

Impact of Social Media Marketing Strategies used by Micro Small and Medium Enterprises (MSMEs) on Customer acquisition and retention

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Abstract:

Purpose and objectives of the study: The primary objective of the researchers is to study and understand the concept of social media marketing and its role in the Micro Small and Medium Enterprise (MSME) sector. It is also intended to study the correlation between the sales obtained by a successful marketer and the time spent on social media marketing.

Research Methodology: Data was collected from 50 Micro Small and Medium Enterprises (MSMEs) using judgement sampling. Exploratory research is used to study the social media marketing strategies used by these MSMEs for customer acquisition and retention.

Results: It is found that social media participation has a strong influence on brand awareness and brand trust, which in turn, have a strong influence on customer acquisition and customer retention. Also, there is a strong positive correlation between sales and amount of time spent on social media. Social media marketing strategies have a positive influence on customer acquisition and retention and to increase in market share.

Managerial implications: This research will be helpful for MSME's as they will be able to target customers with appropriate social media marketing strategies. The research will also uncover factors contributing to increase in sales through social media marketing. The MSME's will be able to choose social media channels, social tactics and create an effective social media marketing strategy to acquire and retain customers based on the findings and conclusion of the research.

Keywords: social media, brands, brand awareness, brand trust, customer acquisition, customer retention

I. Introduction:

1.1 Importance of Small businesses to the Indian economy

The Micro, Small and Medium Enterprises (MSMEs) play a pivotal role in the economic and social development of India. The MSME sector contributes in the manufacturing output, employment and exports. It plays a key role in the development of the economy with their effective, efficient, flexible and innovative entrepreneurial spirit. MSME sector has emerged as a dynamic and vibrant sector of the economy. It is expected that Indian economy will grow by over 8% per annum until 2020.

The major advantage of this sector is its generating employment at low cost. The MSME sector is highly heterogeneous. There are different size of the enterprises, variety of products and services and level of technology. It helps in the industrialization of rural and backward areas. It reduces regional imbalances. It provides equitable distribution of national income and wealth.

Some Highlights of THE MSME Sector:

- a) MSMEs contribute about 40% of India's total exports.
- b) MSMEs contribute about 45% of India's manufacturing output.
- c) This sector has given employment to 73 million people.
- d) MSMEs manufacture more than 6,000 products.
- e) MSMEs are the backbone of the GDP in India. Their contribution to GDP is 8%.

1.2 Social Media: Social media are defined as "a second generation of Web development and design, that aims to facilitate communication, secures information sharing, interoperability, and collaboration on the World Wide Web" (Paris, Lee, & Seery, 2010, p. 531). There are numerous social media sites; among the most popular are Facebook, LinkedIn, and Twitter (Jain, 2010). In 2010, Facebook announced it had over 500 million users; in the same year, Twitter reported 75 million users (Paris et al., 2010; Owyang, 2010). On average, consumers spend more than 5.5 hours per day participating on social media websites (Nelsonwire, 2010). With their increasing use, these sites are perceived as tools for creating online communities of users who share interests, activities, and objectives (Bolotaeva & Cata, 2010). The Internet has revolutionized communication, allowing individuals and organizations to overcome geographical and time constraints, which in turn allows consumers and companies to connect around the world at any time (Harris & Rae, 2009). Social Media and online communities allow people to gather together on the Internet for various reasons, including searching for and

sharing information, discussing communal issues, and making inquiries (Wang & Fesenmaier, 2004). With rapid changes in information technology, these online activities are now performed via a new form of communication technology known as 'Web 2.0' or social media (Gretzel, Kang, & Lee, 2008).

1.3 Use of social media for business: Many companies view the use of social media as a profitable marketing tool from which they can derive several benefits. First, companies can obtain vast amounts of feedback regarding their products and brands by monitoring consumers' online conversations, thus enabling them to resolve problems quickly and work to improve future brand performance (Madupu, 2006). Second, social media provides a real-time resource regarding market trends and consumer needs. Companies can use these resources to modify advertising messages and develop special targeted features for future products. Third, companies can observe whether their brands are truly suited to consumers' lifestyles and can learn which features of their products make them special or unique in consumers' eyes (Kozinets, 1999). Through social media, companies allow consumers to become involved, directly or indirectly, in creating new products and brands (Sawhney & Prandelli, 2000). Overall, the popularity of social media has heavily influenced many firms' marketing activities in recent years.

1.4 Role of social media in small businesses: We have reached a stage where we 'eat, sleep and breathe social media'. Social media has become a mainstream way of communicating – for individuals as well as businesses. Small businesses today can hardly ignore the impact of going social. Social media plays a vital role in marketing and creating relationships with customers. In today's social media driven environment, it is essential for Micro Small and Medium Enterprises (MSME's) to understand Facebook, Twitter, and the strategies behind using social media for growing their business. With limited barriers to entry, small businesses are beginning to use social media as a means of marketing. Unfortunately, many small businesses struggle to use social media and have no strategy going into it. As a result, without a basic understanding of the advantages of social media and how to use it to engage customers, countless opportunities are missed. The research aims to acquire an understanding of how Micro Small and Medium Enterprises (MSME's) can use social media marketing strategies for customer acquisition and retention.

While large corporations all over the world are leading their countries forward with rapid innovation and expansion, small businesses are playing a vital role in grassroots economic development. Small businesses provide a platform for wider employment and economic opportunity at the local level. Since the inception of the internet forty years ago many new applications have been created. One of the most recent innovations to emerge is web 2.0, 'a collection of web services which facilitate certain behaviors online, such as community participation and user-generated content' (Chaffey and Smith, 2008: 499). Examples include the micro-blogging site Twitter, the social networking site Facebook, and the video-sharing site YouTube. Circle (2009) lists these particular web 2.0 applications among the top future marketing trends. The addition of a Masters' degree in social networking at Birmingham City University further illustrates this growing trend of using social media for communications and marketing purposes (Birmingham City University, 2009). Many organizations have begun to realize the power and potential of these new communication channels. Social media is already successful as a marketing channel for many large global brands. However, the most recent social media marketing industry report indicates social media marketing is still in the preliminary stages of development. 'A significant 97% of marketers surveyed are using social media to market their business, but 23% have only been doing so for a few months or less' (Stelzner, 2013). This research aims to uncover the social media marketing strategies used by Micro Small and Medium Enterprises (MSME's) for customer acquisition and retention.

II. Literature Review

2.1 Marketing Opportunities of Small Businesses: Numerous marketing opportunities exist for small businesses, namely networking and word of mouth marketing. Not only do owner-managers of small businesses rely on their personal contact network, but they rely on the networks of their customers as well. Small businesses often rely on word of mouth recommendations for new customers. Word of mouth marketing provides small businesses with an opportunity to give customers a reason to talk about products, making it easier for word of mouth to take place.

Dandridge, Tom et al. (1998) present information on the marketing opportunities provided by Internet to small businesses.

Small firms are generally at an advantage because their small size makes it easier to get close to customers and obtain valuable feedback (Gilmore et al., 1999). Such an advantage enables small businesses to take advantages of the marketing opportunities networking and word of mouth marketing provide. But small business owners face many challenges when it comes to marketing as well.

Stokes and Lomax (2002) claim that "a number of studies have indicated that the most important source of new customers for small firms is recommendations from existing customers" (p. 351). For many

owner-managers, reliance on customer recommendations is more suited to the resources available to their business (Stokes & Lomax, 2002).

Networking is a widely cited marketing activity for SMEs and is important during their establishment, development, and growth (Walsh & Lipinski, 2009). Siu (as cited in Walsh & Lipinski, 2009) found that in marketing their firms, SMEs rely heavily on their personal contact network. Traditionally, economic structures favor larger firms; however, today's economy is distinguished by relationships, network, and information, favoring some of the characteristics of SMEs (Walsh & Lipinski, 2009). Rather than relying solely on their personal contact network, small businesses rely on the networks of customers as well. Today, these customers can be reached through electronic word of mouth, or eWOM. Marketing in small businesses relies heavily on word of mouth recommendations for customer acquisition. Word of mouth marketing involves monitoring what is being said for marketing purposes, engaging in brand related discussions, involving people and their social networks for marketing purposes, and more (WOMMA, 2011). The Word of Mouth Marketing Association (2011) recognizes all word of mouth marketing techniques as being based on the concepts of customer satisfaction, two-way conversation, and transparency. The association describes the basic elements of word of mouth marketing as: "Educating people about your products and services; identifying people most likely to share their opinions; providing tools that make it easier to share information; studying how, where, and when opinions are being shared; and Listening and responding to supporters, detractors, and neutrals" (WOMMA, 2011). Eddy, Nathan (2013) explains that majority of small business or 66% of 1,000 respondents such as websites, social media, and online advertisement plan to invest in digital marketing. Frativelli, Fabio et al. (2015) relies on the study of side effects of Communities of Practice (CoP), namely on those activities that are potentially in conflict with the main and publicly declared objectives (statements) of the company to which the CoP's members belong.

2.2 Social Media

According to a study conducted by Forrester Research, younger generations are frequent viewers of online videos (Haven et al., 2006). The young demographic of this audience suggested by the Forrester report indicates YouTube may be an effective means of targeting young nightclub patrons. However, Haven et al. (2006) caution about the resource requirements of incorporating YouTube into a social media marketing strategy. Although little monetary resources are presently required to implement a YouTube campaign, substantial effort and high-quality, creative video content is essential in order for an online video marketing campaign to be effective (Haven et al., 2006).

Much of the literature suggests marketers should use social media simultaneously to complement their other online marketing strategies. Antion (2005) and Pattison (2009) also advocate using an independent website with its own domain name to reach potential customers who are not active on social media websites. The general consensus in the literature regarding the use of social media websites, as opposed to using independent websites, is encapsulated effectively by Kirby (2010), who concludes that a company-specific website should be complemented by social media tools to drive traffic to the company-controlled portal (Kirby, 2010). Morrissey (2010) reinforces the crowded image of Facebook and suggests the micro blogging site Twitter as a less cluttered and more unique alternative for marketers who wish to engage in social media marketing. Research conducted by Jansen et al. (2009) indicates 19 per cent of micro-blogging sites contain mentions of brands, indicating micro blogging is a feasible and practical channel for SMEs in terms of implementing marketing campaigns and nurturing customer relationships. While recognizing the widespread use of Twitter among companies of all sizes, Klara (2010) believes it is the smaller companies, which have the most success when using Twitter.

Kaplan and Haenlein (2010) describe social media as "a group of Internet based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content." Web 2.0 technologies on the Social Web permit two-way conversations with consumers enabling brands to listen to consumers and respond (Fournier & Avery, 2011). Consumers and organizations alike are increasingly using the web to discuss, share, and collaborate (Jones, 2010).

Social media enables firms to engage consumers in a timely and direct manner at relatively low cost and higher levels of efficiency than with more traditional communication tools. This makes social media not only appropriate for large organizations, but for small and medium size companies as well (Kaplan & Haenlein, 2010).

According to Twitter's CEO Dick Costolo, Twitter has 200 million registered users with 50 million active users logging in every day. The micro-blogging service hosts roughly 230 million tweets every day (Taylor, 2011). It comes as no surprise that businesses want to embrace the opportunities these services provide.

Social media sites such as Facebook and Twitter let consumers 'friend' or 'follow' favorite brands and comment or post questions as a form of engagement. Through the use of social media sites, managers can find out what is being said about a brand and they can also connect with consumers (Reyneke, Pitt, & Berthon,

2011). Consumers are able to generate new business and promote or help a brand by tweeting, blogging, reviewing, following, etc. Loyal customers also help generate “online word of mouth” which is very important for SMEs. Engagement with consumers provides SMEs with opportunities to use social media as a tool for their marketing strategies (Reyneke et al., 2011). However, many small business owners struggle to effectively reach their customers (Small Business Trends, 2011).

Social media offers an abundance of services on the Internet. This makes it complicated for companies to know which ones to use and how to use them. The types of social media include: social networks (Facebook, Myspace, and LinkedIn), micro-blogs (Twitter, Plurk, and Friend Feed), reviews and ratings (Yelp, Amazon, and Trip Advisor), video (YouTube and Vimeo), and more. Social media is very popular. Facebook has 1.19 billion monthly active users as of September 30, 2013 with over 50% of active users logging on every day (Facebook, 2013). Hutter, Katja et al. (2013) analyze how social media activities, in specifically the Facebook page of a car manufacturer, and user interactions with these brand related activities affect the perception of brands and ultimately influence consumers purchase decision.

Wonglimpiyarat, Jarunee (2015) explores the new economic challenge of China with regard to its innovation strategies to support high-tech **small**- and medium-sized enterprises (SMEs). Hutter,

2.3 Social Media Marketing

Brown et al. (2007) believe the marketing potential of word-of-mouth activities associated with social media and the level of impact word of mouth has on the consumer decision making process and attitude formation are limited by a number of key factors, including tie strength. They explain tie strength as the closeness of the bond between the information hunter and the source – the stronger the tie the more effective the marketing activity will be, thus highlighting the importance of relationships.

Social media has caused a significant change in the strategies and tools companies use for communicating with customers. Mangold and Faulds (2009) argue that “social media combines characteristics of traditional Integrated Marketing Communication tools (companies talking to customers) with a highly magnified form of word-of-mouth (customers talking to one another) whereby marketing managers cannot control the content and frequency of such information.” Companies are limited in the amount of control they have over the content and distribution of information. Ignoring such user-generated content is not an option. Companies must be able to monitor and respond to conversation, both positive and negative, surrounding the brand. There are ways however, that companies can influence discussions in a way that is consistent with the organization’s mission (Mangold & Faulds, 2009). Social media marketing enables companies to achieve a better understanding of customer needs in order to build effective relationships. Authors writing on the topic of social media marketing, such as Preziosi (2007) and Greenberg (2009), readily accept the inclusion of short message service (SMS) marketing into the social media category, in its broadest sense. Chaffey et al. (2009) also recognize text messaging as a commonly used channel for communicating with consumers, yet they are skeptical of its effectiveness in comparison with other social media channels. Andersen (2008: 2) believes the speed at which social media tools develop may make social media websites dangerous territory for marketers and he cautions marketers against investing and committing substantial amounts of resources to social media marketing, referring to social media websites as ‘potentially fleeting properties’. Strong ties with consumers are essential for social media marketing to be effective. Kunur (2010) recommends staff outside of the marketing department should also be involved in the organization’s social media activity as it can be employed at every stage of the selling cycle. He suggests adopting a model that incorporates a combination of centralized and distributed responsibility. However, Gay et al. (2007) believe getting buy-in from other areas of the business, particularly from management, may be a challenge for some organizations. This difficulty emphasizes the need for top managers to be committed to the concept of e-marketing and to share their enthusiasm as internal champions.

The literature on social media marketing, while not extensive, deals predominantly with strategies, tools and online consumer behavior; less attention has been focused on the area of measurement. The reason for this lack of attention to measures of social media marketing campaigns may be partially attributed to the difficulty of measuring such campaigns. It appears the most effective social media tactics are often not as measurable as their less effective counterparts. Maddox (2009), one of the few authors to touch on the subject, highlights the shortage of concrete measures available to organizations to accurately determine social media’s actual contribution to revenue growth. However, Kirby (2010: 40) underplays the significance of financial measures by suggesting ‘return on investment is only one way to gauge the success of a campaign’, and advises complementing return on investment with other measures such as return on engagement. Mount, Matthew (2014) explain how it can be used for open innovation across the entire innovation funnel, spanning ideation, R&D, and commercialization.

Xie, Karen et al. (2015) investigate the effects of exposures to earned and owned social media activities and their interaction on brand purchase in a two-stage decision model.

2.4 Social Media Marketing Applied to Small Businesses

Social media marketing enables companies to achieve a better understanding of customer needs in order to build effective relationships. The foundation of any business is the customer. Social networking provides small businesses with multiple opportunities to build closer and more profitable relationships with customers. However, not all social media are the same and some are better suited for certain marketing strategies than others. The research aims to find the strategies MSME's can use for customer acquisition and retention through social media. Henry, Mark et al. (2012) explain that businesses have invested large amounts of time and money in increasing their reach across high-impact social media platforms.

Wolny, Julia et al. (2013) analyse consumers' interactions with fashion brands on social networking sites, focusing on consumers' motives for engaging in electronic word-of-mouth (eWOM) communication. Tania Yuki (2015) has done a study on what actually makes content shareable and the psychological drivers that prompt sharing. He, Wu et al. (2015) show that social media analytics uses data mining platforms, tools and analytics techniques to collect, monitor and analyze massive amounts of social media data to extract useful patterns, gain insight into market requirements and enhance business intelligence.

III. Gap analysis:

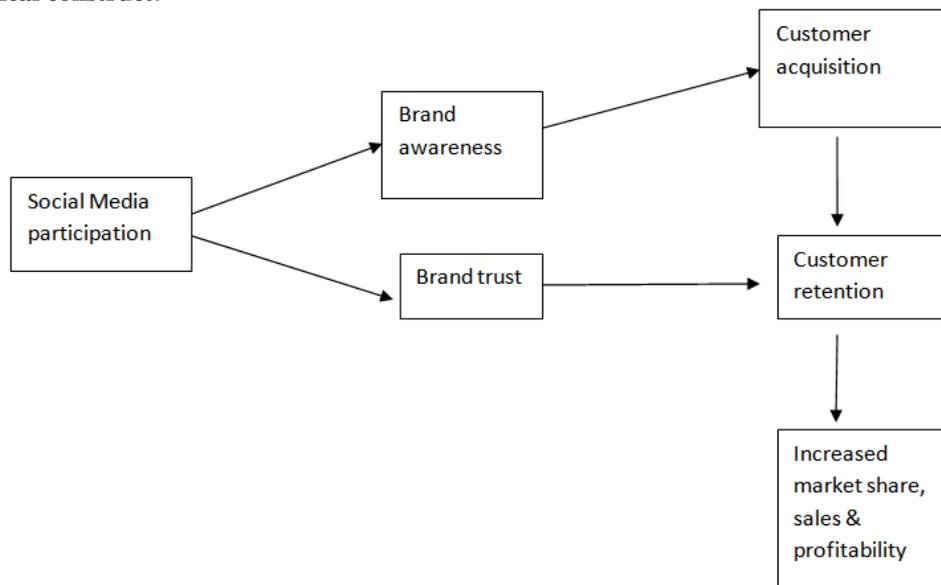
The gap analysis identified the following gaps:

<i>Author/ Year</i>	<i>Focus Area</i>	<i>Missing areas</i>
Henry, Mark; Harte, Brian (2012)	Explains that businesses have invested large amounts of time and money in increasing their reach across high-impact social media platforms.	<i>Not considered the effect of demographic variables on social media participation</i>
Eddy Nathan(2013)	The article shows that majority of small business or 66% of 1,000 respondents such as websites, social media, and online advertisement plan to invest in digital marketing.	<i>Not considered the impact of social media marketing on ROI</i>
Hutter, Katja; Hautz, Julia; Dennhardt, Severin; Füller, Johann (2013)	The purpose of this article is to analyze how social media activities and user interactions with these brand related activities affect the perception of brands and ultimately influence consumers purchase decision.	<i>Not considered the impact of social media marketing on ROI</i>
Wolny, Julia; Mueller, Claudia (2013)	Analyzed consumers' interactions with fashion brands on social networking sites, focusing on consumers' motives for engaging in electronic word-of-mouth (eWOM) communication.	<i>Not considered the effect of demographic variables on social media participation</i>
Mount, Matthew; Garcia Martinez, Marian (2014)	This article examines the application of social media across the entire innovation process.	<i>Not considered the impact of social media participation on brand awareness and brand trust.</i>
Frativelli, Fabio; Negri, Francesca; Cori, Enrico (2015)	Relies on the study of side effects of Communities of Practice (CoP), namely on those activities that are potentially in conflict with the main and publicly declared objectives (statements) of the company to which the CoP's members belong.	<i>Not considered the impact of social media marketing on ROI</i>
He, Wu; Shen, Jiancheng; Tian, Xin; Li, Yaohang; Akula, Vasudeva; Yan, Gongjun; Tao, Ran (2015)	Proposed a framework for social media competitive intelligence to enhance business value and market intelligence.	<i>Not considered the impact of social media participation on brand awareness and brand trust.</i>
Wonglimpiyarat, Jarunee (2015)	Explored the new economic challenge of China with regard to its innovation strategies to support high-tech small- and medium-sized enterprises (SMEs).	<i>Not considered the impact of social media participation on brand awareness and brand trust.</i>

4. Identification of variables: Based on the gap analysis, the following variables are identified in the present study.

The **independent variable** is **social media participation** and the **dependent variables** are customer acquisition, customer retention and increased market share, sales and profitability.

5. Theoretical construct:



6. Objectives of the study: In the era of globalization multinationals and few large Indian companies have strong financial muscles and spend heavily on marketing. On the other hand, Micro Small and Medium Enterprises (MSME's) neither have the money power, reach, nor the ad spend. This motivated the researcher to conduct a study based on the following objectives.

1. To study and understand the concept of social media marketing and its role in the Micro Small and Medium Enterprise (MSME) sector.

To study correlation between the sales obtained by a successful marketer and the time spent on social media marketing.

To study and understand the social media marketing tactics those are most effective for customer acquisition and retention.

Based on the above objectives, the following hypotheses can be formulated

7. Formulation of hypothesis

While framing hypothesis for this study, the researcher has considered views of different marketers and other researchers. This research will test the following hypothesis.

1. H1: Social media participation has a positive influence on brand awareness.

2. H2: Social media participation has a positive influence on brand trust.

3. H3: Brand awareness has a positive influence on customer acquisition.

4. H4: Brand trust has a positive influence on customer retention.

5. H5: Customer acquisition and retention has a positive influence on market share.

6.H6: There is a correlation between sales revenue and time spent on social media marketing

7. H7: Social media marketing is positively related to acquisition of customers.

8. H8: Market share depends on the use of social media marketing strategy

9. H9: Social media marketing is positively related to retention of customers.

10. H10: Social media marketing is related to creation of brand awareness.

8. Research Methodology:

This study investigates Micro Small and Medium Enterprises (MSME's) using social media for customer acquisition and retention. The companies selected were from a wide array of industries ranging from jewelry to handicrafts and food products. Many of these MSME's have various social media pages and have incorporated unique features (e.g., promotions) in order to encourage member participation. The MSME's were chosen based on the success of their social media pages (Facebook). The success of these Facebook pages was based on a high number of fans as well as a high number of postings by members (Preece et al., 2004). A sample of 50 companies was selected.

Exploratory research will be used to study the social media marketing strategies used by Micro Small and Medium Enterprises (MSME's) for customer acquisition and retention. This exploratory work will take the form of in-depth interviews with small business owners, respective industry experts and customers.

9. Method of Data collection

This section talks about the type of data needed in this study and how this data was collected.

(i) **Secondary data:** Secondary data is collected from mainly journals, articles, publications in renowned Journals & Books and Social Media industry reports. Previous researches from various authors were found from databases like Ebsco, Proquest and Jgate. These studies provided a lot of information about social media marketing and strategies for customer acquisition and retention and helped to understand the topic and the gaps in the study.

(ii) **Primary data:** In this study, primary data has been collected through self – administered questionnaires in order to investigate the research questions. The present research includes the measurement of several constructs like factors affecting social media participation with rating scales in a survey questionnaire. Primary data has been collected using judgement sampling for the MSME’s and a self-administered questionnaire distributed to the respondents.

10a. Questionnaire Development: One part of the questionnaire examined levels of community participation, brand trust, and brand commitment (i.e., endogenous variables). All items in this part were measured using a 5-point Likert-type scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). To measure community participation, four items were adapted from Koh and Kim (2004) and Casaló et al. (2007): “I take an active part on the brand’s Facebook page”, “I usually provide useful information to other members” and “In general, I post messages and responses on the brand’s Facebook page with great enthusiasm and frequency”. These items served to gather more detailed information regarding member behavior than do assessments of use frequency or log-in times (Casaló et al., 2008; Madupu, 2006).

The second part of the survey also included the questions regarding brand trust and brand commitment. All items for the two constructs were measured using a 5-point Likert- type scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Brand trust was measured using items from Chiang and Jang’s (2006) and Wilkins, Merrilees, and Herington’s (2010) work. Respondents were asked to rate the extent of their agreement with the following four statements: “What the brand says about its products/service is true”, “I feel I know what to expect from the brand”, “the brand is very reliable”, and “the brand meets its promises”. To measure brand commitment, three items were adapted from Ahluwalia (2000): “if the brand were not available for reservation it would make little difference to me if I had to make reservations at other hotels/restaurants”, “I consider myself to be highly loyal to the brand”, and “when another brand has a special deal I generally stay at the hotel/ visit the restaurant with the better deal”.

Open-ended questions were also included in this part of the survey.

The questionnaire also discusses how companies use social media strategies to retain their present customers and add new customers. It also talks about how much time is spent on social media strategies and the impact of social media strategies on ROI.

10 b. Reliability: Cronbach alpha has been used to check the reliability of the scales and the value has been found to be more than 0.7.

10 c. Sampling strategy

Hence the target population is MSME’s using social media marketing. The sample size has been taken to be around 50 MSMEs. Judgment Sampling is used to select MSMEs.

The data was collected between August 1 and October 31, 2015.

11. Quantitative Data Analysis

The techniques used to analyse quantitative data are (1) Regression (2) finding average ratings (3) Karl Pearson’s correlation coefficient

Average ratings are found to know how social media marketing is related to brand awareness and acquisition and retention of customers. Karl Pearson’s correlation coefficient is used to find the extent of correlation between sales revenue and time spent on social media marketing. Regression is used to show the influence of social media participation, brand awareness and brand trust on customer acquisition, customer retention and increased market share.

12. Testing of hypotheses: The testing of hypotheses gave the following results:

Hypothesis	Test used	Significance value	Status of hypothesis	Comment
1. Social media participation has a positive influence on brand awareness. (H1)	Regression	0.001< 0.05	Accepted	Social media participation has a strong influence on brand awareness.
2. Social media participation has a	Regression	0.018< 0.05	Accepted	Social media participation has a

positive influence on brand trust. (H2)				strong influence on brand trust.
3. Brand awareness has a positive influence on customer acquisition. (H3)	Regression	0.013 < 0.05	Accepted	Brand awareness has a strong influence on customer acquisition.
4. Brand trust has a positive influence on customer retention. (H4)	Regression	0.03 < 0.05	Accepted	Brand trust has a strong influence on customer retention.
5. Customer acquisition and retention has a positive influence on market share. (H5)	Regression	0.000 < 0.05	Accepted	Customer acquisition and retention has a strong influence on market share.
6. There is a correlation between sales revenue and time spent on social media marketing (H6)	Karl Pearson's correlation coefficient	0.015 < 0.05	Accepted	There is a significant correlation between sales revenue and amount of time spent on social media marketing.

Hypothesis	Average rating	Status of hypothesis	Comment
7. Social media marketing is positively related to acquisition of customers (H7).	1.65	Accepted	Social media marketing is positively related to acquisition of customers.
8. Market share depends on the use of social media marketing strategy (H8)	1.675	Accepted	Market share depends on the use of social media marketing strategy
9. Social media marketing is positively related to retention of customers (H9).	1.7	Accepted	Social media marketing is positively related to retention of customers
10. Social media marketing is related to creation of brand awareness (H10)	1.35	Accepted	Social media marketing is related to creation of brand awareness.

IV. Results :

(a) General results from MSMEs using social media:

1. Regarding social media usage, Facebook is the most popular social media when it comes to presence. A higher majority of the respondents were present on this platform followed by Instagram which had 81% of the respondents present. A photo sharing social application has gained popularity and has also started advertising. 45% of the respondents were present on twitter which is on the third position in terms of usage by marketers and companies followed by Blogs 26%, Youtube and LinkedIn at 21%.
2. Regarding social media platforms by ranks, Facebook received most important status followed by Instagram and twitter. The data follows the usage pattern shown by previous table. Least important players turned out to be google+ and snapchat. Pinterest received least important hits as awareness indicates lack of awareness and acceptance.
3. 60% of the respondents had creating brand awareness as the most important objective to be engaged in social media marketing. Recruitment was the least preferred objective for social media marketing.
4. More than 75% companies spend upto 5 hours every week on social media marketing.
5. Facebook users updated and posted content more often than all the other platform users, Instagram follows the lead of facebook in content posting frequency. Youtube and pinterest see an average frequency of 1-2 posts a week that suggests the time and cost for content creation which leads to lesser frequency of updates. Pinterest is used to update one board once a week.
6. Majority of the users on Facebook and Instagram have an average response time of 1-6 hours after receiving feedback in forms of comments, replies and likes. Twitter has seen a faster response time by the companies to their followers on social media.
7. Afternoon 12-4 pm is the most popular time to post messages on social media platforms like facebook and Instagram to ensure maximum reach. Evening 4-8 pm received highest number of responses for twitter.
8. With respect to Social media marketing budgets, more than 50% companies feel that at least 10% of overall marketing budget should be assigned to social media marketing.

9. With respect to Social media revenues, more than 50% companies feel that at least 10% of overall sales revenue is obtained from social media.
10. Share on social media, contests and discount on next purchase/ coupons are the most popular customer acquisition and engagement strategies.
11. All the respondents used images as content for social media marketing followed by videos and blog posts. Visual stimulus is better received.
12. Majority of the respondents used external agencies for social media marketing. Social media marketing is seen as a specialist activity.
13. According to our findings, approximately a week's time is spent on creating social media marketing campaigns. Due to the dynamic and interactive nature of social media it is important to stay up to date with current happenings and be quick to respond with social media campaign.
14. Most of the companies have organized weekly deals/promotions for online users. Only 28% companies have not done so.
15. Qualitative metrics like expert opinion, general estimations are mostly used by companies in order to understand social media marketing efforts.

(b) The results from testing of hypotheses were

1. Social media participation has a strong influence on brand awareness and brand trust.
2. Brand awareness has a strong influence on customer acquisition.
3. Brand trust has a strong influence on customer retention.
4. Customer acquisition and retention has a strong influence on market share.
5. There is a significant correlation between sales revenue and amount of time spent on social media marketing.
6. Social media marketing is positively related to acquisition of customers.
7. Market share depends on the use of social media marketing strategy
8. Social media marketing is positively related to retention of customers
9. Social media marketing is related to creation of brand awareness.

14. Managerial implications: This research will be helpful for MSME's as they will be able to target customers with appropriate social media marketing strategies. The research will also uncover factors contributing to increase in sales through social media marketing. The MSME's will be able to choose social media channels, social tactics and create an effective social media marketing strategy to acquire and retain customers based on the findings and conclusion of the research.

15. Limitations

The social media marketing strategies used by Micro Small and Medium Enterprises (MSME's) for customer acquisition and retention have been studied in Mumbai and the conclusion cannot be used as a generalization of customers all over India. Major research has not been undertaken on social media marketing in India. Very specific research on social media marketing strategies used by MSME's is not available in the Indian context. The study has focused on Micro Small and Medium Enterprises only. The study also faces limitations of sample size, time and experience. A variety of companies exist and it will be unfeasible for the scope of this research to cover every industry. The limitations of the collected data make it difficult to make generalizations across industries, companies, and locations.

16. Scope for Further Research: There is scope for further research in the area of social media marketing strategies of large businesses and MNC's. Research can also be conducted on social media marketing strategies in other sectors such as Hospitality, Tourism, Retail etc.

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