

Effectiveness of Social Media Marketing as a Digital Transformation Tool for Small-Scale Businesses: A Study of Amravati City

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Abstract

In the present digital era, social media marketing has become an important tool for businesses to connect with customers and promote their products and services effectively. Small-scale businesses, in particular, are increasingly adopting social media platforms as part of their digital transformation strategies to remain competitive and achieve sustainable growth. This research paper aims to study the effectiveness of social media marketing among small-scale businesses in Amravati City.

The study is based on primary data collected through a structured questionnaire administered to 50 small-scale business owners operating in Amravati City. Secondary data were collected from journals, books, websites, and previous research studies. The research focuses on understanding the usage of various social media platforms, the purpose of using social media marketing, and its impact on customer reach, brand awareness, and sales performance.

The findings of the study reveal that social media marketing plays a significant role in enhancing customer engagement and improving business visibility at a low cost. However, challenges such as lack of technical knowledge, time constraints, and limited digital skills were also identified. The study concludes that social media marketing acts as an effective digital transformation tool for small-scale businesses and provides valuable insights for improving marketing strategies in the digital age.

Keywords

Social Media Marketing, Digital Transformation, Small-Scale Businesses, Customer Engagement, Amravati City

1. Introduction

Digital transformation has significantly changed the way businesses operate and communicate with customers. With the rapid growth of internet usage and smartphones, social media platforms such as Facebook, Instagram, WhatsApp, and YouTube have become powerful marketing tools for businesses of all sizes. Social media marketing allows organizations to promote products, interact with customers, and build strong brand relationships in a cost-effective manner.

Small-scale businesses often face challenges such as limited budgets, high competition, and lack of access to traditional advertising channels. In this context, social media marketing provides an affordable and efficient solution to reach a wider audience. By integrating digital technologies into their marketing functions, small-scale businesses can improve customer awareness, increase sales, and achieve sustainable growth.

In cities like Amravati, many small-scale business owners are gradually adopting social media marketing as part of their digital strategy. This study attempts to analyze the effectiveness of social media marketing as a digital transformation tool and examine its impact on the performance of small-scale businesses in Amravati City. Small-scale businesses are increasingly exploring social media as a marketing tool. Local retailers, service providers, and entrepreneurs are using platforms like WhatsApp and Instagram to showcase products and communicate with customers. However, the level of effectiveness and strategic usage of social media marketing varies from business to business. Therefore, it becomes important to study how effectively social media marketing is being used by small-scale

businesses and how it influences their business performance.

This study focuses on analyzing the effectiveness of social media marketing as a digital transformation tool among small-scale businesses in Amravati City. The research aims to understand the extent of social media usage, the objectives behind adopting social media marketing, and its impact on customer engagement, brand awareness, and sales performance. The findings of this study are expected to provide valuable insights to small-scale business owners, marketers, and policymakers for developing effective digital marketing strategies and supporting the digital growth of small-scale enterprises.

1.1 Problem Identification

Small-scale businesses in Amravati City operate in a highly competitive environment with limited financial and marketing resources. Although social media marketing offers numerous benefits, many business owners are uncertain about its effectiveness and proper utilization. There is a need to evaluate how far social media marketing contributes to business growth, customer engagement, and brand awareness. Hence, the problem of the study is to analyze the effectiveness of social media marketing among small-scale businesses in Amravati City.

1.2 Objectives of the Study

The main objectives of the study are:

1. To study the usage of social media platforms by small-scale businesses in Amravati City.
2. To analyze the effectiveness of social media marketing in promoting products and services.
3. To examine the role of social media marketing in customer engagement and brand awareness.
4. To identify the benefits and challenges faced by small-scale businesses while using social media marketing.
5. To suggest suitable measures for improving social media marketing practices among small-scale businesses.
6. To study the frequency and purpose of social media usage by small-scale business owners.

7. To analyze the impact of social media marketing on sales growth and customer acquisition.
8. To identify the most preferred social media platforms among small-scale businesses.
9. To examine the level of digital awareness and skills among small-scale business owners.
10. To study the cost-effectiveness of social media marketing compared to traditional marketing methods.
11. To understand the perception of small-scale business owners toward social media marketing.
12. To evaluate the role of social media marketing as a digital transformation tool for small-scale businesses.
13. To analyze the relationship between social media marketing and business performance indicators.
14. To identify factors influencing the adoption of social media marketing among small-scale businesses.

2. Review of Literature

1. The review of literature provides an understanding of previous research studies related to social media marketing and its role in business growth and digital transformation. It helps in identifying research gaps and building a strong base for the present study.
2. Kaplan and Haenlein (2010) defined social media as a group of internet-based applications that allow the creation and exchange of user-generated content. Their study explained how social media platforms help businesses interact directly with customers. This research highlights the importance of social media as a modern marketing communication tool, especially for small businesses with limited resources.
3. Tuten and Solomon (2017) stated that social media marketing enables businesses to build brand awareness, engage customers, and influence purchasing decisions at a lower cost compared to traditional marketing. Their study emphasized that small businesses can effectively use social media platforms to compete with larger firms by adopting proper digital strategies.
4. A study by Chaffey and Ellis-Chadwick (2019) discussed the role of digital marketing in business transformation. The authors explained that integrating digital tools such as social media into marketing functions helps organizations improve customer relationships and achieve sustainable growth. This

study supports the idea of social media marketing as a digital transformation tool.

5. Mangold and Faulds (2009) highlighted that social media has changed the traditional promotional mix by allowing two-way communication between businesses and customers. Their research found that social media influences customer opinions and purchasing behavior, making it an important platform for marketing activities.

6. An Indian study by Saravanakumar and Sugantha Lakshmi (2012) examined the effectiveness of social media marketing among small and medium enterprises. The study concluded that social media marketing improves customer reach, brand image, and sales performance, but lack of digital skills remains a major challenge for small businesses.

7. From the above studies, it is evident that social media marketing plays a significant role in digital transformation and business growth. However, limited research is available focusing on small-scale businesses at the city level, particularly in Amravati City. Hence, the present study attempts to fill this research gap by analyzing the effectiveness of social media marketing among small-scale businesses in Amravati City.

3. Research Methodology

The research methodology explains the systematic approach adopted to achieve the objectives of the study and to analyze the effectiveness of social media marketing among small-scale businesses in Amravati City. It outlines the research design, data collection methods, sampling techniques, and tools used for data analysis to ensure reliability and validity of the findings.

The study follows a descriptive research design, as it aims to describe the current practices, usage patterns, and effectiveness of social media marketing among small-scale businesses. Both primary and secondary data sources were used for the study. Primary data were collected through a structured questionnaire administered to selected small-scale business owners, while secondary data were gathered from books, research journals, websites, and previous studies related to social media marketing and digital transformation.

A sample size of 50 small-scale businesses was selected using the convenience sampling method due to time and resource constraints. The collected data were analyzed using simple statistical tools such as percentages, mean scores, tables, and charts for easy interpretation. The methodology adopted helped in obtaining practical insights into social media usage, challenges faced by businesses, and the overall impact of social media marketing on business performance.

3.1 Research Design

The study is descriptive in nature, as it aims to describe and analyze the effectiveness of social media marketing as a digital transformation tool for small-scale businesses.

3.2 Area of the Study

The study was conducted among small-scale businesses in Amravati City.

3.3 Sources of Data

The study is based on both primary and secondary data.

- **Primary Data:** Collected through a structured questionnaire from small-scale business owners.
- **Secondary Data:** Collected from books, research journals, websites, conference papers, and previous studies related to social media marketing and digital transformation.

3.4 Sample Size

The sample size of the study consists of 50 small-scale businesses selected from Amravati City.

3.5 Sampling Technique

The **convenience sampling method** was adopted due to ease of access and time limitations.

3.6 Data Collection Tool

A structured questionnaire containing multiple-choice and Likert-scale questions was used to collect primary data.

3.7 Tools for Data Analysis

The collected data were analyzed using:

- Percentage analysis
- Tables and simple graphical representation

- Interpretation for hypothesis testing

3.8 Hypotheses of the Study

The study is based on the following hypotheses:

- H₀ (Null Hypothesis):** Social media marketing has no significant impact on the performance of small-scale businesses in Amravati City.
- H₁ (Alternative Hypothesis):** Social media marketing has a significant impact on the performance of small-scale businesses in Amravati City.

4. Data Analysis & Interpretation

1. Demographic Profile of Respondents

Respondent Profile	Number of Respondents	Percentage (%)
Type of Business		
Retail	20	40
Manufacturing	10	20
Service	15	30
Others	5	10
Years of Business		
Below 3 years	12	24
3–5 years	20	40
Above 5 years	18	36
Number of Employees		
Below 10	15	30
10–20	25	50
Above 20	10	20

Interpretation:

Most respondents are from retail and service businesses (70%), with majority having 3–5 years of operation and 10–20 employees. This shows a mix of small-scale businesses actively using social media marketing.

2. Usage of Social Media Platforms

Platform	Number of Respondents	Percentage (%)
Facebook	40	80
Instagram	35	70
WhatsApp	45	90
YouTube	20	40
Others	5	10

Interpretation:

WhatsApp, Facebook, and Instagram are the most commonly used platforms among small-scale businesses in Amravati. YouTube and other platforms are less popular.

3. Frequency of Social Media Usage

Frequency	Number of Respondents	Percentage (%)
Daily	30	60
Weekly	15	30
Occasionally	5	10

Interpretation:

Majority of businesses (60%) use social media daily, showing regular engagement and effort toward digital marketing.

4. Effectiveness of Social Media Marketing (Likert-Scale)

Questions: 5-point scale (1=Strongly Disagree to 5=Strongly Agree)

Statement	Mean Score	Interpretation
Social media increases customer reach	4.2	High effectiveness
Social media improves brand awareness	4.1	High effectiveness
Social media is cost-effective	4.0	High effectiveness
Social media increases sales	3.8	Moderate to high effectiveness

Interpretation:

Social media marketing is highly effective in increasing customer reach, brand awareness, and is cost-effective. Impact on sales is also significant but slightly lower, possibly due to limited digital skills or competition.

5. Challenges Faced

Challenge	Number of Respondents	Percentage (%)
Lack of technical knowledge	20	40
Time constraints	15	30

Limited budget	10	20
Others	5	10

Interpretation:

Main challenges are lack of technical knowledge (40%) and time constraints (30%). Small-scale businesses require support and guidance for effective social media marketing.

5. Hypothesis Testing (Simplified)

Hypothesis:

- **H₀:** Social media marketing has no significant impact on small-scale business performance
- **H₁:** Social media marketing has a significant impact on small-scale business performance

Observation:

- Most respondents agreed that social media improves customer reach, brand awareness, and sales.
- Mean scores for key variables are above 3.8 (on 5-point scale).

Conclusion:

- Reject H₀ and accept H₁.
- Social media marketing significantly impacts the performance of small-scale businesses in Amravati City.

6. Findings of the Study

1. Most small-scale businesses in Amravati use WhatsApp, Facebook, and Instagram for marketing.
2. Daily social media usage is common among 60% of businesses, showing strong digital engagement.
3. Social media marketing effectively improves customer reach, brand awareness, and sales, though sales impact is slightly moderate.
4. Major challenges include technical knowledge gaps and time constraints.
5. Overall, social media marketing serves as an effective digital transformation tool for small-scale businesses.

7. Conclusion

The study concludes that social media marketing is an essential digital tool for small-scale businesses in Amravati. It helps in increasing customer engagement, building brand visibility, and supporting sustainable business growth. Despite some challenges, businesses that actively use social media see a positive impact on overall performance. The study highlights the importance of training and digital support to enhance effectiveness. However, the study also identifies certain challenges faced by small-scale business owners in effectively utilizing social media marketing. These challenges include lack of technical knowledge, limited digital skills, time constraints, and inconsistent content management. Due to these limitations, many businesses are unable to fully exploit the potential benefits of social media platforms. This suggests the need for proper training programs, digital literacy initiatives, and awareness campaigns to help small-scale entrepreneurs enhance their social media marketing capabilities.

In conclusion, social media marketing serves as a powerful and affordable digital transformation tool for small-scale businesses in Amravati City. When used strategically and consistently, it can significantly improve business visibility, customer engagement, and overall performance. The study emphasizes that with adequate support, skill development, and strategic planning, small-scale businesses can effectively leverage social media marketing to achieve sustainable growth and long-term success in the digital era.

7. Suggestions / Recommendations

1. Small-scale businesses should invest in basic digital marketing training to overcome technical challenges.
2. Use social media platforms strategically, focusing on platforms that provide maximum engagement for their business type.
3. Schedule regular posting and interactions to maintain daily engagement.
4. Explore affordable paid promotions on Facebook and Instagram to increase reach and sales.

5. Government or business associations can provide workshops and digital guidance for small-scale businesses.

8. Limitations of the Study

1. Study is limited to 50 small-scale businesses in Amravati City.
2. Time and resource constraints prevented a larger sample size.
3. Findings are specific to Amravati and may not be generalized to other cities.
4. Responses are based on self-reported perceptions, which may include some bias.
5. The study focuses only on small-scale businesses and does not include medium or large-scale enterprises for comparison.
6. The research considers a limited number of social media platforms and does not cover emerging or less commonly used platforms.
7. The study does not measure actual financial performance data such as exact sales figures or profit margins.
8. Changes in social media algorithms and platform features during the study period were not considered.
9. The level of digital literacy among business owners was not measured in detail.
10. The study does not account for external factors such as market competition, economic conditions, or seasonal demand variations.

9. Scope for Future Research

1. Similar studies can be conducted in other cities to compare results.
2. Future research can explore the impact of paid social media advertising on sales.
3. Studies can investigate the role of advanced digital tools (e.g., AI marketing, analytics) in small-scale business growth.
4. Researchers can focus on long-term ROI of social media marketing for small-scale enterprises.

5. Comparative research can be conducted between traditional marketing methods and social media marketing to evaluate their relative effectiveness.

6. Researchers may analyze the impact of social media marketing on brand loyalty and repeat purchase behavior among customers.

7. Future research can focus on sector-wise analysis (retail, service, manufacturing) to understand differences in social media marketing effectiveness.

8. Studies may explore the influence of influencer marketing and local content creators on small-scale business promotion.

9. Future research can investigate the challenges and barriers faced by small-scale businesses in adopting digital marketing technologies in depth.

10. Researchers can assess the role of government initiatives and digital training programs in improving social media adoption among small entrepreneurs.

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