.
9. Jackson, H. (2020). Small Business Owners and the Use of Social Media. Northcentral University.
10. Srinivasan, R. (2004). *Services Marketing: The Indian Context*. PHI Learning Pvt. Ltd.
11. Wang, C., & Zhang, P. (2012). The Evolution of Social Commerce: The People Management Technology and Information Dimensions. *Communications of the Association for Information Systems*.