

Exploring the Role of Social Media in Enhancing Micro and Small Business Performance

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Abstract: The effects of social media and socioeconomic activities on micro and small businesses (MSEs) in India were investigated in this research. A structured questionnaire was used to gather primary data from 25 respondents as part of a quantitative research methodology. The results showed that social media has a major impact on customer engagement, sales performance, connection development, and buying behavior. Furthermore, it was discovered that socioeconomic factors as well as general economic circumstances (like monetary policy, fiscal policy, exchange rate etc.) have an impact on firm sustainability and profitability. According to the findings, favorable socioeconomic activities benefited financial performance, while social media platforms increased market awareness and facilitated well-informed decision-making. Overall, the research made clear how crucial it is to combine social media tactics with favorable economic circumstances in order to boost the expansion and competitiveness of micro and small businesses in India.

Keywords: MSEs, India, Performance, Socio-Economic Activities, Consumer Engagement.

INTRODUCTION

The fast growth of social media has changed how Indian companies especially MSEs, engage with consumers and sell their goods. Social media platforms are vital for corporate exposure, consumer involvement, and market outreach due to digital technology improvements and internet adoption. Social media marketing is cheaper than conventional marketing, which benefits resource-constrained MSEs. Studies demonstrate that Facebook, Instagram, WhatsApp, LinkedIn, and YouTube allow companies to communicate with consumers in real time, boost brand recognition, and boost sales. [1][2] Social media also lets companies collect consumer input, modify marketing tactics, and develop long-term customer connections, improving company sustainability and performance. [3][4] Effective social media adoption by Indian MSEs relies on digital literacy, strategic orientation, and technology resources.

Many developed nations credit social media for MSEs growth and competitiveness. It helps companies overcome financial, institutional support, and regulatory barriers by enabling low-cost marketing, consumer access, and efficient communication. Research also shows that social media boosts internet presence and attracts investors, helping small firms get financing and marketing assistance. [7] Digital technologies also enable transparent information exchange and government assistance, which aids regulatory compliance. Social media improves operational efficiency and competitiveness in highly regulated industries when used wisely. [8] These worldwide experiences help rising economies like India, where MSEs confront comparable structural and financial issues.

Social media has helped MSEs thrive in emerging economies like several Asian and African nations by enhancing communication, lowering operating costs, and providing market knowledge. [9] Egyptian, Moroccan, and Algerian research show that social media platforms assist businesses boost exposure, online sales, market trends, and informal business networks despite poor institutional backing. [10] [11] These studies demonstrate how social media boosts productivity, creativity, and knowledge exchange in challenged small enterprises.

Social media has changed how Indian MSEs operate, engage consumers, and manage market restrictions. [12] Indian MSEs use WhatsApp, Facebook, and Instagram to reach more customers, lower advertising expenses, and retain them, like other emerging nations. Kenya and Ghana show that social media marketing boosts small business sales and client loyalty [13]. Social media allows MSEs in India to overcome financial hurdles, business challenges, and regulatory barriers by increasing digital exposure, networking, and market response.

Global study shows that social media improves company success by boosting customer connections and market involvement. Studies in African countries suggest that social media saves marketing costs and enhances small business communication [14] [15]. While many studies focus on one or two components of social media, very few look at how different platforms such as those that are visual, facilitate professional networking, allow for real-time communication, and are community-driven which influence one another. Due to the vast and ever-changing nature of social media usage in India, comprehensive research is required. Consequently, this study looks at how micro and small businesses in India are using social media to boost their digital capabilities via policymaking and strategic decision-making.

OBJECTIVES

1. To research how social media affects MSEs customers' purchase decisions.
2. To examine the effect of socio-economic factors on the profitability of MSEs.
3. To examine how social media might help MSEs increase sales and strengthen their connections with customers.

METHODOLOGY

Data Collection Method: Surveys were used to gather primary data. To collect pertinent data, a structured questionnaire was created and given to respondents. Ten questions made up the questionnaire; the first three were designed to gather demographic data, while the following seven were designed to gauge respondents' perceptions of how social media and socioeconomic issues affect MSE performance. The survey method was chosen because it made it possible to gather first-hand information in a condensed amount of time.

Sample Size: A convenience sample approach was used to choose the 25 respondents for the research. To guarantee a range of replies, the respondents were drawn from a variety of age groups, socioeconomic backgrounds, and genders. For an experimental research aimed at comprehending broad patterns in social media use and socioeconomic implications on micro and small businesses, the modest sample size was deemed sufficient.

Research Design: To investigate how social media and socioeconomic activities might improve the performance of MSEs in India, a quantitative study methodology was used. Since objective measurement of perceptions and trends needed numerical data, the quantitative technique was chosen. Systematic data collecting was made possible by the study design, which also made it easier to statistically understand the results using tables and graphical representations.

Data Analysis Technique: Percentage analysis was used to tabulate and examine the gathered data. To improve clarity and comprehension, tables and figures were used to analyze the replies. Demographic distributions and respondents' opinions on market trends, profitability, customer engagement, sales performance, and consumer buying behavior were shown graphically. Finding trends and making inferences about how social media and socioeconomic activity affect MSEs were made easier by the study.

RESULTS

Table 1: Respondents Organized by Gender

Gender	Percentage
Female	48%
Male	40%
Prefer not to say	12%
Total	100%

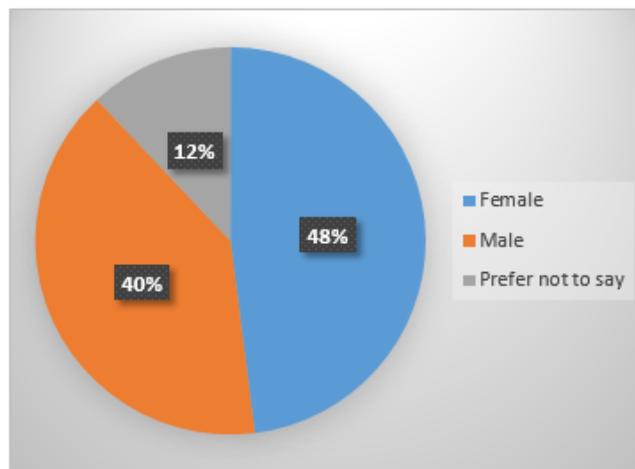


Figure 1: Respondents Organized by Gender

According to the data shown in the table and the figure, the respondents who were female made up the biggest proportion of the sample, followed by the respondents who were male, and a tiny fraction of respondents chose not to declare their gender. This indicates that there was a gender representation in the research that was fairly balanced.

Table 2: Respondents' Age Distribution

Age Group	Respondents	Percentage
Between 20–25	3	12%
Between 25–30	10	40%

Between 35–40	6	24%
Between 40–50	3	12%
Above 50	3	12%
Total	25	100%

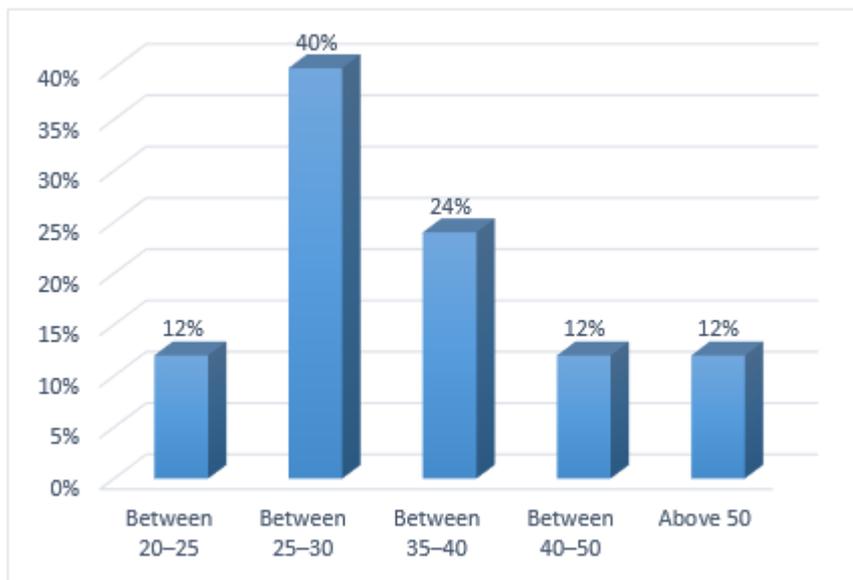


Figure 2: Respondents' Age Distribution

According to the data in the table and the figure, most of the respondents were in the 25–30 age range. This suggests that the percentage of the population engaged in micro and small companies is higher among the younger generations. It was guaranteed that there was age variation since other age groups were represented to a decent degree.

Table 3: Monthly Income Range of Respondents

Monthly Income Range (Rs.)	Percentage
Below 25,000	12%
25,000 – 35,000	32%
35,000 – 45,000	28%

45,000 – 60,000	20%
Above 60,000	8%
Total	100%

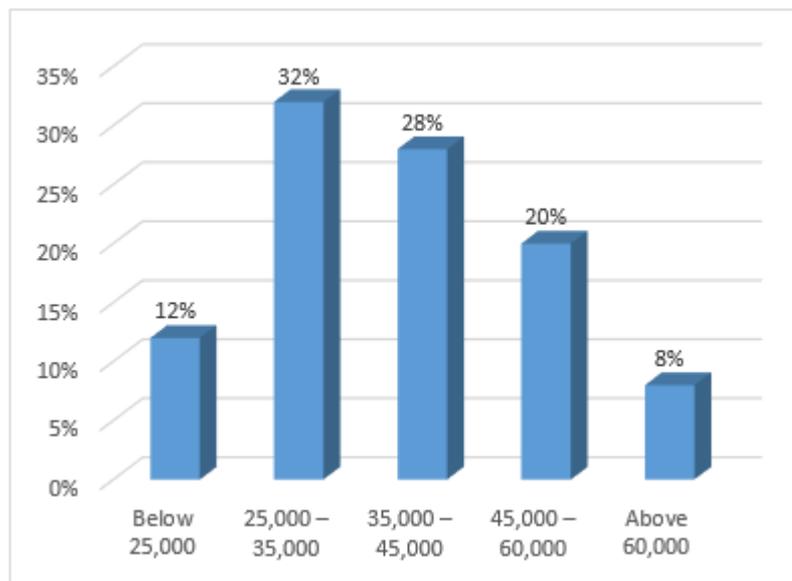


Figure 3: Monthly Income Range of Respondents

It can be seen from the table and figure that most of the participants had a monthly income between ₹25,000 and ₹45,000. From this, it seems that the majority of respondents belonged to middle-income brackets and were associated with MSEs, whereas a smaller percentage belonged to higher-income brackets.

Table 4: Effects of Social Media How Customers Make Purchases

Category	Percentage
Agree	32%
Strongly Agree	12%
Disagree	20%
Strongly Disagree	20%

Neutral	16%
Total	100%

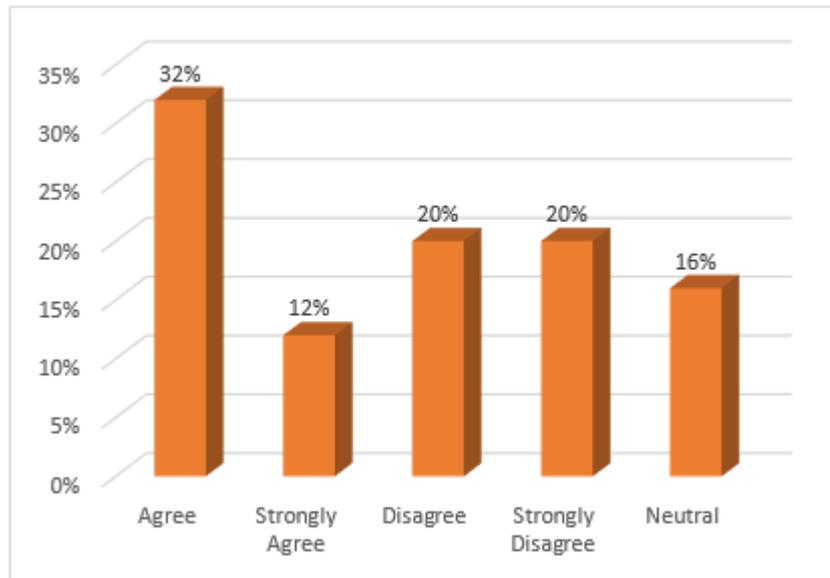


Figure 4: Effects of Social Media How Customers Make Purchases

According to the information shown in Table and Figure, the overwhelming majority of respondents were in agreement that social media had an effect on the purchasing behavior of consumers. As a result, this highlights the growing role of digital platforms in the process of influencing the decisions that customers make.

Table 5: Social Media Influence on Sales of MSEs in India

Category	Percentage
Agree	40%
Strongly Agree	12%
Disagree	8%
Strongly Disagree	20%
Neutral	20%

Total	100%
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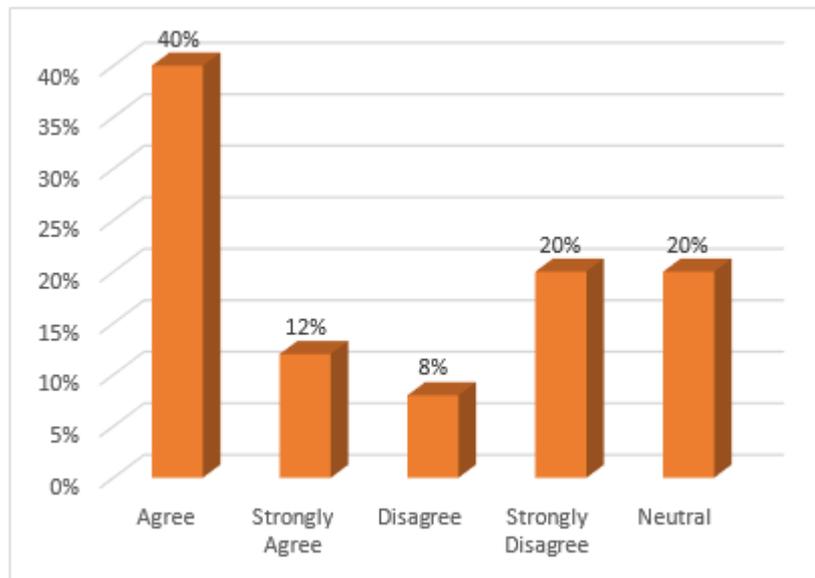


Figure 5: Social Media Influence on Sales of MSEs in India

According to the data shown in the table and figure, the majority of respondents believed that social media have a favorable effect on sales performance. With this information, it seems that marketing via social media helps to greater sales and the development of businesses.

Table 6: Social Media Ability to Grab Consumer Attention

Category	Percentage
Agree	32%
Strongly Agree	20%
Disagree	16%
Strongly Disagree	16%
Neutral	16%
Total	100%

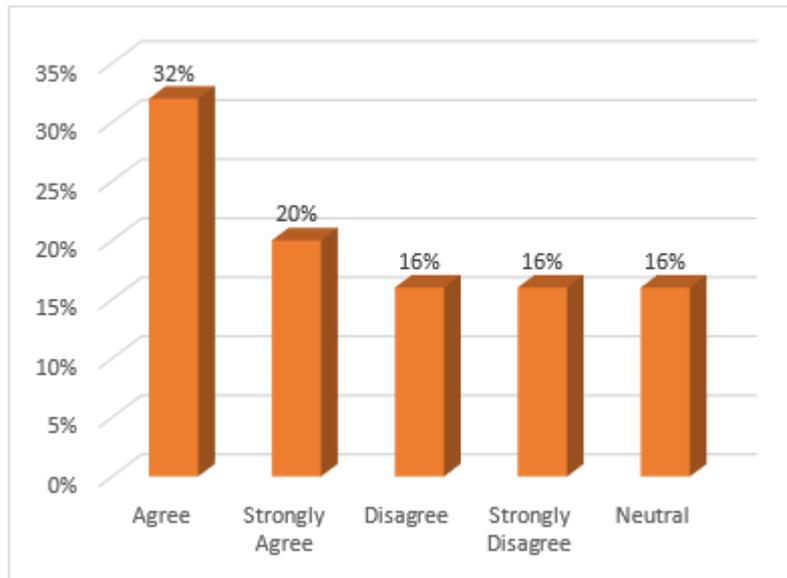


Figure 6: Social Media Ability to Grab Consumer Attention

As shown in Table and Figure, more than half of the respondents agreed that social media effectively grabs consumer attention, reinforcing its role as a powerful engagement and promotional tool.

Table 7: Socio-economic Activities Improve Profit of MSEs

Category	Percentage (%)
Agree	40%
Strongly Agree	24%
Disagree	12%
Strongly Disagree	12%
Neutral	12%
Total	100%

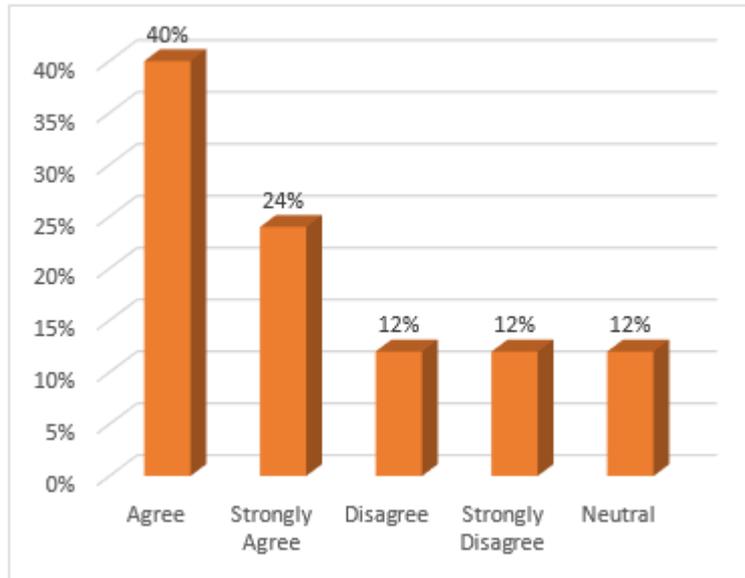


Figure 7: Socio-economic Activities Improve Profit of MSEs

The significance of favorable economic circumstances is shown by the fact that a significant number of respondents (Table and Figure) think that socio-economic activities have a beneficial effect on the profitability of MSEs.

Table 8: Interest Rates, Exchange Rates & Recession as Key Factors

Category	Percentage
Agree	36%
Strongly Agree	24%
Disagree	12%
Strongly Disagree	12%
Neutral	16%
Total	100%

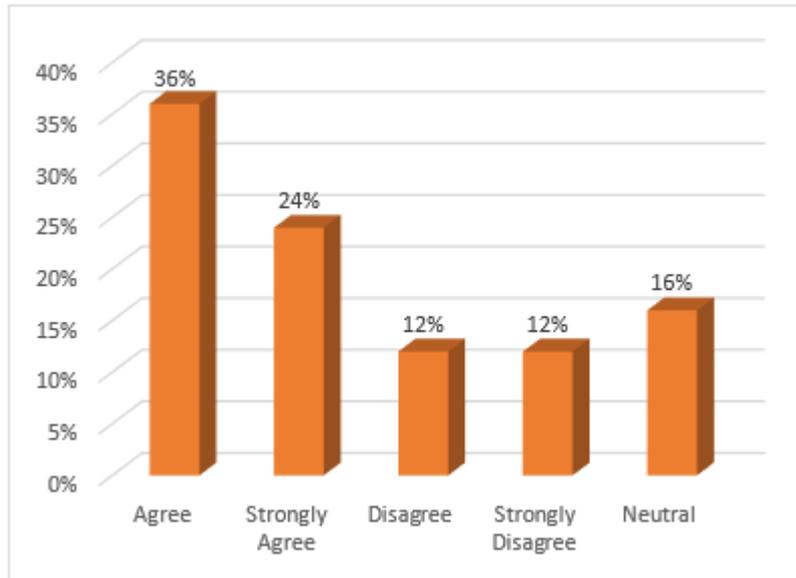


Figure 8: Interest Rates, Exchange Rates & Recession as Key Factors

Table and Figure show that the majority of respondents believe that recession, interest rates, and exchange rates have a major impact on company performance. This emphasizes the importance of macroeconomic issues in determining the sustainability of MSEs.

Table 9: Social Media Builds Consumer–Company Relationships

Category	Percentage
Agree	40%
Strongly Agree	16%
Disagree	24%
Strongly Disagree	8%
Neutral	12%
Total	100%

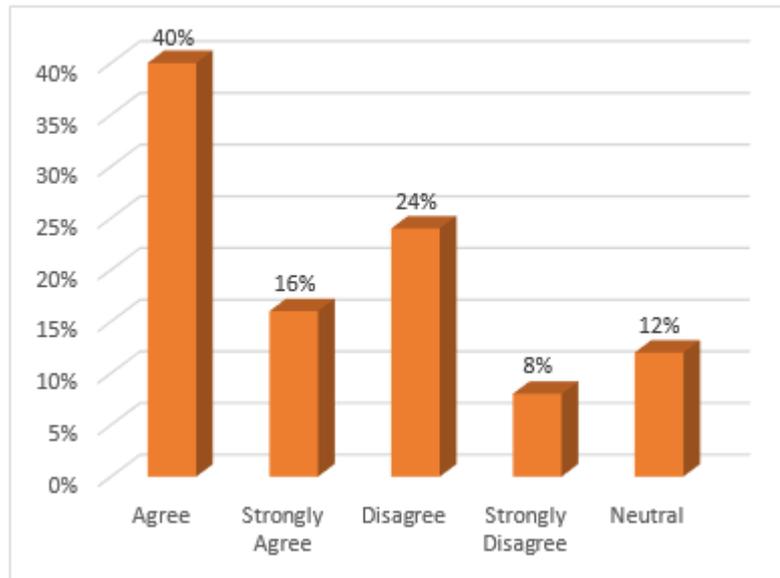


Figure 9: Social Media Builds Consumer-Company Relationships

The information that is shown in the table and the figure illustrates that social media plays a key role in improving the connection that exists between businesses and their consumers. This is accomplished by strengthening interaction, trust, and long-term engagement respectively.

Table 10: Role of Social Media in Understanding Market Trends

Category	Percentage
Agree	36%
Strongly Agree	20%
Disagree	12%
Strongly Disagree	20%
Neutral	12%
Total	100%

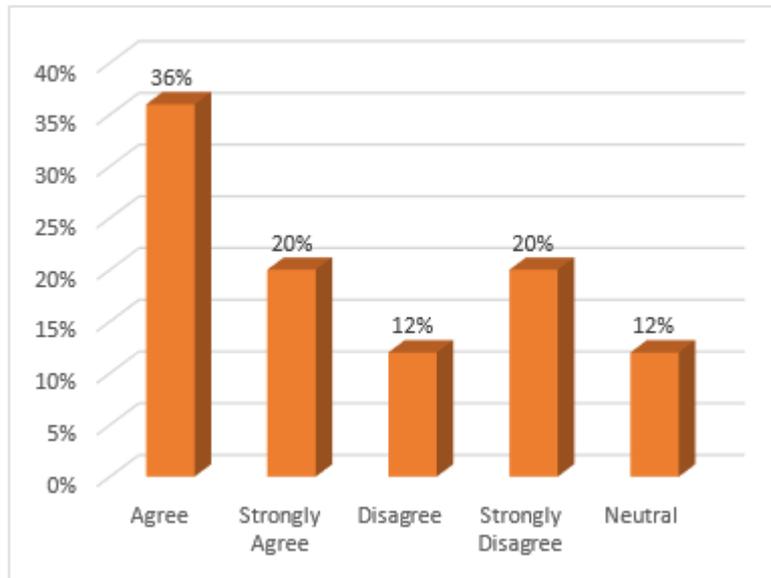


Figure 10: Role of Social Media in Understanding Market Trends

As presented in Table and Figure, many respondents agreed that social media helps businesses understand market trends and consumer preferences, supporting informed strategic decision-making.

DISCUSSION

Social media has a major impact on Indian micro and small businesses' (MSEs') ability to establish relationships, increase sales, and influence consumer buying behavior. A significant percentage of participants agreed that social media platforms boosted customer interaction and product exposure, which corroborated previous research showing social media marketing increased small company performance and market reach. [16] Social media's beneficial effects on sales and brand recognition aligned with research showing that digital platforms allowed MSEs to advertise more affordably and grow their clientele. [17] In line with earlier studies that emphasized the importance of financial mechanisms and economic stability in small business growth, the results also showed that socioeconomic factors like interest rates, exchange rates, and economic conditions had an impact on profitability and business sustainability. [18] The research also supported findings that digital participation promoted trust, loyalty, and well-informed decision-making by confirming that social media enhanced comprehension of market trends and strengthened consumer-company ties. [19] Overall, the conversation reaffirmed the recent empirical literature's finding that social media use and favorable socioeconomic activities had a good impact on the competitiveness and long-term growth of MSEs' businesses in India. [20]

CONCLUSION

The research came to the conclusion that socioeconomic activities and social media were crucial to the development and success of MSEs' in India. The results showed how social media use boosted revenue, expanded customer reach, improved customer-business interactions, and improved comprehension of market trends. Additionally, it was shown that socioeconomic factors as well as general economic circumstances (like monetary policy, fiscal policy, exchange rate etc.) and economic stability had a big impact on operational sustainability and profitability. The research offered important insights into the advantages of digital engagement and economic support for MSEs, despite its limitations, which included a small sample size and dependence on primary quantitative data. Thus, a major factor in the long-term success of MSEs' in India and their sustainable expansion is the efficient use of social media in conjunction with favorable socioeconomic circumstances.

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