

Social Media: The World's Newest Source of Profit

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In the modern era, the influence of social media is nearly inescapable. It seems that no one is immune to the internet, with everyone from kids to cats having an account on a social media site. There has always been argument on how social media should be used, and the use of social media by businesses is no exception. Social media is beneficial to businesses overall. Due to the widespread use of social media, small businesses could be able to achieve visibility, sustainability, improved business practice, low cost advertising, and communication with customers.

The use of social media has been increasing for many years, building up to this point of near universality. Social media comes in at an incredibly low cost in relation to other marketing strategies with the price of it often being free aside from the investment of one's time. This has led to it obtaining large-scale acceptance as a legitimate marketing strategy. In addition, it takes less time to communicate with customers; therefore, business leaders use social media for both communicating with customers as well as contacting stakeholders. Despite these advantages, Bennett (2017) mentions that in early 2017, only twenty-six percent of small businesses used social media to achieve their potential.

The Potential Power of Social Media

To understand why these numbers are so low, it is important to first understand the social media platforms that small businesses use the most often. Facebook is a common choice for many businesses as it can easily reach a large audience and is accessible by the majority of demographics. Ages of users are most diverse on Facebook: therefore, it is a platform worth putting time into for large community access. This broad audience is useful as businesses can easily have their message viewed by many people. While the majority of people are likely to ignore the content, it reaches a large enough audience that there is sure to be someone who finds it useful. LinkedIn is another site used by businesses. This website, unlike Facebook, is specifically designed for business and professional communications. LinkedIn is relevant for businesses trying to build up a credible reputation and reach partners in similar professional fields. Many businesses can discover both employees and potential brands to carry through the use of this site.

The other type of social media most commonly utilized by businesses is Twitter. Although Twitter is not used by a very age-diverse community, it is an easy way to view other businesses as well as interact with customers. The audience's lack of diversity in age affects what businesses say in Tweets; however, according to Bennett, the character limit in Tweets help businesses to focus what they want to say to their consumers more than they would otherwise have to without a strict character limit (Bennett 2017). In addition, the limited user base makes

it easy for businesses to cater to a specific age market, such as the young adults who are currently very infatuated with bathbombs. They can market items that other groups may find a waste of time and money. Social media can be used on several different social levels to achieve various goals that advance the success of small businesses.

In addition to using a variety of platforms, businesses also change their online presence to reflect the audience they are addressing. There are three main types of communication that businesses use social media to accomplish (Rapp, Beitelspacher, Grewal & Hughes, 2013). As explained by Rapp, Beitelspacher, Grewal, and Hughes (2013), the first level of social media use is from the consumer perspective. The customers browse social media and recognize a post from a retailer or brand, and the specific goal of these companies is for sales to increase as their businesses becomes recognized. The customer side of social media is nearly as important as the effort put in by companies for their recognition. The second level is at a retailer perspective. The retailer has to protect their reputation while increasing sales and gathering attention on social media. The retailer also must increase the brand sales for those they carry in their stores, adding an additional layer to their social media responsibilities. The third level of social media use is from the brand perspective where companies can help their reputation as well as make sure that they are represented well by retailers (Rapp, Beitelspacher, Grewal & Hughes, 2013). The most prevalent level of this social media communication layout is the second level. Retailers have to actively try and focus to make a good impression for both the consumers, and if they are larger retailers, they must impress the brands they carry as well.

With regards to social media use by businesses, there are several trends that can be observed. Using Twitter as a primary social media platform, an analysis of Tweets using the “small business” hashtag was conducted by Balan and Rege (2017). From this analysis, two main discussion points were discovered: 72.36% of those making these Tweets are female, and only 27.63% of the Tweet authors are male (Balan & Rege, 2017). It is a common occurrence that women conduct the social media posts for small businesses, whether it is their own business or otherwise. Many men are assumed to be less effective with words or design; therefore, some men might avoid using social media accounts for small businesses out of the fear of embarrassment of composing an ineffective or clumsy message. This is due to common cultural stereotypes and misconceptions.

Balan and Rege (2017) were also able to identify the states that used the small business hashtag the most. The number one state using #smallbusiness is South Dakota, a rural state. The authors describe that businesses in South Dakota likely use social media because of their locations. In a rural location, many companies need to use online resources to grow and ship orders they obtained through these social media interactions (Balan & Rege, 2017). Customers cannot come to these rural areas; however, they can use social media to gain access to what those businesses have to offer (Balan & Rege, 2017). All of the other states on the list have one commonality - they are all eastern states (Balan & Rege, 2017). Eastern states have a slightly

different culture surrounding business which encourages these businesses to utilize social media benefits (Balan & Rege, 2017). These findings demonstrate that the use of social media by businesses is highly dependent on location, which shows that different circumstances require different levels of social media use (Balan & Rege, 2017).

Drawbacks to Social Media Adoption

Unfortunately, though advertising on social media is beneficial, it can be challenging. Small businesses that are successful can be mimicked by others, causing a need for new ideas from the original business once more. Businesses must be flexible in this manner. Another challenge for small businesses, according to Taneja and Toombs (2014), is to maintain their reputation both offline and online. Online reputations can easily be ruined, and they can also be blown out of proportion. If a small business decorates their social media with false grandeur, it can be equally as destructive to their reputation as not using it in the first place.

Small businesses also struggle with simpler things, such as not having a professional for their online communications. The responsibility of maintaining social media and communications falls onto the owner or manager of the small businesses rather than anyone with more time and knowledge to do the job. Large businesses usually have communication specialists. Because these businesses are generally larger companies, they can afford to have professionals with communication degrees take care of their online appearance and information given to customers. If ads are placed in poor places, they can be glanced over by mistake. Many ads try to be relatable images or pictures, which can cause them to blend into feed from friends on social media. The one challenge that cannot be easily overcome may be if the targeted demographic is not using social media or is first being introduced to it. All of these challenges must be taken into consideration before a small business can successfully start to use social media.

A Changing Society: The Benefits

Despite all of these hardships, small business can find social media greatly beneficial. One of the benefits of using social media in small businesses is that it encourages an improved business practice. Social media is one way businesses can attain the goal of attracting and keeping regular customers. In her article, Bennett (2017) points out that the most effective way to do this is by keeping pace with a changing society. By using social media, Millennials -- or Generation Ys -- are able to be targeted by many small businesses' advertisements (Bennett, 2017). The modern consumer is now accustomed to viewing social media far more than they view any traditional advertising method. Traditional advertising methods such as newspapers, billboards, and flyers have become easy to ignore with the prevalence of cell phones. Traditional advertisements are useful for the older generations, but prove less effective with younger demographics. Despite these prior achievements, too many people no longer come across these forms of advertisement. Social media is far more accessible, even if by word of

mouth. Cellular devices are even common enough to surpass televisions at this point in time. The newer generations are consistently described as “glued to their phones”; therefore, businesses must adapt to advertising in a way that is visible to those who are blind to the outside world. Considering the ubiquity of social media, it is necessary for businesses to use it in order to keep attracting new customers.

In addition to having a broad reach, social media is also a low cost method for advertising. As stated by Jones, Borgman, and Ulusoy (2015), social media acts as cheaper and more targeted form of advertising than its traditional counterparts. Facebook claims that seventy percent of their ads have a three times return of investment rate (Jones, Borgman & Ulusoy, 2015). Return of investment is a commonly used measurement for businesses to analyze how effective their forms of advertisements are. Online advertisements are more cost effective for small businesses that may need the cheaper form if they are starting up or struggling. Additionally, not only can businesses pay smaller fees to advertise on social media, they can make their own free accounts. Though it may begin as more challenging to gain followers and attention, it can be completely cost-free to companies, as if they are any other user. A full account also allows businesses more freedom to provide information and images that may not have made it to the official advertisements. Because it is so cheap, it makes the most sense for businesses to use social media instead of more traditional forms of advertising.

Furthermore, social media provides visibility and sustainability for small businesses. According to Taneja and Toombs (2014), visibility can be assisted by sites such as Foursquare that provide specials to certain businesses, persuading new customers to do business with them (Taneja & Toombs, 2014). Social media can encourage customers to try new places for food or products they are interested in. Social media allows businesses to balance their desire to retain customers with the goal of acquiring new customers. The use of special deals through social media functions well to draw in new customers to the small establishment. Social media has also influenced the way that information is conveyed by businesses to their consumers, as discussed by Taneja and Toombs (2014). Small business leaders can make their communication interesting without taking time from themselves or the customers (Taneja & Toombs, 2014). Small businesses can communicate quickly and effectively to hold interest of their audience. Business posts on social media are often creative and, if intriguing enough, shared by others to be seen by even more than just their current customers. The spread of information through this method saves the business time and effort in acquiring the attention from those who have already heard of the company through friends. People are prone to talk about the things they see on the internet, so it makes sense for businesses to utilize it in order to gain a following.

Social media affects the way businesses communicate with their customers and it is a good way to understand the needs of the customer. Communication between customers on social media is very easy compared to traditional methods, such as email or even traditional mail. The communication can be instantaneous, which pleases the customer awaiting help. Customer

satisfaction is crucial to returning customers; therefore, the instant communication through social media allows for high success in retaining their current success. Businesses benefit from social media because of the instant communication that allows them to provide better customer service.

Recent widespread use of social media has brought about visibility, sustainability, improved business practices, low cost advertising, and communications with customers by small businesses. Social media advertising is a beneficial strategy for marketing in the current society and is suggested to all businesses, but especially small businesses. Social media is a feasible and promising transition to make for success in small businesses that have not already implemented some form of social media into their marketing plans. The time-waster of the consumer can be the business's tool to success.

Reference List

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