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Role of Social media in MSMEs (With Reference to Jamnagar Brass Parts Industry)

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Introduction:

The role of MSMEs has been crucial in the Indian economy since independence. MSMEs has become drivers of growth for the Indian economy in last few years. The total numbers of MSMEs in India has reached more than 63.39 crores in the year 2019-20. MSMEs plays a crucial role in employment generation and contribution to GDP. More than 120 million people in India get employment in this sector as well as contributes approximately 29 per cent to the GDP. The share of MSMEs in the total exports of India is about 50 per cent. The role of MSMEs in the self-reliant of the country has extremely important.

The influence of Information Technology is increasing in every sector around the world. Social media is an important part of Information Technology. Social Media has enacted its influence in each and every sector like society, culture, economy, politics, industry and agriculture. as a consequence, the role of social media in MSMEs has increased, therefore, the role of social media is very vital in rapid growth of MSMEs in India.

Social media is being adopted in MSMEs for increase sales, collect information related to technological changes, develop potential markets, strengthen internal communication. Today, social media is an important facet in the rapid growth of MSMEs in developed countries. However, researchers have not paid much attention on the role of social media in MSMEs.

The main intent of the study is to find out which type of social media are adopted by MSMEs, the motives of the social media adoption, its role and benefits as well as barriers to adopting social media in MSMEs. In this research study 40 units selected as sample from Jamnagar Brass Parts industry through random sampling method. Secondary data has been obtained through various research studies, papers, public documents as well as web resources like google scholar and also primary data has been collected from selected sample units through the close ended questionnaires for the required information. Primarily, statistical tools like percentage and total has been followed in the analysis.

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Classification of MSMEs in India:

Old MSMEs Classification			
Criteria: Investment in Plant & Machinery of Equipment			
Classification	Micro	Small	Medium
Mfg. Enterprises	Investment < Rs. 25 lacs	Investment < Rs. 5 Cr.	Investment < Rs. 10 Cr.
Service Enterprises	Investment < Rs. 10 lacs	Investment < Rs. 2 Cr.	Investment < Rs. 5 Cr.
Revised MSMEs Classification			
Composite Criteria: Investment and Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing And Service	Investment < 1 Cr. & Turnover < 5 Cr.	Investment < 10 Cr. & Turnover < 50 Cr.	Investment < 20 Cr. & Turnover < 100 Cr.

Earlier, MSMEs were classified in India as per Micro, Small and Medium Enterprises Act. - 2006. In this classification, it was classified on the basis of investment in machinery and equipment in the manufacturing and service sectors. This classification was revised in 2020 and in this new classification investment and turnover have been taken as Criteria.

According to the new classification, manufacturing and service sector units with an investment in equipment not more than INR 1 Cr. and annual turnover not more than INR 5 Cr. has been included in micro units. Whereas units with an investment in equipment not more than INR 10 Cr. and annual turnover not more than INR 50 Cr. Have been included in small units, and an investment in equipment not more than 50 Cr. And annual turnover not more than 250 Cr. Have been included in the medium units.

Types of Social Media:

Generally, social media is classified into seven main sections such as social networks, blogs, wikis, podcasts, forums, content communities and micro blogging.

Social Media	Purpose	Examples
Social Networks	Sites where people build personal pages and connect with friends	LinkedIn, Facebook
Blogs	A web log where you can post anything you want	Seaofshoes, Bryanboy
Wikis	A communal database where people can add or edit content	Wikipedia
Podcasts	Audio or video files that are available by subscription	Apple iTunes, Yahoo!
Forums	Online discussion around specific topics and interests	Next Gadget
Content Communities	Organize and share particular kinds of content	Flickr, YouTube
Microblogging	Combined social networking and bitesized blogging	Twitter

Source: (1) Karimi, S., &Naghibi, H. S.,2015, (2) Mayfield, 2008

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The research analysis revealed that, out of 60 per cent units from the selected units of the Jamnagar Brass Parts industry are used social media. Whereas 40 per cent units are not used any kinds of social media. Most of the social media adopters' enterprises were using Facebook in this industry. Facebook was used to increase their product sales, gain new customers, and develop potential markets in the industry. While, only 25 per cent of the social media adopters' enterprises were using content communities like YouTube. Its main intent is to improvement in their units through innovation and modernization by gathering information from YouTube.

Another finding of the research study shows that Social media like blogs, wikis, podcasts, forums and micro blogging were not used except social media like Facebook and YouTube in the selected units of Jamnagar Brass Parts industry. Another important fact is that, Facebook was used as mere marketing purposes to develop potential markets in the enterprises. The findings of the Cesaroni & Consoli, 2015 study suggest that, Facebook is more use than any other types of social media in the small enterprises. While another study Harrigan Miles, 2014 findings suggest that, the use of LinkedIn is on the first rank while the use of Facebook is on the second rank in small enterprises.

The use of social media depends on the nature of the business, group of customers, management system and popularity of the social media. While the most important is to find a market for their products for the enterprises of this industry. So, Facebook is a very important tool in this regard. Therefore, Social Networks like Facebook is used more than other social media in the enterprises of this Industry.

Literature Reviews:

Kaplan, A. M., &Haenlein, M.	The challenges and opportunities of Social Media	2010
Pentina, I., Koh, A. C., & Le, T. T.	Exploring the role of social influences and experience in technology acceptance.	2012
Meske, C., & Stieglitz, S.	Hurdles in adoption of social media.	2013
Lekhanya, L. M.	The use of social media and social networks as the promotional tool for ruralMSMEs	2013
Dahnil, M. I., Marzuki, K. M., Langgat, J., &Fabeil, N. F.	Factors influencing SMEs adoption of social media marketing.	2014
Taneja, S., & Toombs, L.	Objectives of adoption social media in business	2014
Siamagka, N. T., Christodoulides, G., Michaelidou, N., &Valvi, A.	Adoption Factors of social media	2015
Çalli, L., & Clark, L.	Hurdles in adoption of social media.	2015
Karimi, S., &Naghbi, H. S.	Adoption factors, strategies and impact of Social media marketing.	2015
Cesaroni, F. M., &Consoli, D.	Advantage of Social Media for Small Business	2015
He, W., Wang, F. K., Chen, Y., &Zha, S.	An exploratory investigation of social media adoption by small businesses.	2017
Gekombe, C., Tumsifu, E., & Jani, D.	Adoption factors and impact of social media.	2019

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Ahmad, S. Z., Bakar, A. R. A., & Ahmad, N.	Social media adoption and its impact on firm performance	2019
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Objectives to adopting social media in MSMEs:

In general, there are many objectives for use of social media from a business point of view. These objectives mainly incorporate Marketing, Customer Relationship, Innovation, Idea generation, New Product development, Internal Communication, Getting access Skilled Labor force, Reputation, improvement in backward and forward linkages.

The objectives of commercial use of social media can be classified into two partslikes (1) Social Media Marketing (CMM) and (2) Customer Relationship Management (CRM).

Objectives to Adopt Social Media in MSMEs		
Social Media Marketing (SMM)	Customer Relationship Managemnet (CRM)	Other Objectives
<ul style="list-style-type: none"> • Marketing • Market Research • General Marketing 	<ul style="list-style-type: none"> • Customer Service • Public Relationship • Product and Brand Awarness • Customer Loyalty 	<ul style="list-style-type: none"> • Idea Generation • New Product Development • Innovation and Co-innovation • Internal Communication • Reputation • Webtraffic • Improvement of backward and forwerd linkegies

The analysis of the objectives to adopting social media leads to the conclusion that, the objective of the 75 per cent (18) units out of the selected units was to develop potential markets and Facebook was used for this purpose. These units were trying to attract customers by posting photographs of their products, product catalogue, information about quality and after sales services on their Facebook page. Thus, the most important objective of using social media in these units is to develop the market. A study by Taneja &Toombs, 2014 also found that, the important purpose of Social Media Marketing is to promote its business in the market to survive in competitive times through Visibility, Viability and Sustainability.

The purpose of using Social Media in 25 percent (06) enterprises out of the selected enterprise of Jamnagar Brass Parts industry were to gathering information on changes of raw material prices and new production methods. While, the purpose of using social media in 20.83 per cent (05) enterprises of the Jamnagar brass parts industry was related to new idea generation and innovation in their units. For that they were use YouTube.

The result on this point is that, the objectives for adopting Social Media in the enterprises of this Industry were limited to Marketing, Information and R&D. None of the enterprises that use social media were intended for customer relationship management (CRM) or internal communication of the enterprises in the Jamnagar brass parts industry.

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Benefits and Impacts of Social Media in MSMEs:

The benefits and impact of social media are depending on intention of adopting social media in small enterprises. If social media is adopted because of the bandwagon effect, it has no effect on small units.

Recently, the role of social media is constantly increasing in MSMEs. Small entrepreneurs are increasing the sales of their products by reaching out to more and more customers through the use of social media. And Small entrepreneurs are also becoming aware of the innovations and rapid changes taking place in their sector. Internal communication in small enterprises is also being strengthened through the use of social media. Social media has played an important role in the development of small businesses nowadays. However, no special research has been done on this important issue. Adoption of Social Media, factors that hinder the adoption of social media and benefits of using social media at different stages in small enterprises in India. (Meske, C., &Stieglits, S., 2013)

The findings of a study on the effects of social media technology on UAE enterprises suggest that social media technology does not have a significant impact on small businesses, because these enterprises adopted the social media by the bandwagon impact. As a result, the acceptance of social media in these enterprises was not pre-planned and also was not linked to organizational strategy or its objectives (Ahmed, Bakar and Ahmed, 2019).

He, Wang, Chen &Zha, 2017 Suggest that, adopting social media in business has a favorable impact on the revenue and number of customers. Social media helps to get in direct contact with customers. For this reason, social media marketing will become an important method of advertising in the future.

Gekombe, Tumifu & Jani, 2019 study findings show that, Social media is easy to use in MSMEs, as a result, it has significant effects on the growth of small and medium enterprises.

Benefits and Impacts of Adopting Social Media in Business		
The benefits or impacts of adopting social media	No. of Enterprises	Per cent
Increase the number of customers	22	91.67
Ease of connecting directly with customers	09	37.50
Ease of getting customer feedback	06	25.00
Increase sales	21	87.50
Reduction in sales costs	15	62.50
Improve communication	10	41.67
Save time	09	37.50
Improve quality	04	16.67
Helpful in adopting new production method and technology.	04	16.67
Helpful in getting business related information	15	62.50

The main purpose of adopting social media in enterprises of Jamnagar brass parts industry is social media marketing and obtain new information. In this regard, due to adoption of social media significant increase in the number of customers of enterprises of this industry. These enterprises have entered new markets and also expanded their market. And its sales have also increased significantly. Along with its sales costs and travel expenses have fall down significantly. The method of production has changed in enterprises that used a

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Content Community like YouTube, accordingly, the quality of the product has also increased significantly. But, there is no effect on social media adoption in these enterprises except above.

Hurdles of adopting Social media in MSMEs:

MSMEs also face some barriers to adopt social media. These barriers can be classified into two categories such as (1) Technical hurdles and (2) Non-technical hurdles. facts about these both types of barriers are obtained in various research studies, in a study by Maske & Stieglitz, 2013 indicate that Non-technical hurdles like attitude of management towards social media and recognition of workers are key hurdles in enterprises.

An in-depth study of the two main barriers to the adoption of social media in small businesses has revealed that, increase Facebook subscriber, lack of automated tools to monitor the flow of web page of Facebook fans, difficulty of converting Facebook fans to real customers and also the issues of updating the Facebook page on a regular basis are included in the technical hurdles. While on the other hand consumers of some units are not familiar to using social media so they could not be covered under social media, some of units do not adopt social media due to the large number of customers and the heavy workload on their workforce and several units do not adopt social media because there is no direct benefit from adopting social media are included in the non-technical hurdles (He, Wang, Chen & Zha, 2017).

Major barriers to adopting social media in small enterprises are include Management barriers, IT barriers, Finance barriers, Staff barriers and Environment Barriers (Calli & Clark, 2015).

There is also dissimilarity in the barriers to social media adoption between the developed countries and underdeveloped countries. The barriers to adopting social media are distinctive in some underdeveloped countries. The findings of a research study on the role of social media in small units in rural Africa show that, the necessary infrastructure facilities for the use of social media like electricity and internet are not available in the rural area, there for, these enterprises cannot adopt social media. Thus, concluded that underdeveloped countries face infrastructural barriers to the adoption of social media (Lakhanya, 2013).

Technical Hurdles	Non-technical Hurdles
<ul style="list-style-type: none">• Facebook Subscriber• Customers with Media Users• webpage management• Knowledge of smart application and web page management• Knowledge of Social media in use of business purpose• Social media tools	<ul style="list-style-type: none">• Management• Financial hurdles• Staff hurdles• Environmental hurdles• Infrastructural hurdles• Facebook fans convert in actual customer

Social media was not used in 40 per cent (16) enterprises of the Jamnagar Brass Parts industry. Out of these enterprises 75 per cent of (12) entrepreneurs were unfamiliar with using social media on a commercial basis. And 25 per cent (4) enterprises did not need to

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marketing because of they have sufficient customers. The main obstacle to the adoption of social media in enterprises of the Jamnagar brass parts industry is associated with the lack of knowledge to use social media for business motives, and most of the units were small in size and their owners perform job from management to sales so that could not adopt social media for the business purposes.

Adopting Factors of Social Media in MSMEs:

The extent to which a new method will be used in any business depends on some motivating factors. The use of social media in B2B is determined by its image, perceived ease of use and perceived barriers. perceived usefulness and organizational innovativeness are the key drivers for the adoption of social media by B2B organizations whilst perceived ease of use was found to be an insignificant adoption driver in this specific context (Siamagka, Christodoulides, Michaelidou & Valvi, 2015).

Factors that motivate enterprises to adopt social media are include experts, competitors and social influence of customers. This social influence significantly motivates to enterprises to adopt social media from a technical point of view (Pentina, Koh, & Le, 2012).

There are six main factors that motivate MSMEs to adopt social media. Managers 'attitudes toward social media, managers' personal characteristics, bandwagon effect, social influence through peers or media, and current business performance are included in the seven motivational factors. (He, Wang, Chen & Zha, 2017).

Small enterprises are increasingly using social networks like Facebook. The main motivating factors for adopting social networks like Facebook in the small enterprises are the number of Facebook users and its popularity. (Cesarioni & Consoli, 2015).

Most of the social media users in the Jamnagar brass parts industry are use Facebook. The key motivating factor to adopt Facebook in Jamnagar brass parts industry is its popularity. as well as it's also very easy to use. As a result of all this, it has become easier for these enterprises to stay in touch with the customer. Due to the popularity of Facebook has significantly increased the effectiveness of its posts on consumers. All of these beliefs have motivated to adopt social networks like Facebook in these enterprises of Jamnagar brass parts industry.

Conclusion:

Research studies revealed that, the size of most units in the Jamnagar Brass Parts industry is micro and small. The use of social media in enterprises of these industry have increased, but still 40% of enterprises do not use social media. Social networks like Facebook are the most used in these enterprises, and the content community like YouTube is at the next.

The most important objectives for adopting social media in the enterprises of Jamnagar brass parts industry is to gathering information related to market updates and develop potential market for the product. Whereas some units adopt social media to get information related to innovation through content community like YouTube. There is significant improvement in the numbers of customers using social media in this industry. it's sells have also increased due to the expansion its market through social media marketing while some enterprises have

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been significantly improving their quality of products in changing their production methods in their plants.

It has been observed that, level of information, awareness and rare knowledge related to social media are leading obstacles in the Jamnagar brass parts industry. In addition to this some could not adopt social media for business because they very small enterprises whereas perform job from management to sale. The popularity and effectiveness of social media are also important factors to motivate entrepreneurs to use social media of Jamnagar brass parts industry. The use of social media in this industry can also increase, if awareness and training are provided to the entrepreneurs leads to further expansion of these enterprises.

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