

A Study of advertising in social media marketing and its effects on Small Businesses

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1. ABSTRACT

Social media marketing has become an essential tool for business promotion in the modern digital era, especially for small businesses aiming to expand their reach at a low cost. However, the effectiveness and impact of social media advertising on small businesses vary depending on multiple factors. The present study titled “A Study of Advertising in Social Media Marketing and its Effects on Small Businesses in Amravati” was undertaken to analyze the role and influence of social media advertising on the growth and performance of small businesses in Amravati district. The study focuses on small business owners operating in sectors such as retail, services, and local enterprises in Amravati city and nearby areas. The main objectives of the study were to examine the extent of usage of social media platforms for advertising, identify the benefits and challenges faced by small businesses in adopting social media marketing, and analyze the impact of such advertising on customer engagement, brand awareness, and sales performance. The study is descriptive in nature and is based on both primary and secondary data. Primary data was collected through a structured questionnaire from 70 respondents, including small business owners actively involved in marketing activities. Secondary data was gathered from research papers, journals, books, reports, and relevant online sources related to social media marketing and small business development. Most respondents agreed that social media advertising helps in increasing brand visibility, attracting new customers, and improving communication with existing customers. However, several challenges were also identified, including lack of technical skills, limited knowledge of digital marketing strategies, budget constraints, and difficulty in measuring advertising effectiveness. The study also reveals that factors such as age, education, and business experience influence the adoption and effective use of social media marketing. It is concluded that social media advertising has a significant positive impact on small businesses, but its full potential is not yet utilized due to various limitations. The study suggests that proper training, awareness programs, and strategic use of digital tools can enhance the effectiveness of social media advertising for small businesses in Amravati district.

Keywords: Social Media Marketing, Advertising, Small Businesses, Digital Marketing, Customer Engagement, Brand Awareness, Amravati District.

2. INTRODUCTION :

In the present age of digital transformation, communication and purchasing behavior have changed significantly. Earlier, people relied on face-to-face interaction and traditional media like newspapers, radio, and television for information and advertising. However, with the rapid growth of the internet and smartphones, communication patterns have shifted. Today, social media has become one of the most powerful tools for communication, information sharing, and promotion across the world.

In cities like Amravati, small businesses such as grocery shops, tailoring units, beauty parlours, and home-based enterprises play a vital role in the local economy. However, they face challenges like increasing competition, changing customer preferences, and the growth of online shopping. With rising smartphone and internet usage, customers now prefer businesses that are visible online. Social media advertising helps these businesses improve visibility, attract customers, and build trust and loyalty.

In today's competitive environment, adopting digital marketing strategies is essential for business survival and growth. Social media advertising has emerged as a simple, affordable, and effective marketing tool. Studying its impact on small businesses is important to understand its benefits, challenges, and role in improving customer engagement and business performance. It also helps identify ways to use social media more effectively for sustainable growth in the digital era.

3. PROBLEM STATEMENT :

The problem focuses on understanding the impact of social media advertisements on customer engagement and brand recognition among small businesses in Amravati, where despite widespread use of social media platforms, their actual effectiveness in attracting customers, increasing interaction, and building brand awareness remains unclear due to a lack of proper evaluation and evidence on their contribution to business growth. Additionally, there is uncertainty regarding the level of awareness and frequency of social media usage among small business owners, as not all of them use these platforms regularly or effectively for promotional purposes, with some having limited knowledge of different platforms and others lacking

consistency in their usage. Furthermore, small businesses face several challenges in utilizing social media for marketing, including inadequate technical skills, limited financial resources, absence of well-defined strategies, and difficulty in measuring outcomes, which collectively hinder their ability to fully leverage social media as a marketing tool and highlight the need for a comprehensive study to address these issues and improve overall business performance.

4. Review of literature

There are some previous studies /research are available on ShodhGanga and Google Scholar Platform ,are mentioned below

1. K. Pawar (2024)

Pawar studied the effectiveness of online advertising for small retail businesses in the Vidarbha region. The research found that social media advertising is affordable and provides measurable results for small businesses.

It also showed that online presence helps small retailers compete with larger brands by increasing visibility. The study supports the present research by highlighting the competitive advantage provided by digital advertising.

2. T. Deshmukh (2023)

Deshmukh conducted a study on the role of social media in the growth of small businesses in Amravati. The research focused on practical usage of digital platforms by local shopkeepers. It found that WhatsApp, Facebook, and Instagram are commonly used for product promotion.

The study also reported that many businesses experienced increased customer visits and sales after using social media. This supports the present research by showing real-life benefits of digital advertising.

3. Lakshmi V. & Afraa Mahboob (2019)

Lakshmi and Mahboob studied the role of social media marketing for Indian small businesses. The research highlighted that social media helps maintain continuous communication with customers.

It found that regular updates, offers, and interactions build customer loyalty and trust. The study supports the present research by emphasizing the importance of relationship marketing.

4. Jagrati Tiwari (2023)

Tiwari conducted a study on the role of social media for small businesses in India. The research found that digital platforms allow businesses to expand beyond their local markets.

It also highlighted that even small shops can attract new customers from different locations at a low cost. This supports the present research by showing the expansion opportunities provided by social media.

5. M. Thomas (2022)

Thomas studied the use of social media as a marketing tool by small retailers. The research found that WhatsApp is widely used for direct communication with customers.

It allows businesses to send product images, offers, and updates easily. The study supports the present research by highlighting the simplicity and effectiveness of WhatsApp marketing.

6. Pawar, Jyoti Jitendra (2022)

Pawar studied the impact of media type and context on advertising effectiveness. The research focused on returns on marketing investment (ROMI).

It found that digital and social media advertising provide better results due to targeting and performance measurement. This supports the present research by highlighting efficiency of online advertising.

7. A. Mehta (2021)

Mehta conducted a study on digital marketing adoption among small businesses in India. The research focused on understanding the reasons behind the increasing shift from traditional marketing methods to digital platforms. The study found that affordability and wider reach are the major factors encouraging small businesses to adopt digital marketing.

It also highlighted that digital platforms allow businesses to connect with a larger audience and promote their products more effectively. However, the study pointed out that lack of digital skills, limited knowledge, and fear of technology restrict the effective use of these platforms. This study supports the present research by identifying lack of awareness and skills as key barriers to digital adoption.

8. P. Verma & S. Arora (2020)

Verma and Arora conducted a study on consumer engagement through social media advertising. The research focused on how different types of content influence customer interaction. The study found that interactive content such as videos, polls, quizzes, and stories significantly increases customer engagement.

5. Objectives of the study :

1. To study the impact of social media advertisements on customer engagement and brand recognition.
2. To examine awareness and frequency of small businesses use social media for promoting their products or services.
3. To find out the major problems and challenges faced by small businesses while using social media for marketing.

7. Research Methodology

Research methodology provides a systematic framework for collecting, organizing, analyzing, and interpreting data to achieve research objectives scientifically. This study on social media advertising and its effects on small businesses in Amravati adopts a descriptive research design to understand current practices, customer engagement, and business performance without manipulating variables.

A convenience sampling technique is used to select 70 small business owners from sectors like retail, services, and food outlets, representing the population of businesses using social media platforms such as Facebook, Instagram, and WhatsApp. Data is collected through primary sources using structured questionnaires and personal interaction, along with secondary sources

like journals and reports for theoretical support. The data is analyzed using MS Excel with tools such as percentages, averages, tables, and charts to present findings clearly. Key concepts like social media advertising, customer engagement, and effectiveness are defined for clarity. However, the study is limited to Amravati district, a small sample size, a specific time period (2025–2026), and the use of convenience sampling, which may affect the generalization of results.

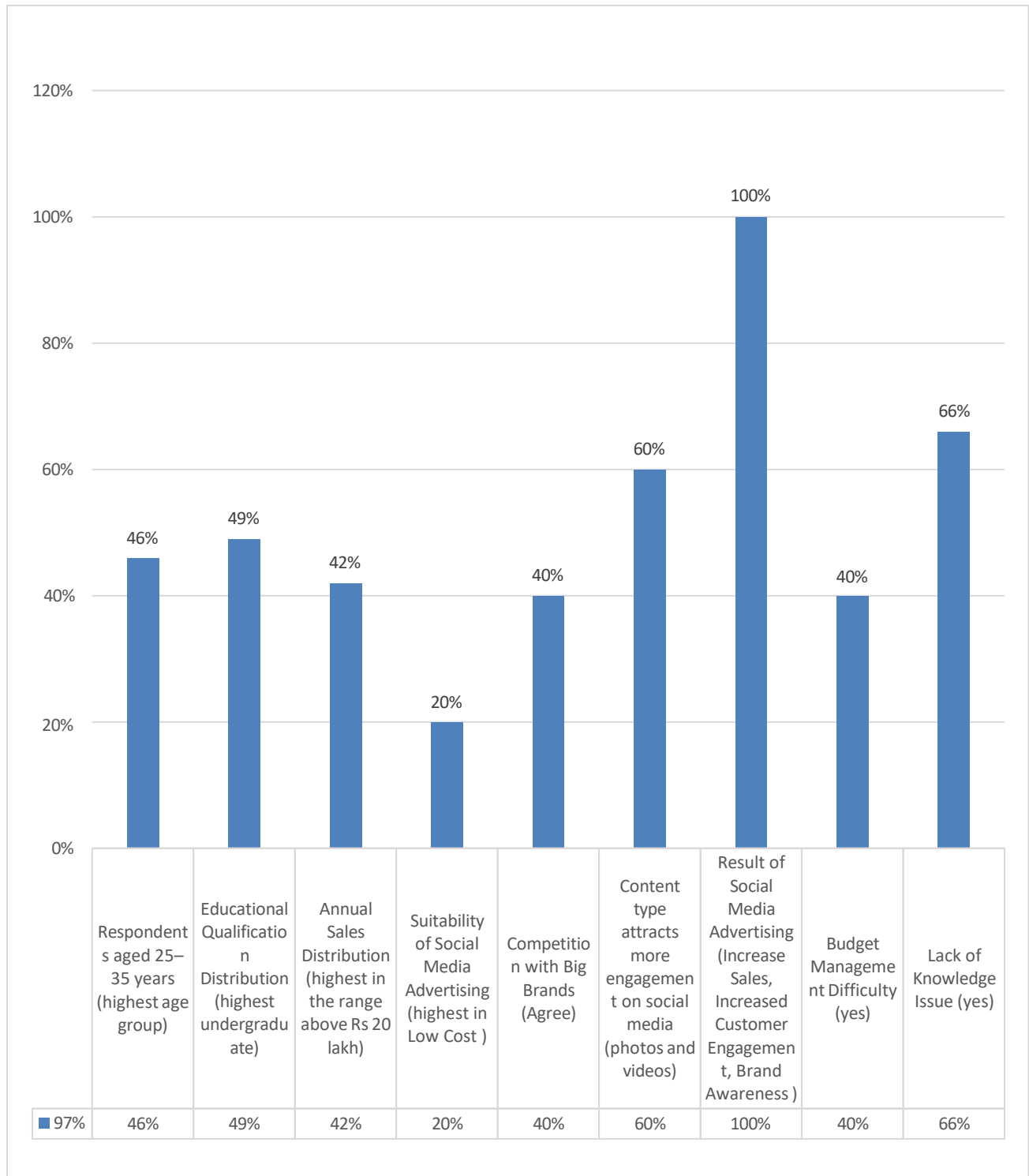
8. Data Analysis and Interpretation

Table

Sr. No.	Indicator	Percentage (%)
1	Male respondents (highest among gender)	97%
2	Respondents aged 25–35 years (highest age group)	46%
3	Educational Qualification Distribution (highest undergraduate)	49%
4	Annual Sales Distribution (highest in the range above Rs 20 lakh)	42%
5	Suitability of Social Media Advertising (highest in Low Cost)	20%
6	Competition with Big Brands (Agree)	40%
7	Content type attracts more engagement on social media (photos and videos)	60%
8	Result of Social Media Advertising (Increase Sales, Increased Customer Engagement, Brand Awareness)	100%
9	Budget Management Difficulty (yes)	40%
10	Lack of Knowledge Issue (yes)	66%

Table 1

Graph



Graph: table

9. Interpretation

The analysis of the data shows that the majority of respondents are male (97%), indicating that male business owners are more actively involved in the study, while the highest proportion of respondents belongs to the 25–35 years age group (46%), suggesting that young and middle-aged entrepreneurs are more engaged in business and social media usage; in terms of education, most respondents are undergraduates (49%), reflecting a moderate level of educational background among small business owners. The findings further reveal that a significant number of businesses (42%) have annual sales above ₹20 lakh, indicating a fairly stable business performance among respondents. When it comes to social media advertising, only 20% consider it mainly as a low-cost tool, which shows that although it is affordable, not all business owners fully recognize or utilize its cost-effectiveness. Additionally, 40% of respondents agree that they face competition from big brands, highlighting the challenge small businesses encounter in maintaining visibility and market share in a competitive digital environment. The study also indicates that 60% of respondents believe that photos and videos attract the highest engagement, emphasizing the importance of visual content in improving customer interaction on social media platforms. Importantly, all respondents (100%) reported positive results from social media advertising in terms of increased sales, improved customer engagement, and enhanced brand awareness, demonstrating its effectiveness as a marketing strategy. However, despite these benefits, several challenges persist, as 40% of respondents face difficulties in managing their advertising budgets and a significant 66% experience a lack of knowledge regarding the effective use of social media, indicating that while awareness and benefits of social media marketing are evident, there is still a need for better training, strategic planning, and resource management to help small businesses fully utilize its potential for growth.

10. Finding of the study

The findings of the study reveal that the majority of respondents are male, with most belonging to the young adult age group and having an undergraduate level of education, indicating that young and moderately educated individuals are actively involved in small businesses. A considerable proportion of businesses report higher levels of annual sales, reflecting stable business performance. The study also shows that social media advertising is perceived as a low-

cost marketing tool by some respondents, while many agree that they face strong competition from big brands. In terms of content preference, most respondents believe that photos and videos generate the highest engagement on social media platforms. Importantly, all respondents observed positive outcomes from social media advertising, including increased sales, improved customer engagement, and enhanced brand awareness. However, the study also highlights certain challenges, as many respondents experience difficulties in managing their advertising budgets and face a lack of knowledge in effectively using social media, indicating that although social media marketing is beneficial, there is a need for better skills, awareness, and strategic utilization among small business owners.

11. Conclusion

The study concludes that young and moderately educated entrepreneurs dominate small businesses, with social media playing a crucial role in their growth and marketing activities. Platforms like Facebook, WhatsApp, and Instagram are widely used, and visual content such as photos and videos is most effective in driving customer engagement. Social media significantly improves brand awareness, customer relationships, and sales, while also offering a cost-effective way to reach a wider audience and compete with larger brands. However, challenges such as lack of digital knowledge, content creation difficulties, and budget management issues still exist, indicating the need for better training and strategic planning to fully utilize its benefits.

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