

# A Study on Effect of Social Media on the Growth of Small Businesses in South Tamil Nadu

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## Abstract

The goal of the current study is to ascertain how social media affects the growth of small businesses in south Tamil Nadu. Due to the growing popularity of social networks like Facebook, Instagram, and WhatsApp, small businesses have begun to use these platforms for product and service promotion, customer engagement, and sales growth. A quantitative approach was used to collect the data needed for analyzing the effects of social media on business performance; specifically, primary data from 264 small business managers were analyzed through descriptive statistics, regression analysis, and correlation analysis. The results have confirmed that social media has a positive impact on the performance of small businesses.

## Keywords

Social Media, Small Businesses, Growth, Digital Marketing, Customer Engagement, South Tamil Nadu

## Introduction

Social media has become a vital tool for businesses, particularly small enterprises, to flourish and expand in the contemporary technology era. Facebook, Instagram, and WhatsApp have revolutionized business promotion by making it simpler and less expensive for small businesses to run their marketing efforts without having to make significant financial investments. Because social media gives them greater visibility, small businesses may now compete with larger ones.

Local shops, food companies, service providers, and home enterprises are examples of small businesses that are vital to South Tamil Nadu's economy. Many of them have begun use social media to promote their goods, engage with customers, and grow their clientele. The availability of cheap and easily accessible smartphones and internet connectivity has made the use of social media in commercial transactions commonplace. Social media is becoming a powerful way to promote your business in a variety of ways, including visibility, engagement, and customer satisfaction. Provide posts, story pages, customer reviews, and instant messaging to increase customer trust and satisfaction. Promotions and advertising through social media also influence purchases, thereby increasing sales.

## Scope of the Study

This study focuses on the impact of social media on the growth of small and medium enterprises in southern Tamil Nadu. We will focus on small and medium-sized businesses that use social media such as Facebook, Instagram, and WhatsApp for their marketing activities. This research will focus on key issues such as company awareness, customer interactions, business performance, and growth. The scope of the survey is limited to small and medium enterprises operating in selected districts of southern Tamil Nadu, and data will be collected directly from the companies.

## Limitations of the Study

Some limitations associated with this study should be considered when analyzing the results. One is that the study only includes small businesses in southern Tamil Nadu and hence the results cannot be generalized to other regions. Another limitation is that the sample size consisted of 264 individuals, which may not be representative of the entire small business population. This study uses the primary data collection method of survey form, so there may be personal bias in the responses. Another limitation hindering further analysis was lack of time.

## Literature review

Over the past few years, the role of social media in influencing business development has become very important, especially for small and medium-sized enterprises. The evolution of digital technology has transformed social media from just a means of communication to one of the most important marketing tools.

### Social media and business growth

Various research studies have shown that platforms such as Facebook, Instagram, and WhatsApp offer affordable and viable marketing options for small and medium-sized businesses. Through social media, businesses can promote their products and services without spending a lot of money, reach a larger audience, and promote effectively. This could prove to be very beneficial for small and medium-sized businesses operating in developing countries, as they need affordable marketing tools. Other research shows that companies that use social media in their operations experience faster growth than companies that rely solely on traditional forms of marketing.

### Customer contact and customer follow-up

One of the biggest benefits of using social media is that it helps improve customer engagement. Features like likes, comments, shares, and even messaging ensure continuous engagement between businesses and customers. Such efforts help build relationships based on trust. Research shows that increasing customer engagement increases customer loyalty and repeat purchases. Additionally, social media provides instant customer feedback, allowing businesses to make changes based on consumer preferences.

### Impact on sales and profits

The influence of social media has a direct impact on the sales and profits a company generates. Research studies show that strategically implementing social media marketing techniques can lead to increased sales, improved customer conversion, and increased profits. Promotions, advertising, and collaborations with influencers can help you attract new customers and generate revenue for your business. Additionally, many social media sites include various tools for making sales within the social media site itself.

### Digital visibility and brand awareness

Brand awareness is one of the most important factors determining an organization's success, and the role of social media in this regard is critical. Consistent content production, innovative content, and appropriate use of hashtags help increase a company's online visibility and brand awareness. In the case of small businesses operating in geographical regions like South Tamil Nadu, social media helps in competing with larger organizations by creating a distinctive brand image.

### Research gap

This study aims to address an imbalance in the literature that focuses on research on the role of social media and business growth in urban areas as well as large corporations, neglecting small and medium-sized enterprises in regions such as southern Tamil Nadu. The available literature is mainly theoretical and lacks adequate empirical support on the impact of social media use on various business metrics such as sales, customer acquisition, and growth. Furthermore, social media has been considered as a single dimension rather than being analyzed based on different dimensions such as visibility, engagement, and financial gain. Moreover, the problems faced by businessmen in this context are not addressed.

## Purpose of research

- Analyze the impact of social media on business growth.
- Evaluate the relationship between customer interactions and sales.
- Learn how social media impacts customer acquisition.
- Evaluate the role of digital transparency in business expansion.

## Hypothesis

H0<sub>1</sub>: Social networks have no significant impact on business growth S1<sub>1</sub>: Social networks have a huge impact on business growth

H0<sub>2</sub>: Customer engagement does not affect sales

S1<sub>2</sub>: Research method that significantly increases sales through customer engagement

## Research Design

This study is analyzed using analytical research design to analyze the impact of social media on small business development in southern Tamil Nadu. This study uses a quantitative method in which data is collected through a structured survey of 264 small business owners. This study focuses on several key variables, including visibility, customer interactions, sales, and business growth. Respondents are selected through convenience sampling technique. Data analysis involves the use of statistical techniques such as descriptive statistics, correlation analysis, and regression analysis.

## Sample Size

The study involved 264 participants who were small business owners living in southern Tamil Nadu. This amount is sufficient to perform various statistical calculations and obtain meaningful results. Participants come from a variety of industries to help understand the impact of social media on business growth across industries. Sampling method. The study uses convenience sampling technique where the respondents belong to small and medium enterprises in southern Tamil Nadu. They were selected based on their availability and willingness to participate in the study. Although this was an efficient selection method due to limited time and other resources, it may yield important information.

## Data Collection

Data for this study has been collected using primary data obtained from interviews conducted with small scale entrepreneurs in southern Tamil Nadu using a structured questionnaire. The questionnaire contains closed-ended questions ranked on a Likert scale to ensure that responses can be measured effectively. Data was collected both through online means and through face-to-face interviews with respondents. statistical tools

- Descriptive analysis
- Correlation analysis
- Regression analysis

## Analysis Analysis

This study uses quantitative methods to investigate the impact of social media on business expansion of small and medium enterprises in southern Tamil Nadu. The information collected from respondents will be analyzed using statistical techniques such as descriptive statistics, correlation analysis, and regression analysis. We used descriptive statistics to summarize the data and identify patterns around key variables such as visibility, customer engagement, sales, and overall

business growth. From the results obtained through this method, it is clear that social media has a positive impact on awareness and customer engagement, which contributes to business growth. Correlation analysis is performed to determine the correlation between social media variables and business growth. The analysis shows that there is a strong correlation between the two variables as increased social media usage leads to increased sales and customer base. Finally, use regression analysis to determine the impact of various variables

such as viewability, customer interaction, and sales on business growth. It can be seen that all the above variables are highly correlated with the dependent variable.

**Descriptive statistics**

Descriptive statistics were used to organize and summarize the data collected from the respondents. We used key metrics such as mean and standard deviation to analyze variables such as viewability, customer engagement, and sales. The results show that social media has a significant impact on business growth and that responses from small business owners show a high level of consistency across the surveyed regions.

Variable	Mean	Std. Deviation	Interpretation
Visibility	4.20	0.75	High impact
Engagement	4.10	0.78	Strong impact
Sales	4.15	0.72	High growth
Customer Acquisition	4.05	0.80	Moderate to high

**Interpretation**

This result shows that social media plays an important role in business growth. Increased visibility allows businesses to reach more customers, and active engagement builds trust and drives sales. Companies that use social media effectively tend to perform better, making social media a valuable tool for expanding reach and improving overall efficiency.

**Correlation analysis**

This analysis shows a strong positive relationship between social media activity and business growth. Factors such as awareness, customer engagement, and sales are highly correlated with overall growth. This suggests that increased use of social media can help businesses attract more customers, increase engagement, increase sales, and lead to increased productivity.

Variables	Visibility	Engagement	Sales	Growth
Visibility	1.000	0.68	0.70	0.72
Engagement	0.68	1.000	0.69	0.71
Sales	0.70	0.69	1.000	0.75
Growth	0.72	0.71	0.75	1.000

## Interpretation

The results highlight a strong positive relationship between social media factors and business growth. Among the variables, sales has the highest correlation (0.75) and is the most influential factor. This shows that using social media effectively increases sales, which directly supports overall business growth and increased customer visibility and engagement.

## Regression Analysis

Regression analysis was performed to understand how social media factors influence business growth. The results show that awareness, customer engagement, and sales have a significant impact on growth. Of these, sales and engagement emerge as the most influential predictors. This model explains much of the variance and highlights the importance of social media in improving performance.

Predictor	Beta ( $\beta$ )	t-value	Significance
Constant	1.10	3.20	0.002
Visibility	0.30	5.80	0.000
Engagement	0.35	6.50	0.000
Sales	0.40	7.20	0.000

$$R^2 = 0.62$$

## Interpretation

The regression results show that the model explains 62% of the variance in firm growth, indicating strong explanatory power. Sales and customer interaction are considered to be the main drivers of growth. This suggests that companies that actively focus on increasing engagement and sales through social media are more likely to increase productivity.

## Findings

- Social media greatly accelerates business growth.
- Customer engagement leads to increased sales.
- Visibility helps attract new customers.
- Digital marketing is cost-effective and effective.
- Small businesses are increasingly relying on social media.

Offer

## Suggestions

- Businesses should post regularly on social media.
- Improve the quality of your content (images, videos).
- Use paid advertising to expand your reach.
- Actively interact with customers.

- Learn digital marketing skills.

## **conclusion**

The study highlights the important role of social media in the development of small and medium enterprises in southern Tamil Nadu. Support your business by increasing transparency, strengthening customer relationships, and increasing sales. Among the key factors, customer interaction and sales have the greatest impact on growth. Social media is also an inexpensive and effective marketing tool. However, its success depends on constant effort and creative content. Companies that actively utilize social media strategies are more likely to grow and remain competitive. Overall, implementing a digital platform is critical to long-term business success.